

# **Project to Enhance Selling of Locally Branded Herbal Product of Konate Herbal Centre in Ghana.**

Bc. Abdul Bashiru Jibril

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Master's Thesis  
April, 2018

 **Tomas Bata University in Zlín**  
Faculty of Management and Economics

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Tomas Bata University in Zlín  
Faculty of Management and Economics  
Department of Management and Marketing  
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## **MASTER'S THESIS ASSIGNMENT**

(PROJECT, ARTWORK, ARTISTIC PERFORMANCE)

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Thesis Guidelines:

### **Introduction**

**Define the objectives and the application methods used in the Master thesis.**

#### **I. Theoretical part**

- **Prepare literature review focusing on consumer behavior and selling activities.**

#### **II. Practical part**

- **Describe the structure and the activities of Konate Herbal Center.**
- **Analyze and evaluate behaviour of customers of Konate Herbal Center.**
- **Develop a project to enhance selling of branded herbal products of Konate Herbal Center.**
- **Elaborate the cost, time and risk factors of the project.**

### **Conclusion**

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## **ABSTRACT**

Undoubtedly, modern medicine is well developed in the world. Large sections of the population especially in developing countries, still rely on the traditional practitioners, medicinal plants and herbal medicines for their primary care. In recent times, public interest in natural therapies has increased greatly in many countries, with increasing use of herbal medicinal products. The many and various forms of traditional medicinal products have evolved against widely difference in ethnological, cultural, climatic, geographical, and even philosophical background. The assessment of these products and ensuring their safety and efficacy through registration and regulation has increased its demand. Over the past years, research geared toward the consumption of herbal products has been motivating due to the growing importance of locally branded medicinal herbal product. In an attempt to explore the trend of usage among consumers and the marketing and selling strategies employed by local SME's, Konate Herbal in Ghana was considered. The focus of this thesis was to review the current selling and marketing strategies of Konate Herbal in Ghana and re-engineer where possible, new vibrant marketing and branding strategies for the company. To do this, the researcher considered the consumer behavior and analyzed current portfolio of marketing and selling strategies. For the purpose of completing this thesis, five hypotheses were tested with primary data sourced from 203 customers (n=203) through online semi-structured questionnaires and telephone interview. The project did thorough analysis on the behavior and perceptions of customers towards the use of medicinal herbal product with help of SPSS statistical tool. The statistical analyses were done using chi-square independent test algorithm. Findings revealed that, variables such as; quality, natural, alternative (substitute), registered and recognized as well as moderate price level are the major influential factors affecting the use of local medicinal herbal products while county-of-origin, availability, education and age were noticed as a minor factor. It also indicated that, Konate Herbal was mainly using traditional advertising tools for creating product awareness while neglecting the advent of ICT and the internet. The project reflected the cost, time and risk component.

*Keywords: Marketing, Selling, Strategies, Consumer behavior, local brand, Konate Herbal.*

## ABSTRAKT

Moderní medicína je nepochybně dobře rozvinutá ve světě. Velké části populace, zejména v rozvojových zemích, stále spoléhají na tradiční lékaře, léčivé rostliny a rostlinné léky pro primární péči. V poslední době vzrostl veřejný zájem o přirozené terapie v mnoha zemích s rostoucím využíváním rostlinných léčivých přípravků. Mnohé a různé formy tradičních léčivých přípravků se vyvinuly proti širokému rozdílu v etnologickém, kulturním, klimatickém, geografickém a dokonce i filozofickém pozadí. Posouzení těchto výrobků a zajištění jejich bezpečnosti a účinnosti prostřednictvím registrace a regulace zvyšuje jeho poptávku. V uplynulých letech byla motivace zaměřená na konzumaci rostlinných produktů kvůli rostoucímu významu lokálně značeného léčivého bylinného přípravku. Ve snaze prozkoumat trend užívání mezi spotřebiteli a strategie marketingu a prodeje, které používají místní malé a střední podniky, byla zvažována Konate Herbal v Ghaně. Tato práce se zaměřila na přehodnocení stávajících prodejních a marketingových strategií společnosti Konate Herbal v Ghaně a případně reengineeringu, nových živých strategií marketingu a brandingu pro společnost. Za tímto účelem se výzkumník zabýval chováním spotřebitelů a analyzoval současné portfolio marketingových a prodejních strategií. Za účelem dokončení této práce bylo testováno 5 hypotéz s primárními údaji pocházejícími od 203 zákazníků ( $n = 203$ ) prostřednictvím online semistrukturovaných dotazníků a telefonického rozhovoru. Projekt provedl důkladnou analýzu chování a vnímání zákazníků k používání léčivého bylinného produktu pomocí statistického nástroje SPSS. Statistická analýza byla provedena pomocí nezávislého testovacího algoritmu chi-square. Nálezy odhalily, že proměnné jako: kvalitativní, přírodní, alternativní (náhradní), registrovaná a uznávání i mírná cenová úroveň jsou hlavními vlivnými faktory ovlivňujícími používání místních léčivých bylinných přípravků, zatímco oblast původu, dostupnost, vzdělání a věk byly zaznamenány jako vedlejší faktor. To také naznačilo, že společnost Konate Herbal využívala zejména tradiční reklamní nástroje pro vytváření povědomí o produktech, přičemž zanedbává příchod ICT a internetu. Projekt odráží náklady, čas a rizikovou složku.

*Klíčová slova: marketing, prodej, strategie, chování spotřebitelů, místní značka, Konate Herbal.*

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## INTRODUCTION

Globally, a number of patients seeking alternate and herbal therapy are growing exponentially. Herbal medicines are mainly the synthesis of therapeutic experiences of generations of practicing physicians of indigenous systems of medicine for over hundreds of years (Pal & Shukla, 2003). Herbal medicines are now in great demand in the developing world for primary health care not because they are inexpensive but also for better cultural acceptability, better compatibility with the human body and minimal side effects. However, recent findings indicate that all herbal medicines may not be safe as severe consequences are reported for some herbal drugs. Most herbal products on the market today have not been subjected to drug approval process to demonstrate their safety and effectiveness (Pal & Shukla, 2003).

Additionally, it has been recorded that people are using herbal medicines from centuries for safety, efficacy, cultural acceptability, lesser side effects and among others. The availability of plant products has utilized with varying success to cure and prevent diseases throughout history. Available studies about medicinal plants date back at least 5000 years to the ancient records are suggested earlier use of medicinal plants in India. Due to side effects of synthetic products, herbal products are gaining popularity in the world market (Alok et al, 2008).

Lately, there has been a shift in universal trend from synthetic to herbal medicine, which could be described as 'Return to Nature'. Medicinal plants have been known for millennia and are highly esteemed all over the world as a rich source of therapeutic agents for the prevention of diseases and ailments (Sharma et al, 2008). Nature has bestowed in many countries with an enormous wealth of medicinal plants; for example, India has often been referred to as the Medicinal Garden of the world. Countries with ancient civilizations such as China, India, South America, Egypt, etc. are still using several plant remedies for various conditions. In this regard India has a unique position in the world, where a number of recognized indigenous systems of medicine viz., Ayurveda, Siddha, Unani, Homeopathy, Yoga and Naturopathy are being utilized for the health care of people. No doubts that the herbal drugs are popular among rural and urban community of India (Sharma et al, 2008).

To this, one major reason for the popularity and acceptability is belief that all natural products are safe. The demand for plant-based medicines, health products, pharmaceuticals,

food supplement, cosmetics and among others are increasing in both developing and developed countries, due to the growing recognition that the natural products are non-toxic, have less side effects and easily available at affordable prices. According to Sharma et al, (2008), there is a revival of interest with herbal-based medicine due to the increasing realization of the health hazards associated with the indiscriminate use of modern medicine and the herbal drug industries is recently a fast-growing sector in the international market. But unfortunately, Ghana has not done well in this international trade of herbal industry due to lack of scientific input in herbal drugs and many other factors. In view of this, it would be appropriate to highlight the market potential of herbal products and that would open flood-gate for development of market potential in Ghana.

World Health Organization (WHO) report, cited by (Sharma et al; 2008), estimates that about 80 percent of world population depends on natural products for their health care instead of modern medicines primarily because of side effects and high cost of modern medicine. The worldwide herbal market products are around \$6.2 billion and estimated to reach \$5 trillion by the year 2050 (WHO & Kumar & Janagam, 2011).

However, a study of locally branded products revealed that Ghanaians tend to prefer foreign branded products over locally branded ones; though the local brands may be of a better quality as compared to that of the foreign brand (Tamakloe, 2014). It further indicated that, considering the cultural upbringing of the Ghanaian, it is well noted that the average Ghanaian will be proud to be associated with foreign brands and this has been with the Ghanaian since Pre-Independence days. The average Ghanaian believes that locally branded products are not of the best of qualities but may go in for substandard products that have well-known designer names associated with them hence they may also go in for products because of country of origin

Over the years there is apathy when it comes to the patronization of products made in Ghana by citizens while people of foreign origin do patronize products made in Ghana and is found proudly displaying them for the indigenous Ghanaian to know. Ghanaians have failed to patronize locally branded products at the expense of foreign brands (Agbonifoh, & Elimimian, 1999). In spite of well-practiced knowledge of herbal medicine and occurrence of a large number of medicinal plants, the share of Ghana in the global market is not

up to the mark. With these substances, the further studies would review the consumer behavior and the market potential of herbal medicine in Ghana.

The thesis will provide a response from stakeholders within the landscape of herbal industry for empirical research as well as other scientific literature that will supports an unexplored avenue stated in herbal market. Again, the present dissertation will take into consideration consumers of herbal product, and its findings will indisputably be a significant contribution to the present literature of perception of consumers towards herbal product, specifically in relation to the herbal market in Ghana. This study will further develop a project towards rebranding and selling strategy, for specifically, Konate Herbal Center, and in general, the herbal industry in Ghana.

## **OBJECTIVES AND METHODS OF MASTER THESIS PROCESSING**

### **Objectives of the Study**

The general objective of this research is to understand the perception consumer hold towards buying locally branded herbal products. The specific objectives are as follows:

1. To determine the reason why people are using herbal products.
2. To analyze the aspects of consumer's attitude and taste toward locally branded medicinal herbal product.
3. To examine the current marketing and selling of Konate Herbal.
4. To find out the extent to which local brand (Konate Herbal) affect consumer's taste for other brands.

### **Research Questions**

This research will provide answers to the following questions;

1. What are the main reasons why people prefer to use herbal products?
2. How does the change in attitude, perception, taste of consumers' impact on the consumption of locally branded herbal product?
3. What are the current marketing and selling strategies of Konate Herbal?

4. To what extent can local brand (Konate herbal) affect the consumer’s taste for other brands?

## METHODOLOGY

This study adopted a mixed method approach or design. It involves surveys and interviews of customers in Ghana. This will involve both qualitative and quantitative research techniques.

### *Research Process*

To validate the intended study, the researcher made use of a flowchart that depicts the framework of the study. A complete finding of an intended research has been characterized with its process below.

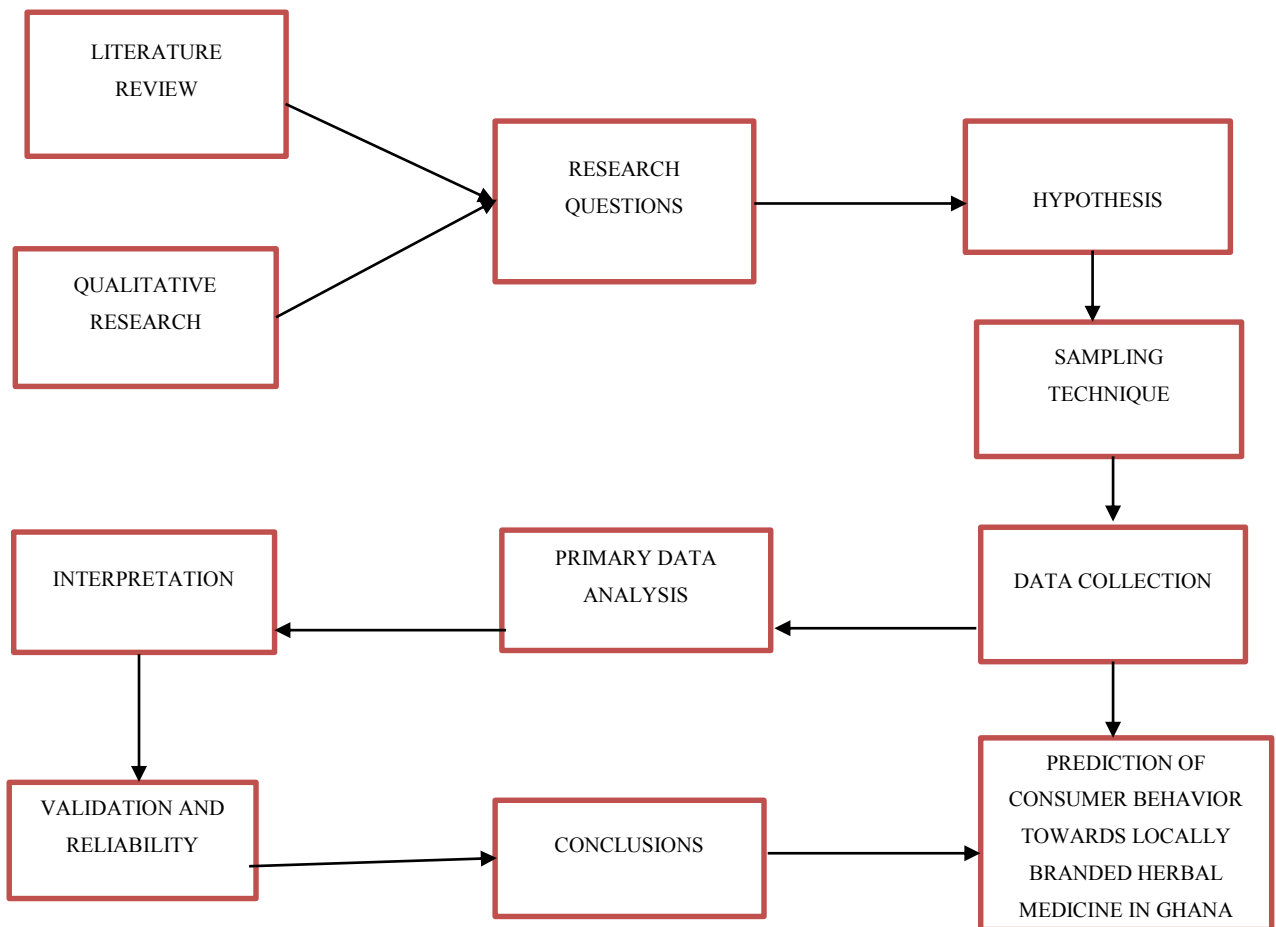


Figure 1: Research into consumer behavior toward products of herbal medicine in Ghana.

Sources: Author’s own survey

There would be two main instruments to collect data in this study:

- A questionnaire
- A semi-structured interview guide

The questionnaire was designed along the Likert scale method of questionnaire structure. Both open and close-ended questionnaire were factor into it. As a complement of the study, semi-structured interview was applied to delve into customers who by virtue of time might not be able to fill out the questionnaires for the research.

## **ORGANISATION OF THE STUDY**

The Final report of the study was organized as follows:

- i. Theoretical part
  - Preparing literature review focusing on consumer behavior and selling activities.
- ii. Practical part
  - Describing the structure and the activities of Konate Herbal Center.
  - Analyze and evaluate behavior of customers of Konate Herbal Center.
  - Develop a project to enhance selling of branded herbal products of Konate Herbal Center.
  - Elaborate the cost, time and risk factors of the project.

## **I. THEORY**



## **1 INTRODUCTION TO LITERATURE REVIEW**

This chapter presents the theoretical concepts related to the study. This will enable us to develop ideas, which will later serve as a ground for comparing the findings and finally make inferences for this survey. Thus, to understand the perception customers hold towards locally branded medicinal herbal products. Again, this will enable Konate Herbal Centre (KHC) as a case study, to adopt a suitable strategy to boost local consumption of its product while enhancing sales of the firm.

Moreover, the review would outline the recommended steps in the marketing strategies, hence looking at what needs to be taken into consideration about consumer attitude towards the locally branded herbal product in Ghana and how to increase its domestic market share and growth against foreign brands. It rather seeks to evaluate relevant sources which were available and to critically assess their contribution to the field of consumer behavior and branding.

Again, this has been composed in a manner that will enable the reader understand various theories from different perspectives. There are various interpretations of particular theories within the literature and the challenge is to force the reader to conceive ideas and to take a stance towards them. Among other things, the review aims to identify some gaps in the literature which may be filled in with a further research.

After reading this literature review, the reader would be able to understand fundamentals of Consumer behavior and Brand management in the context of marketing and selling, thereby facilitating the project part without any difficulties.

### **1.1 BACKGROUND OF THE PROJECT AND JUSTIFICATION:**

Certainly, a successful brand is the most valuable resource or asset to every company. The brand can convey either a positive or a negative message about the product as well as the company to the consumer. This to a larger extent promotes the image and identity of the country within which the company is situated (Asamoah & Chovancova, 2013). Therefore, it can be noticed that locally produced herbal product brands in Africa could be a pride of

Africa. This can be achieved through enhancing the continent's image, identity and endowment in natural medicine internationally.

In fact, Herbal treatment constitutes an important aspect of most health delivery systems in Africa for that matter in some parts of the world today (WHO report). For an example, China, India and Singapore have made a greater impact on the Asian and African markets with most of their herbal products. Apart from giving identity to the nation through its brand and potency, the herbal product identifies an individual company as to its area of specialization in terms of health delivery (Tamakloe, 2014).

A survey conducted in the Ghanaian herbal market revealed that traditionally, herbalists were hiding in hamlets and cottages to prepare herbs some years later they extended their practice and products secretly for sale in buses among others, but today the story is never so (Tamakloe 2014). A reference to this assertion can be made from two key sectors – the Mampong Centre for Scientific Research into Plant Medicine (MCSRPM) and the Food and Drug Authority (FDA) under the Ministry of Health – whose collaborative efforts have contributed tremendously to the transformation of the industry. Under the health policy, the Mampong Centre for Scientific Research into Plant Medicine is mandated to do safety analysis and toxicity of the products and issue certificate to herbal drug practitioners while the Food and Drug Authority is also mandated to do testing of the certified drug and issue license to cover them.

Moreover, considering the great economic potential that the herbal medicine industry has for Africa, for that matter Ghana, the government of Ghana has taken certain key steps to streamline the activity of the operations in the industry. Besides, government has passed a policy aimed at creating an enabling environment for herbalists to undertake studies in herbal medicine at the various state universities. Since 1993, Government has also been selecting herbalists to undergo capacity building training programs every year in India. All these have helped regulate them (herbalists) better and created a good market and avenue for them to acquire wealth through the delivery of good health products in both Ghana and abroad.

In addition, efforts are being made by government of Ghana to incorporate herbal medicine into the National Health Insurance (NHIA) Programs. With this, the Food and Drugs Authority is currently preparing a list of herbal drugs that would be recommended for pre-

scription under the National Health Insurance Scheme. This will serve as an alternative for people with preference to herbal medicine (Ministry of Health Reports, 2014).

Indeed, herbal medicine industry plays an important role in the prevention and cure of basic illnesses such as headache, malaria, fever, jaundice, phlegm, etc. and as well as chronic diseases. However, when treated with chemically based drugs it may result in the patient suffering side effects. Though, it has been noted that herbal drugs have rare side effects in most cases when administered according to proper prescription (Sairam, 1998).

Meanwhile, the herbal product industry is undeniably a lucrative business in the world market today. Countries such as China, India, Singapore and Malaysia have some part of the revenue generated for their economies coming from this industry. Thus, these countries do make great investments in their herbal research industries with the view of boosting their economies (Golden, 2001).

In spite of this rapid increase of herbal activities in the Ghanaian market, there exists scanty information regarding, how well the citizenry of this nation (Ghana) has been educated to know, accept and use these herbal drugs. It is unfortunate however to note that in spite of all efforts by the Ghanaian government and its agencies to regulate this industry and project it beyond the shores of Africa, the indigenous Ghanaian consumer's perception about the brand is still low, thus the low patronage (Bempong, 2017).

Today, brand names such as Bermavite, Top Fever, Class Malacure, Adom Bitters, and Konate Herbal can now be found in the Ghanaian herbal market. It is against this backdrop that the African-Ghanaian local herbal products industry must be critically examined now with the view to finding out whether this industry has been encouraged enough and given the necessary attention in the interest of the continent.

It is also unfortunate to note that many Ghanaians have developed a strong taste, preference and attitude for European (Foreign) drugs at the expense of the Ghanaian produced herbal products (Tamakloe (2014). This brings to focus the matter of the Ghanaian's quest for the country-of-origin of a product before a purchase decision is made. It is indeed surprising to see Ghanaians chasing Chinese natural herbal products made out of herbs harvested from Africa.

Subsequently, a visit by a researcher to a number of herbal drug producing firms; Top herbal Pharmacy, Class pharm, Agbeve Herbal Centre and interaction with some shop attendants at these firm's retail outlets in the Accra Metropolis. It revealed that patronage is low as compared to the foreign brands and those who patronize the product brands in terms of preference, attitude and brand identity do so based on the experience and confidence they have in the potency and efficacy of the products (Tamakloe, 2014). It was further revealed that this low patronage is attributed to, poor branding strategy adopted by the various players in the industry, low perception and taste of consumers towards local herbal products regarding the number of ailments each can cure at a go, poor consumer attitude and behavior towards the brand's packaging, country of origin and foreign brand effect.

Notwithstanding, available research also indicated that Ghanaian consumers rely on foreign taste to that of orthodox drugs from local firms such as Letap Pharmaceuticals, Ernest Chemists, VicDoris Pharmacy and among others. Which should have been producing and retailing herbal drug brands rather partner foreign firms to produce chemical-based drugs for the local market. In the context of this research, it connotes that the emphasis of Ghanaian entrepreneur has been the importation and sale of imported goods rather than production for sale (Quartey et al, 2011). The reason assigned to this attitude of the entrepreneur is that the African for that matter Ghanaian consumer is perceived as having inclination to patronize foreign products rather than their made-in-Ghana substitutes.

Nonetheless, Quartey et al, (2011) further revealed that Ghanaians, even now, the demand and consumption of sophisticated foreign products with emphasis on country-of-origin, taste and preference have opened the consumer market in most African countries via deregulation and trade liberalization. In Ghana for instance, the desire of the Ghanaian for foreign goods has been intensified by the influx of imported goods among which are foreign drugs to the disadvantage of the local herbal brands. Additionally, the study by Tamakloe, (2014) also claimed that the influx of foreign products as a result of open market has therefore encouraged the Ghanaian businessman to expend time and efforts searching for cheap foreign product brands to sell instead of helping to build the manufacturing base of the economy as required.

