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Functional Strategy and Strategic Advantage of Pharmaceutical Distribution Companies in South-South Region of Nigeria

¹Matthias O. Nkuda, & ²Margaret Ekeins

¹Department of Management, Faculty of Management Sciences, University of Port Harcourt, Rivers State, Nigeria.

²Department of Office and Information Management, Faculty of Management Sciences, Niger Delta University, Wilberforce Island, Bayelsa State, Nigeria.

matthias.nkuda@uniport.edu.ng, matthiasnkuda@yahoo.com

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Abstract

The research aimed at analysing how functional strategies affect the competitive advantage of the pharmaceutical distribution companies in the south-south region of Nigeria. The purpose was to investigate how the marketing function and the human resource function affect profitability and customer satisfaction of pharmaceutical distribution companies in the south-south region of Nigeria. A cross-sectional survey design was used adopted in the study. There were 90 participants in the poll. Questionnaire was used to collect data which resulted in 85 completed and returned copies of the questionnaire. Simple linear regression was applied analyse the data. Based on the results, marketing and human resource functions have significant impacts on the profitability and customer satisfaction of pharmaceutical distribution companies in the south-south region of Nigeria. The study concluded that functional strategies significantly affect the strategic advantage of pharmaceutical distribution companies in the south-south region of Nigeria with reference to Uyo in Akwa Ibom State and Port Harcourt in Rivers State. It was recommended that managements of pharmaceutical distribution in these states should be meticulous in implementing their functional strategies with focus on marketing and human resource functions to enhance their chances of attaining strategic advantage in their choice industry.

INTRODUCTION

It is a fact that competition is common in the international markets. As a result, companies, irrespective of their size, age, and developmental level, are pursuing, among others, competitive and strategic benefits. Strategic advantage can be defined as the relative capacity of a company to achieve its objectives in a given context in comparison to its rival (s). Competitive advantage and strategic advantage are both more general and long term in focus. The merits and importance of strategic advantage are many, salient among which is the enablement of a company not only to survive and grow but also to achieve its profit outcomes reflected in growth, survival and rents (Copinath & Hoffman, 1995). The manufacturing industry, which includes the pharmaceutical distribution companies, contributes 1.27% to the Gross Domestic Product (GDP) in the second quarter of 2019, and 0.58% in the first quarter of 2020 to 3.79% in the second quarter of 2020 (National Bureau of Statistics, 2020). This sector contributes 3 per cent of the total pharmaceuticals in the world and 80 per cent of the available medicine is sold by Patent and Proprietary Medicine Vendors (PPMV) in Nigeria, thereby making the country

the most active player in pharmaceutical industry in Africa (Olayisade, 2025).

Nigerian pharmaceutical industry has high growth potentials projected to be \$4 billion in the next decades which translates to &4,000 Gross Domestic Product per capita over the same period of time (Okoro, n.d). They offer employment to auxiliary nurses and internships to future pharmacists from universities to learn practical hands-on skills in dispensing prescriptive drugs as prescribed by medical doctors in hospitals. Nonetheless and despite these merits, the challenges of counterfeit products ravaging the health sector in Nigeria, high cost of doing business due to high exchange rates to acquire supplies mostly from India and China to replenish insufficiency of local pharmaceutical companies to cover the yawning gap in pharmaceutical products' demand in the country remain. These problems have, in a way, spawned and catalysed studies in the field (Agwu & Onwuebuze, 2017; Orishede, 2020; Njoku, 2022). These past researches applied different approaches notably: conceptual and empirical to address the problem of strategic advantage among pharmaceutical distribution companies. Yet, achievement of strategic advantage continues to elude pharmaceutical enterprises thereby creating a gap in the literature that needs to be filled.

This gap in the literature led to this research aimed at capitalising on functional strategy in attempts to identify and find potential solution(s) to the strategic advantage dilemma amongst pharmaceutical distribution firms in south-south part of Nigeria. Functional strategy may be described as the section of corporate strategy that is cascaded down to the first-level of management where corporate strategy is implemented. Functional strategy, as its name suggests, is developed by each of the functions in the organisation. In this research, the proxies of functional approach were marketing and human resource functions (Kazmi, 2002). Strategic advantage, on the other hand, was operationalised using balanced scorecard approach which consisted of profitability and customer satisfaction (David, 2013).

The research tried to establish how functional strategy influences strategic advantage of pharmaceutical distribution businesses in the south-south region of Nigeria. The particular objectives included:

Assessing the impact of the marketing function on the profitability of the pharmaceutical distribution firms in the Uyo Akwa Ibom State and Port Harcourt in Rivers State.

