Market Penetration and Growth Rate of Selected Food and Beverage Firms in Lagos State, Nigeria

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Abstract

The rapid pace of competition in today's global business environment has prompted the need for food and beverage (F&B) firms around the world to come up with strategies on how best to improve performance through the provision of product varieties and the need for expansion through an increase in market share, productivity, and full utilization of resources at their disposal. Despite this, it is observed that there is a decline in the competitiveness of firms in the food and beverage sector in terms of poor growth rate, poor market efficiency, weak competitive advantage, and waning profitability. The study, therefore, focused on the effect of market penetration on growth rate of selected food and beverage firms in Lagos State, Nigeria. The study adopted a survey design, the population is given as 12, 495 regular employees of six selected F&B firms in Lagos State, Nigeria. The researcher advisor sampling table was used to select a sample size of 491 from the population while data was collected using a valid and reliable questionnaire with a Cronbach alpha value greater than 0.7. The data were analyzed using descriptive and inferential tools. Multiple Regression Analysis was used to determine the impact of the variables using the Statistical Package for Science Solutions (SPSS) version 24. The study finding revealed that market penetration has a significant effect on the growth rate ($\beta = 0.932$, $t = 47.129$, $R^2 = 0.835$, p-value = <0.05. The study concludes that market penetration has a significant effect on growth rate of selected F&B firms in Lagos State, Nigeria. It is recommended that food and beverage firms should intensify efforts to ensure that the right strategies are adopted to help maintain and sustain their competitiveness.

Keywords: *Market penetration, Growth Rate, Food and Beverage companies, Competition, Lagos State*

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Background to the Study

The rapid pace of competition in today's global business environment had prompted the need for the Food and Beverage (F&B) firms around the world to produce strategies on how best to improve performance through the provision of product varieties and the need for expansion through an increase in market share, productivity, and full utilization of resources at their disposal. Despite this awareness, a persistent decline was observed in the organizational competitiveness of firms in the Food and Beverage (F&B) sector in the growing economies, in terms of growth rate, marketing efficiency, competitive advantage, and profitability; and their performance outlook remained poor. The study, therefore, investigated the effects of growth strategies on the organizational competitiveness of selected F&B firms in Lagos State, Nigeria.

Global economic changes have triggered the rise of the once peripheral economies thereby creating new competitive opportunities for firm exploit, growth, and market expansion (Brito, Brito, and Godszmidt, 2015). The United States food industry is the largest individual sector of the economy, and its basic growth determinant is underlying 1% per annum of United State population growth (Lopes, Somanje, Velez, Lam, and Saito, 2020). Levinson (2018) affirmed that the sector is the largest employer of labour in the United States. Kyung and Seoki (2015), posits that strategies adopted by the United States Restaurant revealed that Food and Beverage (F&B) firms have actively implemented one of the Igor Ansoff (1957), growth strategies, diversification strategy, in their operations at various geographical markets or industries to gain economies of scope, economies of scale and learning effects by internalizing markets and business activities..

Across Euro and as exemplified in Greece, despite the economic and financial crisis, the Food and Beverage (F&B) firms constitute one of the most dynamic parts of the economy, 21.8 % of total sales and 22 % of employment rate (Konstantinidis, Natoes, and Mattas, 2019; Dimitrios, 2019). Bebun, Gavurova, Tkacova and Kotaskova (2016), averred that the Food and Beverage (F&B) industry is a paradox box of innovation and creativity specifically in the Europe as revenue generated from the Food and Beverage (F&B) industry approximates €7billion each year while 29.9 million people are employed, respectively. Despite the competitiveness, the industry has proven resilient in conditions of economic turbulence without direct policy measures or subsidies (Konstantinidis, Natoes, and Mattas, 2019). Conversely, the European Commission, at its 2015 submit disclosed that the industry is faced with considerable challenges resulting from dynamism of technology and intense competition.

