

MARKET PENETRATION STRATEGIES AND CUSTOMER LOYALTY IN STARLINE NIGERIA LTD ABA, ABIA STATE

NWANGUMA KENNETH CHUKWUKA

Department of Marketing, Faculty of Management Sciences,
Imo State University, Owerri

ABSTRACT

This study focused on market penetration strategies and customer loyalty in Starline Nigeria Ltd Aba, Abia State. The research design adopted for this study was descriptive survey design and questionnaire served as the research instrument. Data collected were analyzed using mean statistics, and the hypotheses tested using Pearson correlation (at 0.05 level of significance) with the help of SPSS 21.0 and Microsoft Excel software. This study revealed that product quality strategy enhances customer patronage; there is significant relationship between affordable price strategy and loyalty; and promotional strategy enhances customer retention. The study conclude that market penetration strategy is seen as way of providing a quality product that satisfies customer needs, effective promotion, offering affordable price and engaging in wider customer satisfaction strategies. Based on the findings, the study recommends that firms should periodically improve the quality of their service so as to achieve high level of patronage. Again, organizations should engage in intensive promotional activities and price penetration tactics such as free samples, price discounts and bonus packs etc to increase customer's acquisition, retention and loyalty.

Key Words: Market Penetration Strategies, Customer Loyalty, Product Quality, Customer Patronage, Affordable Price, Promotional Strategy and Customer Retention.

Introduction

The current globalization market has made organizations to understand the value of customers. Market penetration strategy has become important tool globally for any manufacturing organization to remain in competitive market environment and remain stronger. It's a fact that market penetration strategy is the set of tactical marketing tools – quality product, affordable price, effective distribution to market places, and promotional approaches - that the firm blends to produce the response it wants in the target market (Ike, 2019). According to Green, Whitten and Inman (2014), it is vital to point out that market penetration strategy are very important in the long run performance of a manufacturing industry. Organizations are therefore required to set aside a significant portion of their budgets on marketing to ensure that the company experiences an exponential growth in the sales.

Ghouri, Khan, Malik and Razzaq (2011) assert that organizations that have implemented effective market penetration strategy will be able to achieve customer satisfaction and business growth. According to Owomoyela, Oyeniy and Ola (2013), market penetration strategy is a strategy that business organizations use to provide their target customer with quality products, at affordable price, offer effective promotional mix and interact with their distribution outlets hence creating demand for their products and increasing performance. Market penetration strategy is a business tool that is used by firms to achieve a competitive advantage. Adewale, Adesola and Oyewale (2013) established that product, price place, packaging and after sales services are aspects of market penetration strategy which enhance performance of business. For that, one can say that there is positive impact of market penetration strategy elements on consumer loyalty if well implemented.

Statement of the Problem

It is important to note that most business firms have failed to record an increase in their sales revenue due to poor market penetration strategy. That is why Gituma (2017) recommends for market based approach to achieve business success. However, the extent of implementation of market penetration strategy by business firms has not been fully discussed in literature. To start with, Bintu (2017) researched on effects of marketing penetration strategy on performance of small scale businesses in Maiduguri Metropolitan, Borno State Nigeria.

The study was done outside south east Nigeria, and used small business firms. Muchohi (2020) conducted a study on marketing mix strategies adopted by tennis affiliated organizations to enhance competitiveness in Kenya. it is evident that the study did not focus Nigeria business. Obonyo (2022) evaluated marketing strategies adopted for competitiveness by supermarkets in Kisii Town. However, the study fails to consider Nigeria business firms. It is the gap from the above studies that necessitated this work. This work focused on market penetration strategies and customer loyalty in Starline Nigeria Ltd Aba, Abia State.

Objective of the Study

The objective of this study focused on market penetration strategies and customer loyalty. Specifically, the study is designed to:

1. find out the extent product quality strategy enhances customer patronage.
2. determine the relationship between affordable price strategy and loyalty.
3. analyze the extent promotional strategy enhances customer retention.

Research Questions

Based on our objectives, the following research questions were formulated and used.

1. To what extent does product quality strategy enhance customer patronage?
2. What is the relationship between affordable price strategy and loyalty?
3. To what extent does promotional strategy enhance customer retention?

Research Hypotheses

The hypotheses for this work are:

Ho1: Product quality strategy does not enhance customer patronage.

