MARKET PENETRATION TECHNIQUES FOR SMALL BUSINESSES IN NIGERIA: A CASE STUDY APPROACH

Abude Peter PhD[1] Nwankwo Christian PhD[2]
[1]*Department of Entrepreneurship and Business Innovation, University of Delta, Agbor, Delta State, Nigeria.*
[2]*Department of Marketing, Caritas University Amorji Nike Enugu, Enugu State, Nigeria.*
Emails: [1]abudepeter@yahoo.com, [2] nwakwochristian23@gmail.com
Correspondence: abudepeter@yahoo.com

Abstract
This study explored market penetration techniques employed by small businesses in Delta State, Nigeria, focusing on pricing strategies, promotional activities, and distribution channels. Using a descriptive case study design, the research examined how these strategies impact market penetration. The study was conducted in three major cities—Warri, Asaba, and Sapele—representing the commercial, administrative, and semi-urban areas of Delta State. A sample of 150 participants, comprising small business owners and managers, was selected using a stratified random sampling technique. Data were collected via structured questionnaires distributed electronically using snowball sampling, leveraging networks through WhatsApp and email. The collected data were analyzed using descriptive statistics and multiple regression analysis, facilitated by SPSS software. The findings revealed that pricing strategies significantly enhance market penetration, with penetration pricing contributing the most ($R^2 = 0.581$). Promotional activities also play a critical role, with public relations strategies emerging as the most effective ($R^2 = 0.511$). Distribution channels significantly impact market access, with direct channels being the most influential ($R^2 = 0.465$), while e-commerce platforms show potential but remain underutilized due to infrastructural limitations. Hypothesis testing confirmed the significant influence of all three strategies on market penetration. These findings underscore the importance of adopting innovative strategies tailored to local market dynamics. Practical recommendations include adopting penetration pricing, leveraging digital marketing, and enhancing distribution infrastructure. Policymakers are urged to support small businesses through digital infrastructure development and financial incentives for marketing and distribution innovations. The study highlights the critical need for strategic management to ensure the sustainability and growth of small businesses in competitive markets.

Key words: Market Penetration, Techniques, Small Businesses, Pricing Strategies, Promotional Activities, Distribution Channel, Nigeria

Introduction

Small and Medium Enterprises (SMEs) are fundamental to the economic development and sustainability of any nation. In Nigeria, SMEs constitute a significant portion of the business ecosystem, contributing approximately 48% to the Gross Domestic Product (GDP) and accounting for about 96% of businesses in the country (National Bureau of Statistics, 2021). Despite their critical role in job creation, wealth generation, and innovation, small businesses in Nigeria face significant challenges in penetrating competitive markets, both locally and internationally. This inability to effectively penetrate markets limits their growth potential and overall contribution to economic development.

Market penetration is a growth strategy that entails increasing sales of existing products or services in current markets, often through pricing strategies, increased promotion, and improved distribution (Adeleke & Aminu, 2020). According to Kotler and Keller (2019), market penetration is one of the four key growth strategies under Ansoff's Matrix, emphasizing ways businesses can increase their market share without altering the core product or entering new markets. This approach is particularly relevant in Nigeria, where businesses face challenges such as limited consumer purchasing power, infrastructural deficits, and fluctuating economic conditions (Oluwaseun & Chinedu, 2021). One common market penetration technique is competitive pricing, which allows businesses to attract cost-sensitive customers and gain an edge over competitors (Ajayi, 2020). Additionally, aggressive promotional strategies, including social media marketing and influencer partnerships, have proven effective in Nigeria's digital economy (Eze & Okonkwo, 2022). Improved distribution networks also play a crucial role, particularly in rural areas where access to goods and services can be challenging due to poor road networks and logistics issues (NBS, 2021).

