

ATTITUDES OF EXECUTIVES OF LARGE MANUFACTURING
AND DISTRIBUTING BUSINESS ORGANIZATIONS IN
NAIROBI TOWARD THE SOCIETAL MARKETING CONCEPT.

BY

CATHERINE WANJIKU NGAHU

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of the Requirement for the degree of Master of
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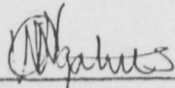
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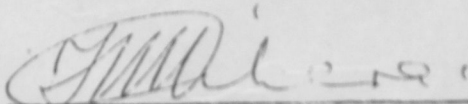
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CATHERINE WANJIKU NGAHU

THIS PROJECT HAS BEEN SUBMITTED FOR EXAMINATION
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SIGNED



DR. FRANCIS N. KIBERA
SENIOR LECTURER (BUSINESS ADMINISTRATION)

DATE

9/6/87

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DEDICATION

In memory of my dear father, Mr. Peter Ngahu Kaboi, for his love of education.

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ABSTRACT

The survey for the study reported here done between 7th April and 24th May, 1987. The study sought to determine executives' awareness of the societal marketing concept, their attitude toward the concept, and the extent to which implementation of the concept has taken place.

The population of interest included all manufacturing and distributing organizations employing more than fifty people in Nairobi. The information sought in this study was collected using a structured questionnaire. Fifty executives from various firms completed the questionnaire and provided the information used in this report.

The findings of the study suggest that executives in large manufacturing and distributing organizations in Nairobi are well aware of some aspects of the societal marketing concept. It was found that many executives were more knowledgeable with respect to the customer orientation and profit direction tenets of the concept than with respect to societal orientation and integrated marketing tenets.

Regarding executives' attitudes toward the societal marketing concept, the executives showed fairly positive attitudes toward the concept. The executives were found to have a very positive attitude toward the customer orientation aspects of the concept. Further, the executives had fairly positive attitude toward societal orientation and "profit direction" as advocated by the societal marketing concept.

Concerning the implementation of the concept, it was found that all firms had implemented at least some of the aspects. Again, it was found that most organizations had implemented those aspects of the concept that related to customer satisfaction.

In conclusion, it was found that the executives in large manufacturing and distributing firms in Nairobi are very concerned with the customer orientation aspects of the societal marketing concept, and only slightly concerned with the societal aspects of the concept.

CHAPTER ONE

INTRODUCTION

1.1 Background

The development of marketing is influenced by the development of the society and its economy. Social and economic conditions largely influence the direction in which marketing evolves. Hence, marketing must continuously make the adaptation necessary for its healthy survival. The societal marketing concept emerged as a response to calls for social responsibility in business.

The Societal Marketing Concept is a philosophy of management that calls for an integrated marketing program that generates long-run profitable sales volume by satisfying the long-run interests of the customers and of the society (Stanton, 1981). This philosophy implies the broadening of the marketing concept in both time and breadth.

According to this philosophy of management, the firm should not just focus its attention on

customers, but also on all those affected by the firm's operations such as all those affected by pollution resulting from the firm's manufacturing activities. Regarding the extended time dimension, consumer satisfaction and profitable business are viewed as goals to be achieved in the long-run. As Wanjui (1986) has pointed out regarding distorted or deceitful advertising claims and misleading product labels, "advertising may sell a bad product once, but it cannot sell it again". Deceptive claims are, therefore, every bit as damaging to the producers in the long-run as to the consumers. If a company prospers in the long-run, it must be doing a good job of satisfying its customers' current social and economic demands (Stanton, 1984).

The Key tenets of the Societal Marketing Concept are of utmost importance in planning and decision making in a company. It is the marketers' concern for long-run societal and consumer welfare that leads to long-run profitability. This is what Dawson (1969) refers to as 'enlightened profit maximization'.

Business today is confronted with a wide set of demands of societal concern.¹ The problem of environmental pollution arises frequently in product policy decisions. It is increasingly being realized that almost all products have some impact on the environmental system either at the point of production, consumption or disposal (Feldman, 1971). According to Dawson (1971), marketers may feel more comfortable in focusing on the question, "Can it be sold?" However, as pointed out by Lavidge (1970) there will be *increasing attention to the question* increasing attention to the question, "Should it be sold? Is it worth its costs to society?" A product that has received much attention regarding its effects on the environment and the society in general is the DDT Chemical.²

Societal marketing orientation is becoming more relevant due to the increased realization that there are limits to our natural resources, increased awareness of the effects of industrial processes on the environment, and consumer complaints.

-
1. See for example: The Standard "Factory a Health Hazard: Residents" (Feb. 4, 1986); and Daily Nation "Employers Exploiting Casuals" (Mar. 6, 1987).
 2. See for example: The Standard "State to Act on DDT" (October 30, 1986); and Daily Nation "Please let us Act Decisively on DDT" (Nov. 3, 1986).

Because marketing is at the 'cutting edge' of environmental change, the marketing manager will carry much of the overall responsibility for answering questions regarding social issues (Gelb and Brien, 1971).

Social issues are crucial issues but they do not draw major attention and interest within the marketing discipline. As Dawson (1971) points out, 'outright hostility' is often directed to those who would encourage marketers to become more concerned with the social relevance of their profession.³

The challenge of marketers today is one of serving the consumer without dooming the business environment (Broffman, 1971). The 'enlightened marketer' according to Kotler (1972), will therefore try to satisfy the consumer and enhance his well-being on the theory that "what is good in the long-run for the consumer is good for business".

3. See for instance: Philip Kotler, "Broadening the concept of marketing"; D.J. Luck, "Broadening the concept of marketing-Too Far" and P. Kotler and S.J. Levy, "A New form of Marketing Myopia: A Rejoinder to Professor Luck" Journal of Marketing (January and July, 1969).

1.2 Statement of the Problem

The importance of the Societal Marketing Concept may be appreciated from the point of view that it incorporates societal and environmental considerations in decision making.

The executives, level of awareness/knowledge of the Societal Marketing Concept may indicate their interest in the concept. The attitudes of executives towards this concept have implications on the kind of decisions they are likely to take regarding marketing and societal issues.

Benefits that may be realized by firms that have a positive attitude toward this concept, include long-run profitability, a common-goal orientation, and consumer and societal goodwill leading to decreased government intervention.

There are many press reports of consumer complaints as regards the quality of manufactured goods and the manner in which they are

delivered.⁴ There have also been many complaints from the Kenya Bureau of Standards and the society in general. Government intervention has been particularly in the area of environmental protection especially in matters regarding air and water pollution⁵. Thus the Kenya National Environmental Secretariat was established in 1974 by the government with the aim of harmonizing development objectives with environmental considerations.

The apparent lack of concern for long-run consumer and societal welfare may be due to lack of awareness of the concept, negative attitude towards it or problems of implementation.

4. See for instance, The Standard "Consumers Being cheated" (Feb 6, 1986); "Quality of Bread Poor" (Feb 14, 1986); "Expired Foods in Supermarkets" (Nov 27, 1986); Consumer Digest "Consumer complaints" (Oct, 1984); and Contact: Journal of the Kenya Consumer Organization. "Consumer complaints" (April, 1979)

5. See for example; Daily Nation "Pollution charge denied" (Nov. 6 1986); and The Standard "Heed the Commission" (Nov. 5, 1986)

The author is not aware of any research effort in Kenya that has been devoted to the study of societal orientation in marketing. The present study will, therefore, address itself to this area and thus contribute to knowledge in this field.

1.3 Objectives of the Study.

The three objectives of this study are:

- a) To determine the extent to which chief executives and/or marketing executives in manufacturing and distributing firms are aware of the basic dimensions of the societal market concept.
- b) To determine the executives' attitudes toward the societal marketing concept, and finally
- c) To determine the extent to which the manufacturing and distributing firms have implemented the societal marketing concept.

1.4 Importance of the Study.

This study is expected to be of benefit to
~~to~~ various groups;

- a) To the business community, it will hopefully contribute to increasing their awareness of the importance of concern for long-run consumer and societal welfare.
- b) The study will also be of significance to the government especially to the agencies and institutions appointed to act as consumer and society watchdogs such as the Kenya Bureau of Standards.
- c) To the academicians, the study will be important as an addition to knowledge. It is hoped that it will stimulate research into other aspects of the societal marketing concept.
- d) For the consumers and society in general the study may contribute to increased concern for their welfare.

1.5 Plan of Materials in Subsequent Chapters

This research report is divided into five chapters. The first chapter is the introduction of the study. It gives some background information on the subject matter of the study, statement of the problem, objectives of the study and importance of the study.

Chapter two gives a review of the literature pertinent to the study area. It is in this chapter that the concepts, principles and previous research on the marketing concept and the Societal Marketing Concept are reviewed.

The third chapter deals with the research design for the study. That is, the relevant population, sampling procedure, and the data collection method are discussed in this chapter.

The fourth chapter gives a discussion of data analysis and interpretation of the results. The final chapter presents the summary and conclusions and also highlights the limitations of the study. Finally, the author gives suggestions for future research at the end of this chapter.