In Africa, the performances of the Food and Beverage (F&B) businesses are still not as competitive as those of their foreign counterparts due to two main challenges. These are poor farming practices with its attendant low productivity and inability to leverage technology and business practices/acumen to compete in international markets (Okoro, 2016). The Food and Beverage (F&B) firms' sector are regarded as the largest employer in the hospitality industry and has a growth rate of (3.9%) as compared to other productive sectors in South Africa. The F&B sector has contributed to a 6.8% increase in the total tourism income in the country

during the period March 2011 to March 2012 (Statssa, 2012). At the Second African Transformation Forum held in Accra, Ghana (2018) it was disclosed that the African Food and Beverage (F&B) industry is an awakening giant set to disrupt global competitive ranking as the sector is seen to progress steadily over time. The sector is undergoing rapid change and it is sensitive to internal and external impacts that results in fluctuations of economy cycle and huge competition, such that a shift towards fast implementation, frequent product transitions, dynamism in model-based food and beverage, and revolving technology is observed (Bebun, Gavurova, Tkacova, and Kotaskova, 2016). This revolving trend has resulted in Food and Beverage (F&B) firms exploring options to remain ahead of their competitors.

Today's organisation operates within a dynamic and highly competitive environment (Muchele, and Kombo, 2019). Hussain, Khattak, Rizwan, and Latif (2014), stated that to survive the competitive trends, major market players are adopting various strategic options to achieve growth and competitive edge amongst rivals. Adamu (2020), opined that in the staff competitive environment, organizations must come up with a penetrable strategy that can be used to gain larger market shares and one of the strategies adopted by Food and Beverage (F&B) firms to achieve this is the Igor Ansoff growth strategies matrix. The four-quadrant matrix, also referred to as product-market expansion grid are strategies used in the consideration of business portfolios in the product life cycle and outlines the options open to business willing to grow (Hussain, Khan, Rizwan, and Latif, 2013). Verhoeven and Johnson (2017) affirmation was made that the Ansoff matrix is a strategic tool which serves as a landmark for decision making and allows for a cross analysis of products and market. Sener (2015), identified key determinants of growth strategies to include the product, market, and the ability of organisations to grasp market opportunities for expansion and competitiveness. Ansoff matrix, when logically viewed has generated huge debate among scholars of management and social sciences. Dawes (2018) related the problems to the assumption or interpretations pertaining to newness. As propounded by Ansoff, the four-quadrant matrix include: market penetration, product development, market development and diversification. Market penetration is identified as the first among the four alternative growth strategies introduced by Igor Ansoff in 1957 (Ayodo, and Ayuo, 2018). Slater and Narver (2016) is when organisations products and services are sold in an existing market. The strategy involves attracting new customers, increasing the purchasing rate of existing customers, expansion of firm and assurance against potential disaster in the case of large environmental change (Dugguh, Aki, and Isaac, 2018). Levay, Deossinos, and Thiel (2017), affirmed that this strategy allows organisations increase in sales without altering their products or services. Market penetration strategy is used as a yardstick for determining if an organisations products and services can capture a fixed percentage of the market (Luvusi, and Muthoni, 2019).

Key competitiveness issues are limited in the Food and Beverage (F&B) industry, but also to upstream and downstream processes especially the primary production of raw materials which are mainly agriculture (Food and Agriculture Organisation of the United Nations, 2017). The linkage effect of Food and Beverage (F&B) firms and other sectors is the basis for improved economic activity capable of revamping a depressed economy like Nigeria. This linkage is yet to be adequately synergized or integrated. Moreover, the sluggish economies

and tremendous geopolitical uncertainties and the COVID-19 multiplier negative effect affect the performance of most of the food and beverages companies in Nigeria. It has declined the purchasing power of consumers and leads to shift in their buying behaviour. With respects to the identified gaps and the various multitude of problems identified regarding the food and beverages companies in Nigeria, this study sought to determine the relationship effect of market penetration on growth rate of food and beverages companies in Lagos, Nigeria.

