

Effects of Product Differentiation Strategies on the Sales Performance of Bakeries in Akure, Nigeria

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ABSTRACT

The study investigated the effect of Product Differentiation Strategies on the Sales Performance of Bakeries in Akure with a view to gaining some insight into how to improve the performance of the Industry. Using Survey Research Design, primary data were collected with the aid of a well-structured questionnaire, and a sample size of 181 respondents was used in the study. The data collected were analyzed using both the Descriptive and Inferential Statistics. The study empirically established that sales among Bakeries in the study area generally increased in the last five years preceding the study. Furthermore, the study revealed that the Bakeries used Product Differentiation Strategies to a very high extent. The study also established that out of the six Product Differentiation Strategies selected, Product Conformance and Product Design Strategies individually exerted a significant positive effect on the Sales Performance of Bakeries in the study area, while Product Performance Strategy exerts a significant negative effect on Sales Performance. Finally, the study recommends the strengthening of the Product Reliability Strategy, a review of Product Performance Strategy and regular Customer Satisfaction Survey with a view to enhancing the Sales Performance of Bakeries.

KEYWORDS: Product Differentiation, Sales Performance, Strategies, Bakeries

1. Introduction

The teeming population and changing demography in developing countries, such as Nigeria, are responsible for differing tastes and preferences among consumers. The possibility of producing products with different tastes for diverse beneficiaries or consumers in an industry suggests the likelihood of differentiation. According to Kotler, (2000) a Firm may face

considerable competition in the marketplace with a whole market approach. To operate effectively, then, a firm with good marketing strategy will universally use a strategy of differentiation. That is, making consumers believe the firm's offer is different or better than those of the competition. Tuva (2015) sees differentiation in business as the art of marketing a

particular product or service in a way that makes it stand out against other products or services. It is one of the three main directions of competitive strategy (including “no frills” and low-price), providing benefits of products differently from the competition but for the same price or sometimes even at higher prices. This strategy targets segments where consumers value uniqueness and differentiated attributes of the purchased products (Voropajeva, 2012). Product Differentiation is thus pervasive in markets (Shafiwu & Mohammed, 2013). Differentiation can occur by manipulating many characteristics, including features, performance, style, design, consistency, durability, reliability, or reparability (Ndugu, 2011). In view of the intensifying competition in various markets, Wekesa, (2014) observed that companies must quickly grasp surprising opportunities in Product Differentiation in order to respond to threats and out-perform their rivals in order to succeed and endure. To enhance Firm Performance within the scope of sustainable competitive advantage, decisions on shaping firm’s competitive strategies in the aspect of Product Differentiation is one of the main issues for Managers to deal with. Nwewi, Onwuka and Ogbotubo (2017) estimated that almost 75 percent of breakfast diets in every household in Nigeria contain bread. There is a high level of demand for this commodity in the country. Bread is very important to the households as fuel is to the transport sector in Nigeria. The reason is not far-fetched, bread is a ready-made food that people can easily consume as it has already been

made into different tastes and for diverse uses. This is a ready-made strategic tool for bakers of bread to stay competitive in the face of opportunities to grow their business. Nwewiet *al.*, (2017) stated that entrepreneurs had seen the lucrative nature of the industry. Hence, a lot of small and medium scale businesses are going into it and launching out different techniques, to take advantage of the industry at different locations in the country. The implication of this is that, there are still enormous opportunities yet to be tapped from the bakery industry given the present fair performance of the manufacturing industry. Due to the fierce competition being experienced in the industry, bakeries need to continuously increase their operational performance, be more customer-oriented, effective and efficient in product delivery. In urban areas with high and growing population as well as a relatively high disposable income, retailers have to increasingly incorporate in-house bakeries to widen their portfolio in an attempt to hold on to their income and remain competitive (Nigel, 2010). Many researchers at different times have tried to explore how product differentiation strategies adopted by different organizations have influenced their performance well, in the face of intense competition. For instance, Nwabaka and Adegbuyi, (2021), Tintara and Respati, (2020), Nwankwere (2017), Mutunga and Minja, (2014), Innes, Kerr and Hobbs, (2007), and Walsh and Whelen, (2002) have studied how product differentiation can be a useful tool for competitive advantage and optimal organizational performance in

different industries both within and outside Nigeria. However, findings have been less consensual partly due to different approaches adopted by various organizations. Furthermore, studies conducted on the nexus between product differentiation strategies and performance of bakeries in Nigeria still appeared scanty. This study differs from the previous ones in terms of the peculiarities of the bakery industry and the study are selected. It is one of the few studies on the effect of product differentiation strategies on sales performance among bakeries in Ondo State, Nigeria.