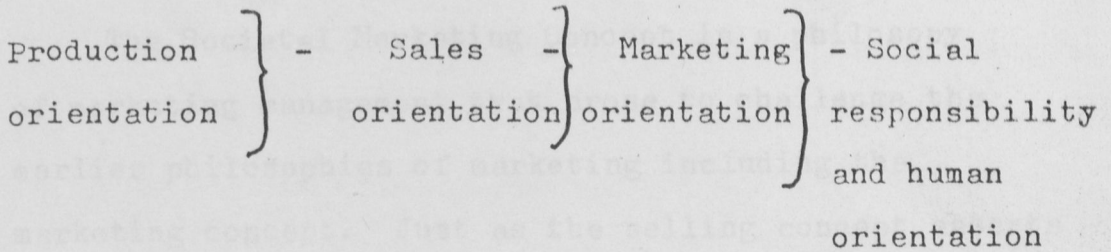
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review in this chapter tries to discuss various aspects of the Societal Marketing Concept. It consists of an overview of the marketing concept and a conceptual framework of the Societal Marketing Concept which includes, societal orientation, long-run consumer satisfaction, long-run profit orientation and integrated marketing. It also highlights the problems of the marketing concept, some of which led to the formulation of the societal marketing concept. Problems and opportunities arising from the societal marketing concept are also reviewed. Finally, the author reviews the situation in Kenya as regards consumer complaints and consumer protection.

Marketing management has evolved through four major stages, each of them characterised by different managerial philosophies and practices. Stanton (1981), has given these different stages as:



Each of these stages corresponds to a philosophy of marketing management. These are the production concept, the selling concept, the marketing concept and the societal marketing concept. It has been pointed out, however, that many firms are still in the earlier stages and only a few as yet have the managerial philosophies and practices characteristic of the most advanced developmental period (Kotler 1983; Stanton, 1981).

The evolution of marketing may be looked at as a continuous process.

As Keith puts it:

"The marketing revolution has just begun. As the revolution gains momentum, there will be more changes; the concept of the customer at the centre will remain valid; but business must adjust to the shifting tastes and likes that characterize the consumer" (Keith, 1960, p.38)

This implies that marketing management must change to suit the needs of the society.

The Societal Marketing Concept is a philosophy of marketing management that arose to challenge the earlier philosophies of marketing including the marketing concept. Just as the selling concept asserts that sales are all important, and the marketing concept asserts that consumer satisfaction is also important, the Societal Marketing Concept has emerged and asserts that long-run consumer and societal welfare is also important (Kotler, 1972). Societal and environmental concern led to the formulation of the societal marketing concept.

However, the validity and adequacy of the marketing concept have been challenged. Feldman (1971) states that the societal marketing concept arose from questioning whether the pure marketing concept constitutes an adequate philosophy in an age of environmental deterioration, resource shortages, explosive population growth, worldwide inflation and neglected social services.

In this project the societal marketing concept has been looked at as a broadening but not a replacement of the marketing concept. An overview of the marketing concept is therefore necessary as a prelude to discussing the societal marketing concept.

2.2 The Marketing Concept: An Overview

The marketing concept is a management philosophy based on a customer orientation backed by integrated marketing aimed at generating consumer satisfaction as a key to satisfying organization goals (Kotler, 1983).

Customer orientation in the marketing concept implies that instead of marketers trying to sell what the firm can make, they must try and find out exactly what the customer wants and make it. It calls for a company to focus its attention on people and their needs and wants. The concept also stresses the importance of consumers and emphasizes that marketing activities start and end with them (Pride and Ferrel, 1980).

On the issue of profitability, the company should expect to achieve its goals through creating and maintaining customer satisfaction. Thus, the marketing concept is supposed to make money for the firm by focusing on profit rather than upon volume (Bell and Emory, 1971). Since the composition of markets, and the needs and priorities of consumers keep changing, the

marketing concept calls for identifying these changes early so that the company's resources are directed to meeting them in the most profitable way.

Integrated marketing is another tenet of of the marketing concept. This implies that the company should integrate and coordinate all activities that will affect customer satisfaction. Integrated marketing involves coordination of the interests of each facet of the business and the unification of marketing and other functions to achieve a common purpose (Foster, 1972).

On customer satisfaction, the marketing concept requires a business to find out what customers' needs are and then create products to meet these requirements and the spending power of the customer. Customer satisfaction leads to repeat business and no company can survive without this.

2.3 Problems of the Marketing Concept

There are many problems in implementing the marketing concept. As pointed out by Pride

and Ferrel (1980), there is a limit to which a firm can satisfy customers needs for a particular product. It is difficult for a firm to determine accurately what customers' product needs are. Furthermore, even if they are determined accurately, there is still a problem of actually developing a product to satisfy the needs. Satisfying short term needs when ignoring long term considerations ultimately may cause customer dissatisfaction.

Another problem is that by satisfying one segment of society, a firm sometimes contributes to the dissatisfaction of other segments. Maintaining the morale of employees during the restructuring that may be required to coordinate activities of various departments may also create a problem.

Apart from the difficulties of implementation, the marketing concept has been criticized as inadequate and likely to overlook potential conflicts between consumer wants, consumer interests and long-run societal welfare (Dawson, 1969). It can be noted that many organizations which profess to be adhering to the marketing concept are frequently under attack. As Nyaga (1986) has noted, chemical industries, tobacco manufacturing firms and financial

institutions are principal targets of consumer complaints; yet these industries are among the 'elite' of modern marketers, leaders in marketing research, new product developments and innovative methods of marketing. Dawson (1980) specifically criticized the marketing concept for considering people only in their role as consumers or buyers. He claims that the concept is "severely limited and one dimensional in character". He also argues that "more is better" solutions are less acceptable in a world full of changing values and harsh reminders of growth limits.

According to Felman (1971), the scarcity of material resources and the threat on environmental resources such as land, timber, clean air and water combined with limitless needs of the individual suggests a struggle between individual and social goals.

It has also been argued that the term customer satisfaction is ambiguous because in efficiently serving consumer desires, it is possible to hurt their long-run welfare. Cigarettes and alcohol are examples of products which obviously satisfy

consumers in the short term period but which ultimately hurt them in the long-run if consumed in excessive amounts.

These examples illustrate the fact that catering for consumer satisfaction does not necessarily create satisfied consumers (Kotler, 1972).

The marketing concept has also been criticized for inhibiting innovation. It is argued that due to the average consumer's inability to articulate needs and wants for goods and services that are technologically and functionally advanced, letting the marketplace choose the products to be developed has weaknesses. It is also claimed that consumers tend to adhere to familiar product concepts leading to many "me too products". The marketing concept is, therefore, said to have contributed to the death of true product innovation (Bennet and Cooper, 1979; Dawson, 1980; Riesz, 1980).

Levitt (1977) points out that the problem with the marketing concept is tendency toward rigidity. Rigidity is especially dangerous because marketing is central to the setting of objectives, strategies

and tactics of the entire organization. Levitt acknowledges the persistent logic of the marketing concept but concludes that;

"There is not and cannot be, any rigid and lasting interpretation of what the marketing concept means". (Levitt, 1977, p. 111).

In the call for societal orientation in marketing Dawson insists that

"new marketing paradigms must be indispensable to a humane future in which quality is as important as quantity, people are not regarded just as customers and more is not necessarily better" (Dawson, 1980, p.72)

He points out that a system that depends on the marketing concept as a guide to marketing policy is outmoded and must be broadened to include societal orientation.

2.4 The Societal Marketing Concept

The conceptual framework of the societal marketing concept includes, long-run customer orientation, long-run profit direction, societal orientation and integrated marketing (Stanton, 1984).

The societal marketing concept is a more socially responsive philosophy of management when compared with the "pure" marketing concept. Dawson (1969) refers to it as the 'human concept' and states that it transcends the narrowly defined marketing concept by emphasizing the social responsibility of the business firm and requiring a balancing of necessary corporate profits with achievements of a genuine internal and external social purpose within the ultimate environment. He has given the following definition of the 'human concept':

"A managerial philosophy centered upon the continuous search for and evaluation of opportunities for the mobilization, utilization, and control of total corporate effort in:

1. achieving a genuine internal social purpose in the development of organization members to their fullest potential;
2. generating the necessary profit input within the proximate environment by devising solutions to selected consumer problems;
3. achieving a genuine social purpose within the ultimate environment by contributing to the identification and fulfillment of the real human needs of our time" (Dawson, 1969, p.29)

This implies that the public expects businesses to be part of the community and to act responsibly therein. This orientation does not necessarily change

the basic mission of business because the society still expects businesses to provide economic goods and services. The concept seeks to secure the long-term survival of an enterprise by achieving a balance between its profit making responsibility to the shareholders and the firm's social responsibilities to its employees, customers and society at large.

Robin and Reidenback (1978) have pointed out that there is a lack of involvement in social responsibility at a strategic level in spite of the recognition of the need for it. Arguing that "wealth maximization and social involvement are not contradictory concepts" they cite employee welfare, support for minorities, consumer satisfaction, community improvement and environmental protection as some areas of business response.

2.4.1 Long-run Consumer Orientation

The consumer orientation and need-fulfillment tenets expounded in the marketing concept remain vital to the firm under the societal marketing concept. It is primarily at this level that profit is generated.

In applying the societal marketing concept as a guide to marketing policy businesses must consider not only short-run immediate needs but also broad long-run interests.

As noted by Pride and Ferrel (1980), businesses must try to satisfy current needs of consumers in a manner that will not produce adverse long-run effects which cause strong consumer dissatisfaction in the future. As such, the marketing system is expected to produce goods and services that are satisfying to the consumer as well as life-enhancing.

This is not always the case and at times the consumer may be purposefully misled, may be inadequately informed, may be offered a restricted choice of alternatives or may be offered unsafe products.

