

**GENERIC STRATEGIES AND PERFORMANCE OF FIVE
PHARMACEUTICAL DISTRIBUTION COMPANIES IN NAIROBI CITY
COUNTY, KENYA.**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS,
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UNIVERSITY.**

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DECLARATION

The research project has not been previously submitted to any other school with the intention of receiving a degree or other form of acknowledgment; it is the author's effort. Reproduction of any part of this research project is strictly prohibited without the explicit permission.

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I hereby ascertain that this study was carried out under my supervision and the candidate took all the necessary measures to guarantee adequacy and relevance of the information contained herein, hence submitted for examination as the supervisor.

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DEDICATION

The love and support of my family Franciscah and my children Jabali and Baraka has been crucial in my success in school and in life, and I would like to thank them all. Their unwavering support and encouragement have played a pivotal role in motivating me to pursue this research endeavour. Their invaluable assistance and inspiration have been instrumental in shaping my academic pursuits.

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ABBREVIATIONS AND ACRONYMS

AKI:	Association of Kenyan Insurers
ANOVA:	Analysis of Variance
API:	Active Pharmaceutical ingredients
CEO:	Chief Executive Officer
COMESA:	Common Market for Eastern and South Africa
ERP:	Enterprise Resource Planning
KAPI:	Kenya Association of Pharmaceutical Industries
KEMSA:	Kenya Medical Supplies Authority
KNBS:	Kenya National Bureau of Statistics
NCDs:	Non-Communicable Diseases
PPB:	Pharmacy and Poisons Board
R&D:	Research and Development
SPSS:	Statistical Package for Social Sciences

OPERATIONAL DEFINITION OF TERMS

Competitive Strategies	it is the process by which a pharmaceutical achieves superior performance by means of a competitive advantage and outshines its competitors.
Competitiveness	Is the ability of a pharmaceutical to compete successfully in the current market and measured by how well it can satisfy the quality, quantity, and timing requirements of the market at a price that is competitive.
Differentiation Strategy	Is a new product or service development is a business tactic that aims to differentiate a pharmaceutical's offerings from the competition.
Distribution Company	A distribution company is company purchases goods from the producer and often resells them to a store for a profit.
Firm performance	is evaluated using a variety of metrics, such as the following: market share, employee retention, innovation, and customer happiness.
Focus Strategy	It targets a specific market niche by offering tailored drugs or services, often with unique features or superior quality. It aims to serve a narrow segment more effectively than competitors.
Generic strategies	it's how pharmaceutical seeks to get an edge in its selected market. Reduced prices, unique products, and focus approach are some of them.

Market Share	is the percentage of total sales in a pharmaceutical generated by a particular pharmacy. It reflects a company's relative size and competitiveness within its market.
Operational Efficiency	Operational efficiency refers to the ability of an organization to deliver products or services in the most cost-effective manner, while maintaining high quality. It involves optimizing resources, processes, and systems to maximize output and minimize waste or delays.
Performance management	Managers can take use of performance management to rate and monitor their employees' output.
Performance measurement	is commonly understood as consistent evaluation of effects and results, which yields trustworthy information about the efficacy and efficiency of projects.
Performance	Considered a crucial gauge of management's success in accomplishing pharmaceutical's goals, it measures how well a company follows through on its stated strategy.
Pricing Strategy	A pricing strategy is a pharmaceutical approach to determining the optimal price for products or services based on factors like costs, market demand, competition, and value perception. It aims to maximize profit, market share, or customer loyalty

ABSTRACT

The pharmaceutical distribution sector in Nairobi City County, Kenya, faces intense competition, regulatory challenges, and dynamic market conditions. To maintain competitive advantage and improve performance, companies need to adopt effective

strategies. However, it remains unclear which generic strategies such as differentiation, pricing strategy or focus are most effective in enhancing the performance of pharmaceutical distribution companies. The study investigated generic strategies and performance of five pharmaceutical distribution companies in Nairobi City County, Kenya. The study was guided by the following objectives; effect of pricing strategy, effect of differentiation and effect of focus strategy on the performance of pharmaceutical distributors in Nairobi County, Kenya. The study was underpinned on the theory of configuration, resource theory, and the Five Forces model of competition which served for the research. The study used descriptive research design. The target population consisted of 45 of the top 5 pharmaceutical distribution companies, making up the sample size of 36, which included the Chief Executive Officer, general manager and marketing manager in the pharmaceutical manufacturing companies. The study was a census of pharmaceutical manufacturing companies in Nairobi. A structured questionnaire was used for data collection. The questionnaire was tested through pilot testing for its validity and reliability. The pilot test was carried out to identify design and instrumentation vulnerabilities and to establish alternative data for probability sample collection. The study was conducted in two pharmaceutical manufacturing firms outside Nairobi city County and 6 senior level managers were involved. Content validity was conducted and Cronbach's alpha used to test for reliability. The study used primary data which was gathered from the managers. The data was coded and then analyzed using SPSS, Version 22.0. The study determined the association between the dependent and independent variables by employing regression and correlation analysis. The findings showed that differentiation strategy pricing and focus strategy positively and significantly influenced performance of pharmaceutical companies in Nairobi County, Kenya. The study concluded that managing the production expenses enhances business performance as a result of increased profit value. It was recommended that pharmaceutical distribution companies should conduct customer satisfaction surveys in order to bridge the niche that may be identified. This will them in a position to offer the relevant products and services and gain customer loyalty which eventually leads to increased profitability. Future areas of study should focus on other competitive strategies since the three generic strategies that were identified did not account for 100% of the variation in performance of pharmaceutical firms.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Pharmaceutical distribution is a critical component of the healthcare value chain globally. Distributors act as intermediaries between manufacturers and healthcare providers, ensuring that medications and medical supplies are efficiently delivered to hospitals, pharmacies, and clinics. The sector has evolved significantly in recent years due to factors such as globalization, regulatory changes, and advancements in technology. Companies in the pharmaceutical distribution industry are adopting various generic strategies, such as cost leadership, differentiation, and focus, to remain competitive in an increasingly globalized market (Schuhmacher et al., 2018). The rise of e-commerce, digital transformation, and the implementation of supply chain innovations have reshaped the global pharmaceutical landscape, enabling faster and more reliable delivery of medications, particularly in response to global health challenges such as the COVID-19 pandemic (Bochniarz & Fałkowski, 2020).

In Africa, the pharmaceutical distribution sector plays a vital role in bridging the gap between manufacturers and healthcare facilities across vast geographies and diverse regulatory environments. Many African countries rely on pharmaceutical imports due to limited domestic production, making distribution an essential part of healthcare delivery. The sector in Africa is characterized by fragmented distribution channels, inadequate infrastructure, and high costs, which affect access to essential medications (Anyango, 2019). However, initiatives to improve healthcare access, such as the African Medicines Agency and regional integration efforts, are creating opportunities

for companies to streamline their distribution networks and adopt more competitive generic strategies.

Pharmaceutical distribution in Africa is further influenced by the rising burden of non-communicable diseases (NCDs) and infectious diseases, prompting companies to innovate in supply chain management and adopt more robust strategies to meet growing healthcare demands. For example, companies that focus on cost leadership strategies have been able to increase access to affordable medications in underserved areas (Munyua et al., 2020). In response to these challenges, digital platforms and mobile technologies are being increasingly utilized to enhance the efficiency of drug distribution across the continent.

In Kenya, the pharmaceutical distribution sector has grown significantly, driven by a burgeoning population, increasing healthcare needs, and an expanding middle class. The country serves as a hub for pharmaceutical distribution in East Africa due to its strategic location and relatively well-developed infrastructure (Onyango & Bolo, 2021). Pharmaceutical distribution companies in Kenya face the dual challenge of maintaining efficiency while ensuring affordable access to essential medicines. Companies in the sector are adopting various generic strategies, including cost leadership and differentiation, to remain competitive in the evolving market.

Regulatory frameworks, such as the Pharmacy and Poisons Board (PPB) and the Kenya Medical Supplies Authority (KEMSA), play a significant role in ensuring quality control and the safe distribution of pharmaceuticals in the country. However, challenges such as counterfeit drugs, high taxes, and logistical inefficiencies persist (Ndung'u & Mutai, 2020). Companies that adopt strategies focused on innovation, technology integration, and partnership with local and international stakeholders are better

positioned to overcome these obstacles and meet the growing healthcare demands in Kenya.

1.1.1. Competitive Strategies

In today's rapidly evolving business environment, organizations are compelled to adopt competitive strategies to maintain a sustainable competitive advantage. Competitive strategies are the approaches firms utilize to outperform their rivals by offering superior value to customers or by positioning themselves effectively in the market. These strategies are pivotal in industries such as pharmaceutical distribution, where firms face intense competition due to stringent regulations, the necessity of reliable supply chains, and customer expectations for timely delivery and quality assurance. Porter's (1980) framework identifies three key competitive strategies: cost leadership, differentiation, and focus, which companies may employ to thrive in such competitive environments (Hossain, 2021). Pharmaceutical distribution companies in Nairobi City County have embraced various competitive strategies to stay relevant in the face of changing market dynamics and increased competition.

The pharmaceutical distribution industry in Kenya is characterized by the presence of both local and multinational firms, with increasing competition driven by technological advancements and shifts in customer needs. According to (Wafula, 2019), firms that adapt competitive strategies like differentiation, where they offer unique products or services, gain significant market share by addressing specific customer demands. Differentiation strategies enable pharmaceutical distributors to stand out by offering superior quality products, faster delivery times, or exceptional customer service. In

Nairobi, companies focusing on differentiation have been able to build stronger relationships with healthcare providers, enhancing their performance and market positioning.

On the other hand, some pharmaceutical distributors in Nairobi employ cost leadership strategies, focusing on minimizing operational costs to offer competitive pricing. This strategy is particularly effective in a price-sensitive market, where customers such as pharmacies, hospitals, and clinics often prioritize affordability. Achieving cost leadership in the pharmaceutical distribution sector requires firms to invest in efficient distribution networks, optimize inventory management, and leverage economies of scale (Maina, 2020). As a result, companies that excel in cost control are able to offer lower prices without compromising product quality, making them attractive to a broad customer base.

Finally, focus strategies, whether cost or differentiation-focused, enable pharmaceutical distributors in Nairobi to cater to niche markets or specific geographical regions. This approach allows companies to concentrate their resources on a particular segment, enhancing customer loyalty and ensuring tailored services. (Njenga & Kinyanjui, 2022) assert that focus strategies have been instrumental for smaller firms in Nairobi's pharmaceutical sector, helping them compete with larger firms by offering specialized products or services that meet the needs of a specific customer group. By adopting competitive strategies aligned with their operational capabilities and market needs, pharmaceutical distributors in Nairobi have been able to navigate challenges and improve their overall performance in the industry.