Examine how the marketing function has affected customer satisfaction in pharmaceutical distribution firms in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Investigate the role of the human resource function relative to profitability of the pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Probe how human resource function affects customer satisfaction in pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

The attendant research questions were as follows:

How does marketing function impact profitability of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State?

What is the impact of marketing function on the of customer satisfaction of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State?

How does human resource function impact the profitability of pharmaceutical distribution businesses in Uyo, Akwa Ibom State, and Port Harcourt, Rivers State?

What is the influence of human resource function on customer satisfaction of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State?

The hypotheses developed to direct the study were as follows:

Ho1: There is no significant influence of marketing function on profitability of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers

State.

Ho2: The marketing function does not have a significant impact on customer satisfaction of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Ho3: There is no significant influence of human resource function on profitability of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Ho4: There is no significant influence of human resource function on customer satisfaction of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

This study would benefit the managements of pharmaceutical distribution companies significantly in terms of updating their knowledge on how to orient their functional strategies to best serve their strategic interests reflected often in satisfying their set goals of profitability and achieving improved customer satisfaction and loyalty overall. It would also be meaningful in contributing, in no small measure, to the development of knowledge in the field of strategic management.

LITERATURE REVIEW

The review of literature revolved around conceptual framework discussed along the lines of the objectives, theoretical framework and empirical review as orchestrated below:

Conceptual Framework

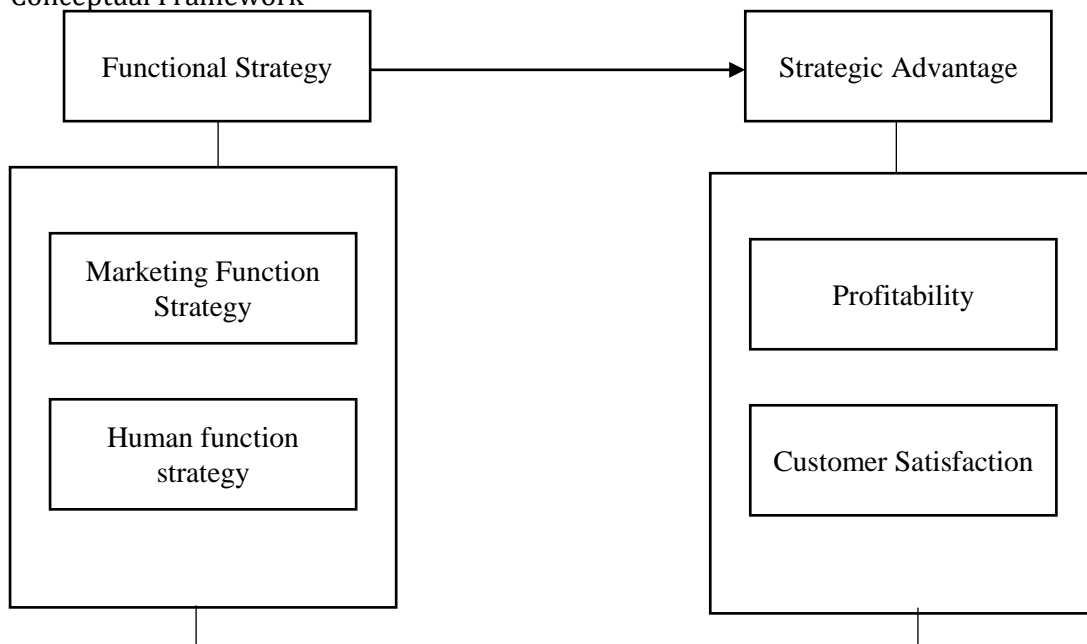


Figure 1.1: Conceptual framework of functional strategy and strategic advantage.

Source: Author's conceptualisation (2025). Based on dimensions and measures adapted from Kazmi (2002) and David (2013) respectively.

Functional Strategy

Business organisations have strategies which enable them to carry out their operations. The strategies, courtesy of extant literature, vary from corporate through business to functional level strategies including operational strategies (Thompson & Strickland, 2003; Orishede, 2020; Ciucescu et al., 2022). Functional strategy is a kind of strategy designed at the functional level of a business to help in the implementation of corporate or global and business level strategies to achieve set objectives (Ciucescu et al., 2022). According to Wheelen and Hunger (2010),

functional strategy refers to a model used by a functional area to achieve corporate and business unit goals and strategies, thus maximising resource efficiency. This means that the corporate strategy flows down to the business level and ultimately, functional level where the implementation of the strategy is laid out. In the case of pharmaceutical distribution company that may not be diversified, corporate strategy is not relevant since it is simply engaged in and interested in the choice of a proper business level strategy and its successful application at the functional level (Thompson & Strickland, 2003).

