

Effects of Penetration Pricing Strategy on Consumption of Endogenous Product: A Study of Hypo Bleach

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Abstract

This study scrutinises into the effects of penetration pricing strategy on consumption of endogenous product: a study of Hypo Bleach. The problem statement was that customers perceive the product using penetration pricing strategy as inferior. The specific objective was to ensure that the market share of the firm expands among others. The research question was what is the significant degree expansion of penetration pricing strategy of the market share? among others. The research hypothesis was there is no significant relationship between penetration pricing strategy and market share expansion among others. Review of related literature comprises of conceptual review, theoretical frame and empirical review. The study adopted survey research design. The study adopted correlation coefficients. The study found that penetration pricing strategy is efficient to penetrate a saturated market. The study concluded that penetration pricing strategy suits the dominated market. The study recommended that firm's management should ensure that the penetrating product must be of good quality in order to satisfy prospects and unaware target audience among others.

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Background to the Study

Effects, as it appears in this study is the outcome of penetration pricing Strategy. The outcome, which is a result is expected to be positive or negative, before the target audience in the Market. Penetration, is a pricing strategy embarked by firms to penetrate a market by reducing the price from the actual price of similar products produced or manufactured by other firms in the same industry. Penetration pricing strategy is utilized to generate the greatest possible demand for the product produced by the firm. This is done to acquire more market share, more sales volume and more sales turnover. Once the objectives are achieved and the product has gone viral; the firm can retire to the actual price, generally sold by other similar products produced in the same industry.

Price, is one of the elements of the marketing mix. At every market economy that has products and services to be sold. Price is very essential for buyers to obtain or claim a product or service. It is a variable that is necessary to both seller and buyer. The importance of price has always been noticed. The simplest definition of price of a product is the monetary value for which the seller is willing to exchange the item. To be precise, price of a product is what the buyer offers in return for it. For services, prices may go by different names for instance, fares for transport, rent for using a house or an apartment, rate for what consumption, interest for loans, premium for insurance policy honorarium for guest lecture, bribe for a favour, dues for membership of a trade association, a retainer to cover a lawyer's professional services, a salary and a wage for a worker's services (Agbonifoh, Ogwo, Nnolim & Ekerette 1998).

Purchase decisions are based on how consumers perceive prices and what they consider the current actual price to be; not on the marketer's stated price (Kotler, & Keller, 2013). It is well understood that firms set the price to position its product quality.

In the narrowest sense, price is the amount of money charged for a product or a service. More broadly, price is the sum of all the values that customers give up to gain the benefits of having or using a product service (Kotler & Armstrong 2013). Abinitio, price has been the major factors affecting buyers' choice. As it stands, price remains one of the most vital elements that determine a firm's market share, sales volume, sales turn over and profitability. As envisaged, price is the only element in the marketing mix that produces revenue; all other elements represent cost. When a product is commercialized or launched relevant data may not be available to enable the manufacturer or middlemen determine its price, particularly when such a product has no close substitute or immediate competing & brands are not in existence (Inyanga, 1998). Consumption, here means any product that can be consumed or used.

Endogenous product is any kind of product that is being manufactured within an area, a country or a nation. Product is anything that can be offered to the market. Product is anything that has colour, it can be wrapped, branded, and it also has legal protection. A product can have a brand name, brand awareness, trade mark, or logo etc. Hypo bleach, under review is an endogenous product produced in Lagos. However, the adoption of

penetration pricing strategy has aided the product to go viral. The product is easily seen or found in Onitsha, Anambra State. The firm is situated at kilometre five (km5) Itokin Road, Ikorodu, Lagos, Nigeria. The product is manufactured by Hypo home care products limited.

Statement of the Problem

There are many pricing strategies firms, or companies utilize to earn more market share, more sales volume and quick sales turnover. The situation of the market determines the pricing strategy to be applied. It also concerns the performance of other companies in that same market. Based, on this premise of the study; penetration pricing strategy can experience challenges before customers in the sense that some other products in the same industry are to be seen in the market and also being used or utilized by some customers.

