

Pricing Strategy and Market Performance of Vegetable Oil Companies in Lira City East Division

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Background: This study investigated the effect of pricing strategies on market performance of vegetable oil companies in Lira City East Division. The specific objectives of the study were to determine the effects of value-based pricing, competition-based pricing and cost-based pricing strategies on the market performance.

Methods: The study adopted a descriptive research design and a regression model was used to explain the effect of pricing strategies on market performance. The study population was 95 employees of vegetable oil companies in Lira City East Division. Purposive sampling techniques were used and a sample of 50 employees from two companies participated in the study through self-administered, structured questionnaires. The respondents were from various departments; sale and marketing, procurement, production, quality control and operations, finance and administration and research and development. The data was analysed and presented in tables using descriptive statistics, correlations and regression.

Findings: The findings indicated that value-based pricing and cost-based pricing have significant positive effects on market performance, but not competition-based pricing.

Conclusion: The study concluded that an effective pricing strategy significantly improves the market performance of vegetable oil companies in Lira City East Division.

Recommendations: The study recommends that vegetable oil companies should pay specific attention and efforts to creating value in the products and consider total cost to arrive at appropriate price levels for better market performance than competitors.

Key words: Pricing Strategy, Market, Performance, Vegetable, Oil and Companies