Typically, and depending on the organisational structure put in place, business organisations have functions such as production, marketing, human resource, accounting, finance, corporate affairs and information and communication technology (ICT). Ciucescu et al. (2022) reinforce that functional level strategy identifies and explains division, function, department and unit in the organisation that assists in elucidating what exactly ought to be done hence constructing cross-functional synergy and collaborations. In the interest of this study, we are going to limit discourse to marketing and human resource functions only. In order to ensure successful implementation and horizontal alignment, strategists need to work on cross-functional collaboration to prevent systemic sub-optimisation that can be caused by the failure to pursue this method. This is plausible since core capabilities and unique competencies are constructed within the respective functional areas to create a strategic and competitive edge to the respective organisations like pharmaceutical distribution companies (Thompson & Strickland 2023, Orishede, 2020; Ciucescu et al., 2022).

Marketing Function and Profitability

There are many key areas wherein an economic entity can set its objectives and profitability is one of them (Drucker, 1954, Menicucci & Paolucci, 2016, Kazmi, 2002). Profitability could be defined as the position whereby an organisation is able to produce surpluses throughout its chain of operations across time (Wehrich et al., 2013). Yusuf and Surjaatmadja (2018) consider profitability to be the ability of a company to make a profit within a specified time period that can be measured in terms of profitability ratios. The gross margin or profit of the business is the difference between the surpluses and costs of operations calculated based on the accounting perspective (Hornrgren et al., 2003; Asuquo & Obialor, 2024). It can be noted that high profits are attractive to investors since it is an indication that the company has high rate of return. There are various drivers of profitability of an organisation that, in most instances, are not within the control of the management of the organisation itself which also has the prerogative to determine the type of risk that the organisation can take (Pandey, 2005).

Marketing functions are critical when it comes to organisational activities that are customised and performed to achieve the profitability. It has been recognised in literature that production cannot be complete without and until, products reach the final consumers. The task of identifying the needs and wants of consumers and developing the distribution network to get the desired products to consumers to satisfy their needs through exchange process is domiciled in the marketing function of an organisation. The entire strategic marketing processes that cut across the product, price, promotion and physical distribution or place (4Ps) among others are usually aligned and customised to enhance the profitability of the organisation. Little wonders then what Robert Louis Stevenson had said that however sound board decisions are, nothing occurs in organisation until and unless a salesman can come back with revenue (Kotler, 1984). This is where profitability can be elusive and unachievable unless strategic marketing processes are well planned, organised, led and controlled as well as implemented to ensure organisations continue to be profitable going-concerns over generations.

Marketing Function and Customer Satisfaction

The micro-external environment where consumers operate and exert a great influence is the

key to the sustainability of an organisation of any age, size and development. Organisations open their doors as often as possible deliberately and intentionally to welcome customers whose sustained patronages are tangential to continued existence of the organisation. This statement is the reason why Drucker (1954) says that the primary business of any average organisation is to make customers. Prospecting and creating a customer (s) is one thing, cultivating and sustaining a customer (s) is another thing. The inability to do so can be attributed, in a large part, to the failure of many businesses particularly micro, small and medium sized businesses that often fail within the five year period of their existence (Nwachukwu, 1990; Perry et al., 2018; U.S., Bureau of Statistics, 2025). The marketing role involves determining the actual needs of the markets based on research and in conjunction with the research and development department, develop products and/or services that meet the identified needs of the target customers. This process thus creates a nexus and intricate link between operations of marketing function and customer satisfaction as the life-wire of thriving organisations.