The new product that wants to penetrate the market, customers who have been using other products will perceive that new product, the firm, is embarking on, penetration pricing strategy as inferior product. Customer's perspective will be that such a product is substandard. This challenge by the customers will delay or hinder the firm's progress. It will initially affect negatively, the market share, sales volume, and sales turnover. This can negatively affect the firm's performance; because penetration pricing strategy is to reduce the products' price in order to penetrate the market. The price will be reduced from similar products that were produced by other companies in the same industry.

Objectives of the Study

The main objective of this study is to examine effects of penetration pricing strategy on consumption of endogenous product: a study of Hypo bleach.

The specific objectives were to;

- i. Ensure that market share of the firm expands
- ii. Examine the increase of Sales volume.
- iii. Ensure that sales turnover is quick.

Research Questions

This study, based on the outcomes of the objectives required, these research questions, to be answered. The research questions were;

1. What is the significant degree expansion of penetration pricing strategy of the market share?
2. What is the significant extension of penetration pricing strategy of the sales volume?
3. How significant is the level of penetration pricing strategy to ensure quick sales turnover?

Research Hypotheses

These research hypotheses have to be tested. The research hypotheses were;

H₀: There is no significant relationship between penetration pricing strategy and market share expansion

HO:_{ii} There is no significant relationship between penetration pricing strategy and increase in sales volume

HO:_{iii} There is no significant relationship between penetration price strategy and quick sales turn over.

Conceptual Review

This study titled effects of penetration pricing strategy on consumption of endogenous product: a study of Hypo bleach. The study had insight on other pricing strategies; such as skimming pricing strategy: this is a pricing strategy in which the initial price is set at the high level with the goal of selling the product to target audience who wants it and are willing to pay a high price for it. Later when the high demand market segment has been satisfied, the price will be reduced in order to appeal to more price sensitive consumers. In this way revenue is maximised. For a skimming strategy to be effective, number of conditions must prevail demand at initial high price will not attract enough. Buyers to make the product profitable. Skimming is more effective when there are different price segments; within a market, it works well too, when consumed and know little about the cost of producing and marketing the product and are unlikely to realise that they are paying a premium for being among the first to acquire it.

Note the price of global system mobile (GSM) lines by Mobile Telecommunication Network (MTN) was reduced from twenty-five thousand (N25,000) naira per line to Zero Cost for a line today. Dean (1976) advised that when penetration pricing policy can be adopted at any stage in the product's life cycle, it should always be examined before a new product is marketed at all. Cost oriented pricing method: a company that budgeted for its improvement must endeavour to make use of cost by way of maximising profit and minimise expenditure or expenses. The cost of production and cost of marketing activities have to be minimised. While the cost of the firm's products in the market has to be maximised. The major challenge of the cost-oriented pricing method, according to Pride and Ferrel (1982) is that it does relate to a specific pricing policy to ensure that pricing objectives will be achieved. Its advantage is that it involves the calculation of designed margins or profit margins. The common types of cost-oriented pricing method are:

- i. Mark-up pricing
- ii. Target return
- iii. Break even analysis and
- iv. Experience Curve pricing

The value in use Strategy: this strategy is similar to the perceived value strategy except that the benefits supplied by the product are not unbundled. In this approach the value that the product will provide when its use becomes the focus of price setting. Industrial robots, for example replaces human beings on an assembly line and reduce labour costs. The value in use strategy is best suited to the pricing of industrial goods.

Theoretical Framework

Penetration pricing strategy was propounded by Tellis (1986). Penetration pricing strategy is very pertinent or relevant to this study because the reduced price of a product that is to penetrate a market; will draw the attention on awareness of the prospects. It is obvious that the theory is based on the law of demand. The strategy is often used by new entrants in a market to gain market share and customer loyalty. Based on this penetration, pricing strategy, interest will be developed. Once, interest is developed desire follows about the product that is about entering or penetrating the market that is being sought. It is certain that action will take place when payment is made by the prospect. Once, payment is made the product will be used by the prospects. The action may or may not lead to satisfaction. Satisfaction is when the product is used once by the customer who was a prospect and became satisfied; it can lead to customer loyalty. This penetration theory connects to increase the market share because many prospects will be compelled to buy the product. Once, there is a purchase, the product will be used and if high in good quality after experiencing satisfaction, repeat purchase continues.