Literature Review
Conceptual Review

In this section, the perspectives of previous researchers and scholars on the relevant concepts and constructs of this study would be reviewed. In addition, the characteristics, advantages and disadvantages, and researcher's definition of the variables would also be discussed. Most importantly, Market Penetration as a sub-variable of the main variable, Growth Strategy and Growth Rate as a sub-variable of Organizational Competitiveness respectively, would be reviewed.

Market Penetration

In present days, firm's environment is dynamic and thus, organizations experience a constant need to change to adapt to the new environments. Therefore, strategy is a central concern for every organization. Even in the relatively stable environments, an organization is bound to be faced with continuous choices to be made. Absanto and Nnko (2013), posited that firms seek to gain a competitive edge through adoption market penetration strategy. Consequently, Dugguh, Aki and Oke (2018), described that market penetration influence firm growth, expansion and help to cushion against external shocks. Slater and Narver (2016), averred that market penetration requires concentration on increasing the sales of the current product/service market share in the existing market. Additionally, Muturi and Rambo (2015) confirmed that market penetration strategy had a significant influence on the performance and increase market share in the competitive industry. Consistently, Luvusi and Muthoni (2019), concluded that market penetration strategy increases firm competitive advantage and promotes sustainable market share. However, Mwangi and Waithaka (2020), articulated further that market penetration is the most significant predictor of firm performance in Agrochemical companies. Consistently, Akintoye (2015) findings suggest that market penetration strategy pay off with a lower risk and boost company market share.

Sen and Rajagopal (2015), postulated that market penetration has posed several challenges to organisations targeting customers in different regions. It involves high risk investments, high trade penetration barrier and complex management (Tien, 2019). Contrarily, Hussain, Khattak, Rizwan and Latif (2014), viewed market penetration strategy as the simplest and a good option for companies willing to increase their sales without exiting its original product market at the cost of existing rivals. Ignor Ansoff deemed the strategy the safest growth option used when firms intend to gain more usage from its existing customers and seek to attract customers in an existing market. Masterson and Pickton (2014) assumed that this strategy is perceived by companies as an uphill task for product launches and service delivery, particularly in markets where competitors already exist. Nwanjiru and George (2015) likened

market penetration strategy to consolidation strategy where market share is maintenance of market share rather than growth is sought because it increases leverage on firms existing resources and capabilities.

Kukartsev, Fedorova, Tynchenko, Damlichenko, Eremeev and Bokyo (2019), stated the purpose for organizations adoption of penetration strategy to include increase in number of sales without drifting from the original market strategy, market expansion, increase in customers purchasing power, opening new use for existing products, increase in market share. Hutzschenreuter, Kleindienst, Groene and Verbeke (2014), suggested that this strategy is to attaining competitiveness through sustainable market share. Similarly, Gecheo, Thou, and Byaruhanga (2016), affirmed that market penetration strategy correlates positively with organizational competitiveness and allows firm opportunity to align its resources with the goal of increase revenue and market share. While using this strategy, companies need to adopt a low-cost strategy to attract customers and keeps competitors out. However, during market penetration, company must be sure that none of the competitors are going to set the price of products lower than them, when this occurs; the strategy is doomed to fail.

Growth Rate
Growth rate refers to the rate at which variables in an organization such as earnings has been or is expected to grow (FTE, 2008). Growth rate refers to the percentage change of a specified variable within a specific period with a stipulated context which acts as benchmarks. An organizations growth rate measures the percentage increase in the value of a variety of markets in which an organization operates (Zack, 2009). An organizations growth rate can be achieved/improved on by boosting the organizations top line or revenue of the business with greater product sales or by increasing the bottom line or profitability of the operation by minimizing costs (Xesha, Iwu, Slabbert, and Nduna, 2014). Growth rate refers to the percentage change of a specified variable within a specific period with a stipulated context which acts as benchmarks. Growth rate refers to the rate at which variables in an organization such as earnings has been or is expected to grow (FTE, 2008). An organizations growth rate measures the percentage increase in the value of a variety of markets in which an organization operates (Zack, 2009). An organisations growth rate can be achieved/improved on by boosting the organizations top line or revenue of the business with greater product sales or by increasing the bottom line or profitability of the operation by minimizing costs. Organizations are seen as living organisms and therefore, they possess same characteristics with living organisms. In other words, organizations also have life cycle, they are formed (born), grow to maturity, decline, and finally die of age.