Strategic Advantage

Given the volatile, uncertain, complex, and ambiguous (VUCA) nature of the marketplace and environment, within which organisations function (Nkuda, 2020), it is apparent that organisational strategists must endeavour to come up with strategies that would give them a competitive edge over competitors. Strategic advantage could thus be described as the benefit a specific implemented strategy could give to an organisation within its choice industry. The concept of strategic advantage should not be confused with strategic change which is an allied concept in the field and scope of strategic management. Strategic change is related to the adjustments that can be implemented in a choice strategy so that it could be more efficient, competitive and outcome-oriented compared to those of competitors. This involves close examination of corporate strategy that decides on which industry to enter, business-level strategy that emphasises on strategies to be used to compete to provide and guarantee competitive advantage and functional strategies that must be implemented with the utmost perfection and unity through both vertical and horizontal fits to guarantee strategic advantage. According to Black et al. (2023), strategic advantage refers to a state of affairs where one actor is more likely than others (adversarial or amicable) to achieve his or her objectives within a particular contest, crisis, or conflict by having affected the dynamics of competition to his or her benefit and optimised the relevance of his or her own areas of asymmetric advantage in all levers of power. This concept explains why it is important to enhance positive aspects and address weaknesses. According to Nguyen and Nguyen (n.d.), the capacity to realise and appraise surprising information is termed as serendipity and therefore creates an unforeseen value, which is a characteristic of a strategic advantage. The need for superior strategy that can be adjusted as the need arises to deliver strategic advantage to pharmaceutical enterprises cannot therefore be over-emphasised given the ever-changing environment in which organisations of all kinds operate.

Human Resource Function and Profitability

Profit making is the main objective of organisations. Hence, many organisations' top executives set their objectives to capture and reflect this premier objective which underlined the pursuit of profitability in their operations. The release of myriad operations within the organisations to have profitability realised in the short term, medium term or long term comes under the operational role and scope of the human resource role in the organisations. This is the reason why human resources are regarded as the key resources of the internal environment of the organisation where people strive to make a decent living. Both Jack Welch, CEO of General Electric and Aaron Feuerstein (1995) owner of Malden Mills referred to in Gibson et al. (2003) concurred to this objective fact that people-first-strategy is the magic wand required to organise

and manage people within organisations. This author is not going to acquiesce any less considering the fact that it needs human resource to source and import the proper resource inputs comprising materials, machines, money and manpower (Wehrich et al., 2013) including technology and effective self-management relative to time management into the organisations, deploy them to work in appropriate proportion or mix, in appropriate setting or place to produce the right outputs to satisfy the needs of the markets on sustainable basis. In a nutshell, human resource function appears to be enamored with profitability in practically every organisation.

Human Resource Function and Customer Satisfaction

Customer satisfaction is the foundation of effective business activities since it is in the capacity to fulfil customers in a better and faster way than the rivals that a lot more profitability can be realised and an edge over competition can be achieved. Customer service of the organisation is the area which is involved squarely and unmistakably in the domain of delivering customer satisfaction. The niche of customer service is instrumental to success and requires a close selection of the person-environment fit and friendly human resource to deal with (Gibson et al., 2003). The front-desk officers in organisations must inevitably be customer-friendly in the entire range of their daily activities to win the goodwill of the customers and the masses with which their organisations do business. The key to resounding success could lie in the ability to use the customer oriented aspect of marketing concept to realise optimum customer satisfaction (Kotler & Armstrong, 2001). In theory, it becomes clear that human resource is highly required to ensure that customer satisfaction is realised besides being instrumental in washing the image of the organisations.

Functional Strategy and Strategic Advantage Nexus

The organisations must be able to design and implement strategies developed throughout their hierarchies as ways to attain their established economic ends and competitive advantages on the long term. Both corporate and business-level strategies are implemented at the first-level of management where functional managers are the major players in the affairs (Kazmi, 2002). Each management function crafts its functional strategy accompanied with functional plans and policies to ensure that the implementation does not miss the desired target in terms of gaining advantage for the organisation concerned. Effectively implemented superior functional strategy can provide strategic advantage to the organisation in comparison to its competitors. Therefore, there seems to be a correlation between functional strategy and strategic advantage in the overall scheme of things in organisation subject to empirical verification in course of the study.

THEORETICAL FRAMEWORK

This investigation was based on the path-goal theory as developed by Martin Evans and Robert House in 1971 (Griffin, 2005; Schermerhorn, 2010). The path-goal theory is a by-product of the expectancy theory which explains the central role of leadership in meeting the organisational goals. The theory exposes the behaviours that the subordinates ought to portray in order to receive the rewards that are attached to the achievement of set goals. That highlights the reason why the theory is termed path-goal. The human resource of the pharmaceutical distribution businesses in Port Harcourt, Rivers State, Uyo in Akwa Ibom State and any other location in Nigeria would be the care-givers and in-house pharmacists who should be competent in their respective fields. The managers of the pharmaceutical distribution companies should clarify the behaviours which the staff ought to portray to gain the rewards offered by the management of the enterprises namely: courtesy in serving the customers and the general publics over a given time. This is significant since in so doing, frequent deaths caused by lack of quality service delivery to customers can be avoided. It is here that the path-goal theory resonate with and can be applicable to both functional strategy and strategic advantage as explored in this study in

relation to pharmaceutical distribution businesses in Port Harcourt, Rivers State and Uyo, Akwa Ibom State, Nigeria.