Penetration pricing strategy targets growth in customers based on low price initially. Penetration pricing strategy can build good will and good customers' rapport. Penetration pricing strategy introduces increase of sales volume because once the product penetrates the market and happens to be satisfactory definitely there must be increase in sales volume because some other products in the same industry are high in price or exorbitant. Nevertheless, penetration pricing strategy prompts to make a quick sale turn over in the market, which goes to explain that many prospects have been converted to customers. The study is relevant because so many firms have penetrated the market with penetration pricing strategy, which Hypo bleach happens to be one of the products that succeeded. The product gained a great market share, increased sales volume and quick sales turnover.

Empirical Review

Banabo and Ogbomah (2024) had a study on market penetration strategies and organizational growth in Nigeria manufacturing sector. 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 new or existing market. Many products have 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 order to acquire a bigger market share than the organization's competitors seek. 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 organizational 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 analysis, the study discovered that there is a positive 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 be made to identify which of the promotional tools the customers respond to favourably and ensures resources are concentrated to that channel to maximize returns on promotional strategy expenditures. Leroy (2024) made a study on impact of pricing strategies on organizational sales performance of telecommunication firms in Angola. Both purposive and convenient sampling technique was employed, to gather data from two hundred and fifty (250) respondents from two (2) telecommunication firms in Luanda. The statistical package for social sciences (SPSS) version 21 was used as the Karl Pearson product moment correlation coefficient analysis was used to ascertain the relationship between the dependable and independent variables. The study's result indicated a significant positive relationship between all the three pricing strategies i.e. competitive pricing, penetration pricing psychological pricing and organizational sales performance. However, the strength of penetration pricing was the strongest 82.0%, followed by psychological pricing was stronger 78.40% and competitive pricing 68.0% respectively. Managerial implications and directions for future studies were discussed.

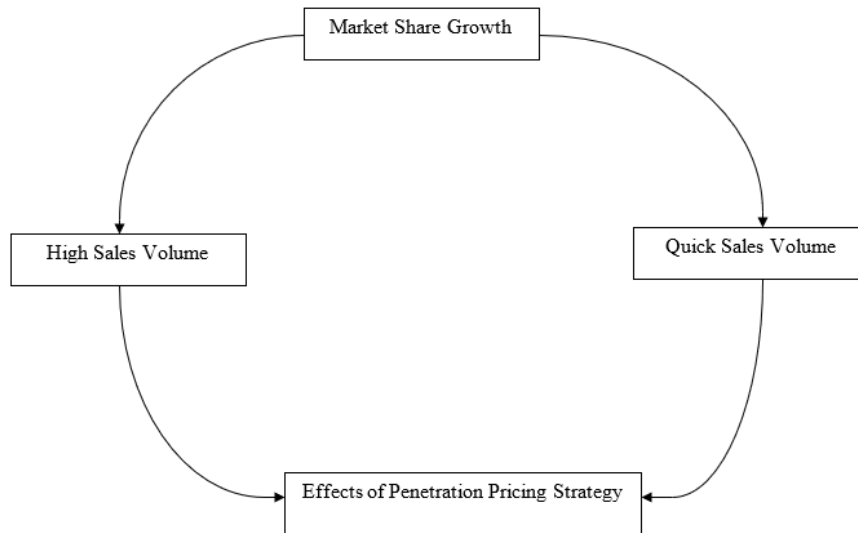
Bukoye, Muritala, Hadiza, Nwoye and Ogedengbe (2023) studied on impact of penetration strategy on the performance of manufacturing industry in Northwest, Nigeria. Years of out-dated infrastructure, inconsistent policy, political economy in business regulation, bad pricing, advertising and product quality as well as low or no access to finance by most entrepreneurs have plagued Nigeria's industrial sector, notably that of the country's Northwest, Nigeria is not operating at its peaks potential despite the emphasis on penetration strategy (pricing, products and promotion). The study's defective was to ascertain how penetration strategy affects the performance of the industrial sector in Northwest, Nigeria. Surveys were used as the primary method of the study's investigation eighty-one (81) respondents made up to study's population and sample size. The preferred statistical technique used in the study was multiple regression and the respondent's responses to a questionnaire were used to gather the study's data. According to the findings, the penetration strategies price (pri and prom = 0.02+ 0.14 and 0.02+1-71) and product (prod =0.2-1.30) components have a significant impact on the performance (effectiveness) of the manufacturing sector in Northwest, Nigeria to continually altering price and promotion strategies to improve performance because doing so is an efficient way to draw in new clients. This is necessary for the market penetration plan to be implemented effectively. Spend more energy and time on a promotion to raise brand awareness. Due to this unfavourable impact employ an efficient marketing plan that will raise product awareness in such places. Subrahmanyam and Fouad (2022) conducted a study on premium pricing strategy and customer retention an analysis. In today's competitive business environment, pricing strategies have an essential role in gaining a competitive advantage. Price plays a significant role in