Over the past three decades, successive government keep encouraging local use products the fact that Ghanaians should patronize locally branded products in order to grow the local

industries (Quartey et al, 2011). Currently, there is an office special established to promote locally branded products christened ‘*BRAND GHANA*’ office. Considering the economic activities in the Ghanaian Market, it is virtually flooded with foreign branded goods and Ghanaians tend to patronize such goods to the detriment of those manufactured locally (Tamakloe, 2014).

More importantly, the Ministry of Trade and Industry (MOT) in Ghana has over the years been in collaboration with the Ghana Investment Promotion Centre to prepare legislation that will keep the local industries afloat (Ministry of Trade and Industry’s Report 2002; Jauch, 2006). This has led to the inauguration of the launch of ‘*Patronize Made in Ghana Week*’ in November 2014 by the Minister of Trade who also issued a directive of the Ministry to wear Ghanaian made clothes to work every day. These interventions are geared towards improving the herbal industry for economic growth. To add, the creation of a department of herbal practice by the Ministry of Health and the Kwame Nkrumah University of Science and Technology’s establishment of a faculty for herbal medicine was a testimony to the government’s commitment to improving the system.

In spite of these interferences, individual firms within the industry such as Konate herbal still faced with Selling and marketing strategies to be able to compete favorably with the influx of exotic herbal product. Such teething problems create a research space to review efforts and the extent of selling activities regarding consumer behavior and the adoption of branding strategy in Ghana in particular and continent as a whole.

The focus of this thesis was to review current selling and marketing strategies of Konate Herbal in Ghana and re-engineer where possible, new vibrant selling and branding strategies for the company. To do this, the researcher analyzed current portfolio of selling strategies within the domain of the local market, under-studied current selling and selling strategies in Konate Herbal, designed a survey for Konate Herbal customers in Ghana and finally used the results to propose a branding framework workable for at least 5-years. This approach was primarily premised on the growing demand of herbal product. To establish a link with the proposed rebranding framework and the needs of customers, the survey gave insight into the expectations of customers focusing on the relationship –based interactions that transpire between them (Maria, 2011).

Inconclusively, it is based on this evidences that this proposed research will seek to encourage Ghanaians to accept and develop positive perception, attitude, preference and taste for Ghanaian herbal product brands. This thesis will take cognizance of how to enhance selling activities for Konate Herbal Company in Ghana, taking into account the current selling strategy of the company and the customer perception towards consumption of locally branded medicinal herbal product. This is premised on the fact that the emergence of marketing mix influences positively on many companies in various dimensions. In this situation, it believes that with possible restructuring of marketing and selling activities, Konate Herbal can enhance its corporate image in a quest of competitions in the district and beyond. The latter will offer pragmatic mechanism to enhance the selling activities of herbal firms in Ghana.

## **1.2 INTRODUCTION TO CONSUMER BEHAVIOR**

### **1.2.1 DEFINITION OF CONSUMER BEHAVIOUR**

Chovancova et al (2011), explained Consumer behavior as the study of individuals, groups, or organizations and all the activities associated with the purchase, use, and disposal of goods and services, including the consumer's emotional, mental and behavioral responses that precede or follow these activities. Consumer behavior emerged in the 1940s and 50s as a distinct sub-discipline in the marketing area.

According to Peter and Olson (2005), the American Marketing Association defines consumer behavior as “the dynamic interaction of special effects and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives.” It is still changing process including so many individual feelings and thinking actions (Peter & Olson, 2005). Solomon (2015) concluded that customer behavior is just about individual perceptions and further reactions on a product. It highlights, that sometimes emotions and feelings have even a larger impact on purchase decision even than products attributes (Hawkins & Mothersbaugh, 2010).

There are various definitions and approaches, how describe the customer behavior. Nonetheless, whether it is a scientific discipline or dynamic process, each customer is unique and has different requirements. Therefore, it is really hard distinguish, how each of them will be react on various aspects (Peter & Olson, 2005). Therefore, understanding of con-

sumer behavior is crucial for other development in field of marketing and business because knowledge about this play a significant role in influencing customer's purchase decisions. Notably important understands that customers do not buy a product, but their problem solutions (Hawkins & Mothersbaugh, 2010; Tracy, 2014). In general, people make purchases mainly for satisfy their own needs (Tracy, 2014).

Nonetheless, one of the indicators of the strength of a brand in the hearts and minds of customers, brand preference represents which brands are preferred under assumptions of equality in price and availability. Measures of brand preference attempt to quantify the impact of marketing activities in the hearts and minds of customers and potential customers.

### **1.2.2 FACTORS INFLUENCING CONSUMER BEHAVIOR**

Customer behavior is influenced by many factors. The most important are cultural, social, personal and psychological factors (Peter & Olson, 2005). The main focus of this study is to examine, which factors have the biggest impact on customer's perception of locally branded herbal products and subsequent purchase behavior in relation to the product brand strategies.

Individual customers are every day influenced by many factors based on variety of internal and external influences. This self-concept produces their further desires and needs, which they try to satisfy through buying process (Hawkins & Mothersbaugh, 2010). In many firm's marketers study what, when, where and how many products consumers buy, but no one is sure about the question why. Because, usually even "consumers themselves do not know what exactly influences their purchases" (Kotler & Artrong, 2014, p. 158). For this reason, it is necessary to mention both external and internal factors for better understanding, and to know the major influence on their product perception during purchase.

### **1.2.3 OVERALL MODEL OF CONSUMER BEHAVIOUR**

The economic model of consumer behavior focuses on the idea that a consumer's buying pattern is based on the idea of getting the most benefits while minimizing costs. Thus, one can predict consumer behavior based on economic indicators such as the consumer's purchasing power and the price of competitive products. The model below shows the intrinsic

and extrinsic element that drive consumer’s behavior toward purchases of goods and services.

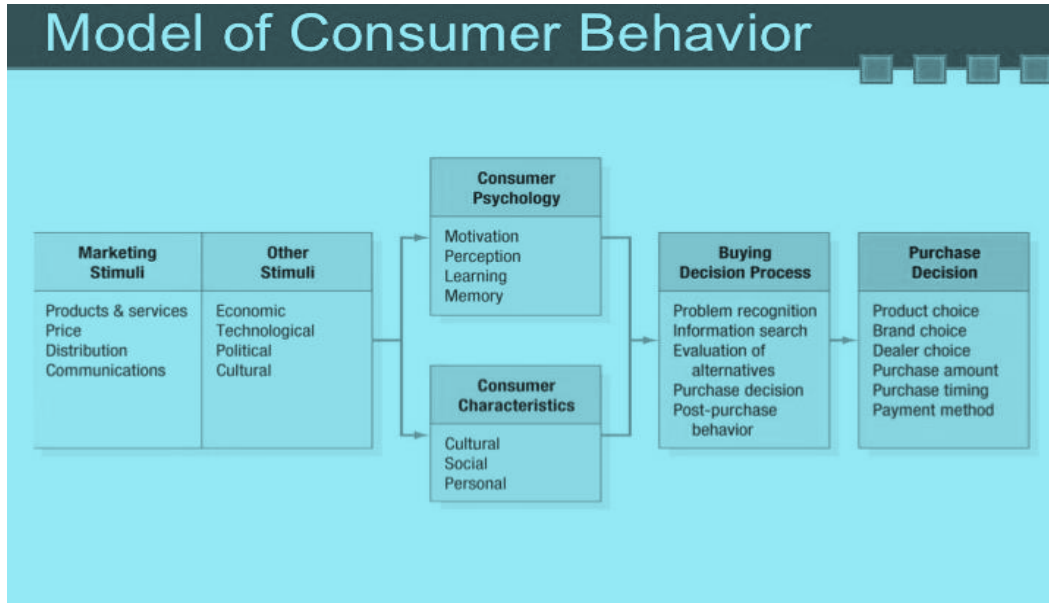


Figure 2: Model of Consumer Behavior.  
 Source: Punj & Staelin, (1983)

The factors illustrated in Figure 2 above cause consumers to develop a product and a brand preference. Although many of these factors cannot be directly controlled by marketer, understanding of their impact is essential as marketing mix strategies can be developed to appeal to the preference of the target market.

### 1.3 EXTERNAL INFLUENCES ON CONSUMER BEHAVIOR

This section comprises various external factors which influence consumer behavior. It comprises mainly cultural, subcultural, demographic, social and important groups such as family or friends (Hawkins & Mothersbaugh, 2010).

#### 1.3.1 CULTURAL FACTORS

According to Hawkins and Mothersbaugh (2010) is culture considered like the most pervasive factor influencing customer behavior. Especially difference in languages, de-



mographics, values and nonverbal communication influence how buyers perceive various products. The society, where customer grew up influences his whole life and perception, needs or values (Jobber, 2010; Kotler & Artrong, 2014; Solomon, 2006).

### **1.3.2 SUBCULTURAL FACTORS**

In general, each culture consists from smaller parts namely subcultures. It is describing like a group of people with common interests and values. For example, it can be a group of people divided according to the age, gender, nationality, religions or interests. Predominantly on such group marketers put emphasis in their marketing campaigns (Hawkins & Mothersbaugh, 2010; Kotler & Artrong, 2014). For example, in case of green products it will be a target audience mainly family with children, because parents want for them the best. It means the health green products.

### **1.3.3 DEMOGRAPHIC AND SOCIAL FACTORS**

Demographics “describe a population in terms of its size, distribution, and structure” (Hawkins & Mothersbaugh, 2010). It measures aspects of the population such as age, gender, or year of birth. For example, from social class factors especially occupation and education have influence on purchase of product. In addition, social factors comprise small groups such as family (Jobber, 2010; Kotler & Artrong, 2014; Solomon, 2006). It is all about influencing buyers by reference groups.

### **1.3.4 REFERENCE GROUPS:**

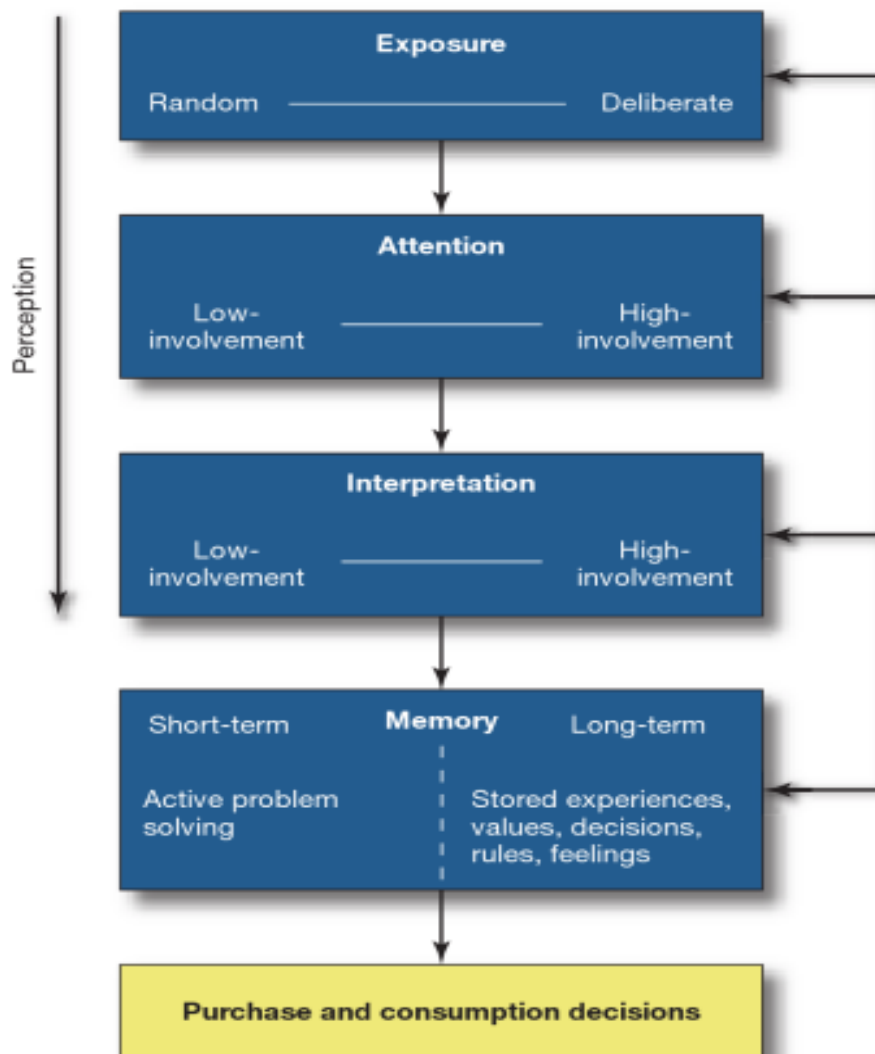
There are many types of reference groups. It is a group of people with similar interests and values for example family. The customer behavior refers to expectation of certain group. Of course, that everybody has different attitude for example to friends at party or to family members at birthday celebration (Hawkins & Mothersbaugh, 2010; Jobber, 2010). Decision making by a group is more complicated than by individuals. Above all, that in these days is not clear who is a main initiator of purchase in the family either Parents or children (Hawkins & Mothersbaugh, 2010).

## 1.4 INTERNAL INFLUENCES ON CONSUMER BEHAVIOUR

Contrary to the external factors, the internal comprises those factors which influence customer internally and affects his personal thought processes (Hawkins & Mothersbaugh, 2010). This normally involves elements such as motivation, learning, belief, attitudes and perception are influencing the buying behavior.

### 1.4.1 PERCEPTION

Although, many academicians have given various meaning regarding the term 'perception'. However, perception, according to Hawkins & Mothersbaugh (2010), is a process that begins with consumer exposure and attention to marketing stimuli and ends with consumer interpretation. The perception process of individuals is always quite different, because of highly subjective nature. With this, people perceive information through five senses; sight, hearing, smell, touch, and taste (Kotler & Artrong, 2014). These depend on them alone in terms of how each external stimulus influencing them and these can be depicted in diagram below.



*Figure 3: Information Processing for Consumer Decision Making*

*(Source: Hawkins & Mothersbaugh, 2010, p. 278)*

The exposure comprises stimuli which are placed in a customer personal environment, but has been noticed. Therefore, everyday people are affected by various incentives. It is really difficult to pay careful attention to each of them. It is a type of selective process by individuals. Furthermore, it is more likely that people will pay attention to this stimulus factor, which is in accordance with their own goals. And the last interpretation of the above diagram is an individual way, how customer understands the incoming information through various stimuli. It can be influenced by experiences and expectation of each individually (Hawkins & Mothersbaugh, 2010). If marketers find out how customers perceive different

products, they can deliver the right product for the right target customer. This information can easily be translated into high profits in the future.

#### 1.4.2 LEARNING AND MEMORY

Consumer behavior is considered as academic based on previous experiences in culture, family, and group of friends or advertising (Hawkins & Mothersbaugh, 2010; Kotler & Artrong, 2014). And memory is closely connected with a critical way of learning. It consists of short and long-term memory (Hawkins & Mothersbaugh, 2010).

#### 1.4.3 MOTIVATION, PERSONALITY AND EMOTIONS

These three concepts are intimately linked in that; they are described in the same section (Jobber, 2010; Kotler & Artrong, 2014). Firstly, motivation expresses the reason why people react on some stimuli. The motive explains the reason of customer's behavior. Especially these needs have impact on their feelings and emotions with creation of personality. It has been noticed that consumer buy's a product as a result of individual satisfaction and problem solutions (Hawkins & Mothersbaugh, 2010). Therefore, these motives determine customer's choice criteria (Jobber, 2010).

Secondly, personality expresses based on individual's characteristics, such as the attitude of person in various situations. At the market, customers mostly choose products according to their personal attributes or they like the vision, which certain product represents (Hawkins & Mothersbaugh, 2010). When marketers find out certain personality profile, they can target their advertising mainly on such people and reach more increasing sales (Jobber, 2012).

Lastly, emotions are described as uncontrolled feelings, which also have influence on customer behavior. Indeed, it is known that, positive emotions from products and services have a resulted to a further purchase or recommendation to others. On the other hand, the negative emotions cause the exact opposite (Hawkins & Mothersbaugh, 2010).

As an individual characteristic, motivation portrays one's action or behavior. Tension crops up when there is a need for something important. However, motivation necessitates an individual by effectively pressing him or her to take action in order to reach the desired goal and decrease the tension. If the need is strong enough it drives the person towards the

realization of the need and becomes a motivation. In order to carry out consumer analysis or marketing strategies, psychologists have created several theories concerning motivation. Popular theories were made by; Sigmund Freud, Abraham Maslow, and Frederick Herzberg. (Kotler 2002, 93-94)

Maslow explains motivation as a hierarchic pyramid where consumers' needs are positioned from the most pressing to the least valuable. The main categories of the pyramid comprise of basic physiological and safety needs up, followed by the needs for socializing, esteem and self-actualization. Firstly, the basic needs are considered and satisfied before other needs are recognized. The theory therefore gives an understanding of consumer's desire, thought ideas and aims (Kotler 2002).

Herzberg's theory centered on identifying the elements, these are "satisfiers" and "dissatisfies" factors. These "satisfiers" entail a factor that cause satisfaction of purchase but does not signify the satisfaction of the product itself, while "dissatisfies" are the factors which create displeasure to the course of buying. According to the theory, customers are satisfied with the purchase when the "dissatisfies" are avoided. For example, a warranty giving on a product may serve "satisfier" which create good image of the organization but not directly to the impact of the product (Kotler, 2002).

#### **1.4.4 PSYCHOLOGICAL INFLUENCE**

In addition to cultural, personal and social influence discussed above, there is a psychological factor. The 'Black Box' Vs. Consumer Behavior on local Branded Product.

A buyer's 'Black Box' is a combination of internal factors, consisting of the stages through which an individual consider for a purchase decision and the various personal characteristics any individual will possess (Meldrum et al, 1995). This includes cultural influences; social context, such as social groups, or family values; psychological make-up; and personal circumstances. According the study of Meldrum et al, (1995), Personal circumstances will include socio-economic position, life-cycle stage, lifestyle, access to credit facilities and so on. Psychological profiles are more complicated and will involve factors such as an individual's motivation; perception; values and attitudes.

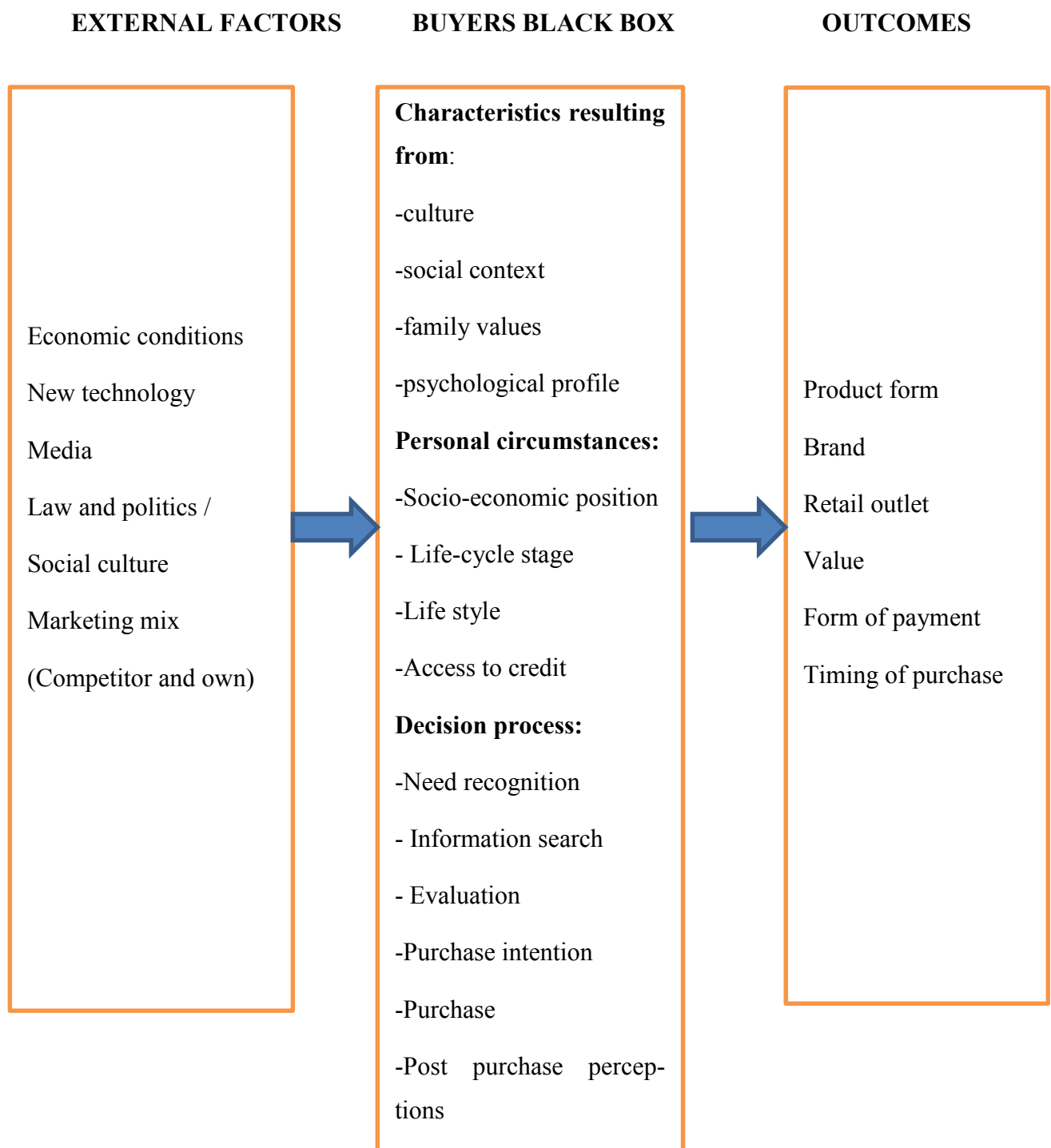


Fig. 4: Components of consumer's purchase decision.

Source: Meldrum et al, (1995), *Consumer Buying Behavior*. In: *Key Marketing Concepts*.