1.1.2 Company Performance

Company performance, a critical determinant of business success, reflects how well an organization meets its objectives, sustains profitability, and maintains its competitive edge in the market. In the pharmaceutical distribution sector, performance is often measured through financial metrics, market share, and customer satisfaction. This is because these organizations act as intermediaries between manufacturers and healthcare providers, ensuring that essential medicines reach the market efficiently and affordably. A company's ability to consistently deliver high-quality products while managing operational costs effectively contributes significantly to its overall performance (Mutisya & Wambua, 2021).

In Nairobi City County, Kenya, pharmaceutical distribution companies operate in a rapidly growing and competitive environment. The healthcare sector in Kenya has seen significant expansion due to increasing population, urbanization, and demand for healthcare services (Omondi & Wanjiku, 2020). This has pressured pharmaceutical distributors to enhance their performance through strategies that improve supply chain management, customer service, and compliance with regulatory frameworks. These companies must balance profitability with operational efficiency and ensure timely delivery of products to their clients, which directly impacts their performance.

The competitive nature of the pharmaceutical distribution sector requires firms to continuously evaluate and improve their business models. Strategic initiatives such as product diversification, customer relationship management, and technological adoption have become essential for enhancing company performance (Kariuki & Mutua, 2022). Firms that can adapt quickly to changing market conditions and customer needs are more likely to experience sustained growth and profitability. Conversely, companies that fail to innovate risk stagnation or decline in performance.

Furthermore, the role of government regulations, pricing policies, and international market trends cannot be overlooked. Regulatory frameworks and policies impact pharmaceutical distribution companies' operations by shaping how they source, price, and distribute products (Mwangi & Ndung'u, 2023). Companies that comply with these regulations while optimizing their operational processes are better positioned to achieve higher performance outcomes. As such, understanding the factors influencing company performance in this sector is crucial for developing effective business strategies that ensure sustainable growth.

1.1.3 Pharmaceutical Distribution Firms

Pharmaceutical distribution firms play a crucial role in the healthcare system by ensuring the effective supply chain management of medicinal products from manufacturers to healthcare providers and end-users. These firms are integral to maintaining the availability, quality, and affordability of essential medicines, which is critical for public health. The pharmaceutical distribution industry, particularly in developing countries like Kenya, is influenced by several factors such as regulatory frameworks, technological advancements, and market demand (Ngugi & Kihoro, 2021). As a result, the performance of these firms significantly impacts the accessibility of pharmaceuticals, ultimately affecting patient outcomes and healthcare delivery in Nairobi City County.

In Kenya, the pharmaceutical distribution sector has seen growth due to an expanding healthcare system and increasing demand for medical supplies. Nairobi, being the capital and the largest city, is home to many of these firms. The industry is governed by the Pharmacy and Poisons Board (PPB), which sets regulations to ensure the safety, efficacy, and quality of medicines distributed within the country. However, these firms

face challenges such as logistical inefficiencies, regulatory compliance, and competition, which affect their operational performance (Mwangi & Murage, 2022). The ability to adapt to these challenges is critical for firms to remain competitive and effective in the pharmaceutical supply chain.

The strategies employed by pharmaceutical distribution firms are pivotal in determining their performance. Generic strategies, such as cost leadership, differentiation, and focus, are commonly used to enhance competitiveness in the market. According to Porter's generic strategies framework, firms must choose between these options to establish a competitive edge in the marketplace (Porter, 1985). For instance, some firms may focus on cost leadership by streamlining their operations to offer lower prices, while others might differentiate through superior customer service or innovative distribution methods. The implementation of these strategies has a direct impact on the efficiency, profitability, and overall performance of pharmaceutical distribution companies in Nairobi (Odhiambo & Okeyo, 2023).

The performance of pharmaceutical distribution firms is also closely linked to their ability to leverage technology in logistics and supply chain management. The adoption of technologies such as Enterprise Resource Planning (ERP) systems, inventory management software, and data analytics tools has enabled firms to enhance efficiency and reduce operational costs. According to a study by (Musyoka & Kinyanjui, 2020), firms that effectively integrate technology into their operations experience improved performance in terms of customer satisfaction, timely deliveries, and cost savings. Therefore, technological innovation is increasingly becoming a key driver of success in the pharmaceutical distribution industry in Kenya.

Finally, the performance of pharmaceutical distribution firms in Nairobi is also influenced by external factors such as government policies, economic conditions, and the competitive landscape. As the pharmaceutical industry becomes more globalized, these firms face competition from international companies entering the Kenyan market. The competitive pressure has prompted many local firms to adopt strategies aimed at enhancing their efficiency and customer value proposition. According to (Njoroge & Wanjohi, 2021), firms that align their strategies with external market conditions are more likely to succeed and maintain their market share in the increasingly competitive pharmaceutical distribution sector in Nairobi.

1.2 Statement of Problem

The pharmaceutical distribution industry in Nairobi City County, Kenya, plays a crucial role in ensuring the availability and accessibility of essential medicines. Despite its significance, many distribution companies face persistent performance challenges. These challenges are often associated with inefficiencies in supply chain management, poor inventory control, and inadequate distribution strategies. The consequences of these performance gaps are reflected in increased stockouts, higher operational costs, and reduced customer satisfaction, leading to declining market shares for many companies. As the demand for pharmaceutical products continues to rise, these companies must adopt effective generic strategies to remain competitive. However, there is limited empirical evidence on how these strategies impact their overall performance.

Previous research on pharmaceutical distribution has largely focused on the operational challenges facing the industry, including regulatory issues, technological adoption, and logistical constraints (Wilson, 2022). However, there remains a significant gap in

understanding how different generic strategies such as price strategy, differentiation, and focus affect the financial and operational performance of these companies. Moreover, the rapidly changing business environment, characterized by rising competition and evolving customer needs, necessitates a deeper exploration of the effectiveness of these strategies in improving organizational performance. Without this understanding, companies may continue to apply strategies that fail to yield optimal results (Oyoolo & Bett, 2017).

This study sought to address this gap by evaluating the relationship between the adoption of generic strategies and the performance of pharmaceutical distribution companies in Nairobi City County. It aims to identify which strategies have the most significant impact on profitability, market share, and customer satisfaction. By focusing on five major pharmaceutical distribution companies, this research provided insights that guided management decisions and contributed to the development of more effective distribution practices.

1.3 Objectives of the Study

1.3.1 General Objectives

The purpose of this study was to analyse how generic strategies influence the success of pharmaceutical distribution businesses.

1.3.2 Specific Objectives

The primary objectives included:

- i. The effect of pricing strategy on the performance of pharmaceutical distributors in Nairobi County, Kenya.

- ii. The effect of differentiation strategy on the performance of pharmaceutical distributors in Nairobi County, Kenya.
- iii. The effect of focus strategy on the performance of pharmaceutical distributors in Nairobi County, Kenya.

1.4 Research Questions

- i. What is the effect of pricing strategy on the performance of pharmaceutical distributors in Nairobi County, Kenya?
- ii. How does differentiation strategy affect the performance of different pharmaceutical distributors in Nairobi County, Kenya?
- iii. How does the application of the focus strategy affect the performance of pharmaceutical distributors in Nairobi County, Kenya?

1.5 Significance of the Study

This study gives pharmaceutical distribution companies with a valuable resource for improving their understanding of competitor strategy and industry performance. The Pharmacy and Poisons Board used the study findings to educate policymakers and practitioners about how generic approaches affect industry performance. Finally, this study has added to the current body of knowledge regarding pharmaceutical distributors' competitive tactics and performance. This research is crucial for stakeholders, including policymakers, business leaders, and investors, as it can guide strategic decision-making, support regulatory frameworks, and foster a more robust pharmaceutical distribution sector in Kenya.

1.6 Scope of the Study

The scope of the study on Generic Strategies and Performance of Five Pharmaceutical Distribution Companies in Nairobi City County, Kenya encompassed a comprehensive analysis within a defined timeframe, focusing on the period of five years. The target population included managerial and operational staff from five selected pharmaceutical distribution companies operating in Nairobi City County. Methodologically, the study employed descriptive research design, combining quantitative surveys and qualitative interviews which assessed the impact of generic strategies on organizational performance. Geographically, the research was confined to Nairobi City County, while conceptually, it explores the alignment between strategic practices and performance metrics within the pharmaceutical distribution sector.

1.7. Limitations of the Study

The study on the generic strategies and performance of pharmaceutical distribution companies in Nairobi City County, Kenya, encountered several limitations. Firstly, the research was constrained by the availability and reliability of data, as pharmaceutical companies were reluctant to disclose sensitive financial and strategic information. Secondly, the study's scope was limited to Nairobi City County, which was not fully represent the diverse conditions and practices in other regions of Kenya. Finally, the reliance on self-reported data from company representatives introduced biases, impacting the accuracy and objectivity of the conclusions drawn. To mitigate these challenges, the researcher ensured confidentiality through non-disclosure agreements, seek alternative data sources or proxies where direct data was unavailable, and employed rigorous data cleaning and validation techniques.

1.8. Organization of the Study

The research project was presented in five chapters. Chapter One contains the introduction of the study and this consists of the background on the study, statement of the problem, research objective, research questions, significance of the study, scope of the study and limitations of the study. Chapter Two contains; theoretical, literature review and conceptual framework, explanation of variables on the conceptual framework and gap in literature review.

Chapter Three bears research methodology. In addition, this chapter looked at the design, target population, sample size and sampling procedures, data collection instruments and piloting, Data reliability and validity, data analysis and presentation, and ethical consideration. Chapter Four focused on data analysis, presentation and interpretation. Chapter Five focused on findings, conclusions, recommendation and suggestion for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presented the literature review on the effect of generic strategies on performance. The chapter contained the theoretical review, review of empirical studies and then the conclusion drawn from the studies.

2.2. Theoretical Framework

According to (Williams et al., 2010) state that researchers need a theoretical framework to help them decide what to test and what kinds of statistical associations to look for. Concepts that are related to one another are what this boils down to. The following theories were used.

2.2.1. Porter's Five Forces Model

Porter proposed the five forces model (2015), which describes five forces in the business environment that could affect business strategies. Porter points out those knowing strengths that drive industry competition form the basis of business strategy design. Key strategic activities, which are indicators of organizational success, can be easily associated with generic methods thereby establishing the theory's applicability to the research. Each company, therefore, has a different plan and approach, depending on the sector. Differentiation, concentration, price reduction, and a diversified approach are all examples of generic techniques that (Porter, 1998) identifies. Many different types of businesses utilize these methods to classify themselves.

Pharmaceutical companies are normally interested in the extent to which competition exists within their sector (Porter, 2012). Porter highlights that distinction and cost reduction are distinct when it comes to competition analysis, but linkable to each other. These two aspects have been the basis of many conceptual views and empirical analyses. According to (Miller & Dess, 2010) used in empirical analysis shows that it is essential to examine prices, distinction, and concentration as competition aspects rather than distinct strategies. Other researchers have also indicated that focusing on other aspects of competitive strength may be beneficial to a firm White (2018).