Empirical Review
Alkasim, Hilman and Bohari (2017), in their study on relationship between market penetration and SMEs performance in Nigeria, found market penetration strategies as instrumental in improving the performance of small and medium scale enterprise performance. Similar study conducted by Uko, Fidelis and Ayatse (2014) posited that market penetration foster growth of SMEs and allows them to increase their market share. However, Yalo, Enimols and Nafiu (2019), stated that market promotion and distribution strategies, being one of the methods of

penetration has negative impact on sales profitability of SMEs in Kogi State, Nigeria. Martin (2021), recommended that organisation should focus more on branding and packaging its product rather than use low-cost strategy especially when market penetration does not work for all products but lead organisation incurring production cost. Though empirical findings of Cherotich (2017), revealed that market penetration had a positive effect on performance of SMEs since market penetration allows organisation to increase its market share and subsequently its product sales, Bigley (2018), while conducting a tactical framework for market penetration using multidimensional organisations portrayed stated that achieving profitability requires timely execution of market penetration strategy which also results to increase growth through increased market share.

In the study conducted by Ayodo and Ayuo (2018), penetration strategy was disclosed to have statistically significant predictor on the performance of sugar industry in western Kenya. Similar study conducted by Sidi, Haim and Abdl (2017), showed market penetration strategy improves organisations performance and can be applied to various domains to enable firm effectiveness analyse ways of increasing market shares. Selling many products in a short time, therefore increasing the profit through accumulating the small amount contribution of each product, is one of the penetration strategies advantages Aljazzazen (2019). Sije and Oloko (2013), supported that using penetration strategy result to an increase in the number of customers, loyalty, and quality of products.

Available evidence suggests very scanty studies on the effect between market penetration strategy and organizational competitiveness in food and beverages companies, hence, the need to further investigate studies on the effect between the variables. However, Maina, Mugambi and Waiganjo (2018) while studying the effect of strategic product development practices on competitiveness of Kenyan tea in the global market, reported a weak positive relationship of 31.0% between Strategic Product Development practices and Competitiveness and 1% change in strategic product development practices decreased competitiveness of Kenyan tea in the global market by 0.089 units. Therefore, the study hypothesizes that:

Ho: Market penetration has no significant effect on growth rate of selected Food and Beverage (F&B) firms in Lagos State Nigeria.

**Theoretical Review**
The Resource Based Theory (RBT)
The resource-based theory (RBT) was propounded by Wernerfelt in 1984 and it is centered on the principle that sources of organizations competitive advantage lie in their internal resources as opposed to their positioning in the external environment. The theory of resource-based view (RBV) explains the firm competitive advantage through the uniqueness, rare and imitable resources that the firm created which led to firm growth. Apart from that, the RBV only explains the firm competitive advantage in the static environment, and this has become a limitation especially when the firm is dealing in the fast and changing market environment (Samsudin and Ismail, 2019). Manyuru, Wachira and Amata (2017) averred that rather than evaluate environmental opportunities, it is more feasible to explore the external opportunities using the existing resources in a new and unique way and capabilities that an organization

possesses to attain competitive advantage. Further studies by Garcia, Hidalgo and Rodriguez (2013) explained that the resource-based theory allows for a better understanding on how organizations develop scarce, valuable, difficult-to-imitate and non-substitute resources to ensure economies of scale which serves as barriers to competing organizations.

The Resource-based theory suggests that organization have in their possession several untapped resources with potential that makes them superior over competitors and enable an increase in performance when perfectly combined. Reza, Reza and Banafsheh (2015) mentioned that how organisation manages its scare resources and utilizes its capabilities brings about competitive advantage. The right combination of resources leads to economies of scope and economic quasi rent which allows for higher performance among diversified organizations (Nyaiangiri, and Ogollah, 2015; Sulaimon, Ogunkoya, Lasisi, and Shobayo, 2015). Also, organizations can enter different product market by leveraging on their resources and capabilities (Su, and Tsang, 2015).

