ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MA PROGRAM OF MARKETING MANAGEMENT

THE EFFECT OF MARKETING COMMUNICATION PRACTICES ON BUSINESS PERFORMANCE: THE CASE OF PHARMACEUTICAL COMPANIES IN ADDIS ABABA

BY: DANIEL ASFAW

ADVISOR: EPHREM ASSEFA (PHD)

A Thesis Submitted to St. Mary's University School of Graduate Studies In Partial Fulfillment of The Requirements for The Degree of Master in Marketing Management

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July 2023

Addis Ababa, Ethiopia

DECLARATIONS

I, Daniel Asfaw, the undersigned, declare that this thesis, "The effect of Marketing Communication Practices on Business Performance In case of Pharmaceutical Companies in Addis Ababa" is my original work and that it has not been submitted in part or in whole by any other person for an award of degree in any other university/institution.

I conducted the research on my own, with the guidance and support of the research supervisor.

Submitted by:

Full Name: Daniel Asfaw

Signature ----------------

Date--------------------

CERTIFICATION

This is to certify that the thesis prepared by Daniel Asfaw, titled "The effect of Marketing Communication Practices on Business Performance In case of Pharmaceutical Companies in Addis Ababa", is submitted in partial fulfillment of the requirements for the award of the Degree of Master of Arts (Marketing Management), complies with the University Regulations and meets the accepted standards in terms of originality and quality.

Approved by The Board of Examiners.

Advisor--------------------------------------Signature------------- Date---------------

Internal Examiner---------------------------Signature-----------------Date------------

External Examiner--------------------------Signature-----------------Date-------------

ACKNOWLEDGMENT

Above all, I thank almighty God, who gives me endurance, wisdom and courage to complete this research project; also, my gratitude goes to my Advisor Ephrem Assefa (PhD); for the guidance, support and the encouragement for the successful completion of this thesis. My appreciation is to my family and friends for their overall assistance and continues support during this project work. I am also thankful to managers at pharmaceutical companies in Addis Ababa for willing to filling questioner for this study.

Thank you

Table of Contents

List of Acronyms

ADV--------------------Advertising,

BSP---------------------Business performance

DRM--------------------Direct marketing

DTCA------------------Direct to Customer Advertisement

EFDA: ------------------Ethiopian Food, and drug Authority

MCs---------------------Marketing Communications

PBR---------------------Public relations

ROI----------------------Return on investment

SLP----------------------Sales promotion

PSL----------------------Personal selling

SPSS--------------------Statistical Package for Social Science

USA---------------------United States of America

WHO--------------------World Health Organization

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ABSTRACT

This study aimed to the purpose of the study was to examine the effect of MC practices(sales promotion , direct marketing, advertisement, public relation and personal selling) on the business performance among pharmaceutical companies in Addis Ababa. To realize the study objective, the study adopted research design with quantitative research approach. Self-administered questionnaires were used to collect the data. Descriptive and inferential statistics were used in data analysis. The findings of the study revealed that, among MC tools, public relations and sales promotion were highly practiced by used by pharmaceutical companies while advertisement (grand mean value of 2.5) was practiced to a lesser extent. Moreover, there is moderate level of business performance among companies. Furthermore, the results of regression analysis showed that all MC practices except advertising have caused a statistically significant positive effect on business performance where the highest effect resulted from public relations (β=0.363, p<0.05) and the lowest effect from advertising (β=0.0379, p=0.298). Therefore, the pharmaceutical companies in Addis Ababa should give due emphasis for sales promotion, personal selling, direct marketing and public relations in order to boost their business performance.

***Key Keywords:** MC practice, business performance, pharmaceutical companies, Addis Ababa*

Chapter One

Introduction

1.1 Background of the Study

The pharmaceutical sector has a significant role on socio economic development of countries around the world (Al Thabbah et al., 2022; Kabir et al., 2022, Khazzaka 2019). So do in Ethiopia (Abel et al., 2021, Bestelot 2021). The pharmaceutical industry is regarded as one of the world's most inventive industries they develop and deliver new products to market continuously so this make marketing one of the backbones of pharmaceutical companies all over the world (Al Thabbah et al., 2022). In developing countries, Products from local pharmaceutical firms are confronted with multiple issues, the most serious of which is competition among local and foreign multinational pharmaceutical companies. Many major foreign pharmaceutical companies have established strong brands and are focusing on developing MC strategies (Goodie-Okio et. al., 2022; Emily 2016; Barmao 2016).

In Addis Ababa there are 212 pharmaceutical importers and distributors, 1350 pharmaceutical retailers and Eleven pharmaceutical manufacturers (AAFMAHAC 2022; Jaco 2022). The sum of multinational pharmaceutical companies operating in Ethiopia are Pfizer, Bayer, Novonordisk,Novartis, Jonson and Johnson, AstraZeneca, Sanofi, and, Roch. These companies are among top companies in the world that computing with Ethiopian domestic pharmaceutical companies.

Pharmaceutical Marketing and marketing communication (MC) tools used by pharmaceutical companies is regulated and governed by laws-and-regulations for example advertising on TV, radio, website, internet, sales promotion, Direct-to-consumer advertising (DTCA) are based on laws-and-regulations in some countries; however there is large variation in the legal instruments among countries (Anna and Peter 2023). In some countries, notably the US, they are allowed to advertise direct to the general public (Tharaka 2012; Lexchin, and Mintzes, 2012; Anna and Peter 2023). In Ethiopia, pharmaceutical marketing regulation is enforced and controlled by EFDA (Sultan et al., 2016; EFDA 2022). Integrated marketing communication tools used by pharmaceutical companies such as advertising on TV, radio, and advertising direct to the general public for some products is prohibited by regulations (EFDA 2022).

Marketing communication is a process that passes through various stages to achieve its objective and outcomes. The steps in the process of the MC programs demonstrate the subsets and components/marketing technique such as sales promotion, direct marketing, advertisement, public relation and personal selling (Cheruiyot et al., 2016).There are three basic subsets of MC programs and these are consumers, communication channels and results or expected business performance (Naeem et al 2013, Abel et al., 2021). In understanding the first subsets, customers, firms must question how target audiences are getting information as well as understand how the delivery of this information should be done, messages form and contents. Second, the firms should look at how effective and appropriate each communication channel (marketing technique) is in the achievement of the MC strategy. The final important stage is to be able to measure results of the MC programs (the impact of MC on the business performance). This process is a cycle that must be improved every time new problems, concerns and developments arise (Cheruiyot et al., 2016; Prince et al., 2018; Naeem et al., 2013).

Andy (2004) argues that measuring business performance is complex task and based on business objective. It is important to measure business performance to understand whether a business is achieving its goals. Operational, financial, HR and marketing data can be used to assess business performance. The business performs the organizational assessment to check the overall health. The areas where they are doing well and the areas where they need to improve performance (Andy 2004).

To cope up the pharmaceutical market dynamics different pharmaceutical companies implement different marketing strategies (Tharaka 2012). The pharmaceutical companies around the world is heavily involved in marketing activities to due to competition and to encourage customers to prefer their brands with hope to increase business performance (Tharaka 2012; Al Thabbah 2022; Ghaith et al., 2013). These companies commonly spend a large amount of money on marketing activities and mainly use in MC tools such as advertisement, sales promotion, direct marketing, and public relation. Advertising is commonly in healthcare journals as well as through more mainstream media routes (Tharaka 2012; Kabir et al.,2022; Al Thabbah et al., 2022).

Therefore, the purpose of this study is to investigate the effect of marketing communication practice (sales promotion , direct marketing, advertisement, public relation and personal selling) on Pharmaceutical companies performance in Addis Ababa.

1.2 Statement Problem

In Africa, pharmaceutical companies faced different marketing challenges such as marketing budget and marketing staff competence market exchange rate risk and marketing franchise agreement (Barmao 2016). Poor performance of pharmaceutical companies in Africa is a major problem (Goodie-Okio et. al., 2022) pharmaceutical companies in some African countries are not successful today because of customer's preference on foreign-made Brand over locally made ones. the low performance by brands in the pharmaceutical industry in some African countries is described as a big threat to the survival of the local pharmaceutical companies (Goodie-Okio et. al., 2022;). though the pharmaceutical companies used MC tools , these has limited impact on business performance such as pharmaceutical brand choices. The prevalent low performance may also be connected with firm's inability to inculcate sales promotion in their marketing plan. (Goodie-Okio et. al., 2022; Emily 2016; Barmao 2016)

On average, pharmaceutical companies spend 20% or more of their income on marketing (Khazzaka 2019) among these MC is major one (Tharaka 2012; Kabir et al., (2022). However performance of local pharmaceutical companies in Africa is a problem regardless of use of MC tools (Goodie-Okio et. al., 2022; Emily 2016; Barmao 2016) Ethiopia particularly in Addis Ababa can not be different from this fact

To cope up the pharmaceutical market dynamics different pharmaceutical companies implement different marketing strategies (Tharaka 2012). However Pharmaceutical Marketing (MC tools) used by pharmaceutical companies is regulated and governed by laws-and-regulations but there is large variation in the legal instruments among countries(Anna and Peter 2023); for example In some countries, notably the US, the pharmaceutical firms are allowed to advertise direct to the general public (Anna and Peter 2023 Tharaka 2012; Lexchin, and Mintzes 2012). However in Ethiopia this is prohibited by EFDA regulation. I argue that this would affect the business performance of local pharmaceutical companies as a number of USA pharmaceutical companies operate in Ethiopia with well advertised brands at home country to global audience.

Number of pharmaceutical companies in Addis Ababa increase from 118 in 2015 to over 212 in 2022, the majority of new market internet are multinational foreign companies with some local pharmaceutical companies stop their business due to poor business performance(EFDA 2022). This implies high completion among companies.

In Addis Ababa, pharmaceutical companies, especially those that deal with prescription drugs operate in a very competitive environment because of the existence of various brands of generic drugs. The competitive nature of the business environment makes it mandatory for them to develop and implement strong MC and promotional strategies in order to gain and maintain a reasonable share of the market, sales volume and get profit (Nitsuh 2019; Dawit 2019)

In Addis Ababa preliminary observation showed that Pharmaceutical companies use MC tools. They use a multifaceted approach to MC, incorporating techniques such as hospital and office detailing by pharmaceutical representatives and sales promotion. Although these practices are commonly used, limited studies are conducted and little has been published about the effect of MC on Pharmaceutical companies performance in Ethiopia specifically in Addis Ababa.

Pervious Empirical evidence come up with inconclusive and contradicting results on the study variables as discussed under background part. For instance, A study conducted in Nigeria by Prince (2018) indicated that public relation had insignificant effect on the business performance. On the contrary. A study by Cheruiyot (2016) in Kenya indicated that public relation had statistically significant effect on the business performance. Another study conducted in Ethiopia by Betselot (2021) revealed that amongst MC tools, public relations had relatively the strongest positive and significant effect on the   business performance and prescription behavior of physician.

Adding contradiction of the variables; empirical study from Ethiopia by Dawed (2017) indicated that elements of MC, namely advertisement and sales promotion had insignificant effect on the business performance. Similarly, a study carried out in Malaysia by Kabir et al.,. (2022) found that direct marketing is found to have no significant effect on performance.   Contrarily, a study conducted by Bekure (2021) indicated that elements of MC, namely advertisement, and sales promotion had statistically significant effect on the business performance.

Also empirical evidence from USA pharmaceutical industry by Ángeles et al., (2020) indicated that advertising had significant effect on pharmaceutical firm profitability. Empirical evidence from USA by David et al., (2010) indicated that Promotion-driven market expansions enhance profitability of pharmaceutical companies. Empirical evidence from Europe by Lieb and Scheurich (2019) found that MC Practices and effort by pharmaceutical sales representatives improved sales and Brand awareness of products.

Empirical evidence from Malaysia by Kabir et al. (2022), found that direct marketing is found to have no significant effect on performance. However, Empirical evidence from Ethiopia by Bekure (2021) found that Direct marketing as MC tools had the highest significance effect on the sales performance of the firm.

pervious Empirical evidence from Ethiopia mainly found that influence of promotion towards physicians' prescription behavior for example study by Abel et al., (2021) using mixed study design From public and private hospitals in Dessie, Ethiopia and study by Betselot (2021) from private hospitals in Addis Ababa. This study; target was doctors in hospital do not use pharmaceutical marketers as study participants. Some study focused on finical sector for example Study by Dawed (2017) with aim to assess relationship between MC and performance of insurance companies; whereas Study by Bekure (2021) focused on brewery company.

Studies from Ethiopia in context of pharmaceutical companies on the topic did not addressed the effect of MC and business performance and some are old in time frame; some also not measured performance using comprehensive methods. Therefore, there is a need to study on Effect of MC on business performance in context of pharmaceutical companies in Addis Ababa taking it consideration-limited study on the topic and problem mentioned above and socio economic importance of the sector.

The above empirical studies analysis implies that previous empirical studies on the topic came up with inconclusive and contradicting results on the study variables. Therefore, this study will contribute to the ongoing debate among researchers and scholars by examining the effect of MC on business performance in context of pharmaceutical companies in Addis Ababa. To this end, this study is aimed to investigate the effect of MC (sales promotion , direct marketing, advertisement, public relation and personal selling) on Pharmaceutical companies performance in in Addis Ababa.

1.3 Research Questions

The study is intended to provide answers to the following research questions.

- What is the effect of advertising on the business performance of Pharmaceutical companies in Addis Ababa?
- What is the effect of direct marketing on the business performance of Pharmaceutical companies in Addis Ababa?
- What is the effect of sales promotion on the business performance of Pharmaceutical companies in Addis Ababa?
- What is the effect of personal selling on the business performance of Pharmaceutical companies in Addis Ababa?
- What is the effect of public relations on the business performance of Pharmaceutical companies in Addis Ababa?

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of the study is to determine the effect of marketing communication practices on the business performance in case of pharmaceutical companies in Addis Ababa.

1.4.2 Specific Objectives

The specific objectives of this study are:

- To assess the effect of advertising on the business performance of Pharmaceutical companies in Addis Ababa.
- To measure the effect of direct marketing on the business performance of Pharmaceutical companies in Addis Ababa.
- To determine the effect of sales promotion on the business performance of Pharmaceutical companies in Addis Ababa.
- To assess the effect of personal selling on the business performance of Pharmaceutical companies in Addis Ababa.
- To consider the effect of public relations on the business performance of Pharmaceutical companies in Addis Ababa.

1.5 Significance of the Study

The findings of this study will benefit different stakeholders in the area. For pharmaceutical marketing regulators such as EFDA: the output of this research project will be used as input to formulate new pharmaceutical marketing regulation and Policy. Output of this research project will inform and other Policy makers on significant MC factors that affect business performance of pharmaceutical companies so that appropriate policy and practical measure are taken to prevent poor performance.

For pharmaceutical companies and pharmaceutical marketers: the output of this research project will inform significant MC variable that have promotional tools that have significant effect on business performance and those that have no significant effect on business performance. It also help pharmaceutical companies develop more effective plans to gain a competitive advantage for their business and improve business performance by having a guideline for pharmaceutical marketers as an input to the more efficient allocation of their MC and promotional budgets.

For researchers and academicians: It can serve as of reference materials for researchers in on the topic and other related fields of business. Also as base for further research on the topic based on the study, further research recommendations. Findings from this study will assist academicians in broadening of the prospectus with respect to this study topic hence providing a deeper understanding of the relationship between MC and business performance in pharmaceutical companies context.

Contribution to the body of knowledge in field of study: The study will contribute to the body of knowledge in marketing management by publishing on peer reviewed international journals.

