International Journal of Economics, Commerce and Management
United Kingdom ISSN 2348 0386 Vol. 12, Issue 2, Feb 2024
https://ijecm.co.uk/

MARKET PENETRATION STRATEGIES AND ORGANIZATIONAL GROWTH IN NIGERIA MANUFACTURING SECTOR

Banabo Ekankumo, PhD
Department of Business Education,
Isaac Jasper Boro College of Education Sagbama, Bayelsa State, Nigeria
banaboalex@yahoo.com

Ogbomah Thankgod
Department of Business Education,
Isaac Jasper Boro College of Education Sagbama, Bayelsa State, Nigeria
ogbomaht@gmail.com

Abstract

Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies. Firms respond to competition in different ways. Some may opt to product improvement, divestiture and diversification, entry into new markets or even emerging or buying out competitors. One of the major coping mechanisms is market penetration strategy. Market penetration is a key strategy in introducing a new product into a a new or existing market. Many a product has suffered colossal loss because a wrong strategy was adopted in introducing the product into the market. The aim is to increase organizational efforts through appropriate pricing in other to acquire a bigger market share than the organization's competitors seeks. Owing to global meltdown as a result of the pandemic which has led to the failure or death of a lot of companies, especially manufacturing companies, a study of this nature is more than necessary. To this end, the general objective of this paper is to determine the impact of market penetration strategies on organisational growth of Eastern Distilleries and Food Industries, Onitsha Anambra State. Adopting a descriptive research method, questionnaires were distributed to respondents and the data was analysed using both descriptive and empirical techniques. At the *end of the analysis, the study discovered that there is appositive and significant relationship between market penetration strategy and the growth of manufacturing organizations in Nigeria. Among others, it was recommended that Organizations in their promotional strategy plan should identify which of the promotional tools the customers respond to favorably and ensures resources are concentrated to that channel to maximize returns on promotional strategy expenditures.*

Keywords: Market Penetration, Price Penetration Strategy, Promotion Penetration Strategy, Market Segmentation Strategy

INTRODUCTION

Market penetration is both a measure and a strategy (Anyanga & Nyamita, 2016). According to them, a business will utilize a market penetration strategy to attempt to penetrate in an existing market. The goal is to get in quickly with the product or service and capture a large share of the market. Market penetration is also a measure of the percentage of the market that an organizational product or service is able to capture. A marketing penetration strategy involves increased sale of already existing products to a market that is already in existence. This is in an effort to acquire a bigger market share than the organization's competitors (Mills & Morris, 2015).

In this regard, market penetration offers the organizations an opportunity to increase both their sales as well as revenue. Market penetration strategy is the least risky since it leverages many of the firm's existing resources and capabilities (Vasu & Jayachandra, 2014). However, market penetration has limits, and once the market approaches saturation another strategy must be pursued if the firm is to continue to grow (Manketelove, 2016). Growth is something for which most companies strive, regardless of their size. Strategic planning is essential for firms operating in a complex, turbulent environment. Managing growth effectively requires that new products fit within the firm's mission, organizational strengths and existing products.

A penetration strategy is an institutional arrangement that a firm uses to market its product. It also refers to the extension of ownership of a firm to cover new markets, new sources of materials and new stages of the production process (Bierderman, 2017). The choice of penetration mode is done at firm level after evaluating the various options and their inherent risks and is therefore a strategic decision for the firm (Otoki, 2012). According to Healey (2013) marketing strategy is viewed by many authors as the most critical framework that helps the organization know where it should concentrate its infinite resources in order to accrue the most benefits and maintain a significant competitive advantage.

Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies. Firms respond to competition in different ways. Some may opt to product improvement, divestiture and diversification, entry into new markets or even emerging or buying out competitors (Scandula & Williams 2015). Some of these organizations have undertaken their transformation efforts quite successfully. On the other hand, other firms have experienced disappointing results with new strategies not well implemented. Acquisitions that have not achieved expected synergies, reengineering and downsizing that have largely failed and quality programs that have not reached the position hoped for (Njogu, 2014).

Market penetration strategy can be implemented by offering sales, increasing sales force, increase distribution and promotion of products, increased expenditure in marketing and advertising activities will results in increasing sales (Koks & Kilika, 2016). It is not guaranteed that market penetration works after investing in sales and marketing of products and service, therefore a firm should go for this strategy only if the current market is not fully saturated, market share of the competitors are decreasing whereas the industry growth rate is increasing, existing buyers have the potential to purchase same products and services in more quantity, when economies of scale provides competitive edge.

Statement of the Problem

Market penetration strategies are particularly important in industries where services or products offered are similar in nature and the nature of competitive rivalry is high. In these kinds of industries, firms that try to gain large market share make high returns and strive to survive and grow must develop a competitive strategy. Other companies have been kicked out of the business and shut down due to failure to adopt strategies for their survival and growth. For any organisation to achieve sustainable growth and globally become competitive, it needs to develop and implement the right market penetration strategies.

A number of research and studies have been done to establish the influence on market penetration on organisational growth. For instances, Mwiti (2011) in his study was seeking to understand the market penetration adopted by Essar telecom Kenya. Wanaina and Oloko (2016) studied the market penetration strategies and organisational growth with focus manufacturing sector. To the best of the researcher's knowledge, there are no or limited studies if any that have been done on market penetration that address the Nigerian manufacturing industry Which has unique characteristics. The purpose of this study therefore is to establish the effect of market penetration on organisational growth in the Nigerian manufacturing industry with special focus on Eastern Distilleries and Food Industries, Onitsha Anambra State.

Objectives of the Study

The general objective of this study is to determine the impact of market penetration strategies on organizational growth in Nigeria manufacturing industry. Specifically, the objectives are:

1. to determine the effect of price penetration strategy on market share of the organisation
2. to examine the role of market promotional strategy on sales volume.
3. to evaluate the role effective market segmentation strategy has on the firm's size.

Research Hypotheses

The following hypotheses have been formulated to guide this study in a null form:

H_1: There is no significant relationship price penetration strategy and market share.

H_2: There is no significant relationship between market promotional strategy and sales volume.

H_3: There is no significant relationship between market segmentation strategy and firm's size.