Ho2: There is no significant relationship between affordable price strategy and loyalty.

Ho3: Promotional strategy does not enhance customer retention.

Scope of the Study

The subject scope of this study focused on market penetration strategies and customer loyalty. Geographically, the study is delimited to Starline Nigeria Ltd Aba, Abia State. The unit scope covers the entire management and sales staff of Starline, who are in position to provide information on market penetration strategy.

Conceptual Review

Market Penetration Strategy

Unlike many other terms in business, market penetration strategy has some specified variables that made it up. According to Kotler and Armstrong (2012), market penetration strategy is the set of tactical marketing tools – product quality, affordable price, and promotional strategies - that the firm blends to produce the response it wants in the target market. According to Palmer (2011), organizations use market penetration strategy as part of their marketing strategy to improve business performance. According to Palmer (2010), market penetration strategy is a conceptual framework that marketing managers use to come up with strategies that can use to target their market and meet consumer's needs.

Market penetration strategy can also be used to develop long term and short term goals. According to Kiprotich (2012), market penetration strategy is a set of marketing tools that

organizations blend to get the response it wants from its target market. In view of Onyekwere (2020), market penetration strategy is a business tool that is used by organizations to achieve a competitive advantage. It is a set of tactical marketing tools that includes product, price, place and promotion that marketing managers are able to control to achieve the required objective.

Relationship Between Quality Product and Customer Patronage

Kotler and Armstrong (2006) define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They further define a consumer product as the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. Borden (2014) sees a product as about quality, design, features, brand name and sizes. Mohammad et al (2012) also say that product is the physical appearance of the product, packaging, and labeling Information, which can also influence whether consumers notice a product in-store, examine it, and purchase it.

Past researchers have clearly suggested that product influences have a significant impact on business performance (Kazem and Heijden, 2016; Kemppainen, Vepsäläinen, and Tinnilä, 2018; Ogunmokun and Esther, 2014; Owomoyela et al, 2013). This means that any organization that wants to achieve growth and stability must always consider the interest and needs of the consumer. In this direction, consumer patronage is the extent to which end users patronize a particular product or services (Berg and Teigen, 2019). Such patronage could be high or low depending on many factors. According to Berg and Teigen (2019), to buy product or receive service once from a firm does not make one a consumer.

Relationship Between Affordable Price and Customer Loyalty

According to Kotler (2007), price is a cost of producing, delivering and promoting the product charged. According to Jain (2014), pricing is the process where an organization determines what it will receive in exchange for its product after factoring in manufacturing costs, market place, competition, market condition and quality of product. According to Kotler (2014), companies use pricing strategies such as; premium pricing, value pricing, penetration pricing, cost plus pricing, competitive pricing, price skimming, going rate pricing, geographical pricing, segmented pricing, product mix pricing, psychological pricing and discriminatory pricing. Odhiambo (2013) researched on effect of pricing as a competitive strategy on sales performance of selected pharmaceutical companies.

It was established that pricing strategy and decision has a significant effect on sales performance. Louter, Ouwerkerk and Bakker (2011) in his research it was revealed that there was a positive relationship between pricing strategy and firm performance. Customer loyalty is a strategy aimed at achieving customer happiness and comfortability with products, services and firms. A customer Hite and Hite (2014) argue who is loyal to a particular product/service will always add value to organizational growth, encourage patronage/sales growth of the firm, carry out business promotion for the firm and give information for the firm which will help it to achieve expansion. A customer who is loyal to a business will

always patronize such business and even help in business promotion. Value based pricing is product driven and price is based on perceived product value (Schäder, 2016).

It was established that there was a positive relationship between value-based pricing and firm performance. Andreas (2018) conducted a research on customer value-based pricing strategies and why companies resist it by adopting a two-stage empirical approach. According to Harmon and Raffo (2017), organizations can use penetration pricing as a competitive pricing strategy to increase sales and reach a wider market share. It was established that penetration pricing has a negative impact on organizational growth. Use of penetration pricing may lead to increase in sales volume and market share. In addition, penetration pricing strategy is also used by organizations to promote complementary products. Bingqun, Kejia and Tingju (2016) conducted a research on analyzing the impact of price promotion strategies on manufacturer sales performance. Findings revealed that price promotion strategies affect sales performance.