1.6 Scope of the Study

The scope of the study can be discussed in terms of the theme (conceptual scope), geographic scope, methodological scope and unit of analysis.

> **Thematic or conceptual scope:** this study was delimited to investigate the effect of MC tools (namely advertising, sales promotion, direct marketing, public relations, and personal selling) on business performance.
> **Geographical scope:** This research was delimited targeted pharmaceutical companies located in Addis Ababa.

Methodological scope: this study used quantitative research approach and explanatory research design to examine the cause and effect relationship between MC and business performance.

Unit of analysis: since data was gathered from general and marketing managers, organization (company) is the appropriate unit of analysis in the study. Therefore one general manager and one marketing managers were used as study participants among each company of randomly selected companies.

1.7 Operational Definition of Key Terms

The following are theoretical definitions of the variables considered in the undertaking of this research:-

Marketing Communications: is a blend of advertising, direct marketing, personal selling, sales promotion and public relations used by an organization (Bekure 2021).

Advertising: Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor in various media channels (Prince 2018; Koltler, 2006).

Direct Marketing: the use of consumer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen (Dawed 2017; Kabir et al.,2022).

Personal Selling: is face to face communication (one to one) interaction with one or more prospective customers for the purpose of making sales and building customer relationships (Kotler and Armstrong 2012; Prince 2018).

Sales Promotions: Sales promotions is media & non media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial & impulse purchases, increase consumer demand or improve product quality (Dawed 2017; Kotler and Armstrong 2012).

Business Performance: is the analysis of a company's achievement/performance as compared to goals and objectives. Within corporate organizations, there are four primary business performance that can analyzed: financial performance, marketing performance, customer attraction and retention performance and shareholders value performance as measured by ROI (Dawed 2017; Bekure 2021).

1.8 Limitation of the Study

This study geographically limited to pharmaceutical companies in Addis Ababa. Methodologically quantitative approach was used but qualitative research approach not used that could substantiate the quantitative results. Pertinent data was gathered using self-administered questionnaire so that the study participants(general managers and marketing managers) can fill at convenient time for them as they are busy managers. This study finding is limited to general managers and marketing managers view point (other employees).

Furthermore, the researcher faced difficulty to get financial data from companies as they considered business secrete so used five point Likert scale to measure Business performance of companies. Business performance was measured in terms of improvement or increase in profitability, increase in sales volume, increase in number of customers; improvement in brand performance (brand awareness, brand acceptance), customer retention and reduction in wastage due to expiration of unsold pharmaceutical products over last 3 years as claimed by the company general manager using five point Likert scale. This is because the researcher-faced difficulty to get financial data from companies as they considered business secrete.

1.10 Organization of the Study

The thesis was organized in five chapters. Chapter one presents introduction, which is the main skeleton of the study, chapter two pinpointed a review of the related literature including theoretical framework of the study, extensive review of empirical evidence on the subject matter. The research design and methodology are will be presented in chapter three. Chapter four addressed results and discussion. Finally, chapter five elucidated conclusions, and recommendation and future research work on topic based on the study finding and reflection of the researcher on the finding.

Chapter Two

Review of Related Literature

This chapter address theories and perform analysis empirical studies; and developed conceptual framework. This chapter address theoretical aspect of the related literature such as the theories and concept, Empirical evidence from previous studies (from Ethiopia and other countries) and performed detailed journal articles compared and contrasted their finding on each variable of the study, Final demonstrated the research gap based on the literature reviewed and developed conceptual framework with an expected relationship between variables of the study

2.1 Theoretical Review

2.1.1 Definition of Marketing Communications

Marketing communications is the method by which a company ensures different promotional methods within a marketing campaign are clear, consistent and working toward the same goals (Cheruiyot et al., 2016; Prince et al., 2018). Marketing communication is very important and at the same time challenging in the organization. The marketing communication mix elements have become the important players in the life of any businesses be it small, medium or large (Stephen et al., 2017).

The pharmaceutical industry around the world is heavily involved in active marketing activities such as sales promotion, direct marketing, advertisement, public relation and personal selling (Tharaka 2012).Integrated marketing communication (MC) is a process that passes through various stages to achieve its objective and outcomes. The steps in the process of the MC programs demonstrate the subsets and components/marketing technique (such as sales, promotion, direct marketing, advertisement, public relation and personal selling (Cheruiyot et al., 2016).

There are three basic subsets of MC programs and these are consumers, communication channels and results or expected business performance (Naeem et al 2013, Abel et al., 2021). In understanding the first subsets, customers, firms must question how target audiences are getting information as well as understand how the delivery of this information affects the messages form and contents. Second, the firms should look at how effective and appropriate each communication channel (marketing technique) is in the achievement of the MC strategy. The final important stage is to be able to measure results of the MC programs (the impact of MC on the business performance). This process is a cycle that must be improved every time new elements, concerns and developments arise.

This is why MC is not considered as a one time job rather a process that must be refined every time and go in line with new developments in the organizations internal and external environment (Cheruiyot et al., 2016; Prince et al., 2018; Naeem et al 2013)

2.1.2   Components of Marketing Communication

2.1.2.1 Public Relations

Public relations (PR) is a management function aimed at managing the relationships and communication between the organization and various public groups to establish common goodwill and maintain the good reputation of the organization. The tool used in public relations is communication, and it is used to reach internal and external stakeholders in a manner that will enhance the organization's overall marketing strategy (Arens, 2011, Belch and Belch, 2007)

Public relations help an organization and its publics adapt mutually to each other. Public Relations broadly applies to organizations as a collective group, not just a business; and publics encompass the variety of different stakeholders. In pharmaceutical marketing in includes various program designs to promote the brands. It involves product launch meeting, clinical or scientific meetings, conducting a discussion by a specialist doctor related to products, sponsoring physician for conferences etc (Betselot 2021).

Publicity is used for long-term strategic image building, developing creditability and raising the physicians the organization's profile, to enhance other marketing activities. It is a planned element of the wider promotional mix, working in synergy with the others. Khajuria (2013), evaluate the impact of these pharmaceutical promotional strategies on prescribing of drugs by physicians. The results revealed that publicity like seminars, publications, and reputation of company and advertising like brochures and booklets were the most factors considered by the physicians (Betselot 2021).

2.1.2.2 Advertising

Advertising frequently generates controversy. Few industries, however, have so much strong feeling aroused by their promotional activities as pharmaceuticals (Veselin et al., 2015). The pharmaceutical industry is a prime example of an industry that combines both "push" and "pull" strategies in their promotional efforts. The "push" strategy, which relies primarily on personal selling and sales promotion as a means to "push" a product through the marketing channel, is exemplified by the $13.2 billion dollars invested in the efforts of sales people who market drugs directly to physician. A

considerable portion of this money is spent on promotional items such as pens, pencils, mugs, and calendars, all including the company name or logo. (Stephen et al., 2006)

Pharmaceutical Marketing and Integrated marketing communication tools used by pharmaceutical companies   are advertising on TV, radio, website, internet, sales promotion, Direct-to-consumer advertising (DTCA) are based on -laws-and-regulations in some countries; however there is large variation in the legal instruments among countries(Anna-Cathrine and Peter 2023). The emergence of managed care has reduced the impact of detailers; however, they are still a strong source of information in the promotion of drugs (Zigersingh, 1995). There is an unresolved debate whether detailing is a warranted or a redundant promotional activity (Zigersingh, 1995).

2.1.2.3 Sales Promotion

Sales promotion is defined as all marketing actions focusing on eliciting an immediate response from the target market by offering value incentives to members of the distribution channel and/or the final consumer. Therefore, the main aim is to acquire a specific response to the offer from the target audience. They are characterized by the provision of some form of reward for a particular behavior; they change the perception of the value of the offering (Stephen et al., 2017; Naeem, et al.,2013).

Some researchers also studied that publication of new evidence has a modest impact on change of practice but promotional activities appears to increase the adoption of the evidence; therefore, companies who need to accelerate the adoption of their evidence may need to undertake more active promotion rather than relaying only on publication of an article and creating new guidelines (Majumdar et al., 2003).

Gifts such as stationeries, coffee mugs, stethoscope and others which are related to the physicians' day to day activity in regard to patient care are usually emblazoned with product and /or company names and are called product reminder but their potential to influence prescription behavior extends beyond the advertisement they bear. Some physicians see these industry gifts as professional entitlements and if these doctors did not get any gift from a given pharmaceutical company, they are less likely to prescribe the company's product because they think that the company did not give them attention (Katz et al., 2010). Pharmaceutical companies usually promote new and expensive drugs that lead to higher cost of prescription medication however, many physicians believe that drug samples can benefit uninsured and poor patients but studies showed that the availability of free drug samples rather leads

to higher cost since physicians' prefer to prescribe non generic expensive drugs that have free samples (Warrier et al., 2010).

A study showed that elimination of free drug samples decreased the prescription of branded drugs and increased the use of non-promoted branded products significantly. The decrease in the prescription of promoted brands might be due to substitution effect from non-promoted branded drugs or generic products (Hartung et al., 2010)

Their aggressive promotion Branded products. Branded products are always expensive than local products therefore the brand prescription is less affective on prescription behavior of physician because of the cost factor but through promotion, drug suppliers build the brand image of the product. According to Ibrahim (2015) from a total of 110 physicians found that more than half of the participants (56.6%) agreed or strongly agreed that frequent visits from pharmaceutical Salem representatives were an important factor in physicians' drug brand selection to. pharmaceutical promotion is entirely volitional and thus completely under the physician's control to choose a brand. This would determine the extent to which external stimuli, such as promotion from the pharmaceutical industry and the media, have any influences or not to create brand awareness (Betselot 2021)

2.1.2.4 Personal Selling

Personal selling (Detailing), The pharmaceutical market is dominated by personal selling (detailing) as the most effective element of promotional mix. Detailing on the pharmaceutical market implies sales calls by pharmaceutical sales representatives (PSR) to physicians in their surgeries. During the call, the PSR may leave drug samples and some gifts of small value, primarily memorabilia bearing the name of the company or the drug promoted (Veselin et al., 2015).

Medicines samples are commonly used strategies to get doctors to prescribe those drugs. Studies have shown extensively that the use of drug samples by pharmaceutical companies resulted in higher prescription for those drugs. (Veselin et al., 2015; Barmao 2016).

OTC drugs can be promoted to final consumers, which is a result of the fact that these are used for conditions where self-treatment is possible, have comparatively clear and brief package inserts, and a significant amount of information and long experience in the use of these drugs guarantee safety and effectiveness (Barmao 2016).

This part of the MC mix is defined as person-to-person communication where the sales representative uncovers and satisfies the needs of a customer to the mutual benefit of both (Arens, 2011, Belch and Belch, 2007). Personal selling brings the customer to the organization and in most cases, the consumer is interested in buying. The personal selling process leads the consumer through the details of the product offering and aims at closing with an actual sale of the product (Belch and Belch, 2007).

There is a natural similarity between advertising in general and detailing and samples in the prescription drug industry. Because physicians receive visits from the representatives of competing pharmaceutical companies, it is expected that the persuasive aspect of the sales presentations will be mitigated by physicians' increased awareness of competitors' promotional strategies. In other words, it is believed that the persuasiveness of detailing and sampling activity will be cancelled out across the visits of different sales representatives, making the increased awareness of drug features and availability the only remaining effect to influence (increase) physicians' sensitive. The emergence of managed care has reduced the impact of detailers; (Zigersingh,1995)

In a rare qualitative study by Jones (2001) indicates that perceptions of the factors influence the decisions to start prescribing new drugs, including attitudes to drug information sources. Commercial sources of information, in particular pharmaceutical representatives, were an important information source for both consultants and GPs (Jones 2001).

2.1.2.5 Direct Marketing

Direct marketing delivers advertising that is accountable and has benefit, because it builds awareness, as well as generating actual sales). The media used in direct marketing include direct mail, telephone, broadcast, printed media and the Internet. The interactive nature of direct marketing enables it to be an integration of advertising, selling, buying and distribution (Arens, 2011, Belch and Belch, 2007).

Pharmaceutical companies generally employ sales work force and Medical Representatives to market directly and personally to physicians and other healthcare providers. (Tharaka 2012; Lexchin, and Mintzes, 2012). Pharmaceutical companies commonly spend a large amount of money on marketing activities specifically in MC such as advertisement, sales promotion, direct marketing, and public relation. Advertising is commonly in healthcare journals as well as through more mainstream media routes. In some countries, notably the US, they are allowed to advertise direct to the general public (Tharaka 2012; Lexchin, and Mintzes, 2012).

In the Pharmaceutical products marketing companies use, Product knowledge of the Medical Representatives through medico marketing (Basically advertising the products at scientific sessions), Clinical meetings and annual Medical events (Tharaka 2012).

2.1.3 Marketing Practices in Pharmaceutical Companies

To cope up the pharmaceutical market dynamics different pharmaceutical companies implement different marketing strategies (Tharaka 2012). The Tharaka 2012 argue that pharmaceutical companies on selected MC strategies such as medical detailing, providing scientific materials, Sponsorships, continues medical education programs (CME), Sponsoring the clinical meeting conducted by the pharmaceutical companies in order to get the recommendations of their products(Tharaka 2012).

The pharmaceutical companies around the world is heavily involved in marketing activities such as sales promotion, direct marketing, advertisement, public relation and personal selling to due to competition and encourage customers to prefer their brands with hope to increase business performance performance (Al Thabbah 2022; Ghaith et al., 2013).

The pharmaceutical industry around the world is heavily involved in active promotion activities to change doctors' prescription practices and encourage patients preference of their brands (Al Thabbah · 2022). Pharmaceutical companies spend vast sums promoting their products. In Italy in 1998 the figure was US $1.1 billion and in the United States (US) companies spent US $57.5 billion in 2004 Promotion to doctors has been extensively studied and all forms receiving information that originates with pharmaceutical companies, using samples, taking gifts Lexchin (2012) argue pharmaceutical promotion(giving samples, taking gifts, and receiving information) is in most cases not associated with better prescribing of Brands and business performance . so Lexchin (2012) argue that excessive funding pharmaceutical promotion should not compromise business performance of the companies if unable to achieve target or its objective (Lexchin 2012). However author such as Hanna (2022) argue that MC can increase business performance such as sales performance

Pharmaceutical detailing is a strategy used by pharmaceutical companies to inform physicians about a vendor's products in an effort to change the physician's prescribing practices and increase the market share for a particular drug (Hanna 2022).

Through sales calls, pharmaceutical sales personnel are trained to educate physicians and other healthcare professionals. Pharmaceutical detailing has a wide range of benefits, including raising sales, enhancing patient outcomes, promoting clinical research, and enhancing physician knowledge (Hanna2022). Pharmaceutical companies spend huge sums promoting their products whereas regulation of promotional activities is a challenge and problem companies (Lexchin 2012).

In the Pharmaceutical products marketing companies use, Product knowledge of the Medical Representatives through medico marketing (Basically advertising the products at scientific sessions), Clinical meetings and annual Medical events (Tharaka 2012) Pharmaceutical companies generally employ sales work force and Medical Representatives to market directly and personally to physicians and other healthcare providers. (Tharaka 2012; Lexchin, and Mintzes, 2012)

Pharmaceutical Marketing and Integrated marketing communication tools used by pharmaceutical companies is regulated and governed by laws-and-regulations for example –advertising on TV, radio, website, internet, sales promotion, Direct-to-consumer advertising (DTCA) are baased on -laws-and-regulations in some countries; however there is large variation in the legal instruments   amonf countries(Anna-Cathrine and Peter 2023).