EMPIRICAL REVIEW

The review was conducted in chronological order starting with the latest publications then moving to the oldest publications in a series as follows:

In a study on the competitive advantage approach model strategy, as it relates to the entrepreneurial performance of marketing, Siragar (2025) studied Ulos fabrics in North Sumatra, Indonesia. The sample of the study included 221 small and medium-sized enterprises (SMEs), and the census survey design was used. Structural Equation Modelling (SEM) was used in the analysis of source data. The findings revealed that promotional and online marketing, among others, enhanced the competitiveness and sustainability of Ulos cloth in North Sumatra, Indonesia.

At the UBA regional office in Lagos, Nigeria, Itohan et al. (2024) carried out a study on strategic management practices as a key to realising organisational performance. A total of 300 people made up the study population with 171 respondents being selected based on the formula by Taro Yamane at the 0.50 level. Data analysis was done using correlation and scatter plot aided by Statistical Package of the Social Sciences (SPSS). The findings indicated that there is a significant relationship between the implementation of strategies, which include functional strategies and organisational performance indicators such as productivity, profitability, and operational efficiency.

Njogu (2022) explored the topic of functional strategies and performance with reference to the research of commercial banks in Nakuru County, Kenya. A descriptive research design was utilised. The target population was 205 respondents comprising Branch Managers, Marketing Managers, Chief Accounting Officer, Human Resource Manager of licensed banks in Nakuru County, Kenya. Primary data were collected using a questionnaire. Both descriptive statistics and linear regression were used to analyse the data after conducting a pilot research and all of which assisted by Statistical Package for Social Sciences (SPSS) software. Validity of the research instrument in terms of its contents and constructs were assessed. The reliability of the instrument after pilot research had an Alpha (α) value greater than 0.70 and thus, it met the minimum criteria of Nunnally. The results showed that organisational performance was influenced by the operational, financial, marketing, and human resource management practices. The values of correlation were negative and insignificant which means that operational, marketing and human resource management strategies had no relationship with organisational performance. Alternatively, the relationship showed a significant but weak influence when the operational and financial strategies were compared to the organisational performance, which resulted in a recommendation that the functional strategies of the concerned commercial banks should be continuously enhanced.

In 2020, Orishede presented a study which included a literature review of empirical researches on functional-level strategy and competitive advantage: An analysis of empirical research carried out in Delta State, Nigeria as a part of a theoretical and extant literature approach. The qualitative research design was founded on the review of the empirical literature and theory bases. The paper studied the influence of functional strategies on competitive advantage including marketing, finance and human resource. These results indicated that human resources, marketing and finance all positively affected competitive advantage. As a result, companies were urged and advised to take the development of functional-level strategy very seriously.

Agwu and Onwuebuzie (2017) tested the strategic relevance of functional-level strategies as effective tool to achieve organisational objectives in Lagos State, Nigeria. The respondents were

117 in number. Primary data were accessed through questionnaire to give a reliability coefficient of Alpha (α) 0.702. The research data were analysed through regression analysis. The results showed that the functional-level approach marketing strategy was linked to customer happiness and productivity, implying that management should successfully monitor the functional-level strategies to improve performance and organisational outcomes.

METHODOLOGY

In this study, a quantitative and correlational approach was used. The sample size was fifteen (15) pharmaceutical distribution firms operating in Port Harcourt, Rivers State, and Uyo, Akwa Ibom State (PWDAN, 2018). A survey methodology of census was employed. The sampling framework of the study consisted of ninety (90) respondents made up of pharmacists, supervisors, chemists and other senior employees. Questionnaire was the instrument designed and used to gather primary data. The secondary data were obtained from existing literature, digital resources, academic journals, periodicals, and newspapers. The validity of the study instrument was evaluated using face and content validity to make sure that it was valid. Cronbachs Alpha (α) 0.70 and above was used to determine the reliability of the study instrument. Empirical and statistical investigation was done using regression analysis.

RESULTS AND DISCUSSION

The acquired data were displayed in tables and analysed by simple linear regression analysis. The table showed that out of the 90 copies of questionnaire that were distributed, 85 were filled, returned and used in the study for analysis resulting in a response rate of 94.4 percent.