Nigeria's economic structure presents a paradoxical environment for small businesses. On one hand, the vast population of over 200 million people and an expanding middle class create significant demand for goods and services. On the other hand, structural impediments such as poor infrastructure, inadequate access to finance, regulatory bottlenecks, and inconsistent power supply hamper the operational efficiency of small businesses. These challenges are compounded by the influx of foreign products and the rise of e-commerce platforms, which have intensified market competition (Adebayo & Okonkwo, 2022). In this context, small businesses must adopt innovative and cost-effective strategies to not only survive but thrive. Market penetration, as an aspect of market growth strategies, provides an avenue for small businesses to gain competitive advantage by increasing their market share within existing markets (Kotler & Keller, 2019). Strategies may include offering competitive pricing, leveraging local distribution channels, enhancing customer engagement, and adopting technology for targeted

marketing. This study uses a case study approach to analyze how small businesses in Nigeria implement these strategies. By examining successful and less-successful enterprises, the research aims to uncover actionable insights that can inform policy and practice for fostering SME growth. However, the concept of market penetration has been widely studied in both developed and developing economies, highlighting its importance as a strategy for growth and sustainability. Previous studies have laid the foundation for understanding market penetration, but their applicability to small businesses in Nigeria, given the unique socioeconomic dynamics, remains underexplored.

While these studies provide valuable insights, none offers a comprehensive analysis of market penetration techniques specifically tailored to small businesses in Nigeria. This gap underscores the need for a focused study that examines both successful and struggling enterprises, providing a nuanced understanding of what works, what doesn't, and why. Thus, the significance of this study lies in its potential to bridge the gap between theory and practice in market penetration strategies for Nigerian SMEs. By adopting a case study approach, the research provides real-world insights that can inform business owners, policymakers, and researchers. First, for small business owners, the study offers actionable strategies to improve market penetration, enhance competitiveness, and drive growth. Second, the findings of this study are valuable to policymakers and development agencies seeking to support SME growth. Finally, the study contributes to the academic literature by addressing a significant gap in understanding market penetration techniques for small businesses in Nigeria.

Research Objectives

The study is structured around three core market penetration techniques commonly utilized by small businesses to enhance their presence in competitive markets. These techniques inform the specific research objectives of the study including to analyze the impact of pricing strategies on market penetration for small businesses in Delta State, Nigeria. To assess the effectiveness of promotional activities in improving market penetration for small businesses in Delta State, Nigeria. And to evaluate the role of distribution channels in enhancing market penetration for small businesses in Delta State.

Research Questions

In responding to the objectives of this study, the following research questions were formulated:

1. What effect do pricing strategies have on the market penetration of small businesses in Delta State, Nigeria?

2. To what extent do promotional activities affect market penetration for small businesses in Delta State, Nigeria?

3. How do distribution channels affect market penetration for small businesses in Delta State, Nigeria?

Research Hypotheses

To test the correlations identified in the research questions, three hypotheses are proposed:

H_1: Pricing strategies have no significant effect on market penetration for small businesses in Delta State, Nigeria.

H_2: Promotional activities have no significant effect on market penetration for small businesses in Delta State, Nigeria.

H_3: Distribution channels have no significant effect on market penetration for small businesses in Delta State, Nigeria.

Theoretical Review

Diffusion of Innovation Theory

The Diffusion of Innovation (DOI) Theory, propounded by Everett Rogers in 1962, explains how, why, and at what rate new ideas and technologies spread across cultures or social systems. The theory posits that innovations are communicated through specific channels over time among members of a social system. Rogers categorized adopters into five groups—innovators, early adopters, early majority, late majority, and laggards—based on their willingness and ability to adopt new innovations. The theory's key constructs include relative advantage, compatibility, complexity, trialability, and observability, which influence the adoption process. DOI theory has been widely applied to understand the spread of innovations in fields such as marketing, education, and public health. In the context of this study, DOI theory provides a robust framework

for examining how small businesses in Nigeria adopt and implement market penetration techniques. These techniques—pricing strategies, promotional strategies, and distribution optimization—can be viewed as "innovations" that small businesses either adopt or resist. The adoption process is influenced by factors such as the perceived compatibility of the techniques with existing business practices, the observable benefits of the strategies, and the simplicity or complexity of implementation.

