
Product Differentiation Strategies and Sales Performance of Bread Manufacturing Firms in Aba, Abia State, Nigeria

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Abstract: *The study focused on the effect of product differentiation strategies on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria. The objectives of the study were to examine the effect of feature-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria;; ascertain the effect of innovation-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria; investigate the effect of price-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria; and ascertain the effect of brand-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria. The study adopted survey research design. The population of the study consisted 370 management and administrative staff of selected bread manufacturing firms in Aba, Abia State. A sample size of 190 (one hundred and ninety) was drawn from the population using Taro yamane statistical formula. Four hypotheses were formulated and tested with Simple Regression analysis... The major findings in the study showed that there is a significant effect of feature-based, innovation-based, price-based and brand-based differentiation strategies on sales performance of bread manufacturing firms in Aba, Abia State. Hence, we concluded that firms that apply meaningful, customer-focused product differentiation strategies are more likely to experience higher sales performance in Aba's competitive bread market. We, therefore, recommended that bread firms should invest in customer loyalty program to retain customers to their product and product feature and branding should be prioritized to improve shelf appeal, among others.*

Keywords: Product differentiation strategy, feature-based differentiation, innovation-based differentiation, price-based differentiation, brand-based differentiation and sales performance.

INTRODUCTION

Bread is a staple food in Nigeria's diet, forming a significant part of household consumption. With many small and medium bakery firms operating in Aba, firms must adopt differentiation strategies to enhance sales and remain competitive. Differentiation involves making a product perceived as unique through attributes like quality, packaging, branding, or innovation, which can lead to higher customer preference and sales performance (Adeleke et al, 2018). Increased competition among industries has divided demand among many players, making it important for a business to convince their customers why their products and services are better than others. Product differentiation is a marketing process used to distinguish a product or service from others in the market to appeal to a target audience (Okonkwo,2016). Product differentiation involves highlighting the features of a product or service that make it unique and valued by customers. When implemented successfully, product differentiation builds a competitive advantage because customers view a product as superior to other substitutes as it serves as a catalyst in a buyer's decision-making process (Gladson and Ekajaja,2024; Adeleke et al, 2018). Product differentiation aims to alter a consumer's interpretation of the benefits of one item compared to another. The actual difference in the product compared with competing products might be small or non-existent. Companies that achieve high market research metrics for brand loyalty and customer loyalty grow revenues 2.5 times faster than industry peers and deliver two to five times the returns to shareholders over 10-year time frames, according to a study by the Harvard Business Review. When functional aspects of two products are identical, nonfunctional features can be highlighted.(Boniface,2022; Adeleke et al,2018). If differentiation were unachievable, the bigger companies with economies of scale would always dominate the market because they can undercut smaller producers in price (Awaritefe,2004). In the competitive landscape of the Nigerian bread industry, especially in urban centers like Aba in Abia State, product differentiation has become a critical strategy for survival and growth. With numerous bread manufacturing firms producing similar goods, companies are seeking innovative ways to stand out through variations in size, taste, packaging, branding and nutritional content. Despite these efforts, some firms continue to experience stagnant or declining sales performance. This raises questions about the actual effectiveness of differentiation strategies in improving sales within the local market context. The gap lies in the lack of empirical and context-specific studies that link product differentiation strategies directly to sales performance of bread manufacturers in Abia State, with particular emphasis on consumer perception, branding and competitive advantage.

Statement of the Problem

Bread manufacturing firms in Aba, Abia State, operate in a highly competitive and saturated market characterized by numerous small- and medium-scale bakeries producing relatively homogeneous products. Bread, by its nature, is often perceived as a commodity product, with minimal inherent differentiation in basic form (white loaf, wheat loaf, family size). As a result, many producers compete primarily on price rather than on value-adding attributes. This price-based competition has led to shrinking profit margins, unstable revenue streams, and in some cases

business closures. In recent years, fluctuations in the prices of key inputs such as flour, sugar, yeast, and energy have further intensified cost pressures on bakery firms. Given the economic realities in Nigeria, particularly inflationary trends and declining consumer purchasing power, bread manufacturers are faced with the dual challenge of maintaining affordability while ensuring profitability (Yusuf and Adekunle, 2019). Under such circumstances, reliance on price competition alone is unsustainable. Strategic product differentiation may offer a viable pathway to improved sales performance and market stability. Despite the theoretical and empirical recognition of product differentiation as a driver of competitive advantage and firm performance, there is limited empirical evidence specifically examining how differentiation strategies influence the sales performance of bread manufacturing firms in Aba. While broader studies have explored differentiation in manufacturing or SME sectors in Nigeria, few have focused on the bakery sub-sector within the Aba industrial cluster, which possesses unique market characteristics, distribution structures, and consumer preferences. Moreover, anecdotal evidence suggests that many bread manufacturers in Aba adopt informal or unstructured differentiation practices, such as varying loaf sizes, improving packaging appearance, or introducing flavored varieties. However, it remains unclear whether these strategies significantly translate into measurable improvements in sales volume, revenue growth, customer retention, and market share. There is also uncertainty regarding which specific dimensions of differentiation—product quality, branding, packaging, innovation, or product line expansion—have the strongest impact on sales outcomes.

Another critical issue is the apparent gap between strategic intent and execution. Some bakery firms may invest in packaging or branding improvements without adequate market research, resulting in minimal customer response. Others may focus heavily on product quality but fail to communicate this value effectively to consumers. The absence of empirical data linking differentiation efforts to sales performance limits managerial decision-making and strategic planning within the sector. Therefore, the core problem addressed by this study is the lack of empirical clarity regarding the extent to which product differentiation strategies influence the sales performance of bread manufacturing firms in Aba, Abia State. Without systematic investigation, bakery owners and managers may continue to allocate resources inefficiently or rely on price competition, thereby undermining long-term sustainability. This study seeks to bridge this knowledge gap by empirically examining the relationship between product differentiation strategies and sales performance, providing evidence-based recommendations to enhance competitive positioning and revenue growth within the Aba bread manufacturing industry.

Aim and objectives of the Study

The aim of the study was to examine the effect of product differentiation strategies and sales performance of bread manufacturing companies in Aba, Abia State, Nigeria.

Specifically, the study sought to:

- i. examine the effect of feature-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria;
- ii. ascertain the effect of innovation-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria;

- iii. investigate the effect of price-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria; and
- iv. ascertain the effect of brand-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria.

Research Questions

The following research questions were raised to guide the conduct of the study:

- i. What is the effect of feature-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria?
- ii. What is the effect of innovation-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria?
- iii. What is the effect of price-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria?
- iv. What is the effect of brand-based differentiation on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria?