LITERATURE REVIEW

Conceptual Review

The Concept of Market Penetration Strategy

Green, Barclay and Ryans, (2015) defined market penetration strategy as an institutional arrangement that a firm uses to market its product. Onimbo, (2014) defined market penetration strategy as the extension of ownership of a firm to cover new markets, new sources of materials and new stages of the production process. Also, Sije, and Oloko, (2013) viewed Market penetration strategy as an effort to increase company sales without departing from an original product-market strategy. Luoma, (2015) opined that Market penetration strategy is the name given to a growth strategy where the business focuses on selling existing products into existing markets.

Market penetration is one of the Ansoff growth strategic decisions that is aim at creating more shares for the existing market (Uko & Ayatse, 2014). The strategy concentrates on gaining market competitiveness by having sustainable market share in the market (Hutzschenreuter, et al., 2014). Market penetration is a process in which the firm influence it strategies to increase its business activities, through maintaining sales to current customers as well as looking for potential customer in order to increase the volume of sales, without changing its prime market and product strategy. Business organizations can generate growth in this capacity when the strategic focus is greatly on market penetration especially if the growth strategy linked with one competitive strategy in order to give consumers choices (Washington, 2014)

Bunyiza, (2010) opined that Market penetration strategy can be implemented by offering sales, increasing sales force, increase distribution and promotion of products, increased expenditure in marketing and advertising activities. Aremu & Lawal (2012) cautioned that there is no guarantee that market penetration strategy will work after investing in sales and marketing of products and service, therefore a firm should go for this strategy only if the current market is not fully saturated, market share of the competitors are decreasing whereas the industry growth rate is increasing, existing buyers have the potential to purchase same products and services in more quantity and when economies of scale provides competitive edge.

Market penetration is an effort to increase company sales without departing from an original product-market strategy (Onimbo, 2014). The company seeks to improve business performance either by increasing the volume of sales to its present customers or by finding new customers for present products. As discussed above, market penetration is the name given to a growth strategy where the business focuses on selling existing products into existing markets. Market penetration seeks to achieve four main objectives including; maintenance or increasing the market share of current products through a combination of competitive pricing strategies, advertising, sales promotion and perhaps more resources dedicated to personal selling; Securing dominance of growth markets; restructuring a mature market by driving out competitors which would require a much more aggressive promotional campaign, supported by a pricing strategy designed to make the market unattractive for competitors. The other strategy includes increasing usage by existing customers by introducing loyalty schemes (Manketelove, 2016).

Price Penetration Strategy and Market Share

Kotler (2011) defined price as a cost of producing, delivering and promoting the product charged by the organization. Price can be stated as the actual or rated value of a valuable product which is up for exchange. In the studies of Wainaina & Oloko (2016), they established significant relationship between price penetration strategy and market share. According to them, the price set for a product or service plays a large role in its marketability. A firm that uses a penetration pricing strategy prices a product or a service at lesser level than its normal long-range market price in order to gain more rapid market acceptance or to increase existing market share. This strategy can sometimes discourage new competitors from entering a market niche if they mistakenly view the penetration price as long-range price (Uchegbulam et al., 2015).

Pricing strategy is a critical element in marketing and competitive strategy and a key determinant of market share of an organisational product. Price is the measure by which industrial and commercial customers judge the value of an offering, and it strongly impacts brand selection among competing alternatives (Manketelove, 2014). Pricing is key to success of any organisation and is vital in attracting and capturing demand. Pricing is also fundamental in optimizing the product's true worth out there in the real market place (Yeoman and McMahon, 2010). Furthermore, pricing is the only element in the marketing mix that generates revenue for the firm, it is also the most flexible element of the mix that influence pricing decision quickly and be adapted easily to the conditions surrounding a company's internal or external environment (Oloko, 2014).

Penetration pricing strategy is one of the most effective marketing strategies available to business organizations. This strategy involves setting a low entry price for a new product or brand in order to gain a breakthrough in a highly competitive market (Chalita et al., 2013). The strategy can also be used when introducing a completely novel product in the market or when tapping a new market segment for an existing product (Vikas, 2011). The eventual objective of this strategy is to make the most of profits, but to allow a new product or brand to gain a grip in the market place (Muriuki, 2013).

Promotional Strategy and Sales Volume

Market promotional strategy is defined as any communication activities whose purpose is to move forward products, idea or service in the marketing channel in order to reach the final consumer (Njogu, 2014). Promotion affects the knowledge, attitudes and behavior of the recipient. Promotion usually provides target audiences with all the accurate information they need to help them take decision. The information should be accurate and timely and should not be misrepresented so as to satisfy the customers and create a positive image for the organisation.

Ongonga, (2014) revealed that promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Osuagwu (2012) submitted that promotion strategies are of substantial importance in the efficiency and effectiveness of a company’s marketing efforts because it helps to influence the sales volume of the company product or services. He further argued that marketing promotion elements play varying roles towards the achievement of corporate marketing goals and objectives. David and David (2012) opined that Promotions have become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective of increasing it sales volume.

At the heart of business, nowadays, one of the strategic ways of increasing sales volumes by organisations in a competitive market is by attracting consumers' attention towards products or services (Khaled, 2012). Consequently, each producer needs to build a more attractive strategy and action plan than its competitors. One prominent tool of attracting consumers' attention towards products is promotion. According to Arvinlucy (2012), Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is use to ensure that consumers are aware of the products the organization is offering. Under marketing promotions, an organization would be aiming at a deliberately differentiated audience for a commercial purpose.

Sindhu, (2011) opined that the overall promotion effort usually includes several individual promotion campaigns. He defined promotion campaign as an interrelated series of promotion activities designed to accomplish a specific objective. The goal of promotion management is to ensure that all the individual elements of the promotion mix work together to accomplish the organization's overall promotion activities of sales increase. According to Pauwels (2012), company that wants more than "walk in" sales must develop an effective program of communication and promotions.