According to (Kitoto, 2015), an appropriate appraisal of the five Porter forces allows a firm to select the most stable generic strategy that will enable it to stay competitive. The porter also facilitated management teams' ability to evaluate the health of entire industries. Pharmaceutical companies can use information on the scope and nature of competition to forge new strategies for survival. For instance, according to (Bresnahan & Reiss, 2010), companies can only remain competitive if they constantly innovate and adapt their tactics to the state of the market. Altering business tactics alleviates competition constraints and opens up fresh avenues for expansion.

The main aim of developing new strategies was to mitigate the strength of competitive pressures and related effects. The findings of (Bresnahan & Reiss, 2010) reported that a significant number of firms have attained high economic efficiency through seeking both costs and distinction concurrently. Other studies have also shown that firms that focus on costs and distinction concurrently may experience challenges adjusting to competitive pressures. The model was important to this research because it delved into how organizations can maintain sustainability in the face of competitive pressures and uncertainties through the use of competitive strategy. Since the model described forces

that influence competition, pharmaceutical managers and owners are better equipped with information on the competitive space. The theory provided concrete information on competitive forces that had a greater impact on the study which was relevant.

2.2.2. Resource-Based View Theory

Barney proposed the resource-based perspective theory in 1991. According to this theory, different viewpoints arise from the assessment of an organization's productive capital. For example, from a conventional viewpoint, scholars and economists view competitive edge as a very intrinsic framework. The theory further suggests that the capability of a business's external environment factors is a crucial determinant of its productivity. While assessing competitiveness, (Barney, 1991) developed a structure to aid the identification of organizational resources that can produce long-lasting competitive benefits to an organization.

Some of the crucial resources identified include the organization's assets which can be used as strategic property. Such assets are very essential in pricing processes, scares among present and future market players, non-replaceable and hard to copy or imitate. Similarly, Amit & Schoemaker (2010); and Peteraf, (2010) argued that assets that provided durable competitiveness must be resilient, anti-tradable, and must have existed eccentric existence.

The theory developed a critical role a realistic paradigm for the resource-based model which focuses on assets and skills as crucial company's features that enhance competitive edge. Thus theory was essential to recognize key assets and skills that make an organization unique and gives it a competitive edge with acceptable returns. Contrary views discouraged and reinforced competitiveness but bases focus association

between capital and competitive edge. In cases where strategic choices are aligned with institutional or market forces both competitive and structural forces created a significant impact. Thus, it was important to emphasize the alignment of strategic choices and market or competitive forces.

The resource-based view asserts that by pooling together a wide variety of talents and resources, businesses can gain an advantage over their rivals. Although it is advantageous for pharmaceutical companies to offer a wide range of products, maintaining market dominance necessitates a relentless focus on service and process improvement. The significance of effectiveness, and competitiveness is also emphasized in the theory. The theory's explanation of differentiation strategy's function in formulating pharmaceutical enterprises' competitive strategies was also crucial to the present investigation. A company's chances of gaining an advantage in the market were increased when they differentiate themselves from the competition and reduce their production costs. On the flip side, compliance boosts confidence in a company among its clientele and improves its standing in the market.

Recruiting from a wide range of backgrounds can help a company stand out from the competition and appeal to a wider range of customers. Additionally, distinction can be achieved by exploring untapped market entrance opportunities and developing strategies to overcome market entry hurdles (Ogbonna & Harris 2003). Therefore, this theory was crucial since it not only explained the significance of compliance in establishing trust and reputation, but also the essence of differential strategy in increasing a firm's competitiveness.

2.2.3. Configuration Theory

Chandler proposed this theory in 1962, and it was refined by Mintzberg, Miles, and Snow in 1978 as a means of gauging an organization's effectiveness in light of its external context and internal structure. The present research into evaluating corporations relies heavily on this finding. The theory postulates that when internal structures are adapted to meet external conditions, an organization can operate at its highest level. This theory was pertinent to the investigation because it can serve as a road map for performance when business structures are adapted to meet external factors such as competition.

Configuration theory posits that an organization can only be successful if its tactics, internal structure, and environmental context are a good fit for one another, as stated by (Fincham & Rhodes, 2005). Consistent research has shown that a lack of congruence or mismatch between different aspects of an organization can negatively affect its productivity. For instance, (Gao et al., 2017) argue that, as the external environment is always exogenous, a corporation must modify its strategy accordingly.

This was helpful for Kenyan pharmaceutical companies since it described why it was crucial to ensure that their competitive strategies were well-aligned with the industry's external conditions. It was common practice for Kenyan pharmaceutical companies to pursue aggressive market positions without giving due consideration to the impact of internal and external factors, therefore the theory was relevant to the study.

2.3. Empirical Literature Review

2.3.1. Pricing Strategy and Performance

A study by (Barney, 2015) on pricing strategy affected the performance of businesses, concentrating on Saatchi & Saatchi Multimedia in particular. In order to get comments and clarifications on the analysis, the author used descriptive methods. The research showed that companies can capture a larger share of the market by charging lower prices due to economies of scale and lower production costs. According to (Zekiri & Nedelea, 2011), aggressively undercutting competitors' prices to acquire more sales is one pricing strategy that can lead to higher profit margins for the firm. There is a gap in our understanding of the generic strategies and performance of pharmaceutical distribution firms that was not explored in this study.

Bank data shows that pharmaceutical companies in Kenya saw a fall in earnings over a period of five years due to inflation (World Bank, 2018) before the Covid-19 pandemic that swept the planet in 2020 and hindered economic activity. In 2016, the pharmaceutical industry's contribution to GDP growth slowed to 3.3% from 5.5% the year before. Although the Ministry of Health (MoH, 2018) implemented measures to improve procedures and prices to increase access to pharmaceutical and non-pharmaceutical items, (Ngugi, 2021) notes that business performance in the pharmaceutical industry has fluctuated therefore existed a gap.

In order to determine how a company's usage of a differentiation strategy affects both its performance and pricing strategy, (Rouse, 2018) looked at a case study of the business climate of Kenya. Fifteen (15) businesses were selected using a purposive selection technique for this cross-sectional descriptive study. Primary data was gathered

via a structured questionnaire. Companies that use a cost initiative strategy constantly compare their prices to those of their rivals. (Tanwar, 2013) found that Toyota companies in Japan successfully implemented pricing strategy techniques. Toyota's aggressive pricing, product quality, and delivery speed are just a few examples of how the company has grown while maintaining cheap prices. The study was done in Japan hence there was a gap in Nairobi Kenya which the study addressed.

According to (Ingram and Kokemuller's, 2013) research, the Coca-Cola Company, like many other major corporations, uses pricing strategies to establish a foothold in the market and generate a profit margin. The study used a correlational approach to data analysis. It involved 14 public agencies and 15 private businesses. To select one company from the population, a cluster sampling method was used. Based on the results, the company may implement multiple strategies to gain a price advantage. One method is to make use of more economically viable raw materials and more streamlined manufacturing and distribution channels. However, this approach is not only about cutting expenses; rather, businesses should aim to find a happy medium between price and quality. Because there is a tipping point below which customers will no longer consider price cuts to offset a perceived drop in quality. There was a gap in the research that that study looked at the generic strategy and results of pharmaceutical distribution companies.

Previous research has also found that a company's pricing approach can have an effect on its bottom line. For example, (Munyua et al., 2018) examined how different pricing strategies employed by transportation firms at JKIA influenced their output. The findings demonstrated that the cost method increased profitability and sales income. Cost-cutting measures taken by the researcher increased profitability. According to the

study's conclusions, Kenyan airlines use a range of price strategies to gain market share and control over operating costs. The current study filled a research vacuum by examining how distribution organisations' generic pricing strategies impact their Efficiency.

2.3.2. Differentiation and Performance

A company that uses differentiation strategy seeks to create a unique presence in the market by embracing characteristics that are highly valued by both its present and potential clients. It entails choosing qualities that many customers value highly. This places the company in a special position to address these needs and experience less industry competition. Because it may establish a barrier to new entrants and maintain brand loyalty and reputation that rivals might not match, a company that employs a differentiation strategy has an edge over rivals. It is a marketing tactic that enables businesses to build a solid brand identity in a particular market.

A study by (Ngugi, 2021) research looked at how generic methods used by manufacturing companies in Nairobi affected performance. (Weru, 2018) conducted research on the variables influencing the long-term expansion of Kenyan pharmaceutical manufacturing companies. (Adhiambo & Omondi, 2018) conducted research on Pharma Specialty Limited's strategic decisions and success. (Munene, 2016) claims that she looked at how adopted methods affected long-term competitive advantage but not performance. Therefore the current study focused on performance of pharmaceutical companies in Nairobi.

A study by (Adimo, 2018) investigated how pricing strategy affected the efficacy of organisations. A positive correlation has been found between an organization's

performance and its differentiation strategy. The differentiation strategy and business performance, according to the study, did not have a good link. In addition, (Shafiwu & Mohammed, 2013) noted that Ghana had problems with the petroleum industry's requirement for a differentiation strategy, despite the general consensus that the country didn't have any unique products.

A research done by (Kinyua, 2014) asserts that companies that successfully employ this technique have high levels of client loyalty. Porter further mentioned that product differentiation tries to build products that will satisfy a large or specific consumer base while attending to a particular customer requirement. As a result, the technique enables businesses to charge higher prices and so gain a larger market share. According to earlier studies, it's critical for a business to identify its competitive advantages in order to create a viable strategy. A business that uses differentiation as a strategy also benefits from price inelasticity demand for its distinctive services or goods. This is so that the business may avoid unfair pricing competition and set competitive prices that will draw clients and generate profits that are a little higher than average.

According to (McCracke, 2018), Sameer Africa Kenya opted to try to forge a partnership between product differentiation strategies and limited institutional efficacy. One hundred and ten employees of Sameer Africa (K) Limited were questioned for the study. This included the company's top executives, department heads, technical experts, and 91 Nairobi-based distributors. Using stratified random sampling and standard random sample techniques, 134 respondents were selected for the survey. According to the results, while developing a differentiation strategy, businesses may need to pay particular attention to their size, geographic reach, client focus, platforms for delivering products and services, marketing strategy, and other elements. According to (Hlavack,

2001), businesses must be prepared to raise prices to reflect the changes, but this should not be their primary concern. This is due to the value-added on the distinctive goods and services, which justifies the higher premium price since they demand higher levels of creativity, innovation, and other skills.

In a cross-sectional study done in Mombasa County, (Nuru, 2015) looked at how a differentiation strategy affected a water bottling company. The research was conducted to ascertain the viability of a differentiation strategy for the company. There was shown to be a robust connection between a company's differentiation strategy and its financial results. The research found that increasing profits through differentiation entailed providing a selection of products with unique features to a large number of customers. However, (Demba, 2018) studied the impact of differentiation on a car rental company's bottom line and found no significant difference. A negative correlation was also found between performance and the type of differentiation technique used in the correlation analysis which was a gap investigated.