Research Hypotheses

The following research hypotheses were formulated in the null form for the study:

H₀₁: Feature-based differentiation has no significant effect on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria.

H₀₂: Innovation-based differentiation has no significant effect on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria.

H₀₃: Price-based differentiation has no significant effect on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria.

H₀₄: Brand-based differentiation has no significant effect on sales performance of bread manufacturing companies in Aba, Abia state, Nigeria

Significance of the Study

This study is significant to the following groups; entrepreneurs and bread manufacturing firms, government, researchers, academics, students, and marketers /salesmen. The study is significant to entrepreneurs and bread manufacturers because it will add to the small but growing theoretical and practical knowledge on the influence of product differentiation strategy dimensions on sales performance in manufacturing business environment. Theoretical implications of the research include gaining understanding of how product differentiation strategy dimensions impact on sales performance. This study fills the gap in the sales performance research, and adds to the research base by utilizing product differentiation strategy variables as predictor on sales performance. This study is useful to students who could obviously be engaged in similar studies as they would make use of this work as reference material.

The practical significance of the study lies in the extent to which the findings could provide empirical evidence on the product differentiation strategy dimensions that influence the sales performance of selected bread manufacturing companies. Furthermore, the study would be able to

equip managers in the firms with a better understanding of the product differentiation strategy dimensions that are associated with high sales performance, thus enabling them to formulate relevant policies in training and development, selection and recruitment, and rewards and recognitions in preparation to alleviate the intense competitive environment in the manufacturing services business.

Definition of Terms

Strategy

Strategy is a long –term plan of action designed to achieve a specific goal or competitive advantage. It involves making choices about how to allocate resources, position a business, or respond to competition (Yusuf and Adekunle,2019).

Product Differentiation.

Product differentiation is a strategy businesses use to distinguish their products from competitors, making them more attractive to target customers (Nwokoye,2016). This can be achieved through various means, such as design, quality, branding, and customer service.

Sales Performance

This refers to the effectiveness or otherwise of a firm’s sales efforts in achieving revenue targets, customer acquisition, and overall market share growth. It is measured using various metrics and influenced by strategies, market conditions, and customer engagement (Unukpo et al,2025).

LITERATURE REVIEW

Conceptual Framework

A conceptual framework explains, either graphically or in narrative form, the main things to be studied, the key factors, constructs or variables and the presumed effect or relationship among them (Ebitu,2016). The conceptual framework helps the researcher define who and what will or will not be studied. It shows the measures of the independent variables and the indicators of the dependent variables without establishing any linkage. It is the foundation upon which the entire study is based.

INDEPENDENT VARIABLES	DEPENDENT VARIABLE
<p>PRODUCT DIFFERENTIATION STRATEG.</p> <ul style="list-style-type: none"> ❖ Feature-based differentiation <ul style="list-style-type: none"> ❖ Innovation-based differentiation ❖ Price-based differentiation ❖ Brand-based differentiation 	<p>SALES PERFORMANCE</p> <ul style="list-style-type: none"> ❖ Sales performance ❖ Sales performance ❖ Sales performance ❖ Sales performance

Figure 1: Conceptual Framework of the study
 Source: Researchers’ Conceptualization, 2025

A) Product Differentiation Strategy.

Product differentiation strategy refers to a firm’s deliberate effort to make its product or services distinct from those of competitors in ways that are meaningful and valuable to customers. It involves creating unique features, attributes or perceptions that set the product apart in the marketplace, thereby influencing consumer choice and loyalty (Ebitu, 2016). In the case of bread manufacturers in Abia state, product differentiation strategy is especially crucial because the market is highly competitive, with many small and large bakeries producing similar products. Differentiation through taste, nutrition, packaging and branding could determine which bakery captures and sustains customer loyalty.

1) Feature-based Differentiation.

A feature-based differentiation strategy involves making your product or service stand out by offering unique or superior features compared to competitors. This approach aims to create a competitive advantage by providing customers with something they value and are willing to pay a premium for (Ebitu, 2016). It is about identifying specific customer needs and then developing features that directly address those needs, making product offering more appealing than alternatives. The key aspects of a feature-based differentiation strategy are (Adeoti, (2020):

- i). **Identifying Unique Features:** The first step is to pinpoint features that are genuinely different and valuable to your target audience. This could involve conducting market research, analyzing customer feedback, and understanding competitor offerings.
- ii). **Focusing on Customer Benefits:** It is not enough to simply have unique features; you need to effectively communicate how those features translate into tangible benefits for the customer. Explain how the features solve problems, improve experiences, or add value to their lives.
- iii). **Communicating Differentiation:** Clearly articulate your unique selling proposition (USP) in your marketing and branding efforts. Make sure your messaging highlights the value of your differentiated features and why customers should choose your product or service.
- iv). **Maintaining Differentiation:** As the market evolves, it's crucial to continuously innovate and adapt your strategy to maintain your competitive edge. This could involve adding new features, improving existing ones, or finding new ways to deliver value to your customers.

The benefits of feature-based differentiation are (Adeoti, 2020)::

i).Competitive Advantage: A well-executed differentiation strategy can make your business less vulnerable to price competition and create a loyal customer base.

ii).Premium Pricing: When customers perceive your offering as superior due to unique features, you can often charge a higher price.

iv).Brand Loyalty: Customers who value your unique features are more likely to become loyal to your brand.

v) Increased Resilience: Differentiation can make your business more resilient to new entrants and market changes.

Akinbinu (2021) noted that the potential challenges to feature-based differentiation strategy are :

a).Imitation: Competitors can try to copy your features, so it's important to stay ahead of the curve and continuously innovate.

b). Feature Creep: Adding too many features can make your product or service overly complex and dilute your USP.

c).Maintaining Quality: If you differentiate based on quality, you need to ensure that your product or service consistently meets the high standards you've set.

By carefully considering these aspects and challenges, businesses can effectively leverage feature-based differentiation to achieve a competitive edge and build a strong, loyal customer base.

Innovation-based Differentiation.