Data Analysis

Test of Hypotheses

Hypothesis 1

Ho1: There is no significant influence of marketing function on profitability of pharmaceutical distribution enterprises in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Table 4.1: Marketing Function on profitability of pharmaceutical distribution enterprises in Uyo, Akwa Ibom state and Port Harcourt, Rivers state.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.915a	.838	.836	44297

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84.302	1	84.302	429.635	.000b
	Residual	16.286	83	.196		
	Total	100.588	84			

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.180	.126		1.428	.157
	Marketing Function Strategy	.961	.046	.915	20.728	.000

Source: Researcher’s computation (2026)

The correlation between marketing strategy and profitability of pharmaceutical distribution

enterprises in Uyo, Akwa Ibom State and Port Harcourt, Rivers State is as outlined in Table 4.1 above. The result yields a R² value of 0.838 which meant that the marketing strategy explains 83.8 percent of the difference in profitability between pharmaceutical distribution firms in Uyo, Akwa Ibom State and Port Harcourt, Rivers State. The Beta value of 0.961 indicates that a unit improvement in marketing function strategy would result in a 96.1 percent improvement in profitability of pharmaceutical distribution companies in Akwa Ibom State and Port Harcourt, Rivers State. To test the suitability of the simple linear regression model, the F-statistic was calculated to have an F-value of 429.637, meaning that the model fitted well in defining the relationship between marketing strategy and profitability in pharmaceutical distribution companies in Akwa Ibom State and Rivers State. Thus, since the F-429.637 and the P-value of .000 were lower than the alpha level of 0.05 in social sciences, we concluded that the null hypothesis stating that the marketing function strategy does not significantly affect profitability be rejected and the alternative hypothesis accepted. This suggested that the marketing strategy substantially impacts profitability in pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Hypothesis 2

Ho₂: The marketing function does not have an important impact on customer satisfaction of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Table 4.2 Marketing Function on Customer Satisfaction of Pharmaceutical Distribution Companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834a	.695	.692	.65157

a. Predictors: (Constant), MarketingFunctionStrategy

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80.457	1	80.457	189.514	.000b
	Residual	35.237	83	.425		
	Total	115.694	84			

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.282	.185		1.526	.131
	Marketing Function Strategy	.939	.068	.834	13.766	.000

Source: Researcher’s computation (2026)

Table 4.2 illustrates the relationship between marketing strategy and customer satisfaction of the pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State. The value of R² is 0.695, which meant that the marketing functional approach explains 69.5 percent of customer satisfaction in the pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State. This was confirmed by the Beta coefficients of .939, which indicates that one unit improvement in marketing function strategy would give a 93.9 percent increase in customer satisfaction in the pharmaceutical distribution companies in

Uyo, Akwa Ibom State and Port Harcourt, Rivers State. To determine the sufficiency of the simple linear regression model, the F-statistic was calculated which showed that the F-value is 189.514 that indicated that the simple linear regression model was suitable to outline the relationship between marketing strategy and customer satisfaction in the pharmaceutical distribution industry in Akwa Ibom State and Rivers State. Consequently, F-value of 189.514 and P-value of .000 do not exceed the alpha of 0.05 in social sciences, it was concluded that the null hypothesis which states that there is no significant effect of marketing function strategy on customer satisfaction was rejected and the alternative hypothesis accepted. This implies that customer satisfaction in the pharmaceutical distribution firms in Uyo, Akwa Ibom State and Port Harcourt, Rivers State highly depends on the marketing strategy.

Hypothesis 3

Ho3: Human resource function does not have a significant impact on profitability of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Table 4.3 Human resource Function on Profitability of Pharmaceutical Distribution Companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.981a	.962	.962	.21328

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.813	1	96.813	2128.265	.000b
	Residual	3.776	83	.045		
	Total	100.588	84			

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.003	.061		-.050	.960
	HumanFunctionStrategy	1.020	.022	.981	46.133	.000

Source: Researcher’s computation (2026)

Table 4.3 shows the correlation between the human resource function and profitability of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State. The outcome gives an R² of 0.962 meaning that 96.2 percent of the variation in profitability of pharmaceutical distribution businesses in Uyo, Akwa Ibom State and Port Harcourt, Rivers State could be explained by the human resource function strategy. The Beta value of 1.020 showed that one unit change in human resource function strategy will lead to an increase of 1.020 percent in the profitability of pharmaceutical distribution enterprises in Akwa Ibom State and Rivers State. To determine the suitability of the simple linear regression model, the F-statistic is calculated, and the obtained F-value is 2128.265, which indicated that the model was suitable in outlining relationship between human resource function strategy and profitability of pharmaceutical distribution firms in Akwa Ibom State and Rivers State. Thus, when the F-2128.265 and P-value of 0.000 is less than the alpha level of 0.05 in social sciences, the alternative hypothesis is accepted and the null hypothesis rejected. This suggested that the

strategy of the human resource function substantially impacts customer satisfaction in pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Hypothesis 4