According to (Shafiwu & Mohammed, 2013) conducted a study to examine the impact of product diversification on the profitability of Ghana's petroleum industry. A poll of 112 participants was selected by stratified random selection. Despite the assumption that the petroleum industry has inferior products than those of other industries, the researcher found that the approach was profitable for the company. The researchers came to the conclusion that in order to boost growth, attention should be paid to other factors like customer focus incentives. There existed a gap in the study's coverage of generic pharmaceutical distribution company strategies and execution.

2.3.3. Focus Strategy and Performance

Market niches are what a focus strategy is all about. A company may decide to specialize in a certain niche market because its members have distinct requirements or because they live in a specific region. Strategy research by (Davidson, 2001) focused on staying inside narrow confines in Nairobi, Kenya's business environment. The evaluation, description, and reporting of results followed a descriptive research strategy made possible by the analysis. Participants were surveyed by use of questionnaires for this study. The objective is to increase market share within a specific market segment. The major advantage and disadvantage of this strategy is its dependence on market segmentation, where the target segment is unimportant to other market competitors which was a gap.

In addition, a focus approach is zeroing in on one subset of customers and catering solely to their needs. Research of how Porter's generic business approaches affect credit performance was planned by (Kinyuira, 2014) in Kenya's Murang'a Region. While in differentiation businesses aim to capitalize on the unique requirements of their target markets, cost-focused businesses may opt to study how price fluctuations in the market affect consumers' propensity to make purchases. In the Kenyan city of Eldoret, (Kamar, 2014) set out to investigate how rivalry affects business productivity. Achieving the primary objectives of a focused strategy depends on whether or not the bigger industry segment has outstanding growth potential independent of the actions of other major market participants.

Few studies have specifically targeted pharmaceutical wholesalers (KNBS, 2016), and the majority were conducted before the reforms were enacted. Over the years, Nairobi has seen a dramatic increase in the number of drug distributors operating in the city. When some areas have had an unusually high concentration of outlets, it is not

uncommon to see three to five licensed facilities next door to one another, two or more in the same building, or within walking distance of one another.

According to (Muia, 2017) developed research on how insurance companies in Kenya fare when confronted with competitive strategies. The study's major goal was to ascertain the level of productivity improvement brought about by the Focus Strategy. Since it is the most efficient way to determine how the system of details behaves in a sample, a transverse model was employed in the study. According (Kamar, 2014) to the research, the focus strategy improves LPG's output rating more than the cost leadership strategy does. The company gave special attention to the creation of some products and the dissemination of key information about those products. The study concentrated on cost leadership only hence existed a gap to address other strategies like focus.

Similarly, (Muia, 2017) gave special attention to focus strategy in an effort to learn how different competing strategies affect the success of insurance companies. The study used a cross-sectional test model to look at the strategies of 47 businesses that are members of the Association of Kenya Insurers (AKI). This study's findings indicated that a strategy of distinction and focus was crucial in the expansion of the examined organization. There was a hole in the research that was filled by looking at the generic strategy and results of pharmaceutical distribution companies.

Table 2.1: Summary of the Literatures and Gaps

Author	Study	Findings	Research Gap	Focus on the Current Study
Nigeria, Dirisu, Oluwule, and Ibidunni (2013)	Reasons for Unilever success on the company's commitment to product differentiation.	Positive significant relationship between new product innovation and customer satisfaction. Positive significant relationship between product design and sales growth. Unique product features influence customer experience.	There is need to benchmark with the global markets. Need to implement product differentiation based on customer needs.	Focused on Pricing, cost leadership, and concentration strategies adopted by pharmaceutical distribution companies in Nairobi and their impact on company performance. County.
Shafiwu and Mohammed (2013)	Impact of product diversification on Ghana's petroleum industry's profitability.	Differentiation in petroleum industry has earned firms a competitive advantage and a significant proportion of market share.	Product differentiation in not patronised by many firms in Africa despite its significant in growth	Focused on the performance of pharmaceutical distribution companies is impacted by pricing, cost leadership, and emphasis.
Kamar (2014)	Impact of competitive tactics on LPG businesses' performance	Quality and effective strategy led to increased competitive advantages, market share, profits and customer loyalty.	There's need for firms to use a combination of competitive strategies to improve performance.	Price, cost leadership, and focus strategy effects on the effectiveness of pharmaceutical distribution enterprises.
Nuru (2015)	Differentiating approach affects their profitability of companies bottle water	Differentiation strategy increased performance of bottling firms by n Mombasa	Firms in Kenya, face challenges readjusting pricing managing costs due to new economic policies. Pricing strategy is still a problem as	The effects of price and concentration strategies adopted by pharmaceutical distributors in Nairobi County.

Muia (2017)	Effects of competitive strategies on on insurance firms' performance, (AKI).	Differentiation strategy, and cost leadership strategies has a significant positive impact on performance of insurance firms.	Need to introduce more differentiation of life insurance products based on needs.	Effect of differentiation, pricing and focus strategy on performance of pharmaceutical distribution firms in Nairobi County.
Adimo (2018)	The impact of Samer Africa Kenya Limited's product-differentiation initiatives on the company's bottom line	Product differentiation and efficacy have a positive and statistically significant relationship.	Study did not assess other competitive strategies such as pricing strategy.	Pricing, cost leadership, and concentration tactics as they relate to the success of pharmaceutical distributors in Nairobi County.
Chepchirchir, Omillo, and Munyua (2018)	Effect of cost leadership strategy on organisational performance of logistics firms at Jomo Kenyatta International Airport	Positive association between cost leadership strategy and performance of logistics firms. Firms that use the strategy experienced increased sale volumes.	Need for firms to integrate cost leadership strategy. Effects may vary depending on industry	Effect of pricing strategy on performance of pharmaceutical distribution firms in Nairobi County.

Source: Author (2023)

2.5 Conceptual Framework

A conceptual framework, according to (Mugenda, 2018), is a diagram that shows how independent and dependent variables relate to one another. Indicators of success serve as the dependent factors, while techniques like pricing, differentiation, and narrowing in on a target audience serve as the independent variables.

Independent Variables

Dependent Variables

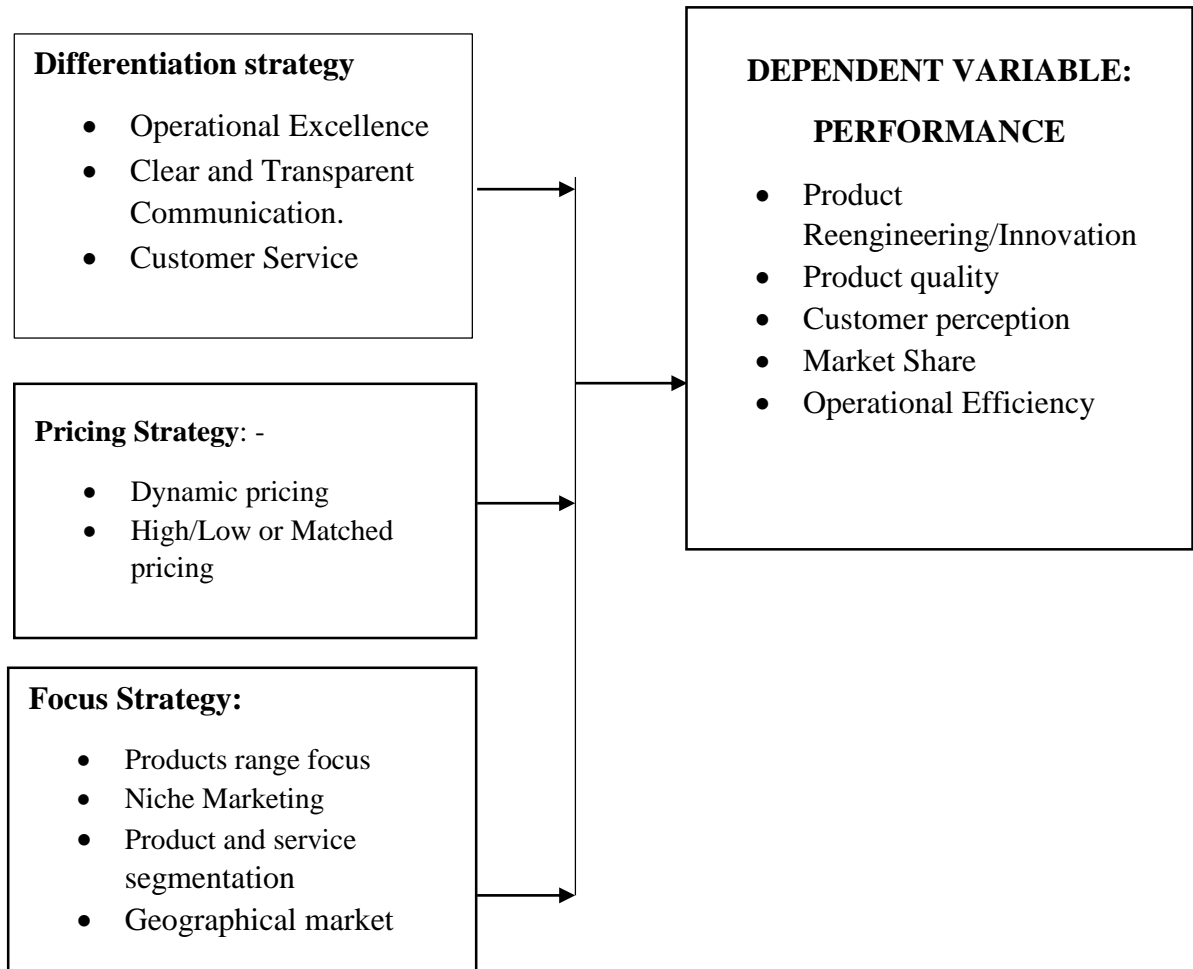


Figure 1.1: Conceptual Framework

Source: Author (2023)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter presented research the design, target population, sample size and sampling procedures, data collection instruments and piloting, data reliability and validity, data analysis and presentation, and ethical consideration

3.2. Research Design

The goal of research design was to balance procedural efficiency with the utility of the study's purpose by establishing parameters for data collecting and analysis (Kothari, 2014). A descriptive survey research design was used for this analysis. According to (Hens *et al.*, 2022), descriptive research is used to explain the current state of affairs, including people's beliefs and actions at the moment. Because of the requirement to understand of generic strategies, the research approach was chosen. This research approach allowed for the collection of quantitative data using questionnaires, which will then be utilized to test the hypothesis. A descriptive investigation was not only increased understanding of generic strategies but also their significance in pharmaceutical industries.

3.3. Target Population

The totality of things, things, or people who share observable traits is referred to as the target population, (Mugenda, 2013). The total study population consists of all the subjects, objects, and individuals being examined. Target population was made up of the top 5 pharmaceutical distribution companies that operated within Nairobi City

County. The respondents were chief executive officers, operating managers, marketing managers because they were in charge of management and decision making on company distribution information which was be relevant and important to the study. Thus, the study targeted 45 respondents during the actual survey.