Successful promotion is an essential ingredient in marketing penetration strategy as it helps Prospective buyers to learn about both the products' distinctive wants satisfying characteristics and its availability (Muga, & Santamaria, 2010). Establishing and maintaining communications with target market segment are the main tasks assigned to marketing promotion. Han, Dong & Dresner, (2013) identified the objectives of promotion as information, stimulation of demand, product differentiation, accentuating product value, and maintaining stable product sales. The elements of marketing promotions mix are involved in communicating information to customers, clients or potential users about goods or services on offer. Their fundamental aim is to prompt customers, clients or potential users to take positive action by placing orders, making enquiries and purchasing on a continuous basis.

Market Segmentation Strategy and Firm's Size

Kotler (2011) defined market segmentation as a process of dividing a market to distinct group of buyers who might require separate products or market mix. Company identifies different ways of segmenting a market and develops methods that suit market segmentation. Abeck (2017) observed that market segmentation is the process by which an organization attempts to match a tool marketing program to the unique manner in which one or more customer groups behave in the market place. The definition recognized segmentation as a process involving a sequence of steps; identifying the segments, analyzing the nature of each segment to determine its uniqueness, translating these differences into appropriate marketing strategy and select target markets.

To increase firm size and sustainable development it is inevitable that firms must device market segmentation strategies for dealing with environmental forces such as change in population, education, research, income level, taste, sophistication and technology, competition etc (Healey, 2013). Market segmentation is a customer orientation tool or philosophy that identifies customer needs within a market segment and satisfies customer needs within same market (segment) in an efficient and profitable manner with the ultimate aim of expanding the firm market size (Sindhu, 2011).

In the overall consideration of segmentation, the company also has to evaluate whether it has resources to fulfill the differentiation of the product or marketing strategy according to the different segments and whether the work done for segmentation and differentiation is compensated by an increase in firm size. For example, if the market is quite homogenous or the company is targeting global markets, it might be more reasonable to start with one strategy for all segments and gradually start offering differentiation for the most profitable market segments. (Hooley, et al., 2008)

Market segments must be large enough to meet the financial needs of the company and the product. Segments may be chosen based on demographics, psychographic, behavioral or geographic location. The segment must also be reachable by promotional means. As market growth slows or as the markets become more competitive, companies will more likely attempt to maintain their market share by focusing on retaining existing customers, rather than attempting to attract new customers. To improve customer retention, companies initiate a variety of activities, including programs on customer satisfaction, complaint management and loyalty (Reichheld & Sasser 2009). Speed and Smith (2012) advocated the use of segmentation as a way to improve customer satisfaction, customer loyalty and customer retention

The primary objective of segmentation must be how to win and retain customers. This will help the organisation to increase its firm size. Players in any industry must concentrate on attracting new customers into their organization and most importantly efforts must be geared towards keeping such customers; market segmentation therefore offers an opportunity to do so. Unfortunately, industries have been slow in taking advantage of market segmentation though it brings some benefits to such companies.

Organisational Growth

Growth is something for which most companies strive, regardless of their size. Small firms want to get big, big firms want to get bigger (Koks & Kilika, 2016). Indeed, companies have to grow at least a bit every year in order to accommodate its organisational objectives. Organizational growth, however, means different things to different organizations (Bierderman, 2015). There are many parameters a company may use to measure its growth. Since the ultimate goal of most companies is profitability, most companies will measure their growth in terms of net profit, revenue, and other financial data. Other business owners may use one of the following criteria for assessing their growth: sales, number of employees, physical expansion, success of a product line, or increased market share. Ultimately, success and growth will be gauged by how well a firm does relative to the goals it has set for itself

It is against this background that Foster and Browne (2006) considered growth to mean various things including increase in the total sales volume per annum, an increase in the production capacity, increase in employment, increase in production volume, increase in the use of raw material and increase in energy and power. Simply stated, business growth means an increase in the size or scale of operations of a firm usually accompanied by increase in its resources and output. Business growth is a natural process of adaptation and development that occurs under favorable conditions.

Growth is an organizational outcome resulting from the combination of firm specific resources, capabilities and routines (Vasu & Jayachandra, 2014). Susmitha (2014) defines growth in terms of revenue generation, value addition, and expansion in terms of volume of the business while observing that it can also be measured in the form of qualitative features like market position, quality of product, and goodwill of the customers.

According to Kiptugen (2013), growth strategies that a business enterprise may wish to adopt include: understanding customer expectation, service, positioning market segmentation, setting measuring market standards, relationship marketing, human resource strategy and successful communication strategy. Business growth strategies are approaches that can be used to increase the size of a business. The best business growth strategies for a business will be to grow a business top line and bottom line over the long-term and can also help in creating competitive advantage over competitors (Jagbe et al., 2016).

Porter, (2006) Stated that Problems encountered with organization growth are that business owners seeking to guide their organizations through periods of growth, whether that growth is dramatic or incremental often encounter difficulties. Organizational growth, however, brings with it an inevitable dilution of that "hands-on" capability, while the complexity of various organizational tasks simultaneously increases (Eukeria & Favourite, 2014). As the organization grows, control becomes more complex by the mere accretion of numbers. However, there are ways of reducing the complexity by delegating responsibility (Nathan, 2013).

Businesses must develop growth strategies to attract human resources, remain in business and compete in order to increase the level of profit. Growth is the most frequently used corporate strategy (Anil, & Yigita, 2011). It means increasing sales, assets, net profits and a chance to take advantage of the experience curve to reduce the per unit cost of products sold and thereby increasing profits. Business growth can be realized through several different indicators. The indicators can be grouped under four categories namely; business outcomes, business outputs, capacity and qualitative indicators.

Effects of Market Penetration Strategies on Organisational Growth

Organisation that desire growth must ensure that Penetration of the market involves attracting new customer for the product and increasing the usage or purchasing rate of existing customers (Gacheo et al., 2016). It is often achieved by increasing activities through more intensive or aggressive promotion and competitive pricing. This makes the firm’s products the most preferred against those of other competitors. This has the advantage of preventing a company from relying too much on its existing products.

Managing growth effectively requires that new products fit within the firm's mission, organizational strengths and existing products. Market penetration is used by firms seeking to achieve growth with existing products in their current market segments with the aim of increasing its market share (Mbithi, Muturi & Rambo, 2015). Market penetration strategy is the least risky since it leverages many of the firm's existing resources and capabilities. In a growing market, simply maintaining market share will result in growth, and there may exist opportunities to increase market share if competitors reach capacity limits (Oyedijo, 2012).