An innovation-based differentiation strategy focuses on creating a unique competitive advantage by offering products or services that are significantly different and better than those of competitors. This strategy involves identifying opportunities for innovation, developing unique features, and communicating the value of these innovations to the target market (Lai, 2020). By continuously innovating, companies can maintain a competitive edge, attract customers, and potentially command premium prices. The key aspects of an innovation-based differentiation strategy are (Lai, 2020) :

i).Unique Value Proposition: The core of this strategy is to offer something truly different and valuable to customers that competitors cannot easily replicate.

ii).Innovation as a Driver: Innovation is the engine for differentiation. This can involve new product features, improved design, novel technologies, or even innovative business models.

iii).Customer Focus: Understanding customer needs and preferences is crucial. The strategy should address specific customer pain points or desires through innovative solutions.

iii).Strong Brand Identity: A well-defined brand image that reflects the unique value of the differentiated product or service is essential.

iv).Premium Pricing: Companies can often justify higher prices for differentiated products due to their unique value, leading to increased profitability.

v).Sustainable Competitive Advantage: Effective differentiation can create barriers to entry for competitors, making it harder for them to replicate the unique offering.

Smith and Prieto (2019) stated that the benefits of an innovation-based differentiation strategy include:

- i).Increased sales and market share: By offering something unique and valuable, companies can attract new customers and increase their customer base.
- ii).Enhanced customer loyalty: Customers are more likely to remain loyal to a brand that consistently delivers unique and valuable products or services.
- iii).Reduced price sensitivity: Customers who value the unique aspects of a differentiated product are less likely to switch to competitors based solely on price.
- iv).Improved brand image and reputation: Innovation and differentiation can elevate a company's brand image and create a positive reputation in the market.
- v).Higher profitability: Premium pricing, increased sales, and customer loyalty can lead to higher profits.
- vi).Barriers to entry for competitors: It can be difficult for competitors to replicate a successful differentiation strategy, creating barriers to entry.

In essence, an innovation-based differentiation strategy is a powerful approach for businesses to stand out, attract customers, and achieve sustainable competitive advantage by offering unique and valuable products or services through continuous innovation.

Price-based Differentiation.

A price-based differentiation strategy involves setting different prices for the same product or service based on various factors, including customer segments, purchase location, or time of purchase. This strategy aims to maximize revenue and profits by catering to different customer needs and willingness to pay (Potter & Watts, 2020), and the key aspects of a price-based differentiation strategy are;

- i).Market Segmentation: Identifying distinct customer groups with varying needs and price sensitivities.
- ii).Price Customization: Adjusting prices based on factors like location, time of purchase, or customer characteristics.
- iii).Value Perception: Understanding how customers perceive the value of the product or service and pricing accordingly.
- iv).Competitive Advantage: Using price differentiation to attract specific customer segments and gain a competitive edge.
- v).Bundling: Offering multiple products or services together at a discounted price compared to individual purchases.

The examples of price-based differentiation are Students and senior citizens (Offering discounts to these groups on movie tickets or public transport), Peak and off-peak pricing(Charging higher prices during peak hours or seasons for services like hotels or airlines.), Quantity discounts (Offering lower prices for bulk purchases of products like groceries or office supplies), Personalized pricing: Tailoring prices based on individual customer data and purchasing history), and Product versioning (Offering different versions of a product with varying features at different price points) (Narver & Slater, 2020) and the benefits of price-based differentiation are:

- i). Increased Revenue and Profitability: Capturing more revenue from customers who are willing to pay higher prices and attracting price-sensitive customers with lower prices.
- ii).Improved Customer Satisfaction: Catering to diverse customer needs and preferences.
- iii).Enhanced Brand Perception: Communicating value and understanding to different customer segments.
- iv).Competitive Advantage: Standing out from competitors by offering tailored pricing strategies. The potential drawbacks to price-based differentiation are (Narver & Slater, 2020):
 - i).Complexity: Implementing and managing price differentiation can be complex, requiring sophisticated systems and data analysis.
 - ii).Ethical Concerns: Customers may perceive price discrimination as unfair or exploitative if not implemented transparently.
 - iii).Legal Issues: Price discrimination may be illegal under certain circumstances, such as when it harms competition.

4)Brand-based Differentiation.

A brand-based differentiation strategy focuses on making a brand stand out from competitors by highlighting its unique qualities, values, and personality. This strategy aims to create a distinct brand identity and value proposition that resonates with the target audience, leading to increased brand recognition, customer loyalty, and ultimately, a competitive advantage (Lai, 2020). He opined that a brand-based differentiation strategy has key components which are:

- i).Unique Selling Proposition (USP): Identifying what makes the brand different and better than others in the market. This could be based on product features, quality, customer service, brand personality, or a combination of these.
- ii).Brand Identity: Developing a strong and consistent visual and verbal representation of the brand, including its logo, color palette, tone of voice, and overall aesthetic.
- iii).Target Audience Alignment: Understanding the specific needs, preferences, and values of the target audience and tailoring the brand messaging and experience to resonate with them.
- iv).Emotional Connection: Creating a meaningful emotional connection with customers through brand storytelling, shared values, and experiences that go beyond the functional benefits of the product or service.
- v).Consistent Brand Experience: Ensuring that all touch points with the customer, from marketing materials to customer service interactions, are consistent with the brand's unique identity and promise.

The benefits of a brand-based differentiation strategy are (Akinbinu, 2021)::

- a).Increased Brand Recognition and Recall: A distinctive brand identity helps customers easily identify and remember the brand.
- b).Enhanced Brand Loyalty: Customers are more likely to remain loyal to a brand that aligns with their values and provides a positive and unique experience.

c).Reduced Price Sensitivity: Customers are willing to pay a premium for brands they perceive as unique and valuable.

d).Stronger Brand Advocacy: Satisfied customers are more likely to recommend the brand to others.

e).Competitive Advantage: A strong brand can create a sustainable competitive advantage, making it difficult for competitors to replicate.

5) Sales Performance.

Sales performance refers to how effectively a company's sales team is achieving sales goals. It involves metrics like revenue, number of deals closed, conversion rates and customer acquisition.

The key metrics to track sales performance include (Unukpo et al,2025):

i).Total sales revenue—How much income your sales generate?

ii).Sales Growth—Compare sales over different periods.

iii).Conversion rate-- Leads or prospects turned into paying customers.

iv).Average deal size- Total revenue / number of deals.

v). Sales cycle length- Time it takes to close a deal.

vi).Customer retention rate- How many customers return?

vii).Quota attainment- % of sales reps meeting targets.

NTDC (2022) opined that sales performance can be improved through the following ways.

i). Set clear, measurable goals- Example; increase sales by 15% in Q3.

ii). Train and coach regularly- Sales personnel deserve training and coaching regularly on product knowledge, sales techniques, and objection handling.

iii). Use a CRM System- Organize leads, follow-ups and measure conversion.

iv).Refine your sales funnel- Identify and fix weak spots in the sales process.

v). Improve lead quality- Focus on leads who match your ideal customer profile.

vi). Monitor and give feedback- Do weekly or monthly performance reviews.

vii). Offer incentives- Give bonuses or commissions based on performance

viii). Leverage customer feedback- Use it to improve your sales pitch or product offering.