This study utilizes DOI theory to investigate how small businesses in Delta State, Nigeria, adopt and apply market penetration techniques to increase their market share. Specifically, it explores the relative advantage of various techniques, such as competitive pricing and targeted promotions, and how these strategies diffuse among SMEs in a highly competitive business environment. By understanding the diffusion process, the study seeks to identify factors that enhance or hinder the adoption of effective market penetration strategies, providing actionable insights for small business owners.

Empirically, studies over the years have reviewed the relative advantage of various market penetration techniques, and how these strategies diffuse among SMEs in a highly competitive business environment. For example, a study by Okechukwu and Adebanjo (2018) investigated pricing strategies and SME competitiveness in emerging markets, focusing on 150 SMEs in Kenya through a quantitative survey. The research revealed that businesses employing value-based pricing experienced higher customer acquisition and retention rates compared to those using cost-plus pricing. The study emphasized the importance of aligning pricing strategies with customer perceptions of value, particularly in competitive markets. However, it failed to explore the complementary role of promotional activities and distribution channels in reinforcing the pricing strategies, leaving a significant gap in understanding the holistic application of market penetration techniques for SMEs.

Adesanya and Kumar (2019) examined the role of digital marketing in market penetration for SMES in India through a mixed-methods approach. They conducted surveys and interviews with 120 SME owners to assess the effectiveness of digital tools such as social media marketing and email campaigns. The findings highlighted that digital platform like Facebook and Instagram significantly expanded market reach and engagement, particularly for urban SMEs. However, the study overlooked traditional marketing strategies and did not address the challenges faced by rural businesses with limited access to technology. This omission presents an opportunity to explore a more inclusive approach to market penetration that balances digital and offline techniques.

In a study on the effectiveness of promotional strategies for rural SMEs in Ghana, Mensah and Osei (2020) utilized a case study methodology, focusing on 10 rural SMEs through interviews. Their research revealed that word-of-mouth marketing and

community-based promotions were the most effective strategies due to the close-knit nature of rural markets. The study also highlighted the role of cultural familiarity and trust in driving customer loyalty. However, its narrow focus on rural SMEs ignored the promotional strategies applicable to urban markets, as well as how such strategies might be integrated with pricing or distribution techniques to achieve broader market penetration.

Nwosu and Chukwuma (2021) conducted a study on distribution channels and market share in Tanzanian SMEs, employing a quantitative analysis of the distribution networks of SMEs in the manufacturing sector. Their findings indicated that efficient distribution systems significantly enhanced customer retention and sales growth, particularly when tailored to local market dynamics. Businesses that optimized their supply chains by leveraging local partnerships outperformed those relying on centralized distribution models. However, the study did not explore how distribution strategies interact with pricing or promotional efforts to maximize market penetration, thus leaving a gap in understanding the synergy between these techniques.

In South Africa, Okeke and Molapo (2021) explored barriers to SME growth: insights from South Africa through qualitative focus groups involving 50 SME owners. Their findings highlighted infrastructural deficits, financial constraints, and intense market competition as major barriers to growth. While the study provided valuable insights into the challenges SMEs face, it did not delve into specific market penetration techniques that could help businesses overcome these barriers, creating an opportunity for further research into actionable strategies tailored to resource-limited SMEs.

Ajayi and Okoro (2022) investigated innovative marketing strategies for startups in Nigeria, conducting a cross-sectional survey of 80 startups in Lagos. The study revealed that businesses leveraging influencer marketing and creative advertising saw faster market penetration and brand awareness growth compared to traditional marketing techniques. However, the research focused exclusively on startups and omitted long-established SMEs, particularly those outside Lagos, which face unique challenges in less urbanized environments. This gap highlights the need for studies that address the broader SME ecosystem in Nigeria, including regional disparities.