The findings from the study would assist bakeries to

2.0 Review of Literature

In this section a critical review of related literature is done.

2.1 Conceptual Review

This subsection review various concepts related to study.

2.1.1 Concept of Product

According to Kotler and Armstrong (2010), a product is anything that can be offered to a market for attention, acquisition, use or consumption with a view to satisfying a need or want. This implies that a product can either be tangible or intangible (service). Meanwhile, Kotler and Keller (2009) had defined product as anything that can be offered to a market to satisfy a want or need, whereas Lancaster and Massingham (2001) defined a product as any item that can be considered as a separate item or entity which may be distinguished in some way from other products that the company produces. From the above definitions, it can be inferred that a product is aimed at satisfying some needs and wants. This study adopted definition of product by Kotler & Armstrong (2010).

ascertain the particular differentiation strategies driving sales performance thereby enabling them to leverage such strategies for improved performance. The findings will also assist policymakers by giving them an insight into the drivers of sales performance in the bakery industry to enable them put together necessary policies and strategies for enhancing the performance of the bakery industry. Therefore, the study examined the effect of product differentiation on the performance of bakeries in Akure, Ondo State, Nigeria.

2.1.2 Concept of Product Differentiation

According to Adinan and Abukari (2013), Product Differentiation is that which positions a product within the market such that the product presents a that is not common to competitors' offerings. Product differentiation exists when Firm's offerings differ or are perceived to differ from those of competing Firms on any attribute including price. Marketers attempt to position a product or service in customers' mind to convince them that the product has unique and desirable characteristics. Davcik and Sharma (2013) posited that product differentiation will create market niches and new markets, allowing entrants and/ or incumbents , to enjoy some market power over competing brands for a period of time. This study used product differentiation as defined by Adinan & Abukari (2013).

2.1.3 Concepts of Generic and Specific Product Differentiation Strategies

A strategy can be described as a general plan action for achieving one's goals and objectives (Nickols,

2011). According to Aashish (2018), there are two types of generic product differentiation strategies as follows:

Horizontal Product Differentiation: This entails distinctions in products that cannot be evaluated in terms of quality. Products are different but they carry the same price. While some consumers will buy one, some others will buy the other depending on their preferences.

Vertical Product Differentiation: This involves differences in products that can be evaluated in terms of quality. It is a case where it is possible to say that one product is better than the other because they differ in qualities. All things being equal, all rational consumers would prefer the one with higher quality to the other one if they were sold at the same price.

The specific product differentiation strategies, as espoused by Kotler (2000), used in this study are as follows:

Features: A product serves a basic function. The basic function can be supplemented by adding some characteristics to the product. The characteristics that supplement the basic function of the product can be termed as features. Marketers now offer their product with varying features by adding characteristics to them in order to attract customers of new segments. In addition to the basic product, a company can create additional features.

Performance: A product performance may be low, average, high, or superior. At a time it usually performs at any one of the above levels. Product's

performance relates to the level at which it meets a particular need. Higher quality products generate higher revenue and higher return on investment. A producer of higher quality product can also charge a premium price from the customers yet able to attract more customers.

Conformance: Conformance is the degree to which all the produced units are identical and meet the promised target specifications.

Durability: Durability refers to the expected life of a product. It is an important aspect of most product types as well as to most customers. Customers expect that the product should last long if used under normal and unusual conditions. Customers do not mind paying a premium price for a product that is perceived to be durable,.

Reliability: This strategy relates to the functional performance of the product. If buyers perceive that the product will perform well without a major shortcoming, they will be ready to pay a higher price. Positive perception of buyers about the reliability of the product thus gives the seller a competitive edge.

Design: Design refers to the arrangement of items that collectively form a product. Good design provides three important aids to the consumer: it represents the 'perceived value' of the product, it enables the company to create a 'personality' for its products, and by judicious periodical alterations in design, it creates demand through 'replacement' with more fashionable new designs. It now appears that good designs

improve the marketability of a product and ensure more profit to the firms.

