A study on Market Entry Strategy and Cultural Influence on the Marketing Mix in Kenya: A case of Square Pharmaceuticals Ltd.

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An internship report submitted to the BRAC Business School in partial fulfilment of the requirement for the degree of Bachelor of Business Administration

BRAC Business School

BRAC University

April 2023

Declaration

It is hereby declared that.

1. The internship report submitted is my original work while completing my degree at BRAC University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material that has been accepted or submitted, for any other degree or diploma at a university or other institution.

4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

____

Azmain Faek Chowdhury

Student ID: 18304015

Supervisor's Full Name & Signature:

____

Ms. Fabiha Enam

Senior Lecturer

BBS, BRAC University

Letter of Transmittal

Ms. Fabiha Enam

Senior Lecturer

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report on “A study on Market Entry Strategy and Cultural Influence on the Marketing Mix in Kenya: A case of Square Pharmaceuticals Ltd.”

Dear Madam,

As a significant aspect of completing my Bachelor of Business Administration (BBA), it’s an honor to present to you my internship report on, "A study on Market Entry Strategy and Cultural Influence on the Marketing Mix in Kenya: A case of Square Pharmaceuticals Ltd."

The report focuses on the market entry strategy of Square Pharmaceuticals Ltd. in the Kenyan market and how cultural factors influence the marketing mix. The study aims to provide an insight into the challenges faced by the company in the Kenyan market and suggests suitable recommendations for improving the marketing mix.

I took every effort to compile all pertinent information while putting this research together to maximize the study's trustworthiness, originality, and educational value.

I also want to thank you for the thoughtful advice and enlightening suggestions you made about how to write my internship report. Therefore, I hope that this report will satisfy your expectations.

Sincerely yours,

____

Azmain Faek Chowdhury

Student ID: 18304015

BRAC Business School

BRAC University

Date: April 9th, 2023

Non-Disclosure Agreement

This agreement is formed and signed by the signatory student at BRAC University and Square Pharmaceuticals Ltd.

By signing this statement, I, Azmain Faek Chowdhury, guarantee that this report won't include any sensitive information that might harm Square Pharmaceuticals Ltd. This report, which is focused on my daily actions at the office, will be written with the help of the workplace supervisor.

As a result, as part of the requirements of my internship program, my report won't be published online and will instead be preserved at BRAC University to protect the information's privacy. Both parties in this situation agreed to keep the material used in this report a secret.

Acknowledgement

I would like to acknowledge the assistance and guidance of my university faculty and internship supervisor, Ms. Fabiha Enam, Senior Lecturer at BRAC Business School, BRAC University. Her supervision was invaluable in completing my report before the deadline. Additionally, I am grateful to Square Pharmaceuticals Ltd. for providing me with the opportunity to work for their company. I extend my appreciation to Mr. Md. Abu Bakar Siddique, my on-site supervisor, for entrusting me with responsibilities, acquainting me with the business culture and sharing his professional experience. I have acquired knowledge of a range of international marketing strategies, such as export, promotions, campaigns, product law and safety, etc. Lastly, I wish to thank my colleagues and employees who supported me even while they were busy with their work. I am grateful to senior staff and top management who spared their time to answer my questions and provide me with advice, suggestions and encouragement. Their assistance and guidance were invaluable to me, and I owe them a debt of gratitude for their gracious support.

Executive Summary

This internship report focuses on SQUARE Pharmaceuticals' strategy for entering the Kenyan market and the influence of culture on their marketing mix. The report consists of three chapters, starting with a description of the author's internship experience at SQUARE Pharmaceuticals Ltd. The second chapter provides background information on the company, including its history, vision, mission, departments, and products. The study also contains a SWOT analysis to assess the company's present market circumstances and strengths, weaknesses, opportunities, and threats in the pharmaceutical business, as well as a competitive analysis using Porter's Five model. The report also includes a survey to assess Square Pharmaceutical Ltd.'s international marketing efforts and the impact of cultural differences on the marketing mix in the Kenyan market. Finally, the report offers recommendations based on the survey results and competitive analysis to improve the company's performance in the future.

Keyword: Market entry strategy; Cultural influence; Pharmaceutical industry; Marketing mix; Incentive.

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List of Acronyms

SPL	Square Pharmaceuticals Limited
CPT	Carriage Paid To
CFR	Cost and Freight
FOB	Free on Board
CIP	Carriage and insurance paid to
Exp form	Export Form
INCOTERMS	International Commercial Terms
LC	Letter of Credit
IMD	International Marketing Department

Chapter 1

Overview of Internship

1.1 Student Information

Name: Azmain Faek Chowdhury

ID: 18304015

Program: Bachelors in Business Administration

Major: Marketing

Minor: Human Resource Management.

1.2 Internship Information

Period: 8th January 2022 – 6th April 2022 (3 months)

Company Name: SQUARE Pharmaceuticals Ltd.

Department: International Marketing Department.

Address: 50, Bay Tower, Mohakhali, C/A, Dhaka 1212.

Working Hours: Sunday to Thursday, 8:30 AM-5:30 PM

1.2.1 Internship company Supervisor's Information

Name: Md. Abu Bakar Siddique

Position: Senior Manager, International Marketing Department.

1.2.2 Job Scope

During my 3-month internship, I had the privilege of working with SQUARE Pharmaceuticals Ltd.'s Cash Incentive on export collection team in the International Marketing Department. In an effort to boost the pharmaceutical industry, the Bangladesh government has implemented a policy of offering a 10% cash incentive on the export of pharmaceutical products. The experience of working with the team not only allowed me to gain valuable insights into the workings of the corporate world but also provided me with an opportunity to learn about the overall process of international marketing. My job responsibilities during my internship included various tasks related to the export cash incentive collection process of SQUARE Pharmaceuticals Ltd. These tasks involved preparing verification certificates for past shipments, examining necessary files required for cash incentive applications, working with observation files and making necessary adjustments based on the audit team's feedback, filing and arranging documents for cash incentive applications, rectifying errors in observation files, and determining the mode of shipment (air, sea, or road) and delivery terms (INCOTERMS) for particular shipments**.** Additionally, I assisted with any activities that were needed for specific tasks as required.

1.3 Internship Outcomes

Internships provide students with valuable practical experience in their field of study, giving them a competitive edge when seeking employment after graduation. They also offer opportunities to build professional networks and gain insights into the industry and day-to-day operations of a company. Internships help to enhance resumes and distinguish candidates from others, as employers prefer those who have job experience. Additionally, internships can improve important skills such as problem-solving and communication that may not be learned in the classroom, making graduates more employable.

1.3.1 Contribution to the Organization

I was fortunate to work at SQUARE Pharmaceuticals Ltd., a renowned pharmaceutical company in Bangladesh, where I gained valuable knowledge from my supervisors and colleagues. As a member of the international marketing department, I have gained in-depth knowledge of important international marketing activities and export procedures. My main task is to help my team apply for Export Cash Incentives. Below are the specific tasks assigned to me.

1) Applying for Verification Certificate

My primary duty was to create physical verification certificates for past shipments to secure cash incentives. I also worked on observation files that previously failed to receive cash incentives due to insufficient funds and had to reapply for them. Throughout 2019, 2020, and 2021, I created and submitted 300 certificates and 60 observation files. These files had various shipment modes, including Air, Sea, and Road. As I prepared the verification certificates, I familiarized myself with various significant export-related documents and collected different information from them. List of the documents are given below:

- **Pro Forma Invoice:** A preliminary bill that is provided to customers before the delivery or shipment of goods. This document contains important information like the description of the purchased items, shipping costs, and weight.