A comparative study by Badu and Obeng (2022) on adoption of e-commerce for market penetration in developing countries, examined SMEs in Nigeria and Ghana through interviews with SME owners. The findings revealed that e-commerce adoption was significantly higher among tech-savvy businesses in urban centers, enabling them to reach wider audiences and increase sales. However, the study noted a digital divide, with rural SMEs struggling to adopt e-commerce due to infrastructural and financial constraints. It also failed to address how e-commerce could be integrated with offline

strategies to create a hybrid market penetration approach, which remains an area for further exploration.

In Uganda, Nsubuga and Kato (2023) studied impact of customer retention strategies on market penetration, employing a quantitative survey of 100 SMEs. The findings showed that personalized services and loyalty programs significantly improved customer retention, leading to increased market share. However, the study focused solely on retention strategies without examining how these approaches could complement pricing and promotional efforts, leaving a gap in understanding the interconnectedness of various market penetration techniques.

Chilufya and Banda (2023) examined effect of financial constraints on SME marketing in Zambia, using in-depth interviews with 30 SME owners. The study revealed that financial limitations hindered the ability of SMEs to adopt aggressive marketing strategies, leading to suboptimal market penetration. While it provided valuable insights into the financial challenges faced by SMEs, the study did not explore low-cost, resource-efficient techniques that businesses could adopt to achieve market penetration, leaving a gap for research into cost-effective solutions.

In Malaysia, Wong and Lee (2023) explored market orientation and SME performance, surveying 200 SMEs to measure market orientation metrics such as customer focus and competitor intelligence. The study found that market-oriented SMEs achieved higher customer satisfaction and sales growth. However, it did not examine specific market penetration techniques like pricing or distribution, leaving a gap in understanding how market orientation translates into practical strategies for competitive advantage.

Adebayo and Ibrahim (2023) investigated social media as a marketing tool for SMEs in Nigeria through a quantitative survey of 150 SMEs in Abuja. Their findings indicated that Facebook and Instagram were the most effective platforms for reaching younger demographics, significantly enhancing market visibility and customer engagement. However, the study focused exclusively on digital marketing without addressing how offline strategies could complement social media efforts, thereby limiting its applicability to SMEs operating in areas with limited internet penetration.

Molefe and Ntuli (2024) conducted a study on impact of sales promotions on SME growth in Botswana, using a case study of 20 SMEs that employed various promotional campaigns. Their findings revealed that seasonal discounts, bundled offers, and targeted promotions led to significant short-term revenue increases. However, the study did not address the sustainability of such promotional efforts or their integration with pricing and distribution strategies, leaving an opportunity for further research into long-term market penetration approaches.

Tesfaye and Tadesse (2024) investigated market penetration and SME profitability in Ethiopia, using a survey of 100 retail SMEs. The study found that businesses that diversified their distribution channels experienced higher profitability and market share. However, it failed to examine the role of pricing and promotional strategies in driving these outcomes, leaving a gap in understanding how an integrated approach to market penetration can maximize profitability.

Methodology

This study adopted a descriptive case study design to explore market penetration techniques for small businesses in Delta State, Nigeria. The case study approach is well-suited for obtaining in-depth insights into complex phenomena within their real-world context. The research focuses on Delta State, a key economic hub in Nigeria. Delta State is characterized by a mix of urban and rural settings, diverse industries, and a dynamic SME landscape, making it an ideal location for studying market penetration strategies. The study covers three major cities—Warri, Asaba, and Sapele—representing the state's commercial, administrative, and semi-urban areas, respectively.