Organizations resources are seen as anything which could be linked to its strength or weakness, it could either be tangible and intangible assets tied semi-permanently to the organization. Example of such resources include technical know-how, brand, intellectual property, stock of skilled labour, trademark, capital, machines, and the procedure of operation which distinguishes it from competing organization (Oladele, 2012). The RBT explained that what differentiate organization performance is the outcome of resource heterogeneity and immobility across organization. Therefore, organization that can attract rare, valuable, non-substitute, not easily moved, imperfectly intangible resources and capabilities will achieve strategic advantage over rivals (Garcia, Hildago and Rodriguez, 2017). However, to outperform competitors, Barney (1991) opined that organization need to emphasize on its internal capabilities by exploiting its internal strength in response to environmental opportunities and that sustainable advantage lies on the application of the strategic resources at their disposal. Thus, the Resource Based Theory strengthens diversification strategy as organization resources and capabilities are diversified into the production of unique/new products and the identification of new markets for expansion and full utilization of rare, valuable, non-substitute resources.

Figure 1: Research Conceptual Model
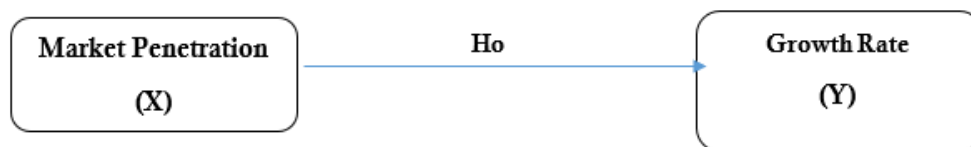
Source: Authors' Research Model (2022)

Methodology

The study adopted a survey design. The population is 12, 495 regular employees of six selected F&B firms in Lagos State, Nigeria. The researcher advisor sampling table was used to select a sample size of 491 from the population while data was collected using a valid and

reliable questionnaire with a Cronbach alpha value greater than 0.7. The data were analyzed using descriptive and inferential tools. Multiple Regression Analysis was used to determine the effect of the variables using the Statistical Package for Science Solutions (SPSS) version 24.

Pilot Study
A pilot study was conducted using the regular staff of the following Food and Beverage (F&B) companies in the food and beverages industry: Tyson Foods, Real Milk Nigeria limited, Givanas Group of Companies, and Mojo Beverages Nigeria Limited, all in Lagos, given they share similar attributes with selected Food and Beverage (F&B) firms for the main study. The sample size used for the pilot study was 49, representing 10% of the sample size for the study. Tyson Foods (12), Real Milk Nigeria limited (13), Givanas Group of Companies (12), and Mojo Beverages Nigeria Limited (12). Simple random sampling was used to select respondents from the sampling unit.

Measures
In line with extant literature, the response options provided in this study's questionnaire follow the 6-point Likert-type scale, consistent with (Durmas, and Ilhan, 2015; Timothy, Parpairin, MacDonald, and Tosin, 2013; Wheelen, and Hunger, 2012). This scale had been an ordinal interval scale numbered from 1 to 6. The response options in the questionnaire covers, Very High (VH) = 6, High (H)= 5, Partially High (PH) = 4, Partially Low (PL) = 3, Low (L)= 2, Very Low (VL) = 1 (Onyango, 2017; Kering, 2015; Kamukana, 2013; Asamoah, 2014; Maweu, 2012).

The reliability of an instrument is based on the degree of consistency, stability, repeatability and precision with the appropriate measure (Tepthong, 2014). Cronbach's Alpha was used to determine the internal consistency and reliability of the items in the instrument. Cronbach's Alpha analysis ranged between 0 and 1, whereby a value of 1.0 indicated perfect reliability. The Cronbach's alpha coefficient of > 0.7 but < 1 was computed using a sample of the questionnaire completed by selected staff of selected Food and Beverage (F&B) firms industries in a pilot test. Results of the reliability tests are reported in Table 3.1 below.