Types of Product Differentiation.

Product differentiation relies on the customer's perception of a product and exists in three distinct types (Gladson and Ekajaja,2024):

i).Horizontal Differentiation.

Horizontal differentiation refers to making distinctions in products when there's minimal or no difference in terms of quality or price point since their popularity has more to do with the customer's personal taste. Products associated with horizontal differentiation offer the same thing at similar price points. Packaging, shapes, flavors and colors may influence horizontal differentiation. A classic example includes competing brands of cola where the product's packaging, marketing or special flavors can influence consumers' ultimate choice.

ii). Vertical Differentiation.

Vertical differentiation refers to distinctions in products that people can evaluate based on quality. Products in this type of differentiation also depend on price. The aim of vertical differentiation is to distinguish a product so it can improve toward higher quality and therefore gain a competitive advantage. One of the most recognizable instances of this method involves generic choices you can find at a grocery store. Store-brand versions of products that use their price point and value to compete directly with nationally recognized brands.

iii). Mixed Differentiation.

This type of differentiation is a combination of horizontal and vertical. Often you can find this type of differentiation in a product that the company markets for its safety features but isn't necessarily at the lowest price point in the market. For example, a high-end laptop might be pricier than its competitors but offer advantages such as speed, battery life and higher resolution. Companies market it as unique in the marketplace for its outstanding features but similar to other laptops in the ways that consumers use it.

Awaritefe (2004) stated that the steps to design an effective product differentiation plan are:

i). Know your market. Research the current marketplace that your employers' product serves. This can help you understand the product's target demographic better. Having a strong understanding of the motivations and needs of the product's demographic can help you and the marketing team decide which differentiation strategy to use.

ii). Brainstorm a strategy. Create a team to generate different ideas about making your employer's product unique in the marketplace. The more perspectives you consider, the better. A team can help you establish several ways you can potentially differentiate the company's product from others in the market. You can start by taking an inventory of the benefits and values the product offers to consumers and establishing the importance of those values

iii). Identify opportunities for differentiation. Once you have various possible options figured out by your team, look for opportunities to differentiate the product further from other competing businesses. This is also a good phase to evaluate where these opportunities belong in your company's strategic product roadmap. According to Kotler and Armstrong (2017), product differentiation strategy can be achieved through the following:

i). Size differentiation. You can make your employer's product stand out from that of your competitors by producing unique sizes more convenient to your consumers' needs. For example, producing an insulated mug sized for vehicle cup holders that also holds more volume than your competitors—and emphasizing the size aspect during product promotion—can help you gain a competitive advantage.

ii). Place of origin. Indicating the place of origin of a product can draw the attention of many customers. For example, simply adding the words “Handmade in Guatemala” to a product's description makes it stand out in a group of other similar products. Including a place of origin as a differentiator makes a product sound authentic and natural. Some consumers may value a product that originates from their home country

- iii).Brand differentiation. Branding can help you gain an advantage over similar products. Although the product might be the same as a rival company's product, how you design the product's appearance can make it stand out. You may also consider your clients' needs before creating your brand. For instance, a client may be looking for simplicity, durability and cleanliness in a product. In this regard, create a brand that fulfills all three needs.
- iv). Package differentiation. Packaging is often the consumer's first impression of a product, so you can create a differentiation strategy with product packaging consumers won't forget. For instance, you could use eco-friendly and biodegradable packaging to stand out from other products. Creative packaging can go a long way in attracting consumer attention
- v). Feature differentiation. You can differentiate the product by adding a basic feature or ingredient. If your manufacturing source has the ability to customize the product, you could add features like color, water resistance and compactness. The possibilities with features are endless, making this one of the easiest ways to achieve product differentiation
- vi).Bonus differentiation. You can make your employer's products stand out from your competitors by offering a bonus that doesn't have to consume the company's profit margin. Here, a bonus is an added value to the primary product. Bonuses mainly involve giving something extra that might be useful to your consumers. You can use small items that can be sourced cheaply and in large amounts as your bonuses.
- vii).Consumer analysis differentiation. If you're looking for ways the product can be unique in the marketplace, start by analyzing customer reviews. Browsing through comments may give you an idea of product strengths and weaknesses. You can then transform this feedback into ideas for the product descriptions, titles and bullet points. If you're still struggling with conducting a consumer analysis, choose three of your closest competitors and read their consumer reviews. Look for a common complaint and see if there is any way to improve your own product to meet this concern.

THEORETICAL FRAMEWORK

1.Resource-Based View Theory

This study is based on the foundation of the resource-based view (RBV) theory propounded by Barney (1991). The RBV is used because it explains the relationship between the independent and the dependent variables of the study. The literature on entrepreneurship has primarily applied the RBV theory, which looks at how a firm's resources can be used to sustain the firm in light of competitive advantages. RBV identifies firms' resources like tangible, such as physical assets, and intangible resources, such as knowledge, skills, and competencies; the latter are also the attributes that drive profitability, growth, and ultimately, the firm's survival (Agyapong & Attram, 2019). This view holds these resources as scarce, valuable, and imitable by competitors (Barney, Ketchen & Wright 2011). Firms' managers are expected to analyse resources, select strategies and resources, and then appraise capabilities to achieve competitive advantages against other firms. EO in RBV entails the activities, processes, behaviours, and decision-making styles that have become critical elements in achieving the sustainable competitive advantages of SMEs

(Kraus et al., 2011); this has implications for the selection, usage, management, and disposition of firms' financial assets (Nunooandoh & Darfor 2015). Eniola and Ektebong (2016) stated that

SMEs sustain their competitive advantage through unique, tacit, tangible, and intangible resources contributing to their performances. New firms must have productive resources to create a competitive advantage that can enhance survival or growth (Yin et al., 2020).

2.Resource Dependency Theory (RDT)

The resource dependence theory (RDT) proposed by Pfeffer and Salancik (1978) postulates that firms must engage in networks in the form of inter-firm collaborations and partnership with other key players (e.g., government officials, NGOs, community leaders, and financial institutions) in their environments to obtain support and resources for survival and sustainable growth (Barringer and Harrison, 2000; Alkuaik, 2017). Firms faced with different kinds of threats from their external environments require support and critical resources to survive the fierce competition ahead of them (Barringer and Harrison, 2000; Castanias and Helfat, 1991; Simonin, 1997). The resource dependency perspective explains that one good way to acquire these useful resources is to create network ties with other firms and key players influencing the business environment (Alkuaik, 2017). According to Barringer and Harrison (2000), firms build inter-organizational network ties to achieve several targets. One, they believe that connections and collaborations with other firms, policy makers and business regulators will increase their market power to reduce the competition and possibly help to gain some level of market monopoly over certain products and services. Two, inter-firm collaborations facilitate access to external resources that are rare and difficult to acquire because of the high cost or the rigorous process involved

.3. Porter Generic Strategies (1985).