Relationship Between Promotional Strategy and Customer Retention

Zeithaml et al (2015) describe promotion as part of specific effort to encourage customers to tell others about their services. Promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer. Borden (2014) defines promotion as sales promotion, advertising, personal selling, public relations and direct marketing. Kotler (2007) discovers 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.

The retaining customer is one of the focuses of business firms. Bristor (2012) noted that acquiring new customers is not the problem but retaining them. In this direction, when customers are retained for a particular business/products, they encourage organizational growth through constant patronage, and encouraging business promotion. Customer retention makes customers to be part and parcel of the particular/services and therefore contributes in business sustainability. Here, Dhar (2012) argued that sales volume, high patronage and customer satisfaction could be achieved through customer retention. When an organization promote effective and efficient in service delivery, it will lead to customers love, and preference, and such will lead to customer retention of customers (Akinbola, Adegbuyi & Otokiti, 2014). In this direction, business firms that want to retain their customer should offer good products, adopt affordable prices and promote customer care services.

If such is neglected for any organization, it may encourage customers to switch over to other firms thereby affecting customer retention (Cui, Lin & Tang, 2019). Previous researches (Amine and Cavusgil, 2011) have established significant relationship between promotion and business performance. Promotion strategy is the use of advertising, sales promotion, personal

selling, public relations, and direct marketing to promote organizational products. According to Brrassington and Pettitt (2010), promotion is a direct way in which companies communicate their products or services to their target customers. Kotler and Armstrong (2008) assert that promotion is all activities undertaken to communicate and promote products or services to the target market. According to Kotler (2009), promotional mix includes advertising, sales promotions, personal selling and publicity. Kamba (2010) in his research on effectiveness of promotion mix methods on sales in local pharmaceutical manufacturing companies in Kenya. It was revealed that marketing managers should determine what combination of promotion mix will make effective promotion programs hence increase in sales.

Aliata, Oondo, Aila, Ojera, Abong, and Odera (2012) revealed that there was a positive relationship between promotional strategies and performance. Sales promotion is a strategy that is used by companies to promote sales, usage or trial of a product or service. Organizations use sales promotion along with advertising, public relations, and personal selling. Sales promotion is also used by organizations to achieve a competitive advantage and influence their target customers to purchase their products. According to Abiodium et al (2011), advertising is a non-personal paid form of “communication about an organization or its product to a target audience through amass broadcast medium by an identified sponsor”. Adewale (2014) state that advertising is a non-personal communication strategy that is directed at target audience through various media in order to present and promotes products, services and ideas.

Theoretical Review

The 4ps Theory

This theory was developed by AMstrong in 1989. In this study, the researcher adopts the 4ps theory to analyze the study. Saguti (2015) asserts that marketing mix is a model used by organizations to create and improve their marketing efforts. It is used to blend different factors in such a way that the organization is able to achieve their objectives and meet customers need. Here, if marketing practices is well utilized, product quality will have a positive impact on sales performance. Also, use of pricing strategy may increases sales volume, price promotion may influences customer’s perception towards product quality. Not only that, distribution channels located in urban areas may generate more returns than those in rural areas. Also, store design and use of attractive stimuli such as music may have influence on consumer purchase and sales volume. It’s also on record that e-marking may likely has a positive influence on performance and direct marketing increases profit. In addition, group uses sales promotion is used to create interest, brand awareness and increase brand loyal.

System Theory

System theory was propounded by Von Vantalanfy in 1940s. Marketing practices can be viewed as a system of components linked together for the efficient sales performance. Using

a system approach to describe marketing practices, the components include; product, price, place and promotion. These components are interrelated, hence: decisions made in one area affect the relative efficiency of others. Marketing practices consists of 4Ps which helps a manager come up with strategies thus define the direction in which their marketing strategy will use in order to achieve and create a competitive advantage. Marketing practices is a model used by organizations to create and improve their marketing efforts.

It is used to blend different factors in such a way that the organization is able to achieve their objectives and meet customers need. Marketing practices is a conceptual framework that marketing managers use to come up with strategies that can use to target their market and meet consumer's needs. Marketing practices can also be used to develop long term and short term goals. Marketing practices is a set of marketing tools that organizations blend to get the response it wants from its target market. Marketing practices is grouped into four variables known as the 4Ps (Product, Price, Place and Promotion).