The pharmaceutical industry around the world is heavily involved in active product promotion activities to change doctors' prescription practices and encourage patients to prefer their Brands with hope to increase sales performance (Al Thabbah · 2022). On average, pharmaceutical companies spend 20% or more of their income on marketing activities such as (Khazzaka 2019). An estimated 74% of pharmaceutical marketing efforts are directed at doctors. Brand promoters, Medical products distributors, salespersons as medical representatives, and detail personnel are the most important participants in marketing of pharmaceutical products (Ghaith et al., 2013) .

Pharmaceutical companies commonly spend a large amount of money on marketing activites (Tharaka 2012; Lexchin, and Mintzes, 2012). Specifically in MC such as advertisement, sales promotion, direct marketing, and public relation. Advertising is commonly in healthcare journals as well as through more mainstream media routes. In some countries, notably the US, they are allowed to advertise direct to the general public (Tharaka 2012; Lexchin, and Mintzes, 2012).

2.1.4 Pharmaceutical Companies Practice in Ethiopia

Domestic competition is growing with only 20 manufacturers, 45% of which are jointly owned by international and local investors. China is an emerging force in the Ethiopian pharma sector, with two joint ventures and one fully- owned company (Jaco2022)

Ethiopia's domestic pharmaceutical market could be worth over US$1 billion by 2025. Growth is expected to be driven by a rising middle income base and urbanization at a rate of 5.4% per year, which leads to greater access to healthcare as cities have better infrastructure and healthcare capacities. Imports account for 65% to 75% of the Ethiopian pharmaceutical market and are primarily sourced from India (22%), Netherlands (20%) and Belgium (13%). Finished pharmaceutical products make up the bulk of the imports: about 80% of all the pharmaceutical products imported in 2019.

The multinational pharmaceutical companies operating in Ethiopia are Pfizer, Bayer, Novonordisk, Pfizer, Novartis, AstraZeneca, Sanofi, , Roch and Jonson and Johnson.

AstraZeneca: AstraZeneca is a global research-based biopharmaceutical company, which primarily focuses on discovery, development and commercialization of prescription medicines for gastrointestinal, cardiovascular, neuroscience, respiratory and inflammation, oncology and infectious disease. The company sells products under the brands Atacand, Crestor, Onglyza, Nexium, Entocort, Losec, Merrem/Meronem, Carbocaine, Citanest, Diprivan, Marcaine/Sensorcaine. AstraZeneca was founded on April 6, 1999 and is headquartered in London.

Pfizer: The worlds largest pharmaceutical company is Pfizer, headquartered in Connecticut, USA. The research-based company has a varied portfolio that spans many therapy areas, including immunology, oncology, neurosciences and rare diseases. Despite modest revenue growth, Pfizer had a very successful year in 2017. The company received ten FDA approvals and many of its best-selling products have many years of patent protection remaining. There was particular growth with some of Pfizer"s key products, including Ibrance (60% increase), Eliquis and Xeljanz.

Roch:Swiss pharmaceutical company, Roche, is the 2nd biggest pharmaceutical company in the world for 2018, and employs 93,734 people worldwide. The company develops innovative drugs and devices in a number of key indications, such as oncology, immunology, infectious diseases and neuroscience. Annual growth from the pharmaceutical segment was 12.34% and revenue from the top 3 products

contributed over 40% of Roche‟s total revenue in 2017 ($57.37 bn). Roche‟s best-selling drugs also happen to be the world‟s top three cancer drugs: Herceptin, Avastin and Rituxan. The company looks forward to six potential drug submissions in 2018, including Actemra for rheumatoid arthritis and systemic sclerosis, and Tecentriq for various types of cancer.

Sanofi: In the top 3 pharmaceutical companies in the world is French pharmaceutical company, Sanofi. The company saw 4.2% revenue growth within its pharmaceutical sector, which contributes 85.44% of the company‟s total revenue. 25% of this revenue came from Sanofi‟s three best selling drugs, Lantus, an insulin injection for diabetes, Lovenox, an anticoagulant to prevent blood clots, and Aubagio, the one-daily pill to treat a form of multiple sclerosis. Sanofi also featured on the Forbes Top Multinational Performers list in 2017.

Johnson & Johnson : 4th on the top 10 pharmaceutical list is Johnson & Johnson, a company that was established over 130 years ago and has become a staple household name thanks to popular consumer goods like Aveeno, Neutrogena and Listerine. This year, the company had a series of successes including its acquisition of biopharmaceutical company Actelion, which is expected to transform J&J‟s pulmonary arterial hypertension portfolio. The pharmaceutical segment enjoyed a sales increase of 8.3% of which the primary drivers of growth included best-selling drugs Stelara, Darzalex, Imbruvica and Zytiga.

Bayer: Bayer is one of the top pharmaceutical companies and the famous „Aspirin‟ is the product of this company. Leverkusen, German based, which has more than 5000 items in its portfolio, having a motto of "Science for a better Life" and core values including integrity, flexibility, efficiency and leadership, the company has adapted to the new technologies and machineries which is helping the company to grow at this pace. Recently, Bayer has tested drones in the crop sciences and also working on it to take full utilization.

Novo Nordisk; It is one of a Denmark company which involved in the manufacture marketing of pharmaceutical product and service and was created in 1989 through the merger of two Danish companies. It produce equipment and medication. The company has production facilities in seven countries and affiliates or offices in 75 countries.

Novartis: One of the leading pharmaceutical companies in Switzerland, Novartis comfortably makes the top 10 pharmaceutical list for 2018. The company focuses on a wide range of disease areas

including oncology, immunology/dermatology, neuroscience and respiratory. Despite experiencing modest revenue growth of 1.35% at the end of 2017, pharmaceutical sales remain strong thanks to drugs such as oncology success Gleevec, multiple sclerosis treatment Gilenya and dermatology drug Cosentyx that saw a significant 82% increase in sales in 2017.

2.1.5 Business performance

2.1.5.1 The concept of business performance

Overall business performance can be defined as the ability of a business to implement a strategy to achieve organizational objectives and is considered as an important tool for businesses to analyze how effective management is at achieving business goals (Stephen et al., 2017).

Richard et al. (2009), states that organizational performance encompasses three specific areas of firm outcomes, that is financial performance (profitability return on assets and return on investment), product market performance (sales and market share) and shareholder return (total shareholder return and economic value added). Organizations today undergo some structural, operational, and business strategic change with the aim of improving their performance (Cheruiyot et al.2016).

Overall business performance can be defined as the ability of a business to implement a strategy to achieve organizational objectives and is considered as an important tool for businesses to analyze how effective management is at achieving business goals (Stephen et al., 2017; Andy 2004).

It is important to measure business performance to understand whether a business is achieving its goals in form of key performance indicators (KPIs). Operational, financial, HR and marketing data is used to assess business performance. The business performs the organizational assessment to check the overall health. The areas where they are doing well and the areas where they need to improve performance (Andy 2004)

2.1.5.2 Business Performance Measurement

There are different approaches and perspective in business performance measurement (Andy, 2004). These are:

1. The accounting perspective(profitability, ROA,ROI, ROC etc)
2. The marketing perspective(Brand equity, market share, product leadership, Market orientation, customer satisfaction, Customer loyalty, Sales volume)

3. The operations management perspective (productivity)
4. The human resource management, perspective(employee retention; Labor productivity) (Andy 2004)

Stephen et al., (2017) argue that organizational performance can be measured by Sales volume; Profitability; revenue, Market shares; Quality of products; Customer satisfaction; number of customers; brand awareness Volume of output Employee retention and job satisfaction however Ángeles et al., (2020) argue that business performance in pharmaceutical industry can measured by gross profit margin (GPM); net profit margin (NPM), return on assets (ROA), and return on equity (ROE),

Evaluating business performance should be an ongoing process within a business. Managers can evaluate a firm business performance in many ways depending on the initial business objectives they have set. This can be done through both financial and non-financial data. Some examples Include measuring performance (marketing data): how well the business is performing in different areas or departments of the business. Measuring profitability and financial performance (financial data): Profitability is one of the most prominent ways of measuring your business's financial (Andy 2004; Otley, 1999).

1. Measuring performance for the accounting perspective

Accounting measures of performance have been the traditional mainstay of quantitative approaches to organizational performance measurement.. Financial performance as a major objective of a business organization. Here an overarching financial performance measure, such as profit, return on investment, or EVA, is used to signify the achievement of an important (perhaps the most important) organizational objective(Andy 2004 Han et al., 2018).

Business performance Measured by RO Return on Capital Equity (ROCE), Return on Total Asset (ROTA), Net operating Profit (NOP) and Gross Profit Margin (GPM) (Akanbi and Adewoye 2018).

Profitability ratio is a measure of profit generated from the business and is measured in percentage terms e.g. percentage of sales, percentage of investments, percentage of assets. High percentage of profitability plays a vital role to bring external finance in the business because creditors, investors and

suppliers do not hesitate to invest their money in such a company (Akanbi and Adewoye 2018; Fabozzi and Peterson, 2003, p. 733).

There are several measures of profitability which a company can use. Few measures of profitability are discussed here:Net profit margin (NPM):It calculates the percentage of each sale dollar remains after deducting interest, dividend, taxes, expenses and costs. In other words, it calculates th percentage of profit a company is earning against its per dollars sale. Higher value of return on sale shows the better performance, Return on asset (ROA):This ratio explains that how efficient a company is to utilize its available assets to generate profit (Akanbi and Adewoye 2018)

2.The marketing perspective of Measuring business performance:

Measures of marketing performance have become increasingly multi-dimensional in nature (e). This reflects both theoretical and psychometric perspectives that suggest performance cannot be summarized in a single measure, a standard that applies not only to marketing but to virtually all business performance measures(Andy 2004 Han et al., 2018)..

KPI IN Measuring performance: The marketing perspective includes

- Sales volume
- Brand equity
- Market orientation
- Customer satisfaction and Customer loyalty
- market share,
- product leadership,
- Market orientation
- Order delivery and fulfilment speed

Brand equity defined as the incremental cash flows that accrue to branded products over and above the cash flows that would result from the sale of unbranded products.

Many researchers and managers believe that a powerful brand is among the most important marketing assets a firm can manage (see Barwise, 1993; Keller, 1998 for reviews). Strong brands, it is argued, (1) allow firms to charge price premiums over unbranded or poorly branded products; (2) can be used to

extend the company's business into other product categories; and (3) reduce perceived risk to customers (and, perhaps, investors). Good marketing should produce brands with high equity (Andy 2004 Han et al., 2018).

2.1.5.3 Theories of business performance

To perform is to take a complex series of actions that integrate skills and knowledge to produce a valuable result. The Theory of Performance (ToP) develops and relates six foundational concepts (italicized) to form a framework that can be used to explain performance as well as performance improvements. To perform is to produce valued results. A performer can be an individual or a group of people engaging in a collaborative effort. Developing performance is a journey, and level of performance describes location in the journey. Current level of performance depends holistically on 6 components: context, level of knowledge, levels of skills, level of identity, personal factors, and KPI (key performance indicators). Three axioms are proposed for effective performance improvements. These involve a performer's mindset, immersion in an enriching environment, and engagement in reflective practice. Since worthy accomplishments are produced from high level performances, a theory of performance (ToP) is useful in many learning contexts. As a manager advances his level of performances, he is able to organize people and resources more effectively and to get higher quality results in a shorter time (Don Elger 2022).

Henri Fayol was a theorist who believed in a theory which was based on how management interacts with the performance of a business. Management theory is defined as 'bringing change in actual behaviour' (). In this modern day, many businesses rely on Fayol's Classic theory to manage staff effectively. Fayol introduced the idea of splitting crucial activities that firms carry out on a day to day basis into 6 separate groups (technical, commercial, financial, security, accounting and management). However, out of those activities, Fayol believed that managerial activities within organizations, whether they are big or small, where senior jobs are present, most important. He came to the conclusion that within the managerial sector, there are five elements. This included, planning, organization, command, coordination and control.

2.1.6 Theoretical foundation of the study

Comment: please discuss a theory or theories that help you to explain the relationship between MC and sales performance.

The study is based on Viral Loop Marketing Theory. This theory was developed by Adam Penenberg in 2008, it describes the way cultural products or networks are led to popularity and improved business performance. According to Lane (2017), viral loop marketing theory is a theory that explains how users of a product are its primary marketers. It reveals how a brand's loyal customers spread its messages via continued usage of the brand and incite close associates to also use it. Viral loops are included in companies marketing strategies when their desire is to get their marketing messages to consumers with minimal cost. In most cases, viral loops are considered by small to medium sized businesses because of their significantly smaller budgets compared to bigger businesses (Hassan, 2017). This will help them minimize the amount they spend on advertising, and focus on offering outstanding products instead that improve business performance (Hassan, 2017).

Developed by Adam Penenberg in 2008, the theory describes the ways cultural products or networks are led to popularity. According to Lane (2017), viral loop marketing theory is a theory that explains how users of a product are its primary marketers. Viral loops are included in companies marketing strategies because of their desire to get their marketing messages to consumers with minimal cost. Usually the adoption of viral marketing and viral loop theory by small to medium sized businesses is tied to their significantly smaller budgets compared to bigger businesses so to improve business performance using small budget on marketing (Hassan, 2017). The benefits associated with using viral loops are mainly gotten out of its low cost – high spread factor, which exposes a large audience to a company' marketing message. With this, using viral expansion loops are seen to be convenient ways of tackling the struggles marketers face when picking out the elements of content that become viral. The most important aspect of the Viral Loop marketing theory is the creation of viral expansion loops. These loops are in three categories; User Actions, Notifications and Conversion. These loops rely on their users sharing and re-posting a marketing message to their own network (Goodie-Okio Jennifer 2022).

The most desired goal of the viral expansion loop is the development of strong user engagement that will at the end convert users into sales people and as a result improve business performance of a firm (Penenberg, 2016; & Lane, 2017). Companies can adopt this theory to enhance sales promotion and sales performance (Goodie-Okio Jennifer 2022; Petrescu 2012)

2.2 Empirical Review

Empirical evidence from many countries around the world(Kenya; Nigeria, Ethiopia, Europe , USA and Sri Lankan) revealed that among competes of MC that have effect on performance firms are sales promotion , direct marketing, advertisement, public relation and personal selling (Cheruiyot, et al., (2016) Prince et al., 2018,   Dawed 2017, David et al., 2010; Lieb and Scheurich 2019, Betselot 2021, Tharaka 2012)

Empirical Study from Kenya by Barmao (2016)   the result indicated that   Marketing Staff Competence, the Marketing Franchise agreements and the Marketing budget had   statistically significant effect on pharmaceutical companies strategic performance,

Empirical evidence from Ehiopia by Bekure (2021) found that all the five elements of MC, namely Advertisement, sales promotion, personal selling, direct marketing and public relation have positive and significant effect on the business performance.

Empirical evidence from Kenya , Nairobi by Cheruiyot, et al., (2016) examined the Integrated Marketing Communication and Performance of Post Office Savings Bank of Nairobi, findings show that advertising, direct marketing, personal selling, sales promotion and public relations enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers of the bank's products. The study recommends that management take seriously strategies that can improve the execution of these MC tools as they are crucial to performance of the company.

Empirical evidence from Malaysia by Kabir et al.,. (2022), found that personal selling is the most significant MC tool, whereas advertising is the least significant one. Sales promotion and public relations are the second and third most significant promotional tools. Direct marketing is found to be not significant.

A study conducted by Naeem et al.,   (2013) study revealed that MC is associated with some positive results AND good business performance   like brand awareness, customer satisfaction, brand loyalty, positive brand image, unique brand association, greater profitability, increased sales and cost savings.