Ultimately, market penetration strategy of an organization will be gauged by how well a firm does relative to the organisational growth goals it has set for itself. Penetration strategy is a key driver of organizational growth, since it has to emerge as a strategic business partner helping the top management build an organization that is good not just for today, but for tomorrow and beyond (Gacheo et al., 2016). Penetration strategy should be reviewed to start looking at best Strategic planning practices an organisation can use to achieve growth. (Shahmansoun et al., 2013). Managing growth effectively requires that new products fit within the firm's mission, organizational strengths and existing products since it is essential for firms operating in a complex and turbulent environment.

Conceptual Framework/Model

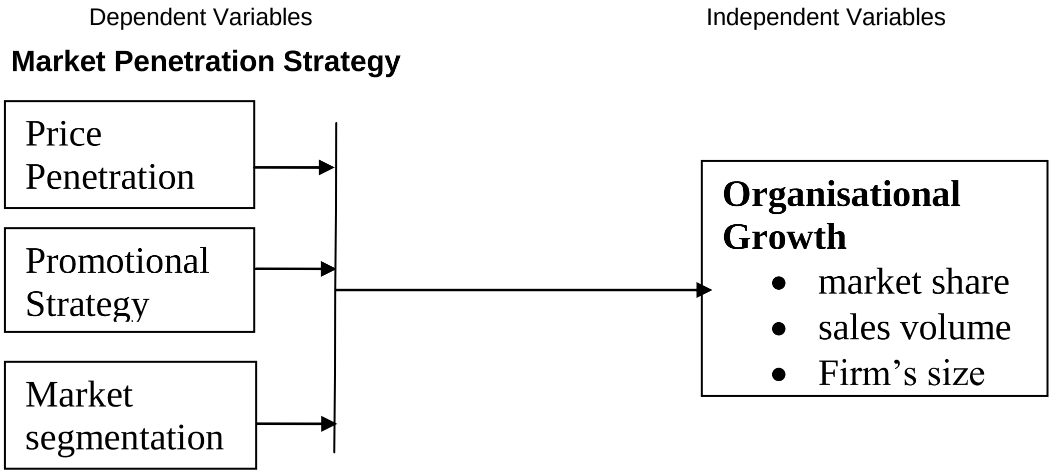

Figure 1: Conceptual model

Empirical Review

Njomo and Margaret (2016) investigated the effect of market penetration strategies and organizational growth: A case of Soft Drink Sector in Kenya. The aim of the study was to find out the strategies employed by the soft drink companies and their success in penetrating the Kenyan market. A sample of 160 soft drink companies was randomly selected for the study. Data was collected and analyzed by both descriptive and inferential statistical tools. Correlation analysis was used to describe the strength and direction of the linear relationship between two variables. The results indicated that penetration strategies have a relationship with organizational growth. Penetration pricing strategy was negative and doesn't have a strong impact on organizational growth. Promotional strategies on the other hand is key because it positively affects organizational growth, distribution channel do not directly determine the organizational growth because it had a negative relationship hence companies have to add distribution channels and incorporate other strategies to gain organizational growth. The result indicates a weak positive relationship between product improvement strategies and organizational growth. The researcher recommended that all the strategies are a prerequisite for organizational growth and they complement each other.

Reuben (2018) studied the influence of market penetration strategies on organisational growth in the steel industry in Kenya. The population of the study comprised of all steel industries and firms in the Kenya market. The target sample population was the key players of the 100 companies dealing with roofing products and steel beams and long products as per data from KAM database. Questionnaires were used to collect primary data, and data was summarized and analyzed using descriptive methods of statistics. The study found that market penetration strategies influence organisational growth of firms in the steel industry. It was also gathered that the companies in the steel industry used a mixture of strategies which included marketing promotion and enhancing distribution channels promotion and advertising pricing and diversification. The study concluded that the penetration strategies are highly in any organisation as growth is dependent on them. This reflected in the market share attained by some steel manufacturing companies, increased profits and increased production. The study recommended that the steel manufacturing firms in Kenya have to regularly carry out market research to analyze the prevailing market trends and gain understanding as they seek to identify their strengths, weakness and maximize on the opportunities and avoid threats.

Adesoga (2015) examined promotional strategy impacts on market share and profitability in Coca-Cola and 7up companies in Lagos State, Nigeria. Survey research method was adopted. The study population was the staff in marketing positions in the selected companies. Questionnaire was administered on the samples from Coca-Cola and 7UP companies. The statistical tool employed was the univariate analysis of variance (ANOVA) to determine the statistical significance and the extent to which promotional strategy brings about variation in market share and profitability in the selected companies. The study revealed the need for a better understanding of the organizational factors that determine the commitment of organizational resources to drive the achievement of marketing goals. In addition, promotional strategy measured by advertising, publicity and sales promotion affected market share and profitability at different percentage rates while Personal selling did not. The study concluded that promotional strategy suitable to a business caused variations in market share and profitability. The study recommended that managers concerned about maintaining competitive edge in the market may find it appropriate to begin by examining promotional strategy adoption.

Sule (2015) investigated the impact of market segmentation on the sales volume of a company products or services. The aim of the study was to look at the segmentation process and how segmentation can be effectively utilized to improve the sales volume of an organization’s goods or services. Both primary and secondary sources of data collection were used and analyzed by trend analysis. The research revealed that once products or services were tailored to suit various types of consumer segments, then requirements will be satisfaction, therefore increasing the level of demand of that product or service. The research concluded that effective consumer segmentation can increase the level of demand of a product or service, of an organization. It therefore recommended that profit making organization should always work around segmenting customers of their product or service if they want to increase sales in their organization.

Isaac et al. (2016) investigated the relationships between market segmentation strategy and organizational performance of seed companies in the Kenyan seed industry. The study adopted the descriptive survey approach targeting heads of departments, managers and staff of selected Seed companies in North Rift, Kenya. The study used a sample size of 115 obtained through a stratified random sampling technique. Data was collected using structured questionnaires. Data was analyzed using descriptive and inferential statistical methods such as means, correlations and multivariate regressions. The findings revealed that market segmentation strategy was an important product differentiation strategy influencing up to 35% organizational performance. Therefore, it would be salutary for the seed companies to invest more in modifying their products and marketing appeals to suit the target market segments. However, this should be done consistent with the segment as not all segments respond in the same way.