## 2 MARKETING MIX

The second concept under this study is the marketing mix. The implementation of marketing mix varies from industry to industry. The marketing mix is a foundation model in marketing. The marketing mix has been defined as the "set of marketing tools that the firm uses to pursue its marketing objectives in the target". Thus the marketing mix refers to four broad levels of marketing decision, namely: product, price, promotion, and place. Marketing practice has been occurring for millennia, but marketing theory emerged in the early twentieth century. The contemporary marketing mix, or the 4 Ps, which has become the dominant framework for marketing management decisions, was first published in 1960. In services marketing, an extended marketing mix is used, typically comprising 7 Ps, made up of the original 4 Ps extended by process, people, and physical evidence. Occasionally service marketers will refer to 8 Ps, comprising these 7 Ps plus performance.

Traditionally it comprises of four elements and these are product, price, promotion, and place (4Ps). As well as understanding a market in terms of trends, competitors, segments and so on, organizations supplying products or services also need to have an appreciation of the way customers behave when coming to a specific purchase decision.

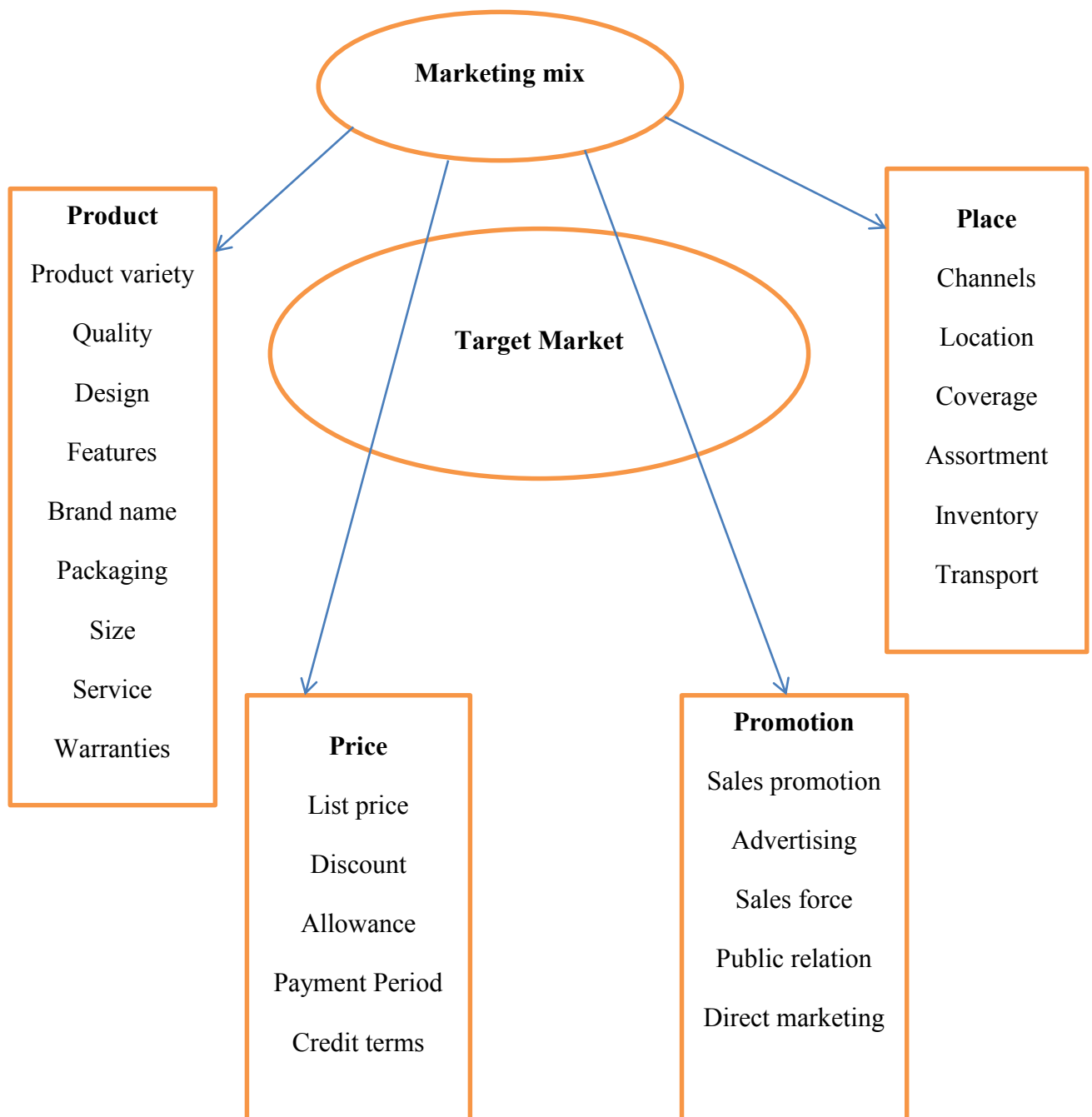


Figure 5: The contemporary marketing mix, or the 4 Ps

Sources: www.flickr.com

In addition, organizations need to understand how this behavior varies between different groups of customers in order to ascertain the ways in which markets can be segmented. Without this knowledge, suppliers will find it difficult to choose between the alternative elements of the marketing mix to construct a product offering which will find favor with those customers it has decided to target.

These elements are typically seen as encompassing the range of marketing variables, which are directly controlled by the organization. This can be seen in Figure 6.





*Fig. 6: The marketing mix; Source: (Kotler 1999, 96)*

Figure 2 represents the marketing mix which many years ago, it has been identified as a number of company activities which can influence the buyer (Kotler 1999). The framework based on the 4Ps calls upon marketers to decide on the product and its characteristics, set the price decide how to distribute their product and also choose method for promoting their product.

## **2.1 PRICING**

The survival of any business firm depends of its pricing strategy since pricing is highly important in the implementation of marketing tactics. It stands to reveal the profit that a firm can make from its activities. In keen competitive environment, pricing is used as a medium to obtain an upper hand over competitors. According to Bondari (2010), pricing provides the base for customers to search for their suitable products that are within a particular price category while ignoring those that are not part of it. However, Rowley (1997) explains pricing to be an approach to build a false impression of products of high quality. This does not help in the long term to retain customers and productivity by firms using this particular strategy.

A study by Cook and Mathur (2008) cited from Domie (2013) explained that consumers have become highly mobile and are searching for values in return of their money spent with additional advantages and benefits. In most cases, it is noted that if a customer does not appreciate a quoted price for a product, there will not be any purchase and this has a negative impact on the sales and the market share in the long term which makes an exposed firm to competition.

Again Lindsay and Evans (2011) also argue in same regard that in a competitive market, firms must seek to consider satisfying consumers' needs at lower prices and this help companies to obtain competitive edge.

## **2.2 PRODUCT**

Another element under the marketing mix is product, which should be the central focus of any industry. A product is defined as anything that can be offered to the market for acquisition, use or consume to satisfy a need or want (Ennew & Binks, 1999). Consumers may

purchase some products because of the impact made in the implementation of the marketing strategy. Product as a core element in every firm gets the attention of the customer, for instance the attractiveness of its product package. Marketers are now stressing on product quality. Different individual perceive quality with diverse meanings. The providers of information on quality consider it to be the beneficial assuming the result of its significance to the end user. Therefore, adjustment can be made by marketers on some of the product distinctiveness such as the packaging, quality and brand (Kotler 2002).

The packaging and the product itself are designed suitably to correspond with their target consumers (Smith & Taylor 2007, 542-545). Most of the locally made products have local names and packaged into smaller sachets and bottles.

### **2.3 PLACE**

McCarthy and Perrault (1993), explain place from the perspective of making the products available in the right quantity and location. Consumers are influenced through strategies adopted by marketers in many ways. The ability of consumers to buy a product depends on the convenience and the varieties of shops with products that exist. In most instances, there is less engagement in search for a product by a consumer when the intension is to get a cheaper product. This has given concern of the availability of product to be significant at that particular time of need (Appiah-Addu, 1999).

Again, exclusive stores selling the products may be considered to be of high quality by the consumer. In achieving brand equity, marketers turn to make distribution and sales through impressive and notable outlets.

### **2.4 PROMOTION**

Traditionally, the last element under the marketing mix is promotion. This is based on the effort regarding to selling and communication to customers about the product. Promotional tactics may include advertising, public relation, personal selling and among others. According to Ennew and Binks (1999), promotion as part of the marketing mix elements is an instrument which firms uses to communicate with their potential buyers and users.

A study conducted by Domie (2013) revealed that Advertising on the radio and on television are mainly the common means of promoting and creating awareness different products

in Africa. Also sponsorship of music events and sports are parts of increasing awareness to the customers.

Again consumer promotion is an assortment sales promo including giving out free samples, variety of price bundle on engaging contest. However, sales promotion aims at increasing the purchase of consumers of a particular product. In addition, various sales promotional tactics are focus on the gain a consumer will have and others are in a form of interacting and communicating (Kotler 2002).

## **2.5 ETHNOCENTRISM VRS LOCALLY BRANDED PRODUCT**

Generally, the understanding of ethnocentrism comes with the idea and belief that item or products from one's ethnic environment are better than others. Marketers therefore distinguish between consumer segments that are likely to be interested in locally made products and others which are not. Highly ethnocentric consumers tend to believe or think that buying foreign made products is inappropriate or wrong since it might have economic impact of the country. On the other side non ethnocentric consumers are likely to assess foreign – made products more objectively for their extrinsic characteristics (Schiffman & Kanuk 2007).

Alternatively, ethnocentrism constitutes an intense preference for products that are made within the home country. Due to this, consumers turn out to be ethnocentric as a moral fulfillment. Ethnocentrism is the tendency for consumers to exhibit a favorable predisposition towards locally made products *Vis a Vis* overseas made product (Sharma & Shimps, 1987). Ethnocentric consumers feel that it is inappropriate, immoral, unpatriotic and disloyal to a nation to purchase foreign –made products in place of domestic-made products. They exhibit a greater preference for locally made products in purchase decision in which a domestic alternative is available. A research by Brodowsky (1998) indicates that highly ethnocentric consumers are prone to biased judgment by being more of a mind to focus on positive side of local products and discount the virtues of foreign made products.

According to Netemeyer, et al (1991), people with similar ethnocentric behavior believe themselves to be more advanced. This makes them consider others that are not part of them and are less advanced people while accommodating those which are related. By purchasing foreign products was evaluated as improper due to the cost on domestic jobs and also being

unfavorable considering the economic situation locally. Engaging in the purchase of foreign made goods is equivalent to unpatriotic behavior. Vida & Dmitrovic (2001) are of the view that individuals with the same level of ethnocentrism gain the understanding of being part of an association which they are well recognized in. With regards to non-ethnocentric individual consumers, there is no consideration on the country the product is coming from but rather buying decision is based on individual preference and importance.

Furthermore, a study by Maheswaran (1994), posit that the way consumers judge products is influenced by the products' country of origin. In other words, the country of origin of products has a strong influence on ethnocentrism. Consumers' attitude to foreign products may be positive or negative depending on which country it is coming from. Consumers tend to have stereotypical ideas about products and people of other countries and real product evaluation are almost always influenced by country stereotyping (Bilkey & Nes, 1982).

A study made by Brodowsky (1998) on ethnocentrism on individuals who purchase car in America revealed that there is an attachment involving a country of favoritism and ethnocentrism in the assessment of cars. Consumers who are less ethnocentric assess cars based on the advantages of the car itself to a certain extent than the country of origin. Brodowsky (1998), therefore, was of the view that understanding consumer ethnocentrism is very critical to the understanding of country of origin effects.

## **2.6 LOCALLY BRANDED HERBAL PRODUCT: A COUNTRY PERSPECTIVE**

The term country of origin refers to the impact that product manufactured in some specific countries has on consumer purchasing behavior. Over the years, the phenomenon of country of origin (COO) has become known to both marketing academics and practitioners that consumers differentiate products from different origins, as this has effect on them (Roth & Romeo, 1992).

Among underdeveloped countries, the choice for domestic products is likely to be weaker due to competitive nature of foreign product (Cordell, 1992). In many instances, consumers from the communist countries and central Europe have preference for locally made products (Ettenson, 1993). In addition, it was found that price was comparatively not as

much of significance as country of origin among people from Russian, Hungary and Poland.

Several antecedents of country-of-origin image have been identified to explain the differences in country-of-origin evaluations and can be categorized as being either individual-based dimensions or country-based dimensions. Verlegh and Steenkamp (1999) tested two country-based antecedents, namely the country's level of economic development and its participation in multinational production arrangements. These studies have revealed only the differences in national economic development have an effect on subject's country-of-origin image and product evaluations. As for subject-based antecedents, "consumer ethnocentrism has being distinct by individualism/collectivism, power distance, country stereotyping and the degree of assimilation of host country stereotypes" which may help to explain differences in country-of-origin evaluations" (Bamfo 2012).

Again available research by (Ahmed et al., 2004; Badri, Davis, & Davis, 1995; Hamzaoui & Merunka, 2006) suggests that country of origin (COO) serves as a cue from which consumers make inferences about product and product attributes. The COO cue triggers a global evaluation of quality, performance, or specific product attributes. Consumers infer attributes to the product based on country stereotype and experiences with products from that country. Hence, a COO cue has become an important information cue for consumers who are exposed to far more internationalized product selection and multinational marketing than ever before. Thereby, the country of origin may even affect consumers' perceptions beyond their conscious control (Herz et al, 2013). Research into COO has focused on various issues linking COO with other marketing variables, including consumer nationalism, demographics, hybrid products, brand effects, product quality, price, and consumer perceptions, product features, advertising images, and country images, to measure consumer perceptions and purchasing behavior (Ahmed et al., 2004; Badri, Davis, & Davis, 1995; Hamzaoui & Merunka, 2006).

It has been empirically demonstrated that the COO effect has significant price-related consequences and brands with favorable COO associations are able to charge price premiums, over and above those attributed to observed product differentiation (Saridakis & Baltas, 2016).

Indeed, the country of origin effect is strongest on older consumers and those who don't know much about the product or product type, and weakest on consumers who are well-informed. Sensitivity to country of origin varies by product category (Schweiger, 2013). It is strongest for durable goods and luxury goods and weakest for "low involvement" product categories such as shampoo, candy, light bulbs, toilet paper and athletic shoes. When the countries of design, manufacture and the parent brand are different, research suggests all three matter to consumers, but the country of manufacture may matter most (Aiello et al, 2008).

Some research suggests that younger consumers care significantly less than older people about country of origin, but other studies resulted in different findings. The research on whether men or women care more about country of origin is also inconclusive (Olsson, 2012).

A U.S. study found American college students more willing to buy a "made in China" teddy bear when it was sold at an American store they believed was benevolent, competent and honest, suggesting that negative country of origin effects may be offset when consumers trust the store selling the product (Kabadayi & Lerman, 2011).

Several studies have also tried to determine how consumers process country-of origin information when considering a product. According to Ahmed, et al (2004), a consumer's country-of-origin evaluation is typically processed in one of two ways, as a 'halo effect' or as a 'summary construct'. A halo effect means that the consumer uses her existing feelings towards a country to create an overall image of products from that country. In contrast, the summary construct is developed when the consumer uses her familiarity and evaluation of products from a particular country to generate an overall country-of-origin evaluation. For example, the consumer's use of country-of-origin information depends on the degree of her familiarity with the product or product category. Consumers who are unfamiliar with the product may use country-of-origin information as a stereotype measure for other product attributes; therefore, a positive country-of-origin evaluation will lead to an overall positive evaluation of the product. Also for consumers familiar with the product category, country-of origin image serves as an empirical indication for those consumers wishing to process less information in order to make a purchase decision. For instance, consumers who consider themselves as knowledgeable in consumer electronics may have an empathy for Jap-

anese electronics in general, based on their positive experiences with specific Japanese electronic components in the past (Strutton and Pelton 1993).

Although country-of-origin image is commonly in reference to the location of production, the country associated with the product's origin may not necessarily be the place of manufacture or assembly of the product. Country of-origin stamps have been legally mandated in foreign trading, raising consumer awareness of the product's country-of-origin for the past two decades (Strutton and Pelton 1993). As outsourcing and cross-border manufacturing become more prevalent, hybrid and FDI-based product offerings are generating research interest.

Further studies have attempted to analyze the country-of-origin variable into separate distinct dimensions, such as country-of-manufacture, country-of-assembly, country-of-parts and country-of design, thus producing interesting results from this decomposition of the country of origin concept. For example, country-of-assembly, country-of-parts and country-of design have been demonstrated to have an effect on consumer perceptions of product quality. In terms of relative strength, country-of parts carries more weight than country-of-assembly or country-of-design in explaining consumer evaluations of the product (Bluemelhuber, Carter and Lambe 2007).

However, when country-of-origin information is not specified, consumers generally associate the country-of-origin with the country-of-manufacture for that brand or product (Simonin and Ruth 1998). The differences in consumers "process of country-of-origin information may vary according to when they typically adopt new products in relation to the diffusion of innovations". While innovators and early adopters of new technology tend to be interested in a product's country-of-manufacture, the majority and laggards (those consumers who adopt a product in the later stages of its product life cycle) are more likely to assess its country-of-brand-origin when evaluating the product.

Similarly, consumer's perceived country-of-origin is often incorrect and can differ from the actual country of production as a result of imperfect information and misconceptions within the marketplace. Several studies have confirmed that under non experimental conditions, the ability to accurately identify the country-of-origin of North American and Asian brands is universally low for consumers (Simonin and Ruth 1998).

More importantly, these authors found evidence that these consumers did not use country-of-origin information as often as other types of product information in making purchase decisions. Other informational cues, including product type, store prestige (product warranty and price have been found to influence country-of-origin evaluation or moderate the effect of country-of-origin image on overall product evaluations. Another survey by Ettenson, Wagner and Gaeth (1988) indicated that the cause of a possible decrease in the relevance of country-of-origin image as a determinant of product evaluation may be due to the dominance of global branding and cross-national business alliances that have emerged within the last two decades.

These international strategies make it even more difficult for consumers to determine which country is associated with the product or brand in question. Depending on the information that is available to the consumers, they seek a degree of fit or congruency among the images of these countries, the brands and/or the products to affect their attitudes toward this strategic alliance as well as each of the individual companies participating in the alliance (Simonin and Ruth 1998). Another reason for the lack of country-of-origin effects upon purchase decision may be due to the number of product cues available to the consumer. Studies have found that alternative cues, such as price and brand play a more crucial role in predicting customer acceptance of products, suggesting that country-of-origin is more salient to those consumers with less product information (Olsen, Biswas and Granzin 1993). Nevertheless, country-of-origin effects continue to be heavily investigated as an imperative concept in consumer behavior, particularly in ascertaining product judgments.

In view of this, the findings of previous research predicted that country-of-origin image has a positive relationship with the consumer's product evaluations. It generally serves as a product attribute cue that may assist the consumer in making judgments about the overall evaluation of product, inferred from product-country assessments as well as the image of the country itself. Consumers also rely on country-of-origin image when developing an attitude about the foreign product; however, it does not directly influence her willingness or decision to purchase the product (Bluemelhuber et al. 2007).

In Africa, precisely Ghana, various surveys have been carried out to examine the concept of country of origin and its impact in diverse field. For instance, a survey made by, Okechuku and Onyemaha (1999) in Nigeria revealed that imported products from advanced



countries which are hi-tech were considered to be much more positively by people of developing nations compared to those from less developed countries.

Again, Ferguson et al (2008) made research through five West African countries in the process to assess the impact of country of origin. It was unveiled that circumstances relating to personal distinctiveness such as the ability to process given information and the motivation may impact country of origin characteristics in examining a service.

## **2.7 THE ROLE OF SELLING AND SALES MANAGEMENT IN MARKETING**

### **2.7.1 INTRODUCTION TO THE ROLE OF SELLING**

In an era where advancing technology has dramatically increased the speed at which goods and services can be produced and distributed. This has facilitated the ease with which organizations can communicate, but yet, the level of human performance is the most variable factor in the efficient functioning of a firm with its customers (Donaldson (1998)). Sales operations represent this link, between a firm and its customers, at its most direct point of contact. Sales operations are where the action in business takes place and represent a vital revenue-generating function. Today, sales operations represent not only personal selling but also a range of customer contact positions including telephone sales, customer service or technical advisers as well as traditional salespeople. Donaldson (1998) further indicated that Internet and other forms of electronic communication will have a significant effect on the way sales operations are managed and this will represent one of the great challenges for the sales manager of tomorrow. Despite the crucial importance of sales operations to the firm, courses in business management and in marketing seem at best to marginalize the subject of sales, and at worst to ignore it altogether. By contrast, in practice it is quite different, with leading companies being fully aware that sales operations, linking the firm with its customers, is an area that needs to be carefully monitored and exceptionally well managed if the enterprise is to succeed.

Undoubtedly, the role of selling as part of the marketing mix is, by consensus, well understood (Donaldson (1998)). Most texts on salesmanship, personal selling and sales management begin by describing the salesperson's primary role as contributing to the achievement

of the sales, marketing and corporate goals set by the enterprise. The prevailing view of the differences between selling and marketing is that expressed so eloquently in 'Marketing myopia' (Levitt, 1960). The difference between marketing and selling is more than semantic. Selling focuses on the needs of the seller while marketing on the needs of the buyer. Selling is preoccupied with the seller's need to convert his product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering, and finally consuming it. Despite this may have reflected a need to differentiate between a sales orientation and a marketing orientation at that time, however, a negative effect of this pedagogical approach is that marketing scholars adopt an outdated view of the selling function and are perhaps led to consider marketing and selling as opposites rather than complementary (Donaldson (1998). Assuming that the reader of this book has formally studied a basic course in marketing or at least well understands the marketing concept, the differences between production and marketing orientation and between sales and marketing orientation should be well understood. The apparent contradiction between the need for, and importance of, personal selling and the claim that successful enterprises have moved from a sale to a marketing orientation now arises. The answer to this inconsistency is that selling has not been replaced by marketing but changed by it.

Meanwhile the publication by Levitt, (1960) of 'Marketing myopia', and by comparison with other marketing activities (for example, advertising, marketing research and product development), there has been a curious neglect of selling in both theoretical and empirical research and as part of the curriculum in marketing education. Students who mistakenly view marketing and selling as opposite rather than complementary also apply a sort of moral conceit. Marketing (giving the customers what they want) is seen as worthy, healthy, necessary, whereas selling (getting rid of something) is seen to be cynical, heartless and indiscriminate. This view of selling is typified by the one-off, high-pressure sales approach where one organization or individual is getting rid of something they have and do not want, such as a second-hand car, where techniques of so-called salesmanship are used to get buyers committed to purchase. These therefore suck up themselves on a personal level to induce people to buy. Selling is seen as being dishonest, using guile and rather hypocritical. Such stereotypic views from students often arise from one-off sales situations (life

assurance, double glazing salespeople and market traders are examples) where repeat purchase and continuity of business are less important, at least for the individual sale.