According to Kotler (1983) critics have accused the marketing system of harming consumers through various means including:

1. high prices - the marketing system is charged of causing prices to be higher than they would be under more "sensible" arrangements.
2. deceptive practices - the marketing system is criticised for encouraging deceptive pricing, deceptive promotion and deceptive packaging.

3. Shoddy or unsafe products - It is argued that some products lack the quality expected; other complaints concern whether or not some products deliver any benefit and whether product safety characteristics are taken seriously enough.
4. high pressure selling - salespeople in certain industries are accused of applying high-pressure selling techniques that induce people to buy goods they had not thought of buying. It is often said that encyclopedias, insurance and jewelry are "sold not bought".
5. planned obsolescence - producers in certain industries are accused of deliberately causing their products to become obsolete before they actually need replacement. Three types of obsolescence are distinguished. These are planned style obsolescence, planned functional obsolescence and planned material obsolescence.

These criticisms are an indication of consumer dissatisfaction with the marketing system. There is no point in immediate satisfaction that later on creates dissatisfaction. Stanton (1984) sees consumerism as a consumer protest against perceived injustices in exchange relationships and an effort to remedy those injustices. Consumerism therefore is an extremely important and far-reaching criticism of marketing.

Kotler (1983) states that current products can be classified in one of four ways using the dimensions of immediate satisfaction and long-run consumer interests;

1. Desirable products - those which combine high immediate satisfaction and long-run benefit, such as tasty and nutritious breakfast foods.
2. Pleasing products. Those which give immediate satisfaction but which may hurt the consumer in the long-run, such as cigarettes.
3. Salutary products - Those which have low appeal but which are also highly beneficial to the consumer in the long-run, such as low-phosphate detergents.
4. Deficient products - Those which have neither immediate appeal nor salutary qualities, such as bad tasting patent medicine. (Kotler, 1983, p.625).

The distinction is as shown in figure 1 below.

Figure 1

		Immediate satisfaction	
		Low	High
Long-run Consumer benefit	High	Salutary Products	Desirable products
	Low	Deficient products	Pleasing products

Source: Philip Kotler, Principles of Marketing (London: Prentice-Hall Inc. 1983). P. 626.

Kotler concludes that the product opportunity is therefore to formulate some alterations of the product that add salutary qualities without diminishing any or too many of the pleasing qualities. The challenge posed by salutary products is to add some pleasing qualities so that they will become more desirable in the consumers' minds.

2.4.2 Long-run Profit Direction

The societal marketing concept implies no lessening in the need to generate profits, but the traditional profit-making purpose will have to be reconciled with the organization's responsibility to society. Dawson (1969) has referred to the profit direction in the societal marketing concept as "enlightened profit maximization", wherein recognition is given to some socially determined limit on what the maximum can be.

Traditionally, it has been assumed that the primary objective of a business is to maximize profits. The doctrine of profit maximization was presented by Adam Smith in 1776 and has influenced economic thinking since then- (Ghosh and Kapoor, 1985). More recently, however, the concept of maximising

profits in the long-run has been given greater emphasis. In some cases short-term profits are foregone because they might invite government regulation or public criticism that will in the long-run tend to reduce profits. In some cases it is suggested that business should aim at "satisficing" profits, that is aim at what is good enough under prevailing circumstances.

As Kotler (1983) puts it, a concept of "enlightened marketing" grows out of a concept of "enlightened capitalism". Profits are usually high where needs must be met. As resources move in costs are brought down through healthy competition. The main problem is that the system can be abused where strict profit maximization is the sole goal of the firm. Companies that try to destroy competitors, raise barriers to entry, and gain protection and favours from legislators are not competing fairly. The concept of "enlightened capitalism" calls upon businesspeople to recognize that their long-run interests are best served by self-reliant and honest activity within the rules of the system. Enlightened marketing holds that the company's marketing techniques should support the best long-run

performance of the system.

Thus, in the societal marketing concept profit is viewed as a necessary but not sufficient condition for the survival of the firm. The concept calls for balancing the company's profit direction with consumer and societal welfare considerations. Profits should be viewed as a result of long-run consumer satisfaction. The profit goals of the firm should also be defined in long-run terms.

2.4.3 Societal Orientation

All institutions are tools of society. They are established by society and continue to exist in the long-run with the consent of the society (Ghosh and Kapoor, 1985). Each institution is viewed as a social asset for performing some purposeful constructive role. As Stanton (1984) has pointed out, marketing develops as a society and its economy develop. The marketing system therefore has to continuously adapt to the changing needs of consumers and society.

Marketers are realizing that it is no longer enough to just satisfy the needs of customers and to achieve the profit goals of the corporations.

Organizations are now and again being reminded that they should consider and satisfy the needs of individuals whose lives are affected by the company's activities. The societal marketing concept has societal orientation as one of its tenets. This implies that marketing decision makers, while still pursuing their profit goals, they will also have to consider the human and environmental aspects of their decisions. The alert businessman will put societal welfare into consideration at all levels of product planning, pricing, promotion and distribution as this can have implications for the success or failure of a product.

Some of the societal expectations of the business firm are that it should supply the desired quality of goods, provide gainful employment, treat employees fairly and avoid antisocial behaviour. Antisocial behaviour in marketing may include hoarding, profiteering and blackmarketing. Some of the areas of societal interest concern matters in which the business is directly involved. For example, the business is told that it must be cognizant of the interests of the consumer in the formulation of marketing policies. The second environmental

element with which the business is directly involved is pollution. As one of the primary 'pollutors' of the environment, business is expected to work in the interests of the larger society to avoid polluting both its products and its production methods. Businesses are also expected to show concern for the conservation of our natural resources. (Mazis and Green, 1971).

As a result of changing consumer and society's attitudes about ecology, significant adjustments must be made in the manufacture and marketing of products. The total product has a pervasive social dimension. As Gracco and Rostenue (1971) have argued, the whole society is affected over time and space by the production, marketing and consumption of any given product. That production involves the allocation of scarce resources, (manpower, capital and time) and this has repercussions which involve everyone and provide each with positive and negative satisfactions.

While consumerists focus on whether the marketing system is efficiently serving consumer wants, environmentalists focus on marketing impact on the environment and the costs of serving these

needs and wants. Environmentalism is an organized movement of concerned citizens and government to protect and enhance people's living environment (Kotler, 1983). Environmentalists are thus concerned with forest depletion, factory smoke, litter and with the increase in health problems due to bad air, water and chemically sprayed food.

They are not against marketing and consumption, they simply want them to operate more responsibly. They insist on the importance of a good environment (Kotler, 1983).

It is important to note that the societal values held by consumers are determined to a large extent by the values of the society. To the extent that society's values change, the organization must adjust its methods of operation. The clamour against war and violence in society has spilled over the children's toy industry. Politicians, parents and church leaders the world over have joined in the outcry against toys that encourage antisocial behaviour. The recent ban of the sale of toy pistols and toy guns in Kenya is a good example of a case in which the toy industry finds

itself being influenced by political and/or cultural acceptance rather than by mere consumer preferences or technical product improvements.

In the case of cigarettes and alcohol, forces emanating from the government, the medical profession and concerned citizens continue to raise their fears.⁶ It should be noted here that consumer orientation alone cannot help in eliminating the major threat to these industries because the threat does not emanate from consumers. Kotler (1972) states that the consumer movement in America suggests an important refinement in the marketing concept to take into account societal tenets.

2.4.4 Integrated Marketing in the Societal Concept

As in the case of marketing concept, the societal marketing concept calls for coordination of all activities to achieve a common purpose.

6. See for example: The Standard "You are smoking at your own Risk". (Feb. 10, 1986); Viva "Your smoking is a Hazard to my Health" (December, 1986); and Daily Nation "Barring off-licence Bars - a move in the Right Direction" (Jan 9, 1987).

The societal marketing concept is viewed as a philosophy for the entire business and thus all activities must be coordinated with the aim of achieving company profits. This is done through providing products that create long-run consumer satisfaction and which are also in agreement with societal values. Integrated marketing implies that various departments in a company recognize that the actions they take may have a profound effect on the company's ability to provide long-run consumer satisfaction.

In addition there should be close coordination of all the elements of the marketing mix to facilitate achievement of company objectives. Integrated marketing is important because it makes it possible for all the departments of the organization to concentrate on the customer. Drucker defines a business as an institution that has no reason to exist unless it can find a customer. He concludes that

"Marketing then, is the definition of a business, its fulfillment, its purpose" (Drucker, 1954, p. 37).

Writing in the same vein Wanjui (1986) asserts that in any society the consumer is a very important

person (VIP) whose opinions and tastes are pivotal to business and industrial success and whose attitudes inevitably shape that society's economic development.

2.5 Problems and Opportunities of the Societal Marketing Concept.

As noted earlier, the societal marketing concept is a broadening and not a replacement of the marketing concept. In the societal marketing concept, a firm must still develop a marketing program to plan, price, promote, and distribute products and services to satisfy consumers' wants. But the firm must also consider the societal consequences of this marketing programme. As such, there are many problems faced in implementing the societal marketing concept which are similar to those faced in the marketing concept. In this section we shall concentrate on the unique problems that relate to the societal marketing concept.

2.5.1 Problems

The societal marketing concept calls for long-run consumer and societal welfare. One problem is that there is difficulty of predicting the effects of

present decisions on the future welfare of society. Another problem is that of conflicting goals. The consumers have not abandoned their desire for many things, but have complicated their wants with social concern. As it has been pointed out by Kotler

"the dilemma of the marketer is that he cannot go on giving the consumer only what pleases him without considering the effect on the consumer's and society's well being. On the other hand he cannot produce salutary products which the consumer will not buy" (Kotler, 1972, p. 54).