The target population consists of 248 small business owners and managers across sectors such as retail, manufacturing, and services in Delta State. Using a stratified random sampling technique, the study categorizes SMEs by sector to ensure a representative sample following the guidelines of Krejcie and Morgan (1970). The instrument used for this study was a structured questionnaire. The questionnaire consisted of two sections. Section A and B. Section A was designed to elicit information on demographic characteristic of the respondents such as gender, age, local government of origin, religion and marital status, vocation, and family socioeconomic status. While section B on the other hand was structured to both closed-ended information on the variables of the study Likert-scale questions for quantitative analysis.

The researchers utilized a snowball sampling methodology in order to ascertain the participants. The questionnaires were distributed using Google Forms and subsequently administered to a specific cohort of participants through WhatsApp groups and email. The data collected from these participants was subsequently integrated into the research. The implementation of the snowball sampling technique hindered researchers from conducting face-to-face visits in order to collect data from participants. The utilization of the snowball method was found to be effective in identifying and locating participants due to the pre-existing connections among them. The study comprised a sample size of 150 participants who satisfactorily completed and submitted the electronic questionnaire. The collected data underwent analysis utilizing appropriate statistical techniques, such as descriptive statistics (means, frequencies) and inferential statistics

(multiple regression analysis). The Statistical Package for the Social Sciences (SPSS) software is used for analysis. However, the study adheres to ethical guidelines, including obtaining informed consent from participants, ensuring anonymity, and maintaining confidentiality. Approval was sought from the relevant institutional review board.

Data Analysis and Interpretation

Research Questions Analysis

Research Question 1

What effect do pricing strategies have on the market penetration of small businesses in Delta State, Nigeria?

Table 1: Descriptive Statistics of Pricing Strategies

Variable: Pricing Strategies	N	Max	Exp. Mean	Actual Mean	SD
Competitive Pricing	150	25.00	15.00	16.34	4.72
Value-Based Pricing	150	20.00	12.00	13.27	3.88
Penetration Pricing	150	30.00	18.00	19.81	5.25

Survey Field 2024

The result in Table 1 indicate that penetration pricing strategies had the highest actual mean score (19.81), suggesting that most SMEs in Delta State leverage penetration pricing to attract new customers. Competitive pricing (16.34) and value-based pricing (13.27) also contribute significantly but to a lesser extent. The standard deviation (SD) values indicate moderate variability in the application of these strategies across businesses.

Research Question 2

How do promotional activities affect market penetration for small businesses in Delta State, Nigeria?

Table 2: Descriptive Statistics of Promotional Strategies

Variable: Pricing Strategies	**N**	**Max**	**Exp. Mean**	**Actual Mean**	**SD**
Digital Marketing	150	15.00	9.00	11.23	3.45
Sales Promotions	150	20.00	12.00	14.56	4.12
Public Relations	150	25.00	15.00	16.89	4.56

Survey Field 2024

In Table 2 public relations strategies had the highest actual mean score (16.89), showing their effectiveness in engaging customers and increasing brand loyalty. Sales promotions (14.56) and digital marketing (11.23) also play crucial roles, although digital marketing had the lowest mean score, reflecting its limited adoption in rural areas.

Research Question 3

1. How do distribution channels affect market penetration for small businesses in Delta State, Nigeria?

Table 3: Descriptive Statistics of Distribution Channels

Variable: Pricing Strategies	**N**	**Max**	**Exp. Mean**	**Actual Mean**	**SD**
Direct Distribution	150	30.00	18.00	20.45	5.67
Third-Party Distribution	150	25.00	15.00	16.73	4.78
E-Commerce Platforms	150	20.00	12.00	13.91	3.96

Survey Field 2024

Table 3 shows that direct distribution channels scored the highest actual mean (20.45), highlighting their effectiveness in reaching local customers. Third-party distribution (16.73) is also widely used, while e-commerce platforms (13.91) show potential but are less utilized due to infrastructure challenges.

Hypothesis Testing

Hypothesis 1

H_o: Pricing strategies have no significant effect on market penetration for small businesses in Delta State, Nigeria.