Table 3. 1: Target Population

Company	Population	Percentage (%)
Surgipharm Limited	11	24.4
Surgilinks Limited	12	26.7
Generics Africa Limited	9	20
BBraun Medical Kenya Limited	8	17.8
Laborex Kenya	5	11.1
Total	45	100

Source: Survey Conducted In 2019 by NMG and KPMG

3.4. Sampling design and Sample Size

Table 3. 2: Sampling table

No	company	Female	Male	Responders
1	Surgipharm Limited	3	5	8
2	Surgilinks Limited	2	3	5
3	Generics Africa Limited	2	3	5
4	BBraun Medical Kenya Limited	4	5	9
5	Laborex Kenya	4	5	9
Total		15	21	36

Source: Researcher, 2024

The size of the sample depends on the variance in the population factors being studied and the level of estimation precision required by the researcher, according to Cooper

and (Schindler, 2014). As a result, the sample size guarantees that the data is thorough and in-depth. According to (Desu & Raghavarao, 2012), a sample size is the smaller unit that represents the bigger population. The degree of accuracy, confidence in the data, type of analysis to be done, and size of the population as a whole from which the sample is derived will all be taken into consideration by the researcher when choosing the sample size (Cooper & Schindler, 2014). The target population consisted of 45 of the top 5 pharmaceutical distribution companies, making up the sample size.

$$n = N / (1 + N (e)^2)$$

Where:

n = Sample Size

N = the Population size

e = the confidence level of 95%

$$n = 45 / (1 + 45 (0.05)^2) = 45 / 1.25 = 36$$

So, the number of people who will be used in this study's group is 36.

Based on a poll done by NMG and KPMG in 2019, 36 of the top five pharmaceutical distribution companies **were** used as samples for this study.

3.5. Data Collection Instrument

Data collection means getting information or facts to back up or disprove facts that have already been given. (Mugenda & Mugenda 2013) questionnaires are good ways to collect data because they let people give comments without much interference from the people collecting the data. Using an interview guide and a structured questionnaire, the

researcher conducted the study's interviews with the target group. Also, the researcher used forms for collecting personal data that was used for regression or correlation analysis. This was important because the researcher wanted to find out how generic tactics affect how well pharmaceutical firms does. There are two types of survey questions: closed-ended and open-ended. We used a 5-point Likert scale for questions with just one right answer. The priority was given to closed-ended questions in order to obtain data as quickly as feasible.

3.6. Pilot Study

A pilot test was conducted in one the pharmaceutical which is located within Nairobi subcounty in Roysambu which was different from the sample size selected by the researcher. It gave advance warning about where the main research project could fail, where research protocols was not be followed, or whether proposed methods or instruments were inappropriate or too complicated. The pilot test used 10% of the target sample. The purpose of the piloting was to test the study instruments before they were fully implemented or executed. Pilot testing was critical in determining whether the study's objectives was met.

3.7. Validity and Reliability

During piloting, the researcher evaluated methods and tools to which ensured their validity and dependability. Reliability of data is defined as the degree to which with which a given data gathering tool, test, observation, or measurement process yields the same results when used multiple times. On the other side, validity describes how well the instrument measures the target variable. Time limits necessitated that the researcher investigated to see if similar answers were given to similar items in the survey. At last,

the researcher checked every question for comprehensibility and determined which ones to keep and which ones to drop from the final tool.

3.7.1 Validity of the Research Instrument

The construct validity of the instruments offered a trustworthy and accurate representation of the theoretical idea under study, was investigated in this study. Content validity was ensured by developing representative questions that adequately address the research topics. (Kothari, 2014) defines validity as the extent to which differences between individuals observed using measurement tools reflect genuine differences between those who are investigated.

3.7.2 Reliability of the Research Instrument

Examining the consistency with which a questionnaire produces results is an important step in assessing its dependability. This agrees with the findings of (Ranjit, 2015), who states that a reliable instrument is one that has been tested multiple times and consistently produces the same results. As a result, the instruments' trustworthiness was measured using Cronbach's alpha in this study. Similarly, the author believed that instruments are very reliable if their coefficient of determination was equal to or greater than 0.7. In this regard, the study's target coefficient was at least 0.7.

3.8. Data Collection Procedures

To guarantee that the researcher followed data gathering ethics, the methodology was taken a holistic approach. At the outset, the researcher wrote an official request letter to the target firms in Nairobi City County, asking for permission to perform the research. Also, the researcher obtained consent from ethics and research regulatory

bodies before. The questionnaires was designed using digital tools such as Google forms and survey monkeys and distributed via email and some on a one-on-one basis. This saved on time and costs as well as enabled the researcher to collect data from a wider scope. Secondary data was collected from reports and past records of identified firms to compile evidences for competitive strategies.

3.9. Data Analysis and Presentation

Since a mixed research strategy was being used, the researcher engaged in both qualitative and quantitative analysis. To analyse the free-form questions, the study used theme analysis and compared results to those of another empirical research in the field. There was a quantitative analysis of the quantitative responses. The entirety of the survey responses was used to build a classification system. The free-form questions' responses were turned into numerical values representing the companies' performance. The researcher calculated averages, frequencies, and standard deviations from the sorted and coded data in Microsoft Excel. Furthermore, a regression analysis was established the link between generic tactics and the success of pharmaceutical companies operating in Nairobi City County. The researcher planned to use SPSS and Microsoft Excel and accomplished goal.

For example; the study will follow the regression model below;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y = performance of pharmaceutical distributing firms

X1 = Price Strategy

X2 = Differentiation Strategy

X 3 = Focus Strategy

α = the intercept (value of Y when X = 0)

$\beta X_{1..n}$ = the regression coefficients or change in Y by change in

ε = Error

3.10. Ethical Considerations

The researcher gave thought to the study's quality and reliability by ensuring that all participants were handled with kindness and consideration. Since the study sought to inquire about firms' generic strategies, the study concealed the identity of participating firms and individuals. The researcher made sure that no data was linked to any person to ensure anonymity. Most importantly, the researcher requested participants to sign a letter of consent to prove that they participated willingly in the study without coercion.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 Introduction

In this chapter, the study's information and results are laid forth. The tables and figures show the results. Subtexts that incorporate the studied content stand in for the goals of the study.

4.1 Response Rate

Thirty-six questionnaires in all were sent. For a perfect grade, each and every one of them was painstakingly finished and turned in. The fact that the study's target respondents were extremely knowledgeable corporate executives, such as CEOs, OMs, and MMs, helped for high response rate.

4.2 Demographic Information

Gender, education level, length of service, number of years with the company, and industry are some of the demographic details provided in this area.

4.2.1 Gender

Gender identification was asked of the subjects. The outcomes are displayed.

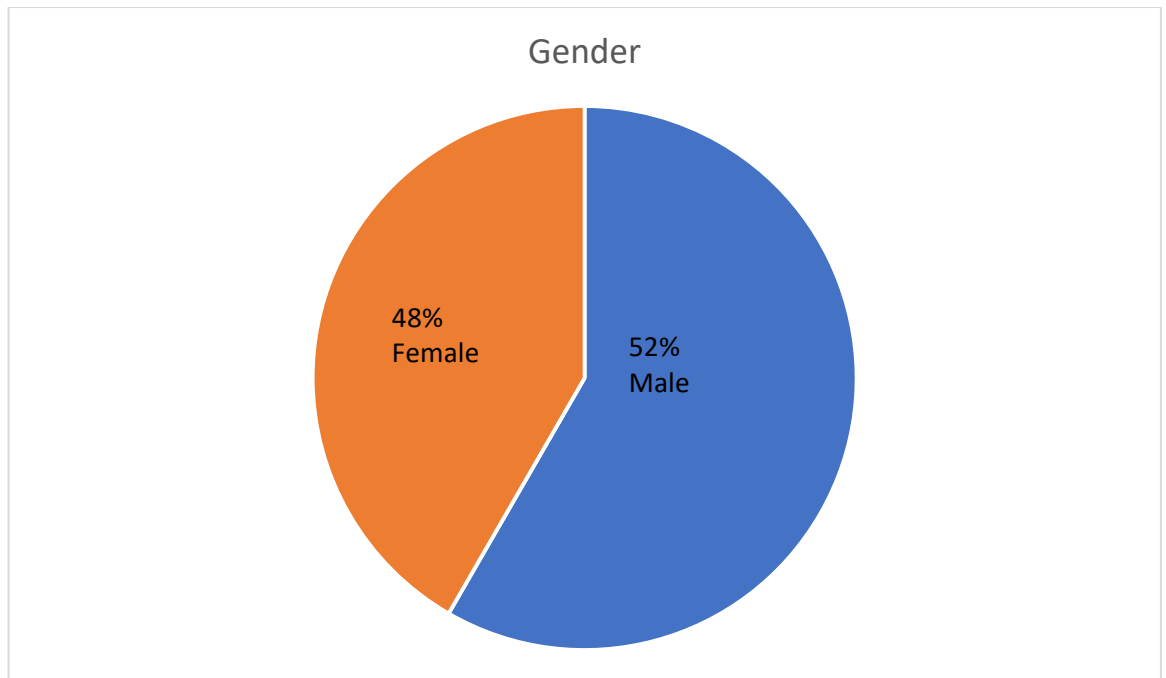


Figure 4.1: Gender

Source: Survey Data (2024)

There were 21 males and 15 women among the participants, making up 52% and 48% of the total, respectively. This indicates that the pharmaceutical businesses in Nairobi have gender equity in their managerial positions. These findings are echoed with (Kariithi and Kihara, 2022) that women are increasingly taking charge of pharmaceutical manufacturing operations, with a current figure of 46% across all businesses in Nairobi County.

4.2.2 Level of Education

The responders' highest level of education was the one the study was most interested in learning about.

Table 4.1: Level of Education

Education Level	Frequency	Percent
Undergraduate degree	18	50
Post graduate	10	27.78
PhD	8	22.22
Total	36	100

Source: Survey Data (2024)

According to the findings, it was discovered that 50% of the participants held an undergraduate degree, followed by ten with a postgraduate degree (27.78%) and eight with a doctorate degree (22.22%). This suggests that the upper echelons of management of Nairobi's pharmaceutical manufacturing enterprises are well-versed in both the subject matter and the ins and outs of operating the businesses. One possible explanation is that pharmaceutical company managers need a very high degree of education. These results concurred with those of (Odeny, 2018), who found that managers at pharmaceutical manufacturing companies tended to have advanced degrees, which likely had a role in their strategic decision-making.

4.2.3 Years of Operation

Respondents were requested to specify the duration of operation for their respective pharmaceutical enterprises.