### 2.7.2 SALES MANAGEMENT IN MARKETING

Sales management is a business discipline which is focused on the practical application of sales techniques and the management of a firm's sales operations. It is an important business function as net sales of products and services drive most commercial business. These are also typically the goals and performance indicators of sales management (Weitz & Bradford, (1999). The activities of sales management and marketing mainly include; sales planning, recruitment of sales staff, and sales reporting. A sale planning involves strategy, setting profit-based sales targets, quotas, sales forecasting, demand management and the execution of a sales plan. A sales plan is a strategic document that outlines the business targets, resources and sales activities. It typically follows the lead of the marketing plan, strategic planning (Rosann, Gregory, & William, 2008) and the business plan with more specific detail on how the objectives can be achieved through the actual sale of products and services.

The three recruitment tasks used in sales management are Job analysis; Job description and Job qualifications (Rosann et al, 2008). Job analysis is performed to specify the certain tasks that a salesperson would be responsible for on a daily basis. It should identify what activities are deemed as being vital to the success of the company. The person who is responsible for completing a job analysis should have an in-depth comprehension of the daily activities of the consumers. This job analysis is then written in an explicit manner as a job description. The general information consists of;

1. Title of job
2. Organizational relationship
3. Types of products and services sold
4. Types of customers called on
5. Duties and responsibilities related to the job
6. Job demands.

Furthermore, an effective job description will identify compensation plans, size of workload, and the salespeople's duties. It is also primarily responsible for hiring tools such as application forms and psychological tests (Rosann et al, 2008).

Indeed, the most difficult part of this process usually has to do with the determination of job qualifications. A reason for this difficulty is because hiring affects a company's competitive advantage in the market as well as the amount of revenue. In spite of this, there should be a set of hiring attributes that is associated with each sales job that is within a company. Additionally, if an individual does not excel in their assigned territory, it could be due to external factors relating to that person's environment.

Nonetheless, the sales reporting includes the key performance indicators of the sales force. The Key Performance Indicators indicate whether or not the sales process is being operated effectively and achieves the results as set forth in sales planning. It should enable the sales managers to take timely corrective action deviate from projected values. It also allows senior management to evaluate the sales manager. More "results related" than "process related" are information regarding the sales funnel and the hit rate.

Sales reporting can provide metrics for sales management compensation. Rewarding the best managers without accurate and reliable sales reports is not objective. Also, sales reports are made for internal use for top management. If other divisions' compensation plan depends on final results, it is needed to present results of sales department's work to other departments.

Finally, sales reports are required for investors, partners and government, so the sales management system should have advanced reporting capabilities to satisfy the needs of different stakeholders.

## **II. ANALYSIS**

### 3 INTRODUCTION

#### 3.1 COMPANY PROFILE

This section of the thesis focuses on the analytical issues emanating from the view point of the company and its customers in general. In an attempt to re-engineer branding strategies for Konate Herbal, the researcher intends to analyze consumer as well as company sentiments towards consumer demands or expectation. The results of both company and customer towards selling and marketing are discussed in the subsequent chapter.

Konate Herbal Center was established in 2004 as a local natural herbal drug producing company at Sampa, Jaman North District, in the Brong Ahafo Region of Ghana. The company began with four brands – Konate manpower, Konate fever, Konate life, and Konate kokoo bitters (KHC Archives, 2017). Its target market was geared toward the inhabitants in the District. However, by the advent of media, specifically local radio stations, the company has been able to capture the attention of consumers of its product across the entire district and beyond. Despite the competition that exist in the locality; Konate Herbal still stands tall among its rivals due to the traditional marketing mix employed by the company. For example, products had been natural, affordable price, easier identification and location of the company, personal selling, public announcement and the use of the local radio station.



Figure 7: Displayed features of Konate Herbal Center

Source: Authors own survey

Today, Konate Herbal can boast of over fifteen different brands of its products; all the brands are used locally and could easily be traced at the geographical location of the company. Color labels are used for the products, while white background label is used for those administered and prescribed in the Center. The labels indicate manufacturing date, expiring date, batch number, dosage, caution, storage range and volume of content.

Although, facilities within the company include diagnostic laboratory, scanning machine, blood circulatory machine, an outpatient department, production and packaging unit. Konate Herbal has a workforce of thirteen (13) employees managing its various departments including, Administrative, Sales & Marketing, Medical, Production Units and others.

## **3.2 MARKET ANALYSES OF KONATE HERBAL**

Every company has the ultimate goal to survive in the business environment, likewise Konate Herbal Centre. Prior to achieving these set targets in the business front, companies usually analyze their market share. For the sake of restructuring selling and marketing strategies for Konate Herbal, the author considered the market share of the company by reviewing prospects and predicaments that might hinder the progress of the company, taking cognizance of SWOT and PESTLE situation of the company.

### **3.2.1 SWOT Analyses**

SWOT analysis (or SWOT matrix) is a strategic planning technique used to help a person or organization identify the Strengths, Weaknesses, Opportunities, and Threats related to business competition or project planning. It is intended to specify the objectives of the business venture or project and identify the internal and external factors that are favorable and unfavorable to achieving those objectives. Users of a SWOT analysis often ask and answer questions to generate meaningful information for each category to make the tool useful and identify their competitive advantage.

Strengths and Weakness are frequently internally-related, while Opportunities and Threats commonly focus on environmental placement.

Strengths: characteristics of the business or project that give it an advantage over others.

Weaknesses: characteristics of the business that place the business or project at a disadvantage relative to others

Opportunities: elements in the environment that the business or project could exploit to its advantage

Threats: elements in the environment that could cause trouble for the business or project

The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit. Identification of SWOTs is important because they can inform later steps in planning to achieve the objective. First, decision-makers should consider whether the objective is attainable, given the SWOTs. If the objective is not attainable, they must select a different objective and repeat the process.

Some authors credit SWOT to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies. However, Humphrey himself did not claim the creation of SWOT, and the origins remain obscure.

In recent times, the overall evaluation of a company’s strength, weakness as well as its opportunities with its treats is called SWOT analyses. In tandem with the attempt to re-structure selling and rebranding strategies for Konate Herbal, the author intends to analyze the aforementioned situation of the company. (See table 1)

**Table 1: Strength and weakness of Konate Herbal**

<b>Strength</b>	<b>Weakness</b>
1. Recognize as a local producer	1., Locally based products
2. Strong brand collection	2., Locally based consumers
3. A famous local company	3., Locally registered company (only Jaman North District)
4. Natural products	3., Limited customer connection
5. Strong relationship with users of its products.	4., Only one Centre or depot for the entire district
6. Products as complement and substitute	5., Lack of R&D unit for the company
7. Cheap inputs for production	6., Inefficient management of brand



Additionally, Konate Herbal is surrounded with some opportunities as well as its treats. These are tabulated below (see table 2).

**Table 2: Opportunities and Threats of Konate Herbal**

Opportunities	Threats
1. Increasing needs of health product	1., Government regulations
2. changing customer preference	2., Strong competitors (eg. Adom Herbal)
3. Rapid increase in population	3., Traditional advertisement
4. Low income consumers	4., Economic crises
5. Increasing demand of alternative medicine and supplements	5., influx of foreign substitute

**3.2.2 PESTLE Analyses**

In general, a business unit has to monitor key macro environmental forces (demographic-economic, technological, political-legal, and social-cultural) and significant microenvironment actors (customers, competitors, distributors, suppliers) that affect its ability to earn profits. By virtue of executing a brand strategy for Konate Herbal, the author will give a brief analysis regarding the aforementioned variables.

- *Political*

Politics of Ghana is established as a structure of a presidential representative democratic republic, initiating the President of Ghana as both head of state and head of government, and of a multi-party democratic system. The seat of government was originally located in the Castle but recently moved to Golden Jubilee House. Executive power is implemented by the government. Legislative power is vested in the hands of both government and Parliament. The Judiciary is independent of the executive and the legislature.

The 1992 constitution of the Republic of Ghana mandates a charter for republican democratic government which declares Ghana to be in a united front and sovereign nation. This intends to prevent future coups, dictatorships, one-party systems as earlier experience by the citizens, hence the ideology of power sharing.

Every year the government of Ghana makes it emphatically clear of its intension in its budget to attract foreign investors into the country. For an example, some policy initiative by the Government of Ghana (GOV) such as The PNDC Law 305B of 1993 – has empowered the Food and Drug Authority and Ministry of Health to identify and register all herbalists while a Traditional Alternative Medicine Directorate (TAMD) has been created by the Ministry of Health to train illiterate herbalists throughout the country to enable them operate in conformity with the law. This laudable initiative as contributed tremendously toward the economic activities in the herbal industry. It is indeed prudent for Konate Herbal to embark on their restructuring exercised so far as selling and marketing of commodities are concerned.

- *Economic*

Ghana has been classified as one of the flourishing West African countries by all standards and also seen as one of the fastest growing economies in recent times. In a recent study by Alex Court, CNN.COM, (2014), shows that Ghana is seen as number seven (7) of the prosperous countries in Africa as at 2015.

Prior to the above, the recent production of oil in Ghana has increased the hopes of economic analyst across the world to revise upwards the country's gross domestic product (GDP), urging hopes for greater propensity to curb abject poverty within the frontiers of Ghana. Additionally, estimates from the Bank's Global Economic Prospects (BGEP) place Ghana as the fastest growing economy in Sub-Saharan Africa for 2011, with a forecast GDP growth of 13.4 per cent.

Moreover, available information from Ghana statistical Service regarding its economy from 2012 to 2015 is summarized below according to the (**worldbank.org, 2015**).

Ghana advanced from 41st to 30th rank out of 179 countries and 3rd in African continent according to the 'Reporters Without Borders' 2013 Press Freedom Index report. Ghana also maintained its 2013 ranking of 7th out of 52 countries on the Mo Ibrahim Index, moving its score by 1.6 to 68.2 per cent. This performance replicates the optimistic effects of an improving atmosphere for democratic governance, coupled with a steady improvement in the effectiveness of public institutions and persistent economic growth, resulting in Ghana attaining a lower middle income status on July1, 2011.

On the contrary, the country's economy slowed down to 7.1% in 2013 and is expected to remain lower around 6.0 % for the full year 2014. In the season of macroeconomic challenges, economic growth slowed down in the first quarter in 2014 as the manufacturing sector contracted sharply. GDP growth rate in the first quarter was 6.7%. The slow pace of the economy was mainly determined by the 21.2% contraction in the manufacturing sector which upturned the growth in the whole industry sector and other sectors of the economy. Yet, growth in 2014 and beyond is expected to remain favorable at around 6%. Despite the disadvantage risks in the short-term, Ghana's growth predictions are confident in the long-term, at around 4-6% per capita.

With the above prospects and predicaments in the Ghanaian economy, industries can expand their strategies in many dimensions. Restructuring internet marketing strategies for Unilever Ghana giving the current economic conditions of Ghana will not be in vain, despite the unstable economic challenges the county is undergoing.

- *Social-Cultural*

Ghana's total population is currently approaching about 27million people as against 24.4million people in the (2010) population census. This reflects the fact that the population of Ghana is increasing at a faster pace at about 2.5% annual growth rates. The country is characterized with younger populations representing more than 60% of the entire population as at 2010 population headcount. This serves as an omen for future development in terms of production, technological innovations and among others (**Ghana Statistical service, 2015**)

Ghana is embedded with 10 Capital regions with 216 districts. The capital is Accra which is regarded as highly densely populated region, with the second highest capital been Kumasi in the Ashanti region, it is also seen as the most populous region in Ghana as a result of trading and business oriented focus.

Additionally, the survey carried out by the (Ghana statistical service, 2010), the following statistics were depicted, that is about 71.2 per cent of the population profess the Christian faith, followed by Islam (17.6%). Only a small proportion of the population either adhere to traditional religion (5.2%) or are not affiliated to any religion (5.3%). Apart from the Northern region where Islam is the main religion (60.0%), a larger number of the popula-

tion in the other nine regions is reported to be Christians. The region with the maximum amount of those who keep to the traditional religion is Upper East (27.9%), followed by Northern (16.0%) and Volta (14.1%). Brong Ahafo (7.3%) and Western (6.7%) regions have the greater proportions of population with no religion affiliation. By and large, more females (73.4%) than males (68.8%) were described as Christians. On the contrary, a touch of more males (18.3%) than females (17.0%) soar to the Islamic religion. Again, more males (6.7%) than females (3.9%) avowed to have no religion.

In the light of educational and literacy level, the survey revealed that majority (74.1%) of the population 11 years and older is literate. An increased proportion (67.1%) of the population can read and write in English.

As a result of a sizable number of population engaged in religious denominations coupled with educational level of the country, implementing brand strategies for Konate will be feasible for customers. Average number of Christians as well as Muslims holds a lot of festivities in their respective occasions, decreasing sales of business in Ghana in so many ways. The influx of branding strategies effectively will enhance customers purchase behavior.

Again, with Ghana holding majority of its population in the youthful age with more than half of the population been literate, it is believed that potential internet marketing strategies of Unilever will be successfully adhered to.

- *Technological*

In Ghana, technological indulgence is increasingly becoming the other of the day. Successive governments over the years have made technology their gateway for success; infrastructures governing the use of internet are developing very fast to attract foreign Direct Investments (FDI) in Ghana. According to the internet world statistics retrieved from (modernGhana.com, 2015) the world's total population as at 2011 was 6,930,055,154 and out of that number, 2,267,233,742, a penetration percentage of 32.7% made use of the internet from the entire world population, 1,037,524,058 was characterized by continent of Africa with 139,875,242, a penetration percentage of 13.5% of that number made use of the internet.

Ghana, as of 1999 had a total number of 18,599,549 and more than 20,000 people out of that number was internet users. This number continued to rise from 2,085,501 internet users out of a population of 24,791,073 in 2011 to 3,568,757 internet users within a population of 25,292,392 as at June 30 2012, and currently internet users in Ghana is approximately 5,171,993 out of the entire population. A report from (KPMG, 2012) indicated that Ghana is being recognized as an enable environment for Business Processing Outsourcing (BPO) and was positioned as the No. 1 endpoint in Sub-Saharan Africa ahead of Mauritius and Senegal, and Number 15 globally out of 50 countries by the 2009 by Kearney Global Services Location Index (GSLI).

In view of the technological innovations being embraced in Ghana, there is an advantage for Konate Herbal to also introduce internet marketing strategies to lure customers. The use of mobile phones to execute activities in business front is also an advantage for the customers as well as Konate Herbal since almost all internet connectivity's in Ghana has applications that will aid customers to adhere to new products been brought to the market.

- *Legal*

Republic of Ghana has a constitutional elected government with different ideas to operate in governance. Ghana operates a unitary republic based on a constitution which was approved by referendum in 1992. Ghana's president is assumed to power on the bases of majority of the people through a vote cast at the election year; however, members of Ghana's parliament, alternatively, are at liberty to go for office without any term limits. In as much as Ghana follows the English common law systems, the 1992 constitution sets out the fundamental legal framework for all businesses. The constitution of Ghana mandates a self-regulating judiciary, self-governing legislature and an executive headquarters of government.

In Ghana, the legal framework legal provides for the following business forms and vehicles: Unincorporated businesses/sole proprietorships; incorporated partnerships; State-owned limited liability companies; Company limited by shares; unlimited companies (Members of the business are not limited on the liability pertaining to the business. The few unlimited companies that exist are mostly law firms and other professional organizations that may be prevented from operating as limited liability companies by professional rules and Multinational companies that are incorporated bodies planned outside Ghana and

seeks to operate in Ghana register as external companies if they establish a place of business in Ghana. Additionally, Ghanaian law provides for the establishment of companies limited by guarantee that is the liability of shareholders in case of debts of the company, this is limited to amounts that they respectively undertake or guarantee to contribute to the assets of the company in the case of insolvency. Such companies limited by guarantee can be merged solely for non-profit activities.

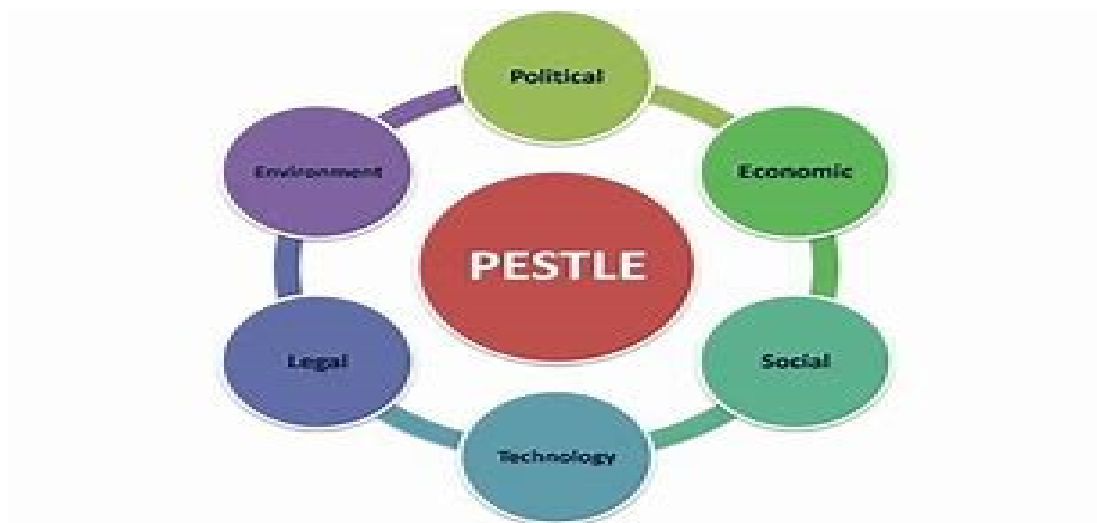
In view of proper legal systems concerning the operations of business in Ghana been, Konate Herbal Center stands the chance to restructure its marketing and selling strategies to meet the needs of its customers in this technological era.

#### *Ecological/Environment*

Ghana's environment is beneficial for any business of its kind; however, it is suitable mostly for agricultural, farming, tourism etc., because of the climatic conditions of the country. The country experiences rainy seasons and dry seasons in a year. This weather influences a bumper harvest for agriculturist during the farming seasons.

Nonetheless, the green nature of the environment makes it more accessible for medicinal plant across the entire country. This natural resource presence paves way for traditional herbal practitioners to take a due advantage to harness their potentials. The green nature of Ghanaian economy does not only support growth in the agricultural sector, but also enhances the herbal industry at large.

To summarize, PESTLE sometimes referred to as PEST analysis ("Political, Economic, Social and Technological") describes a framework of macro-environmental factors used in the environmental scanning component of strategic management. Below is the image of PESTLE analysis.



*Fig. 8: Pestle Analysis Chat*

*Source: [undergroundwaterproject.blogspot.com](http://undergroundwaterproject.blogspot.com)*

In view of this, an environmental condition in the country provides inputs to most beneficiaries such as tourists, farmers, and herbalist among others which creates a competition among users and beneficiaries of green plants. Therefore, the tendency to which these climatic conditions affects the progress of Konate Herbal should will necessitate the rebranding and selling strategies of Konate herbal products.

### **3.3 COMPETITORS OF KONATE HERBAL**

Konate Herbal is a small local firm in Jaman North District in the Brong Ahafo region of Ghana which deals with a variety of traditional medicinal herbal products in the herbal market. A wide variety of products sold by this company are mainly for consumption but also used in other spheres of life. The succeeding chapter of the research will elaborate on some of the competitors of Konate Herbal in the spheres of herbal marketing.



*Figure 9: Displayed features of Konate Herbal Center*

*Source: Authors own survey.*

### **3.4 MAJOR COMPETITORS OF KONATE HEBAL**

#### **3.4.1 TOP HERBAL CLINIC**

Top herbal Clinic (Pharmacy) was established in 1982 as a local natural herbal drug producing company at Agbogba, a suburb of Accra, in the Greater Accra Region of Ghana. The company began with two brands – Top Tonic and Top fever (Aziato & Odai, 2017). Today, Top Herbal can boast of over hundred different brands of its products; eleven of which are in the open market and the rest being used in the company’s clinic. Color labels are used for the products on the label while white background label is used for those administered and prescribed in the clinic. The labels indicate manufacturing date, expiring date, batch number, dosage, caution, storage range and volume of content.

Facilities within the company include diagnostic laboratory, scanning machine, blood circulatory machine, an outpatient department, midwifery, production and packaging unit.

Top Herbal has a workforce of eighty (120) employees managing its various departments – Management, Administrative, Marketing, Accounting, Medical, Sales, Production Units,



Clinic and others across the entire branches in Ghana. The Top Herbal Clinic headquartered at Agbogba a suburb of Accra produces a variety of Herbal Medicinal Products and has a large number of patrons that cuts across the various economic class levels in Ghana.

### **3.4.2 FRALENA HERBAL PRODUCT LIMITED**

In Kumasi, a company that is helping to promote the health of the people through herbal products is Fralena Herbal Products Limited. The health of the people determines a nation's development, and as such, apart from orthodox medicine, the government is endeavoring to integrate traditional or herbal medicine into the health system (CEO Fralena)

Just like many other renowned enterprises that are contributing immensely to the development of the economy. Fralena started from scratch. The company started its operations from a kitchen in 1992 but today, it is one enterprise in Kumasi whose business is a major partner in Ghana's quest to make herbal medical practice a major contributor to the country's health delivery. Currently, Fralena has over 60 ranges of herbal products (CEO of Fralena)

Internationally, the company collaborates with the India Bacfo Pharmaceuticals and the O-Nice Company, a herbal cosmetics company in Thailand, for the production of its products.

According Boadu 2008,(CEO of Fralena),Ghana is blessed, because available research has revealed that 70 percent of world medicinal plants can be found in this country of ours, so the herbal industry is one that can help this country grow if we give it the necessary attention". One interesting thing is that Fralena products are well packaged and meet the requirements set by the Ministry of Health and the Food and Drugs Board (FDB), hence they are sold in drug stores in the country.

Fralena Herbal Products Limited has offices in almost all the regions of the country. The current staff strength of the company is about sixty-five. The company has set up a herbarium to provide raw materials for the production of herbal products.

### 3.4.3 ADUTWUMWAA HERBAL INDUSTRIES LTD.

Adutwumwaa Herbal Industries Ltd is Africa's leading name in herbal drug manufacturing and herbal healthcare delivery headquartered in second largest city in Ghana, which is Kumasi. For over 30 years of being in the herbal drug manufacturing industry, Adutwumwaa Herbal Industries Ltd has committed to providing humanity with innovative, high-quality herbal drugs to meet the demand of its ever-growing consumers, across Africa and globally. Improving upon the traditional methods of producing herbal drugs, the company has resorted to research and more scientific and technological means of "safely bringing out the best from the herb" (company's *website*).