Ho4: Human resource function does not have any significant impact on the customer satisfaction with pharmaceutical distribution enterprises in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Table 4.4. Human resource Function on Customer Satisfaction of Pharmaceutical Distribution Enterprises in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932a	.869	.868	.42656

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	100.592	1	100.592	552.836	.000b
	Residual	15.102	83	.182		
	Total	115.694	84			

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.006	.121		-.050	.960
	Human Function Strategy	1.039	.044	.932	23.512	.000

Source: Researcher’s computation (2026)

In Table 4.4, the relationship between the human resource function and customer satisfaction of pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State is as shown. The outcome gives a value of 0.869 as the R2 and this meant that the human resource function strategy accounted for 86.9 percent of the variance in customer satisfaction in the pharmaceutical distribution companies in Uyo, Akwa Ibom State and Port Harcourt, Rivers State. The Beta of 1.039 meant that one unit change in the human resource function strategy led to customer satisfaction increase of 1.039 percent in the Akwa Ibom State and Rivers State pharmaceutical distribution companies. The F-statistic calculated to assess the sufficiency of the simple linear regression model showed F-statistic as 552.836, which indicated that the simple model was effective in defining the relationship between human resource function strategy and customer satisfaction in pharmaceutical distribution companies in Akwa Ibom State and Rivers State. Therefore, as F-value of 552.836 and P-value of .000 were less than alpha value of 0.05 in social sciences, the null hypothesis which states that human resource function strategy does not significantly influence customer satisfaction be rejected and the alternative accepted. This indicated that the human resource functional strategy has a significant influence on customer satisfaction in the pharmaceutical distribution firms of Uyo in Akwa Ibom State and Port Harcourt, Rivers State.

DISCUSSION OF FINDINGS

This research study has found that marketing function has a strong and positive impact on

profitability and customer satisfaction of the pharmaceutical distribution companies in Akwa Ibom State and Rivers State. Successful marketing practices including strategic distribution, relationship marketing and customer-oriented promotion will make the product more accessible and increase customer loyalty which eventually will be reflected in higher sales and profit margins. This is in line with Siregar (2025) findings, which pointed out that strategic marketing, such as collaboration and distribution strategies, are effective in enhancing the profitability and customer satisfaction of pharmaceutical companies. The empirical data also indicates that product distribution and marketing leadership are the variables in marketing that are associated with profitability and customer satisfaction results with strong statistical relationships. Equally, Itohan et al. (2024) observed that marketing-based value creation enhances organisational productivity, thus strengthening the relationship between marketing efficiency and firm performance.

The results also show that the human resource (HR) function has a considerable impact on organisational profitability and customer satisfaction based on the competence of the workforce, motivation, and the quality of services delivered. Experienced and professionally trained workers, in particular, sales representatives and distribution staff, will improve their attitudes towards customers, guarantee effective delivery of products, and increase the reliability of services. This aligns with Njogu (2022), who proposed that the human capital development and employee engagement are critical determinants of the quality of services and customer satisfaction in distribution-based industries. The HR practices, including training, performance incentives and employee retention in the pharmaceutical environment, where timely delivery and customer trust are paramount, have a direct influence on the efficiency of operations, and profitability. In line with this, pharmaceutical human resource research underscores the significance of professionally trained personnel (e.g., medical representatives) to persuade customers in their decision-making and satisfaction results.

It was also discovered that the combined effect of marketing and human resource functions was synergistic in that, when firms combine the two functions well, they realise high performance results. Marketing strategies need to have effective human resource to carry out the marketing strategies and the HR policies have to be congruent with marketing objectives in order to create value for the customers. This is in support of the findings by Orishede (2020), who reasoned that if functional areas like marketing and human resource are strategically aligned, organizational performance is bound to be maximised. In pharmaceutical distribution, adequate coordination of marketing and human resource functions will result in efficient supply chains, enhanced management of customer relationships, and responsiveness to the market needs. Distribution studies also reveal that customer acquisition, retention and profitability are boosted by efficient distribution systems and marketing coordination.