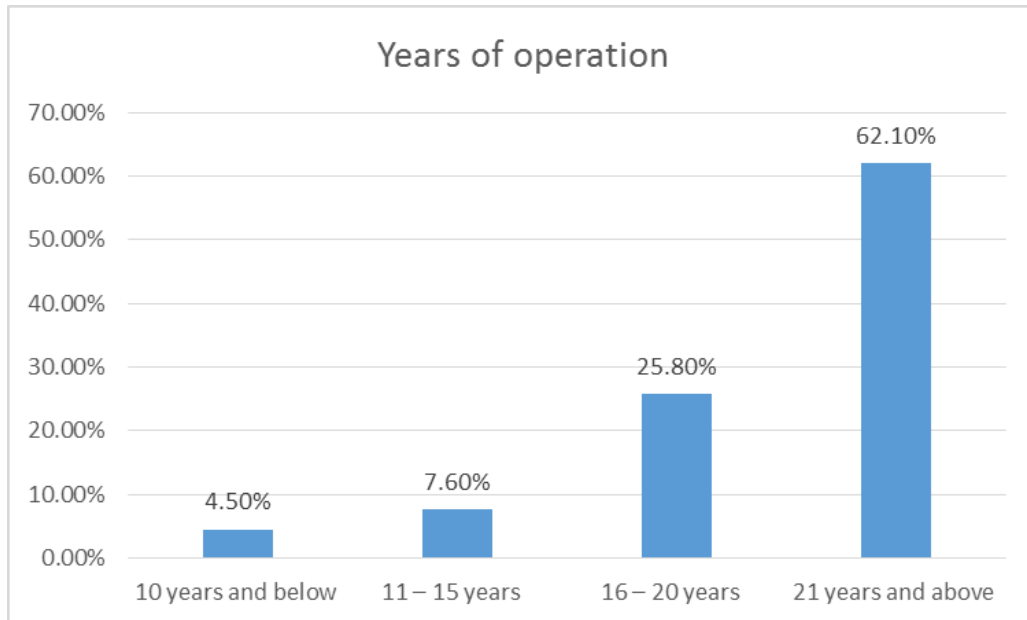


Figure 4.2: Years of Operation

Source: Survey Data (2024)

Most pharmaceutical manufacturing businesses in Nairobi have been in existence for more than 21 years (62.10%), with a further 25.80% having been in operation for 16–20 years, 7.60% for 11–15 years, and 4.50% for 10 years or less. This means that Nairobi's pharmaceutical manufacturers have been around for a while, giving them plenty of opportunity to study their competitors and the tactics they use to stay ahead.

4.2.4 Years Worked

It was expected that the respondents would specify the number of years they have spent working for their various employers. Table 4.2 displays the results.

Table 4.2: Years Worked

Years Worked	Frequency	Percent
1 – 5 yrs.	5	13.89
6 – 10 yrs.	14	38.89
11 – 15 yrs.	8	22.22
16 – 20 yrs.	6	16.67
21 yrs. and above	3	8.33
Total	36	100

Source: Survey Data (2024)

From the findings, 12 respondents (38.89%) had been with their current employers for 6-10 years, 8 (22.22%) for 11-15 years, 6 (16.67%) for 16-20 years, 3 (8.33%) for 21 years and up, and only 5 (13.89%) for 1-5 years. The majority of the respondents had been employed by the same company for more than six years. The job flexibility offered by pharmaceutical corporations might be a contributing factor. Consistent with previous research, this conclusion indicates that the ability to choose one's own work schedule has an effect on the retention rate of casino workers which was similar to that of (Kim and Kim, 2020).

4.2.5 Nature of Company

An explanation of the nature of their firm was requested of the responders. They were meant to show if the business is local or international.

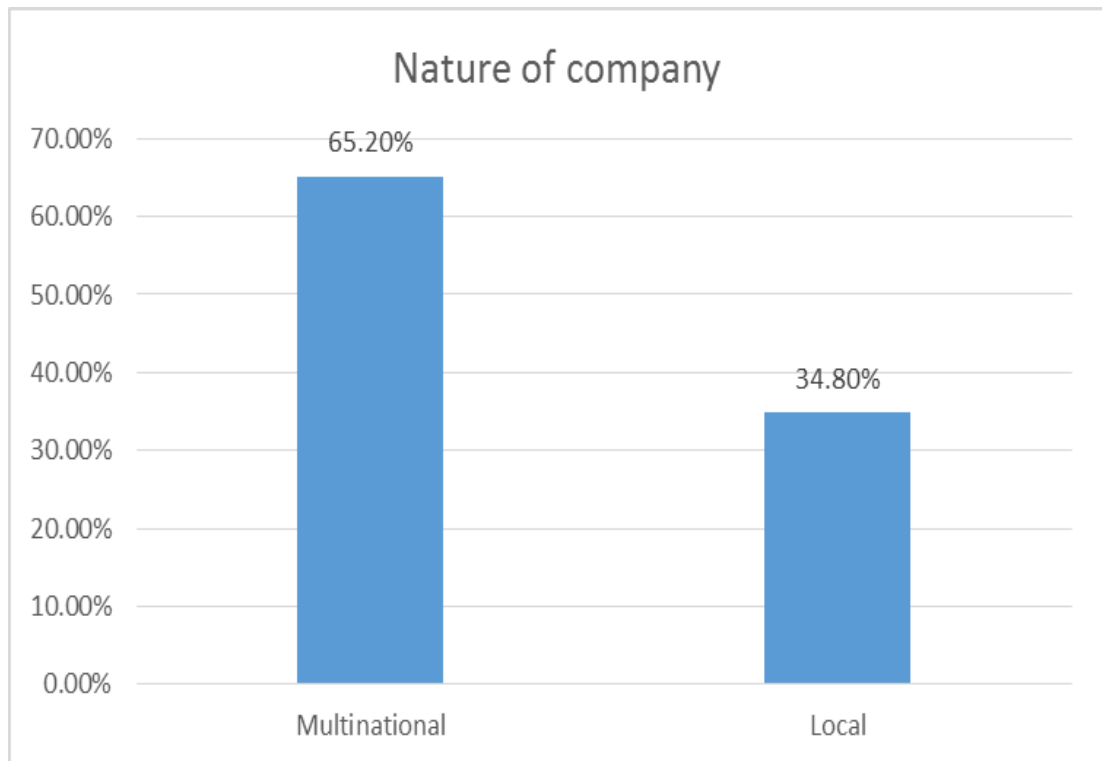


Figure 4.3: Nature of Company

Source: Survey Data (2024)

According to the results, 12 (or 34.80%) of the pharmaceutical manufacturing enterprises in Nairobi are owned by locals, while 24 (or 65.20%) are held by multinationals. Musila (2022) also discovered that the majority of Nairobi-based pharmaceutical manufacturing enterprises are owned by foreign nationals.

4.3 Descriptive Results

We outline the study's descriptive variables in this section. This is carried out in compliance with the study's objectives. The aggregate mean was the overall average of data when combined several datasets. The study calculated the aggregate mean by summing up all the individual data points from all the groups and divided by the total number of data points. The differentiation strategy had aggregate mean of 3.7 with sd of 1.14, Focus 3.98, and performance with a mean of 3.67. The standard deviation measured how much the data points deviated from the mean. The aggregate standard

deviation was more complex measure because it considered the variability within and between groups. These measures provided insight into the central tendency (mean) and spread (standard deviation) of aggregated data from multiple sources of the study variables as shown in the table below.

4.3.1 Effect of Pricing Strategy on Performance

The participants were presented with claims regarding cost leadership management, and they were asked to respond. A five-point Likert scale was used to evaluate the responses, as table 4.3 demonstrates.

Table 4.3: Pricing Strategy

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	stdev
Compared to our rivals, our company offers more affordable rates.	2 (7.58%)	3(13.64%)	2 (18.18%)	23 (34.85%)	6(25.76%)	3.58	1.23
Suppliers that provide discounts and after-sale assistance are frequently sourced by us.	2 (5.15%)	3(12.12%)	7(22.73%)	8 (25.76%)	16 (34.24%)	3.52	1.37
Cost reduction is a top priority for the firm.	3(12.12%)	7 (16.67%)	2 (9.09%)	17(45.45%)	7 (16.67%)	3.68	1.29
Accounts with marginal customers	3 (9.09%)	1 (4.55%)	5 (16.67%)	14 (39.39%)	13 (30.30%)	3.77	1.2
Provide one-of-a-kind wares	3 (9.09%)	1 (7.58%)	3 (9.09%)	19(57.58%)	10 (16.67%)	3.65	1.13
Price minimization	6(10.61%)	2 (7.58%)	1 (1.52%)	9 (30.30%)	18 (50.00%)	4.02	1.34
Cutting down on marketing expenditure	2 (9.09%)	6 (13.64%)	6 (13.64%)	15 (46.97%)	7 (16.67%)	3.48	1.19
Reduced time required to learn	1 (4.55%)	5 (13.64%)	4 (10.61%)	19 (51.52%)	7 (19.70%)	3.68	1.08
Overhead costs as industry	5 (10.61%)	1 (9.09%)	3 (13.64%)	19 (51.52%)	8 (15.15%)	3.52	1.18
Average						3.79	1.22

Source: Survey Data (2024)

The data suggests that a significant portion of respondents, approximately 34.8%, believe that their organization provides better prices compared to other competitors. This conclusion is based on a mean score of 3.58 and a standard deviation of 1.23. The majority of respondents 16 of 34 also concurred, with an average score of 3.52 and a standard deviation of 1.37, that their companies frequently purchase goods from suppliers who provide discounts and after-sale services. The survey results indicate that 17 out of 36 respondents believe that their companies provide standard items. The mean score of 3.68 and a standard deviation of 1.29 provide further insights into the data. Reducing costs is one of the company's key priorities, according to one in four respondents (14 out of 39.39%). With a standard deviation of 1.2 and an average of 3.77, the statistics provide evidence in favour of this. This is consistent with the research conducted by (Ommwoyo, 2016), which indicated that businesses use cost leadership strategies to evaluate their competitiveness. Some of the respondents 19 (57.58%) felt that their organizations actively work to avoid serving marginal clients. There were some 15 respondents (46.97 %) who responded that their company was always looking for methods to cut R&D spending. The findings of (Omillo & Munyua, 2018) concurred with these findings, which show that logistics companies operating out of Kenya's Jomo Kenyatta International Airport had a rise in their profit margin due to a decline in operational expenses.

There was also an admission of price minimization in commercials by 18 respondents (50.00%). Also, 19 (51.52%) claimed that overhead prices were an industry expense for their business. In addition, most poll takers admitted that their organizations try to minimize sales costs. The average score for the responses was 3.79 out of 5 points, and the standard deviation was 1.22. This provides more evidence that the companies may have used a pricing strategy, which may have impacted their results. Furthermore, price

strategy significantly affected company performance (Chepchirchir et al., 2018).

4.3.2 Effect of differentiation strategy on Performance

Researching how pharmaceutical manufacturing enterprises in Nairobi County, Kenya fared after using a differentiation strategy was the study's secondary purpose. Questions regarding the differentiation strategy were put to the participants. As shown in table 4.4, the replies were evaluated.