METHODOLOGY

The study used a descriptive research design. According to Sekaran and Bougie (2013), descriptive research is a design used to answer the what, how and why. Descriptive design was appropriate for this paper because it adopts quantitative research to gain better knowledge and understanding of the results since it relies on deductive reasoning or deduction (Sekaran & Bougie, 2010).

For the purpose of this study, the target population for the study is made up of the Staff of Eastern Distilleries and Food Industries, Onitsha Anambra State. The targeted population of the company is made up of 120 staff according to the Human resource Department of the company.

Using the Taro Yemane model, the sample size was established to be 93. In this study, simple random sampling technique was used in collecting data. The goal of this technique is to obtain a sample that is representative of the larger population.

Data used in this research were collected from primary sources and secondary sources. The secondary data collected were from internet, journals and other published material used to provide additional information to make the study fruitful and meaningful. The primary data collected was through self designed questionnaires. The questionnaire is in two sections A and B. Section A is the personal data of the respondents while section B was used to get information on the variables selected for the study. The questionnaire is in four responses of the modified Likert scaling of five (5) point closed ended questions which are; 5= Strongly Agree, 4 =Agree, 3 = Undecided, 2 = Disagree, 1= Strongly Disagree. In analyzing the data, the linear correlation and regression technique was adopted.

ANALYSIS

Univariate Analysis of the Variables

Univariate analysis is basically the process of describing individual variables in a study. Earlier in this study, we clearly described our study variables as market penetration strategies (the Predictor variable) and organisational growth (the Criterion variable). The predictor variable has price penetration strategy, market promotional strategy and market segmentation while the criterion variable has market share, sales volume and firm's size as measures. In this part of the study, univariate analysis has been done on the various variables.

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
PPS	120	1.00	5.00	4.5167	.93470	-2.404	.221	5.718	.438
MPS	120	1.00	5.00	4.4250	1.09746	-2.114	.221	3.634	.438
MSS	120	1.00	5.00	4.4500	.96884	-2.140	.221	4.359	.438
MS	120	1.00	5.00	3.9917	1.33785	-1.119	.221	3.036	.438
SV	120	1.00	5.00	3.9583	1.27942	-1.121	.221	`1.139	.438
FS	120	1.00	5.00	4.2917	1.19801	-1.568	.221	1.114	.438
Valid N (listwise)	120								

Note: PPS = Price penetration strategy, MPS = Market promotional strategy, MSS = Market promotional strategy, MS = Market share, SV = Sales volume and FS = firm size

In table 1, the descriptive statistics of the data are presented with the variables of price penetration strategy (PPS), Market promotional strategy (MPS), Market promotional strategy (MSS), Market share (MS), Sales volume (SV) and Firm size (FS). The results showed that all the independent variables have a positive growth rate as indicated between the minimum, maximum mean and standard derivation statistical values. PPS, MPS, MSS, MS, SV and FS grows from 1.00 to 5.00 with a Mean values of 4.5167, 4.4250, 4.4500, 3.9917, 3.9583 and 4.2917. The result also indicated the skewness and kurtosis show a high level of consistency. The various statistics indicate that the variables have different distribution. The skewness and kurtosis statistics provide useful information about the symmetry of the probability distribution of various data series as well as the thickness of the tails of these distributions respectively. All the variables had negative skewed means that, PPS, MPS, MSS, MS, SV and FS had a short right tail. Results also indicate that, all the variables had positive kurtosis implying that, the extent of flatness of the distribution is normal among these variables.

Table 2 Correlations coefficient of the variables

			PPS	MPS	MSS	MS	SV	FS
Spearman's rho	PPS	Correlation Coefficient	1.000	.620**	.855**	.497**	.394**	.859**
		Sig. (2-tailed)	.	.000	.000	.000	.000	.000
		N	120	120	120	120	120	120
	MPS	Correlation Coefficient	.620**	1.000	.521**	.342**	.213*	.587**
		Sig. (2-tailed)	.000	.	.000	.000	.019	.000
		N	120	120	120	120	120	120
	MSS	Correlation Coefficient	.855**	.521**	1.000	.364**	.286**	.737**
		Sig. (2-tailed)	.000	.000	.	.000	.002	.000
		N	120	120	120	120	120	120
	MS	Correlation Coefficient	.497**	.342**	.364**	1.000	.291**	.403**
		Sig. (2-tailed)	.000	.000	.000	.	.001	.000
		N	120	120	120	120	120	120
	SV	Correlation Coefficient	.394**	.213*	.286**	.291**	1.000	.316**
		Sig. (2-tailed)	.000	.019	.002	.001	.	.000
		N	120	120	120	120	120	120
	FS	Correlation Coefficient	.859**	.587**	.737**	.403**	.316**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.
		N	120	120	120	120	120	120

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Note: PPS = Price penetration strategy, MPS = Market promotional strategy, MSS = Market promotional strategy, MS = Market share, SV = Sales volume and FS = firm size.

Spearman Bivariate correlation coefficient was used to compute the correlation between the dependent variables price penetration strategy (PPS), Market promotional strategy (MPS), Market promotional strategy (MSS) and the independent variables Market share (MS), Sales volume (SV) and Firm size (FS). According to Sekaran (2008), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari, 2013).

The results in table 2 revealed a Pearson Correlation Coefficient (rho) of R-value (0.497**) which illustrated a moderate positive relationship between price penetration strategy and market share. The results further indicated a Pearson Correlation Coefficient (rho) of R-value (0.213[*]) which illustrated a moderate positive relationship between market promotional strategy and sales volume. Finally, the results indicated a Pearson Correlation Coefficient (rho) of R-value (0.403[**]) which illustrated a moderate positive relationship between market segmentation strategy and firm's size in Nigeria manufacturing industry.