Empirical Review

Gbolagade, Adesola and Oyewale (2013) investigated the impact of marketing strategy on business performance with special reference to the selected SMEs in Oluyole local government area Ibadan, Nigeria. The survey research design method was used in this study which involves using a self-design questionnaire in collecting data from one hundred and three (103) respondents. The instrument used in this study is a close-ended questionnaire that was designed by the researchers. Correlation coefficient and multiple regression analysis were used to analyze the data with the aid of statistical package for social sciences (SPSS) version 20. The results show that the independent variables (i.e. Product, Promotion, Place, Price, Packaging and After Sales Service) were significant joint predictors of business performance in term of profitability, market share, return on investment, and expansion ($F(6, 97) = 14.040$; $R^2 = 0.465$; $P < .05$). The independent variables jointly explained 46.5% of variance in business performance. Subsequently, recommendation were made to SMEs operators to produce quality products; charge competitive prices, position appropriately, use attractive package for the product, engage in after sales service and provide other distinctive functional benefits to consumers.

Gituma (2017) determined the effects of marketing mix on sales performance using Unga feeds Ltd, Nairobi, as the focal point. Descriptive research was used in the study. Target population was 127 middle level staff at Unga Group Limited. Stratified random sampling was used to select a sample size of 96. Structured questionnaires were used to collect data. Descriptive and inferential statistics was used to analyze data. Tables and figures were used to present data. Statistical Package for Social Sciences (SPSS) software was used to analyze the data. It was established that majority of respondents agreed that distribution channels located in urban areas generate more returns than those in rural areas, use of distribution channels influences product availability, store design has a positive effect on consumer purchase and sales volume, use of distribution channels influences sales and profit. Findings also revealed that respondents disagreed that physical surrounding does not have any effect

on sales. The study recommended that the Unga Group should improve on their packaging design hence increase product visibility and recognition. Improve on their branding strategy.

Ibeakuzie (2020) focused on strategies for improving sales performance and customer satisfaction using PZ Cusson, Aba, Abia State as the study case. The research design for this study was descriptive survey design and questionnaire served as the instrument for data collection. The population of this study was 500, which covers 100 staff and 400 customers. The data collected were analyzed using simple percentage. The study discovered that there is significant relationship between affordable price and patronage; advertisement and customer acquisition; and positive customer relation and patronage. Based on these findings, it was recommended that firms should periodically improve the quality of their products so as to achieve high level of patronage; they should also engage in intensive promotional activities and price penetration tactics such as free samples, price discounts and bonus packs etc to increase customer's intention to purchase their products.

Ike (2019) focused on effectiveness of marketing practices on organizational performance using coca cola and 7up Bottling Companies Lagos as the focal point. In line with the above, the researcher formulated three research objectives and three research questions. Survey research design was adopted and questionnaire served as the instrument of data collection. The population of this is 178 which is made up of the entire management staff of both companies and their distributors. Out of 178 copies of the questionnaire distributed, only 168 were returned and used. The data collected were presented in tables and analyzed by mean frequency. The study discovered that product quality, price, and promotional strategies are the most effective marketing mix. It also revealed that new product development has positive impact on organizational sales volume and profitability. Based on the above findings, it is recommended that firms pay great attention to all marketing mix to enhance their effectiveness and performance.

Ihemereze (2019) focused on the effect of sales promotion on customer satisfaction in supermarket. Geographically, the study was delimited to Destiny Supermarket Owerri, Imo State. The researcher employed descriptive survey design and questionnaire served as the instrument of data collection. The data collected were presented in tables and analyzed using simple percentage and chi-square was used to test the hypotheses. The study revealed that sales promotion enhances the profitability of supermarkets; sales promotion enhances sales volume/patronage of supermarkets; and sales promotion leads to market expansion of supermarket products. Based on the findings, it was recommended that supermarkets should at all time plan, organize, direct and control their sales promotion programme in place as such would help them to achieve their sales goals. Also supermarkets should train and retrained their sales personnel on they should embark on their sales activities.

Research Gap

Some studies have been done in related works. As could be seen, some of the studies were revealed in our empirical work as stated above. However, some of the studies did not use the Nigeria business environment, as they were done outside Nigeria. None of the studies use the

same company – Starlin Nigeria Ltd Aba, Abia State. Some of the studies also covered only marketing mix without any emphasis on market penetration strategy. More so, the variables used in our hypotheses were not covered by past studies. It is on the need to fill the above gap that informed this study.