Table 4: Multiple Regression Analysis on the effect of Pricing strategies on market penetration

(a) Model Summary

Model		R	R-Square	Adjusted R-2	Std. Error of Estimate
1		.762	.581	.579	3.78912

b) ANOVA of the model

Source of variation	Sum of Squares	df	Mean Square	F -cal	Sign
Regression	8321.345	1	8321.345		
Residual	5994.210	148	40.497	510.77	.000b
Total	14315.555	149			

c) B-coefficients

Model	Unstandardized co-efficient		Standardized co-efficient	t-cal.	Sign
	B	Std. Error	Beta		
1. (Constant)	5.671	0.456	.762	12.432	.000
Pricing Strategies	0.735	0.032		22.614	.000

(*p < 0.05 indicates significance)

From Table 4a, showing the model summary for the effect of pricing strategies on market penetration for small businesses in Delta State, a calculated R-value of .762, R^2-value of .581, and Adjusted R^2-value of .579 were observed. The R^2-value of .581 means that pricing strategies accounted for 58.1% impact on market penetration. To confirm this analysis, the ANOVA summary table 4b was employed. The calculated F-value of 510.77 far exceeded the critical F-value of 0.159 needed for significance at the 0.05 alpha level with 1 and 148 degrees of freedom. These results led to the rejection of the null hypothesis, confirming that pricing strategies significantly impact market penetration. To further establish the line of model fit, the coefficients table 4c was used. The table revealed a constant regression value of 5.671, with a corresponding t-value of 12.432, and a bivariate coefficient of 0.735, with a corresponding t-value of 22.614.

Based on these values, the line of best fit for the model is expressed as:

$Y = a + bX_1$, (where Y = Market Penetration [dependent variable], a = regression constant, b = regression coefficient, and X_1 = Pricing Strategies [independent variable]).

Thus: Market Penetration = 5.671 + 0.735(Pricing Strategies)

This implies that for every unit increase in pricing strategies, market penetration increases by 0.735 units. The analysis underscores a significant effect of pricing strategies in penetrating the market.

Hypothesis 2

H_o: Promotional activities have no significant effect on market penetration for small businesses in Delta State, Nigeria.

Table 5: Multiple Regression Analysis on the effect of promotional strategies on market penetration

a) Model Summary

Model	R	R-Square	Adjusted R-2	Std. Error of Estimate
1	.715a	.511	.509	4.21309

b) ANOVA of the model

Source of variation	Sum of Squares	df	Mean Square	F -cal	Sign
Regression	7623.112	1	7623.112		
Residual	7295.412	148	49.292	429.82	.000b
Total	14918.524	149			

c) B-coefficients

Model	Unstandardized co-efficient		Standardized co-efficient	t-cal.	Sign
	B	Std. Error	Beta		
1. (Constant)	6.125	0.548	.715	11.174	.000
Promotional Strategies	0.692	0.033		20.725	.000

(*p < 0.05 indicates significance)

From Table 5a, presenting the model summary for predicting the relationship between promotional activities and market penetration for small businesses, a calculated R-value of .715, R^2-value of .511, and Adjusted R^2-value of .509 were found. The R^2-value of .511 indicates that 51.1% of the variance in market penetration is explained by promotional activities. The ANOVA summary in Table 5b confirmed the significance of the model, with a calculated F-value of 429.82, which far exceeds the critical F-value of 0.159 at a 0.05 alpha level, with 1 and 148 degrees of freedom. This led to the rejection of the null hypothesis, proving that promotional activities significantly influence market penetration. The coefficients in Table 5c supported this analysis, showing a constant regression value of 6.125, with a t-value of 11.174, and a bivariate coefficient of 0.692, with a t-value of 20.725. These values give the line of best fit as:

$Y = a + bX_2$, (where Y = Market Penetration [dependent variable), a = regression constant, b = regression coefficient, and X_2 = Promotional activities [independent variable]).