- **Invoice:** A detailed document that lists all the goods and services provided to the customer, the total amount owed, and the payment method. The invoice can be provided to the customer in either paper or digital form.

- **Export Form (Exp Form):** When exporting goods, an export declaration form must be completed by the exporter at the port of export. The form includes information on the quantity, type, and value of the goods being shipped. The purpose of this information is to help Customs regulate exports and collect data on global trade.

- **Bill of Entry:** During the importation process of goods, importers or customs clearance agents are required to prepare a crucial legal document known as a bill of entry. This document is a vital component of customs clearance procedures, and it must be submitted to the relevant Customs department.
- **Packing List:** A packing list is a document used in international commerce that contains crucial details about the shipment, such as packaging information, dimensions and weight

of each package, and visible markings and numbers on the boxes. All parties involved in the shipment, including the exporter, international freight forwarder, and consignee, receive this information.

- **House Air Waybill:** House Airway Bill is a legally binding contract between the shipper and the airline that outlines transportation terms and conditions from the forwarder's perspective. It serves as evidence of the cargo being transported.

- **Master Air Waybill:** When the carrier receives the shipment from the shipper and transports it in accordance with the shipping terms to the designated destination, a Master Airway Bill is issued. To start the shipment procedure, the carrier issues the freight forwarder with the Master Airway Bill.

The verification certificate contains:

Figure 1

2) Documents Checking

My second responsibility was to review almost 300 shipments from the years 2021 and 2022 to ensure that all required documents were available. It is necessary to arrange and verify several documents in order to apply for a cash incentive. Failure to provide these documents can hinder the cash incentive collection process. Some of the essential documents, such as the Bill of Export, Freight Bill, Insurance Certificate, House Air Way Bill, Master Air Way Bill, and Bill of Lading, are mandatory for every shipment. I maintained an excel file for these 300 shipments and kept track of the required documents. Additionally, I gained practical experience in applying Incoterms while working. For instance, when using CPT or CFR delivery terms, the insurance certificate is not necessary because it is not the buyer's responsibility to ensure it. In contrast, both insurance and freight are required for CIP, CIF, and DAP delivery terms. In the case of FOB, no freight or insurance is required since it is not the seller's responsibility to ensure it.

3) Preparing files for Cash Incentives

After preparing the verification certificate and checking for necessary documents my final task was to prepare files for every particular shipment. Besides the verification certificate I had to collect other necessary documents associated with the shipment and make a complete file. The other documents are Commercial invoice, The Automated System for Customs Data (ASYCUDA), PFI, Packing List, Bill of Lading, Exp form, Bill of Entry (Provided by Customs). The verification certificate along with this document are printed and compiled into a file and submitted to Bank which is later on submitted to the audit team for verification. If the above documents are found authentic, then the government allows for cash incentives.

1.3.2 Benefits to the student

I had the chance to learn new skills, discover the company culture, and get insightful knowledge of the pharmaceutical industry throughout my internship.

1) Detailed learning on LC

A special class was taken by a senior executive on Letter of Credit. There I have learned the ins and outs of LC. Different aspects regarding the LC, its types, how to read a LC, different parties regarding the LC and clauses were discussed. This was one of the major learnings and a vital experience for me.

2) Other Learnings

Other than the direct learning I have experienced other indirect lessons which helped me grow and understand the corporate world. These are: Corporate Culture, Corporate Etiquette, Professionalism, Punctuality, Communication Skills, Interpersonal Skills, Group Work etc. All these prepared me to do better in the future and grow my confidence level.

1.3.3 Problems/Difficulties (faced during the internship period)

Throughout the internship program, I encountered minor challenges. One of the difficulties was finding balance when handling multiple tasks simultaneously. Initially, during the first week, it was a bit challenging, but as time passed, I learned how to synchronize and manage the tasks effectively. I had to be very cautious since a single error in data input or export document preparation could lead to more complex problems. Additionally, since I was new to the export process, I had to start from the basics to gain expertise in my work.

1.3.4 Recommendations (to the organization on future internships)

1) SQUARE may offer sheets or PDFs that outline intern responsibilities and learning materials relating to the Export process and its associated documentation. This would aid interns in improving their efficiency.

2) The department may utilize interns more for marketing-related activities, such as conducting market research, designing packaging, and developing marketing plans.

3) To encourage interns further, additional incentives may be incorporated into the plan.

Chapter 2
Organizational Profile

2.1 Introduction

This report focuses on entry strategies and cultural impact on the marketing mix in the Kenyan market while also covering market condition and SWOT analysis. The goal is to analyze Square Pharmaceuticals' marketing strategies and make recommendations to identify and overcome challenges. Primary and secondary data were collected for analysis, with primary information obtained from the SQUARE Pharmaceuticals roadmap and interviews with practitioners. Secondary data was obtained from SQUARE websites, news articles and previous reports about SQUARE Pharmaceuticals. However, due to limited time and opportunities during the three-month placement, there were some limitations on the amount of information that could be collected. The chapter provides an overview of SQUARE Pharmaceuticals, including an assessment of the company, the role of the international marketing department and its market position, strengths and weaknesses. Competitor analysis is also included. This chapter should be helpful in several ways.

2.2 Company overview

2.2.1 Company profile

SUARE Pharmaceuticals Ltd. symbolizes one of Bangladesh's most prosperous and recognized local industries. It started off as a small business and has grown to become the market's most dominating industry. SQUARE Pharmaceuticals Ltd became the top company in the local market in 1985 and had made a place to be the largest multinational corporation in Bangladesh today. The organization has expanded globally with great success by utilizing its resources and services. Since 1987, SQUARE Pharmaceuticals Ltd has been at the forefront of the pharmaceutical business. Square changed in 1991, turning into a public limited company. In 1991, Square adapted many transformations to form a public limited company. Firstly, it was enlisted on the Dhaka Stock Exchange and the Chittagong Stock Exchange in 1966. However, the company now overseas antibiotics and other medication products to 36 countries but the success is determined through the strategic utilization of resources, advancement, and services. This have turned into its biggest assets, garnering respect and recognition in the industry.

Objective, Mission, Vision

Figure 2

SQUARE's History & Growth

SQUARE Pharmaceutical Ltd has faced many challenges and emerged as a dominant local company. Here are some notable events in its history:

- **1958**: Started as cooperative farming
- **1964**: Converted to a limited liability company
- **1974**: Joint venture with Janssen Pharmaceuticals, a subsidiary of Johnson & Johnson International
- **1982**: signed license agreement with F. Hoffmann Roche AG
- **1985**: Achieved market leadership in the pharmaceutical industry of Bangladesh
- **1987**: First export of pharmaceutical products from Bangladesh

- **1991**: transition to a limited liability company
- **1994**: beginning of listing on the stock market
- **1995**: Production of active pharmaceutical ingredients (API) begins
- **1997**: The large export volume of pharmaceutical products won the national export award
- **1998**: Start of production of Agro-synthetics and veterinary products
- **2002**: Selected as global supplier by UNICEF
- **2004**: Became a global supplier to UNICEF and launched TELSTAR S.A. under the leadership. New, modern SQUARE Cefalospori Ltd.
- **2007**: Approved by UK MHRA
- **2009**: Began manufacturing insulin, hormone and steroid products that meet UK FDA UK MHRA standards.
- **2012**: Approved by the Australian Therapeutic Goods Administration
- **2015**: Passed US FDA Pre-Approval Inspection and Received USFDA Approval
- **2016**: Approved by MCC, South Africa and PIC/S, awarded HSBC Export Excellence Award, ICMMAB Best Corporation Award
- **2017**: Obtained the GMP certificate of the Ministry of Health of Azerbaijan and won the National Environmental Protection Award
- **2018**: Received National Export Award and ICMAB Best Company Award, Received ANDA approval for Valsartan US market, Received Malaysia NPRA approval for GMP, Received National Efficiency Award.
- **2019**: Won "President's Award for Industrial Development", Labor Protection and Safety Award, National Export Trophy Award
- **2021**: Received National Bureau of Revenue (NBR) Large Tax Payers (LTU) Special Recognition as one of the best taxpayers in the country, National Export Trophy Award, ICMAB Best Business Award and Green Factory Award and received the 2020 Award. Sheikh Mujib Industry Award.