Table 4.4: Differentiation Strategy

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std dev
Development of unique products	4 (12.12%)	1(4.55%)	5 (10.61%)	13 (36.36%)	13 (36.36%)	3.8	1.32
Best cost strategy that combines cost and differentiation aspects	2 (6.06%)	4 (12.12%)	3(9.09%)	11 (31.82%)	16 (40.91%)	3.89	1.24
Building perceptions of exclusivity of organizational products	4 (7.58%)	1 (4.55%)	4 (7.58%)	20 (66.67%)	7 (13.64%)	3.74	1.01
Developing high quality products	4 (9.09%)	4 (9.09%)	1 (3.03%)	16 (46.97%)	11 (31.82%)	3.83	1.24
Unique product features	5 (10.61%)	5 (10.61%)	4 (9.09%)	15 (51.52%)	7 (18.18%)	3.56	1.22
After sale support services	5 (10.61%)	1 (4.55%)	2 (6.06%)	19 (62.12%)	9 (16.67%)	3.7	1.14
Different marketing strategy competition	2 (3.03%)	1 (1.52%)	3 (4.55%)	25 (83.33%)	5 (7.58%)	3.91	0.67
Speaking about the company products to selected panels	5 (15.15%)	7 (16.67%)	3 (9.09%)	18 (51.52%)	3 (7.58%)	3.2	1.26
Average						3.70	1.14

Source: Survey Data (2024)

The results showed that the majority of the 26 respondents, or 72.72% of the total, admitted that their companies had invested in creating original content. The conclusions are supported by the outcomes of this investigation, (Nuru, 2015) who discovered that improved performance could be accomplished by using product differentiation strategies. These strategies included the utilisation of certain product features that were pertinent to competitors, as well as a variety of products to cater to the requirements of various clients.

Additionally, the findings demonstrated that the majority of respondents, which amounted to 27, (72.73%), were in agreement that their organisations employ the optimal cost strategy, which incorporates characteristics of distinctiveness and cost management. Eighty-three point one percent of those who participated in the survey believed that their companies were responsible for giving the idea that the items offered by the organisation are unique. As an additional point of interest, the majority of respondents to the survey (78.79%) claimed that their businesses are engaged in the production of high-quality merchandise.

According to the data, the majority of respondents, which represents 22 (69.70%) of the respondents, concurred that their enterprises possess distinctive product characteristics. This lends credence to the conclusion reached by (Nuru, 2021), which claims a favourable correlation exists between the results of a corporation and the application of the uniqueness approach. When water distributors adopt a distinctive product approach, they achieve greater levels of success than when they employ a distinctive service strategy. On top of that, 28 of the participants, which is 78.79 percent, agreed that their companies offer help after the transaction has been implemented. Also, (30) thirty of the people who took part in the study were found to have, which is ninety percent of the total, concurred that their businesses employ a marketing approach that is distinct from that of the competition. In addition, the findings demonstrated that 21 of the respondents, which accounts for 59.10 percent of the total, stated that they have participated in speaking to certain panels regarding the items offered by the company. The replies' average mean was 3.70 with a standard deviation of 1.14 on a five-point rating system, which indicates that the companies had a differentiation strategy in place, which may have had an effect on their success. According to (Rouse 2018), whose research demonstrated that individuality is a

predictor of firm performance, this is in agreement with the conclusions of the respective study.

4.3.3 Effect of Focus Strategy on Performance

The study's third purpose was to analyse the performance of pharmaceutical manufacturing firms in Nairobi County, Kenya after they used a focus strategy. The participants were asked questions related to the focus approach. This survey used a 5-point Likert scale to assess responses, and the findings are shown in Table 4.5.

Table 4.5: Focus Strategy

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	St de
prices in new	2(4.55%)	1(3.03%)	2 (4.55%)	18(51.52%)	13(36.36%)	4.12	
organization offers					18		
ie low cost	2 (7.58%)	4(10.61%)	5	7(18.18%)	(51.52%)	3.95	
icts			(12.12%)				
ompany deals					13		
market with	2 (7.58%)	2 (7.58%)	3 (6.06%)	16(45.45%)	(33.33%)	3.89	
al needs							
ompany offers					21		
fied products for	1 (6.06%)	2 (7.58%)	5(12.12%)	7	(56.06%)	4.11	
us market				(18.18%)			
ents.							
organization					21		
ts price to attract	2(7.58%)	1 (6.06%)	3 (9.09%)	9(21.21%)	(56.06%)	4.12	
customers							
organization					9		
es on markets	3 (9.09%)	4	6	14	(27.27%)	3.64	
ooked by		(10.61%)	(15.15%)	(37.88%)			
etitors							
organization has					20		
icts tailored for	1 (4.55%)	5	3 (9.09%)	7 (18.18%)	(54.55%)	4.05	
ns in various		(13.64%)					
omic classes							
age						3.98	

Source: Survey Data (2024)

As a result of the findings, it was determined that the majority of the individuals that were engaged, 31 (89.36%) accepted their organisation lowers the pricing of their products whenever they enter a new market. In addition, the results showed that out of the 25 participants, the vast majority (88.65%) felt that their company offers unique products at reasonable pricing. Researchers also discovered that 29 participants (87.95%) agreed that their organization deals with clients that have specific needs. Furthermore, the majority of the research participants, who accounted for 28 (90.08%), were in agreement that their company provides specific items for a variety of market sectors. The study's conclusions show that the majority of respondents (30, or 90.78%) agreed that their company modifies rates to draw in new business. The majority of the 23 participants in the study (65.15%) agreed that their company focuses on markets that rivals ignore. Furthermore, the majority of research participants (27/72.73%) thought that their organisation provided products that were tailored to the demands of customers from various socioeconomic classes. These findings concurred with (Kamar, 2021), who also discovered that concentrating on particular items and concentrating on niche marketing increased the effectiveness of LPGCs, this result is consistent with study's findings.

4.3.4 Performance

The study's objective was to assess the effectiveness of Nairobi's pharmaceutical manufacturing businesses. Results are displayed in table 4.6.

Table 4.6: Firm Performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std dev
Our organization's profitability has been increasing for the last three years.	3 (7.58%)	4 (13.64%)	6 (18.18%)	15 (34.85%)	8 (25.76%)	3.58	1.23
Our organization has managed to reduce the cost of production for the last three years	1 (4.55%)	2 (7.58%)	7 (16.67%)	22 (62.12%)	6 (9.09%)	3.64	0.92
customers experiencing satisfaction	4 (12.12%)	3(7.58%)	1 (4.55%)	23 (65.15%)	5 (10.61%)	3.55	1.17
increased market share	4 (10.61%)	3(7.58%)	5(12.12%)	18 (50.00%)	6 (19.70%)	3.61	1.2
Our organization has managed to venture into new investments	4 (10.61%)	4 (10.61%)	5(13.64%)	15 (42.42%)	8 (22.73%)	3.56	1.25
Sales volume in our organization have increased for the last three years	2(4.55%)	6 (18.18%)	1 (3.03%)	18 (50.00%)	9 (24.24%)	3.71	1.16
Customer surveys have shown brand loyalty for our products.	3 (7.58%)	2(6.06%)	5 (10.61%)	9 (27.27%)	17 (48.48%)	4.03	1.24
Average						3.67	1.17

Source: Survey Data (2024)

In accordance with the findings, the majority of the individuals who took part in the research, 23 (60.61%) respondents agreed that the profitability of their organization has been growing over the course of the past three years. It was also discovered that 26 of the respondents, which is seventy-one percent (71%), concurred with the statement that their business has been successful in lowering the cost of production over the course of

the past three years. In addition, the majority of the respondents, which accounted for 75.76% of the total, concurred that their consumers had been happy with the products and services their company offered. Additionally, it was discovered that the majority of the individuals who took part in the research, 24 of them, indicated that they were in agreement that their firm has witnessed a gain in market share over the course of the past three years. To add insult to injury, the findings revealed that the majority of respondents, 23 (65.15%) percent, concurred with the statement that their firm has successfully ventured into new investments. Moreover, it was discovered that the majority of the people who participated in the study, which amounted to 27 (74.24%), were in agreement that the sales volume in their organization has increased over the course of the past three years. One hundred and 26 (75.75%) concurred that consumer surveys had demonstrated brand loyalty for their products. They discovered that enhanced performance in pharmaceutical companies was indicated by greater profitability, sales volume, and customer loyalty. The results shown above are in agreement with the findings of (Oyoolo & Bett, 2017) that enhanced performance indicate high profit.

4.4 Inferential Statistics

In order to accomplish its goal, the study aimed to collect data regarding the effectiveness of pharmaceutical manufacturing businesses located in Nairobi. This table, which contains the specifics of the findings, may be found here.

4.4.1 Correlation Analysis

In order to determine the nature of the relationship between the autonomous factors and the outcome measure, a correlational study was required.

Table 4.7: Correlation Analysis

		performance	cost leadership	differentiation	focus
performance	Pearson Correlation	1			
	Sig. (2-tailed)				
Pricing strategy	Pearson Correlation	.592**	1		
	Sig. (2-tailed)	0.001			
differentiation	Pearson Correlation	.651**	-0.14	1	
	Sig. (2-tailed)	0.000	0.264		
focus	Pearson Correlation	.556**	0.174	0.115	1
	Sig. (2-tailed)	0.003	0.163	0.357	
** Correlation is significant at the 0.01 level (2-tailed).					

Source: Survey Data (2024)

Companies' pricing strategies were found to have a positive and statistically significant relationship with their performance ($r=0.592$, $p=0.001$). The results corroborate those of Chepchirchir, Omillo, and Munyua (2018), who found that this strategy led to higher sales and profits for the firm. In addition, operational expenses were reduced, leading to a higher profit margin. Difference approach and firm performance were likewise found to have a high positive and statistically significant link ($r=0.651$, $p=0.000$). They are in agreement with those of Nuru (2021), who found that a differentiation strategy positively correlates with firm performance. Contrary to what Demba (2018) discovered, this study found that the chosen vehicle rental business in Nairobi City County did not see any improvement in performance after using a differentiation strategy. Furthermore, the focus technique was discovered to have a favorable and statistically noteworthy connection with corporate assessing the effectiveness ($r=0.556$, $p=0.003$). The regression coefficients also showed a positive and statistically significant relationship between the two variables. In line with previous research, this study confirms the existence of a favorable correlation between performance and attention

strategy (Muia, 2021).

4.4.2 Regression Analysis

Using regression analysis, we were able to determine how well the regression model captured the phenomena under study, we can look at Table 4.8.

Table 4.8: Model Fitness

Indicator	Coefficient
R	0.928
R ²	0.863
Adjusted R ²	0.854
Std. Error	0.06764

Source: Survey Data (2024)

It was shown that focus, differentiation, and pricing strategies were adequate components to demonstrate business success in pharmaceutical companies. A determination coefficient (R squared) of 86.3% provided more evidence of this. This indicated that the focus, differentiation, and cost management indicators could account for 86.3% of the variation in efficiency, the dependent variable. The results also confirmed that the interrelationships between the variables were sufficiently established by the framework. This result is consistent with that of (Kinyuira, 2014), who discovered that tactics for price strategy, distinction, and focus significantly increased SACCO output.