Research Method

- **Research design:** The research design adopted for this study was descriptive survey design. Survey research design was used because of its advantages in collecting primary data.
- **Population of the study:** The population of this study is made up of the entire 161 management and sales staff of Starlin Nigeria Ltd Aba, Abia State. (**Source:** Starlin Nigeria Ltd Aba, Abia State, 2023). The management and sales staff were used because they are in position to provide information on market penetration strategies adopted by the company.
- **Sample size determination:** The sample size is mathematically derived using the Taro Yamane’s formula as thus:

$$n = \frac{n}{1+n(e)^2}$$

Where:

$$n = \text{sample size}$$

$$e = \text{margin of error} = 5\% \text{ or } 0.05$$

$$n = \frac{161}{1+161(0.05)^2}$$

$$n = \frac{161}{1+161(0.0025)}$$

$$n = \frac{161}{1+0.4025}$$

$$n = \frac{161}{1.4025}$$

$$n = 115$$

- **Sampling technique:** The sampling technique used in the course of this research is the probability sample method (Alugbuo, 2002). The simple random sampling technique was adopted from the probability method which entails random selection of senior staff.
- **Instrument for data collection:** In carrying out this research, the use of questionnaire was employed to gather necessary and relevant data from the respondents. This method was used in order to minimize the problem associated with

data collection and to ensure that results from respondent are reliable and bias - free as expected. The questionnaires were only close ended questions, developed in likert system of strongly agreed, agreed, undecided, disagreed and strongly disagreed.

- **Validity of research instrument:** The questionnaire was subjected to face and content validation.
- **Reliability of research instrument:** The researcher determined the reliability of the study instrument by post-testing the instrument with some staff of the organization. The post-testing was conducted twice in the organizations with a gap of two weeks. In each case, the researcher computed the Spearman's Coefficient. Since the average ratio is up to 0.84, the instrument is considered reliable.
- **Methods of data analysis:** Data collected were analyzed using simple percentage and mean statistics. Also, Pearson correlation, with the help of SPSS 21.0 and Microsoft Excel software, were used to test the hypotheses.

Data Presentation, Analysis and Interpretation

Out of 115 copies of the questionnaire distributed, only, 100 copies were returned and used.

a) Demographics of Respondents

Table 1: Sample profile of the respondents.

Options	Percentage
Age	
18-35	52
36-45	41
46-55	07
56 and above	02
Marital status	
Married	49
Single	51
Gender	
Male	64
Female	36
Years of service	
1-5years	39
6-10	38
11-15	19
16 and above	4

Source: field survey, 2022

Table 4.1 summarizes Demographic data of respondents, Age has respondents of 18-35(52%), 36-45(41%), 46-55(07%), and 56 & above(02%); Marital status has respondents of married(49%) and single(51%); Gender has respondents of male(64%) and female(36%); while Years of service has respondents of 1-5yrs(39%), 6-10yrs(38%), 11-15yrs(19%), and 16 and above(4%).

b) The Subject Matter

Research question one: To what extent does product quality strategy enhance customer patronage?

Table 2: The extent product quality strategy enhances customer patronage.

S/N	Questionnaire Items	SA	A	D	SD	N	EX	X	Dec
1	Product quality increase sales	50	47	2	1	100	346	3.5	A
2	Product quality encourage customer satisfaction	40	41	10	9	100	312	3.1	A
3	High quality leads to customer acquisition and patronage	51	46	1	2	100	346	3.5	A

Source: field survey, 2022

It is seen in table 2 that all the items were accepted. This is because item 1 has a mean of 3.5, item 2 has a mean of 3.1 and item 3 has a mean of 3.5; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that product quality strategy enhances customer patronage.

Research question two: What is the relationship between affordable price strategy and loyalty?

Table 3: The relationship between affordable price strategy and loyalty.

S/N	Questionnaire Items	SA	A	D	SD	N	EX	X	Dec
4	When product price is affordable, it leads to high customer loyalty	47	43	6	4	100	380	3.8	A
5	Affordable price encourages increase customer base	41	47	7	5	100	324	3.2	A
6	Price can enhance customer satisfaction	55	39	4	2	100	347	3.5	A

Source: field survey, 2022

The above table 3 shows that all the items were accepted. This is because item 1 has a mean of 3.8, item 2 has a mean of 3.2 and item 3 has a mean of 3.5; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that there is significant relationship between affordable price strategy and loyalty.