The key idea of this strategy is that differentiation is one of the three core competitive strategies businesses can use to achieve a sustainable advantage. According to Michael Porter, companies can compete in three ways;

- i). Cost Leadership- Competing on price by reducing costs.
- ii). Differentiation- Making products unique to justify higher prices. Firms invest in quality, innovation, branding and customer experience to make their products distinct. Customers are willing to pay a premium for unique products.
- iii). Focus Strategy- Targeting a niche market with a specialized product. For example, A bakery offering organic, gluten-free or artisanal bread differentiates itself from mass-market brands.

4 Lancaster's Consumer Demand Theory (1971).

The key idea of this theory is that consumers make purchasing decisions based on product attributes rather than the product itself. Proposed by Kelvin Lancaster, this theory argues that consumers evaluate products based on specific attributes (e.g., taste, texture, packaging, or health benefits). Firms should focus on optimizing product attributes that align with consumer preferences. **Example;** A bread company can emphasize attributes like 'low sugar', 'high fiber' or 'freshly baked daily' to attract health-conscious consumers.

5. Schumpeter's Innovation Theory (1942).

The idea of this theory is that innovation is a key driver of differentiation and business success. Joseph Schumpeter argued that firms must continuously innovate to stay competitive. Product differentiation comes from new recipes, production techniques, packaging innovations or unique marketing approaches. For example, A bakery introducing low-carb keto bread is innovating to differentiate itself in the market.

Empirical Reviews.

Anyaragbu (2023) carried out a study on 'Managing Positional Innovation in Small Food Enterprises: The Bakery Industry. The study explores how small bakery enterprises utilize positional innovation- altering the perception and context of product use- to remain competitive. Key findings include that bakeries incorporate local culture, traditions and social responsibility into their products, enhancing perceived value and emphasis is placed on simple, non-technological product aspects, such as storytelling and cultural significance to differentiate products.

Ebitu (2016) investigated a study on 'Does Product Differentiation Strategy Influence Output: An Assessment of Food, Beverage, and Tobacco Manufacturing Firms in South- East, Nigeria. This research investigates the impact of product differentiation strategies on the output of manufacturing firms, including those in the bakery sector in South-East, Nigeria.

Key findings are that differentiation strategies lead to an increase in the number of purchases and firms adopting differentiation strategies experience improved production quantities and efficiency. Adeniran and Oniku (2015) carried out a study on the distribution intensity and marketing performance of consumer goods firms in Nigeria. The key findings are that distribution intensity moderates the effect of differentiation on sales and shows a stronger effect at higher availability. Iweama and Ifediba(2018) conducted a study on the packaging attributes and customer preferences for Oasis bread in Nigeria. The result of the finding showed that packaging attributes positively influences customer retention and loyalty.

Okike *2019) investigated the effects of product quality on sales growth among bakery firms in Abia State, Nigeria. The key finding of the study shows that product quality differentiation positively influences sales growth among bread firms in Aba. Unukpo et al (2017) investigated the effect of brand equity on market share of bread in Delta State, Nigeria. The finding of the study revealed that brand equity mediates the relationship between product differentiation and market share Irogbeyi et al (2021) carried out a study on the effect of retailer service differentiation on sales velocity of breads sold in Aba metropolis, Abia State, Nigeria. The key finding of the study shows that retailer service differentiation positively influences shelf space, which mediates its effect on sales velocity.

RESEARCH METHODOLOGY

Survey Research Design was used for the study. This is helpful in obtaining the perception of respondents on the subject of differentiation strategy and sales performance. The reason is that survey design is one in which the researcher does not aim at manipulating or controlling any of the variables under investigation. The survey design is also one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. The survey design specifies how such data will be collected and analyzed. The population of the study comprised of the administrative / management staff as well as consumers of the selected bread manufacturing firms in Aba, Abia state, which total 370 (Three hundred and seventy),(Master Bakers Association Report,2025). The studied selected bread manufacturing firms are Evaris bread company (90), Wonder bakery (80), M.C. Nnaji bread (35), Sonkas trading enterprise (70), Kenlinks fast food firm (65), Ocean bakery and event mgt (50). The sample size of 192 was drawn from the population of the study using Taro Yamani sample size determination method

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

where n = sample

N = population

1 = constant

E = margin of tolerable error

Thus: $n = 370 / 1 + 370 (0.05 \times 0.05)$

$n = 370 / 1 + 370 (0.0025)$

$n = 370 / 1 + 0.925$

$n = 370 / 1.925 = 192.$

The Bowley's proportional allocation formula is given as;

$$nh = \frac{nNh}{N}$$

Therefore, the bread manufacturing firms are allocated questionnaires as follows :

$$\text{Evaris Bread} = \frac{90}{370} \times 192 = 47$$

$$\text{Wonder Bakery} = \frac{60}{370} \times 192 = 31$$

$$\text{M.C.Nnaji Bakery} = \frac{35}{370} \times 192 = 18$$

$$\text{Sonkas Trading} = \frac{70}{370} \times 192 = 36$$

370

$$\text{Kinlinks Food} = \frac{65}{370} \times 192 = 34$$

$$\text{Ocean Bakery} = \frac{50}{370} \times 192 = 26$$

Total = 192 respondents

The retrieved data from survey was 190 respondents which formed the basis for data analysis

Purposive sampling technique was adopted for the study. This is considered suitable for selecting sample of management/administrative staff in the bread firms for the purpose of harnessing their experiences and understanding of differentiation strategy and sales performance of the firms.