A study carried out by Abel et al., (2021) the result indicated that More than half of physicians perceived that pharmaceutical marketing mix strategies influence their prescribing behavior. The qualitative design also revealed that pharmaceutical marketing mix strategies influenced physicians prescribing behavior however respectively. There was a statistically significant difference among marketing mix strategies (β= 0.08, p= < 0.001)

Empirical evidence fromEhiopia by Bekure (2021) found that Based on the output of the multiple regression all the five elements of MC, namely Advertisement, sales promotion, personal selling, direct marketing and public relation have positive and significant effect on the sales performance of Dashen Brewery Share Company. When it comes to the magnitude or the strength of the effect of the MC tools on the sales performance of the firm the highest significance value is recorded by direct marketing

Empirical evidence from Europe by Lieb Scheurich (2019) found that MC Practices and effort by pharmaceutical sales representatives improved sales and Brand acceptance of products.

Empirical study from Pharmaceutical Companies in South-South, Nigeria by (Goodie-Okio et. al., 2022) that investigated sales promotion and brand performance of pharmaceutical companies in South-South, Nigeria. Data for the study was gathered from 54 respondents using structured questionnaire. The hypotheses were tested using Spearman's Rank Order of correlation. The findings revealed a significant association between the variables of the study. Derived from the findings, the study concludes that, there is a significant and positive association between sales promotion and brand performance. Also, a significant and positive association exits between sales promotion and measures of brand performance. Based on that, the study recommends that, pharmaceutical companies should adopt sales promotion to improve brand performance measured through brand awareness, brand preference and brand reputation

A study conducted in Sri Lankan by Tharaka 2012 revealed that revealed that there is a significant influence of promotion strategies used by pharmaceutical companies towards the recommendation of branded drugs in Sri Lankan context. Further, it was found that each promotional strategy has different degree of impact on recommendation of branded drugs. Detailing and sampling have significant impact but it is relatively low compared to other factors like continues meeting, scientific materials and CME.

Then, researchers have recommended some promotional strategies to enjoy substantial marketing results over the pharmaceutical brands with the help of doctors' prescriptions

Empirical evidence from Ethiopia by Betselot (2021) revealed that all promotional mix elements, except advertising, had positive and significant effect on physician prescription behavior. Amongst them, public relations had relatively the strongest positive and significant effect on prescription behavior of physician. Sales promotion and personal selling had also higher effects next to public relations. Direct marketing was found to be the lest effective promotional mix tool. Moreover, brand image showed a mediating effect on the relationship between promotional mix and physician prescription behavior. It can be concluded that pharmaceutical promotions and brand image of a drug are good predictors of physician prescription behavior pattern.

Empirical evidence from Europe by Lieb and Scheurich (2019) found that MC Practices and effort by pharmaceutical sales representatives improved sales and Brand acceptance of products. MC Practices done frequently had significantly higher total prescriptions and total daily doses of their products.

Empirical evidence from USA by David et al., (2010) indicated that Promotion-driven market expansions enhance profitability of pharmaceutical companies yet may involve the risk of inappropriate drug prescriptions, leading to regulatory actions against the firm

Empirical evidence from USA by David et al., (2010) analyzes the relationship between post marketing promotional activity and reporting of adverse drug reactions (ADRs) by modeling the interaction between a regulator (the FDA) and a pharmaceutical firm. Promotion-driven market expansions enhance profitability of pharmaceutical companies yet may involve the risk of inappropriate drug prescriptions, leading to regulatory actions against the firm.

A study conducted by Becker et al., (2012) have shown that contact between doctors and pharmaceutical companies is associated with more frequent prescriptions, higher expenditure on medicines by patients and more sales of products. Empirical evidence from Nigeria by Prince et al., (2018) to investigate the effect of MC on sales volume by taking around 200 employees of the Nigerian food and beverage industry as a source of primary data. It was observed that there is a positive and significant relationship between MC variables and sales volume with the exception of public relations which showed positive but insignificant effect on sales volume.

The researchers recommended that more emphasis be placed on direct marketing and sales promotion even as more resources should be allocated to advertising as it paves way for other promotools to yield desired results. Empirical evidence from Kenya , Nairobi by Cheruiyot, et al., (2016) examined the Integrated Marketing Communication and Performance of Post Office Savings Bank of Nairobi. The main objective of the study is to find out whether Advertising, Sales Promotion Personal selling; Direct Marketing and Public relation is used to improve performance in the bank. Data from 80 employees was analyzed to determine Integrated Marketing Communication effects on performance, Findings show that advertising, direct marketing, personal selling, sales promotion and public relation enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers of the bank's products. The study recommends that management take seriously strategies that can improve the execution of these MC tools as they are crucial to performance of the company.

A study conducted by Dawed (2017) discovered that advertising and sales promotions practiced by EIC though have positive relationship with performance but failed to register significant contribution. On the other hand direct marketing activities and personal selling influenced the company performance positively as well as significantly. The regression analysis shows an increase in a unit of increase in direct marketing and personal selling activities overall performance of the Corporation by 0.165 and 0.296 units. The study found that the trend new policy issuance and profitability have improved while gross written premium remain constant and market share and policy retention rate has been declining over the years. This study has recommended the exploitation of direct marketing and personal selling activities more in order to enhance performance. It further recommends that further study should be done in understanding the effect of advertising and sales promotion activities in depth in order to enhance their contribution to performance of insurance companies. Another study needs to be done with an aim of investigating the

2.3 Research and Literature gap

To best of my knowledge there has not been study in my thematic area and in study effect of MC on business performance of Pharmaceutical firms in Addis Ababa. Has not been given much emphasis given regardless of the sector socio-economic social benefits. Based on the literatures reviewed, there is limited pervious empirical studies my study area, study variable and study methodology(regression analysis).

Therefore it is important assess effect of MC on business performance of Pharmaceutical firms in Addis Ababa.   Based on the literatures reviewed I observed that   there is study gap in my study variables, methodology and study area

2.4 Conceptual Framework

The conceptual framework is developed based on the literature review and theories about the MC and Business performance illustrated in figure below. The conceptual framework below shows the effect of the independent variables MC practices (advertising, direct marketing, personal selling, sales promotion and public relations) on the dependent variable(Business performance which will be measured in terms of increase in profitability, increase in sales volume, increase in number of customers ; and   increase in brand awareness over last 3 years as claimed by the company manager).The conceptual framework is developed based on the Viral Loop Marketing theory developed by Penenberg (2008). The theory helps to explain the relationship between MC tools and business performance.
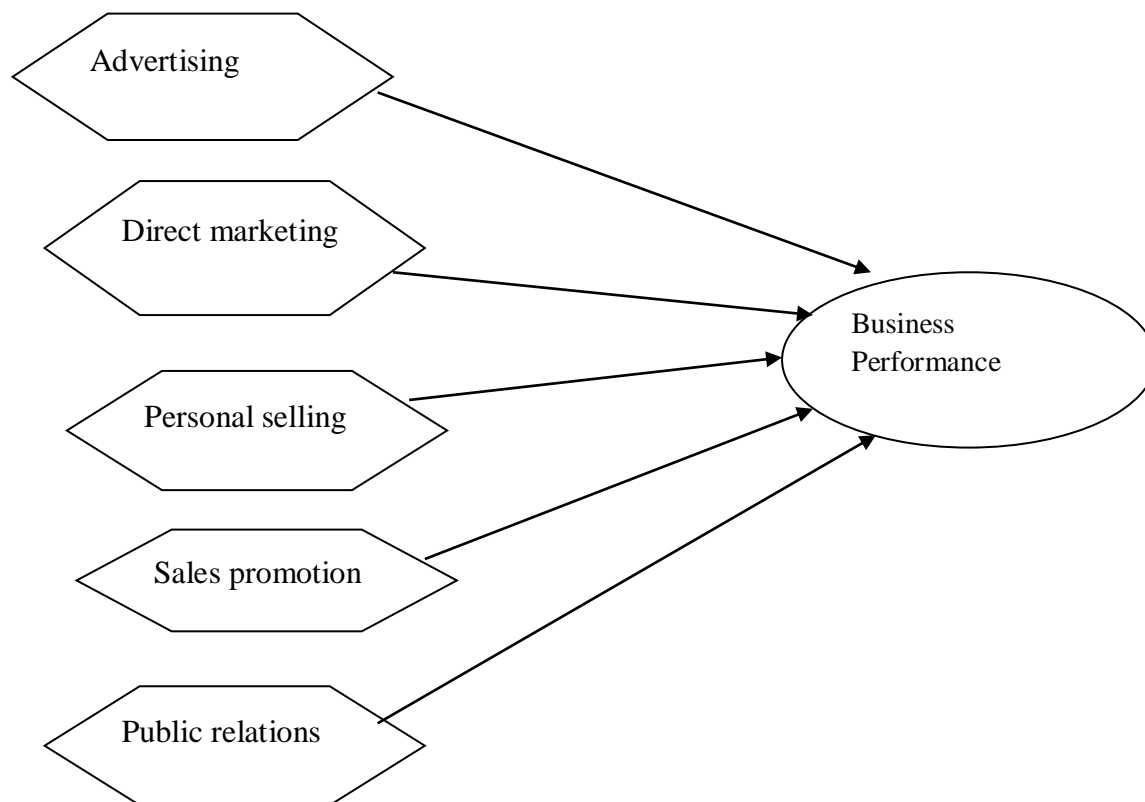
Figure 2.1: the study conceptual framework: Source (Penenberg, 2008).

2.5 Research Hypotheses

i. Advertising and business Performance:

Pharmaceutical Marketing and Integrated marketing communication tools used by pharmaceutical companies are advertising on TV, radio, website, internet, sales promotion, Direct-to-consumer advertising (DTCA) are based on -laws-and-regulations in some countries; however there is large variation in the legal instruments among countries (Anna-Cathrine and Peter 2023).

Empirical study by Cheruiyot (2016) revealed that advertising, enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers of the company products. Empirical study by Bekure (2021) revealed that Advertising had statistically significant and positive effect on the business performance. Furthermore study by Lexchin, and Mintzes (2012) indicated that advertise direct to the general public improve business performance of pharmaceutical companies (Lexchin, and Mintzes 2012). Study conducted by Dawed (2017) indicated that advertisement, had statistically significant effect and positive on the business performance.

Through its marketing communications, organizations aim to build awareness and impress customers looking for the best range of products and services. This is particularly true for pharmaceutical where awareness creation and impressing customers is critical for initiating purchase to improve business performance (Goodie-Okio Jennifer 2022).Beselot (2021) argues the importance of marketing advertisements in the pharmaceutical industry considering their contribution to the organizational success and business performance.

Ha1: Advertising has a statistically significant positive effect on business performance

ii. Sales Promotion and business Performance

On average, pharmaceutical companies spend 20% or more of their income on marketing . Medical promotion, salespersons as medical representatives, and detail personnel are the most important participants in marketing medicines that perform sales promotion (Thabbah 2022).

Pharmaceutical promotion enhances the health of people, families, communities, states, and the nation by encouraging healthcare providers to use the best treatment options available (Veselin et al., 2015; Thabbah 2022).

Goodie-Okio Jennifer (2022) recommends that, pharmaceutical companies should adopt sales promotion to improve business performance measured through brand awareness, brand preference and brand reputation. Pharmaceutical sales promotion enhances business performance of firms by increasing sales volume (Veselin et al., 2015); A dominant figure Koltler (2006), defines sales promotion as a collection of incentive tools mostly short term, designed to stimulate quicker or great purchase of a particular product or services by consumers or trade. Goodie-Okio Jennifer (2022) defined sales promotion as those marketing activities other than personal selling, advertising and publicity, which stimulate consumer purchasing and dealer effectiveness, such as display, shows and exposition, demonstrations and various nonrecurring selling efforts not in the ordinary routine.

Empirical evidence by Al Thabbah (2022) indicated that promotional tools used by pharmaceutical companies, had statistically significant effect and positive on the business performance. Furthermore the a study conducted by Bekure (2021) indicated that sales promotion had statistically significant effect and positive on the business performance.

Empirical study by Cheruiyot (2016) revealed sales promotion and public relations enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers of the company's products.

Ha2: Sales promotion has a statistically significant positive effect on business performance

iii. Direct marketing and business Performance

Pharmaceutical detailing is a strategy used by pharmaceutical companies to inform Consumers and physicians about a vendor's products increase sales and the market share for a particular drug (Thabbah 2022). Direct marketing is important element in integrated marketing communication as it allows companies to communicate directly with customers using numerous channels It is a very important element as it can be measured easily and can affect the bottom line operation of an organization with an immediate impact on performance (Koltler 2006).

Emperical study by Cheruiyot (2016) revealed Findings show that advertising, direct marketing enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers of the company's products. Empirical evidence by Dawed (2017) indicated that Direct marketing activities influenced the company

business performance positively as well as significantly. That is an increase in a unit of increase in direct marketing activities increase overall performance of the Corporation by 0.165 (Dawed 2017).

Illustrating the power of direct marketing to business performance of companies, McCarthy and Wright (2004), argue that the fact that due to various alternative channels to communication, the cost of communicating to a customer has fallen rapidly. Furthermore, the cost of communication has continued to fall with new communication channels emerging, presenting opportunities as well as challenges for direct marketing. So by reducing cost direct marketing increase overall performance of the Corporation (McCarthy and Wright 2004).

Ha3: Direct marketing has a statistically significant positive effect on business performance

iv. Public relation and business Performance

The World Health Organization defines drug promotion strategies as "all informational and persuasive activities by manufacturers and distributors, the effect of which is to induce the prescription, supply, purchase and/or use of medicinal drugs.". Drug promotion and Public relation activities by pharmaceutical companies play critical role has an important bearing on the rational use of drugs (World Health Organization 2018)

Empirical evidence by Betselot (2021) revealed that amongst MC tools, public relations had highest positive and significant effect on the business performance. A study by Cheruiyot (2016) indicated that public relation had statistically significant and positive effect on the business performance. Also Empirical evidence Bekure (2021) revealed that public relation had statistically significant and positive effect on the business performance. Empirical study by Cheruiyot (2016) revealed public relations enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers of the company's products.

Ha4: Public relations has a statistically significant positive effect on business performance

v. Personal selling and business Performance

Marketing in general has shifted from transactional based selling to relationship based communication (Prince 2018). Personal selling is defined as face to face interaction with one or more prospective customers for the purpose of making sales and building customer relationships. It

is a crucial element in ensuring post-purchase satisfaction, and in building long term relationship built on trust and understanding So the emphasis is placed on building the relationship with prospects and retaining the existing ones rather than trying to sell the product or service in order to increase sales (hence the need to evaluate performance in terms of customer accusation and retention became an important consideration) (Dawed 2017). Prince (2018) indicate that companies should see the selling as a problem-solving process in which the sales force engages and co-operates towards the customer, trying to find a solution to the customers problem, rather than only persuading him to purchase the products or services. In addition, Prince (2018) claims that it is up to the sales force to enhance the company s reputation by looking after its customers and improve business performance.

Empirical study by Cheruiyot (2016) revealed Personal selling enhance the company's performance by enhancing customer attraction, customer loyalty, sales volumes, branch expansion and reminding customers of the company's products. Empirical evidence by Dawed (2017) revealed that Personal selling influenced the company business performance positively as well as significantly. That is an increase in a unit of increase in personal selling activities increase overall performance of the Corporation by 0.296 units (Dawed 2017). Also a study conducted by Bekure (2021) indicated that Personal selling activities had statistically significant effect and positive on the business performance.