Departments of Square Pharmaceuticals Ltd.

- Product Management Department (PMD)
- Market Research & Planning Cell
- Sales Department
- Medical Services Department (MSD)
- Accounts & finance Department
- General Service Department (GSD)
- Information Technology (IT) Department
- International Marketing Department (IMD)
- Supply Chain Management
- Technical Service Department (TSD)
- Distribution Department
- Human Resources Department
- Share & Corporate Affairs
- Quality Control Department
- Quality Assurance Department
- Engineering Department 3
- Production Department
- Production Planning
- Material Management and inventory control
- Product Development & Validation
- Project Management Department
- Internal Audit
- Quality Management & Audit

2.2.2 Export Market of Square Pharmaceuticals Ltd.

- **Asia**: Afghanistan, Azerbaijan, Bhutan, Cambodia, Georgia, Hong Kong, Iraq, Laos, Macau, Malaysia, Maldives, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Tajikistan, Vietnam, Yemen.
- **Africa**: Cameroon, Eritrea, Ivory Coast, Kenya, Libya, Mauritania, Mauritius, Mozambique, Nigeria, Somalia, Sudan, Tanzania, Uganda.
- **Oceania**: Fiji, Palau, Papua New Guinea.
- **Central & South America**: Belize, Costa Rica, Jamaica, Nicaragua, Panama, Suriname.
- **Europe**: UK (Contract Manufacturing)
- **North America**: USA

2.2.3 Products of SQUARE Pharmaceuticals

The product portfolio of Square Pharmaceuticals includes a total of 859 items, comprising 637 pharmaceuticals, 134 agrovet products, 36 pesticides, 14 pellets, 30 herbal products, and 8 basic synthetics. Additionally, the company has exported 35 of its products.

Category	**Name**
Tablet	Ace, Ace Plus, Ceprocin, Almex, Alatrol, Amodis etc.
Capsule	Cef-3, Cef-3 DS, Ceftibin, Climycin 150, Climysin 300, Diliner 60 DR etc.
Injection	Anadol, Ansulin N 40, Bonizol, Ceftron 1g, Iventi, Lactoring etc.
Cream	Penrif 30, Pevitin, Scabex, Ticas, Togent, Topicort etc.
Suppositories	Erian, Ace Suppository, Glysup 1.15, Glysup 2.30, Sonap 500, Clofena-50 etc.

Eye Drop	SQ Mycetin, Ocubrom, Oculant, Lubgel, Alarid, Iventi etc.
Inhalers	Beclomin 100, Beclomin 250, Ticamet, Sultolin,Sulprex etc.
Liquids	Ace Syrup, Adryl Syrup, Ambrox Syrup, Antista Syrup, B-50 Forte, Bicozin Syrup etc.
Powders	Cef-3, Cef-3 forte, Ciprocin, Moxacil Forte, Moxaclav etc.

2.3 Marketing practices

Square Pharmaceutical Ltd., a well-known pharmaceutical company in Bangladesh, uses various marketing strategies to promote its products, such as advertising, promotion, and personal selling. Square Pharma's advertising campaign promotes its products mainly in print media. The company offers free samples, discounts and sponsors medical events as part of its promotions. In addition, SPL has established relationships with key opinion leaders and physicians through its medical personal sales representatives. In addition to traditional marketing practices, Square Pharmaceutical Ltd. Also involved in digital marketing by creating a website that provides information about their products, services and company profile. SPL also invests in research and development to expand its product line and improve product quality. The company has established an R&D center to research new molecules and improve the quality of existing products. In addition, SPL collaborates with various international research institutes to develop innovative products. In summary, Square Pharma has implemented several marketing techniques to maintain its position as a leading pharmaceutical company in Bangladesh. The company's marketing strategy, which includes traditional and digital marketing, personal selling and research and development, enables it to offer quality products at competitive prices and increase market share both locally and globally.

2.4 Management Practices

2.4.1 Types of Employees

- Management
- Non-Management

Management Hierarchy

Figure 3

2.4.2 Human Resource Management

Human resource management (HRM) involves various management practices, such as manpower planning, recruitment and selection, and training and development. The effective allocation of employees to the right positions at the right time is a crucial aspect of HRM. HRM is responsible for estimating and planning the reasonable progression of employees and meeting labor supply demands based on supply and demand. Recruitment and selection are vital tasks of HRM, which involve hiring suitable candidates for significant positions. HR professionals of SPL spend a considerable amount of time ensuring effective manpower planning and hiring processes. Training and development are essential for enhancing employee capabilities and performance, and it is HR's responsibility to ensure employees have the necessary skills to achieve departmental goals. Coordinating training programs is necessary to ensure employee efficiency and value. In some cases, skills gaps may exist among employees, and planning training programs is essential for improving their performance. Effective HRM management practices are crucial for maintaining a balanced work environment and achieving organizational objectives.

2.5 Financial Performance and Accounting Practices

The company has demonstrated strong financial results that have enabled it to invest in research and development to improve product quality and expand market share. SPL has also maintained excellent accounting procedures which are essential to maintain transparency, accountability and compliance with legal requirements. The company has implemented effective financial reporting and monitoring systems that allow tracking financial performance, identifying areas for improvement, and making informed decisions. In addition, SPL has established a strong system of internal controls to ensure the accuracy, completeness and validity of financial information, protect the company's assets and prevent fraud and error. The company's commitment to financial performance and accounting practices has helped it maintain its position as a leading pharmaceutical company in Bangladesh with sustainable growth and profitability.

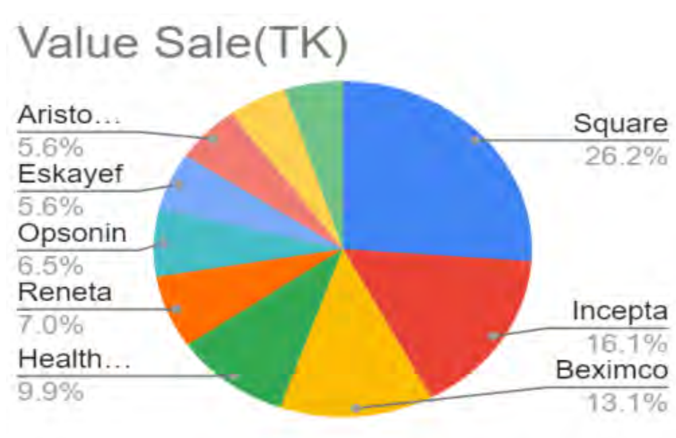


Figure 4

2.6 Operations Management Practices

Operations management is an essential aspect of any organization, as it involves overseeing the entire process of transforming raw materials and labor into goods and services ready for the market. In the case of Square Pharmaceutical Ltd (SPL), operations management plays a critical role in guiding and leading the supply chain management, product design, and quality control departments to ensure optimal performance. The company places great emphasis on the need to transform raw materials and labor into high-quality products in a timely and efficient manner, which has enabled SPL to maintain a competitive edge in the pharmaceutical industry. Overall, SPL's commitment to operational excellence is evident in its ability to produce high-quality products while maintaining efficiency and cost-effectiveness.