Data for the study were obtained from two sources namely: Primary and secondary data. Primary data (information by the researcher on the variables of interest in the study was generated through interviews and questionnaire administration to the respondents. Secondary data (information from already existing sources) on the other hand, was generated from data bases, annual reports and records of companies, journals, among others The instrument used in the generation and collection of data for the study was the structured questionnaire. This aids easy collection of data and proper coordination of responses for analysis. A five likert scales ranging from 5 for STRONGLY AGREE (SA) to 1 for NEUTRAL (N) was adopted for the questionnaire options. Copies of the questionnaire were administered to the respondents through personal contact. The respondents were allowed two weeks to fill the questionnaire before they are collected by the researcher. The content validity of the instrument was ascertained by a questionnaire review panel that did objective assessment of the questions and ensured their relevance to the issues at stake and coverage of the entire study. In establishing the reliability estimate, 5% of the sample size was used. The research instrument was administered to the same group of individual on two different occasions separated by time interval. An interval of between 7-14 days was used. The two sets of scores from the two occasions (test/retest method used) were correlated using the Pearson product moment correlation coefficient and obtained 0.7 coefficient value which confirmed the instrument reliable and acceptable. In the other hand, the result of the pilot test carried out in Umuahia, Abia State which was not part of the sample of the study was calculated using Cronback's Alpha (α) technique and the reliability index of 0.84 was obtained for use in the conduct of the main study. In Cronback 's Alpha reliability analysis, the closer the Cronback Alpha to 0.1, the higher the interval consistency reliability. This is in line with Nwokoye (2006) who stated that the requirement interval consistency was an average value of the correlation coefficient which must be higher than 0.05.

Data generated for the study were analyzed using both Descriptive and Inferential statistics. Descriptive tools used were tables, percentages and frequencies while inferential tool used was simple linear regression analysis for the stated hypotheses. All the null hypotheses were tested at 0.05% level of significance. The regression model was derived using Sales Performance (SP) proxy (Dependent Variable) and Product Differentiation Strategies (PDS) (Independent variables) were proxies by Feature-based differentiation (FBD), Innovation-based differentiation (IBD), Price-based differentiation (PBD), and Brand-based differentiation (BBD). The regression model employed to estimate the effect of product differentiation strategies on the sales performance of selected Bread Manufacturing firms in Aba, Abia state, Nigeria is thus expressed in this study as:

$$Y = a + bx \dots\dots\dots \text{Regression Equation}$$

Where:

- Y = Dependent variable (Sales performance)
- a = constant
- b = coefficient
- x = Independent variable (Product Differentiation strategies)

Using regression model as stated above,

- SP = $\alpha + \beta_1 \text{ FBD} + e \dots\dots\dots \text{equation 1}$
- SP = $\alpha + \beta_2 \text{ IBD} + e \dots\dots\dots \text{equation 2}$
- SP = $\alpha + \beta_3 \text{ PBD} + e \dots\dots\dots \text{equation 3}$
- SP = $\alpha + \beta_4 \text{ BBD} + e \dots\dots\dots \text{equation 4}$

Where:

- β = Coefficient of the independent variables
- α = Intercept
- μ = Error terms

Data analysis.

Table 1: Effect of feature-based differentiation on sales performance of bread manufacturing firms in Aba, Abia State.

S/N	ITEMS	RESPONSE				
		SA	A	N	D	SD
1	Your firm articulates your unique selling proposition (USP) in your marketing and branding efforts.	60(32%)	110(58%)	-	15(8%)	5(2%)
2	Your firm communicates differentiation to ensure brand loyalty customers	90(47%)	100(53%)	-	-	-
3.	Your firm finds new ways to deliver value to your customers	50 (26%)	140(74%)	-	-	-

Source: Field Survey, 2025

Table 1 shows that 32% of the respondents strongly agreed that their firms articulate their unique selling proposition (USP) in their marketing and branding efforts, 58% of the respondents agreed to the same item, 8% disagreed while 2% strongly disagreed to the same item. The above table, also indicated that 47% of the respondents strongly agreed that their firms communicate differentiation to ensure brand loyalty customers while 53% of the respondents agreed to the same item., and 26% of the respondents strongly agreed that their firms find new ways to deliver value to your customers while 74% of the respondents agreed to the same item.

Table 2: Effect of innovation-based differentiation on sales performance of bread manufacturing firms in Aba, Abia State.

S/N	ITEMS	RESPONSE				
		SA	A	N	D	SD
1	Your company has more skillful technical and operational workforce to ensure effective sales performance	70(37%)	90(47%)	-	20(11%)	10(5%)
2	There is increased manufacturing quality in components and methods in current products.	80(42%)	100(53%)	-	10(5%)	
3.	Your firm addresses specific customer desires through innovative solutions	100(53%)	90(47%)	-		

Source: Field Survey, 2025

Table 2 shows that 37% of the respondents strongly agreed that their firms have more skillful technical and operational workforce to ensure effective sales performance, 47% of the respondents agreed to the same item, 11% disagreed while 5% strongly disagreed to the same item. The above table also indicated that 42% of the respondents strongly agreed that there is increased manufacturing quality in components and methods in current products, 53% of the respondents agreed to the same item while 5% of the respondents disagreed to the same item. Also, 53% of the respondents strongly agreed that their firms address specific customer desires through innovative solutions while 47% of the respondents agreed to the same item.

Table 3: Effect of price-based differentiation on sales performance of bread manufacturing firms in Aba, Abia State.

S/N	ITEMS	RESPONSE				
		SA	A	N	D	SD
1	Your firm sets different prices for the same product based on customer segments	70(37%)	100(53%)	-	20(10%)	-
2	Your firm uses price differentiation to attract specific customer segment and gain a competitive edge.	50(26%)	130(68%)	-	10(5%)	
3.	Your firm uses purchase location to set different prices for the same product	50(26%)	140(74%)	-		

Source: Field Survey, 2025

Table 3 shows that 37% of the respondents strongly agreed that their firms set different prices for the same product based on customer segments, 53% of the respondents agreed to the same item, while 10% disagreed to the same item. The above table also indicated that 26% of the respondents strongly agreed that their firms use price differentiation to attract specific customer segment and gain a competitive edge, 68% of the respondents agreed to the same item while 5% of the respondents disagreed to the same item., and 26% of the respondents strongly agreed that their firms find uses purchase location to set different prices for the same product while 74% of the respondents agreed to the same item

Table 4: Effect of brand-based differentiation on sales performance of bread manufacturing firms in Aba, Abia State.

S/N	ITEMS	RESPONSE				
		SA	A	N	D	SD
1	Your firm tailors the brand messaging and experiences to resonate with the target audience.	70(37%)	100(53%)	-	20(10%)	-
2	Your firm creates a meaningful emotional communication with customers through shared values and experiences.	80(42%)	110(58%)			
3.	Your firm highlights the brand's unique qualities and values to the target audience	100(53%)	90(47%)	-	-	-

Source: Field Survey, 2025

Table 4.shows that 37% of the respondents strongly agreed that their firms tailor the brand messaging and experiences to resonate with the target audience, 53% of the respondents agreed to the same item, while 10% disagreed to the same item. The above table also indicated that 42% of the respondents strongly agreed that their firms create a meaningful emotional communication with customers through shared values and experiences, while 58% of the respondents agreed to the same item. The same table indicated that 53% of the respondents strongly agreed that their firms highlight the brands unique qualities and values to the target audience while 47% of the respondents agreed to the same item.