Table 1: Reliability Results

S/N	Variables	Items NO.	Cronbach's Alpha (θ)	CR	REMARKS
1	Market Penetration Strategies	6	0.921	0.981	**Accepted**
2	Growth Rate	6	0.710	0.794	**Accepted**

Source: Researchers' Compilation (2022)

Data Analysis and Results
The researcher administered 491 copies of a questionnaire to staff of the six selected Food and Beverage (F&B) firms in Lagos State, Nigeria. A total of 441 copies of the questionnaire were fully returned and appropriately filled. This represents a response rate of 89.8%. The remaining 50 copies of the questionnaire did not meet the criterion of acceptance for data

analysis due to incomplete and mixed responses. These spoilt copies of questionnaire were removed from further analysis. The response rate was considered adequate as it surpasses the sample size number calculated having made provision for non-response rate. Mugenda (2003), and Saunders et al. (2007) posited that a response rate of 50% is adequate, 60% good while 70% is considered very good. With a response rate of 89.8%, the response was considered adequate for data analysis. The hypothesis was tested using simple linear regression analysis. The regression analysis mainly focusses on how the average value of one particular random variable selected is distributed as the independent variables randomly selected takes or given different values. In the model, market penetration strategy is the independent variable while growth rate is the dependent variable. The results are presented on Table 2 below.

Table 2: Summary of simple line regression analysis for effects of market penetration on growth rate of selected Food and Beverage (F&B) firms in Lagos State Nigeria

Coefficients[a]						
Model One $y_1 = \beta_0 + \beta_1 x_1 + \varepsilon i$		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.285	.087		3.282	.001
	MPST	.932	.020	.914	47.129	.001
a. Dependent Variable: Growth rate						
b. R = 0.914[a] R^2 = 0.835 Adj. R^2 = 0.835						

Source: Researchers' Findings, 2022

Table 2 above shows the result of regression analysis on the effect of market penetration strategy on growth rate of selected Food and Beverage (F&B) firms in Lagos State, Nigeria. From the results in table 2, market penetration (β = 0.932, t = 47.129, p = 0.001) has positive significant effect on growth rate of selected Food and Beverage (F&B) firms in Lagos State Nigeria. The t value was greater than the critical value (47.129 >1.96) an indication that market penetration strategy has a significant effect on of selected Food and Beverage (F&B) firms in Lagos State Nigeria. The findings in Table 2 shows that correlation coefficient (R) was 0.549 indicates moderate and positive relationship between market penetration strategy and growth rate. The coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variable or the percentage of variation in the dependent variable (growth rate of selected Food and Beverage (F&B) firms) as explained by the independent variable (market penetration strategy). The result showed that market penetration strategy explains about 83.5% of the variance in growth rate of selected Food and Beverage (F&B) firms, while other factors not studied in this study contributed 16.5% of growth rate of selected Food and Beverage (F&B) firms. The P-value of 0.001 (< 0.05) means that market penetration strategy influences growth rate, therefore it is significant at the 5% level of significance. Also, it must be considered in any effort to boost growth rate in selected Food and Beverage (F&B) firms in Lagos State. The regression model is thus expressed as:

$$GR = 0.285 + 0.932MPST$$
Where:

GR = Growth Rate; $MPST$ = Market Penetration

The regression model presented above revealed that when market penetration is absent, growth rate would be 0.285. This indicated that growth rate would be at 0.285 holding market penetration strategies constant at zero. The result further shows that a unit increase in market penetration strategy will improve growth rate of selected Food and Beverage (F&B) firms in Lagos State by 0.932. This shows that market penetration strategy is an important factor that selected Food and Beverage (F&B) firms must consider in order to improve their growth rate. Thus, the study established that market penetration strategies employed by the selected Food and Beverage (F&B) firms enhance the growth rate. Therefore, the null hypothesis that Market penetration has no significant effect on growth rate of selected Food and Beverage (F&B) firms in Lagos State Nigeria was rejected.