Similarly, Stanton has stated the dilemma in a very dramatic way arguing that consumers are still human beings with all their attendant contradictions and self interests.

Thus he asserts that

"we want autos, but we also want clean air, no traffic jams, clean water, and no dependence on foreign oil resources" (Stanton, 1981, p.538)

The greater the number of groups a company must deal with, the more difficult it becomes to satisfy each one of them. In the case of the environmental pollution problem, there are goal conflicts in ecological issues. The costs of pollution reduction and control are enormously high. This means that

prices will have to be increased to pay for these activities (Stanton, 1984).

One marketing educator argues against the societal marketing orientation claiming that if it is taken too far, it would divert marketers from the stern and difficult dedications to identifying marketing problems and their solutions (Luck, 1969). This has been countered with the argument that responsible marketing calls for adaptation to the changing needs of current society.

It can also be noted that the profit factor makes it difficult for business to tackle society's problems. Profit is still an absolutely essential element in a company's existence. It is no longer the only guide for management but it is still a necessary one. In fact one belief is that business people cannot solve our social problems until we figure out some ways to make the solutions profitable (McCall, 1973).

2.5.2 Opportunities for Marketing

Many organizations do not realize that each time social forces cause significant changes in a market, an opportunity is created for an offering to the new need, effective enough to crystallize the developing market into a new pattern others will be forced to initiate (Stanton, 1984). Drucker claims that societal problems must be recognized as presenting opportunities. He contends that:

"Consumerism actually should be, must be, and I hope will be the opportunity of marketing. This is what we in marketing have been waiting for" (Drucker, 1969, p. 64)

There are many opportunities of creating new products that will satisfy the new requirements. For example, there are many profitable business opportunities in pollution abatement. Marketing is challenged to develop new products that will not contribute to solid waste matter and also new pollution control products. Thus biodegradable or recyc-able products and returnable or reusable containers are desirable (Stanton, 1984).

An 'enlightened' marketer will therefore design products that are both pleasing and salutary. This

should be seen as an opportunity as well as a challenge. This point is clearly brought out by Kotler when he states that

"Consumerism is not a setback to marketing but rather points to the next stage in the evolution of enlightened marketing". (Kotler, 1972, p. 55)

The societal era suggests areas of new opportunity and profit for alert business firms. One current challenge for the 'corporate citizen' is to understand, adapt, and contribute to environmental improvement.

2.6 The Situation in Kenya

Marketing influences buyer behaviour through the manipulation of the marketing mix elements. In developed countries, objections to the way marketers manipulated these variables was partly responsible for the emergence of consumerism. In black Africa, the product choice for a given market is much narrower than in the developed world. In developing countries like Kenya, although government legislation that is protective of the consumer exists, the consumer is in many cases unaware of this. Warning labels are

often ineffective due to illiteracy problems.⁷

The situation in Kenya is here reviewed by looking at consumer complaints and government expectation of business as seen through consumer protection.

For effective consumer protection, practical response of three parties is a must. These are the business, the government and the consumer. First the business, that is the producers and distributors must regard consumer interests as primary and give due regard to the same in policies. It is important to ensure that whatever is produced reaches the ultimate consumer in time and at reasonable prices. Such activities as blackmarketing and hoarding followed by distributors adversely affect the consumers.

Secondly the government has to come to the rescue of the helpless consumer to prevent him from being misled, cheated and exploited. Government intervention comes in the form of legislation, rules or orders providing for punishment. Thirdly, the consumers should assert and enjoy their rights by making their complaints known.

7. Elly Ajwang "Marketing in the Third World" Sokoni: Official Newsletter of the Marketing Society of Kenya.(March-May, 1985) p.4-6.

2.6.1 Consumer Complaints:

According to Wanjui (1986), great social and economic changes have taken place during the years of Kenyan independence. Part of this change is reflected in new consumer awareness of consumer rights. The Kenyan consumer now forms opinions, makes appraisals and expresses complaints on matters which were of scant concern to him during the colonial period.

As noted by Waruingi (1979) people react differently to identical experiences with goods and services. Depending on circumstances of purchase and use, expectations and personality factors, the reactions of different individuals to exactly the same purchase situation may vary from a high level of satisfaction to extreme dissatisfaction. Likewise, different individuals experiencing a similar degree of dissatisfaction will vary with respect to their complaining behaviour and with respect to the kind of action taken if complaining behaviour is triggered. In his report of findings of a study carried out in Kenya, Waruingi (1980) states that 60.5% of all respondents reported instances of dissatisfaction but indicated that no action was taken. Seventy

seven per cent of the respondents also expressed a strong desire for more government regulation of business. This is an indication that the Kenya consumers, though apparently silent, are not necessarily satisfied.

There are, however, a number of consumers who take action when they are dissatisfied with a product or service. According to Waruingi (1979) The actions consumers take include the following;

- (1) Grambling to friends and family and warning them about the product or service.
- (2) Making a trip to the shop where the product was purchased to register the complaint.
- (3) Writing a letter to the appropriate government department such as the Kenya Bureau of Standards or the price control department.
- (4) Writing a letter to the manufacturer of the product.
- (5) Writing a letter to the press.
- (6) In desperation going to a court of law.

Consumers in Kenya complain about a wide range of products especially through the daily papers and the Consumer's Digest Magazine. There have been many consumer complaints in the press about adulteration of products, shortweights and low quality of products. For example, there have been complaint concerning impurities in beer and bread; half-full matchboxes, and bedsheets that are shorter than indicated size; and the poor quality of batteries, bulbs, toilet paper oatmeal and nails.⁸

2.6.2 Consumer Protection in Kenya

The government has been involved in the dynamic relationship between businesspeople and consumers in various ways. The passing of consumer protection law is one of them. The term 'consumer' is said to represent the most amorphous, the most 'general' and perhaps the least identifiable public of all.⁹

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8. See for instance: Consumer Digest "Consumer complaints" (Oct, 1984) p. 52-54; and Contact: Journal of the Kenya Consumer Organization "Consumer complaints" (April, 1979). p. 8-16.
 9. Consumer Digest "Improving Consumer Protection" (August, 1986) p. 11-12.

Consumer protection has been defined as consisting of:

"all those instances where the law intervenes to impose safeguards in favour of purchasers and hire purchasers ---and those measures which contribute directly or indirectly to the consumer's assurance that he will buy goods of suitable quality, appropriate to his purpose, that they will give him reasonable use and that if he has just complaints there will be means for redress".¹⁰

From this definition, certain facets of consumer protection are highlighted. Firstly, in England or Kenya, there are instances when only the law can provide remedies for consumer complaints. Secondly, there are other instances where public control or extra-legal activities may contribute to consumer protection.

The main objective of consumer protection law in Kenya is to protect against;

- (a) Unsafe products
- (b) quantitatively deficient products
- (c) fraudulent trading practices
- (d) insufficient or misleading information
- (e) economic exploitation through lack of

10. The Molony Report, Consumer Protection, England, 1961. Para. 21.

competition or excessive prices.

Various Acts have been enacted to take care of these problems.¹¹

There are many problems that face the Kenyan consumer, most of which are based on social and economic factors. Some of the problems relate to consumers' lack of awareness. One problem arises from the advent of mass production. This has resulted in mass consumption of goods ranging from machinery to food products. The result is that there is an information gap between the consumer and the producer. This leads to difficulties in judging the quality of a product resulting in discovering defects when it is too late to seek legal redress.

11. See for example: Laws of Kenya and specifically:

- The sale of goods Act Cap. 31 (1962)
- The Hire Purchase Act Cap. 507 (1968)
- Trade Descriptions Act No. 9 (1977)
- Price Control Act Cap. 504 (1956)
- Food, Drugs and Chemical
Substances Act Cap. 254 (1965)
- Weights and Measures Act Cap. 513 (1951)
- The Standardization Act No. 17 (1973)

The advance of technology has meant that products are more complex. Expert knowledge is required to judge or appreciate the features of many modern products which may fall below consumer standards.

A large number of consumers are ignorant of their legislative rights or are unable to pursue them because of financial limitations. One general feature of private law is that it is not self-implementing. Consumers must, therefore, take the initiative to enforce their legal rights.

Due to the inadequacy of private law the government has had to resort to public law in order to make more effective the protection of consumers. This public law is in the form of broad statutes enacted for purposes of forming government sponsored bodies and departments to ensure the adherence to set standards of products by businesses.

The role of government is to promote legislative policy, oversee the implementation of legislation and oversee the work of various enforcement agencies. The main statutes governing the control of quality

are the Bureau of Standards Act (No 17, 1973) and Food, Drugs and Chemical Substances Act (Cap 254). Provisions in other Acts may be found which also cater for consumer interest. For example, the Traffic Act provides for quality of vehicles. The Act makes it illegal for motor dealers to supply unroadworthy vehicles or defective and unsuitable spare parts.

The broad statutes whose major objective is consumer protection compell businesses to manufacture or market products to obtain specific standards in composition, performance and durability.

To the consumer standards provide assurance of quality and safety. Standardization helps employees by ensuring safety and health, and fair conditions in manufacturing and processing of products. Here in Kenya the issue of standardization is under the jurisdiction of the Kenya Bureau of standards.

The weights and measures department has its ultimate function as quality control especially as regards misrepresentations and fraud involving weights and

measures. This calls for periodical verification and inspection of weighing and measuring instruments. The control also ensures that grading and labelling of quantity is accurately done.