Adutwumwaa Herbal Industries Ltd is a member of the West Africa Health Organization (WAHO), Association of Ghana Industries (AGI), Ghana Federation of Traditional Medicine Practitioners (GAFTRAM), Ghana National Association of Traditional Healers (GNATH), Ghana Chamber of Commerce and Industry, and Empretec Ghana foundation. Adutwumwaa herbal products are sold throughout Ghana, Nigeria, USA, UK, Italy and other European countries, South Africa, Gabon, Togo, Burkina Faso, Ivory Coast, and worldwide (*company's website*).

## 3.5 Deficits Regarding Branding and Selling Strategies Given Space for Research

Deficits of selling strategies and branding of Konate Herbal are surrounded in the hands of both the company and the customers in question. This makes it worth noting to restructure the strategies to meet the attention of both, in spite of the already existing ones enumerated above. Some of the lapses of existing branding and selling are entrenched in the following ways:

*Lack of education on the parts of customers:* There are no marketing researchers that delve into the section of population that can be focused on the use of branding and selling strategies. Most often than not, customers' needs to be educated on the zeal of a company to embark on a project for the benefit of the intended audience. A chunk of the local people is still finding it difficult to understand the usefulness of medicinal herbal product made lo-

cally. In this way, the company should have addressed such audience on the need to acknowledge locally branded medicinal herbal product. Additionally, Konate Herbal as a micro-enterprise, do not have a reliable digital platform like website, hence difficult in creating awareness to the larger population.

*Problem of building relationships with customers:* Customer relationships are built through exchange of emails and other social media response by companies. Konate Herbal has only email and Facebook platform, but the question is how often they send their clients messages and well wishes in this world of technological dispensation. This and all other deficiencies are incorporated in the tendency to reengineer branding and selling strategies for Konate Herbal.

*Problem of National recognition:* Konate herbal products are only known and recognize by the customers found within the geographical context of its operation. The lack of national recognition unlike its competitor “Aduwumwaa Herbal Industry” has constrained the selling activities of the company, thereby limiting the market share entirely. This loophole has necessitated the need to restructure the brand of Konate Herbal for a National recognition and beyond.

## 4 CUSTOMER ANALYSIS

The aim of this chapter is to present a general overview of methodological approach and design employed to investigate customer's perception towards locally branded medicinal herbal product purchases, expectations of customers' brand preference of Konate Herbal, as well as inquiring about the marketing and selling strategies employed by Konate Herbal. In this chapter, the methodology applied in evaluating customers' perception and expectations consists of probing questions for the current marketing and selling strategies of Konate Herbal. The topical areas discussed in this chapter include:

- I. Method of data collection
- II. Population
- III. Sampling and sample size
- IV. Reliability and validity

### 4.1 Method of data collection

This research will use both primary and secondary data collection methods. The primary sources will include in-depth interviews of marketing management of Konate Herbal. Secondly, questionnaires will be used to ascertain customer perception and attitude towards buying locally branded herbal product. This can be done accurately giving the purpose of which the research is geared towards. Therefore, it is prudent to know where to get data, as well as to find most suitable data for the intended research purposes (Mason, 2002). Questionnaire had been used because it is a well-established tool within social science research that aids in acquiring information on participant's social characteristics, present and past behavior, standards of behavior or attitudes and beliefs and also reasons for action with respect to the topic under investigation (Bulmer, 2004).

In order to ascertain the magnitude of consumer's perception and attitude towards purchases of locally branded medicinal herbal product of Konate Herbal as previously stated, questionnaires were used to execute that task. The questionnaires were mainly focused on the availability of selling and branding strategies of the company pursued to influence consumer buying behavior. The link of the survey was also sent to customers of Konate Herbal in Ghana on their Facebook pages, while others were distributed to its customers in Gha-

na. The link to the survey was also emailed to some respondents for the same purpose. The data collection took a period of between; January 2018 to February 2018.

In details, the questionnaire for the research was designed with two sections using close-ended questions for consumers and open-ended questions for the management of Konate Herbal. The beginning of the questions was centered on the demographical aspects of respondents, Age, gender, marital status, education and employment level and the second part focused on consumer perceptions of locally branded herbal product or the perceived attitude toward buying behavior of customers. Some of the questions were geared towards usefulness of herbal product, factors influencing consumer choice of medicinal herbal product, consumer perception and attitude towards locally branded herbal product.

The survey questionnaire is attached in **APPENDIX A**.

## **4.2 Population**

A population sample consists of participants or objects that are applicable for the study (Wilcox, 2009). In this study the author considered the entire population of Jaman North District since all members within the population in one way or the other use Konate Herbal products. (Add small later)

## **4.3 SAMPLING AND SAMPLE SIZE**

Sampling is the process of selecting units (e.g., people, organizations) from a population of interest so that by reviewing the sample we may fairly generalize our results back to the population from which they were chosen. According to Frankfort et al, 2007, simple random sampling technique is the easiest form of sampling procedure to explain to others and it gives a clear indication to audience regarding how data was gathered. In this study, the researcher used probability sampling with simple random sample technique and nonprobability sampling. This means that each member of the population has equal chance to be selected for the research regarding the use of probability sampling technique. The size of the population was about 80,000 but 203 out of the population responded to the questionnaire.

The probability sampling technique was used to solicit responses from customers of Konate Herbal products regarding customers' behavior and their biodata. While purposive

sampling technique under nonprobability was used to explore data from the management of Konate Herbal such as selling and branding strategies, and marketing mix employed the company.

#### **4.4 RELIABILITY AND VALIDITY**

Reliability refers to the trustworthiness of data and the analysis of the data. It focuses on testing accuracy of the research, and whether the research is using the right method to the procedure of data (Mason, 2002). The choice of interview comes from the fact that researchers need to understand respondents' behavior on the current selling and branding strategies of Konate Herbal, in order to have in-depth knowledge of current selling strategies for Konate Herbal, interview questions are carefully designed for the marketing team of the company.

Validity, on the other hand, refers to the degree or the magnitude in which a particular research is purposefully or actually intended to be measured for (Saunders et al, 2003). The choice of interview comes from the fact that researchers need to understand respondents' specific manner on the selling and marketing strategies of Konate Herbal, in order to have in-depth knowledge of current e-marketing strategies for Konate Herbal, interview questions are carefully designed for the marketing team of the company

Validity is to measure if researchers manage to find relevant data to answer the research questions, support the study purpose. To ensure the validity of the empirical data, the author used annual reports as well as press release of Konate Herbal. Again, in order to find the proper data to answer research questions about the current selling and branding strategies of Konate Herbal, the interview themes and questions were designed based on the research questions.

## 5 ANALYZING DATA AND RESULTS

### 5.1 Introduction

The researcher designed a questionnaire to collect data that was necessary to evaluate customer's perception towards locally branded medicinal herbal product, in the nutshell, consumer's perception of locally manufactured medicinal herbal product of Konate Herbal in Ghana.

The data was analyzed in connection with the purpose and objectives of the research. Descriptive statistics and hypothesis testing using the chi-square test were employed in the study. A **chi-squared test**, also written as  $\chi^2$  test, is any statistical hypothesis test where the sampling distribution of the test statistic is a chi-squared distribution when the null hypothesis is true. Without other qualification, 'chi-squared test' often is used as short for *Pearson's* chi-squared test. The chi-squared test is used to determine whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories.

The SPSS statistical software tool was also used in the data analysis. It was set that if the P-value is less than the test statistic, the hypothesis is accepted however if P-value is more than the test statistic, then there is no correlation between the variables.

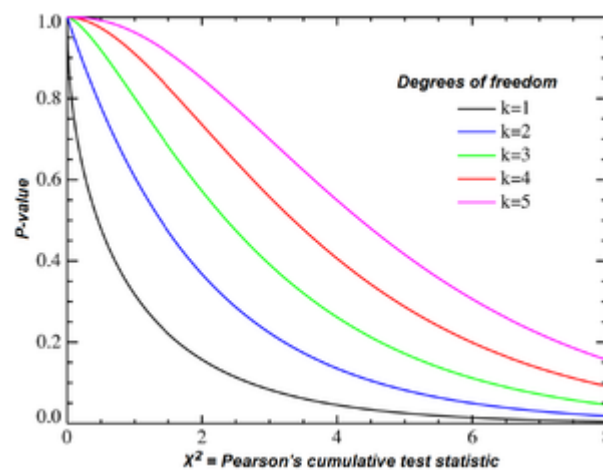


Fig. 8: Chi-squared distribution, showing  $\chi^2$  on the x-axis and p-value on the y-axis.

Source: [https://en.wikipedia.org/wiki/Chi-squared\\_test](https://en.wikipedia.org/wiki/Chi-squared_test)

There are basically two types of random variables and they yield two types of data: numerical and categorical. A chi-square ( $\chi^2$ ) statistic is used to investigate whether distributions of categorical variables differ from one another. Basically categorical variable yield data in the categories and numerical variables yield data in numerical form. Responses to such questions as "What is your major?" or "Do you own a car?" are categorical because they yield data such as "biology" or "no." In contrast, responses to such questions as "How tall are you?" or "What is your G.P.A.?" are numerical. Numerical data can be either discrete or continuous. The table below may help you see the differences between these two variables.

**Table 3: Differences between two variables (Categorical and Numerical values)**

Data Type	Question Type	Possible Responses
Categorical	What is your sex?	male or female
Numerical	Discrete- How many cars do you own?	two or three
Numerical	Continuous - How tall are you?	72 inches

Sources: Created by the Author

$$\chi^2 = \sum \frac{(\text{observed} - \text{expected})^2}{\text{expected}}$$

The formula is given as;

From the above expression, the researcher would like to establish the relationships and dependence of locally branded medicinal herbal product and the behavior of customers; the following hypotheses were set;

*H1.* The use of locally branded herbal product has a relationship with gender, age, and educational level.

*H2.* The most influential factor in considering availabilities of medicinal herbal products has significant relationship with customer’s educational level.

*H3:* the most influential reason for using medicinal herbal product as an alternative purpose.

*H4.* Customer’s choice of medicinal herbal product is connected to the price and availability of the product.



*H5*: Customer's choice of herbal medicine is based on the notion of country-of-origin.

## 5.2 STATISTICAL ANALYSIS FROM CONSUMERS OF KONATE HERBAL

Consumers' attitude towards purchasing of products is of significant importance to marketers (Schiffman & Kanuk 2007). Attitude in this situation refers to whether consumers deliberately move from buying local products to imported products. High ethnocentric consumers look for the country of origin and make purchase decision in favor of those products made in their own country (Maheswaran 1994). Less ethnocentric consumers do not concern themselves with product origin but purchase decisions are objectively made; more often in favor of foreign products (Shimps & Sharma 1987).

**Table 4: Sample Surveyed Data**

		1. Gender	2. Age	3. Occupational status
N	Valid	207	207	207
	Missing	0	0	0

*Sources: created by Author*

The table above shows the total number of consumers sampled for the study.

**Table 5: Sample distribution table of customers of Konate Herbal**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	94	45.4	45.4	45.4
	Male	104	50.2	50.2	95.7
	Maybe	9	4.3	4.3	100.0
	Total	207	100.0	100.0	

*Source: Created by Author*

The above table depicts that, out of the total sample size from the customers of Konate Herbal, responses from males among consumers representing 50.2 percent were seen a little higher above females as 45.4 percent. While only nine persons decided not to disclose their gender during data collection. In the other words, men prefer the consumption of locally branded herbal product to women.

**Table: Age Distribution of Consumers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20 years and below	16	7.7	7.7	7.7
Between 21 to 30	78	37.7	37.7	45.4
Between 31 to 40	47	22.7	22.7	68.1
Between 41 to 50	39	18.8	18.8	87.0
51 years and above	27	13.0	13.0	100.0
Total	207	100.0	100.0	

*Source: Created by Author*

The data analysis further revealed that 37.7 percent of respondents fall between the ages of 21 to 30 years, 22.7 percent between the ages of 31 to 40 years, 18.8 percent between 41 to 50 years, 13.0 percent and the least percent was also obtained from those respondents of 20 years and below. In view of this, consumers of local medicinal herbal product are mainly adult, thus above 20 years of age.

**Table 7: Occupational Status of Customers of Konate Herbal**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	55	26.6	26.6	26.6
Formal Sector	75	36.2	36.2	62.8
Informal Sector	46	22.2	22.2	85.0
others	30	14.5	14.5	99.5
15.0	1	.5	.5	100.0
Total	207	100.0	100.0	

*Source: Created by Author*

The study also considered the occupational status of consumers of locally branded herbal product. It was revealed that people who worked in the formal sector are the major consumers of locally branded herbal product of Konate Herbal, constituting 36.2 percent. The others include informal sector 22.2 percent, students 26.6 percent, and 14.5 percent showing respondents who work in other areas aside from the above.

**5.2.1 CROSSTABULATION OF INDEPENDENTS VARIABLES AGAINST DEPENDENT VARIABLE (MEDICINAL HERBAL PRODUCT)**

*Table 8: Case Processing summary from SPSS*

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
1. Gender * 4. Do you like medicinal herbal product?	207	100.0%	0	0.0%	207	100.0%

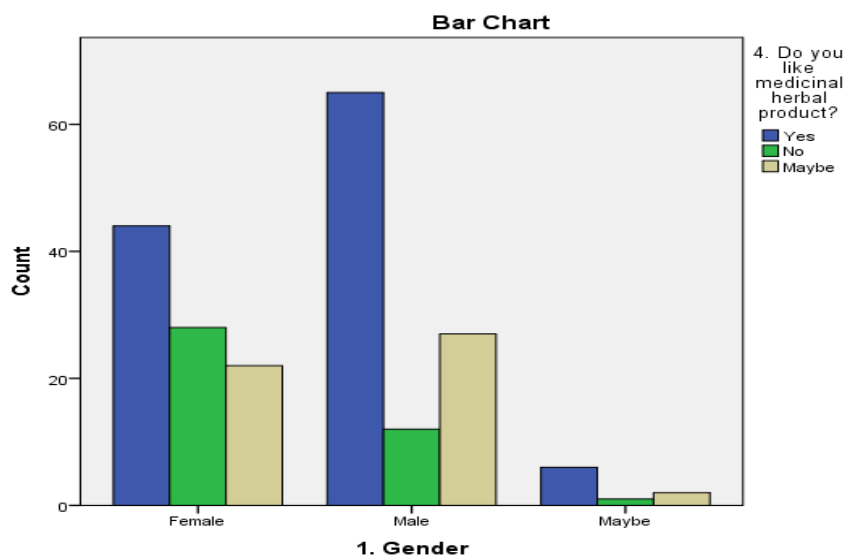
Source: Created by Author

**5.2.2 Relationship between Gender and The use of Medicinal Herbal**

*Table 9: Relationship between Gender Vrs Like of medicinal herbal*

		Like/ use of medicinal herbal product			Total
		Yes	No	Maybe	
1. Gender	Female	44	28	22	94
	Male	65	12	27	104
	Maybe	6	1	2	9
Total		115	41	51	207

Sources: Created by Author



*Figure 10: Relationship between Gender Vrs Like of medicinal herbal*

Source: Created by Author

The bar chart above depicts the distribution of gender against the use of herbal product locally. It revealed that men prefer using locally branded medicinal herbal products as compare to their women counterpart as well as the age disparities among the consumers of Konate Herbal.

### 5.3 DESCRIPTIVE STATISTICS FROM THE SURVEY

#### 5.3.1 Descriptive Statistics- Mean and Std. Deviation

	N	Mini- mum	Maxi- mum	Mean	Std. Devia- tion
Educational level	207	.0	3.0	1.966	.8997
Like/Use of medicinal herbal product	207	.0	2.0	.691	.8425
Valid N (listwise)	207				

*Table 10: Mean and Std. Deviation on Educational level of Customers of Konate herbal*

*Source: Created by Author*

The above frequency table also shows the mean and the standard deviation of the educational level among the customers of Konate Herbal. The interpretation of the mean indicates that average number of educational level among is 2.0 and the standard deviation is approximately 1.0 which further explains that there is a significant relationship between the levels of education. The pictorial representation is given below:

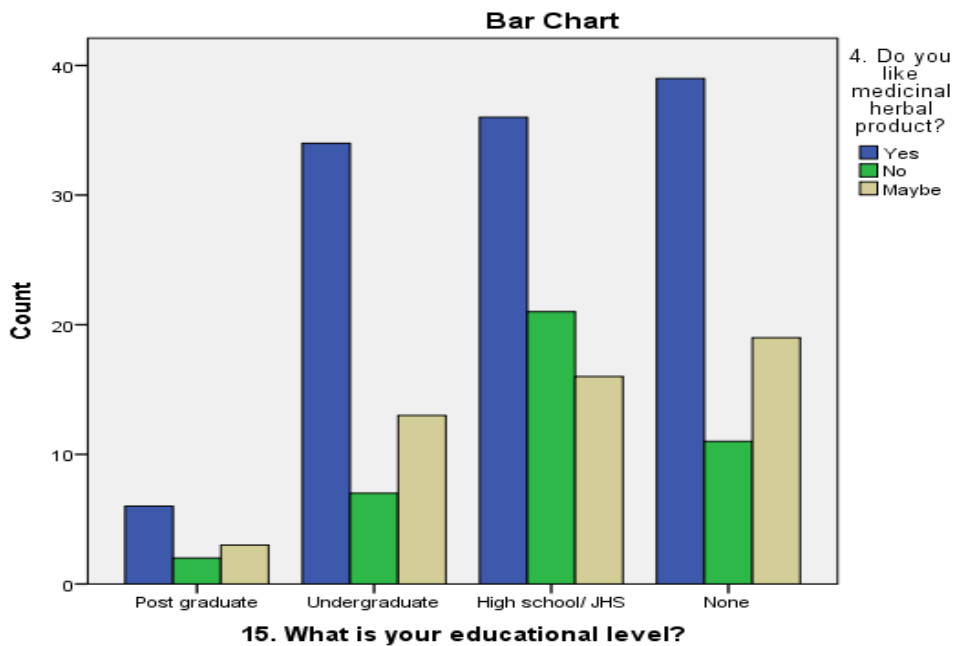


Fig.13: Educational level of Customers against the use of medicinal herbal product  
 Source: Created by Author

The above diagram revealed that respondents or customers who have not acquired a formal education are the majority of users of locally branded medicinal herbal product followed by high school/ JHS leavers and that of the undergraduate. The research also discloses that consumers who have attained postgraduate level of education were seen as meager.

#### 5.4 MAJOR REASON FOR A BRAND PREFERENCE OF LOCALLY BRANDED MEDICINAL HERBAL

From the survey, four criteria were established to ascertain the expected information regarding consumer’s preference on selecting a brand type of medicinal herbal product. The chart below elaborates the extent to which consumer decides and the motive behind his or her brand selection.

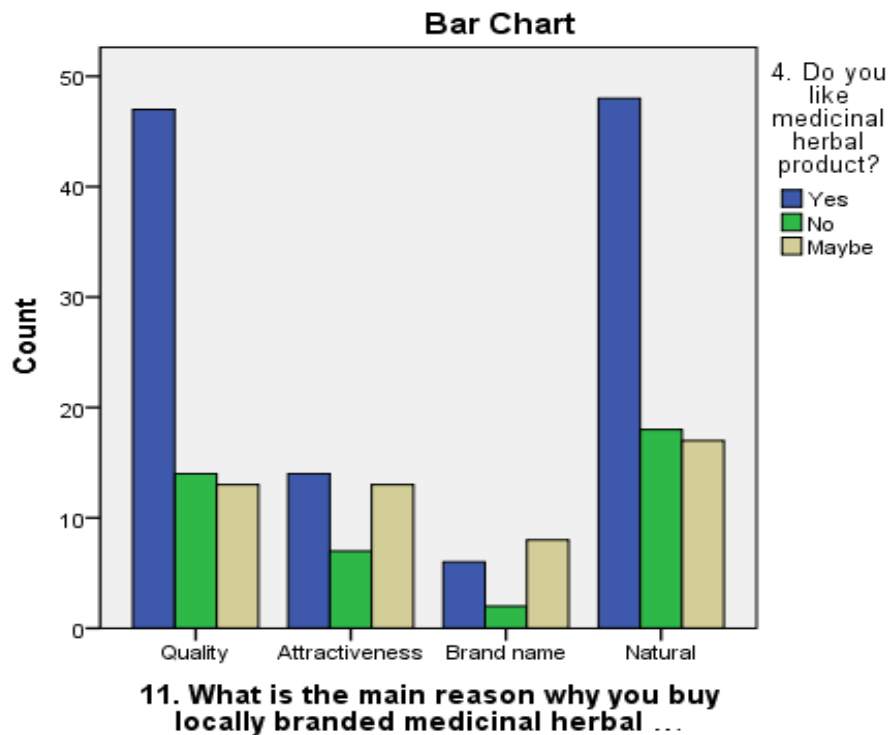


Fig. 14: Determining the reason why people are using herbal products

Sources: Authors own survey

The above chart also justified that consumer’s preference and reason for using medicinal herbal product is mainly the quality and the natural state of the product. Also product attractiveness and brand name became at the bottom regarding the major reasons why people buy locally branded herbal products of Konate Herbal. In view of this, the perception of customers of locally branded herbal product is that, herbal product is full of natural hence quality.

5.4.1 CONSUMER’S AGE REGARDING THE CHOICE OF LBMHP

the project took into account the brand preference of medicinal herbal product with respect to the ages of consumers in the herbal market. It was indicated that majority of the users of the product ranging between the ages of 41 to 50 years prefer to purchase the medicinal herbal product in a raw-state (unprocessed), while the least age group that prefers to buy unprocessed herbs is those consumers who are at the age of 20 years and below.

However, the ages of consumers between 21 to 30 years prefer to buy processed herbs which dominate among the age groups.

The study also shows that most of the consumers who prefer using herbal product for their own interest are mainly the youth hovering around 21 to 30 years.