Ha5: Personal selling has a statistically significant positive effect on business performance

Chapter Three

Research Methodology

This chapter focused on how the study was carried out from perspective of study design and approach, who are study participants, how much study participants were; how study participants were to selected; and how data was Analyzed; therefore this section address study design and approach, data collection tools, data analysis; types and sources of data, sample size and sample technique, data collection tool, validity and reliability data collection tools of test.

3.1 Research Design and Approach

This study adopted explanatory study design, quantitative study approach with survey strategy the justification of why the study design and the study approach is explained below. Based on the purpose of study, objective of the study and research questions, the study adopted that an explanatory study design, quantitative study approach with survey strategy using closed ended questionnaire. The study aim is to identify, describe and interpret effect of MC on performance: the case study of pharmaceutical companies in to achieve this objective descriptive study design and quantitative study approach were appropriate because the study design and approach were appropriate for analyzing cause and effect relationships between variables under investigation.

3.2 Types and Sources of Data

Data types and source: The study utilized both primary and secondary types. Primary data was gathered from sample responds On the other hand, secondary data was gathered thorough reviewing and examining of, reports as well as records of published and unpublished documents of pharmaceutical companies and other relevant originations, inaddition secondary data was gathered from reputable journals, books, and websites sites of the originations.

The study is empirical in its nature and therefore mainly primary data was gathered from marketing managers and general managers using survey (closed ended questionnaire and open ended questionnaire).

3.3 Population, Sample Size and Techniques

3.3.1 Target Population

Target population of this study was general managers and marketing managers of 212 pharmaceutical companies. Study population of this study was 212 randomly selected pharmaceutical companies in

Addis Ababa with because organization (company) is the appropriate unit of analysis in the study; According to the data obtained from EFDA , there are 212 pharmaceutical companies in Addis Ababa. Therefore, general managers and marketing managers of 212 pharmaceutical companies in study area was source population

3.3.2 Sample Size and Technique

For determination of sample size, Taro Yamane's (1967) sample size determination formula was used. Study Population is composed of 212 pharmaceutical companies in Addis Ababa

Where:

n = Sample size for the study

N = Total number of target population (study population) in study area= 212

e = Margin of errors; confidence level of 95 percent (giving a margin error of 0.05)

$212/(1+212*0.05 2) = 212/1.53 = 138$

Therefore, 138 participants will be selected for the study.

Thus, the study draw samples from the total of 212 pharmaceutical firms found in Addis Ababa. Accordingly, the sample size calculated to be 138. This means, the study was collected MC related data (questionnaire) from 138 marketing managers, and the study was collected business performance data (questionnaire) from 138 general managers of pharmaceutical firms. because pharmaceutical firms was the appropriate unit of analysis in the study;

3.3.3 Sampling method

This study used probability (random) sampling technique(procedure) to select 138 pharmaceutical firms out of 212. This is to ensure that samples adequately represent the study population. The ultimate purpose of sampling in business research is to select a set of representative elements/subjects (the sample size) from a study. Simple random sampling method was used to select sample respondents for the study purpose. The 212 pharmaceutical companies were given equal chance of being one of the 138 samples.

3.4 Tools and Methods of Data Collection

Five experienced data collectors were recruited, trained on the approach, methods and objective of the study, go to pharmaceutical company's office, and collected the data.

The study used self-administered methods to collect primary data from the study participants. Justification: the self-administered questionnaires method was considered the most efficient way of data collection because the study participants was widely dispersed across different locations area. Cover letters, affixed to the questionnaire, explaining the nature of the study, as well as assuring respondents of the confidentiality of any information were provided.

The tools that used to collect data include questionnaire, and organizational document analysis. 138 Questionnaires were distributed to selected pharmaceutical companies general managers to collected data on business performance and 138 Questionnaires was distributed to selected pharmaceutical companies marketing managers to collected data on MC practiced.

Questionnaire is preferable so as to have wider and representative sample of respondents and relatively inexpensive and easy to analyze. The questionnaire was divided into to 3 parts the first part will relating to demographic profile of respondents, the second part will about business performance of pharmaceutical companies and the third part was about MC practiced.

Pilot test was conducted using 15 questionnaires to identify and eliminate potential problems associated with question content, wording and format. Besides the reliability test was tested.

3.5 Data Analysis

In data analysis, inferential statistics such as regression analysis and correlation analysis were used to determine the relationship between variables. In addition, The Descriptive statistics such as frequency, percentages, mean, and standard deviations were used to analyze the data. Statistical Package for Social Sciences Programming (SPSS) was used to analyze the data and to draw meaning from the analyzed data descriptive and inferential statistics was used.

The participants were asked to identify the degree of their agreement with each item in the questioners, using five point Likert scale. The number of required categories was 5 namely very low, low, moderate high and very high. The scale was calculated through the following formula:

The highest point of the scale (5) – the lowest point of the scale (1)/ the number of required categories (5) = 1-5/5=4/5=0.8.

Therefore, 0.8 was added to the lowest end of category (1+0.8),

Therefore, the categories and the degree of assessment became as follows

- (1+0.8=1.80) from 1.00 to 1.80 = very low

- (1.8+0.8=2.60) from 1.81 to 2.60 low

- from 2.61 to 3.40 = moderate

- from 3.41 to 4.20 = high

- from 4.21 to 5.00 = very high

The researcher used the multiple regression method to analyze the result. These regression analyses was conducted to determine how much the independent variable explains the dependent variable. The mathematical expression of the models is as follows;

$$Y = ß_0 + ß1X1 + ß2X2 + ß3X3 + ß4X4 + ß5X5... + e \text{ ----------------------- (1)}$$

$$Y = ß_0 + ß1ADV + ß2DIM + ß3SLP + ß4PSL + ß5PBR... + e \text{ ----------------------- (1)}$$

Where

Y – Business performance (BSP)

- X1- Advertising(ADV),

- X2- Direct marketing(DIM),

- X3- Sales promotion(SLP),

- X4- Personal selling(PSL),

- X5- Public relations(PBR),

ßi - refers to the value of the parameter

e - Refer to the error term

3.6 Validity and reliability Test

Validity Test : to ensure content validity of the questionnaire in this study, the questionnaires were developed based on rigorous literature review. In this research to ensure content validity of the questionnaire it was evaluated by 2 expert in pharmaceutical marketing management and experienced researcher in business field to ensure that the questionnaire items ability to measure what it is intended measure. Based on their comments correction was made on some part of questionnaires also an approval from advisor was used in order to increase the face and content validity.

To ensure study percipients understand questionnaires Pilot test was conducted using 10 study percipients to ensure the questionnaires were easily understood by study participants; to identify and eliminate potential problems associated with question content, wording and format Based on their comments correction was made on few part of questionnaires.

Reliability Test: The reliability of the instrument was be tested and established using Cronbach's alpha method to ensure internal consistency of the tools, if the coefficient is between 0.70–0.9, the instrument generally found to be reliable internally consistent. The reliability of the instrument was be tested and proofed its internal consistent by different using Cronbach's alpha method; authors proofed that the coefficient the instrument was >0.70 the authors proofed that the coefficient the instrument was >0.70, that generally found the instrument to be reliable and internally consistent (Dawed 2017; Betselot 2021; Bekure kaleb 2021; Goodie-Okio et al., 2022 Cheruiyot et al., 2016).

Table 3.1: Reliability of the instruments from previous studies

Study variables	Alpha levels	Number of Items
Advertising	0.869	6
Sales Promotion	0.822	5
Direct Marketing	0.896	6
Personal Selling	0.870	5
Business Performance	0.822	5

Source: Dawed 2017

The questioner was be evaluated by experts in pharmaceutical marketing management and business research. The result of reliability test showed that Advertising , Direct Marketing, Sales Promotion, Personal Selling and Business Performance had Reliability coefficient or Alpha levels of 0.812, 0.793 , 0.891 , 0.759 and 0.852 respectively. The result implies that the instrument generally found to be reliable and internally consistent.

3.7 Ethical Consideration

Ethics are behavioral norms or standards that guide moral decisions about our behavior and our interactions with others. The goal of research ethics is to ensure that no one is harmed or suffers negative consequences as a result of research activities (Cooper & Schindler, P.S., 2006). Everyone has the right to decline participation in a marketing research project in which they provide data. Researchers have the right to be safe, both physically and psychologically. While a respondent is rarely physically harmed, he or she is frequently placed in a physiologically hazardous situation. Individuals may experience stress when an interviewer processes them to participate in a study.

Chapter Four

Result and Discussion

The chapter focuses on the presentation, analysis and interpretation of the research findings. A total of 138 questionnaires were distributed to the sampled firms Data analyzed: 138 questionnaires were distributed 138 pharmaceutical companies (MC practice part to be filled by marketing managers and business performance part to filled by general managers)but questionnaire out of which 120 pharmaceutical companies filled in and returned the questionnaires which implies a response rate of 86.95 % this would enable to draw valid conclusion on study population. This means that 120 general managers filled business performance part and 120 marketing managers MC practice part; so socio-demographic is computed for 240 however others will be 120.

4.1 Demographic Data

This section addresses the socio-Demographic characteristics of the study participants from perspective of sex, age in years, and education experience in years, and job role; the result is presented in table blow.

Table 4.1: Demographic data

Variable	Description	Frequency(N=240)	Percentage
Sex	Male	127	52.92
	Female	113	47.08
Age in years	Less than 21	0	0.00
	21-30 years	80	33.33
	31-40 years	114	47.50
	≥41 years	46	19.17
Education	TVET completed or Diploma	20	8.333

	Bachelor's degree	190	79.167
	Master's degree and above	30	12.500
Experience	≤5 years	47	19.58
	6-10 years	119	49.58
	11-15 years	50	20.84
	Above 16years	24	10.00
Position	General manager	120	50.00
	Marketing manager	120	50.00
	others	0	0.00

Source: Own survey 2023

Descriptive statistics illustrated in table above showed that regarding sex of study participants , 127 (52.92%) of the respondents were male managers whereas 113 (47.08 %) were female respondents this implies male dominate study participants at study companies .

In terms of age, 80 (33.33 %) of survey respondents were in the age range of 21-30 years, 114 (47.5%) were in the age range of 31-40, . The remaining 46 (19.17%) were in the age range of above 41.This indicated that most of the respondents' were middle aged.

In terms of experience, the majority of the survey respondents 190(79.167%) had Bachelor's degree; where as 30 (12.50%) of the survey respondents had Master's degree and above and 20(8.333%) had TVET completed or Diploma; this implies well educated survey respondents.

In terms of experience, the majority of the survey respondents 119 (49.58%) had 6-10 years experience followed by50(20.84)% had 11-15 years experience; where as 47 (19.58%) of the survey respondents had less than 5 years experience and 10% had above 16 years experience. This indicated that most of the respondents' were well experienced survey respondents.

In terms of job position, 120 (50.0 %) of the survey respondents were General manager of pharmaceutical companies where as 120 (50.0 %) of the survey respondents were Marketing manager pharmaceutical companies.

4.2 Descriptive Statistics

This section address research objective that stated as to assess the extent to which pharmaceutical companies in Addis Ababa apply MC tools and hence answer corresponding research questions. The finding is as presented in tables below. The mean values are interpreted using the following criteria: mean value from 1.00 to1.8 = very low, from 1.81 to 2.6=low, from 2.61 to 3.40 = moderate, from 3.41 to 4.2 = high, and from 3.41 to 4.21 to 5.00 = very high.

4.2.1 Descriptive statistics for Advertising practices

Regarding advertising as MC practices the result of data collected from marketing managers is as presented in table blow using descriptive statistics such as mean and standard deviation . Furthermore the finding is discussed and compared with findings studies from different industries.

Table 4.2 Advertising practices

SN	Items	N	Mean	SD
1	This company do TV and/or Radio advertising activities as MC practice to promote itself and its products	120	1.550	0.633
2	This company do online activities advertising practices such as websites, blogs and social media to as MC practice	120	3.433	1.059
3	This company do advertising practices in print media (newspapers and magazines) as MC practice	120	2.425	0.729
4	This company use of billboards, sonic screens and wall branding put in various places as MC practice	120	2.716	0.954
5	This company use product brochures, stickers, and leaflets to influence customers to buy the company products	120	3.258	0.991
6	This company advertising its products through scientific journals	120	2.075	0.452
	Average mean	120	2.576	0.803

Source; own survey 2023

The finding of advertising as MC practices as illustrated in above table revealed that the aggregate mean and standard deviation values for Advertising as an MC tool equal 2.576 and 0.803, respectively. This implies that advertising is less applied by the sampled organizations. Item wise, TV and/or Radio advertising activities had mean value 1.550 and had standard deviation of0.633; This company do online activities advertising practices such as websites, blogs and social media to as MC practice had mean value3.433 and had standard deviation of 1.059; This company do advertising practices in print media (news papers and magazines) as MC practice had mean value 2.425 and had standard deviation of 0.729;This company use of billboards, sonic screens and wall branding put in various places as MC practice had mean value 2.716 and had standard deviation of 0.954;This company use product brochures, stickers, and leaflets to influence customers to buy the company products had mean value 3.258 and had standard deviation of0.991;This company advertising its products through scientific journals had mean value 2.075 and had standard deviation of 0.452;

The finding implies that pharmaceutical companies in Addis Ababa use broadcast advertising at low extent. This could be due to pharmaceutical products marketing law(regulation) in Ethiopia. The grand mean values implies that advertising as MC practiced to low extent among pharmaceutical companies in Addis Ababa. The result implies that item had 1 were practiced to very low extent; 3 and 6 were practiced to low extent , and item 4 & 5 were practiced to moderate extent but item 2 was practiced to high extent . The result implies that advertising as MC practices was low on aggregate among pharmaceutical companies in Addis Ababa.

The researcher argues that this could be due to the fact that pharmaceutical products marketing activities such as advertising is regulated by EFDA; however its is not prohibited to advertise the company itself and the companies can advertise none medicines products such as food supplements and medical equipment.

This study result regarding advertising as MC practiced is supported by study from Ethiopia on pharmaceutical companies by Bestelot et al., (2021) whose finding indicated that On aggregate Advertising as MC practices had grand mean 2.7 that reported low level of advertising as MC practices among pharmaceutical companies.

This study finding is contrary to or (dis agree with) study from Ethiopia by Dawed (2017)whose finding indicated that high level of advertising practiced and he reported that on aggregate advertising as MC practices had grand mean3.581. who reported that Advertising (3.581) and Sales Promotion are

expected to affect business performance to a great level for companies. This contraction could be due to difference in study companies as Dawed (2017) study- companies were insurance corporation where as my study companies were pharmaceutical companies in Addis Ababa, also this could be due to Marketing law difference for different companies in Ethiopia.

4.2.2   Descriptive statistics for direct market practices

Regarding Direct Marketing as practices MC the result of data collected from marketing managers   is as presented in table blow using descriptive statistics such as mean and standard deviation .