Research question three: To what extent does promotional strategy enhance customer retention?

Table 4: The extent promotional strategy enhances customer retention.

S/N	Questionnaire Items	SA	A	D	SD	N	EX	X	Dec
10	Promotion through advertising encourage high customer retention	49	47	3	1	100	344	3.4	A
11	Promotion through personal selling leads to customer acquisition	48	45	4	3	100	338	3.4	A
12	Sales promotional strategies encourages customer satisfaction	39	40	11	10	100	308	3.1	A

Source: field survey, 2022

It could be seen in table 5 above that all the items were accepted. This is because item 1 has a mean of 3.4, item 2 has a mean of 3.4 and item 3 has a mean of 3.1; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that promotional strategy enhances customer retention.

Testing of Research Hypotheses

H01: Product quality strategy does not enhance customer patronage.

H1	Product quality strategy enhances customer patronage	Pearson Correlation = 0.82 Sig = 0.05 N = 100	ACCEPTED
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From the table above, the Pearson correlation is 0.82. It means there is significant and positive relationship. Therefore, product quality strategy enhances customer patronage.

H02: There is no significant relationship between affordable price strategy and loyalty.

H2	There is significant relationship between affordable price strategy and loyalty	Pearson Correlation = 0.81 Sig = 0.05 N = 100	ACCEPTED
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From the table above, the Pearson correlation is 0.81. Therefore, there is significant relationship between affordable price strategy and loyalty.

H03: Promotional strategy does not enhance customer retention.

H3	Promotional strategy enhances customer retention	Pearson Correlation = 0.83 Sig = 0.05 N = 100	ACCEPTED
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From the table above, the Pearson correlation is 0.83. Therefore, promotional strategy enhances customer retention.

Concise Table for Hypotheses Testing

S/N	Hypotheses	Statistical Tools Applied (Software R studio)	Result
H1	Product quality strategy enhances customer patronage	Pearson Correlation = 0.82 Sig = 0.05 N = 100	ACCEPTED
H2	There is significant relationship between affordable price strategy and loyalty	Pearson Correlation = 0.81 Sig = 0.05 N = 100	ACCEPTED
H3	Promotional strategy enhances customer retention	Pearson Correlation = 0.83 Sig = 0.05 N = 100	ACCEPTED

Discussion of Findings

The major findings of this study are discussed thus:

From the hypothesis one, this study discovered that product quality strategy enhances customer patronage. This is in line with the view of Muchohi (2015) who stated that the quality enhances organizational increase and organizational stability because it attracts patronage.

In line with research hypothesis two, this study discovered that there is significant relationship between affordable price strategy and loyalty. In this case, Ike (2019) that price enhances organizational viability and sales increase.

Test of hypothesis three discovered that Promotional strategy enhances customer retention. In tandem, Adewale (2014) noted that advertising and personal selling encourage organizational growth and product performance in the market.

Summary of Findings

The study focused on market penetration strategies and customer loyalty in Starline Nigeria Ltd Aba, Abia State. The research design adopted for this study was descriptive survey design and questionnaire served as the research instrument. Data collected were analyzed using mean statistics, and the hypotheses tested using Pearson correlation (at 0.05 level of

significance) with the help of SPSS 21.0 and Microsoft Excel software. This study revealed that:

1. Product quality strategy enhances customer patronage.
2. There is significant relationship between affordable price strategy and loyalty.
3. Promotional strategy enhances customer retention.

Conclusion

Market penetration strategy starts with market research, in which needs and attitudes and competitors' products are assessed and continued through into promotion, pricing, quality, and availability. Market penetration strategy must focus on delivering greater value to customers and the firm at a lower cost so as to achieve customer satisfaction. This study conclude that market penetration strategy is seen as way of providing a quality product that satisfies customer needs, effective promotion, offering affordable price and engaging in wider customer satisfaction strategies.

Recommendations

Based on the findings of this study, the following recommendations are made:

1. Firms should periodically improve the quality of their service so as to achieve high level of patronage.
2. Organizations should engage in intensive promotional activities and price penetration tactics such as free samples, price discounts and bonus packs etc to increase customer's acquisition, retention and loyalty.
3. Firms should make their products regularly available and accessible to the consumers to increase customer satisfaction.

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