operating the market economics by linking the supply and demand of services and / or products.

Hotel industries are focusing on the positive exchange relations and recognizing of relations value of a customer as there is an outline which suggests that interrelationship between the aspects of pricing strategies and international hotel services and quality. The method in this research, the researcher applied a qualitative approach is the best approach to measure and examine between variables, in the current research. The researcher distributed four hundred and fifty-nine (459) copies of questionnaire to seven (1) international hotels located in the provinces of Erbil, Duhok and Suhymaniyah, but received only four hundred and seventeen (417) copies of questionnaire that were correctly to examine the relation between premium pricing strategy and customer retention at international hotels in Kurdistan region. The findings revealed that there is a positive and significant association between premium pricing strategy and customer retention at selected international hotels in Kurdistan region.

Nyaga and Muema (2017) studied on effect of penetration pricing strategy on the profitability of insurance firms in Kenya. The objectives of the study were to establish and determine the effect of penetration pricing strategy on the profitability of insurance firms in Kenya. The descriptive research design was preferred to other research designs because it reports the status of study variables. The population of the study was the forty-five (45) insurance companies operating in Kenya as at 31 December, 2012. Data were drawn from a period of five (5) years that is 2008-2012. The sample of this study was 10% of the sales work force which comprised of nine hundred (900) employees from forty-five (45) insurance companies. The sample was generated by purposively sampling two employees from each Insurance company. The researcher collected primary data with the help of a questionnaire. Regression and correlation results indicated that there was a statistically significant and positive relationship between penetration pricing strategies and profitability. These results implied that penetration pricing has a positive effect on the profitability of insurance companies. The study recommends that insurance companies put in place measures assess to most effective pricing strategy to reduce product costs and this increase profitability whenever such a strategy is used.

Figure 1: Penetration Pricing Strategy Stimulation on Consumption of Endogenous Product Model



Source: Authors' Proposed model 2025

This model explains how penetration pricing Strategy stimulates prospects to engage in the patronage of products that seem to penetrate a market with the application of penetration pricing strategy. This pricing strategy compels prospects to make a trial and a trial will convince them. Once, a trial is made and satisfaction is achieved, brand loyalty takes position. Immediately satisfaction is assured there will be market share growth, high Sales volume and quick sales turnover all those benefits will be achieved because there is a positive effect on penetration pricing Strategy.

Methodology

Research Design

The study adopted survey research design. The survey research design was adopted because the sales representatives of Hypo bleach product more about to convince the prospects about the product using penetration pricing strategy to dominate the market.

Area of the Study

This study was conducted in Trans Nkisi Federal Housing Estate (33) Onitsha. Laundry men residing in the Housing Estate were approached.

Population of the Study

The population of the study which involved eighty-five (85) laundry men residing in the Federal Housing Estate (33), made the population.