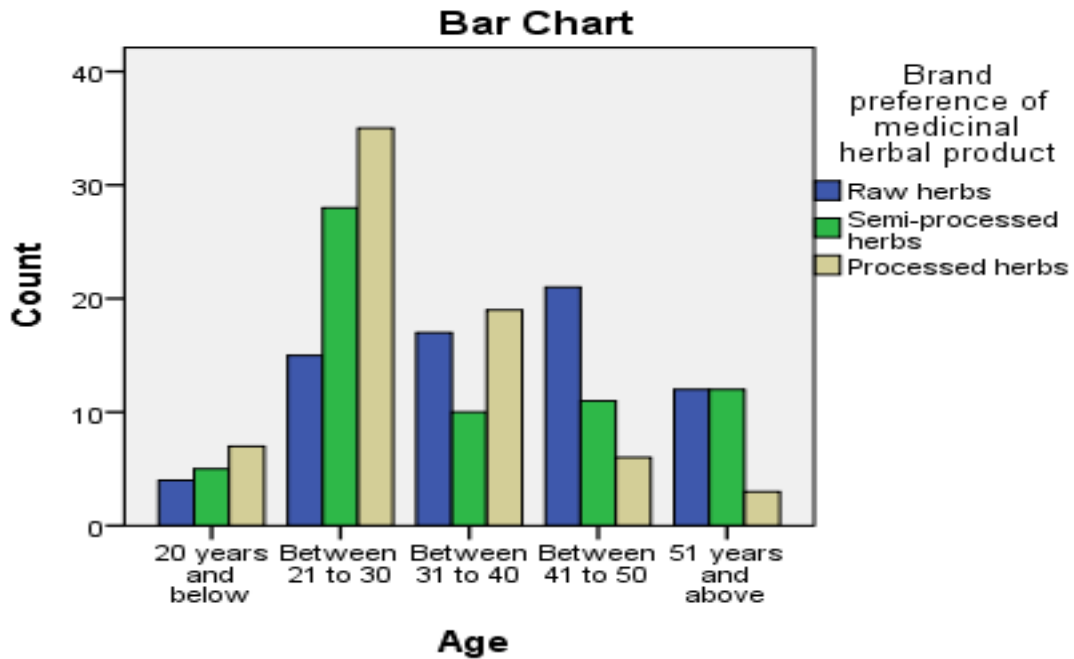


Fig. 15: Age against Brand preference of Medicinal herbal product  
 Source: Created by Author

#### 5.4.2 COUNTRY OF ORIGIN VRS PATRONAGE OF MEDICINAL HERBAL PRODUCT

The research further confirmed that, the country of origin directly influences consumers’ preference regarding the use of medicinal herbal product. It means that, majority of users of medicinal herbal product consider the country of origin before making purchases. However, substantial number of consumers does not take into consideration when buying a medicinal herbal product. Meanwhile, the study discloses that some consumers were identified as indifferent in relation to whether they like locally branded medicinal herbal product or not. In view of this, the indifferent consumer only buys it whenever the product is available and useful; hence this category of consumers are, thus, less ethnocentric. It can be deduced that, this does not suit well for Ghana as a developing country. As an emerging economy like Ghana, there is a need of highly ethnocentric consumers who understand and make deliberate purchasing decisions in favor of products made in Ghana before consider-

ing those made elsewhere. The figure below shows the COO against the use of medicinal herbal product.

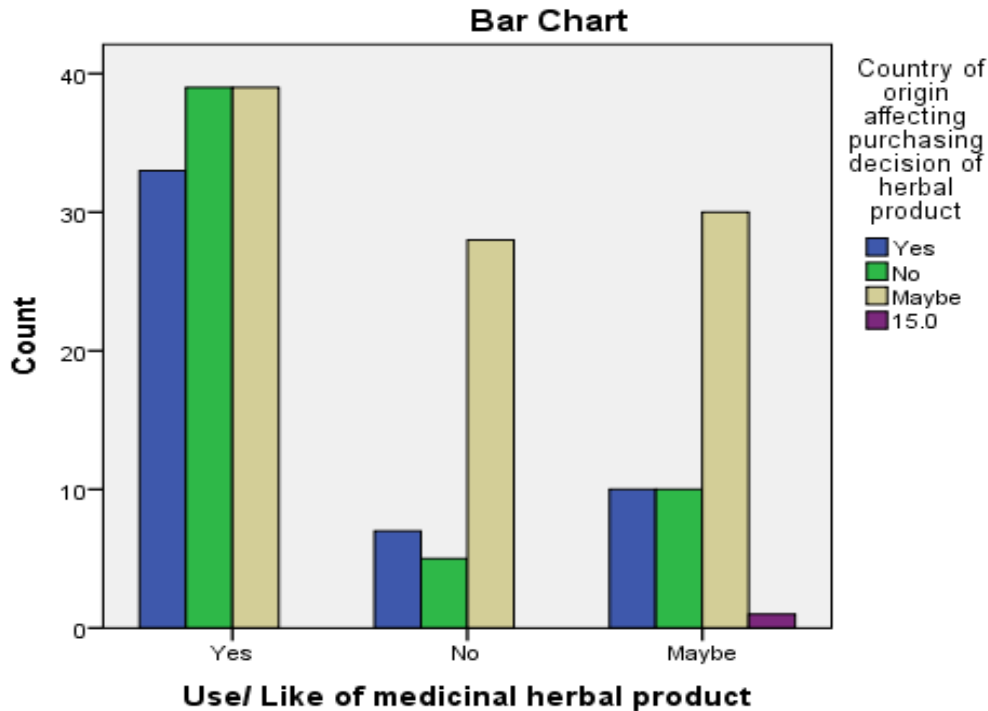


Fig. 16: Country of origin against use Medicinal herbal product  
 Source: Created by Author

**5.5 DISCUSSIONS WITH THE MANAGEMENT OF THE FIRM**

**5.5.1 PRODUCT AWARENESS CREATION BY KONATE HERBAL**

The research obtained response to the question regarding how the company creates awareness of their products. It was emerged that advertising is the appropriate selling strategy before and during the initial stages of creating brand awareness and consumer base in the medicinal herbal industry. Advertising facilitates the creation of brand awareness and promotes the new product. The reason for this is based on factors like advertising being the most common form of media available to the target customer and through radio talk shows and public announcement. Further reason for arguing in favor of advertising is that during that majority of the Ghanaian population either listens to the radio or watches television.



The study further established that Konate Herbal over the years had been using radio stations as its main media or channel for awareness creation. Common radio channels that could be identified at the location or the entire district of its operation include Yankee FM, Gye-Nyame and Omega FM. The responsiveness to adverts aired on radio, prove to be effective and efficient compared to advertisements in other traditional medium. However, street promotion has been frequently use for the past few years since it has been yielding positive feedback from consumers.

Additionally, Konate Herbal for the past few years has involved in the co-sponsorship of mini-associations within the rural communities which aims at promoting the image of the company in the present days. In spite of this, packaging at the herbal center as it stands now, plays an important role in appealing to consumer adoption of a product.

#### **5.5.2 DISTRIBUTION CHANNELS USED BY KONATE HERBAL**

The question regarding if Konate Herbal (micro-firm) meets local demand, management confirmed that the company has increased its production capacity to 3,000 bottles per month from the previous 1000 bottles per month. They added that the rise in the company's capacity was as a result of increase in demand from consumers in the operational jurisdiction and the neighboring districts.

Further explanation indicated that it was the company's vision to move from just a local company to a National one by producing in large quantity to meet the increasing demand of their customers across the nation.

The company's fastest selling product, Gono Bitters, a functional tonic made up of seven different herbs has widely been accepted on the local front and beyond as a result of its efficacy. Due to the key competition in the country and increase in demand Konate Herbal (KHC) extend some of its products to beyond its geographical area by the company's delivery van. The company recently uses retailers and direct distribution channels to reach their customers.

Again, responds from management reveals that as a result of stiff competition and proliferation of sales among herbal products in Ghana with foreign brands due to trade liberation policies. There has been a remarkable increase in the use of promotional activities in order to survive in this competitive environment. This made many firms to put

emphasis on meeting the needs of consumer and to satisfy them by improving the quality and other attributes by conveying this in suitable message to the consumer. The research findings based from management on the above point out that, advertisement of Konate Herbal always carries a message of originality to consumers that their products are locally made. The messages are in the popular local language and displayed visually on banners and posters as well as audios from radio channel.

### **5.5.3 EFFECT OF COUNTRY OF ORIGIN ON KONATE HERBAL MARKETING ACTIVITIES**

To analyze the impact of country of origin (COO), the interview began by asking whether the influx of exotic medicinal herbal products from specific countries affect the case company's marketing and selling activities or not. As indicated by some of earlier research findings, the behavior of consumers to the buy local products can be used to demonstrate self-interest and patriotic, and also result of manufactures efforts through promotion. Findings based on the question above reveals that indeed imported medicinal herbal products affect the marketing of Konate Herbal especially from countries like China and India. The management added that, high quantities of the medicinal herbal products are been imported into the country through Togo as their transit point mainly to exempt duties. Many of these products are smuggled into the country in large quantities and been sold at a cheaper price. Finally, management concluded on the view that, the reasons regarding why some consumers choose to buy foreign medicinal herbal products than locally made in Ghana are attributed to personal factors such as status, change in taste, perception value and also consumer's feeling that foreign brands are of better quality than the locally made ones.

### **5.5.4 ACTIVITIES ENHANCING SELLING AND LOCAL CONSUMPTION**

Discussions with management of the company also sought to ascertain information on some of the activities in which the company engages to enhance selling and local consumption. It has been noted that currently, influx of foreign brands in Ghana, exceed the volume of locally made by Ghanaian producers. The attitude of many consumers had given

a signal to the company on how to retain these users of the product. Many people buy goods just because they are imported from a foreign country by considering quality as a secondary issue.

Again, it was revealed that, Konate Herbal had over the years adopted personal selling as one of the major tools for marketing of its products. The strategy had been executed as a result of the competitive nature of the herbal market in Ghana. Further explanation of the personal selling strategy indicated that, for the purpose of retaining the existing customers, the company made use of what is termed as '*house-to-house-selling*'. With this, the company pays a visit to loyal customers as well as potential customers of its products.

Aside, the management discloses that, the firm also extends its selling activities to vantage points such as; scheduled programs by cooperatives, groups and other associations deemed significant as target customers. The strategy was taking into consideration in other to capture the attention of the illiterate consumers. Despite the competitive nature of the market in Ghana, the management justified that the prevalence of high illiteracy in the rural communities necessitated Konate Herbal to utilize the aforementioned selling strategy to be able to meet the local consumer demand.

However, management revealed that some of the activities undertaking to enhance local consumptions at the time the interview was conducted are

- ❖ Focus on quality
- ❖ Low prices
- ❖ Improving the packaging of their products which has recently given consumers' preference for competitors' goods.
- ❖ Focus on intensive advertisement.
- ❖ In order to make the promotion more effective, plans have been advanced to coordinate efforts to achieve national brand recognition through seminars and exhibitions featuring high-quality Made in Ghana products.

Therefore, the publicity promotion effort is to increase awareness of people on the need to use *made-in-Ghana* product since local herbs are used in several purposes such as distillation, which gives the local tastes and serve as medicine in many cases.

## 6 PROJECT TO ENHANCE SELLING OF LOCALLY BRANDED HERBAL PRODUCT OF KONATE HERBAL CENTRE IN GHANA.

### Introduction

The purpose of this project is to re-engineer selling strategies for Konate Herbal Center in Ghana. This could be achieved by taking into account the current marketing and selling strategies of the company as well as customer expectations and perception towards locally branded herbal medicine in Ghana. The project will shield analytical concept of current situation so far as purchasing and behavior of consumers are concerned, objectives of the project, strategies that will be developed to re-structure the marketing and selling approach based on the customer sentiments; as well as implementation and control of the strategies defined.

Furthermore, the project will be taking into account the risk analysis, cost analysis and time analysis in order to evaluate the potential risks prevailing in the market, how to finance the project and the time for implementing all activities for restructuring marketing and selling in the company. Finally, the project will be ended with an overall evaluation.

### 6.1 SITUATION ANALYSIS

The sample population of Jaman North district was analyzed, representing the entire population of Jaman North District of Ghana in connection with the extent to purchasing of medicinal herbal product will be viable for Konate Herbal in Ghana, using a **chi-squared test ( $\chi^2$ ) test of independence**. The research established that, there were interrelationships between demographic factors of respondents, such as Gender, Age, Educational level, Occupational status as against the usage of medicinal herbal product of Konate Herbal in Ghana. In the light of this empirical evidence shown by the research (see figure 10-20), the researcher will formulate goals, missions, vision, in tandem with the strategies based on the behavior of the customers and the use of locally branded medicinal herbal product. These strategies are proving to the fact that Konate Herbal in Ghana, is engaging in the recent marketing and selling strategies to appeal customers, and to increase their sales and finally to out-compete its competitors through the project below.

## 6.2 PROJECT ACTION PLAN FOR KONATE HERBAL

An action plan provides a detailed outline of the tasks required to accomplish a goal. It breaks down the process into actionable steps based on a given timeline. The table below details the action plan of the entire project.

**Table 11: PROJECT ACTION PLAN**

<b>STRATEGIC ACTION DESCRIPTION</b>	<b>RESOURCES REQUIRED</b>	<b>DURATION ( WEEKS)</b>	<b>POTENTIAL HAZARD</b>	<b>DESIRED OUTCOME</b>
Goal setting	Author, Management,	5	Competitors, Economic Crises	Goals established
Reviewing Marketing and selling Strategies of Konate Herbal	Author, Management, Archives, and current reports	4	Information management system	Strategies identified
Strategy initiation and Recommendation	Author, Management, and computer system, Finance	5	Government regulations	New Strategy to boost sales
Proposal development	Author, Finance	3	Economics crises	Strategy outlined
Execution and control of proposed strategy	Marketing management, Finance	5	Unfavorable Business Environment	Enhanced sales, high market share
Evaluation and Review	Marketing management, Finance	5	Unfavorable Business Environment	Effective and efficient strategy implementation

## **6.3 PLANNING MARKETING AND SELLING STRATEGIES**

### **6.3.1 Vision of Konate Herbal**

- ❖ To become the leading producer and selling of locally branded medicinal herbal product nationwide in the herbal market.
- ❖ To emerge and give the best delivery offers for the Ghanaian citizenry in the best possible way
- ❖ To excel in the production of medicinal herbs of Konate Herbal through every area of Ghana with the help of internet channel means, such as website, Facebook, Instagram by which every Ghanaian is much in tuned with it in this current world.
- ❖ To position Konate Herbal on top of its local competitors and the easiest for medicinal herbal products in Ghana, in spite growing demand of alternative and supplements in Ghana.

### **6.3.2 Mission statement of Konate Herbal**

The mission of Konate Herbal is to be able to work hand in hand with its customers. This could be attained by identifying and providing the required medicinal herbal product, through the efficient and effective usage of newly restructured marketing and selling strategies yet to be registered by the researcher. Over the years, most companies have branded and broaden their horizons in terms of marketing and selling strategies to induce customers as earlier stated. Though, these strategies to some extent, does not conform to the current demands and expectations of their customers in recent times, hence there is inadequate positive attention emanating out of it. This might seem to be in accordance with many factors by both consumers as well as the company itself. Indisputably, marketing in a broader perspective must meet the attention of the current research concerning the intentions of the company, this research as previously addressed, points out the mission of Konate Herbal and its goals.

### **6.3.3 Goals of Konate Herbal**

The initial goal of Konate Herbal is to widen and extend its new marketing and selling strategies across the entire nation, so that each and every one within or outside the frontiers of its location can have access to the product.

Indeed, increased profitability is the core objective of every marketer for that matter a business organization as whole. Likewise Konate Herbal as a micro-enterprise is to increase its profits margin through streamlining of its marketing and selling strategies to meet current trend of marketing.

With the advent of internet, the current marketing trend has taken a different shape. To this, Konate Herbal has not been able to make good use of this offer marketing and selling purpose. The goal of this project will take advantage of the need to integrate internet marketing as a component marketing and selling strategy to make available the products of Konate Herbal to all people who needs it.

#### **6.4 STRATEGY**

The project will rely heavily on the sales strategy which consists of a plan that positions a company's brand or product to gain a competitive advantage. Successful strategies help the sales force focus on target market customers and communicate with them in relevant, meaningful ways. Businesses in today's digital environment have many avenues available for marketing and sales strategies. For example, Lead aggregators send leads from print, television, radio and digital ads. Sales teams then work on converting leads to sales. Developing sales strategy would capture and convert leads to make the difference between poor, average and record sales numbers (Kimberlee, 2018).

With respect to the abovementioned analyses from customer behavior towards usage of locally branded herbal product in Ghana, the researcher will develop, two tactically point of view from the customers segment and from the Konate Herbal on the other part. The strategy outlook of the researcher will take into account the relationships of demographic factors as earlier discussed with the best possible strategy to develop marketing and selling strategy for Konate Herbal. In other words, giving the findings attained from customers in Jaman North district, regarding current marketing and selling strategies of Konate herbal. Subsequently, the necessary marketing and selling strategies will be used in relation to the findings that emanated from the cross-tabulation in the preceding chapter.

#### **6.4.1 STRATEGY ‘1’: THE SALE FUNNEL APPROACH TO BE IMPLEMENTED BY KONATE HERBAL**

The definition of the sales funnel (also known as a revenue funnel or sales process) refers to the buying process that companies lead customers through when purchasing products. A sales funnel is divided into several steps, which differ depending on the particular sales model.

The study has also been noted that, the activities and the mode of operation of Konate Herbal could be described as Business-to-Consumer (B2C), since the channel or delivery procedure of the company directly moves from the producer to the final consumer. Therefore, there are no intermediaries that link Konate Herbal to its consumers.

For the purpose of achieving the sales objective, it is necessary to factor into account the value of a well-constructed sales funnel is its ability to:

1. Define a clear and consistent sales funnel process that reflects your customer’s journey and supports them at each and every stage.
2. Promote clear communication across sales, marketing and account management departments towards a common sales goal. Most sales funnel teams have a daily or a weekly standup call to review their progress.
3. Forecast future sales revenue with a far greater degree of accuracy than you’d be able to without clearly defined stages.

#### **6.4.2 IMPLEMENTATION AND CONTROL FOR STRATEGY ‘1’**

To explain further, there are two main phases in creating a sales funnel; first understanding your customer journey, then mapping your sales process to mirror your customer’s decision-making process.

##### ***I. Understanding the Customer Journey***

The first step for Konate Herbal to build its sales funnel is to understand the customer’s decision-making process, which is often referred to as the customer journey. To do this, you have to put yourself in your customer’s shoes as they first become aware of a “prob-

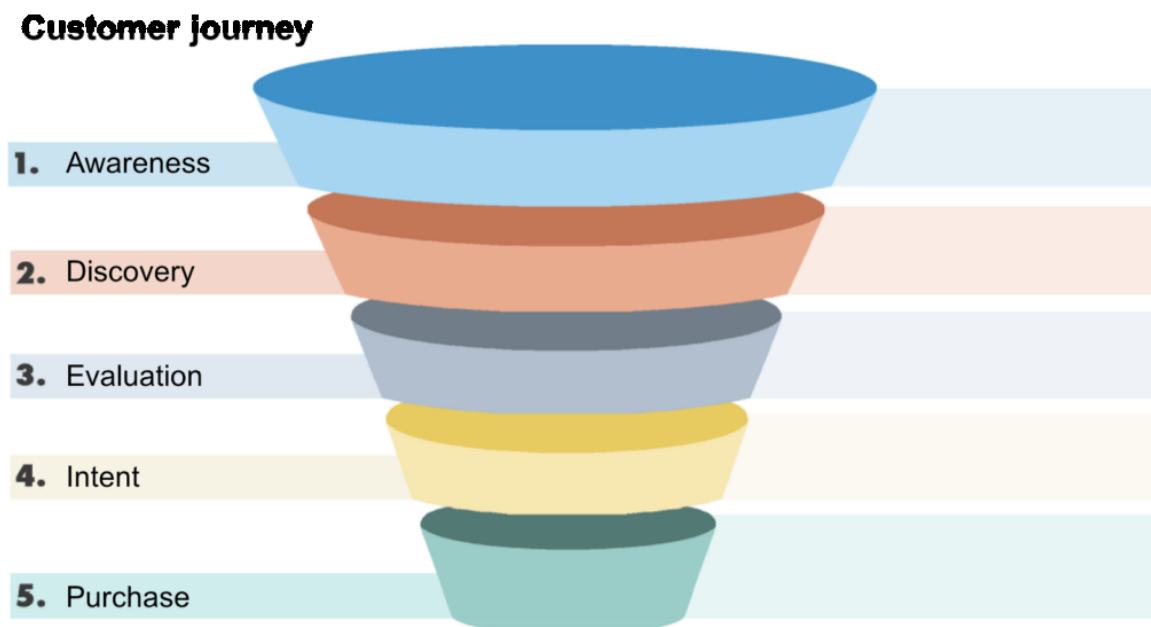


lem” that needs to be solved. Then, consider each stage of the decision-making journey they go through. This will help you ensure that your sales team responds at the right time and in the right way to each of your customers’ information needs.

For instance, not many people walk straight into a car salesroom to buy a car. Most go through a number of logical steps that help them to make the right decision. Similarly, in Ghana, many consumers of herbal product have varieties of its kind to make a choice. A sales funnel is made up of stages which are intended to reflect the key decision-making steps in a customer’s journey to making a purchase from a producer or a seller. The number of stages may vary according to the type of business to run, but small businesses generally define 3, 5 or 7 stages. Hence, Konate Herbal as previously defined as a micro-firm, would be recommended and make use of five stages.

This *funnel* is a visual representation of the steps required to sell your product or service. The sales funnel gives you a complete overview of where in the sales process your money is.

In the sales funnel below, we have labeled each of the 5 classic stages.



*Fig.17a: Sales funnel: Understanding the Customer Journey*

*Sources: Created by Author (Adapted from Mark Sallows , 2017)*

These stages are intended to reflect the decision-making journey that your customer prospect goes through when they buy a product or service. Below is the elaboration of the above stages of the sales funnel in terms of how it been use such that, Konate Herbal can easily adapt it for sales maximization.