2.7 Porter's Five Forces Analysis

The market analysis of SQUARE Pharmaceuticals is presented as follows:

1. **Low entry barriers for new participants:** Entering the pharmaceutical market requires a significant amount of investment and regulatory approval, which acts as a major hindrance for new players. Moreover, accessing distribution channels and gaining customer loyalty for established brands are also challenging for new entrants, resulting in a substantially reduced likelihood of new players entering the market.

2. **High risk of substitute products:** Consumers often switch between different brands of medication while purchasing from stores, and several alternative brands can be used as substitutes. When a particular brand is unavailable, consumers easily switch to another brand. Therefore, the risk of substitute products is high.

3. **Low buying power of customers:** The power of buyers in the pharmaceutical market is low as they typically have limited options to choose from when buying medicine. Buyers usually purchase the medicine prescribed by their doctors, and they have to resort to alternative medicines in most cases. This is the reason why the bargaining power of buyers is low.

4. **High bargaining power of suppliers:** Currently, Bangladesh imports 99.5% of raw drug components from China and India, and importing from European sources would be more expensive. The concentration of suppliers and high transaction costs have led to a high bargaining power of suppliers. However, the providers' bargaining power is expected to decrease soon due to the establishment of API park, which has business operations in MunshiGanj.

5. **High competition among existing players:** The pharmaceutical market in Bangladesh is primarily controlled by 20 major companies, and each of them sells the same medication under different brands. To gain an advantage in market share, these companies compete fiercely with each other, resulting in high competition among existing players.

2.8 SWOT Analysis

In order to be competitive in the industry, it is important to understand a company's strengths, weaknesses, opportunities and threats. In the case of SQUARE Pharmaceuticals Ltd., the following SWOT analysis can be performed:

Strengths

1. SQUARE Pharmaceuticals has a team of skilled employees who are capable of fulfilling all their responsibilities and tasks.

2. SPL has been a prominent player in the Bangladesh pharmaceutical industry for a long time, which has helped them establish a strong brand image.

3. They have a vast customer base and have the ability to produce a variety of conventional medicines to meet their needs.

4. With over 6,000 experienced and skilled staff members, SQUARE Pharmaceuticals has the resources to run their operations smoothly.

5. By producing high-quality medications, they have set a benchmark for excellence in the industry.

6. SPL holds a dominant market presence for their strong brand image and efficient workforce in the pharmaceuticals industry.
7. The company's low employee turnover rate reflects a strong organizational culture.

Weaknesses

1. Slow decision-making process - The recruitment and selection process at Square Pharmaceuticals is lengthy and regulatory, leading to time-consuming decision-making at higher levels.
2. Lack of coordination - Due to a shortage of resources and capacity, Square Pharmaceuticals struggles to compete globally in areas such as new drug discovery and research.
3. Inefficient resource allocation and inventory management - Square Pharmaceuticals is not allocating sufficient resources for research and development, which affects new inventions.
4. Low profitability and slow profit growth - Despite increasing raw material costs, Square Pharmaceuticals' profit growth is not increasing at the same rate, resulting in low productivity. The company also incurs high unit and production costs due to purchasing raw materials from specific sources.

Opportunities

1. Strong Government Backing - SQUARE Pharmaceuticals has considerable support from the Government due to its prominent brand image and extensive market share. The Government is committed to investing and providing support to promote the pharmaceutical industry in Bangladesh for the betterment of society.
2. Expansion as an International Player - SQUARE Pharmaceuticals is poised to expand globally and become an international player, which will bring significant changes to the pharmaceutical industry and enhance the company's exporting potential.
3. Support from Financial Institutions - Due to its growth phase and government backing, financial institutions are providing strong support.
4. Additional Revenue Streams - Foreign trade offices can provide additional income sources from reputable foreign banks.
5. Research and Development for New Products - SQUARE Pharmaceuticals has a robust research and development department.

Threats

1. Currency devaluation can potentially decrease the profitability of SQUARE Pharmaceuticals' global exports.
2. The industry is experiencing an increase in the introduction of innovative products from competitors.
3. Limited power supply in Bangladesh is a major hindrance to the growth of the pharmaceutical industry.
4. Competition in the industry is intensifying as the government provides support and a favorable environment for growth.
5. The increasing cost of raw materials due to inflation is raising production costs.

2.9 Conclusions

SQUARE Pharmaceuticals Ltd. is an organization that emphasizes a modern business approach, combining efficiency and fairness in its corporate work culture. It prioritizes the growth of the company by enhancing the skills and knowledge of its employees, providing a supportive and conducive environment for their development. The company's motto is 'Being Good by Doing Well,' and it strives to operate with transparency and integrity in all its business dealings within legal, ethical, and social boundaries. SPL recognizes human resources' productivity as a significant contribution to the company's success. It adheres strictly to business ethics and transparency at every stage of its operations, ensuring both financial and ethical accountability. SPL maintains a zero-tolerance policy towards corruption and extends its activities beyond business to contribute to the betterment of society.

Chapter 3
Project Part

3.1 Introduction

3.1.1 Literature Review

Pharmaceuticals are a class of newly formed organic substances that have improved our quality of life. Pharmaceuticals, both branded and generic, are developed, produced, and marketed by the pharmaceutical business *(Pena et al., 2021)*. A company should separate ownership decisions from control decisions when thinking about entering a foreign market. In its international settings, the lodging sector has historically divided ownership and control. However, we draw attention to the fact that the ownership and management decisions include two processes according to the current industrial structure. Entrants must first select whether they will own the spaces where their enterprises will be housed. The second step is to choose whether the chain will manage the property directly, if a management company would run the property, or whether local management will be used *(Pan and Tse, 2000)*. The Four Ps, commonly referred to as the marketing mix, are among the most well-known marketing acronyms. The four key components of a marketing plan are its elements: product, pricing, place, and promotion. According to many authors, it's critical to comprehend how customers feel about the 4Ps marketing mix *(Purnomo et al., 2010)*. All the African nations, including Kenya, are included in a group of 50 countries known as the "cold" countries. Firms use less licensees and joint venture partners as they transition from "Hot" to "Cold" country clusters, while using more U.S.-based intermediaries, foreign agents and distributors, and other strategies that involve less control over sales *(Goodnow and Hansz, 1972)*. As of August 2021, Square Pharmaceuticals Ltd. will begin manufacturing in Kenya, becoming the first Bangladeshi pharmaceutical company to do so. The pharmaceutical behemoth spent Tk170 crore building its manufacturing facility in Nairobi, the capital of Kenya. To meet the unmet medical needs in Kenya and five other East African nations (Tanzania, Rwanda, Burundi, Uganda, and South Sudan), Square aims to capture the $30 million pharmaceuticals market in those nations *(Noyon, 2021)*. Kenya has a rare potential to provide simple access to the market of roughly 15 crore people in the EAC thanks to its geographic location and participation in the EAC. In the East African Community (EAC), which consists of Kenya, Tanzania, Uganda, Rwanda, and Burundi, any output there is regarded as local manufacturing. The pharmaceutical business is heavily reliant on imports despite being a zone with a high prevalence of diseases *(Habib, 2022)*. Square had been holding off on starting production in its brand-new Kenyan facility much longer. The Covid-19 epidemic, according to a corporate spokesman, delayed the start of operations abroad. The debt-to-equity ratio for the Kenyan project is 40:60. Square Pharmaceuticals Ltd. has sent Square Pharmaceuticals Kenya EPZ Ltd a total of $12 million as part of the investment *(Keenan, 2021)*.