Table 2.3 Direct Marketing practices

SN	Items	N	Mean	SD
1	This company provide product (brand) detailing using sales representative in person	120	3.958	0.947
2	This firm provide the clients online real time support with products information	120	3.583	1.240
3	The product (brand) advertisements direct to healthcare provider's personal telephone or email to encourages prescription of the company brands	120	2.800	0.903
4	Interactive communication facilitates customers decision to purchase	120	3.233	1.135
5	This company use product (brand) detailing by peer groups	120	3.041	0.999
Average mean		120	3.323	1.045

Source; own field survey 2023

The finding of Direct Marketing as practices MC as illustrated in table above showed that; aggregate mean and standard deviation values for direct marketing as an MC toolequal3.323 and 1.045, respectively. This implies that direct marketing is relatively moderately applied by the sampled organizations. Item wise, the company provide product (brand) detailing using sales representative in person had mean value 3.958 and standard deviation of 0.947; This firm provide the clients online real time support with products information had mean value 3.583 and standard deviation of 1.240; The product (brand) advertisements direct to healthcare provider's personal telephone or email had mean value 2.800 and standard deviation of 0.903; Interactive communication facilitates customers decision to purchase had mean value 3.233 and   standard deviation of 1.135; This company use product (brand) detailing by peer groups had mean value 3.041 and standard deviation of 0.999.

The Grand mean values implies that Direct Marketing as MC practiced to moderate extent. The result implies that Direct Marketing as MC practices was moderate on aggregate among pharmaceutical companies in Addis Ababa .The result implies that item 1& 2 were high in degree of assessment ; whereas item 3, 4 & 5 were   moderate in degree of assessment .

This study finding is supported by study from Bestelot (2021) that reported moderate level of Direct Marketing as MC among pharmaceutical companies. This study result regarding direct marketing as MC practiced is in agreement with and supported by study from Ethiopia by Dawed (2017) whose finding indicated that direct marketing to affect performance to moderate extent with a mean score of 3.666.

4.2.3   Descriptive statistics for sales promotion practices

Regarding Sales Promotion as MC practice the result of data collected from marketing managers   is as presented in table blow using descriptive statistics such as mean and standard deviation . Furthermore, the finding is discussed and compared with findings of previous studies from different industries.

Table 4.4 Sales Promotion practices

SN	Items	N	Mean	SD
1	This company provides occasional sales discounts on products for new and existing customers as ICM practice	120	2.875	1.065
2	This company provide Low-cost gifts (pen & writing pads depicted product-brand) & office practice items, patient record forms, etc.) to remind its brand	120	3.808	0.972
3	This company provides financial incentives to motivate healthcare providers to prescribe its products or brands when there is competing brand and products	120	3.166	1.203
4	This company perform scheduled sales promotion practices in Addis Ababa	120	4.016	0.952
5	This company perform scheduled sales promotion practices in other towns and cities across Ethiopia (out of Addis Ababa)	120	3.375	0.798
	Average mean	120	3.448	0.997

Source; own field survey 2023

The finding of Sales Promotion as MC practices as illustrated in above table revealed that the aggregate mean and standard deviation values for sales promotion as an MC tool equal 3.448 and 0.997, respectively. This implies that sales promotion is highly applied by the sampled organizations. Item wise, the company provides occasional sales discounts on products had mean value 2.875 and standard deviation of 1.065; The company provide low-cost gifts & office practice items, patient record forms, etc.) to remind its brand had mean value 3.808 and had standard deviation of 0.972;This company provides financial incentives to motivate healthcare providers to prescribe its products or brands when there is competing brand and products had mean value 3.166 and had standard deviation of 1.203;This company perform scheduled Sales Promotion practices in Addis Ababa had mean value 4.016 and had standard deviation of 0.952;This company perform scheduled Sales Promotion practices in other towns and cities across Ethiopia had mean value 3.375 and had standard deviation of 0.798.

The grand mean values implies that Sales Promotions MC practiced to high extent among pharmaceutical companies in Addis Ababa. The result implies that item 1, 3, and 5 were moderate in degree of assessment where as 4 & 2 were high in degree of assessment. The result implies that Sales Promotions MC practices was high on aggregate among pharmaceutical companies in Addis Ababa this could be due compensatory response to marketing law that prohibited pharmaceutical products advertising on TV, radio and print media by EFDA;

This study result regarding Sales Promotion as MC practiced is in agreement with and supported by study from Nigeria by Goodie-Okio Jennifer et al., (2022) on pharmaceutical companies whose finding revealed pharmaceutical companies should adopt sales promotion to improve business performance measured through brand awareness, brand preference. Furthermore This study finding is supported by study from Bestelot (2021) that reported high level of Sales Promotion as MC among pharmaceutical companies.

This study result regarding Sales Promotion as MC practiced is in agreement with and supported by study from Ethiopia by Dawed (2017) whose finding indicated that on aggregate Sales Promotion as MC practices had grand mean 3.575. He reported that Sales Promotion are expected to affect business performance to a great level for insurance companies. This study result regarding sales promotions supported by study from Sri Lankan by Tharaka (2010).Furthermore this study result is in agreement with and supported by study from Nigeria by Goodie-Okio Jennifer et al., (2022) on pharmaceutical companies whose finding revealed moderate level Sales Promotion by pharmaceutical companies .

4.2.4 Descriptive statistics for personal sales practices

Regarding Personal Selling as practices MC the result of data collected from marketing managers   is as presented in table blow using descriptive statistics such as mean and standard deviation .

Table 4.5 Personal Selling practices

SN	Items	N	Mean	SD
1	The level of clients-salespersons interpersonal relationships; creating friendly relationship with customers at this company	120	3.925	0.899
2	Frequency of sales work force visit clients at this company	120	3.050	1.228
3	This company sales representatives provide to clients scientific, accurate and up-to-date details on its products and brands (interactive communication)	120	4.133	0.808
4	This company have retail out let to sale its products to consumers	120	2.500	1.181
5	This company direct personal contact to prospect customers (via their personal phone or email) as personal selling practices	120	2.367	0.788
	Grand mean	120	3.195	0.981

Source; own field survey 2023

The finding of personal selling as practices MC as illustrated in table   above showed that the aggregate mean and standard deviation values for personal selling as an MC toolequal3.195 and 0.981, respectively. This implies that advertising is moderately applied by the sampled organizations. Item wise, the level of clients-salespersons interpersonal relationships; had mean value 3.925 and standard deviation of 0.899; Frequency of sales work force visit clients at this company had mean value 3.050 and   standard deviation of 1.228; The company sales representatives provide to clients scientific, accurate and up-to-date details on its products had mean value 4.133 and standard deviation of 0.808; This company have retail out let to sale its products to consumers had mean value 2.500 and standard deviation of 1.181; This company direct personal contact to prospect customers (via their personal phone or email)as personal selling practices had mean value 2.367 and standard deviation of 0.788

The Grand mean values implies that Personal Selling as MC practiced to moderate extent. The result implies that Personal Selling as MC practices was   moderate on aggregate among pharmaceutical companies in Addis Ababa.

The result implies that item 1& 3 were high n degree of assessment ; item 2 was moderate in degree of assessment whereas item 4 & 5 were low in degree of assessment.

This study finding is supported by study from Bestelot (2021) that reported moderate level of Personal Selling as MC among pharmaceutical companies. This study result regarding Personal Selling as MC practiced is in agreement with and supported by study from Ethiopia by Dawed (2017) whose finding indicated that on aggregate Personal Selling as MC practices had grand mean 3.350. he reported that Personal Selling are expected to affect business performance to a moderate level for insurance companies.

4.2.5 Descriptive statistics for public relations practices

Regarding Public relations as practices MC the result of data collected from marketing managers is as presented in table blow using descriptive statistics such as mean and standard deviation .

Table 4.6 public relations practices

SN	Items	N	Mean	SD
1	This company sponsor scientific conference organized by healthcare providers associations as MC practice and as Public relations strategy	120	3.150	1.164
2	Communicating the company public relation activities through web and social media as MC practice	120	4.008	0.921
3	This company participation on events such as trade fairs, bazaars and exhibitions to promote itself and as Public relations strategy	120	2.950	1.114
4	This company provide sponsorship for healthcare providers to attend CMEs and trainings as its Public relations strategy and to persuades to prescribe its brands	120	3.416	0.848
5	This company provide e detailing materials and printed materials to influence healthcare providers to choose this company products or brand	120	3.558	1.170
	Average mean	120	3.416	1.0434

Source; own field survey 2023

The finding of public relations as practices MC as illustrated in table above showed that the aggregate mean and standard deviation values for public relations as an MC tool equal 3.416 and 1.043, respectively. This implies that public relations is applied by the sampled organizations to a higher extent. Item wise, this company sponsor scientific conference organized by healthcare providers associations as MC practice and as Public relations strategy had mean value 3.150 and standard

deviation of 1.164; Communicating the company public relation activities through web and social as MC practice had mean value 4.008 and standard deviation of 0.921; This company participation on events such as trade fairs, bazaars and exhibitions had mean value 2.950 and standard deviation of 1.114; This company provide sponsorship for healthcare providers to attend CMEs and trainings had mean value 3.416 and standard deviation of 0.848; The company provide e detailing materials and printed materials to influence healthcare providers to choose this company products or brand had mean value3.558 and standard deviation of 1.170

The grand mean values for public relations as MC practices implies that public relations as MC practices to high extent The result implies that item 2, 4, & 5 were high in degree of assessment ; where item 3 & 1 were moderate in degree of assessment. The result implies that public relations as MC practices was high on aggregate among pharmaceutical companies in Addis Ababa.

This study finding is supported by study from Bestelot (2021) that reported high level of public relations as MC among pharmaceutical companies. This study finding is supported by study from Bakura (2021) whose finding indicated that public relations had grand mean score of 3.84. He reported high level of public relations. level of public relations as MC practice and MC tools among of Brewery companies.

4.2.6 Descriptive statistics for business performance

This sub-section of the thesis address specific objective that stated to measure business performance of among pharmaceutical companies in Addis Ababa to achieve the objective business performance was measured by various indicators that include increase in profit, sales, number of customers, branch expansion, brand performance , products diversity (product mix or diversity) over last 3 years also reduction in wastage due to expiration of unsold pharmaceutical products. The result is presented in table blow

Table 4.7 Business performance

SN	Items	N	Mean	SD
1	Increase in profit at this company over last 3 years	120	3.291	1.205
2	Increase in profit at this company over last 3 years	120	3.291	1.205
3	Increase in number of customers at this company over last 3 years	120	3.241	1.092
4	Increase branch expansion at this company over last 3 years	120	2.550	0.868
5	Improvement in brand performance (brand awareness, brand acceptance, and brand preference) of this company over last 3 years	120	3.116	1.124
6	Reduction in wastage due to expiration of unsold pharmaceutical products of this company over last 3 years	120	4.050	1.027
7	Improvement in ROE at this company over last 3 years	120	3.000	0.850
8	Improvement in customers retention of company over last 3 yrs	120	3.200	0.734
9	Improvement products diversity(types of products) offered to customers (product mix or diversity) at this company over last 3 years	120	3.541	0.901
	Average mean	120	3.296	0.9981

Source; own field survey 2023

Regarding Business performance (BSP) among pharmaceutical companies in Addis Ababa descriptive statistics illustrated in table above using mean and standard deviation showed that the aggregate mean and standard deviation values for business performance equal 3.296 and 0.99, respectively. This implies that the sampled organizations have moderate level of performance. Item wise, increase in profit at this company over last 3 years had mean value 3.291 and standard deviation of 1.205; Increase in sales at this company over last 3 years had mean value 3.675 and standard deviation of 1.182;Increase in number of customers at this company over last 3 years had mean value 3.241 and standard deviation of 1.092; Increase Branch expansion at this company over last 3 years had mean value 2.550 and standard deviation of 0.868;Improvement in brand performance had mean value 3.116 and standard deviation of 1.124;Reduction in wastage due to expiration of unsold pharmaceutical products of this company over last 3 years had mean value 4.050 and standard deviation of 1.027;Improvement in ROE at this company had mean value 3.000 and standard deviation of 0.850; Improvement in customers retention had mean value 3.200 and standard

deviation of 0.734; Improvement products diversity(types of products) offered to customers (product mix or diversity) had mean value 3.541 and standard deviation of 0.901

The result implies that low business performance interns of branch expansion however high business performance interns sales,, types of products(product mix or diversity) offered to customers over last 3 years and reduction in wastage due to expiration of unsold pharmaceutical products. Furthermore The result implies that moderate business performance interns of profit, number of customers, brand performance , customers retention and ROE.

This finding is supported by study from Nigeria by Goodie-Okio Jennifer et al., (2022) on pharmaceutical companies whose finding revealed moderate business performance among pharmaceutical companies in Nigeria

4.3 Inferential Statistics

This section address research objective that stated To determine the effect of advertisement, sales promotion , direct marketing, personal selling and public relation on business performance of Pharmaceutical companies in Addis Ababa. Also, answer the corresponding research questions.

4.3.1 Result of correlation analysis

The part show the relationship between Business performance and independent variables (ADV, DIM, SLP, PSL and PBR)

Table 4.8 Correlation result

	ADV	DIM	SLP	PSL	PBR	BSP
Advertisings	1	0.0794	0.148	0.0673	0.131	0.153
Direct Marketing	0.0794	1	0.652	0.692	0.649	0.781**
Sales Promotion	0.148	0.652	1	0.75	0.735	0.812**
Personal Selling	0.0673	0.692	0.750	1	0.779	0.817**

Public relations	0.131	0.649	0.735	0.779	1	0.848**
Business performance (Pearson corr.)	0.153	0.781**	0.812**	0.817**	0.848**	1
Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	

The above table illustrated using Pearson's correlation regarding relationship between Business performance and the independent variables (ADV, DIM, SLP, PSL and PBR) The data showed that Advertising- practices had correlations coefficient and p value of (r =0.153, p=0.118);Direct Marketing had correlations coefficient and p value of (r =0.781, p<0.001);Sales Promotion had correlations coefficient and p value of (r =0.812, p<0.001);Personal Selling had correlations coefficient and p value of (r =0.817, p<0.001);Public relations had correlations coefficient and p value of (r =0.848 , p<0.001).

The positive sign of correlation coefficient (r) for all variables inferred a positive influence on Business performance (BSP).The p value, of more than 0.05 for Advertising practices inferred that insignificant relationship between Business performance (BSP), and ADV where as The p value, of less than 0.05 for DIM, SLP, PSL and PBR inferred that statistically significant relationship between Business performance and direct marketing sales promotion personal selling and public relations.

By normal standards, the association between the Business performance and the independent variable Advertising practices would not be considered statistically significant. By normal standards, the association between Business performance and the independent variables (DIM, SLP, PSL and PBR) would be considered statistically significant.

The result of correlation analysis inferred that there is significant moderate positive relationship between Business performance and direct marketing sales promotion personal selling and public relations. The finding of this study is supported by empirical evidence by Bestelot (2021) that reported correlation coefficient (r) for direct marketing sales promotion personal selling and public relations as positive and significant.

This correlation analysis result is in agreement with and supported by study from Nigeria by Goodie-Okio Jennifer et al., (2022) on pharmaceutical companies whose finding revealed a significant association between the variables of the study sales promotion and business performance. Goodie-

Okio Jennifer et al., (2022) indicated that there is a significant and positive association between sales promotion and business performance. Furthermore My study correlation analysis result regarding Sales Promotion is in agreement with and supported by study from Sri Lankan by Tharaka (2010).