Finally, the research establishes that marketing as well as human resource functions are major predictors of overall performance of the firm with respect to profitability and customer satisfaction. This aligns with Agwu and Onwuebuozie (2017) who discovered that integrated management practices have a big impact on the business performance outcomes in Nigeria. This means that the pharmaceutical distribution companies operating in Akwa Ibom State and Rivers State should invest in efficient marketing strategies and effective human resource systems to be competitive. Through reinforcing these functional areas, pharmaceutical firms will be able to increase customer satisfaction by offering better services, at the same time boosting profitability by increasing sales efficiency and operational inefficiencies. Altogether, the results support the strategic significance of integrating marketing and human resource capabilities as the major factors of sustainable performance in the pharmaceutical distribution industry.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

The outcome of the simple linear regression indicated that marketing function strategy, in conjunction with human resource function had a significant effect on profitability and customer satisfaction of Pharmaceutical distribution in Akwa Ibom state and Rivers State. The results also revealed that:

Marketing function has a high impact on the profitability of pharmaceutical distribution businesses in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Marketing function has high influence on customer satisfaction of the pharmaceutical distribution enterprises in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

Human resource function has a great bearing on profitability of pharmaceutical distribution enterprises in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

There is significant influence of human resource function on customer satisfaction of pharmaceutical distribution enterprises in Uyo, Akwa Ibom State and Port Harcourt, Rivers State.

CONCLUSION

The research confirmed that functional strategy expressed in terms of marketing and human resource functions have a statistically significant and positive impact on strategic advantage reflected in profitability and customer satisfaction of pharmaceutical distribution companies in Akwa Ibom State and Rivers State.

RECOMMENDATIONS

Pharmaceutical distribution companies in Akwa Ibom State can enhance their marketing strategies by embracing customer-oriented marketing strategies like market segmentation, relationship marketing, and effective distribution channels.

Companies ought to continuously invest in human resource development by trainings, capacity building, and employee-based performance incentive.

Management should promote integration and alignment between the marketing and human resource functions.

The modern technologies and data-centered systems used in the marketing and HR processes should be introduced to pharmaceutical distributors, including the customer relationship management (CRM) tools and human resource information systems (HRIS).

LIMITATIONS OF THE STUDY

The critical challenge in course of the study had to do with scanty existing empirical literature. With this study and more in this area and other sectors, the status of empirical literature with the passage of time.

Competing Interest

The author declares that there is no competing interest in respect of this study.

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a. Dependent Variable: Profitability

b. All requested variables entered.

Model Summary

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1	.915a	.838	.836	.44297

a. Predictors: (Constant), Marketing Function Strategy

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84.302	1	84.302	429.635	.000b
	Residual	16.286	83	.196		
	Total	100.588	84			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Marketing Function Strategy

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.180	.126		1.428	.157
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a. Dependent Variable: Profitability

REGRESSION

/MISSING LISTWISE

/STATISTICS COEFF OUTS R ANOVA

/CRITERIA=PIN(.05) POUT(.10)

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Regression

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Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
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a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

Model Summary

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1	.834a	.695	.692	.65157

a. Predictors: (Constant), Marketing Function Strategy

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	80.457	1	80.457	189.514	.000b
	Residual	35.237	83	.425		
	Total	115.694	84			

- a. Dependent Variable: Customer Satisfaction
- b. Predictors: (Constant), Marketing Function Strategy

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.282	.185		1.526	.131
	Marketing Function Strategy	.939	.068	.834	13.766	.000

a. Dependent Variable: Customer Satisfaction

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REGRESSION
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Regression

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Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
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1	Human Function Strategy ^b	.	Enter
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- a. Dependent Variable: Profitability
- b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.981a	.962	.962	.21328

- a. Predictors: (Constant), Human Function Strategy

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.813	1	96.813	2128.265	.000b
	Residual	3.776	83	.045		
	Total	100.588	84			

- a. Dependent Variable: Profitability
- b. Predictors: (Constant), Human Function Strategy

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.003	.061		-.050	.960
	Human Function Strategy	1.020	.022	.981	46.133	.000

- a. Dependent Variable: Profitability

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Regression

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Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
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a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932a	.869	.868	.42656

a. Predictors: (Constant), Human Function Strategy

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	100.592	1	100.592	552.836	.000b
	Residual	15.102	83	.182		
	Total	115.694	84			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Human Function Strategy

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.006	.121		-.050	.960
	Human Function Strategy	1.039	.044	.932	23.512	.000

a. Dependent Variable: Customer Satisfaction