3.1.2 Objective

The main objective of this internship report is to conduct a comprehensive study on Square Pharmaceuticals Ltd. entry strategy in Kenya with a particular focus on how cultural influences affect the marketing mix. The purpose of this report is to examine the current marketing mix of Square Pharmaceuticals Ltd. and identify the challenges the company faces in entering the Kenyan market. In addition, the report provides recommendations on how to develop and implement a successful market access strategy in Kenya. In addition to the general objectives, the specific objectives of this report are as follows:

- To understand the cultural and socio-economic factors affecting the marketing mix in Kenya and their impact on SPLs' market entry.
- Analyze SPL’s marketing mix in Kenya and identify areas for improvement to increase market penetration and growth.
- Assess the effectiveness of SPL's current market access strategy and identify challenges faced by SPL in the Kenyan market.
- Suggestion on the development of an effective marketing mix taking into account the cultural factors influencing consumer behavior in Kenya.

By achieving these specific objectives, the report will provide valuable insight into how Square Pharmaceuticals Ltd. developed an effective strategy to enter the Kenyan market while taking cultural influences into account. The report will also contribute to existing knowledge on market entry strategy and cultural influences on the marketing mix, focusing on the pharmaceutical industry in developing countries.

3.1.3 Significance

The study of market entry strategy and cultural influence on the marketing mix in Kenya for Square Pharmaceuticals Ltd. holds significant importance in today's globalized economy. As businesses aim to expand and penetrate new markets, understanding the cultural nuances and local market conditions becomes crucial for success. This report will provide valuable insights into the challenges that Square Pharmaceuticals Ltd. faces while entering the Kenyan market and how cultural influences impact their marketing mix. By analyzing the existing marketing mix and evaluating its effectiveness in the Kenyan market, this report will provide recommendations for developing an effective market entry strategy that takes into account the cultural factors that influence consumer behavior in Kenya. The findings of this report will be useful for future researchers and students interested in the pharmaceutical industry and market entry strategies. Additionally, other companies looking to enter the Kenyan market or similar developing countries can learn from the experiences and recommendations of Square Pharmaceuticals Ltd. Furthermore, the report will contribute to the existing body of knowledge on market entry strategy and cultural influences on the marketing mix, particularly in the context of the pharmaceutical industry in developing countries. By providing a comprehensive analysis of the market entry strategy and cultural influence on the marketing mix in Kenya for Square Pharmaceuticals Ltd., this report aims to play a positive role in the development of effective marketing practices and contribute to the betterment of the society.

3.2 Methodology

For this study on market entry strategy and cultural influence on the marketing mix in Kenya for Square Pharmaceuticals Ltd., the descriptive research technique was used, which is the most commonly used research technique. Both primary data and secondary data was used in this study.

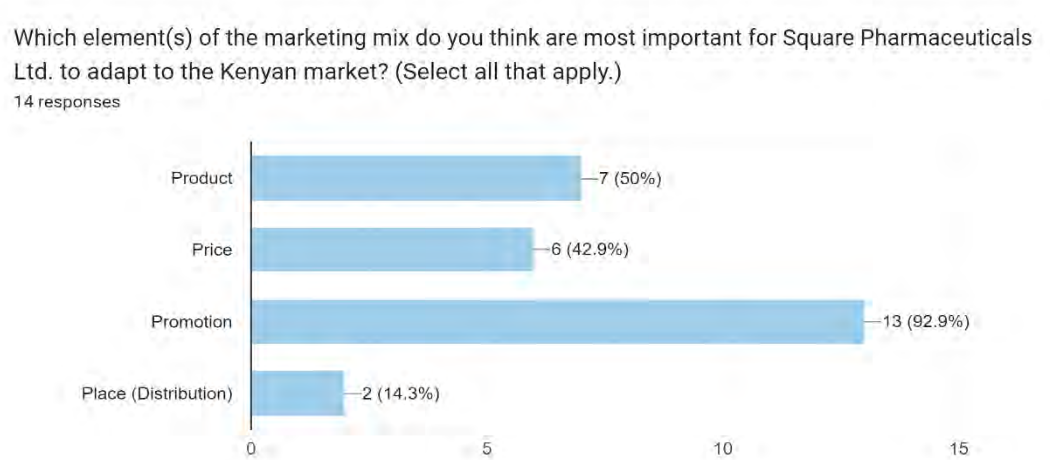
Primary data was collected through face-to-face interviews with key personnel from SPL’s marketing manager, and business development executives for Kenyan Market. The interviews aimed to gain insights into the company's existing marketing mix, their understanding of the local market conditions, and their perception of the cultural factors that influence consumer behavior in Kenya. A survey was also conducted among SPL’s employees to collect feedback then used google doc to restore the feedback. Secondary data was collected from a range of sources, including

Square Pharmaceuticals official website, academic journals, industry reports, government publications, and online articles. The secondary data was used to provide a broader understanding of the Kenyan market, the regulatory environment, and cultural influences on consumer behavior.

3.3 Findings and Analysis

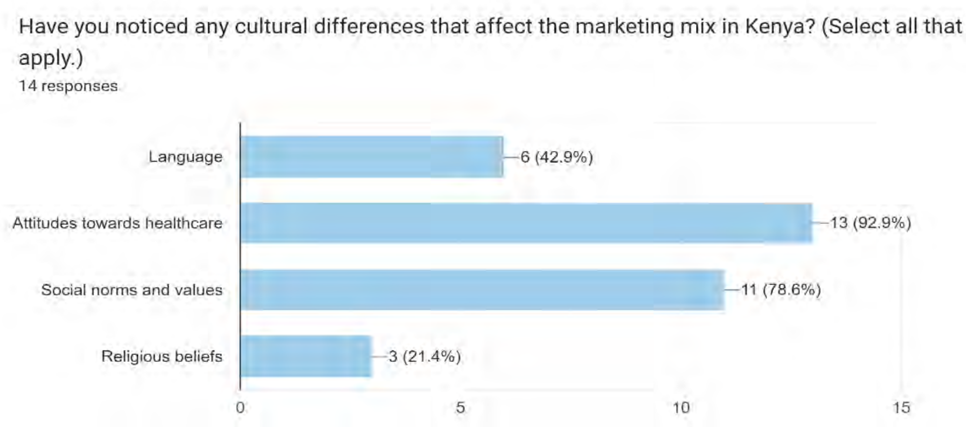
In order to enhance my comprehension of Square Pharmaceutical Ltd.'s global marketing endeavors and how cultural discrepancies influence the marketing mix in the Kenyan market, I conducted a survey with the consent of SPL employees. The survey was conducted over a span of 14 days. The survey comprised 16 questions and was completed by 14 respondents.

Survey Result:



Survey Result Graph 1

The survey aimed to identify the most important elements of the marketing mix for Square Pharmaceuticals Ltd. to adapt in the Kenyan market. The results showed that promotion was considered the most crucial element by 92.9% of respondents. Product adaptation was only deemed important by 50% of respondents, while price adaptation was important to 42.9% of respondents, and place adaptation to only 14.3% of respondents. These findings suggest that Square Pharmaceuticals Ltd. can leverage its existing product portfolio in the Kenyan market but needs to carefully evaluate pricing strategies. The company may not need to make significant changes to its distribution channels. These findings can guide Square Pharmaceuticals Ltd. in developing an effective market entry strategy for the Kenyan market.