Regression Analysis

Table 3a: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.725[a]	.651	.543	1.30899	1.685

a. Predictors: (Constant), PPS

b. Dependent Variable: MS

From the results in table 3a, the R and R^2 that measures the proportion of the variations in the dependent variable attributed to the independent variables is 0.651 implies that, the independent variables explain at least 65% (percent) of the variation in market share (MS). The remaining variation is the error term that attributed to other factors not included in the model. The value for market share (MS) is excited and low since the unexplained variation is just 35% (percent). The result of durbin-waston statistic of 1.683 shows absence of autocorrelation of the error term. This means that the estimates based on OLS is not spurious. It means that the results of the analysis are reliable for predictions.

Table 3b: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.805	1	10.805	6.306	.013[b]
	Residual	202.187	118	1.713		
	Total	212.992	119			

a. Dependent Variable: MS

b. Predictors: (Constant), PPS

The table above gives a regression significant P value of 0.013 < F (6.306) indicating that, the overall model is statistically significant at 0.05% in price penetration strategy (PPS) of the independent variables and market share (MS) in Nigeria manufacturing industry.

Table 3c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.536	.592		4.283	.000
	PPS	.322	.128	.225	2.511	.013

a. Dependent Variable: MS

Decision Rule: Reject Ho_1 if Sig (P-value) is less than 0.05 significant level otherwise Accept.
Decision: The above table indicated that, the P value of 0.013 is < less than 0.05 significant level between price penetration strategy (PPS) and market share (MS). Therefore, we reject the null hypotheses and accept the alternative which stated that, there is significant relationship between price penetration strategy and market share in Nigeria manufacturing industry. This finding is in alignment with the findings of Yeoman and McMahon, (2010) who reported positive relationship between price penetration strategy and market share. He argued that penetration strategy is key to success of any organisation and is vital in attracting and capturing demand. It is also fundamental in optimizing the product's true worth out there in the real market place.

Table 4a: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.553[a]	.443	.336	1.28301	1.511

a. Predictors: (Constant), MPS

b. Dependent Variable: SV

From the results in table 4a, the R and R^2 that measures the proportion of the variations in the dependent variable attributed to the independent variables is 0.443 implies that, the independent variables explain at least 44% (percent) of the variation in sale volume (SV). The remaining variation is the error term that attributed to other factors not included in the model. The value for sale volume (SV) is not excited and high since the unexplained variation is about 56% (percent). The result of durbin-waston statistic of 1.511 shows absence of autocorrelation of the error term. This means that the estimates based on OLS is not spurious. It means that the results of the analysis are reliable for predictions.

Table 4b: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.550	1	.550	.334	.565[b]
	Residual	194.242	118	1.646		
	Total	194.792	119			

a. Dependent Variable: SV

b. Predictors: (Constant), MPS

The table above gives a regression significant P value of 0.565 < F (0.334) indicating that, the overall model is not statistically significant at 0.05% in market promotional strategy (MPS) of the independent variables and sale volume (SV) in Nigeria manufacturing industry.

Table 4c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.232	.488		8.664	.000
	MPS	-.062	.107	-.053	-.578	.565

a. Dependent Variable: SV

Decision Rule: Reject Ho_1 if Sig (P-value) is less than 0.05 significant level otherwise Accept.
Decision: The above table indicated that, the P value of 0.565 is < greater than 0.05 significant level between market promotional strategy (MPS) and sale volume (SV). Therefore, we accept the null hypotheses and reject the alternative which stated that, there is no significant relationship between market promotional strategy (MPS) and sale volume (SV) in Nigeria manufacturing industry.

Table 5a: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.393[a]	.154	.147	1.10639	.411

a. Predictors: (Constant), MSS

b. Dependent Variable: FS

From the results in table 5a, the R and R^2 that measures the proportion of the variations in the dependent variable attributed to the independent variables is 0.154 implies that, the independent variables explain at least 15% (percent) of the variation in firm size (FS). The remaining variation is the error term that attributed to other factors not included in the model. The value for firm size (FS) is not excited and high since the unexplained variation is about 85% (percent). The result of durbin-waston statistic of 0.411 shows no absence of autocorrelation of the error term. This means that the estimates based on OLS is spurious. It means that the results of the analysis are not reliable for predictions.

Table 5b: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26.348	1	26.348	21.524	.000[b]
	Residual	144.444	118	1.224		
	Total	170.792	119			

a. Dependent Variable: FS

b. Predictors: (Constant), MSS

The table above gives a regression significant P value of 0.000 < F (21.524) indicating that, the overall model is statistically significant at 0.05% in market segmentation strategy (MSS) of the independent variables and firm size (FS) in Nigeria manufacturing industry.

Table 5c: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.130	.477		4.469	.000
	MSS	.486	.105	.393	4.639	.000

a. Dependent Variable: FS

Decision Rule: Reject Ho_1 if Sig (P-value) is less than 0.05 significant level otherwise Accept.

Decision: The above table indicated that, the P value of 0.000 is < less than 0.05 significant level between market segmentation strategy (MSS) and firms size (FS). Therefore, we reject the null hypotheses and accept the alternative which stated that, there is a significant relationship between market segmentation strategy (MSS) and firms size (FS) in Nigeria manufacturing industry. The finding of this study is in alignment with the findings of Speed and Smith Sule (2015) who reported a positive relationship between market segmentation strategy and firm's size. His research revealed that once products or services were tailored to suit various types of consumer segments it will increase the level of demand of that product or service.

CONCLUSION AND RECOMMENDATIONS

This study determined the impact of market penetration strategies on organisational growth in Nigeria manufacturing industry using Spearman Correlation Coefficient and Ordinary Least Square (OLS). The study made use of questionnaires which was administered to 120 respondents from Staff of Eastern Distilleries and Food Industries, Onitsha Anambra State. From the research findings, the study concluded that there is significant relationship between price penetration strategy and market share in Nigeria manufacturing industry, there is no significant relationship between market promotional strategy (MPS) and sale volume (SV) in Nigeria manufacturing industry. The study further concluded that, there is a significant relationship between market segmentation strategy (MSS) and firms size (FS) in Nigeria manufacturing industry. Therefore, the study supports empirically evidence that, market penetration strategies had significant relationship on organisational growth in Nigeria. Base on the findings of this study, the following recommendations are advanced:

1. Organizations in their promotional strategy plan should identify which of the promotional tools the customers respond to favorably and ensures resources are concentrated to that channel to maximize returns on promotional strategy expenditures. The use of the promotional strategy tools should be determined by the promotional objectives to be achieved. In addition, promotional budgets should be enhanced to further strengthen the impact of the adopted tools on sales volume and organisational growth.
2. Since market segmentation was found important in influencing organizational growth. Through market segmentation, companies could identify new profitable segments which deserve special attention in order to deal with competition more effectively. Therefore, banks should invest more in modifying their products and marketing appeals to suit the target segment.