When determining whether a link is statistically significant, the p-value shows how strongly the independent and dependent variables are related. It is possible to determine whether the model is relevant in describing the relationship when the significance level falls below a certain threshold, often referred to According to scientific standards, the probability value (p) is typically set at 0.05. In every other case, the model is deemed insignificant. The summary data from the analysis of variance (ANOVA) are shown in

Table 4.9.

Table 4.9: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.167	3	3.056	17.831	.000 ^b
	Residual	10.624	32	.171		
	Total	19.791	35			

Source: Survey Data (2024)

The results of the regression analysis showed how much of an impact the model had. The results also suggest that the independent criteria were successful in predicting the performance of pharmaceutical enterprises. The estimated F-statistic of 17.387, which was higher than the significant F-statistic of 12.156, provided evidence in favour of this. It's also significant that the stated p value of 0.000 was lower than the typical probability cutoff of 0.05. As a result, we decided against using any of the generic tactics that could boost pharmaceutical companies' profits.

Table 4.10: Regression of Coefficients

	β	Std. Error	t	Sig.
(Constant)	0.507	0.556	0.911	0.016
Pricing_leadership	0.452	0.103	4.381	0.000
Differentiation_Strategy	0.468	0.092	5.09	0.001
Focus_Strategy	0.234	0.098	2.382	0.02

Pricing strategy and performance have a statistically significant and favorable correlation was revealed by regression analysis ($\beta=0.452$, $p=0.000$). What this means is that a 0.452-unit improvement in firm performance would result from a unit increase in pricing strategy. Product differentiation and firm performance are positively and

significantly related, according to the analysis ($\beta = 0.468$, $p = 0.000$). Nuru (2022) found a favorable correlation between differentiation strategy and company performance; thus, our results are in line with the results of (Chepchirchir, and Munyua, 2018), who found that this strategy led to higher sales and profits for the firm.

The findings of the study indicated that there would be a 0.468-unit gain in firm performance for every unit increase in product differentiation. Furthermore, the results of the regression analysis demonstrated a positive and significant relationship between firm performance and the focus strategy ($\beta = 0.234$, $p = 0.000$). Therefore, a one-unit improvement in emphasis strategy would translate into a 0.234-unit boost to business performance. The results corroborated those of Muia (2021), they analyzed the two variables and discovered a robust and positive correlation between attention strategy and performance. Furthermore, the regression coefficients between focus strategy and insurance performance demonstrated a robust and favorable relationship.

Thus, the optimal model for the study is;

$$Y = 0.507 + 0.452 \text{ Pricing Strategy} + 0.468 \text{ Product Differentiation} + 0.234 \text{ Focus strategy}$$

CHAPTER FIVE

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The section included recommendations and proposals for future research in addition to the study's results and conclusions. Everything was finished according to the goals and results of the study.

5.2 Summary of Findings

This section contained the comprehensive research findings. Everything that was done was done bearing in mind the study's aims. The main goal in doing this study was to ascertain how pharmaceutical companies in Nairobi City County, Kenya functioned when using different pricing strategies. The findings demonstrated a strong relationship between pricing strategy and business effectiveness. A substantial percentage of respondents agreed with the claims stated, which corroborated with the findings. Regression analysis corroborated this, demonstrating that pricing strategy significantly affected business efficiency.

Analysing the effects of product differentiation on pharmaceutical manufacturing companies' profitability was the secondary objective of the research. The results showed a significant correlation between the businesses' efficiency and their capacity to differentiate their offerings. The majority of respondents agreed with the claims made in the questions, lending credence to the findings. The results of the regression analysis corroborated this, demonstrating that pharmaceutical companies' success was directly influenced by product differentiation.

5.3 Conclusions

The study investigated generic strategies and performance of five pharmaceutical distribution companies in Nairobi City County. From the study findings, the financial performance of pharmaceutical businesses and their focus approach were found to be significantly correlated. Regression results that demonstrated the focus approach's favourable and substantial effect on pharmaceutical businesses' success corroborated this.

The pricing strategies, the study suggests that profitability and market share can be bolstered by developing unique products and creating a sense of exclusivity around them. This approach fosters customer loyalty and strengthens market position. High-quality products, coupled with excellent after-sales service, not only attract repeat customers but also expand market share.

The rise in profitability for companies can be attributed to cost-cutting measures and keeping organizational overhead in check. The study highlights that firms can further enhance their profits by steering away from low-margin client accounts and reducing investment in research and development. Moreover, it was found that reducing sales and promotion expenses has a direct positive impact on Return on Assets (ROA).

Furthermore, the research reveals that adopting distinct marketing strategies that diverge from competitors can result in increased sales and a higher ROA. One effective strategy identified is lowering product prices when entering new markets, which helps to quickly build market share. Tailoring offerings to meet the specific needs of each market enhances both sales and customer loyalty. Lastly, the study concludes that firms can improve profitability and expand market share by adjusting pricing strategies to

attract new customers and focusing on untapped or underserved markets where competitors are less active.

5.4 Recommendations for Policy and Practice

Pharmaceutical distribution companies should consider blending price strategy and differentiation strategies to enhance competitiveness. By simultaneously lowering costs and providing differentiated services such as superior customer service or specialized product offerings, companies can capture a larger market share while maintaining profitability.

To improve operational efficiency and reduce overhead costs, companies should invest in modern technologies such as inventory management systems and digital platforms. Optimizing logistics and supply chain processes can reduce wastage, improve order accuracy, and shorten delivery times, ultimately improving overall performance.

Maintaining a strong relationship with regulatory bodies and ensuring compliance with all legal requirements is crucial. Pharmaceutical companies should also engage stakeholders, including healthcare providers and customers, to build trust and ensure that their strategies align with market needs, thus improving their reputation and long-term performance.

5.4 Suggestions for Further Studies

Further studies could investigate how adopting digital technologies, such as e-commerce platforms, inventory management systems, and telemedicine, influences the performance of pharmaceutical distribution companies in Nairobi. The study could also

explore the challenges and opportunities associated with digital transformation in the industry.

A study could be conducted to compare the effectiveness of generic strategies price strategy, differentiation, and focus across pharmaceutical distribution companies in various regions of Kenya. This would help identify whether regional factors, such as competition, customer preferences, and regulatory environments, affect the success of these strategies.

Future research could focus on how changes in the regulatory environment, such as government policies, taxation, and licensing requirements, shape the strategic decisions and performance of pharmaceutical distribution companies in Nairobi City County. This could also include an evaluation of compliance costs and their effect on profitability.

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APPENDICES

Appendix I: Introductory Letter

Ben David Miriti

Department of Business Administration

School of Business, Economics and Tourism

Kenyatta University

P.O Box 43844 00100,

Nairobi.

Dear Sir/Madam,

Re: Data Collection on the impact of generic strategies on performance of pharmaceutical manufacturing firms in Nairobi city county, Kenya.

I'm a master's degree candidate at Kenyatta University. I am conducting research on how generic strategies affect the success of pharmaceutical manufacturing enterprises. You have been selected to take part in this research. Your assistance in completing this questionnaire will help the study team reach their goals. Due to the fact that this study is exclusively meant for academic use, your opinions will be treated in complete confidentiality.

Thank you.

Yours Faithfully,

Ben David Miriti

Appendix II: Questionnaire

SECTION A: Respondents Demographics

Tick (✓) the appropriate blank space provided

P1. Company name

(Optional)

P2. What is your position in this
company?.....

P3. Please indicate your highest level of Education

Others (please
specify).....

P4. How many years has your firm been operation?

0-5 yrs

6-15 yrs

16-20 yrs

Above 20 yrs

P5. What is the nature of your company

Subsidiary

Multinational

Local

Others (please

specify.....

P6. How long have you been working here?

0-5 yrs

6-15 yrs

16-20 yrs

Above 20 yrs

SECTION B: FOCUS STRATEGY

1. Please indicate about focus strategies used by pharmaceutical distribution firms in Nairobi County. Kindly tick the spaces provided below.

	Strong Agree	Agree	Neutral	Disagree	Strongly Disagree
We serve a specific geographical market					
The organisation serves a diverse market segment					
Our firm responds promptly to changes in market demands					
The organisation reviews prices to attract new customers					
Our organisation emphasises on marketing specialty products.					
Our organisation supplies products in different geographical locations.					
We conduct market research to identify of the market size make our objectives feasible.					

SECTION B: DIFFERENTIATION STRATEGY

2. Please indicate about differentiation strategies used by pharmaceutical distribution firms in Nairobi County. Kindly tick the spaces provided below.

Statement	Strong Agree	Agree	Neutral	Disagree	Strongly Disagree
Our firm offer unique products					
We offer a wide range of product that cut across all market demographics					
We focus on continuous development of new products					
We sell or distribute high quality products					
We offer after sale services					
Our company uses different marketing approaches					
We strive to build a strong reputation within the pharmaceutical sector.					
We offer prompt delivery services					

SECTION C: PRICING STRATEGY

3. Please indicate your level of agreement with the following statements about pricing strategies used by pharmaceutical distribution firms in Nairobi County. Kindly tick the spaces provided below.

Statement	Strong Agree	Agree	Neutral	Disagree	Strongly Disagree
Our organisation charges lower prices than our competitors					
We often source supplies from suppliers who offer discounts and after sale services.					
Our firm offers unique products for various market segments					
The organisation passionately pursues cost reduction					
Our organization pays close attention to market pricing and exercise tight price control					
We keep overhead costs same as the industry					

SECTION D: PERFORMANCE

4. Kindly indicate the level of agreement below.

Statement	Strong Agree	Agree	Neutral	Disagree	Strongly Disagree
Profitability at our company has been on the rise for the past five years.					
For the past three years, our company has successfully decreased operational costs.					
The firm's market share has grown.					
The company was able to take calculated risks with fresh investments.					
The sales volume of our organization has had a consistent increase over the past three years.					
Consumer surveys have shown that our products enjoy high levels of brand loyalty.					

Thank You

Appendix III: Approval Letter



KENYATTA UNIVERSITY
GRADUATE SCHOOL

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NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: D53/OL/CTY/20967/2020

DATE: 1st March, 2024

Director General,
National Commission for Science, Technology
and innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR BEN DAVID MIRITI – REG. NO. D53/OL/CTY/20967/2020.

I write to introduce Ben David Miriti who is a Postgraduate Student of this University. The student is registered for M.B.A degree programme in the Department of Business Administration.

Ben intends to conduct research for a M.B.A Project Proposal entitled, “Generic Strategies and Performance of Five Pharmaceutical Distribution Companies in Nairobi City County”.

Any assistance given will be highly appreciated.

Yours faithfully,

✓ PROF. ELISHIBA KIMANI
EXECUTIVE DEAN, GRADUATE SCHOOL

AM/lrn