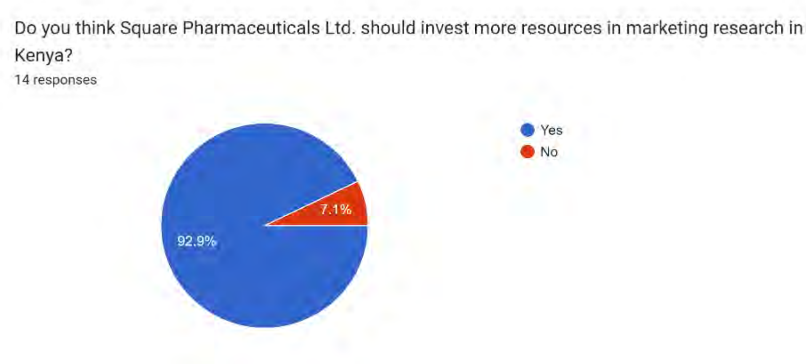


Survey Result Graph 2

The survey question aimed to understand the cultural differences that affect the marketing mix in Kenya according to the respondents. The findings suggest that attitudes towards healthcare (92.9%) and social norms and values (78.6%) are the most significant cultural factors affecting the marketing mix. This could be due to the fact that healthcare and social norms vary significantly across cultures and regions. 42.9% of respondents also highlighted language as a key factor, indicating the importance of using appropriate language in marketing communication. Only 21.4% of respondents felt that religious beliefs impacted the marketing mix. These findings will help Square Pharmaceuticals Ltd. to develop a culturally sensitive marketing mix that resonates with the Kenyan market.

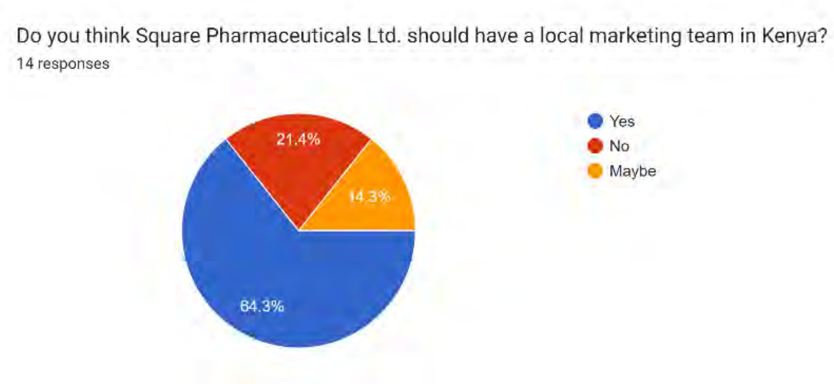
Survey Result Graph 3

The survey question aimed to understand the importance of having a strong brand reputation for Square Pharmaceuticals Ltd. in the Kenyan market. The results indicate that a majority of the respondents (64.3%) consider a strong brand reputation to be very important. This suggests that Square Pharmaceuticals Ltd. needs to focus on building a strong brand image to establish itself in the Kenyan market. On the other hand, 35.7% of respondents selected 2, indicating that they consider a strong brand reputation to be somewhat important. Overall, the findings suggest that having a strong brand reputation is crucial for Square Pharmaceuticals Ltd.'s success in the Kenyan market.



Survey Result Graph 4

The survey results show that the majority of respondents (92.9%) believe that Square Pharmaceuticals Ltd. should invest more resources in marketing research in Kenya. This indicates the importance of understanding the cultural nuances and local market conditions for the success of the company's marketing efforts in Kenya.

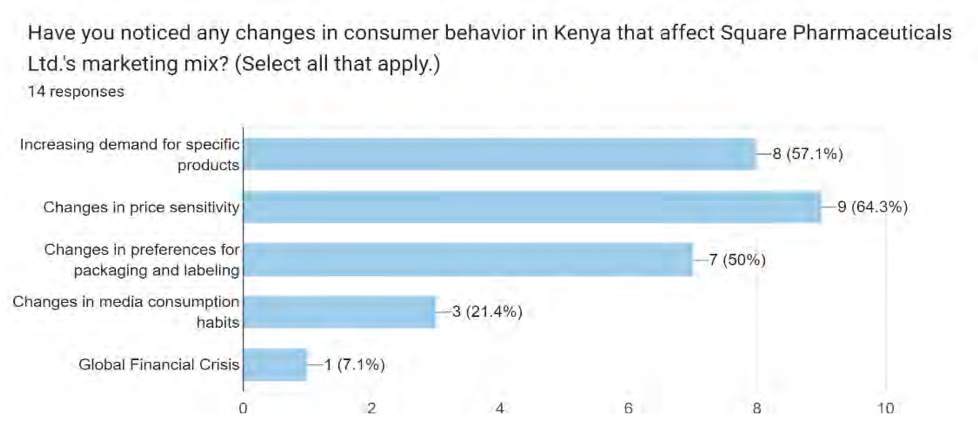


Survey Result Graph 5

The majority of respondents (64.3%) believe that Square Pharmaceuticals Ltd. should have a local marketing team in Kenya. This could be because a local team would have a better understanding of the Kenyan market and its cultural nuances, leading to more effective marketing strategies. However, a significant minority (21.4%) disagreed, suggesting that the need for a local team may not be universally agreed upon within the company.

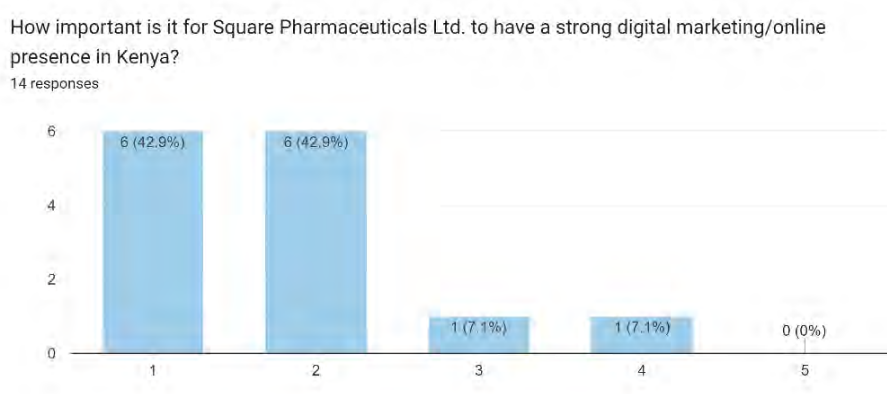
Survey Result Graph 6

The survey aimed to determine the effectiveness of Square Pharmaceuticals Ltd.'s pricing strategy in the Kenyan market. The results indicate that a majority of respondents (64.3%) believed that the pricing strategy is somewhat effective, with 28.6% of respondents believing it is very effective. This suggests that while the pricing strategy may be working to some extent, there is room for improvement.