Sampling Plan

Sampling Plan consists of sampling designs, which refers to different ways a researcher draws samples from any given population. According to Nnamdi (1999), Sampling Plan

comprises of Sample Unit, Sample size, Sample method and Sample procedure. The sample units involve laundry men residing in Trans Nkisi Federal Housing Estate (33) Onitsha metropolis. The Sample Size of the Study was eighty-five (85) respondents. Seventy-two (72) respondents duly filled the structured copies of questionnaire. The procedure used was non-probability sampling and the type applied was the convenience or accidental sampling procedure.

Method of Data Analysis

The data were analyzed using the frequency tables and percentage and the correlation coefficients. The correlation coefficient will address the specific objectives of the study by determining the strength and direction of relationship between two variables measured on an ordinal scale. The value of r is always between +1 and -1. To interpret its value, Rumsey (2014) suggested the following values for correlation r should be interpreted as follows:

1. **Exactly -1.** A perfect negative linear relationship
2. **0.70.** A strong negative linear relationship
3. **0.50.** A moderate negative relationship
4. **0.30.** A weak negative linear relationship
5. **0.** No linear relationship
6. **+0.30.** A weak positive linear relationship
7. **+0.50.** A moderate positive relationship
8. **+0.70.** A strong positive linear relationship
9. **Exactly +1.** A perfect positive) linear relationship

The significance of the relationship is based on the decision rule thus: If the confidence level, P , is less than 0.05, you should reject the null hypothesis in favour of the alternative. Alternatively, if P is greater than 0.05, you should not reject the null.

Data Presentation and Analysis

On the collection of the copies of questionnaire, it was recorded that seventy-two (72) copies were to be useful.

Table 1: Gender of Respondents

Sex	Frequency	Percentage
Female	-	-
Male	72	72
Total	100	100

Source: Authors' Compilation 2025.

The data extracted indicated that all the respondents were male. The male respondents were Seventy-two (72) that were laundry men in Trans Nkisi Federal Housing Estate (33). The Seventy-two (72) male respondents duly filled the copies of the questionnaire and the percentage was 100%.

Table 2: Age Distribution of Respondents

Age	Frequency	Percentage
18-24	11	15%
25-34	25	35%
35-44	16	22%
45-54	12	17%
55-64	8	11%
Total	72	100

Source: Authors Compilation, 2025.

The data extracted divulged that eleven (11) respondents were eighteen (18) years to twenty-four (24) and the percentage was (15%). Twenty-five (25) respondents were at the age of twenty-five (25) to thirty-four (34) the percentage was (35%). The respondents that were at the age of thirty-five (35) to forty-four (44) were sixteen (16) respondents and the percentage was (22%). Twelve (12) respondents were at the age of forty-five (45) to fifty-four (54) the data revealed that the percentage was (17%). On the other hand, eight (8) respondents that were at the age of fifty-five (55) to sixty-four (64) the percentage was (11%).

Table 3: Questions on effects of penetration pricing strategy on Consumption of endogenous product: A Study of Hypo bleach.

The result on Table 2 shows the baseline status of the variables based on the respondent's opinion. The opinion were groups into Very High (5), High (5), Moderate (3), Low (2) and Very Low (1) respectively. The mean values and their standard deviation are used to evaluate the status of the variables.