Consumer buying decisions can be greatly influenced by the manner in which products and services are described. The Trade Descriptions Act (No. 9, 1977) prohibits persons in the course of trade or business from supplying any falsely described goods. In Kenya, the government has adopted measures to ensure that consumers are able to secure reasonable information about goods and service often outlined in the Kenya gazette.

The price of goods is of central concern to consumers. To ensure that the consumer gets value for money, the government has enacted the Price Control Act which is designed to prevent profiteering by traders at the expense of consumers.

However, an individual consumer may not be able to fight against the erring producers and marketers. Thus in Kenya, a voluntary organization that helps consumers is the Kenya consumer organi-

zation which was started in 1953 and was then called the Kenya Housewives' organization. Its primary function is that of a consumer complaint handling mechanism. It gives consumers advice and forwards their complaints to the relevant authorities. By following up consumer complaints, the body saves the consumer the problem of wading through the legal and bureaucratic machinery. In order to perform this function properly the Kenya consumer organization liaises with the relevant government departments.

2.7 Attitude Measurement

Attitudes are an important influence on behaviour. The attitude normally comes before overt behaviour and affects the way the person will act toward the object of the attitude. Attitudes may be defined as

"learned predisposition to respond to an object or class of objects in a consistently favourable or unfavourable way" (Assael, 1981, p.154)

Attitudes develop over time through a learning process that is affected by peer group influences, information experience and personality. Attitudes consist of three components (summers, 1970; Alreck and settle, 1985).

These are the cognitive component, the affective component and the action tendency component.

The cognitive component is also called the knowledge component. People base their feelings and actions on their knowledge of a particular object. It is therefore important to learn what they know about a topic so as to effectively determine their attitudes toward it. If they have never heard of it, there is no reason to ask for their feelings or actions (Alreck and Settle, 1985).

The affective component is sometimes referred to as the feeling component and refers to the feelings or emotions attached to an attitude object. People are seldom completely neutral about anything if they are aware of it. They often unconsciously compare what they know or believe about a topic with their own personal values. If their knowledge fits their values, they develop positive feelings toward the topic and vice versa.

The action tendency component incorporates the behavioural readiness of the individual to respond to the object. Even though people have about the

same knowledge about the topic of an attitude and share much the same feelings; they may behave differently toward the topic or object (Alreck and Settle, 1985).

Attitudes are not open to direct observation. Their existence and their strength must be inferred from what is observable. Traditionally self-reported beliefs, feelings and intentions to act with respect to an object have been used as the primary basis of inference (Summers, 1970).

Alreck and Settle (1985) have given the following guidelines for measuring attitudes.

- (1) To measure knowledge component, one should begin by measuring awareness. One way to get the knowledge component of an attitude is to ask a series of true/false questions about the topic. The number of correct answers is an index of each respondents level of awareness.
- (2) To measure the feeling component of an attitude, two sets of things need to be measured. That is the position on the

positive/negative spectrum and the level of intensity of feelings. It is important to know whether the respondents like or dislike an object and how much they like or dislike it. Having respondents rate how strongly they feel about their evaluation provides a direct measure.

- (3) The most popular method of measuring the action component is to measure past, present and intended future behaviour toward an object. Specifying a set of hypothetical conditions and asking questions about how the respondents would act under those circumstances is another way of getting information about the action tendency.

CHAPTER THREE

RESEARCH DESIGN

3.1 The Population

The population of interest in this study consisted of all manufacturing and distributing firms employing more than fifty people in Nairobi. Generally speaking, organizations employing fifty or more people are considered large by Kenyan Standards.

3.2 The Sample

From a list of 286 firms obtained from the central Bureau of Statistics, a sample of eighty firms was selected using stratified random sampling method. The list from the directory of industries in Kenya indicated that there were 204 manufacturing firms employing more than fifty people and 82 distributing firms employing more than fifty people in Nairobi. Out of these a proportional sample of 57 manufacturing firms and 23 distributing firms was selected. The actual sample units were selected by the systematic sampling procedure. It, however, proved very difficult to get all the questionnaires completed within reasonable

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57

time and only 50 questionnaires were analysed. Out of these, 35 were completed by executives in manufacturing firms and 15 by executives in distributing firms.

3.3 Research Instrument

The information sought in this study was collected using a structured questionnaire (see Appendix A2). The questionnaire, accompanied by a note to the respondents (see Appendix A1), consisted of multiple choice questions and Likert-type scale containing statements of opinion pertaining to various aspects of the societal marketing concept.

The questionnaire contained three main sections, each pertaining to a major area of the study. In part 1 a series of true/false statements were provided which were used to measure the executives' level of awareness and knowledge of the societal marketing concept. Part 2 consisted of attitude statements and executives were asked to indicate the extent to which they agreed or disagreed with each of the statements. Part 3 contained true/false statements pertaining to implementation of the societal marketing concept.

In preparing the questionnaire, reference was made to the relevant literature and discussions with experts in the area of study. The initial questionnaire was pretested on a sample of ten executives and relevant modifications were incorporated into the final draft. The revised questionnaire (see appendix A2) was then presented to chief executives and/or marketing executives in each of the selected firms. The administration of the questionnaire was by the "drop and pick up later method."

3.4 Operationalization of the Study Variables

The three dependent variables of this study were awareness, knowledge, attitude and behaviour/implementation.

- a) Awareness/knowledge - The awareness/knowledge variable was used to measure how much the respondents knew about the societal marketing concept. To measure this component, a list of true/false statements were provided in part 1 of the questionnaire (appendix A2). This measure was adopted from the guidelines for measuring awareness/knowledge as given by Alreck and Settle (1985).

To determine the respondents' level of awareness/knowledge of the societal marketing concept, an index of awareness was used. This consisted of the number of correct statements a respondent checked from a list of true-false statements given in Part 1 of the questionnaire. The highest score a respondent could get was nine.

- b) Attitudes - The attitudes variable refers to the respondents' feelings toward the societal marketing concept. To measure the attitude component, a Likert type Scale was used here with five intervals ranging from strongly agree to strongly disagree (Part 2 of Appendix 2).

To determine the respondents attitudes toward the societal marketing concept, proportions of respondents agreeing or disagreeing with each statement were calculated and presented by use of tables. The index in the last column of the table was calculated by subtracting from each attitude statement the percentage of respondents who disagreed with a statement from the percentage of those who agreed.

c) Behaviour/Implementation - The behaviour/implementation variable refers to the respondents' behavioural readiness to respond to specific aspects of the societal marketing concept.

To measure this component, a series of true/false statements relating to some aspects of the societal marketing concept were provided in Part 3 of the questionnaire (Appendix A2). The proportion of respondents checking off each correct statement was calculated and presented in tables.

stage presents data relating to implementation of the concept.

4.1 The Executives' Awareness of the Societal Marketing Concept.

Generally, the respondents were found to be aware of some aspects of the societal marketing concept. The overall mean score was 5.7. Sixty-eight per cent of the respondents obtained a score of six or above, indicating above average level of awareness. However, only one respondent got a perfect score of seven.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

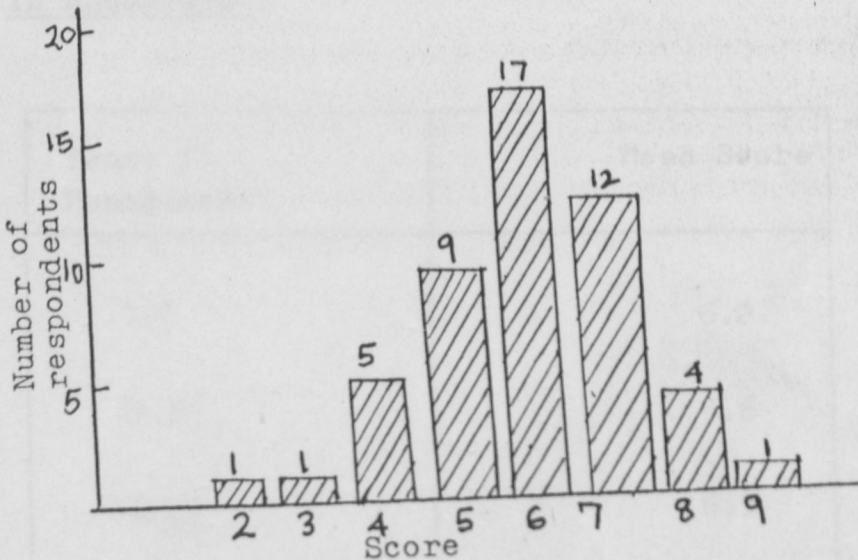
The data in this study was summarized and presented by use of frequency distributions and graphs. The main methods of analysis were mean scores and percentages. The analysis is presented in three stages. The first stage presents data on awareness of the societal marketing concept, the second presents data on attitudes toward the concept and the third stage presents data relating to implementation of the concept.

4.1 The Executives' Awareness of the Societal Marketing Concept.

Generally, the respondents were found to be aware of some aspects of the societal marketing concept. The overall mean score was 5.9. Sixty-eight per cent of the respondents obtained a score of six or above, indicating above average level of awareness. However, only one respondent got a maximum score of nine.

The graph below (figure 2) presents the number of respondents obtaining each score.

Figure 2 Histogram of Number of Respondents Obtaining a given awareness Score.



The figure clearly shows that the majority of respondents (76%) obtained a score of between five and seven. This implies that the executives were generally aware of some aspects of the Societal Marketing Concept. Each score obtained indicates awareness of a specific aspect of the concept.