4.3.2 Result of multiple regression analysis

4.3.2.1 Diagnostic test

The data was tested if it fulfil the basic assumptions of linear regression analysis namely no multicolleneriety, normality, linearity, homoscedasticity and no autocorrelation. The result showed the data fulfilled all assumptions of linear regression analysis and the result is as presented blow

Assumption I: multi collinearity

The multi collinearity in this study was checked using the tolerance and VIF values. tolerance less than 0.2 and VIF values less than 5 implies that there is multi collinearity problem on the data on the other hand tolerance value greater than 0.2 and the variance inflation factor (VIF) value less than5 means there is no multi collinearity problem. The result is shown in Table below\

Table 4.9: Multi collinearity test

Variables	VIF	Tolerance
ADV	1.033	0.968
DIM	2.134	0.468
SLP	2.792	0.358
PSL	3.393	0.295
PBR	3.021	0.331

Source: own study 2023

The data in above table revealed that there is a no multicollinearity concern as there is no VIF values bigger than 5 and all tolerance values are more the than 0.2. Conclusion: researcher have met the assumption of No multicollenearity

Assumption II: Normality test

Residual normality: linear regression assumes normality for residual errors. Shapiro Wilk p-value equals 0.763. It is assumed that the data is normally distributed. The Shapiro-Wilk test is a statistical test of the hypothesis that the distribution of the data as a whole deviates from a comparable normal

distribution. If the test is non-significant (p>0.05) it tells the researchers that the data is normally distributed. So, the result implies, this assumption is fulfilled. Hence, the study concluded that the data is normally distributed. Furthermore the following histogram showed that data is normally distributed.
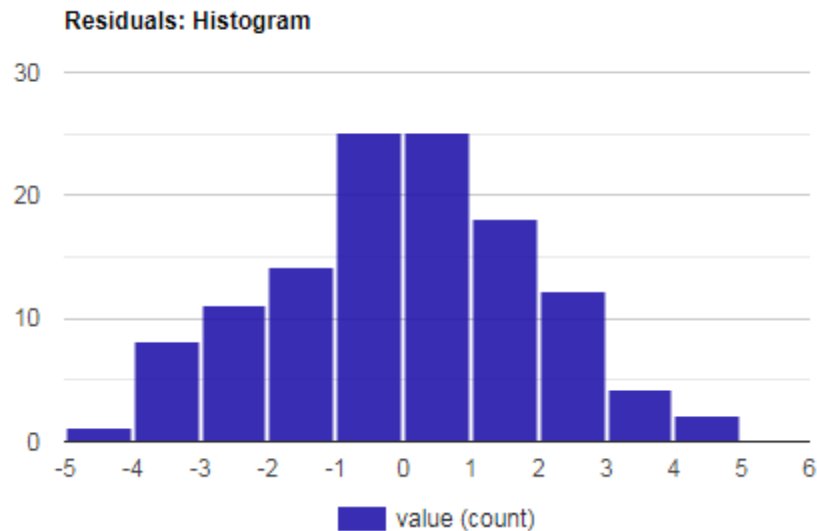
Residuals: Histogram

Figure 4.1 : Normality test - using histogram

Conclusion: researcher have met the assumption of Residual normality

Assumption III: Linearity

This assumption can be checked by looking at a Q-Q Plot.

Linearity- using Q-Q plot
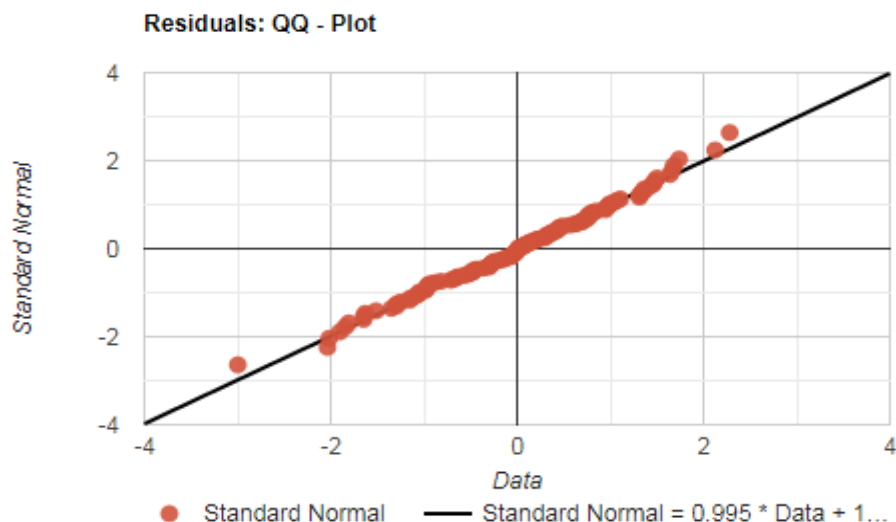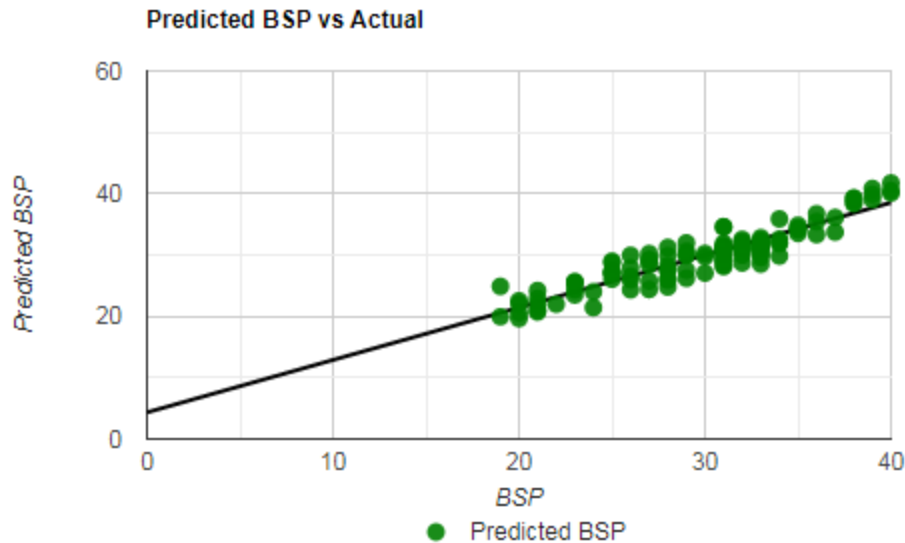
Figure 4.2 : Linearity test

Conclusion: The data have met the assumption of **Linearity**

Furthermore As a rule of thumb, an indicator of non-linearity is when the standard deviation of the residuals exceeds the standard deviation of the predicted value (dependent variable).

Residuals statistics indicated that the standard deviation of the residuals equals 1.914 and the standard deviation of the predicted value (dependent variable) equals 3.769 .So, in this case, the standard deviation of the predicted value exceeds the standard deviation of the residuals which indicates that this assumption is fulfilled

Assumption IV: Homoscedasticity

The result of Homoscedasticity indicated that The White test p-value equals **0.0858** (F=2.508). thuis implies that the data assumed that the that the variance is homogeneous. The White test p-value: If the p-value is more than 0.05, then researchers have met the assumption of homogeneity of variance and can conduct a ANOVA.

Furthermore the following scatter plot showed that the variance is homogeneous
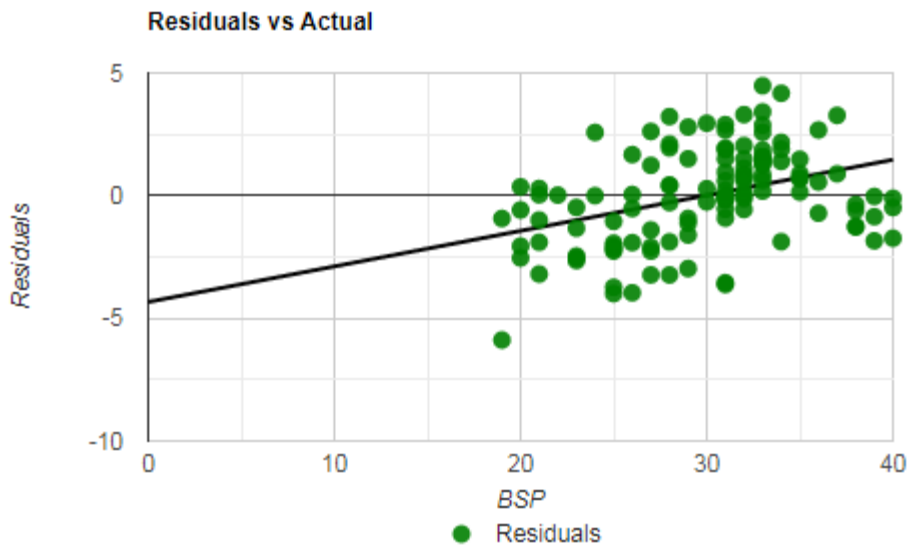
Figure 4.3 : Homoscedasticity- using scatter plot

Conclusion: researcher have met the assumption of homogeneity of variance

4.3.3 Regression Model summary

This section address research objective that stated To determine the effect of advertisement, sales promotion , direct marketing, personal selling and public relation on business performance of Pharmaceutical companies in Addis

Goodness of fit ; Overall fit of the model and ANOVA (analysis of variance) **.**As illustrated in table below Overall regression: right-tailed, $F_{(5,114)}$ = 134.504, p-value = -2.22e-16. Since p-value < α (0.05), we reject the H0. That stated as Ho1: There is no significant effect MC practice on business performance(α<0.05).Since the p-value < α, H0 is rejected. And concluded that there is statistically significant effect of MC on BSP of pharmaceutical companies.

Table 4.10: ANOVA (analysis of variance)

ANOVA[a]						
Model		**DF**	**Sum of Square**	**Mean Square**	**F Statistic**	**P-value**
1	Regression	5	2706.085	541.217	134.504	0.00016[b]
	Residual	114	458.715	4.024		
	Total	119	3164.8	26.595		

a.Predictors: (Constant), ADV, DIM, SLP, PSL and PBR   b.Dependent Variable: BSP

From the above table, the F value(F=134.504, p=0.00016) is significant (at p<0.05), which means the independent variables (MC practices comprising of ADV, DIM, SLP, PSL and PBR) do well in explaining the variation(change) in the dependent variable (BSP).Regression model Goodness of fit: Overall regression: right-tailed, $F(5,114) = 134.504$, p-value = 0.00016. Since p-value < 0.05, The linear regression model, provides a better fit than the model without the independent variables.

The result indicated that there Regression model overall results in a significantly better degree of prediction of the outcome variable. Similarly, also indicated the overall fit of the model. From the above data, one can conclude that the overall model has a better fit. The F statistic is the regression mean square divided by the residual mean square and interpreted as, if the significance value of the F statistic is small (i.e. p< 0.05), then the independent variables do well in explaining the variation(change) in the dependent variable (BSP). In this analysis, the p value is below 0.05. Thus, the Regression model have valid Goodness of fit. Analysis of variance (ANOVA) indicated that whether the model overall results has a significantly better degree of prediction of the dependent variable (BSP).Hence, as observed from table above, the F value is significant (p<0.05)

Table 4.11. Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.925	0.855	0.849	1.727

Source: own study 2023

From the above table, Results of the multiple linear regression indicated that R square (R2) equals 0.855; Adjusted R square equals 0.849. It means that the predictors (ADV, DIM, SLP, PSL and PBR) explain 84.9% of the variance of dependent Variable(BSP).The coefficient of multiple correlation (R) equals 0.925. It means that there is a strong correlation between the Variables the predicted data and the observed data.

From the above table, Results of the multiple linear regression indicated that there was a strong collective significant effect of MC on dependent Variable(BSP), ($F(5,114) = 134.504$, p-value = -2.22e-16,R equals 0.925; $R^2 = 0.855$; $R^2_{adj} = 0.849$;).the multiple regressions R square represents the proportion of variance in the dependent variable which is explained by independent variables.

Adjusted R square (R = 0.849) is coefficient of determination, inferred that 84.9% of the variation of dependent variable (BSP) is due to the predictors MC practices comprising of ADV, DIM, SLP, PSL and PBR. Thus, IMP practices, cause about 84.9% of variation in BSP. So it can be concluded that the remaining 15.1% of variations in are explained by other variables outside of this model or variables that are not incorporated in this study.

Table 4.12: Coefficients

	Model	Un standardized Coefficients		Standardized Coefficients	t-stat	p-value
		B	Std. Error	Beta		
1	(Constant)	-5.855	1.727	0	-3.389	0.00
	Advertising	0.0756	0.0723	0.0379	1.045	0.29
	Direct Marketing	0.575	0.109	0.274	5.264	0.00
	Sales Promotion	0.491	0.123	0.237	3.982	0.00
	Personal Selling	0.259	0.104	0.164	2.497	0.01
	Public relations	0.615	0.105	0.363	5.865	0.00

Coefficients[a]

[a]Predictors: (Constant), ADV, DIM, SLP, PSL and PBR.

Source: own study 2023

As demonstrated in table above using inferential statistics the individual predictors were examined for their effect on Business performance. Accordingly, Direct Marketing (t = 5.264, p < .001); Sales Promotion (t = 3.982, p <0 .001); Personal Selling (t = 2.497, p = 0.014) and Public relations (t = 5.865, p < .001) were significant predictors in the regression model. However, Advertising practices (t = 1.045, p = 0.298) was non significant predictor in the regression model. As interpreted from the p values of the variables.

As demonstrated in table above using inferential statistics(standardized coefficient, and p-value) the finding revealed that Advertising practices had (β=0.0379, p=0.298),Direct Marketing had (β=0.274, p=0.000671), Sales Promotion had(β=0.237, p=0.000121), Personal Selling had(β=0.164, p=0.0139) and Public relations had(β=0.363, p=0.0000447)

The p values (<0.05) and positive β value in above table for DIM, SLP, PSL and PBR implies that DIM, SLP, PSL and PBR had positive and statistically significant effect on Business performance. However, the p value for Advertising practices (β=0.0379, p=0.298) implies that Advertising as MC practices had positive but had NO statistically significant effect on Business performance.

The result of beta value in above table inferred that or can be interpreted increase in one unit of Advertising practices will lead to an increase in BSP by 0.037 , increase in one unit of Direct Marketing will lead to an increase in BSP by β=0.274, increase in one unit of Sales Promotion will lead to an increase in BSP by 0.237,increase in one unit of Personal Selling will lead to an increase in BSP by 0.164, and increase in one unit of Public relations had will lead to an increase in BSP by 0.363.

The multiple regression result inferred that, Public relations practices has maximum impact and Advertising practices has minimum impact on Business performance of pharmaceutical companies in Addis Ababa.

The finding of my study is supported by empirical studies of Bestelot (2021) whose finding revealed Advertising practices had NO a significant on business performance of pharmaceutical companies in Addis Ababa. Furthermore This regression analysis result is supported by study from Nigeria by Goodie-Okio Jennifer et al., (2022) on pharmaceutical companies whose finding revealed a significant effect of sales promotion and business performance . Furthermore My study regression analysis result is in agreement with study from Sri Lankan by Tharaka (2010).