Discussion of Findings
The findings showed a significant strong positive relationship between market penetration strategy (MPST) and growth rate (GR). The main import of the result revealed that market penetration had positive and significant effect on growth rate of the selected Food and Beverage (F&B) firms in Lagos State, Nigeria. This result agreed with the conclusion of Alkasim, Hilman and Bohari (2017), in their study on relationship between market penetration and SMEs performance in Nigeria, found market penetration strategies as instrumental in improving the performance of small and medium scale enterprise performance. Similar study conducted by Uko, Fidelis and Ayatse (2014), posited that market penetration foster growth of SMEs and allows them to increase their market share. However, Yalo, Enimols and Nafiu (2019) stated that market promotion and distribution strategies, being one of the methods of penetration has negative impact on sales profitability of SMEs in Kogi State, Nigeria. Martin (2021), recommended that organisation should focus more on branding and packaging its product rather than use low-cost strategy especially when market penetration does not work for all products but lead organisation incurring production cost. Though empirical findings of Cherotich (2017), revealed that market penetration had a positive effect on performance of SMEs since market penetration allows organisation to increase its market share and subsequently its product sales, Bigley (2018) while conducting a tactical framework for market penetration using multidimensional organisations portrayed stated that achieving profitability requires timely execution of market penetration strategy which also results to increase growth through increased market share.

Hussain, Khattak, Rizwan and Latif (2014), examined the interactive effect of Ansoff Growth Strategies and market environment on firm's growth. The study highlighted that all growth strategies in the Ansoff matrix significantly contribute to firm's growth. However, before penetrating the market, organisation should consider the environment to meet the changing demand for goods and services. Similar study by Ojwaka and Daya (2018), affirmed that Ansoff growth strategies, market penetration inclusive has positive significant effect on organisations growth. Dugguh, Aki, and Oke (2018) opined that growth strategies, market

penetration inclusive influence profit. Wainaina and Oloko (2016), focused on penetration and organisational development using the soft drink cases. While using stratified random sampling technique identified a connection between penetration strategy and organisational development. This was supported by the works of Akinoye (2015), who concluded that market penetration strategy has the highest pay off with the lowest risk and improves market share growth of multinational cooperation.

In the study conducted by Ayodo and Ayuo (2018), penetration strategy was disclosed to have statistically significant predictor on the performance of sugar industry in western Kenya. Similar study conducted by Sidi, Haim and Abdl (2017), showed market penetration strategy improves organizations performance and can be applied to various domains to enable firm effectiveness analyze ways of increasing market shares. Selling many products in a short time, therefore increasing the profit through accumulating the small amount contribution of each product, is one of the penetration strategies advantages Aljazzazen (2019). Sije and Oloko (2013), supported that using penetration strategy result to an increase in the number of customers, loyalty, and quality of products. While Alkasm, Abdullah, Bohari and Abdullah (2017), disclosed that market penetration had significant positive impact on cost leadership which is a strategy used to attain target customer for growth purposes. Thus, the null hypothesis that market penetration has no significant effect on growth rate of selected Food and Beverage (F&B) firms in Lagos State, Nigeria was rejected. The alternative hypothesis was accepted which meant that the market penetration strategy had significant effect on growth rate. Therefore, the model was statistically significant.

Conclusion and Recommendations
This study explored the effect of market penetration on growth rate of selected food and beverage firms in Lagos State, Nigeria. The study concludes that market penetration had a significant effect on the growth rate of selected food and beverage firms in Lagos State, Nigeria. Market penetration was found to have a significant effect on the growth rate of selected Food and Beverage (F&B) firms in Lagos State Nigeria, thus, efforts should be intensified at ensuring that the needed strategies are put in place by the management of the food and beverages firms to ensure that they have products and favourable pricing which can be used to penetrate new markets or even explore existing ones.

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