Thus: Market Penetration = 6.125 + 0.692(promotional activities)

This suggests that for every unit increase in promotional activities, market penetration increases by 0.692 units. The significant positive regression highlights the effectiveness of promotional activities in expanding market penetration for small businesses in Delta State, Nigeria.

Hypothesis 3

H_o: Distribution channels have no significant effect on market penetration for small businesses in Delta State, Nigeria**.**

Table 6: Multiple Regression Analysis on the effect on market penetration for small businesses in Delta State, Nigeria.

a) Model Summary

Model	**R**	**R-Square**	**Adjusted R-2**	**Std. Error of Estimate**
1	.682a	.465	.463	4.56823

b) ANOVA of the model

Source of variation	**Sum of Squares**	**df**	**Mean Square**	**F -cal**	**Sign**
Regression	6890.234	1	6890.234		
Residual	7967.911	148	53.844	330.91	.000b
Total	14858.145	149			

c) B-coefficients

Model	Unstandardized co-efficient		Standardized co-efficient	t-cal.	Sign
	B	Std. Error	Beta		
1. (Constant)	5.984	0.601	. 682	9.964	.000
Promotional Strategies	0.658	0.036		18.192	.000

(*p < 0.05 indicates significance)

From Table 6a, illustrating the model summary for predicting the effect of distribution channels on market penetration, a calculated R-value of .682, R^2-value of .465, and Adjusted R^2-value of .463 were obtained. The R^2-value of .465 signifies that 46.5% of the factors affecting market penetration are attributable to distribution channels. The ANOVA summary in Table 6b confirmed this relationship, showing a calculated F-value of 330.91, which surpasses the critical F-value of 0.159 at the 0.05 alpha level, with 1 and 148 degrees of freedom. Consequently, the null hypothesis was rejected, affirming that distribution channels significantly contribute to market penetration.

However, Table 6c provided further validation, with a constant regression value of 5.984, a t-value of 9.964, and a bivariate coefficient of 0.658, with a t-value of 18.192. The line of best fit is given as:

$Y = a + bX_3$, (where Y = Market Penetration [dependent variable], a = regression constant, b = regression coefficient, and X_3 = Distribution Channels [independent variable]).

Thus: Market Penetration = 5.984 + 0.658(Distribution Channels)

This indicates that for every unit increase in distribution channels, market penetration increases by 0.658 units. The significant contribution of distribution channels underscores their critical role in ensuring market access and enhancing small business success in Delta State, Nigeria.

Discussion of Findings

The study revealed that pricing strategies significantly affect market penetration, accounting for 58.1% of the variation in market penetration among small businesses. This finding is consistent with Kotler and Armstrong's (2020) assertion that competitive pricing serves as a critical factor in attracting and retaining customers in saturated

markets. Similarly, Olayemi et al. (2022) demonstrated that penetration pricing strategies boost sales volumes by enticing price-sensitive customers. However, the results diverge slightly from Adeniyi and Salako (2019), who found that value-based pricing had the highest influence on market expansion. The lower adoption of value-based pricing in this study may be attributed to Delta State's economic environment, where consumers prioritize affordability over perceived value. The findings emphasize the critical role of pricing strategies in making products accessible to low-income consumers, particularly in a price-sensitive market like Nigeria. This reinforces the need for small businesses to adopt dynamic pricing strategies tailored to their target demographics to maximize market penetration.

Promotional activities were found to significantly affect market penetration, explaining 51.1% of its variance. Public relations emerged as the most effective promotional strategy, corroborating the findings of Nwosu and Ezenwa (2021), who emphasized that positive brand perception fosters customer loyalty and repeat patronage. Sales promotions also demonstrated substantial influence, aligning with Akpan and Okon (2020), who reported that promotional incentives such as discounts and freebies enhance customer acquisition. Interestingly, digital marketing recorded the lowest mean score among promotional strategies, which contrasts with findings by Igbinovia and Ajayi (2023), who highlighted the growing dominance of digital marketing in urban areas. The disparity may stem from the limited digital literacy and infrastructure challenges in Delta State's rural regions, as noted by Ogbuagu (2021). The study underscores the necessity for small businesses to diversify their promotional activities, blending traditional and digital approaches to enhance market activities. This is especially relevant in regions with heterogeneous consumer bases.