4.3.4 Hypotheses Testing Results

Effect of Advertising practice on business performance (Hypotheses 1)

Hypotheses 1;

Ho1: There is no significant effect of Advertising practice on business performance

Ha1: Advertising has a significant effect on business performance

Results of the multiple linear regression illustrated in the above table revealed that Advertising practices had (t = 1.045, p = 0.298 β=0.0379) Since p-value > 0.05, we accept H0. Conclusion There is no significant effect of Advertising practice on business performance

Effect of Direct Marketing on business performance (Hypotheses 2)

Hypotheses 2;

Ho2: There is no significant effect of Direct Marketing on business performance

Ha2: Direct marketing has a significant effect on business performance

Results of the multiple linear regression illustrated in the above table revealed that Direct Marketing had (t = 5.264, p < .001 β=0.274) Since p-value > 0.05, we reject H0. Conclusion There is Direct marketing has a significant effect on business performance

Effect of Sales Promotion on business performance (Hypotheses 3)

Hypotheses 3;

Ho3: There is no significant effect of sales promotion on business performance

Ha3:Sales promotion has a significant on business performance

Results of the multiple linear regression illustrated in the above table revealed that Sales Promotion had (t = 3.982, p <0 .001, β=0.237); Since p-value < 0.05, we reject H0. Conclusion Sales promotion has a significant on business performance

Effect of Personal Selling on business performance (Hypotheses 4)

Hypotheses 4;

Ho4: There is no significant effect Personal Selling on business performance

Ha4: Personal selling has a significant effect on business performance

Results of the multiple linear regression illustrated in the above table revealed that Personal Selling had (t = 2.497, p = 0.014, β=0.164) Since p-value < 0.05, we reject H0. Conclusion Personal Selling has a significant on business performance

Effect of Public relationson on business performance (Hypotheses 5)

Hypotheses 5;

Ho5: There is no significant effect of Public relationson business performance

Ha5:Public relations has a significant effect on business performance

Results of the multiple linear regression illustrated in the above table revealed that Public relationson had (t = 5.865, p < .001, β=0.363)Since p-value < 0.05, we reject H0. Conclusion Public relationson has a significant on business performance

4.4 Discussion

This study result regarding advertising as MC (grand mean of 2.7) practiced is supported by study from Ethiopia on pharmaceutical companies by Bestelot et al., (2021) whose finding reported that low level of advertising as MC practices among pharmaceutical companies. This study result regarding advertising as MC practiced is contrary to or (dis agree with) study from Ethiopia by Dawed (2017) whose finding indicated that high level of advertising practiced and he reported that on aggregate advertising as MC practices had grand mean 3.581 and Sales Promotion (3.4) practiced high level for companies. This contraction could be due to difference in study companies as Dawed (2017) study companies were insurance corporation where as my study companies were pharmaceutical companies in Addis Ababa, also this could be due to Marketing law difference for different companies in Ethiopia.

This study result regarding Advertising practice is in agreement with and supported by study from Ethiopia by Betselot (2021) whose finding revealed that there is a There is insignificant effect of Advertising practice on business performance. This could be due to EFDA pharmaceutical marketing law and regulations that restricted Advertising practice of pharmaceutical products on TV and radio. This study result regarding Sales Promotion is in agreement with and supported by study from Sri Lankan by Tharaka (2010) whose finding revealed that there is a significant influence of promotion strategies used by pharmaceutical companies on their business performance in Sri-Lankan context. This study result regarding Sales Promotion is in agreement with and supported by study from Nigeria by Goodie-Okio Jennifer et al., (2022) on pharmaceutical companies whose finding revealed a

significant effect of sales promotion and business performance .

The finding implies that pharmaceutical companies in Addis Ababa use broadcast advertising at low extent. This could be due to pharmaceutical products marketing law(regulation) in Ethiopia. The grand mean values implies that advertising as MC practiced to low extent among pharmaceutical companies in Addis Ababa. The result implies that item had 1 were practiced to very low extent; 3 and 6 were practiced to low extent , and item 4 & 5 were practiced to moderate extent but item 2 was practiced to high extent . The result implies that advertising as MC practices was low on aggregate among pharmaceutical companies in Addis Ababa.

The researcher argues that this could be due to the fact that pharmaceutical products marketing activities such as advertising is regulated by EFDA; however it is not prohibited to advertise the company itself and the companies can advertise none medicines products such as food supplements and medical equipment's.

Results of the multiple linear regression revealed that Advertising practice had insignificant effect of on business performance. This study result regarding advertising as MC practiced is supported by study from Ethiopia on pharmaceutical companies by Bestelot et al., (2021) whose finding indicated that Advertising as MC practices had positive but had NO statistically significant effect on Business performance

Chapter Five

Summary, Conclusion and Recommendation

This chapter is made up of three sections namely summary of major findings conclusion, and recommendations in that order. The conclusion is made based on the findings of the study, reflection of the researcher on the findings, and answers each research questions, and the recommendations part divided into two namely recommendations for practitioners of WB and future research direction has been provided.

5.1 Summary of major findings

As far as the socio-Demographic characteristics of the study participants is concerned, male dominate study participants at study companies; that most of the respondents' were middle aged; well educated survey respondents; well e experienced on the variables of the study

- ✓ With regard to the descriptive statistics for the MC tools among pharmaceutical companies in Addis Ababa, result indicated that On aggregate Advertising as MC practices had grand mean 2.576; Direct Marketing as MC practices had grand mean 3.323; On aggregate Sales Promotion as MC practices had grand mean 3.448 On aggregate Personal Selling as MC practices had grand mean 3.195; On aggregate public relations as MC practices had grand mean 3.416.That implies low level of Advertising as MC practices whereas moderate level of Direct Marketing as MC practices; moderate level of Selling as MC practices; high level of public relations as MC practices; high level of Sales Promotion as MC practices

- ✓ As far as Business performance among pharmaceutical companies in Addis Ababa is concerned, the result showed that the overall business performance among pharmaceutical companies in Addis Ababa was moderate with grade mean value of 3.296.On aggregate business performance had grand mean 3.296 with low business performance in terms of branch expansion(mean=2.550 and standard deviation of 0.868;) however high business performance in terms sales, Increase in sales at companies over last 3 years had mean value 3.675 and standard deviation of 1.182; The grand mean value of business performance implies that business performance of among pharmaceutical companies in Addis Ababa status was moderate in degree of assessment on aggregate.

- ✓ Correlation analysis result revealed that ADV, DIM, SLP, PSL and PBR had correlations coefficient and p value of (r =0.153, p=0.118); (r =0.781, p<0.001); (r =0.812, p<0.001); (r

=0.817, p<0.001) and (r =0.848 , p<0.001) respectively.

✓ Regression Model summary Individual independent variables effect on BSP. The finding established that the effect MC on BSP; as demonstrated by regression model using the beta coefficients is as illustrated below:

✓ Results of the multiple linear regression indicated that Advertising practices had (β=0.0379, p=0.298), Direct Marketing had (β=0.274, p=)0.000671), Sales Promotion had (β=0.237, p=0.000121), Personal Selling had (β=0.164, p=0.0139) and Public relations had (β=0.363, p=0.0000447).

✓ Results of the multiple linear regression indicated that R square (R^2) equals 0.855; Adjusted R square equals 0.849. It means that the predictors (ADV, DIM, SLP, PSL and PBR) explain 84.9% of the variance of dependent Variable(BSP).Thus, it can be concluded, or it can be inferred that other factors or variables not under consideration of this study could contribute the other 15.1% variations in BSP. The coefficient of multiple correlation (R) equals 0.925. It means that there is a strong correlation between the Variables.

5.2 Conclusion

The study concluded that MC practices among pharmaceutical companies in Addis Ababa was poor in terms of Advertising as MC practices this could be due to marketing law enforced by EFDA that restricted advertising of some pharmaceutical products. Contrary to this, public relations and Sales Promotions MC practices measured to be practiced at higher level and Personal Selling and Direct Marketing as MC measured to be practiced at moderate level this could be due to nature of the business and nature of the company's clients which are both healthcare workers and consumers

The study concluded that Business performance among pharmaceutical companies in Addis Ababa on aggregate was moderate; with poor performance level in terms of branch expansion however high business performance in terms sales and profit increase; this could be due to weak performance of government owned pharmaceutical firms

The study concluded that public relations and Sales Promotion were Dominant as MC practices used by pharmaceutical companies in Addis Ababa but I argue that effective MC requires a combination of most of its elements with each in the right measure and at the right time for customers.

The study indicated that 84.9% of the variation of dependent variable (BSP) is due to the predictors MC practices comprising of ADV, DIM, SLP, PSL and PBR. Thus, it can be concluded that other factors or variables not under consideration of this study(other variables notably place mix strategy, location of the company, price mix strategy, product mix strategy, and process strategy) could contribute the other 15.1% variations in BSP.

The study concluded that Advertising practices had NO statistically significant effect on Business performance among pharmaceutical companies in Addis Ababa. However contrary to this Direct Marketing, Sales Promotion, Personal Selling and Public relations had statistically significant effect on Business performance among pharmaceutical companies in Addis Ababa.

The study concluded that public relations and Sales Promotion as MC practices had highest effect size(based on their beta value) and predicts Business performance among pharmaceutical companies the most this could be due to nature of business.

The study concluded that by normal standards, the association between the Business performance and the independent variable Advertising practices would not be considered statistically significant. The study concluded that by normal standards, the association between Business performance and the independent variables (DIM, SLP, PSL and PBR) would be considered statistically significant.

5.3 Recommendations

This study focused on MC and BSP. The results are limited to the pharmaceutical companies at Addis Ababa therefore the study recommended further research in other locations or other cities/towns of Ethiopia using regression model I developed; Also study recommended further research using other variables such marketing mix practices and its effect on BSP.

On the other hand, only quantitative approach was employed for this study. The future research may include qualitative research approach to make it mixed research approach in order to cancel the disadvantages from one by another.

Recommendation to general managers and marketing managers: The study recommended that general managers and marketing managers should adopt appropriate MC tools with major attention should be given to sells promotion and public relation because this two variable had highest effect size(based on their beta value) and predicts Business performance among pharmaceutical companies

the most. The study recommended that managers should minimize on applying Advertising practices as it has least and insignificant effect on business performance. The study recommended that managers should improve low business performance measured in terms of branches expansion

Comment: you should give more recommendations as per of your findings. You should also give ownership to your recommendations (who should do what).

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FACULTY OF BUSINESS

MA PROGRAM OF MARKETING MANAGEMENT

Dear Respondent:

I am Daniel Asfaw; From St. Mary's University; marketing management department; doing my MA thesis entitled the effect of marketing communication practice on business performance: the case of pharmaceutical companies in Addis Ababa and this questionnaire is intended to gather information about the effect of marketing communication on business performance in your institute. The aim of this questioner is only for academic research purpose. So you are one among those who are chosen to participate in the study. Therefore, for the success of my research work, I am looking for your valuable responses to the questions in survey questionnaire attached here with this letter. I am kindly requesting you, to give very honest and sincere responses. The information given by you will be kept as confidential, and will be used only for this research and your name will not be mentioned on the study result.

Please note the following points before you start;

- You need not write your name or any other identification
- Please do not leave the question unanswered.
- Kindly answer the stated questions on the space provided based on your experience in this company
- Thank you for your cooperation and willingness to support the research efforts,

Thank you for your cooperation to participate on the survey

Section I: Socio-Demographics data of study participants

1. Your Gender

    a) Male

    b) Female

2. Your Age

a) Less than 21

b) 21-30 years

c) 31-40 years

d) 41-years

3. What is your highest level of education?

a) Grade 8 and below

b) High school completed

c) TVET completed or Diploma

d) Bachelor's degree

e) Master's degree and above

4. What is your work experience in pharmaceutical companies and/or marketing management of pharmaceutical companies?

a) Less than 5years

b) 6-10years

c) 11-15years

d) Above 16 years

5. What is your job role,(job position) in this company

a) General Manager

b) Marketing manager

c) Other

Section II. Business Performance of the pharmaceutical companies

The purpose of this part of the survey is to assess your company business performance.From your experience in pharmaceutical companies please rate or your agreement regarding business Performance of the company over past 3 years using business Performance indicator and 5-point Likert scale as stated below.

- ✓ Tick(✔) only once under each item
- ✓ indicate your answer using 5-point Likert scale labeled as 1= very low extent, 2= low, 3= average, 4= high, and 5= very highextent

The company business performance

S N	Items on indicators for The company business performance	Very low	Low	Average	High	Very high
		1	2	3	4	5
1	Increase in profit at this company over last 3 years					
2	Increase in sales at this company over last 3 years					
3	Increase in number of customers at this company over last 3 years					
4	Increase branch expansion at this company over last 3 years					
5	Improvement in brand performance such as brand awareness, brand acceptance, brand preference and market share of this company over last 3 years					
6	Reduction in wastage due to expiration of unsold pharmaceutical products of this company over last 3 years					
7	Improvement in ROE at this company over last 3 years					
8	Improvement in customers retention of company over last 3 years					

9	Improvement products diversity(types of products) offered to customers (product mix or diversity) at this company over last 3 years					

Do you recommened application of MC to improve business performance of pharmaceutical companies---

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Do you have any additional, data or practical issues on business performance of pharmaceutical companies that are not included in the above questioner --

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Section III;   MC practiced

Aim of this part of the survey is to assess the marketing communication (MC) practiced by your company. From your experience in the current pharmaceutical company and marketing management please rate or indicate your level of agreement regarding marketing communication (MC) practiced by your company using indicators and 5-point Likert scale stated below

Instruction

- Please, answer each variable of MC practice using 5-point Likert scale
- Indicate your answer using 5-point Likert scale labeled as= very low, 2= low, 3= average, 4= high, and 5= very high
- Please Tick(✓) only once under each item

Advertising practices

S N	Items advertising practices	Very low	Low	Average	High	Very high
		1	2	3	4	5

		Very	Low	Avera	High	Very
1	This company do TV and/or Radio advertising activities as MC practice to promote itself and its products					
2	This company do online activities advertising practices such as websites, blogs and social media to as MC practice					
3	This company do advertising practices in print media (news papers and magazines) as MC practice					
4	This company use of billboards, sonic screens and wall branding put in various places as MC practice					
5	This company use product brochures, stickers, and leaflets to influence customers to buy the company products					
6	This company advertising its products through scientific journals					

Sales Promotion

S N	Items Sales Promotion practices	Very	Low	Avera	High	Very
		1	2	3	4	5
1	This company provides occasional sales discounts on products for new and existing customers as ICM practice					
2	This company provide Low-cost gifts (pen & writing pads depicted product-brand) & office practice items, patient record forms, etc.) to remind its brand					
3	This company provides financial incentives to motivate healthcare providers to prescribe its products or brands when there is competing brand and products					
4	This company perform scheduled Sales Promotion practices in Addis Ababa					

5	This company perform scheduled Sales Promotion practices in other towns and cities across Ethiopia (out of Addis Ababa)					

Personal Selling

No	Items Personal Selling	Very Low	Low	Average	High	Very High
		1	2	3	4	5
1	The level of clients-salespersons interpersonal relationships; creating friendly relationship with customers at this company					
2	Frequency of sales work force visit clients at this company					
3	This company sales representatives provide to clients scientific, accurate and up-to-date details on its products and brands (interactive communication)					
4	This company have retail out let to sale its products to consumers					
5	This company direct personal contact to prospect customers (via their personal phone or email) as personal selling practices					

Public relations practices

SN	Items The company public relations practices	Very Low	Low	Average	High	Very High

No	Items	1	2	3	4	5
1	This company sponsor scientific conference organized by healthcare providers associations and hospitals as MC practice and as Public relations strategy					
2	Communicating the company public relation activities through web and social media as MC practice					
3	This company participation on events such as trade fairs, bazaars and exhibitions to promote itself and as Public relations strategy					
4	This company provide sponsorship for healthcare providers to attend CMEs and trainings as its Public relations strategy and to persuades to prescribe its brands					
5	This company provide e detailing materials and printed materials to influence healthcare providers to choose this company products or brand					

Direct Marketing

No	ItemsDirect Marketing	Very	Low	Avera	High	Very
		1	2	3	4	5
1	This company provide product (brand) detailing using sales representative in person					
2	This firm provide the clients online real time support with products information					
3	The product (brand) advertisements direct to healthcare provider's personal telephone or email to encourages prescription of the company brands					

4	Interactive communication facilitates customers decision to purchase					
5	This company use product (brand) detailing by peer groups					

Do you have any additional ideas or practical issues related on MC related factors that affecting the business performance of pharmaceutical companies---
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Thank you