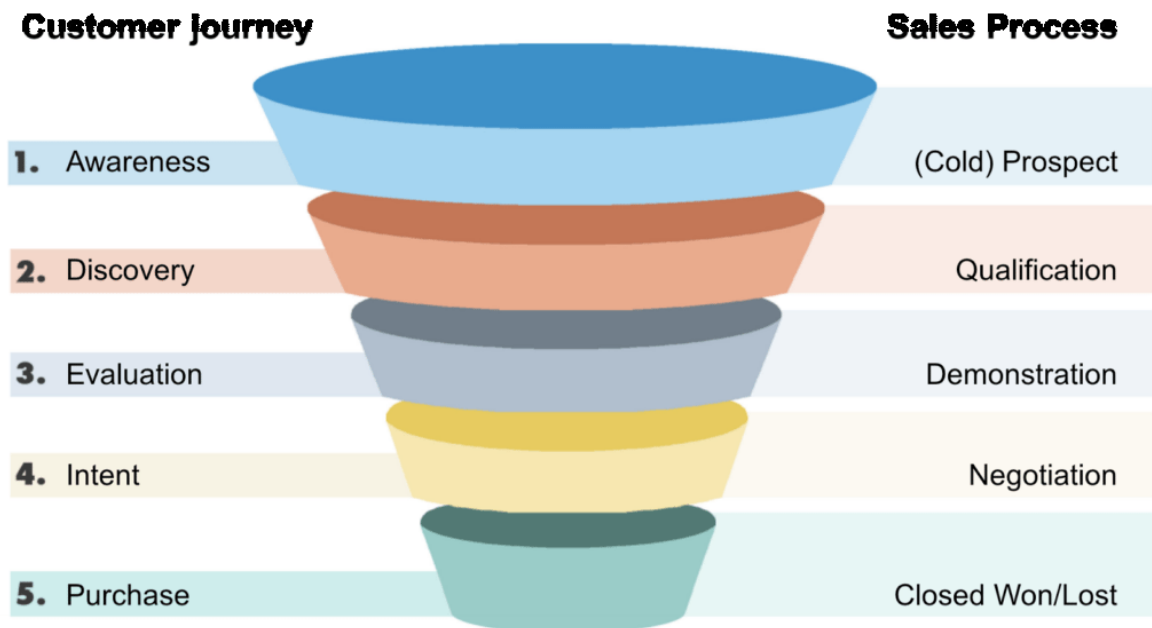
- **Awareness:** when customers become aware of a problem that they need to solve, for example, you want to hang my picture, but you do not have a hammer. Advertising is one of the methods you might use to make them aware of your product. This stage will include the largest volume of your customer prospects. To this, it is evidence that Konate Herbal have insufficient advertising tools for effective and efficient awareness creation. The micro-firm only uses the traditional approach, mainly radio talk show and personal selling, thereby neglecting the advent of ICT for its marketing and selling strategy.
- **Discovery:** when customers realize it is time to find a solution to their problem and they start to seek more information about your product. For example, you have found three different hammers that would all solve your problem. A promotional website is one of the ways you might allow your customers to explore your services further and capture qualified leads. At this stage, there are fewer customer prospects, as some have not progressed from being aware of their problem to exploring your product as a potential solution. However, those that remain are now more likely to convert into customers.
- **Evaluation:** The customer narrows the range of potential solutions to their problem. Customers may discard options based on a wide range of considerations including price, style and quality. They might do this by requesting further information via your website or by calling in to speak to a salesperson. For example, I don't want to pay more than \$15 for my hammer and I want it to be able to pull nails out too. At this stage, your number of customer prospects decreases further, but the chances of closing a sale increases even further.
- **Intent:** Your customer prospect is seriously considering your product, and is now reaching out to ask more detailed questions. What has changed in recent times is that more and more customers are now completing this stage online. As a result, customers do not often feel the need to speak to sales unless they cannot find the in-

formation they need online. At this stage, your number of customer prospects decreases further, but the chances of closing a sale increases even further.

- **Purchase:** At this stage, the customer has decided which product to purchase online, or they are communicating with your sales team to complete the purchase. They may also try to negotiate price or take advantage of promotional offers you have running. For example, I’ve decided to buy your hammer, but I want to get this discount that you advertised. At this stage, you have the smallest number of potential customers left, but closing the sale is almost a sure thing.

**II. The Sales Process**

Now that we’ve looked at the customer process, let’s see how we can set up the sales process to guide more customers to complete a purchase. Each stage of sales process needs to mirror the customer journey. This is because your sales process will not work well if you do not recognize and respond to each of your customer’s needs.



*Fig. 17b: Sales funnel: Understanding the Customer Journey*

*Sources: Created by Author (Adapted from Mark Sallows , 2017)*

From the above, the project intends to pair up the sales process with each stage of the customer journey. **M (Cold) Prospect:** this implies that your future customers are aware of your brand, but they do not know very much more about you at this stage. Communicating

the benefits of your brand over other solutions is the kind of support customers appreciate and respond well to at this stage. Sales may be communicating with these prospects via *cold calling or networking* at events. Marketing may be reaching these customers via online marketing campaigns.

- **Qualification:** At this stage, the micro-firm in question should be able to pinpoint customers who have a real interest in your product and the ability to pay for it. Customers will have likely self-completed a qualification process online, or have spoken to someone in your sales team who has qualified them. The firm should have their basic information saved in your CRM, including name, job title, telephone number, email address, interest, budget authority and timescale to purchase.
- **Demonstration:** At this stage, the customers are exploring your solution (and one or two competitive solutions) in greater depth. This may be as a result of providing the customer with an information packet, written proposal, or demo.
- **Negotiation:** At this stage, the customer would have to decide on what the company can probably provide on the best solution to their problem, so they raise the question of price. This is likely to result in discussions with your sales team to negotiate out the price and the terms of the sale.
- **Closed Won/Lost:** At this stage, the deal has been won and the transaction takes place. The relationship objective with the customer now changes from being how to acquire a new customer to how to retain the new customer that you have won and win further new customer referrals.

In other words, Konate herbal to compete favorably among the growing competition in the herbal market in Ghana, it must embrace the outlined sales strategy. Also, for the purpose of materializing this sale objective, Konate Herbal should take cognizance the use of ICT for example online advertisement of its products and services. This will eventually, enhance the market share of the firm, thereby, increased sales margin in the long run.

## 6.5 STRATEGY 2: Developing a local brand for Konate Herbal

Brand Development Defined

Brand development is the process of creating and strengthening your professional services brand. As we help firms develop their brands, we divide the process into three phases.

According to Kotler & Armstrong, (2010), “A brand is defined as a "name, term, sign symbol (or a combination of these) that identifies the maker or seller of the product”. The American Marketing Association also defines a brand as “A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is *TRADE name.*”

The analysis from the survey revealed that, Konate Herbal is also constrained with branding challenges which makes its operation impossible to recognize in the national market. Therefore, for Konate Herbal to adopt national brand, the following process must be adhered to;

- I. The first phase is getting your brand strategy right and aligned with your business objectives.
- II. Second is developing all the tools you will need to communicate the brand, such as your logo, tagline and website.
- III. Finally, there is the phase of strengthening your newly developed or updated brand.

Ideally, brand development strategy is basically what to pursue in accomplishing these tasks. To make the task a bit easier, it is necessary for every company to accomplish this strategy, hence, the brand development strategy has been broken down into 10 steps according to Kotler & Armstrong, (2010).

#### **6.5.1 IMPLEMENTATION AND CONTROL FOR STRATEGY ‘2’.**

A professional services brand is best understood as your firm’s reputation and it’s visibility in the marketplace. The strength of your brand can be measured as Reputation X Visibility.

$$\text{Brand strength} = \text{Firm's reputation} \times \text{Firm's visibility}$$

*1. Consider your overall business strategy.*

A strong, well-differentiated brand will make growing your firm much easier. The overall business strategy is the context for a brand development strategy, hence the area to the process. For example, If Konate Herbal is clear about where it wants to take the firm to, the brand will help the firm to get there.

*2. Identify your target clients.*

This strategy of branding poses questions like, ‘who are your target clients’? Therefore, if the answer is “everybody” then it seems to be a big mistake. In that, various marketing research available clearly shows that high growth, high-profit firms are focused on having clearly defined target clients. It is known that, the narrow the focus, the faster the growth. The more diverse the target audience, the more diluted your marketing efforts will be. For a firm to know if it has chosen the right target client group, then, the next step comes in.

*3. Research your target client group.*

Firms that do systematic research on their target client group grow faster and are more profitable (see figure below). Further, those that do research more frequently (at least once per quarter) grow faster still.

Meanwhile, the analysis of the research in question revealed that Konate Herbal do not have a R&D department that could facilitate the branding Strategy of the firm. This makes it difficult to achieve company’s vision as indicated above.

Research helps to understand the target client’s perspective and priorities anticipate their needs and put your message in language that resonates with them. It also tells the company on how they view your firm’s strengths and your current brand. As such, it dramatically lowers the marketing risk associated with brand development. The figure below indicates the R&D implications on firm’s growth and profitability in as much as branding of product and service are concern.

## The Impact of Research on Firm Growth and Profitability

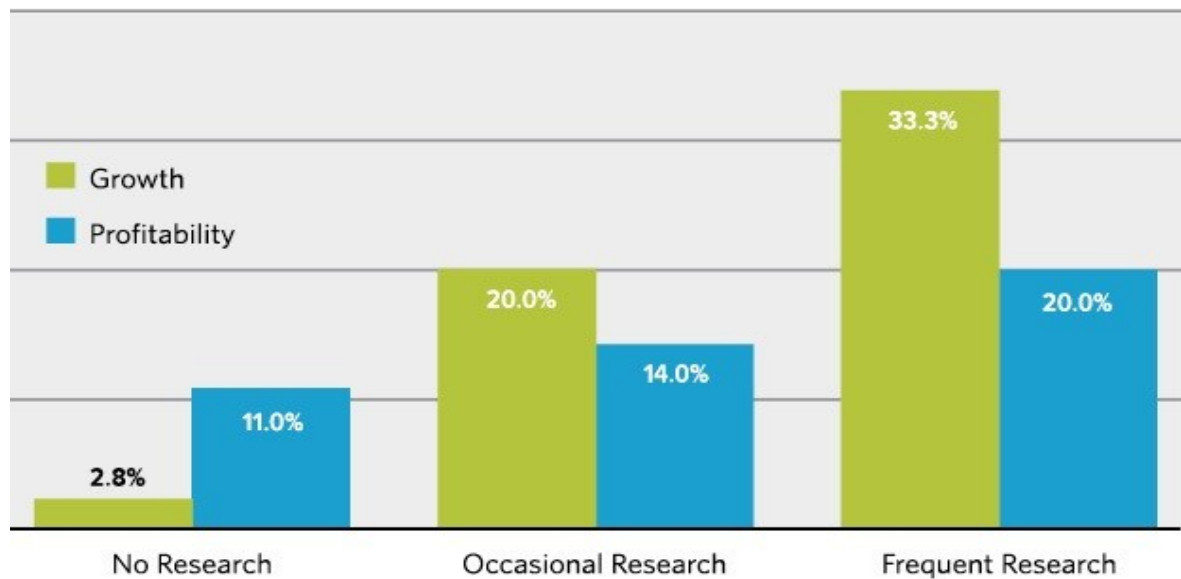


Fig. 18: The Impact of Research on Firm Growth and Profitability

Source: Lee 2017,

#### 4. Develop your brand positioning.

This explains how a firm is now ready to determine its brand positioning within the professional services marketplace (also called market positioning). That is, how a firm is different from others and why potential clients within the target audience should choose to be with a particular firm's product or service.

A positioning statement is typically three to five sentences in length and captures the essence of your brand positioning. It must be grounded in reality, as it will have to deliver on what you promise. It must also be a bit aspirational so you have something to strive for.

#### 5. Develop your messaging strategy.

The next step is a messaging strategy that translates your brand positioning into messages to your various target audiences. Usually, the target audiences typically include potential clients, potential employees, referral sources or other influencers and potential partnering opportunities, and among others.

While your core brand positioning must be the same for all audiences, each audience will be interested in different aspects of it. The messages to each audience will emphasize the most relevant points. Each audience will also have specific concerns that must be addressed, and each will need different types of evidence to support your messages. The messaging strategy should address all of these needs. This is an important step in making your brand relevant to your target audiences.

*6. Develop your name, logo and tagline.*

For many firms, a name change is not required. Though a new firm that is undergoing a merger or is burdened with a name that no longer suits the positioning, a name change may be in order. Even if you don't change your firm name, a new logo and tagline may make sense to better support your brand positioning.

Indeed, it is obvious that, your name, logo and tagline are not your brand. They are ways to communicate or symbolize your brand.

*7. Develop your content marketing strategy.*

This step could also be called “develop your marketing strategy.” Content marketing is particularly well suited to professional services firms in the Internet age. It organizes all things traditional marketing does, but it makes them more efficiently. It uses valuable educational content to attract, nurture and qualify prospects.

It is quite known among marketing researchers that, brand strength is driven by both reputation and visibility. Increasing visibility alone, without strengthening your reputation, is hardly successful. That is why traditional “awareness-building” advertising or sponsorships so often yield disappointing results in recent times. On the other hand, content marketing increases both visibility and reputation at the same time. It is also the perfect way to make your brand relevant to your target audiences.

*8. Develop your website.*

Firm's website is the most single and important brand development tool. It is the place where all your audiences turn to learn what you do, how you do it and who your clients are. Prospective clients are not likely to choose your firm solely based on your website. But they may well rule you out if your site sends the wrong message.



However, it was quite unfortunate that Konate Herbal do not have such a facility in operation. This was revealed when management was asked on modalities through which information regarding product and service are made available to consumers. It was further noticed that, the firm only uses traditional approach in creating the awareness of its products.

In view of this, website will be home to a firm's valuable content. That content will become the focus of your search engine optimization (SEO) efforts so that your prospects, potential employees and customers, and referral sources will find you and learn about your firm. Online content is central to any modern brand development strategy.

#### *9. Build your marketing toolkit.*

The next step in the process is to build out the remainder of your marketing *toolkit*. This might include one-page "sales sheets" that describe core services offerings or key markets served. Increasingly this marketing toolkit also includes videos. Popular video topics include firm overviews, case studies or "meet the partner" videos. Key services offerings are also very useful. If prepared appropriately, these tools serve not only a business development function but also are important for brand development.

#### *10. Implement, track, and adjust.*

This final step in the brand development process may be one of the most important. Obviously, a winning brand development strategy will not offer much well if it is never implemented. A solid strategy is developed and started with all the good intentions the firm can gather.

However, it is necessary to track the progress of the above stages in line with the company's goals, mission and vision. For Konate Herbal to achieve this objective, it is strongly recommended by tracking both the implementation of the plan as well as results. For instance, such as; search traffic and web visitors, how many new leads, employee applications and other potential customers. Thereby, tracking the entire process will inform the firm directly and indirectly on drawing the right conclusions and making the right adjustments as well as the way forward.

## 6.6 TIME ANALYSES OF THE PROJECT

After determining that a project is profitable, acceptable, decomposing the work scope into smaller tasks and assigning responsibilities, it is necessary to schedule the project. Thus, determine the amount of time needed to complete all project tasks. In view of this, time analysis of the project will be initiated with the strategic management of Konate Herbal.

The time analysis is critical for two reasons. First, there will be urgent projects with tight deadlines (which are usually more profitable). The second is that not finishing the project in the agreed timeframe is considered unprofessional.

The best methods for project time analysis are *Program evaluation and review technique (PERT)* and *Critical path method (CPM)*. The project will take in account the previous customer analyses as a base of commencement since there are already marketing and selling strategies for the company in question. PERT method will determine the requisite time to finish the new strategies by the researcher as well as the critical path to complete all necessary activities with management of the company (Konate Herbal) for the project.

The first step of the PERT method is to identify the project tasks and the order in which they need to be completed. Some tasks can be done simultaneously, while others cannot be done until one or more previous tasks are complete. Also, with this type of approach, each task has three-time estimates; optimistic time, normal time and pessimistic time estimate. The optimistic time is the fastest possible time needed to complete the task and usually involves additional cost. Normal time is the most likely time, while the pessimistic time is the slowest time needed to complete the task. Using these time estimates, the expected time can be calculated with the following formula below:

$$T_e = \frac{O + 4M + P}{6}$$

Where:

Te — Expected time

O — Optimistic time

M — Normal time

P — Pessimistic time

To be able to re-engineer the marketing and selling strategies for Konate Herbal in Ghana, the company must finish the following activities with the required predecessors

**Table 11:** *Activities supporting the redeveloping of the Marketing and selling strategy of Konate Herbal.*

*Source: Created by Author*

ACTIVITY	DESCRIPTION	PREDECESSOR(S)
A	Submitting a proposal to the strategic management of Konate herbal	
B	Arranging a meeting with the management for approval	A
C	Presenting new marketing and selling strategies to the company	B
D	Identifying 10 locations for branch establishment across the country	C
E	Meeting management on the need to register the product for national recognition	D
F	Advising management to adopt national brand strategy	E
G	Assisting in recruiting additional staff with knowledge in ICT	F
H	Submitting formal letters to Traditional Medicinal Practitioners Association of Ghana for a consultation	G
I	Arranging seminar with management of Konate herbal	H

J	Promoting the new strategies via advertising channels like, radio, television, newspapers etc.	I
K	Testing the viability of the project	J

The above activities will be executed with its predecessors by taking into account optimistic, most likely, and pessimistic times frames. The overall completion of the project will be shown in the subsequent table.

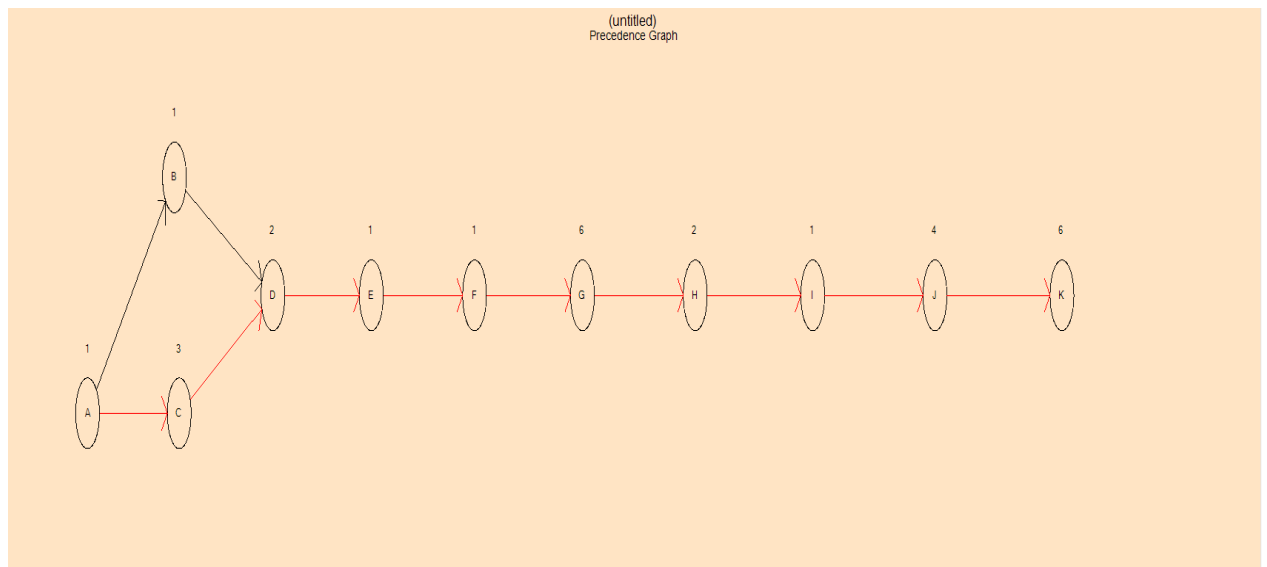
**Table 12: TIME POSSIBILITIES FOR THE PROJECT (IN WEEKS)**

ACTIVITY	PREDECESSORS	OPTIMISTIC	MOST LIKELY	PESSIMISTIC
A	-	1	2	3
B	A	1	2	4
C	A	3	5	6
D	B, C	2	3	5
E	D	1	2	3
F	E	1	2	3
G	F	6	8	9
H	G	2	3	4
I	H	1	2	4
J	I	4	5	7
K	J	6	7	9

The above table depicts the possibilities of time duration regarding the execution of the project. Results generated by POP-QM software shows that, optimistic (fastest) duration for the project is **27 weeks** while activity B' can delay for two weeks (slack 2) without affecting the entire project duration. That is, the key elements such as earliest start, earliest finish, latest start and latest finish of all activities and slacks are also articulated.

**Table 13: TIME POSSIBILITIES FOR THE PROJECT (IN WEEKS)**

Activity	Activity time	Early Start	Early Finish	Late Start	Late Finish	Slack
Project	27					
A	1	0	1	0	1	0
B	1	1	2	3	4	2
C	3	1	4	1	4	0
D	2	4	6	4	6	0
E	1	6	7	6	7	0
F	1	7	8	7	8	0
G	6	8	14	8	14	0
H	2	14	16	14	16	0
I	1	16	17	16	17	0
J	4	17	21	17	21	0
K	6	21	27	21	27	0



Sources: *Generated by Author*

The above table and the picture (network) shows the connections and interrelationships between activities of the project. It further indicates the start and finish of each activity and the expected time duration of the entire project.

**APPENDIX B:** will be represented by the PERT solution method for completing the project of enhancing sales of locally branded herbal product of Konate Herbal. That is normal time( most likely) and the pessimistic time regarding the completion of the project.

## 6.7 COST ANALYSES

The initial budget accumulation will be largely centered on the cost involved in creating a website for Konate Herbal, Product registration for national recognition (FDA expenses), branch establishment, public relations ,such as cost involved in press releases, extra directory fees emanating from herbal market, as well as link building and among others, which will be detailed in the subsequent chapter.

More importantly, the budget will be evaluated monthly basis in relation to consumers' patronage resulted from the new strategies developed. In other words, the marginal value accrued from the sales by virtue of the new structures in place to the monthly sales will be assessed quarterly by quarterly sales. This will be used as a benchmark to measure the effectiveness of marketing and selling strategies towards customer's awareness and loyalty as well perception towards product of Konate Herbal.

Additionally, other petty expenses will be tabulated in the subsequent chapter:

*Table 12: Initial budget for new marketing and selling strategy (Pre-determined costs)*

*Source: Compiled by the Author*

NO	ITEMS	DESCRIPTIONS	PRICE (GHS)	Q'TY	TOTALS (GHS)
1.	WEBSITE CREATION	Simple name, easier to remember, content marketing, attractiveness, etc.	3,000 .00	1	3, 000 .00
2.	FOOD AND DRUGS BOARD REGISTRATION	All available product registered for national recognition	1, 500 .00	20	30, 000 .00
3.	BRANCH ESTABLISHMENT	Additional nine locations across the entire regions of Ghana	10, 000 .00	9	90, 000 .00
4.	SET OF COMPUTERS	High performers or servers	700	10	7000 .00

5.	R &D EXPERT	Experts with ICT knowledge	1, 000 .00	10	10,000 .00
6.	<b>PARTIAL BUDGET</b>				<b>140,000 .00</b>

Table 13: Other Indirect cost anticipated for Konate Herbal on the first year of re-engineering marketing and selling Strategy.