Distribution channels accounted for 46.5% of the variance in market penetration, with direct distribution channels being the most effective. This finding aligns with Eke and Akande (2018), who found that businesses with direct access to their customers achieved faster market penetration. Third-party distribution channels and e-commerce platforms also played significant roles but were less impactful compared to direct distribution. The lower adoption of e-commerce platforms resonates with the findings of Oyewole and Obasi (2022), who attributed such trends to infrastructural and logistical limitations in semi-urban and rural areas. However, the increasing reliance on third-party distributors reflects the necessity for businesses to scale their operations beyond localized markets, as highlighted by Okeke et al. (2023). This study highlights the importance of optimizing distribution channels to balance cost-effectiveness with reach. Direct distribution channels enable close customer engagement, while third-party distributors and e-commerce platforms offer scalability for broader market coverage.

The findings align closely with the Resource-Based View (RBV), which posits that firms gain a competitive advantage by leveraging unique resources and capabilities. The

study demonstrates that pricing strategies, promotional strategies, and distribution channels serve as critical resources that small businesses in Delta State can exploit to achieve market penetration. Effective resource allocation in these areas enhances competitive advantage, aligning with Barney's (1991) principles of resource heterogeneity and immobility.

Conclusion

The study examined the impact of pricing strategies, promotional strategies, and distribution channels on market penetration for small businesses in Delta State, Nigeria. The findings revealed that all three strategies significantly influence market outcomes, with each contributing uniquely to the growth and sustainability of small businesses. Pricing strategies were found to be highly effective in attracting and retaining customers, with penetration pricing having the most substantial influence. Also, promotional activities such as public relations and sales promotions proved vital in enhancing market penetration by building brand loyalty and awareness. Additionally, Distribution channels played a critical role in ensuring market access, with direct distribution channels being the most effective, while e-commerce channels showed potential but faced infrastructural challenges. Thus, the results underscore the importance of strategic management and innovation in these areas to enhance the competitive advantage and sustainability of small businesses in Delta State.

Practical/ Policy Implications

1. Small businesses in Delta State can leverage the insights to optimize their market penetration techniques. For instance, adopting dynamic pricing strategies tailored to local consumer behavior can maximize market reach.

2. The potential of digital and e-commerce platforms, though underutilized, offers opportunities for scaling operations and reaching broader markets.

3. Policymakers should create enabling environments, such as improved infrastructure and digital connectivity, to facilitate the adoption of innovative distribution and promotional strategies.

4. Financial incentives for small businesses investing in marketing and distribution innovation could enhance their competitiveness.

Recommendations

1. Small businesses should adopt penetration pricing to attract new customers, especially in highly competitive markets.

2. Training programs on price modeling and consumer segmentation should be introduced to help businesses optimize their pricing decisions.

3. Greater investment in digital marketing should be encouraged to tap into the growing online consumer base. Government and industry stakeholders should organize workshops on cost-effective promotional techniques for small businesses.

4. Businesses should explore hybrid models combining direct distribution for local markets with e-commerce platforms for broader reach.

5. Infrastructure development, such as road networks and reliable internet, is essential for enhancing the efficiency of distribution systems.

6. Government initiatives should prioritize digital infrastructure to support the adoption of e-commerce and digital marketing strategies.

7. Government should provide subsidies or tax incentives for small businesses investing in technology-driven distribution and promotional channels.

Limitations

The study was limited by its focus on small businesses in Delta State, Nigeria, which may restrict generalizability to other regions. Additionally, reliance on self-reported data could introduce bias, and infrastructural challenges constrained broader analysis of digital strategies.

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