Table 3: Baseline information on the variables of the study

SN	Question Items	Mean	SD	Remark
Penetration Pricing Strategy:				
1	A lower introductory price for a new Hypo variant would encourage me to try it instead of my usual bleach brand.	4.74	0.21	Very high
2	Hypo offering a temporary price reduction would significantly increase my purchase frequency of their bleach products.	4.62	1.11	High
3	A penetration pricing strategy would make Hypo more competitive against other bleach brands in the market.	2.68	0.45	Moderate
4	If Hypo introduced a new product with a very low initial price, I would assume it's of lower quality.	4.89	0.65	Very high
5	Hypo offering a promotional low price would make me more likely to recommend their products to friends and family.	3.27	0.56	Moderate
Cumulative Mean Response		4.04		High
Market Share Expansion:				
6	A penetration pricing strategy leads to a substantial expansion of market share.	3.43	1.21	Moderate
7	Aggressive pricing is crucial for achieving rapid market share growth.	1.69	0.88	Low
8	Lower prices effectively attract customers from competitors, leading to market share expansion.	2.43	0.87	low
9	Successfully implementing a penetration pricing strategy will grow a company's market share.	2.67	0.34	Moderate
10	Penetration pricing is the most effective way to increase market share.	3.65	.053	High
Cumulative Mean Response		2.77		Moderate
Increase in Sales Volume:				
11	Penetration pricing directly results in a significant increase in sales volume.	4.21	0.65	High
12	Lower prices encourage customers to purchase larger quantities, increasing sales volume.	4.52	0.45	Very High
13	A penetration pricing strategy is the most effective way to increase sales volume.	3.42	0.67	Moderate
14	The use of penetration pricing will result in a larger number of units sold.	2.32	0.45	Low
15	Penetration pricing is a good method to drive higher sales volume.	3.23	0.23	Moderate
Cumulative Mean Response		3.54		High
Quick Sales Turnover:				
16	Penetration pricing facilitates a quick sales turnover of products.	3.45	0.86	Moderate
17	Lower prices stimulate rapid purchasing, leading to a faster sales cycle.	4.32	1.25	High
18	A penetration pricing strategy ensures a quick turnover of inventory.	2.65	1.04	Moderate
19	Penetration pricing is a good method to improve sales turnover.	3.56	0.67	High
20	Using penetration pricing speeds up the rate at which products are sold.	3.87	1.32	High
Cumulative Mean Response		3.57		High

Result on Table 3 has shown a 20-question items on the mean response scores for the Penetration Pricing Strategy on Consumption of Endogenous Product. The questionnaire items grouped into four variables of the study showed the mean values as follows: Penetration Pricing Strategy (Mean 4.04), Market Share Expansion (mean 2.77), Increase in Sales Volume (mean 3.54), and Quick Sales Turnover (mean 3.57). This indicates that the baseline information on the extent of penetration pricing strategy is high and that the Consumption of Endogenous Product is (moderate for market share

expansion, high for increasing sales volume and quick sales turnover respectively). This shows that a relatively high level of pricing penetration and consumption for the hypo product within the sample area,

Results and Interpretation

The Spearman correlation coefficients are used to answer the research requested while the p.values tested the hypotheses.

Hypothesis One: There is no significant relationship between penetration pricing strategy and market share expansion

Table 4: Correlations Coefficients for PPS and MSE

		PPS	MSE
Spearman's rho	PPS		
	Correlation Coefficient	1.000	.578
	Sig. (2-tailed)	.	.453
	N	72	72
MSE			
	Correlation Coefficient	.578	1.000
	Sig. (2-tailed)	.453	.
	N	72	72

Key: Penetration Pricing Strategy (PPS), Market Share Expansion (MSE)

The spearman's correlation coefficient for PPS and MSE is .578 which indicates moderate and positive association. This implies that a unit increase in penetration pricing strategy is expected to lead to a moderate increase in the market share of hypo bleach by 58%. However, the probability value (0.453) which is greater than 0.05 level of significance suggest that there is no significant relationship. Thus, we do not reject the null hypothesis and then conclude that "there is no significant relationship between penetration pricing strategy and market share expansion". This showed that the propensity to intensify price penetration does not necessarily lead to high market share. Thus, price penetration is not a veritable strategy for gaining market share in the bleach market.

Hypothesis Two: There is no significant relationship between penetration pricing strategy and increase in sales volume

Table 5: Correlations Coefficients for PPS and SV

		PPS	SV
Spearman's rho	PPS	Correlation Coefficient	1.000
		Sig. (2-tailed)	.023
		N	72
	SV	Correlation Coefficient	.211
		Sig. (2-tailed)	.023
		N	72

Key: Penetration Pricing Strategy (PPS), Sales Volume (SV)

Table above captured the relationship between sales volume and the application of penetration pricing strategy for hypo product. The coefficient of correlation is 0.211 which indicates weak association between penetration pricing strategy (PPS) and sales volume of hypo. This implies that a unit rise in PPS can lead to about 21% increase in the sales volume of hypo. The probability value of the coefficient is 0.023 which is less than 0.05 level of significance. The study thus rejects the null hypothesis that “There is no significant relationship between penetration pricing strategy and increase in sales volume”. This indicates that penetration pricing strategy significantly improves the sales volume of hypo.