Table 1 shows the scores obtained by respondents in relation to the number of years they had been in a management position. The column at the extreme right gives the mean score for each class.

Table 1 Awareness Mean Scores and Number of Years in Management.

Years in Management	Mean Score
1-5	6.2
6-10	5.6
11-15	6.1
16-20	6.6

The table shows that the highest mean score (6.6) was obtained by those who have been in a management position for a period of 16 - 20 years while the lowest mean score was obtained by those who have been in management for between 6 and 10 years.

Table 2 shows the awareness mean scores obtained by executives in manufacturing and distributing organizations.

Table 2 Awareness Mean Score of Manufacturing and Distributing Executives

Type of firm	Mean Score
Manufacturing firms' executives	6.2
Distributing firms' executives	5.3

The table clearly indicates that the executives in manufacturing organizations had a higher mean score (6.2) than executives in distributing organizations who got a mean score of 5.3.

On the other hand table 3 shows the mean scores obtained by executives of various organizations in relation to their ownership.

Table 3 Awareness Mean Score of Executives of Organizations in Relation to Ownership

Ownership Classification	Mean Score
Executives of foreign owned firm's	6.1
Executives of locally owned firms	5.6
Executives of government owned firms (parastatals)	6.0

Table 3 shows that executives of foreign owned firms and those of government corporations had higher means scores (6.1 and 6 respectively) than executives of locally owned firms who had a mean score of 5.6.

4.2 Attitudes of the Executives toward the Societal Marketing Concept

To indicate the executives' attitudes toward

various aspects of the societal marketing concept, proportions of respondents agreeing or disagreeing with each statement were computed and are presented in Table 4. The attitude index in the last column of the table was calculated by subtracting from each attitude statement the percentage of respondents who disagreed with a statement from the percentage of those who agreed. The neutral score is ignored for the purposes of this calculation. A positive attitude index indicates a preponderance of agreement while a negative index indicates disagreement.

Needless to say table 4 presents the findings relating to the second objective of the study and indicates executives' attitudes toward specific aspects of the societal marketing concept.

Table 4 Executives' Attitudes toward Specific Aspects of the Societal Marketing Concept

<u>Statement</u>	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index *
1. Marketing should aim at satisfying long-run consumer needs.	64%	28%	8%	-	-	92
2. Business activities have no influence on society	20%	-	14%	36%	30%	- 46
3. Products marketed should be life-enhancing	38%	46%	4%	12%	-	72
4. The marketing department should be responsible for co-ordinating the activities of all other departments	20%	18%	10%	20%	32%	- 14
5. I would like to see some after tax-profits channelled to social issues.	28%	16%	32%	8%	16%	20

Table 4 contd.

<u>Statement</u>	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index
6. In Kenya advertising need not be truthful	-	16%	12%	24%	48%	- 56
7. A firm should provide a good working environment for its employees	50%	46%	4%	-	-	96
8. Consumer complaints need not be taken too seriously	-	10%	8%	34%	48%	- 72
9. Current profitability is a sufficient condition for a firm's survival	8%	16%	20%	40%	16%	- 32
10. Asking a business to contribute to social issues is asking too much	10%	20%	8%	44%	18%	- 32
11. Marketing research should be used to determine consumer needs	50%	24%	12%	14%	-	60

Table 4 contd.

<u>Statement</u>	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index
12. If my firm was polluting the environment I would support adoption of relevant technology to reduce pollution.	40%	54%	2%	4%	-	90
13. Misleading product labels show a lack of concern for consumer satisfaction	52%	30%	8%	8%	2%	72
14. Business should only be responsible to the consumer	6%	24%	-	48%	22%	- 40
15. Societal goodwill does not lead to increased profitability	-	28%	20%	32%	20%	- 44
16. Money spent on social issues is money wasted	-	12%	14%	50%	24%	- 62
17. Long-run profitability results from consumer satisfaction.	56%	26%	8%	10%	-	72

Table 4 contd.

<u>Statement</u>	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index
18. We in business can correctly guess what consumers needs are,	-	8%	12%	54%	26%	- 72
19. Deceptive advertising claims are damaging to the producer	36%	42%	16%	6%	-	72
20. I would like to see more business concern in the preservation of natural resources	30%	48%	18%	4%	-	74
21. I believe consumers have a right to be heard	40%	48%	12%	-	-	88
22. The call for social responsibility of business is too far fetched.	6%	24%	20%	42%	8%	- 20
23. Wealth maximization and social responsibility are not contradictory concepts.	16%	48%	24%	12	-	52

* Index = (% of sample strongly or slightly agreeing with a statement minus % strongly or slightly disagreeing)

Table 4 reveals that the executives' attitudes toward the societal marketing concept were in general found to be positive with most attitude indices ranging between 56 and 74. It was, however, noted that there were clear differences of attitude toward different aspects of the concept. A brief discussion of the executives' attitudes toward each tenet of the concept follows.

4.2.1 Customer Orientation

On the whole the executives were found to have a very positive attitude toward the customer orientation tenet of the societal marketing concept as indicated by attitude indices ranging from 60 to 80. The executives were in overwhelming agreement that marketing management should aim at satisfying long-run consumer needs (index = 92); that products marketed should be life-enhancing (index = 72); that consumer complaints should be taken seriously (Index = 72); and that consumers have a right to be heard (index = 88). A large proportion of respondents also agreed that misleading product labels show a lack of concern for consumer satisfaction (index = 72) and that deceptive advertising can be damaging to the producer (index = 72).

to societal issues (index = 20). There was slight agreement on the call for business to show concern for the preservation of natural resources (index = 44). There was also general agreement that wealth maximization and social responsibility are not contradictory concepts (index = 74); and that the call for social responsibility of business is not too far fetched (index = 62).

4.2.4 Integrated Marketing

There was a clear disagreement with the suggestion that the marketing department should be responsible for coordinating the activities of other departments (index = -14). However, majority of those disagreeing were executives in manufacturing firms (63%). In actual fact only 27% of executives in distributing firms disagreed with the statement.

Table 5 below shows the executives' attitudes toward specific aspects of the societal marketing concept by type of firm. This table presents data which seeks to establish whether or not the attitudes expressed by executives in distributing and manufacturing firms are similar. To test the statistical significance of the results use of t-tests

Table 5 Executives Attitudes Toward the Societal Marketing Concept by Type of Firm

D represents distributor = N = 15

M represents Manufacturer = N = 35

Statement		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index*	Mean Score
1. Marketing should aim at satisfying long-run consumer needs.	D	67%	33%	-	-	-	100	4.7
	M	63%	26%	11%	-	-	88	4.5
2. Business activities have no influence on society	D	27%	-	33%	20%	20%	- 13	3.1
	M	17%	-	6%	43%	34%	- 60	3.8
3. Products marketed should be life-enhancing	D	67%	33%	-	-	-	100	4.7
	M	26%	54%	6%	17%	-	63	3.9

Table 5 contd.

<u>Statement</u>		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index	Mean Score
4. The marketing department should be responsible for coordinating the activities of all other departments	D	47%	27%	-	27%	-	47	3.9
	M	9%	14%	14%	17%	46%	40	2.2
5. I would like to see some after tax-profits channelled to social issues.	D	20%	7%	47%	20%	7%	0	3.1
	M	31%	20%	26%	3%	20%	28	3.1
6. In Kenya advertising need not be truthful	D	-	13%	7%	27%	53%	- 67	4.2
	M	-	17%	14%	23%	46%	- 52	4.3
7. A firm should provide a good working environment for its employees	D	33%	67%	-	-	-	100	4.3
	M	57%	37%	6%	-	-	94	4.5

Table 5 Contd.

<u>Statement</u>		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index	Mean Score
8. Consumer complaints need not be taken too seriously	D -	-	-	-	47%	53%	- 100	4.5
	M -	-	14%	11%	29%	46%	- 61	4.3
9. Current profitability is a sufficient condition for a firm's survival	D 20%	27%	13%	40%	-	-	85 7	3.3
	M 3%	11%	23%	40%	23%	-	- 49	2.3
10. Asking a business to contribute to social issues is asking too much	D 27%	53%	13%	7%	-	-	100 73	2
	M 3%	6%	6%	60%	25%	-	- 77	2.4
11. Marketing research should be used to determine consumer needs.	D 13%	47%	27%	13%	-	-	47 47	3.6
	M 66%	15%	6%	15%	-	-	66 66	4.3

Table 5 contd.

Statement		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index	Mean Score
12. If my firm was polluting the environment I would support adoption of relevant technology to reduce pollution	D	60%	40%	-	-	-	100	4.6
	M	31%	60%	3%	6%	-	85	4.2
13. Misleading product labels show a lack of concern for consumer satisfaction.	D	93%	7%	-	-	-	100	4.9
	M	35%	40%	11%	11%	3%	61	3.9
14. Business should only be responsible to the consumer.	D	20%	53%	-	13%	13%	47	2.5
	M	-	11%	-	63%	26%	-78	4.0
15. Societal goodwill does not lead to increased profitability	D	-	53%	27%	20%	-	33	2.7
	M	-	17%	17%	37%	29%	49	3.8

Table 5 Contd.