LIMITATIONS OF THE STUDY

The core limitation of this study is that it centered on market penetration strategies in only the manufacturing sector and not other sectors. It also did not cover a multi-sectoral dimension which could lead to forecasting the impact of strategy on several sectors as it will affect the development of the organization as the national economy in general. Also, further study can be carried out in a trans-national or trans-cultural level in other to draw a multi-correlational analysis at a national level to see the impact of marketing strategy from a state to state basis, since the scope of the study was just a single state.

ACKNOWLEDGEMENT

The researchers wish to acknowledge and appreciate the Tertiary Education Trust Fund (TETFUND) in Nigeria for the funding support provided to execute this study.

REFERENCES

Abeck, K. B., (2017). Marketing mix diversification in retail: The case of Sim Delice in Cameroon. Unpublished thesis, Aalborg University

Anil, K. & Yigita, W (2011). The Relationship between diversification strategy and organizational performance: A research on companies registered to the Istanbul stock exchange market. *Procedia Social & Behavioral Sciences, 24*(11), 1494-1509.

Ansoff, H. I. (1957). Strategies for diversification. *Harvard Business Review, 35*(5), 113–124.

Antony, H & Margaret. O., (2013). Penetration pricing strategy and performance of small and medium enterprises in Kenya, *European Journal of business and social sciences*, 2(9), 114-123.

Anyanga, S., & Nyamita, M. (2016). The major growth strategies adopted by small and medium enterprises in Kenya: A Case of Kisumu County. *International Journal of Advanced and Multidisciplinary Social Science, 2*(1), 11-26.

Aremu, A. & Lawal, T. (2012). Exploring marketing strategy as a catalyst for performance in Nigerian Telecommunication Industry. *International Journal of management and Business studies, 2*(4), 65-123

Arvinlucy S., (2012). An evaluation of promotional elements influencing sales of an organization: A case study of sales of agricultural and non – agricultural products among women groups in Homa Bay District, Kenya. *International Journal of Business and Social Science, 3*(5), 33-45

Bierderman, R. (2017). 7 Key steps to growth strategy that work immediately. Entrepreneur (https://www.entrepreneur.com>article) Retrieved: 18.12.2017

Bunyiza, G. S, (2010). Marketing's contribution to the strategy dialogue. *Journal of the Academy of Marketing Science, 20*(4), 323-329.

Cooper, D. R. and Schindler, P. S. (2003). *Business research methods*. McGraw-Hill.

Cooper, D., & Schindler, P. (2008). Business research methods. McGraw-Hill

Creswell, J. W (2005). *Research Design: A qualitative, quantitative and mixed method approaches. London*: Sage Publication Inc.

David & David (2012). Marketing-orientated pricing: Understanding and applying factors that discriminate between successful high and low price strategies. *European Journal of Marketing, 46*(11/12), 1647 –1670

Eukeria, J. & Favourite R., (2014). Diversification as a corporate strategy and its effect on firm performance: A Study of Zimbabwean Listed Conglomerates in the Food and Beverage Sector. *International Journal of Economics and Finance, 6*(5), 182-195*.*

Gacheo S. V, Thuo Z., & Byaruhanga, E (2016). Market penetration strategy on competitiveness of mobile telecommunication service providers in Kenya. IJRDO-*Journal of Business Management, 2*(12), 102-120

Green, D. H, Barclay, D. W., & Ryans, A. B. (2015). Entry strategy and long-term performance: Conceptualization and empirical examination, Informal Working Paper, The University of Windsor.

Han, C., Dong, Y., & Dresner, M. (2013). Emerging market penetration, inventory supply, and financial performance. *Production and Operations Management, 22*(2), 335–347.

Healey, S. (2013). Marketing promotion, Charles Dyson school of Applied Economics & Management College of Agriculture and Life Sciences Cornell University, Ithaca NY 14853-7801

Hooley D. W, Piercy O. & Nicoulaud C. (2008). *Marketing strategy and competitive positioning*. Pearson Prentice Hall, United Kingdom.

Hutzschenreuter A., Kleindienst G., Groene I. L, & Verbeke A (2014). Corporate strategic responses to foreign entry: insights from prospect theory. *The Multinational Business Review, 22*(3), 294–323.

Isaac T., Nzioki S. W & Doreen, N., (2016). The Relationship between market segmentation strategy and organizational performance of seed companies in the North Rift Region, Kenya. *IOSR Journal of Business and Management 18*(5), 34-3.

Jagbe, O., Udo, U. & Akpan, E. (2016). Business strategy as a contributor to organizational performance. *International Journal of Advanced Academic Research: Management Science, 2*(3), 1-19

Khaled, I. (2012). Differentiation and organizational performance: Empirical Evidence from Jordanian Companies" *Journal of Economics, 1*(1), 1-15.

Kiptugen, G. (2013). *Strategic responses to a changing competitive environment. A case study of KCB*, Unpublished MBA project, University of Nairobi

Koks, C. S, & Kilika, M. J. (2016). Towards a Theoretical Model relating product development strategy, market adoption and firm performance: A research agenda. *Journal of Management and Strategy, 7*(1), 90-97.

Kothari, C.K (2004). Research methodology, methods & techniques, New Age International, New Delhi

Kotler P., (2011). *A framework for marketing management*. Pearson Education Inc

Kotler, P., & Armstrong, G. (2011). Principles of marketing. Englewood Cliffs, *N.J: Prentice Hall 14*(1), 188-494.

Lewis A. (2011). Market penetration strategies used by Essar Telecom Kenya (YU). A research project submitted in partial fulfillment of the requirements for the award of the degree of master of business administration, school of business, university of Nairobi

Li N., & Dimitratos I, (2014). How do business-level strategies affect multiple market servicing modes in the foreign country? *International Marketing Review, 31*(5), 526–546.