Source: Compiled by the Author.

NO.	ITEMS	DESCRIPTION	PRICE (GHS)	QTY	TOTAL (GHS)
1.	ADDITIONAL TAX OBLIGATION	Newly branch extension	600	9	5,400 .00
2.	MEDIA/ PRESS ADVERTS	Displaying content of Konate herbal at all branch locations	3,000	-	3,000 .00
3.	SEMINAR AND WORKSHOPS	Implementation of the new marketing and selling strategies	1,000	10	50, 000 .00
4.	CONTINGENCY FUND	Unforeseen	-	10%	5, 800 .00
5.	<b>TOTAL O/H</b>	-	-	-	<b>64,240 .00</b>

**TOTAL BUDGET FOR THE PROJECT = INITIAL COST + OVERHEADS**

**{GHS 140, 000 + 64, 240 = GHS 204, 240}**

## 6.8 RISK ANALYSES

Project of this nature should be evaluated in terms of the risk component. That is the degree or the impacts and the probability of each risk as well as evaluation of the supposed risk. Risk analysis could be qualitative or quantitative. Qualitative risk analysis uses broad

terms (e.g., moderate, severe, catastrophic) to identify and evaluate risks or presents a written description of the risk, while quantitative risk analysis calculates numerical probabilities over the possible consequences.

It means that, Konate Herbal can prepare an emergency plan ahead of any uncertainty. This means that, the company can formulate arrangements to tackle and minimize or even avoid the risks associated with the proposed project accordingly. The risk analysis will commence with the list of the risks that Konate Herbal is likely to face in Ghana upon re-engineering its marketing and selling strategies. The analyses of the project shall consider the magnitude of such risk from both customers and the company in question, which is either a major or minor risks. The risk component was identified by the researcher during the survey. Among them include;

- a) High cost of product registration
- b) Unfavorable macroeconomic indicators
- c) Ignorance on digital advertisement on the part of illiterate customers
- d) Rapid growth of substitute herbal product
- e) High rate of internet cost from customers side
- f) Cultural differentiation and local disputes
- g) Unstable electricity conditions
- h) Unreliable internet connections for customers and management usage

In an attempt in executing the project for the micro-enterprise under study, the researcher intends to factor the risks involved and how those risks would be assessed. This takes into account the probability and the magnitude of which these risk.

### **6.8.1 STRATEGIES FOR REDUCING THE ABOVE RISKS (A-H)**

High cost of product registration by regulatory body in the country will have a great impact of the project implementation. For Konate Herbal to achieve a national brand, the product should be recognizing nationwide. This will increase the financial constraint of the firm in tandem with the new strategies that has been in place. Achieving a national brand needs rigorous steps where these steps need a financial commitment. To address it menace, the micro-firm in question can liaise with a credit institution for a loan geared toward enhancing the business as outlined in the previous chapters.



Again, unfavorable macroeconomic variables such as rise in inflation make cost of inputs very expensive in the environment of business. With this, it is necessary for Konate herbal as a profit-making organization to set a contingency fund in every accounting year to meet such an unexpected fluctuation in prices. This eventually will help the firm in the field of accounting to achieve an objective accounting concept known as '*Going concern*'.

Unstable electricity situation is one of the major risks that are likely to temper with both customers and the company for achieving the project set goals. Lately in Ghana, there has been a mismatch regarding the demand and supply of electric power. Many micro-firms are unable to survive for a longer period as a result of power outage in the country. Meanwhile, it has been established that, higher electricity consumption by users exceeding power supply mainly cause unstable electricity in the country. This has necessitated the decision of the government to add more megabytes of power to the entire nation's consumption. As part of corporate social responsibility of Konate Herbal, the strategic body of the company will include energy consumption to control all these energy problems in their budget. Alternatively, a stand-by-plant could offer a solution in terms of frequent outage of power for the activities of Konate Herbal.

Again, inefficient internet connections could be a possibility of risk on the project of re-engineering; nonetheless, it is regarded as a minor setback of the project, since the solution of electricity crises automatically resolves internet connections to some magnitude. Most rural communities in Ghana are faced with internet connection mainly because these communities are not connected to the national grid.

In addition, rapid increase of substitute of herbal product could be seen as a minor risk that may temper the implementation of this project. This means that, in the environment of business where competition keep rising, the influx of substitutes also keep rising. By so doing, there would excess supply of herbal products in the herbal market leading to consumer choice among these substitutes, hence, a fall in prices. However, for this to be achieved, the company under study should position its products and company's image in the minds of its customers by implementing this new strategy.

### 6.9 PROJECT EVALUATION

By virtue of redeveloping marketing and selling strategies from the already established ones for Konate herbal, the analyses and the project positioned on how feasible to embark on the proposed strategy. The main issues outlined in this project were practically on how this project will be ratified in Ghana in collaborations with the management of Konate herbal as well as the major stakeholders in the herbal industry in Ghana. The project was designed based on the analyses and research in the preceding chapters of the thesis. Subsequently, situational conditions were examined which created a space for the entire planning of the project.

These plans was first addressed with the vision, mission and goals of the company (Konate Herbal) which propelled a thorough strategies to re-engineer the existing strategies of the company as previously mentioned, the project was tasked on how it could be implemented and controlled. Lastly, overall project was pictured through time, cost, and risk which are possible to emanate in the course of the project execution.

On the larger viewpoint, the quest to redevelop marketing and selling strategies for Konate Herbal stands the chance to increase their sales volume in the subsequent trading year as well as branch extension across regional marketing. The flow chart below indicates the connection of input and output in line with the outcomes and impact governing the project.

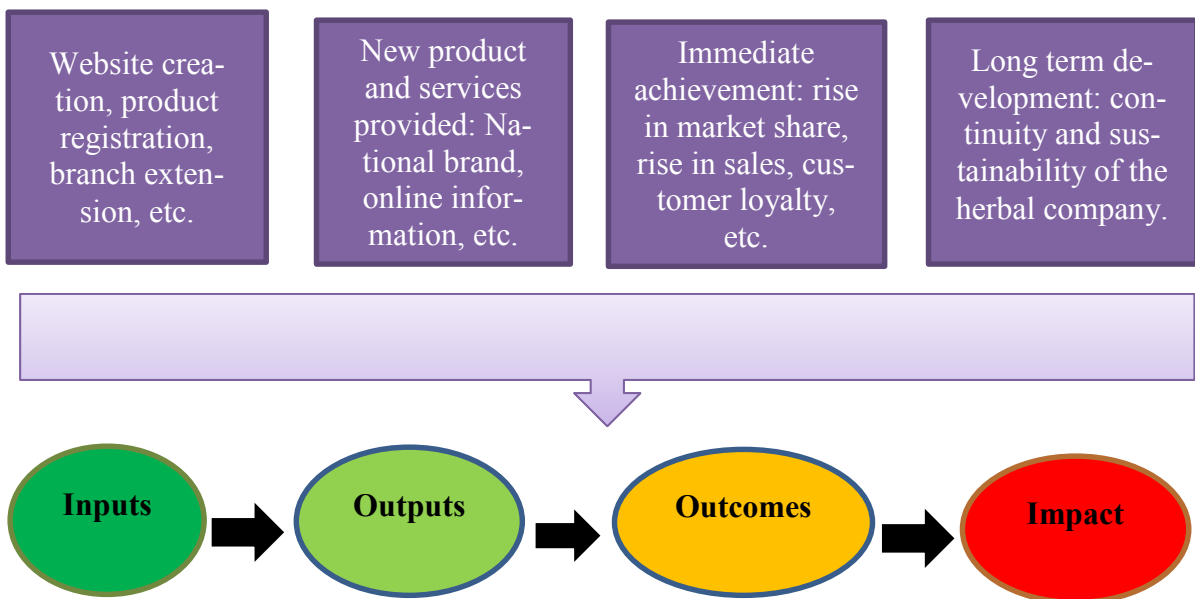


Figure 19: Input-Output Relationship; Sources: Created by Author

## 7 CONCLUSION

The main objective of this thesis was to redesign a marketing and selling strategy for Konate Herbal in Ghana. This could be done by strengthening and improving the already established strategies by the firm.

Konate Herbal as a micro-enterprise operates as a local firm in a town called Sampa in the Jaman North District of Brong Ahafo region of Ghana. The vision of the company is to extend its products and services beyond its current jurisdiction. To do this, a study was conducted to ascertain the true reflection of the company's activities. Consumers were key to this study since marketing and selling cannot be established in a vacuum.

Consumer behavior and perception were taken into account regarding purchases and consumption of locally branded medicinal herbal product. In view of this, questionnaires were designed to solicit opinions from customers' perspective on the use of locally branded medicinal herbal product. The responses were gathered using a simple random sampling technique on the side of consumers. The research also took a separate response from the management of the company in question.

With respect to the findings, the situational analyses of the company propel the need for a current marketing and selling strategies. SWOT and PESTLE analyses were employed to ascertain the market analyses of the firm. In view of that, the company analyses gave a vivid posture on how to restructure the marketing and selling strategies for the company under study.

However, in assessing the behavior of consumers toward locally branded medicinal herbal product of Konate Herbal, demographic characteristics were factored. Among them include, gender, age, educational level, and occupational status of consumers. Also the independent variables that were considered as influential factors of using such product, for the purpose of this study involved; price preference, brand preference, purpose of usage, country-of-origin, and registered status of the product.

The overall consumers' behavior and perception were examined based on the stated hypothesis;

*H1:* This was established in that; consumer buying behavior is determined by ones age, gender or educational level. Hence, there is a relationship between the three variables regarding the use of medicinal herbal product.

*H2:* It was also confirmed in that; preference of herbal brand was determined by educational level of the customer.

*H3:* This was also verified in that, the most influential reason for using medicinal herbal product indicated an alternative purpose.

*H4:* It was also confirmed by the research that customer's choice of medicinal herbal product was as connected to the price and educational level of the customer.

*H5:* This was verified in that; the ability for customers to depend heavily on locally branded herbal medicine was based on the notion of country-of-origin.

The results of the survey after a statistically tested analysis indicated a greater tendency to re-engineer marketing and selling strategy for Konate Herbal. Results of the findings summarized the thesis with a project to restructure marketing and selling strategy for Konate Herbal. The time, cost and risk for executing the project were analyzed in the previous chapter.

In all, Konate Herbal has the possibility of increasing its sales (market share) in this current digital world, with vibrant the initiatives towards redesigning its marketing and selling strategies.

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**LIST OF ABBREVIATIONS**

SME's	Small and Medium-sized Enterprises.
KHC	Konate Herbal Center.
SPSS	Statistical Package for Social Sciences
CPM	Critical Path Method
PERT	Programme Evaluation & Review Technique
FDA	Food and Drugs Authority
MCSRPM	Mampong Centre for Scientific Research into Plant Medicine
WHO	World Health Organization
ATHM	Alternative Traditional Herbal Medicine
COO	Country-of-origin
MOH	Ministry of Health
GSS	Ghana Statistical Service
GOV	Government of Ghana
BPO	Business Process Outsourcing
FDI	Foreign Direct Investment
NHIA	National Health Insurance Authority
GDP	Gross Domestic Product
SWOT	Strength, Weakness, Opportunity and Threat
PESTLE	Political, Economic, Sociological, Technological, Legal and Environment.
BGEP	Bank's Global Economic Prospects
SEO	Search Engine Optimization
R&D	Research & Development

ICT	Information Communication Authority
GAFRAM	Ghana Federation of Traditional Medicine Practitioners
GNATH	Ghana National Association of Traditional Healers
TAMD	Traditional Alternative Medical Development
WAHO	West Africa Health Organization
AGI	Association of Ghana Industries
CRM	Customer Relationship Management
B2C	Business-to-consumer

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***Appendix A: Survey of consumers on re-engineering marketing and selling strategies for Konate Herbal.***

**Assessing factors influencing consumer behavior on locally branded herbal product.**

Dear respondent,

I humbly invite you to partake in a research with regards to the above caption. This research is purely academic and any information given will be used for only that purpose. I pledge the confidentiality of the information given. I will share the main results in the master's thesis at the University of Tomas Bata in Zlín. The completion of this survey takes about 3-5 minutes. I hope you will take the time to fill in answers to this questionnaire and submit it by clicking on 'submit' button. If there are any questions in answering the questionnaire, kindly reach me on the email address: *mallambash13@gmail.com*  
Please tick (✓) where appropriate.

**1. Gender \***

- Female
- Male
- Prefer not to say

**2. Age \***

- 20 years and below
- Between 21 to 30
- Between 31 to 40
- Between 41 to 50
- 51 years and above

**3. Educational Level**

- Postgraduate
- Undergraduate
- High school/JHS
- None

**4. Occupational status**

- Student
- Formal Sector
- Informal Sector
- others

**5. Do you like medicinal herbal product?**

- Yes

- No
- Maybe

**6. If yes, why?**

- As alternative medicine
- As supplements
- Minimum side effect
- others

**7. If No, why?**

- Associate danger
- Lack of knowledge
- Not interested
- Others

**8. How frequent do you use locally branded herbal product?**

- Regular
- Sometimes
- Don't know

**9. What is your brand preference of medicinal herbal products?**

- Raw herbs
- Semi-processed herbs
- Processed herbs

**10. What is the preferred price level of locally branded medicinal herbal products?**

- Very cheap
- Cheap
- Moderate
- Expensive
- Very Expensive

**11. How will you consider the availability of locally branded medicinal herbal product?**

- Always accessible
- Sometimes accessible
- Rarely accessible
- Never accessible

**12. What is the main reason why you buy locally branded medicinal herbal**

**product?**

- Quality
- Attractiveness
- Brand name
- Natural

**13. Does the country of origin affect your purchasing decision of herbal products?**

- Yes
- No
- Maybe

**14. Do you consider a registered medicinal herbal product before buying?**

- Yes
- No
- Maybe

**15. If yes, why? \***

- For safety
- Reliability
- Acceptability
- others



*Appendix B: Interview with the Management of Konate Herbal*

1. Does your message coverage give originality of herbal product made locally in minds of Ghanaians? If yes what are some of the medium use?
2. How are the prices of your products comparable to imported ones?
3. What are some of the activities of the company engage to enhance local consumption?
4. How does your company create the awareness of Konate herbal products?
5. Does the government help in promoting your product and how? If yes what are some of the means used to boost local consumption?
6. Does the company meet the local demand for the herbal products? If yes, what channels are used to make the products available to consumers?
7. In your general opinion what are the reasons regarding why some consumers choose to buy imported herbal products than locally made in Ghana?
8. Do imported herbal products from some specific countries affect your marketing? If yes why and how?



Jibril Alhassan Konate (*Herbal Practitioner*)

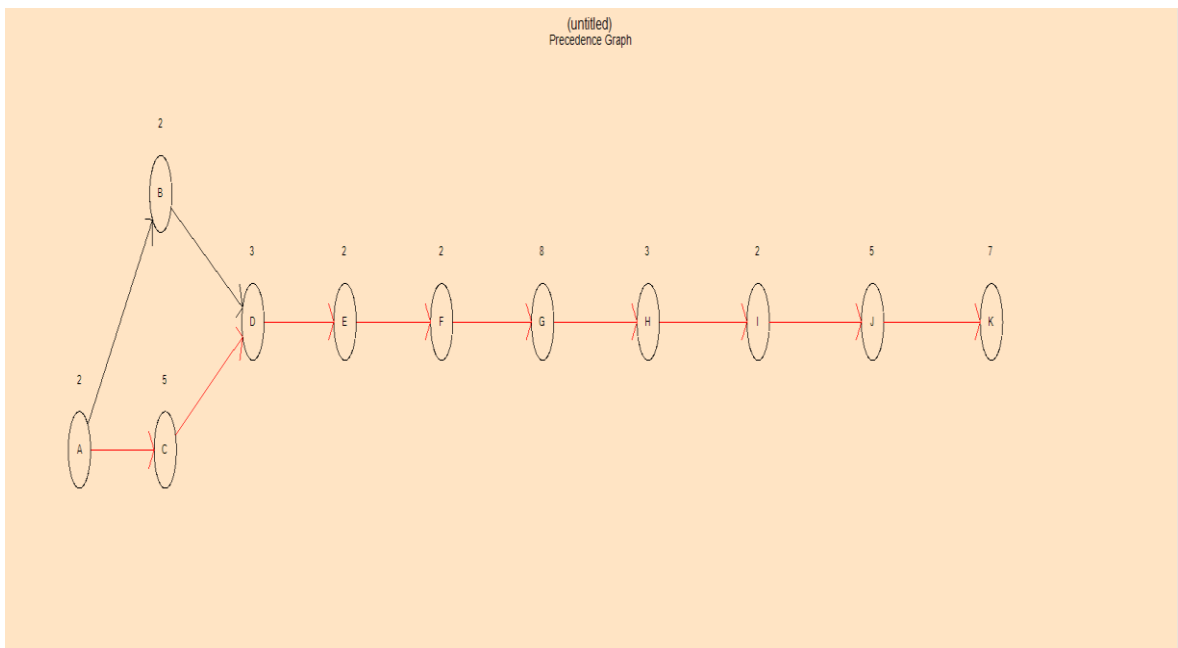
(CEO OF KONATE HERBAL)

**APPENDIX C I: NORMAL (MOST LIKELY) TIME FOR THE PROJECT**

QM for Windows - [Data] Results

(untitled) Solution

Activity	Activity time	Early Start	Early Finish	Late Start	Late Finish	Slack
Project	39					
A	2	0	2	0	2	0
B	2	2	4	5	7	3
C	5	2	7	2	7	0
D	3	7	10	7	10	0
E	2	10	12	10	12	0
F	2	12	14	12	14	0
G	8	14	22	14	22	0
H	3	22	25	22	25	0
I	2	25	27	25	27	0
J	5	27	32	27	32	0
K	7	32	39	32	39	0

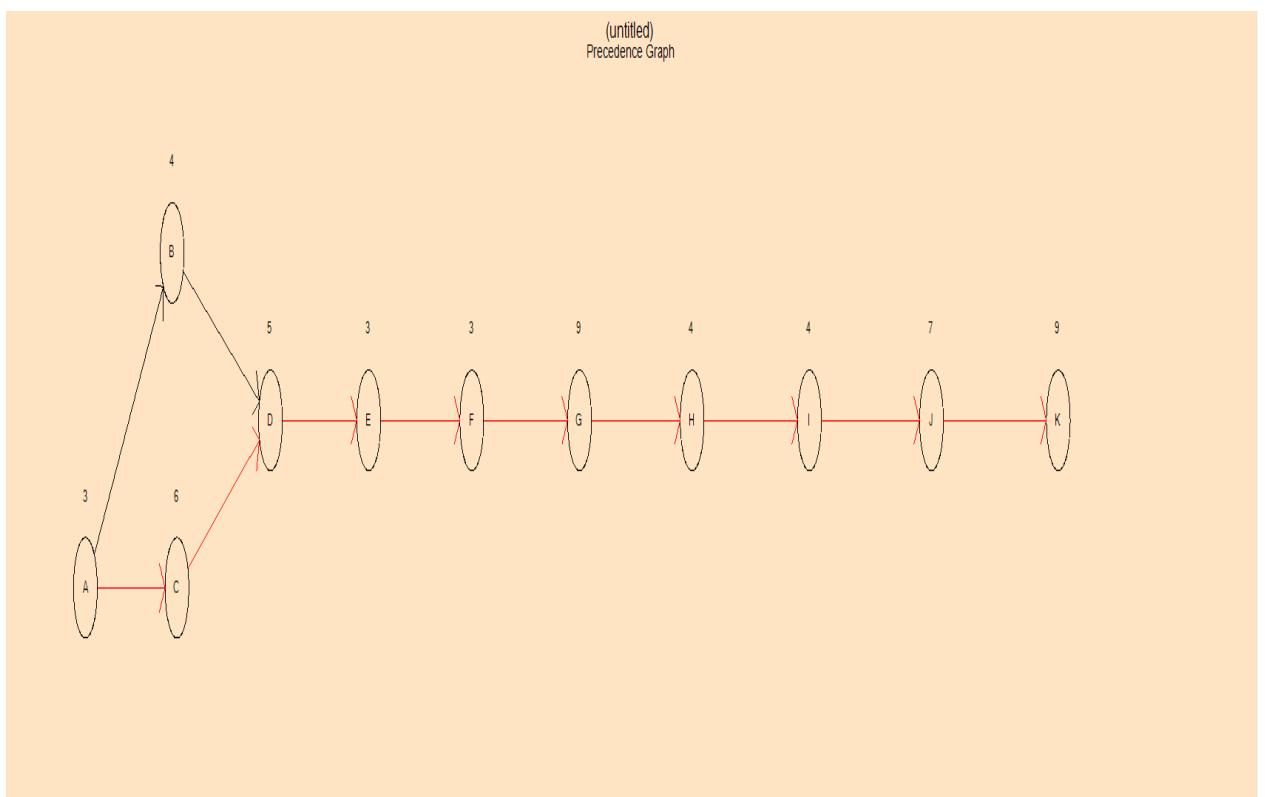


**APPENDIX C II: PESSIMISTIC TIME (DURATION) FOR THE PROJECT**

QM for Windows - [Data] Results

(untitled) Solution

Activity	Activity time	Early Start	Early Finish	Late Start	Late Finish	Slack
Project	53					
A	3	0	3	0	3	0
B	4	3	7	5	9	2
C	6	3	9	3	9	0
D	5	9	14	9	14	0
E	3	14	17	14	17	0
F	3	17	20	17	20	0
G	9	20	29	20	29	0
H	4	29	33	29	33	0
I	4	33	37	33	37	0
J	7	37	44	37	44	0
K	9	44	53	44	53	0



APPENDIX D: VARIABLES AND THEIR CODES USED IN SPSS

Female	0
Male	1
Prefer not to say	2
Yes	0
No	1
20 years and below	0
Between 21 to 30	1
Between 31 to 40	2
Between 41 to 50	3
51 years and above	4
Postgraduate	0
Undergraduate	1
High school/JHS	2
None	2
Student	0
Formal Sector	1
Informal Sector	2
Others	3
Alternative	0
Supplements	1
Minimum side effect	2
Associate danger	0
Lack of Knowledge	1
Not Interested	2
Regular	0
Sometimes	1
Don't know	2
Raw herbs	0
Semi-processed	1
Processed	2
Very cheap	0
Cheap	1
Moderate	2
Always accessible	0
Sometimes accessible	1
Rarely accessible	2
Quality	0
Attractiveness	1
Brand name	2
Natural	3
For safety	0
Reliability	1
Acceptability	2
May be	3