Statement		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index	Mean Score
16. Money spent on social issues is money wasted	D	-	27%	27%	33%	13%	⁻¹⁹ -17	3.3
	M	-	6%	9%	57%	28%	-79	4.1
17. Long-run profitability results from consumer satisfaction.	D	66%	27%	-	7%	-	86	4.5
	M	52%	26%	11%	11%	-	66	4.2
18. We in business can correctly guess what consumers needs are	D	-	20%	13%	54%	13%	-47	3.6
	M	-	3%	11%	55%	31%	-83	4.1
19. Deceptive advertising claims are damaging to the producer	D	67%	20%	13%	-	-	87	4.5
	M	23%	51%	17%	9%	-	65	3.9
20. I would like to see more business concern in the preservation of natural resources	D	67%	26%	7%	-	-	93	4.6
	M	14%	57%	23%	6%	-	65	3.8

Table 5 Contd.

Statement		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Index	Mean Score
21. I believe consumers have a right to be heard.	D	53%	40%	7%	-	-	93	4.9
	M	34%	52%	14%	-	-	86	4.2
22. The call for social responsibility of business is too far fetched.	D	20%	66%	7%	7%	-	79	2.0
	M	-	6%	26%	57%	11	- 62	3.7
23. Wealth maximization and social responsibility are not contradictory concepts.	D	27%	33%	13%	27%	-	33	3.6
	M	11%	54%	28%	6%	-	59	3.7

* Index = (% of sample slightly or strongly agreeing minus % slightly or strongly disagreeing).

for consumer satisfaction while only 75% of those in manufacturing firms agreed.

On the issue of current profitability about 47% of the respondents in distributing firms agreed that it is a sufficient condition for a firm's survival but only 14% of those in manufacturing firms agreed.

On the societal orientation tenet it was noted that respondents in manufacturing firms expressed a more positive attitude than those in distributing firms. A majority of the respondents in distributing firms (80%) agreed that asking a business to contribute to social issues is asking too much while only 9% of those in manufacturing agreed with the same. Similarly, 73% of the respondents in distributing firms agreed with the statement that the business should only be responsible to the consumer yet only 11% of the respondents in manufacturing firms agreed with the statement.

X4.3 Implementation of the Societal Marketing Concept

To determine the extent to which the societal marketing concept had been implemented, the proportion of respondents checking off every true statement provided in part 3 of the questionnaire was considered.

Table 6 shows the proportions of respondents checking off each activity. On implementation of the societal marketing concept all respondents indicated that at least some of the activities had been implemented.

Table 6 Proportions Implementing Some Aspects of the Societal Marketing Concept.

Activity	Proportion implementing
1. Conducts marketing research to determine consumers needs.	76%
2. Provides a channel for consumer complaints.	54%
3. Ensures that advertising is truthful	84%
4. Responds promptly to consumer complaints.	72%
5. Ensures that products marketed are of as high quality as expected.	86%
6. Ensures that activities of the firm have no harmful effect on society.	54%
7. Takes measures to avoid polluting the environment.	30%
8. Contributes to societal activities.	80%

The table shows that the highest proportion of respondents (86%) indicated that their organizations ensured that the products they marketed were of as high quality as expected. Only 30% of the respondents indicated that their firms took measures to avoid polluting the environment. Seventy-six per cent of the respondents indicated that their organizations conducted marketing research to determine consumers' needs.

Regarding the issue of concern for consumer satisfaction, it can be noted that the majority of the respondents indicated that they ensured that advertising was truthful (84%) and that they responded promptly to consumer complaints (72%). However, only 54% of the respondents indicated that they provided a channel for consumer complaints.

On the question of societal orientation, 80% of the respondents indicated that they contributed to societal activities but only 54% indicated that they ensured that activities of the firm had no harmful effect on the society.

Table 7 shows the proportions implementing each activity by organization type classification.

Table 7 Proportion Implementing some Aspects of the Societal Marketing Concept by Organization Type.

Activity	Proportion Implementing	
	Distribu- ting firms N = 15	manufacturing firms N = 35
1. Conducts marketing research to determine consumers' needs	53%	85%
2. Provides a channel for consumer complaints	67%	49%
3. Ensures that advertising is truthful	53%	97%
4. Responds Promptly to consumer complaints	80%	69%
5. Ensures that Products marketed are of as high quality as expected	67%	94%
6. Ensures that activities of the firm have no harmful effect on society	13%	71%
7. Takes measures to avoid polluting the environment	33%	29%
8. Contributes to Societal activities.	53%	91%

The table shows that 71% of the respondents in manufacturing firms indicated that their organizations took measures ^{to} ensure that activities of the firm had no harmful effect on society but only 13% of the respondents in distributing firms indicated the same. Ninety-one per cent of the executives in manufacturing firms and 53% of those in distributing firms indicated that they contributed to societal activities.

While 94% of the respondents in manufacturing firms indicated that they ensured that products marketed were of as high quality as expected, only 67% of distributors indicated the same. This may be attributed to the common feeling by some distributors that they do not have much control over product quality.

The t-test was used to test whether the percentages for manufacturing and distributing were statistically different. With the level of significance of 0.05 the critical t value is 1.6759 (see Appendix B)

The calculated t-value (see Appendix C) for the implementation activities was 0.5879. Since this calculated t value is not greater than 1.6759 (critical value) or less than -1.6759, we conclude that there

is no significant difference between the extent of implementation by manufacturing and distributing firms.

In summary, the findings of the study have highlighted a number of points about executives' awareness and attitudes toward the societal marketing concept. It was found that the executives who participated in this study had a moderately high level of awareness/knowledge of the societal marketing concept. However, it was noted that many executives were more knowledgeable with respect to the customer orientation and profit direction tenets of the concept than with respect to the societal orientation and integrated marketing tenets.

Most executives were also found to have positive attitudes toward the concept, but as in the case of awareness, higher indices were obtained for the customer orientation aspects. Most respondents (92%) agreed that the main aim of marketing should be to satisfy long-run consumer needs.

On the question of implementation, all respondents indicated implementation of some of the aspects of the societal marketing concept particularly those aimed at generating customer satisfaction.

CHAPTER FIVE

SUMMARY AND CONCLUSIONS

This chapter summarizes and discusses the findings of the study in relation to the main questions raised in the objectives of the study. Also included in this chapter are conclusions and management implications, limitations of the study and suggestions for future research.

5.1 Summary

Three major questions were raised in this study. First, the study sought to determine the extent to which executives in large distributing and manufacturing firms in Nairobi were aware of the different tenets of the societal marketing concept. Secondly, it sought to determine the attitudes of those executives toward the societal marketing concept and thirdly to determine the extent to which the implementation of the concept has taken place.

Regarding the issue of the executives' awareness of the concept, it was found that the executives in large distributing and manufacturing firms in Nairobi

were well aware of some aspects of the societal marketing concept. Only one respondent was found to be completely aware of all dimensions of the concept. But on the whole, majority of the executives were well aware of the dimensions related to consumer orientation and profit direction. There was an above average level of awareness by most of the respondents (68%). The executives who had been in a management position for a long period (16-20 years) were found to have the highest level of awareness. In addition, the executives in multinational firms were found to have a higher level of awareness of the concept than those in locally owned firms with mean scores of 6.1 and 5.6 respectively.

As far as attitudes toward the societal marketing concept are concerned, it was found that the executives in large distributing and manufacturing firms had a fairly positive attitudes toward the concept. Most executives in both distributing and manufacturing firms were also found to have a very positive attitude toward the customer orientation aspects of the concept. In case of "profit direction" as advocated by the societal marketing concept, the respondents had a fairly positive attitude. Regarding the issue of societal orientation the executives' attitudes were

fairly positive but those in manufacturing firms had a more positive attitude than those in distributing firms as indicated by mean scores of 3.7 and 3.2 respectively. Again, on the question of integrated marketing most executives in distributing firms showed a positive attitude (mean score = 3.9) while those in manufacturing firms had a negative attitude (mean score = 2.2).

Concerning the question of implementation, it was found that most firms had implemented those aspects of the societal marketing concept that are directly related to customer satisfaction and sales.

5.2 Conclusions and Management Implications

The foregoing findings have brought to light a number of issues regarding executives' attitudes toward the societal marketing concept. First, the executives in large manufacturing and distributing firms in Nairobi are very concerned with the consumer orientation aspects and only slightly concerned with societal aspects of the concept.

This may be attributed to the influence consumer orientation aspects can have on company profits.

The fact that the executives have shown a low level of awareness and a less positive attitude toward the societal aspects of the concept may be due to the lack of a direct relationship between societal orientation and sales or profits.

As pointed out in the literature review, participation in societal issues requires that some company resources be committed to societal activities. Societal issues such as pollution control and/or reduction, and contribution to social activities are likely to increase the costs of doing business and may lead to higher prices. Owing to competition and the fact that consumers may not be in favour of higher prices, the executives may find themselves in a dilemma as to how best to adopt a societal marketing orientation, and in many cases trade-offs have to be made between various aspects of the concept. It can, therefore be concluded from this study that the key factors influencing executives' decision making with regard to this philosophy of marketing management must necessarily be sales or profit oriented.

Many executives highly support the idealistic views relating to societal orientation in marketing

management but the adoption of the same may have proven very difficult.

Another implication of the study is that, although the societal marketing concept may be viewed as the ideal guideline in formulating a management policy for a marketing organization, the key factors involved have to be weighed carefully against each other before a decision can be made on the appropriate policy for each organization. No one policy of management can be appropriate for all organizations, at all times and under all circumstances. Therefore, considerations regarding the four tenets of the societal marketing concept, the nature of the organization and the circumstances in the industry in which the firm is operating have to be considered before arriving at a policy that is suitable and applicable to the individual firm.