Table 5: Sales performance in the bread manufacturing firms in Aba, Abia State, Nigeria between 2022 and 2024.

ITEMS	0-20% 1	21-40% 2	41-60% 3	61-80% 4	81-100% 5
1. Sales growth	-	16%	24%	34%	26%
2. Competitive advantage	-	18%	21%	37%	24%
3. Market share	-				
75			16%	18%	26%
39%					
4 .Customer retention	-		21%	26%	34%
35					
18%					

Source: Field Survey, 2025

Table 5 above contains responses on Sales performance of Bread Manufacturing firms in Aba, Nigeria. It was revealed that 16% of the respondents said that their firm's sales growth between 2022 and 2024 was within 21% - 40%, 24% of the respondents said that their firm's sales growth between 2022 and 2024 was within 41% - 60%, 34% of the respondents said that their firm's sales growth between 2022 and 2024 was within 61% - 80%, while 26% of the respondents said that their firm's sales growth between 2022 and 2024 was within 81% - 100%. This shows that the Bread Manufacturing firms had high sales growth between 2022 and 2024. It was also revealed that 18% of the respondents said that their firm's competitive advantage over competing firms between 2022 and 2024 was within 21% - 40%, 21% of the respondents said that their firm's competitive advantage over competing firms between 2022 and 2024 was within 41% - 60%, 37% of the respondents said that their firm's competitive advantage over competing firms between 2022 and 2024 was within 61% - 80%, while 24% of the respondents said that their firm's competitive advantage over competing firms between 2022 and 2024 was within 81% - 100%. This shows that the Bread Manufacturing firms in Aba, Abia State had strong competitive advantage over competing firms between the years of 2022 to 2024. Furthermore, table 4.3.7 revealed that 16% of the respondents said that their firm's market share between 2022 and 2024 was within 21% - 40%, 18% of the respondents said that their firm's market share between 2022 and 2024 was within 41% - 60%, 26% of the respondents said that their firm's market share between 2022 and 2024 was within 61% - 80%, while 39% of the respondents said that their firm's market share

between 2022 and 2024 was within 81% - 100%. This shows that the Bread Manufacturing firms in Aba, Abia State had increased market share between the years of 2022 to 20224.. Table 4.3.7 also showed that 21% of the respondents said that their firm's customer retention between 2022 and 2024 was within 21% - 40%, 24% of the respondents said that their firm's customer retention between 2022 and 2024 was within 41% - 60%, 34% of the respondents said that their firm's customer retention between 2022 and 2024 was within 61% - 80%, while 18% of the respondents said that their firm's customer retention between 2022 and 2024 was within 81% - 100%. This shows that the Bread Manufacturing firms in Aba, Abia State had increased customer retention between the years of 2022 to 20224

TEST OF HYPOTHESES.

HO 1: Feature-based differentiation strategy has no significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

Table 6 : Simple regression analysis showing the effect of feature-based differentiation on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std.Error	Beta	t- value	Sig.
1	(Constant)	2.331	0.136		17.176	.000
	Feature-based Str.	0.520	0.031	0.663	17.000	.000
	R	0.796				
	R ²	0.633				
	Adjusted R ²	0.539				
	F – Statistics	1 9.016				

Dependent Variable: Sales Performance

Source: Field Survey, 2025 (Version 25 of SPSS Computation).

Table 6 shows the effect of feature- based differentiation on sales performance of bread manufacturing firms in Aba, Abia State. Nigeria. From the simple regression analysis table, feature based differentiation was found to be statistically significant at 1% and positively related to sales performance of bread manufacturing firms in Aba. This implies that an increase in feature based differentiation in the studied bread manufacturing firms will translate to a corresponding increase in sales performance. This assertion is at the 99% confidence level. The R² value of 0.633 shows that 63% of variations in sales performance of bread manufacturing firms in Aba, Abia State was accounted for by feature-based differentiation. The remaining 37% was due to some other

extraneous factors that were not included in the model. Similarly, the f-statistics value of 19.016 indicates that the model specification was correct while significant at 1%. Therefore, the null hypothesis that feature based differentiation do not have significant effect on sales performance of bread manufacturing firms in Aba, Abia State is rejected. This result means that feature based differentiation has significant effect on sales performance, and agrees with that of Ebitu (2016) that feature based differentiation is about identifying specific customer needs and then developing features that directly address those needs, making product offering more appealing than alternatives.

HO 2: Innovation-based differentiation strategy has no significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

Table 7: Regression on the effect of Innovation-based differentiation strategy on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria..

		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std.Error	Beta	t- value	Sig.
1	(Constant)	4.571	4.419		1.076	.000
	Innovation-based Str..	0.582	0.212	0.596	2.600	.0006
	R	0.834				
	R ²	0.695				
	Adjusted R ²	0.559				
	F – Statistics	17.273				

Dependent Variable: Sales Performance

Source: Field Survey, 2025 (Version 25 of SPSS Computation).

Table 7 shows the effect of innovation- based differentiation on sales performance of bread manufacturing firms in Aba, Abia State. Nigeria. From the simple regression analysis table, innovation- based differentiation was found to be statistically significant at 1% and positively related to sales performance of bread manufacturing firms in Aba. This implies that an increase in innovation-based differentiation in the studied bread manufacturing firms will translate to a corresponding increase in sales performance. This assertion is at the 99% confidence level. The R² value of 0.695 shows that 70% of variations in sales performance of bread manufacturing firms in Aba, Abia State was accounted for by innovation--based differentiation. The remaining 30% was due to some other extraneous factors that were not included in the model. Similarly, the f-statistics

value of 17.273 indicates that the model specification was correct while significant at 1%. Therefore, the null hypothesis that innovation- based differentiation do not have significant effect on sales performance of bread manufacturing firms in Aba, Abia State is rejected .This result means that innovation- based differentiation has significant effect on sales performance, and it is in tandem with Lai (2020) who stated that by continuously innovating, companies can maintain a competitive edge, attract customers, and potentially command premium prices

HO 3: Price-based differentiation strategy has no significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

Table 8: Regression on the effect of Price-based differentiation strategy on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std.Error	Beta	t- value	Sig.
1	(Constant)	3.658	4.592		1.029	.000
	Price-based Str..	0.592	0.220	0.583	2.541	.003
	R	0.738				
	R ²	0.544				
	Adjusted R ²	0.439				
	F – Statistics	9.737				

Dependent Variable: Sales Performance

Source: Field Survey, 2025 (Version 25 of SPSS Computation).