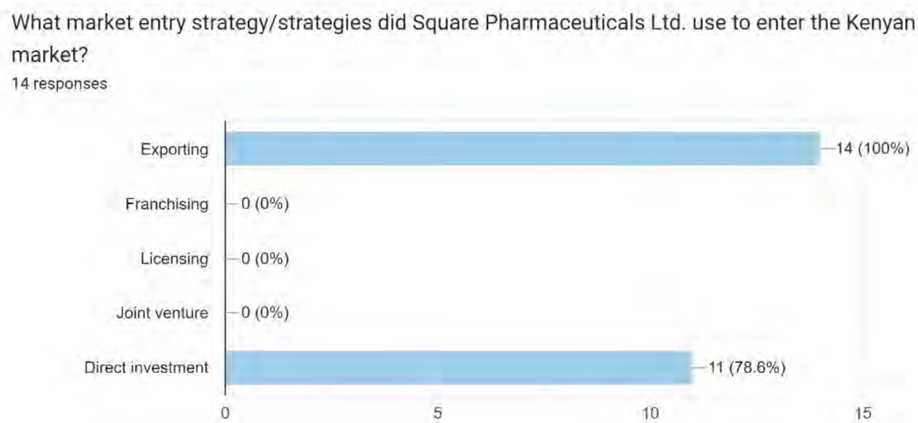
Survey Result Graph 7

The survey aimed to understand changes in consumer behavior in Kenya that could impact Square Pharmaceuticals Ltd.'s marketing mix. Results show that respondents have noticed an increasing demand for specific products (57.1%), changes in price sensitivity (64.3%), and changes in preferences for packaging and labeling (50%). These findings suggest that Square Pharmaceuticals Ltd. should consider adapting its product portfolio and pricing strategy to meet the evolving needs and preferences of Kenyan consumers. Additionally, a smaller percentage of respondents noted changes in media consumption habits (21.4%), indicating that Square Pharmaceuticals Ltd. may need to adjust its promotional strategies accordingly. Overall, these findings highlight the importance of staying attuned to changes in consumer behavior to successfully navigate the Kenyan market.



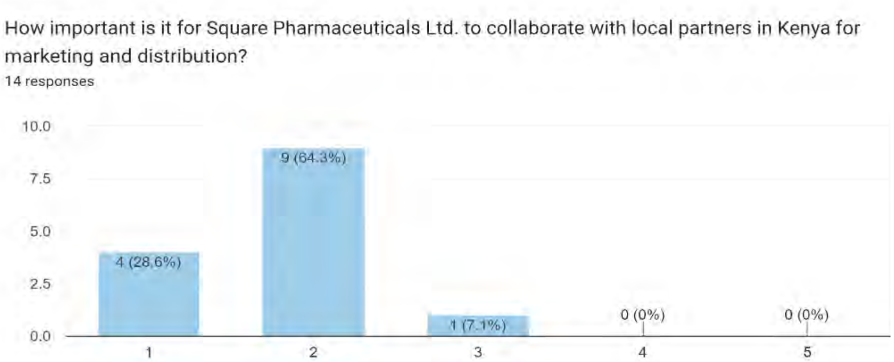
Survey Result Graph 8

The survey question aimed to understand the importance of digital marketing/online presence for Square Pharmaceuticals Ltd. in Kenya. The results indicate that 85.8% of respondents believe that it is either very important or somewhat important for the company to have a strong digital marketing/online presence in Kenya. This suggests that Square Pharmaceuticals Ltd. needs to prioritize its digital marketing efforts to reach the Kenyan market effectively.



Survey Result Graph 9

The survey findings indicate that Square Pharmaceuticals Ltd. primarily used exporting as its market entry strategy into the Kenyan market, as indicated by 100% of the respondents. However, a significant proportion of respondents (78.6%) also suggested that the company used direct investment as an entry strategy. These findings suggest that Square Pharmaceuticals Ltd. leveraged multiple market entry strategies to enter the Kenyan market.

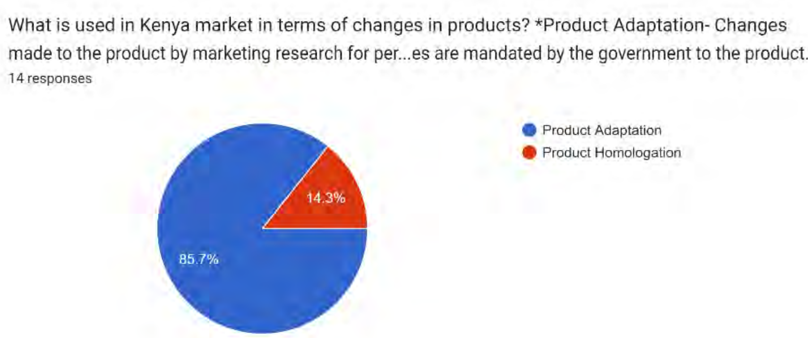


Survey Result Graph 10

The majority of respondents (64.3%) rated collaborating with local partners in Kenya for marketing and distribution as important, while a significant proportion (28.6%) rated it as very important. This indicates that local partnerships are valued by respondents as an important factor for Square Pharmaceuticals Ltd. in the Kenyan market.

Survey Result Graph 11

The survey indicates that 85.7% of respondents consider Square Pharmaceuticals Ltd.'s market entry strategy in Kenya to be effective. This suggests that the company's current market entry approach has had a positive impact in the Kenyan market. However, further research is required to identify specific reasons why the remaining 14.3% of respondents rated it as not effective (rated 3 on a scale of 1 to 5).

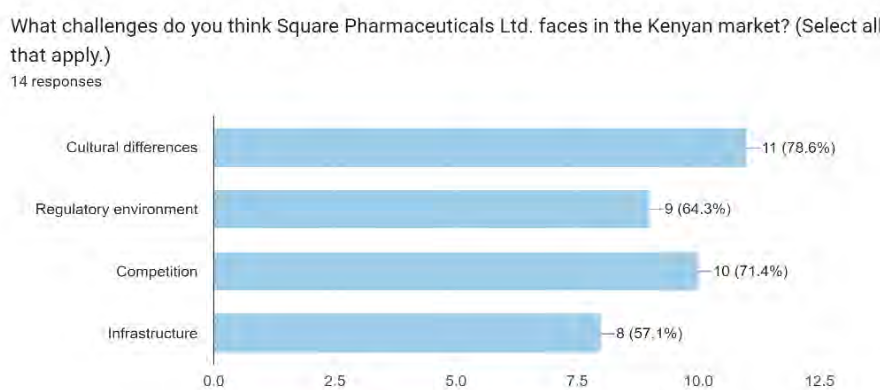


Survey Result Graph 12

According to the survey, the majority of respondents (85.7%) reported that Square Pharmaceuticals Ltd. uses product adaptation to make changes to its products for better performance in the Kenyan market. Only a small percentage (14.3%) reported that product homologation, which involves changes mandated by the government, is used. This suggests that Square Pharmaceuticals Ltd. is responsive to the local market needs and preferences and is adapting its products accordingly.

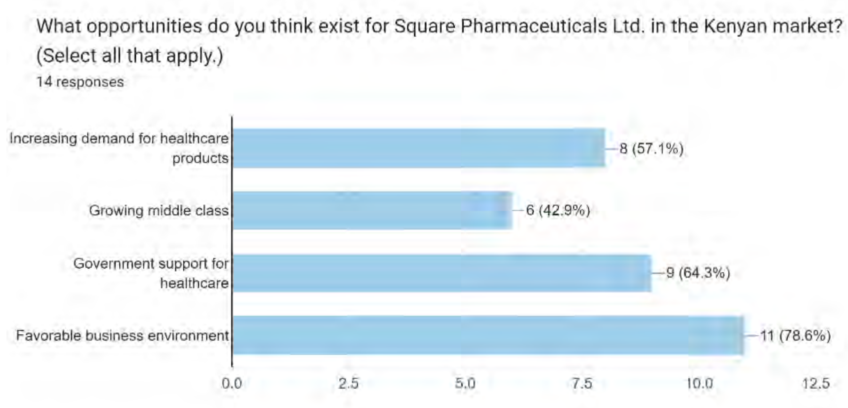
Survey Result Graph 13

The majority of respondents (57.1%) believed that it is important for Square Pharmaceuticals Ltd. to have strong relationships with local stakeholders in Kenya. This highlights the significance of building and maintaining positive relationships with the government, distributors, and healthcare providers in the Kenyan market. Such relationships can aid in addressing regulatory hurdles, gaining market access, and ensuring a steady supply of products to meet the demand of the consumers.