5.3 Limitations of the Study

The study was constrained by a number of factors. Firstly, time was a limiting factor and this limited the scope and depth of the study. Owing to the short time during which the study had to be completed, it was not possible to distribute

and collect all the questionnaires. In addition, some respondents were not very cooperative and others misplaced the questionnaires. All this made it difficult to get data from all the sample units forcing the researcher to reduce the sample size from 80 to 50 firms.

Generally, there are limitations of measurement which are common to all surveys. In any given situation or time horizon, a study of the three components of attitude by the exclusive use of self-reported beliefs, feelings and action tendencies is a volatile one. Respondents may give biased or dishonest answers and also their attitudes may change over time.

5.4 Suggestions for Future Research

Owing to limitations in time, the views of executives from other business organizations were not explored. In connection with future research some possible areas can be recommended.

First, since this study was solely based on executives in distributing and manufacturing organizations employing more than fifty people in

Nairobi, perhaps a study of the awareness/knowledge and attitudes of executives in firms employing less than fifty people could bring out different results and highlight other important factors.

Dear Respondent,

The extent to which implementation has taken place may also be different in smaller firms. The study could also be broadened to cover organizations in Kenya as a whole.

Secondly, a study to determine the awareness and attitudes of executives in the service industries may as well be useful. Further, a study that includes consumers' attitudes toward the manner in which these organizations carry out their business could be more useful for decision making purposes.

Owing to the nature of the subject of the study, the societal marketing concept, it may be necessary to carry out a study to justify the importance and applicability of the concept in a Kenyan setting. Future research efforts should also be directed at investigating the relationship between the key tenets of the societal marketing concept and the trade-offs that executives make in decision making.

Appendix A2

Appendix A1

Questionnaire

NOTE TO RESPONDENT

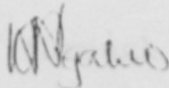
Dear Respondent,

This questionnaire has been designed to gather information regarding your opinions on the societal marketing concept. This study is being carried out for a management project report as a requirement in partial fulfillment of the degree of Master of Business and Administration, University of Nairobi.

Your responses will be treated in strict confidence and in no instance will your name or that of your organization be mentioned in the report. Your cooperation will be highly appreciated.

Thank you.

Yours sincerely,



Catherine W. Ngahu
MBA. II, 1986.

Appendix A2

Questionnaire

Part 1. Which of the following statements are true about the Societal Marketing Concept (Socially responsible Marketing) (Tick the true statements only)

If there are some that you consider true but which have not been included, please write them in the space for "others....."
....."

- (a) Focus is on maximizing profits ()
- (b) Concern is shown for environmental effects of business activities ()
- (c) The key goal is to satisfy consumers' needs ()
- (d) Advertising is not acceptable ()
- (e) Focus is on long-run consumer satisfaction ()
- (f) Concern for good working environment ()
- (g) Business is expected to be socially responsible ()
- (h) Profits are viewed through consumer satisfaction ()
- (i) The main goal is immediate consumer satisfaction ()
- (j) Employee welfare is of utmost importance ()
- (k) The main goal is to sell all units produced ()
- (l) Integrated marketing is a must. ()

Others (please specify):

Part 2. Indicate with a tick in the appropriate box the extent to which you agree or disagree with each of the following statements.

	Strongly agree	agree	neither agree or disagree	disagree	strongly disagree
	5	4	3	2	1
a) In my opinion marketing should aim at satisfying long-run consumer needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Business activities have no influence on society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Products marketed should be life-enhancing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) The marketing department should be responsible for Coordinating the activities of all other departments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) I would like to see some profits (after tax) channelled to social issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) In Kenya, advertising need not be truthful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) A firm should provide a good working environment for its employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Strongly Agree Agree Neither agree or disagree Disagree Strongly disagree

5 4 3 2 1

- | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| n) Consumer complaints need not be taken too seriously | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i) In my opinion, current profitability is a sufficient condition for a firm's survival | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| j) Asking a business to contribute to social issues is asking too much. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| k) Marketing research should be used to determine consumers' needs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| l) If my firm was polluting the environment, I would support adoption of relevant technology to reduce pollution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| m) Misleading product labels show a lack of concern for consumer satisfaction | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| n) In my opinion business should only be responsible to the consumer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Strongly Agree Neither Disagree Strongly
agree agree of disagree
 disagree

5 4 3 2 1

- o) Societal goodwill does not lead to increased profitability.
- p) Money spent on social issues is money wasted
- q) Long-run profitability results from consumer satisfaction
- r) We in business can correctly guess what consumers' needs are.
- s) Deceptive Advertising claims are damaging to the producer
- t) I would like to see more business concern in the preservation of natural resources
- u) I believe consumers have a right to be heard.

Strongly Agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
5	4	3	2	1

v) The call for social responsibility of business is too far fetched

w) Wealth maximization and social responsibility are not contradictory concepts.

Part 3. 1. Which of the activities listed below are indicative of what your company does in the process of producing or marketing its products? (Tick in the appropriate space ()

- (a) Conducts marketing research to determine consumers' needs ()
- (b) Provides a channel for consumer complaints ()
- (c) Ensures that advertising is truthful ()
- (d) Responds promptly to consumer complaints ()
- (e) Ensures that products marketed are of as high a quality as expected ()
- (f) Increase prices when profits decline ()
- (g) Ensures that activities of the firm have no harmful effect on society ()
- (h) Takes measures to avoid polluting the environment ()

- (i) Contributes to societal activities ()
Others (please specify)

2. Would you say that your company acts in a socially responsible manner?

- Yes
No
Don't know

3. If you answer to 2 above is 'No' please indicate with a tick in the appropriate box which of the following you would say are the reasons for not acting in a socially responsible manner:

- Lack of money ()
Lack of interest ()
Lack of awareness on how best to do it ()
A serious commitment to solving business problems only ()
Others (please specify) _____

- Part 4. To assist in the classification of responses please provide the following information

1. your age lies in the range of

- | | | | |
|---------------|--------------------------|---------------|--------------------------|
| 20 - 24 years | <input type="checkbox"/> | 40 - 44 years | <input type="checkbox"/> |
| 25 - 29 " | <input type="checkbox"/> | 45 - 49 " | <input type="checkbox"/> |
| 30 - 34 " | <input type="checkbox"/> | Above 50 " | <input type="checkbox"/> |
| 35 - 39 " | <input type="checkbox"/> | | |

Appendix B.

Percentiles of the t Distribution

df	$t_{0.90}$	$t_{0.95}$	$t_{0.975}$	$t_{0.99}$	$t_{0.995}$
1	3.078	6.3138	12.706	31.821	63.657
2	1.886	2.9200	4.3027	6.965	9.9248
3	1.638	2.3534	3.1825	4.541	5.8409
4	1.533	2.1318	2.7764	3.747	4.6041
5	1.476	2.0150	2.5706	3.365	4.0321
6	1.440	1.9432	2.4469	3.143	3.7074
7	1.415	1.8945	2.3646	2.998	3.4505
8	1.397	1.8595	2.3060	2.896	3.3554
9	1.383	1.8331	2.2622	2.821	3.2498
10	1.372	1.8125	2.2281	2.764	3.1693
11	1.363	1.7959	2.2010	2.718	3.1058
12	1.356	1.7823	2.1788	2.681	3.0545
13	1.350	1.7709	2.1604	2.650	3.0123
14	1.345	1.7613	2.1443	2.624	2.9768
15	1.341	1.7530	2.1315	2.602	2.9467
16	1.337	1.7459	2.1199	2.583	2.9208
17	1.333	1.7396	2.1098	2.567	2.8932
18	1.330	1.7341	2.1003	2.552	2.8784
19	1.328	1.7291	2.0930	2.539	2.8609
20	1.326	1.7247	2.0860	2.528	2.8453
21	1.323	1.7207	2.0796	2.518	2.8314
22	1.321	1.7171	2.0739	2.508	2.8188
23	1.319	1.7139	2.0687	2.500	2.8073
24	1.318	1.7109	2.0639	2.492	2.7969
25	1.316	1.7081	2.0595	2.485	2.7874
26	1.315	1.7056	2.0555	2.479	2.7787
27	1.314	1.7033	2.0518	2.473	2.7707
28	1.313	1.7011	2.0484	2.467	2.7633
29	1.311	1.6991	2.0452	2.462	2.7564
30	1.310	1.6973	2.0423	2.457	2.7500
35	1.3002	1.6896	2.0301	2.438	2.7239
40	1.3031	1.6839	2.0211	2.423	2.7045
45	1.3007	1.6794	2.0141	2.412	2.6896
50	1.2997	1.6759	2.0086	2.403	2.6778
60	1.2959	1.6707	2.0003	2.390	2.6603
70	1.2938	1.6659	1.9945	2.381	2.6480
80	1.2922	1.6611	1.9901	2.374	2.6388
90	1.2910	1.6570	1.9857	2.358	2.6316
100	1.2901	1.6534	1.9840	2.354	2.6260
120	1.2887	1.6577	1.9793	2.353	2.6175
140	1.2876	1.6558	1.9771	2.353	2.6114
160	1.2859	1.6545	1.9749	2.350	2.6070
180	1.2863	1.6534	1.9733	2.347	2.6035
200	1.2858	1.6525	1.9719	2.345	2.6008
∞	1.282	1.645	1.96	2.326	2.576

APPENDIX C

Formula for determining t value:

$$t = \frac{(\bar{x}_D - \bar{x}_M) - (\mu_D - \mu_M)}{\sqrt{\frac{S_D^2}{n_D} + \frac{S_M^2}{n_M}}}$$

Where: D represents distributing firms
M represents manufacturing firms
Other letters are the familiar
statistical abbreviations.

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