Table 8 shows the effect of price-based differentiation on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria. From the simple regression analysis table, price-based differentiation was found to be statistically significant at 1% and positively related to sales performance of bread manufacturing firms in Aba. This implies that an increase in price-based differentiation in the studied bread manufacturing firms will translate to a corresponding increase in sales performance. This assertion is at the 99% confidence level. The R² value of 0.544 shows that 54% of variations in sales performance of bread manufacturing firms in Aba, Abia State was accounted for by price-based differentiation. The remaining 46% was due to some other extraneous factors that were not included in the model. Similarly, the f-statistics value of 9.737 indicates that the model specification was correct while significant at 1%. Therefore, the null hypothesis that price-based differentiation do not have significant effect on sales performance of bread manufacturing firms in Aba, Abia State is rejected. This result means that price-based differentiation has significant effect on sales performance, and it agrees with Potter and Watts

(2020) that price-based differentiation aims to maximize revenue and profits by catering to different customer needs and willingness to pay.

HO 4: Brand-based differentiation strategy has no significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

Table 9: Regression on the effect of Brand-based differentiation strategy on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria..

Model		Coefficients		t- value	Sig.
		Unstandardized Coefficients	Standardized Coefficients		
1	(Constant)	2.571	4.419	0.582	.000
	Brand-based Str..	0.647	0.220	0.583	.0005
	R	0.812			
	R ²	0.659			
	Adjusted R ²	0.520			
	F – Statistics	10.273			

Dependent Variable: Sales Performance

Source: Field Survey, 2025 (Version 25 of SPSS Computation)

Table 9 shows the effect of brand-based differentiation on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria. From the simple regression analysis table, brand-based differentiation was found to be statistically significant at 5% and positively related to sales performance of bread manufacturing firms in Aba. This implies that an increase in brand-based differentiation in the studied bread manufacturing firms will translate to a corresponding increase in sales performance. This assertion is at the 95% confidence level. The R² value of 0.659 shows that 66% of variations in sales performance of bread manufacturing firms in Aba, Abia State was accounted for by brand-based differentiation. The remaining 34% was due to some other extraneous factors that were not included in the model. Similarly, the f-statistics value of 10.273 indicates that the model specification was correct while significant at 5%. Therefore, the null hypothesis that brand-based differentiation do not have significant effect on sales performance of bread manufacturing firms in Aba, Abia State is rejected. This result means that brand-based differentiation has significant effect on sales performance, and it agrees with the stipulations of Lai (2020) that brand-based differentiation creates a distinct brand identity and value proposition that resonates with the target audience, leading to increased brand recognition, customer loyalty, and ultimately, a competitive advantage.

DISCUSSION OF FINDINGS / RESULTS.

The essence of the study was to evaluate product differentiation strategies and its effect on the sales performance of bread manufacturing firms in Aba, Abia State, Nigeria. The study showed that product differentiation strategies (feature-based differentiation, innovation-based differentiation, price-based differentiation and brand-based differentiation) were positive and significant factors affecting sales performances in terms of sales growth, competitive advantage, market share and customer retention of studied bread manufacturing firms in Aba, Nigeria. This is in agreement with previous findings:

Anyaragbu (2023) carried out a study on 'Managing Positional Innovation in Small Food Enterprises: The Bakery Industry'. The study explored how small bakery enterprises utilize positional innovation- altering the perception and context of product use- to remain competitive. The key findings include that bakeries incorporate local culture, traditions and social responsibility into their products, enhancing perceived value and that emphasis was placed on simple, non-technological product aspects, such as storytelling and cultural significance to differentiate products.

Ebitu (2016) investigated a study on 'Does Product Differentiation Strategy Influence Output: An Assessment of Food, Beverage, and Tobacco Manufacturing Firms in South- East, Nigeria'. This research investigates the impact of product differentiation strategies on the output of manufacturing firms, including those in the bakery sector in South-East, Nigeria. The key findings were that differentiation strategies lead to an increase in the number of purchases and firms adopting differentiation strategies experience improved production quantities and efficiency.

Brand-based differentiation significantly affects sales performance of studied bread manufacturing firms in Aba, Abia State. This finding is in tandem with the study of Unukpo et al (2017) that investigated the effect of brand equity on market share of bread in Delta State, Nigeria. The finding of the study revealed that brand equity mediates the relationship between product differentiation and market share.

Summary of Findings.

The results of the regression analyses indicated that product differentiation strategies are significant in achieving effective sales performance in the studied bread manufacturing firms in Aba, Abia State, Nigeria. Thus, the summary of the major findings of the study were:

- i). Feature-based differentiation has significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.
- ii). Innovation-based differentiation has significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

iii). Price-based differentiation has significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

iv). Brand-based differentiation has significant effect on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

v). Innovation-bases and Brand-based differentiation strategies show higher significant effects on sales performance of bread manufacturing firms in Aba, Abia State, Nigeria.

CONCLUSION

This study assessed the effect of product differentiation strategies on the sales performance of bread manufacturing firms in Aba, Abia State, Nigeria. The results obtained in this empirical research allow us to conclude that the higher the product differentiation strategies of the studied bread manufacturing firms in Aba, Nigeria, the higher the level of sales performance they will have in terms of sales growth, competitive advantage, market share, customer patronage and customer retention. Firms that apply meaningful, customer-focused product differentiation strategies are more likely to experience higher sales performance in Aba's competitive bread market.

Recommendations

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

- i). Bread firms should invest in customer loyalty program to increase customer retention
- ii). Product feature and branding should be prioritized to improve shelf appeal.
- iii). Government and associations should support bread manufacturing firms with loans/grants to improve their cost-effective innovations.
- iv). Bread firms should regularly monitor and manage their strengths, weaknesses, opportunities and threats (SWOT analytical tool) to always enable them achieve their pre-determined objectives in today's competitive bread business environment.

Contributions to Knowledge.

The differentiation strategies- in particular branding, feature and other product attributes- have been empirically shown to increase patronage and firm competitiveness in Abia State's bread industry. These findings align with broader strategic literature in Nigeria, which shows differentiation positively affects sales and performance in food and FMCG sectors. The research contributes by connecting local-level empirical evidence with well-established strategic frameworks, offering actionable insights for Aba-based manufacturers and paving the way for more focused future research.

Limitations of the Study

The study is limited by time constraints in accessing all the firms, incomplete or confidential financial data as well as potential bias in customer responses. The study made use of simple regression tool in data analyses and the application of other statistical tool on the same data generated might give a different result entirely. This is however recommended for future researches in this area

Suggestions for Further Studies

Future studies could compare urban and rural bread markets or examine digital marketing's role in promoting differentiated products.

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