Hypothesis Three: There is no significant relationship between penetration price strategy and quick sales turnover.

Table 6: Correlations Coefficients for PPS and ST

		PPS	ST
Spearman's rho	PPS	Correlation Coefficient	1.000
		Sig. (2-tailed)	.011
		N	72
	ST	Correlation Coefficient	-.471
		Sig. (2-tailed)	.011
		N	72

Key: Penetration Pricing Strategy (PPS), Sales Turnover (ST)

This measures the relationship between the revenue growth of the hypo firm and penetration pricing strategy. The coefficient of -0.471 indicates weak association between penetration pricing strategy and sales turnover. This means that a unit rise in PPS can lead to about 47% decrease in the sales turnover of hypo product. This implies that penetration pricing strategy brings about a fall in the total revenue from hypo. The probability value of the coefficient is 0.021 which is less than 0.05 level of significance. The study thus rejects the null hypothesis. This indicates that penetration pricing strategy has significant adverse effect on the sales turnover of hypo.

Findings

The findings highlight the complex interplay between pricing strategies and consumer behavior in the context of household products like Hypo bleach. The high mean scores for questions related to initial price incentives suggest that consumers are indeed responsive to lower prices, particularly when trying new variants or increasing purchase frequency. This aligns with the fundamental principle of penetration pricing, which aims to attract customers through low initial prices.

However, the lack of a significant relationship between penetration pricing and market share expansion suggests that price alone may not be sufficient to capture a larger portion of the market. This could be attributed to factors such as strong brand loyalty to competitors, perceived quality differences, or other non-price factors influencing consumer choice. The moderate views on the competitive advantage of penetration pricing further support this notion. The significant positive relationship between penetration pricing and sales volume indicates that lower prices effectively stimulate demand and increase the quantity of Hypo bleach sold. This is consistent with the expectations of penetration pricing, which aims to drive volume growth through price incentives. The most intriguing finding is the significant negative relationship between penetration pricing and sales turnover. This suggests that while lower prices may increase the number of units sold, they may not necessarily lead to higher overall revenue. This could be due to the reduced profit margins associated with lower prices, which may offset the gains from increased sales volume. The negative correlation of -0.471 indicates a sizeable negative impact, and this is a key finding.

Conclusion

This study aimed to investigate the effects of penetration pricing strategy on the consumption of Hypo bleach, focusing on market share expansion, sales volume, and sales turnover. The baseline analysis revealed a high perception among respondents regarding the effectiveness of low introductory prices in encouraging product trials and increasing purchase frequency. However, perceptions varied regarding the direct impact of penetration pricing on market share expansion, with respondents generally viewing it as moderately effective.

The hypothesis testing results revealed a nuanced picture. While there was no significant relationship found between penetration pricing and market share expansion, a significant positive relationship was observed between penetration pricing and increased sales volume. Conversely, a significant negative relationship was found between penetration pricing and sales turnover. This indicates that while penetration pricing can effectively boost sales volume, it does not necessarily translate to increased market share or improved sales turnover for Hypo bleach.

Recommendations

These were the recommendations for the study:

- i. **Targeted Pricing:** Hypo should consider a more targeted pricing approach, focusing on promotional discounts and temporary price reductions to stimulate

sales volume, rather than relying solely on penetration pricing for market share expansion.

- ii. **Brand Perception:** Efforts should be made to reinforce the quality and value of Hypo products, particularly when implementing penetration pricing strategies, to avoid negative perceptions associated with low prices.
- iii. **Revenue Optimization:** Hypo should carefully evaluate the impact of pricing strategies on sales turnover and consider strategies to optimize revenue, such as bundling products or offering value-added services.
- iv. **Competitive Analysis:** Further research is needed to understand the competitive landscape and identify factors influencing market share beyond price.
- v. **Further Research:** Future studies could delve into the specific factors that influence consumer brand loyalty and perceptions of quality in the bleach market, as well as the long-term effects of penetration pricing on brand equity.

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