Survey Result Graph 14

The survey shows that the top challenges faced by Square Pharmaceuticals Ltd. in the Kenyan market are cultural differences, regulatory environment, competition, and infrastructure. These challenges can affect the company's market entry, pricing strategy, and marketing mix. It is important for the company to address these challenges to establish a strong foothold in the market.



Survey Result Graph 15

The survey suggests that there are several opportunities for Square Pharmaceuticals Ltd. in the Kenyan market. Respondents highlighted increasing demand for healthcare products, growing middle class, government support for healthcare, and favorable business environment as potential opportunities. These findings indicate that Square Pharmaceuticals Ltd. may be well-positioned to capitalize on these opportunities by strategically targeting the Kenyan market.

Survey Result Graph 16

The survey suggests that the importance of using localized packaging and labeling for Square Pharmaceuticals Ltd. products in Kenya varies among respondents. While a significant portion 42.9% rated it as moderately important, 28.6% rated it as somewhat important 3. Only 21.4% rated it as very important, indicating a relatively lower priority. Nonetheless, it is worth considering localization as it could help the company appeal to Kenyan consumers and comply with local regulations.

3.4 Summary and Conclusion

The study on market entry strategy and cultural influence on the marketing mix in Kenya, focusing on Square Pharmaceuticals Ltd., revealed various findings. The company's market entry strategy was considered effective, with product adaptation being the preferred choice for changes in products. Strong relationships with local stakeholders were also considered crucial for success in the Kenyan market. The major challenges faced by Square Pharmaceuticals Ltd. included cultural differences, regulatory environment, competition, and infrastructure. On the other hand, opportunities such as increasing demand for healthcare products, growing middle class, government support for healthcare, and favorable business environment were identified. Lastly, localized packaging and labeling were considered important, but not as critical as other factors.

In conclusion, the study suggests that Square Pharmaceuticals Ltd. needs to maintain a strong focus on the Kenyan market by adopting a product adaptation strategy, building strong relationships with local stakeholders, and navigating the challenges identified. The company should also seize the opportunities available in the Kenyan market and tailor their marketing mix to the local cultural environment. By doing so, Square Pharmaceuticals Ltd. can establish itself as a leading player in the Kenyan pharmaceutical industry and ensure long-term success.

3.5 Recommendations

Based on the study on market entry strategy and cultural influence on the marketing mix in Kenya, the following recommendations are suggested for Square Pharmaceuticals Ltd.:

1. **Develop a culturally sensitive marketing mix:** The survey found that attitudes towards healthcare and social norms and values are the most significant cultural factors affecting the marketing mix. So, SPL should develop a culturally sensitive marketing mix that resonates with the Kenyan market.

2. **Carefully evaluate pricing strategies**: Price adaptation was important to 42.9% of respondents as per the findings and analysis, suggesting that Square Pharmaceuticals Ltd. needs to carefully evaluate its pricing strategies for the Kenyan market.
3. **Consider having a local marketing team:** Since a majority of respondents believe that SPL should have a local marketing team in and collaborating with local partners in Kenya for marketing and distribution as important, the company should consider establishing one to better understand the Kenyan market and its cultural nuances.
4. **Prioritize digital marketing/online presence:** In the modern world, digital marketing plays a significant role in reaching out to customers. Square Pharmaceuticals Ltd. should invest in digital marketing to increase brand awareness and attract more customers.
5. **Consider tapping into other African countries:** Expanding into other African countries could be a viable option for SPL, given their existing knowledge of the Kenyan market and established factory. This could provide them with a strategic advantage in leveraging similar market cultures across other African nations.

By implementing these recommendations, Square Pharmaceuticals Ltd. can develop a robust market entry strategy, build a strong brand image, and attract more customers in Kenya, resulting in better sales, profitability, and overall growth.

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Appendix

- Which element(s) of the marketing mix do you think are most important for Square Pharmaceuticals Ltd. to adapt to the Kenyan market? (Select all that apply.)
  - Product
  - Price
  - Promotion
  - Place (distribution)

- Have you noticed any cultural differences that affect the marketing mix in Kenya? (Select all that apply.)
  - Language
  - Attitudes towards healthcare
  - social norms and values
  - religious beliefs
  - Other

- How important is it for Square Pharmaceuticals Ltd. to have a strong brand reputation in Kenya?
  - Very important
  - Somewhat important
  - Not very important
  - Not important at all

- Do you think Square Pharmaceuticals Ltd. should invest more resources in marketing research in Kenya?
  - Yes
  - No

- Do you think Square Pharmaceuticals Ltd. should have a local marketing team in Kenya?
  - Yes
  - No

- How effective do you think Square Pharmaceuticals Ltd.'s pricing strategy is in Kenya?
  - Very effective
  - Somewhat effective
  - Not very effective
  - Not effective at all

- Have you noticed any changes in consumer behavior in Kenya that affect Square Pharmaceuticals Ltd.'s marketing mix? (Select all that apply.)
  - Increasing demand for specific products
  - Changes in price sensitivity
  - Changes in preferences for packaging and labeling
  - Changes in media consumption habits
  - Other

- How important is it for Square Pharmaceuticals Ltd. to have a strong digital marketing/online presence in Kenya?
  - Very important
  - Somewhat important
  - Not very important
  - Not important at all

- How important is it for Square Pharmaceuticals Ltd. to collaborate with local partners in Kenya for marketing and distribution?

- Very important
- Somewhat important
- Not very important
- Not important at all

➢ What market entry strategy did Square Pharmaceuticals Ltd. use to enter the Kenyan market?

- Exporting
- Franchising
- Licensing
- Joint venture
- Direct investment

➢ How effective do you think Square Pharmaceuticals Ltd.'s market entry strategy has been in Kenya?

- Very effective
- Somewhat effective
- Not very effective
- Not effective at all

➢ How important is it for Square Pharmaceuticals Ltd. to have strong relationships with local stakeholders (e.g., government, distributors, healthcare providers) in Kenya?

- Very important
- Somewhat important
- Not very important
- Not important at all

➢ How effective do you think Square Pharmaceuticals Ltd.'s distribution strategy is in Kenya?

- Very effective
- Somewhat effective
- Not very effective
- Not effective at all

➢ What challenges do you think Square Pharmaceuticals Ltd. faces in the Kenyan market? (Select all that apply.)

- Cultural differences
- Regulatory environment
- Competition
- Infrastructure
- Other

➢ What opportunities do you think exist for Square Pharmaceuticals Ltd. in the Kenyan market? (Select all that apply.)

- Increasing demand for healthcare products
- Growing middle class
- Government support for healthcare
- Favorable business environment
- Other

➢ How important is it for Square Pharmaceuticals Ltd. to use localized packaging and labeling for its products in Kenya?

- Very important
- Somewhat important
- Not very important
- Not important at all