Luoma, M. A. (2015). Revisiting the strategy- performance linkage, an application of an empirically derived typology of strategy content areas. *Management and Administrative Sciences Review, 53*(5), 1083–1106.

Manketelove, S. (2016). Implementation strategies in the market-driven strategy Era. *Journal of the Academy of Marketing Science, 26*(3), 237-241.

Mbithi G., Muturi, C. & Rambo I. (2015). Effect of market development strategy on performance in sugar industry in Kenya*. International Journal of Academic Research in Business & Social Sciences, 5*(12) 311- 325.

Mills, A. J. & Morris, K. (2015). A Taxonomy of business-level strategies in global industries. *Strategic Management Journal, 13*(6), 399-417.

Muga, L., & Santamaria, R (2010). Market penetration strategies and the fee–performance relationship: the case of Spanish money mutual funds. *The Service Industries Journal, 30*(9), 1529–1547. http://doi.org/10.1080/02642060802626816

Muriuki, C. (2013*). Challenges facing marketing of insurance services by Insurance firms in Nairobi*. Unpublished MBA project University of Nairobi

Mwau L., Oloko M, & Muturi J., (2016). The Influence of market development strategy on performance of firms within the insurance industry in Kenya. International *Journal of Advanced Engineering and Management Research, 1*(2), 111-150

Nathan, M. M. (2013). Knowledge defines the growth strategy. (www.exceljockey.com) Retrieved: 4.2.2018

Njogu, K. (2014). Market penetration strategies used by internet service providers in Kenya, school of business university of Nairobi

Njomo G. W., & Margaret, O. (2016). Market Penetration strategies and organizational growth: a case of soft drink sector in Kenya. *International Journal of Management and Commerce Innovations, 3*(2), (219-227.

Njuguna J. I., (2011). Competitive advantage and firm performance: An empirical study of Kenyan Small and Medium Sized Enterprises. Unpublished, PhD Thesis, JKUAT.

Oloko, M., (2014). Marketing strategies for profitability. A case of safaricom Ltd in Kenya Telecommunication Industry, *International Journal of Scientific and Research Publications, 4*(5)*,* 2250-3153

Omwoyela, F., (2013). Organizational legitimacy under conditions of complexity: The case of the Insurance firms in Nigeria. *Academy of Management Review, 24*(1), 64-81.

Ongonga, N. (2014). Effect of marketing strategies in gaining market share by insurance Companies in Kenya. Unpublished MBA project University of Nairobi

Onimbo, J. (2014). A survey on the strategies adopted by Takaful insurance of Africa to penetrate the insurance market in Kenya. Unpublished MBA project JKUAT.

Osuagwu, C., (2012). *Marketing principle and management*. Grey Reserve limited.

Otoki, S. (2012). Empirical review of entrepreneurial lean operation practices on financial performance of the printing industry. *International Journal of scientific and Research Publications, 6*(11), 595-604.

Oyedijo F., (2012). Effects of product-market diversification strategy on corporate financial performance and growth: an empirical study of some companies in Nigeria. *American International Journal of Contemporary Research, 2*(3), 199-210

Pauwels. K, (2012). The long-term effects of price promotions on category incidence, Brand *Choice and Purchase Quantity, 3*(4), 27-29.

Porter, M. E (2006). *Principles of strategic management.* Macmillan Publishers Ltd

Saunders, M., Lewis, P. & Thornhill, A. (2009). *Research methods for business students*. Pearson Education Limited.

Scandula, T. A. & Williams, E. A. (2015). Research methodology in management: current practices, trends, and implications for future research. *Academy of Management Journal, 43*(6), 1248-1264.

Sekaran, U., & Bougie, R. (2013). *Research methods for business: A Skill-Building Approach*. UK: John Wiley and Sons.

Shahmansoun, E, (2013). Explain the theory of competitive advantage and comparison with Industry based on Advanced Technology. *International Journal of Economy, Management and Social Sciences, 2*(10), 841-848

Shajahan, S. (2008). *Marketing research concepts & practices in India*, Macmillan

Sije, A., & Oloko. M., (2013). Penetration pricing strategy and performance of small and medium enterprises in Kenya. *European Journal of business and social sciences, 2*(9) 114-123

Sindhu, A (2011). Sales promotion strategy of selected companies of FMCG sector in gujarat Region. Department of Business Management Saurashtra University Rajkot-360005,

Speed & Smith, (2012). Retailing financial services segmentation. The Service Industries Journal. 12(1), 368-383.doi:10.1016/s0969-6989(97)872980 Vikas, V. (2011). Pros and Cons of Penetration Pricing Strategies.

Sule (2015). The Impact of Market Segmentation on the Sales Volume of a Company's Product or Service. *European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.11, 2015*

Susmitha, M.M (2014). Growth and Performance of Small-size Industries in India with special reference to Kerala‟ www.ffymag.com. Facts for you: Retrieved: 31.1.2018

Uchegbulam, P., Akinyele, S., & Ibidunni, A. (2015). Competitive strategy and performance of selected SMEs in Nigeria. *In International Conference on African Development Issues: Social and Economic Models for Development Track. 2*(3), 326–333).

Uko, J. P., & Ayatse, F. A. (2014). Market penetration as a growth strategy for small and medium-sized enterprises in Nigeria. *Management and Administrative Sciences Review, 23*(3), 8–23.

Vasu, M. S. & Jayachandra, K (2014). Growth and development of MSMEs in India: Prospects and problems. *Indian Journal of Applied Research, 4*(5) 125-127

Wainaina. E. & Oloko. R. (2016). Market penetration strategies and organizational growth: A Case of soft drink sector in Kenya. *International Journal of Management and Commerce Innovations, 3*(2), 219-227

Washington, O. O. (2014). The Influence of business environmental dynamism, complexity and munificence on performance of small and medium enterprises in Kenya. *International Journal of Business and Social Research, 4*(8), 59–73

Yeoman, E. & McMahon-Beattie, Y. (2010). *Revenue management and pricing: Case studies and applications*, Thompson Learning, London.

Zikmund, W., & Babin, B. (2012). Business research methods. Cengage Learning.