2.1.4 Concept of Sales Performance

Organizational performance is how a business is able to harness resources and navigate the internal and external business environments to create value for stakeholders. According to Salahu, (2016), performance is the achievement of a particular task measured by standards of accuracy, completeness, cost and speed. As opined by Mustapha (2017), performance can be measured based on growth, market share and profitability. Hence, sales performance can be measured using sales growth (Dirisu, Iyiola & Ibidunni, 2013). The higher the index, the greater will be the sales performance of the business and vice versa.

2.2 Empirical Review

Walsh and Whelen, (2002) carried out a study on product differentiation and firm size distribution with special application to the carbonated soft drinks' industry. According to the study, regularity in the firm size distribution is not disturbed by the nature of short-run brand competition (turbulence in brand market shares) within segments. Product differentiation resulting from firms acquiring various portfolios of product attributes and stores in market evolution was found by the authors to determine the limiting of firm size distribution. With reference to Unilever Nigeria Plc, Dirisu, Iyiola and Ibidunni (2013) found that product differentiation as a tool of competitive advantage has a positive and significant influence on organizational performance.

Souki, Reis and Moura (2015) studied the behaviour of the consumers of bakery products. They found that consumers attend bakeries mostly to buy perishable food or food for immediate consumption. Besides, the consumers demonstrated positive mental association about bread, bakeries and baked products, including those produced by companies other than bakeries. In addition, consumers are not willing to pay more for baked products than for products from other industries, although they have been showing preference for baked products. This preference was based on the following parameters: minimum or basic attributes; differentiating attributes for the general public; and differentiating attributes for specific publics. Tuva, (2015) evaluated the influence of differentiation strategy on performance of branded bottled water, with special focus on the contributory roles of its various elements in influencing performance. The findings of the study show that there is a positive relationship between differentiation strategy and firm performance. Product differentiation strategy was found to contribute more to the performance of water bottling companies than service differentiation strategy. On the other hand, Nwewi, Onwuka and Ogbotubo (2017) investigated entrepreneurial thinking and competitiveness in bakery industry in Delta State, Nigeria. The study found that innovation is an element of entrepreneurial thinking that helps entrepreneurs in the bakery industry in the State to gain competitive edge over others. The study also indicated the use of modern bakery equipment, ability to offer product

differentiation, ability to maintain value creation, flexibility to effect changes as innovative ways that promote competitive advantage. The authors recommended that entrepreneurs leading in bakery industry should continue to maintain their innovative ways and possibly, improve on them, as well as make good customer relationship as their central target. Donassolo and Matos, (2013) studied the predictors of sales performance among wholesale sellers. The results obtained from the survey supported the adequacy of the model, which presented goodness of fit indices. The relationship between self-efficacy, efforts and performance has been confirmed. Self-efficacy and effort have been proven to be the main influencers of the performance of salespeople. Mwanzia (2015) sought to establish the extent of adoption of differentiation strategies and their effect on market share of the tea export firms in Kenya. The study found that the extent of adoption of differentiation strategies ranges from 66.6% to 77.8%, with the highest being value added products strategy while the least was pricing strategy. Amongst the value-added strategies, product features (quality) is the most adopted strategy while certification is the least applied strategy. The effect of differentiation strategies on market share of the firms was low at 11.6%. The study stated that this was an indication that the five differentiation strategies under study were not necessarily

being applied to influence the market share.

Ju, Tong, Hu and Sun, (2017) carried out a study on the determinants as well as on the consequences of product differentiation strategy on Chinese indigenous exporters. Using Structural Equation Modeling, they established that product differentiation strategy exerted a significant positive effect on the performance of export. Gorondutse and Hilman, (2018) also carried out a research on the effect of product differentiation on 83 selected hotels in Kano, Nigeria. Using Partial Least Squares, they established that product differentiation exerted a significant positive impact on the performance of the selected hotels. Adegbite, Osinowo, Omisore, and Ayinde, (2019) also found that service differentiation exerted a significant favourable effect on creating competitive advantage for the Nigerian Railway Corporation in Nigeria.

In a study carried out by Wambaka and Adegbuyi, (2021), using partial least squares structural equation modelling (PLS-SEM) on data obtained from commercial banks in Uganda, found a positive and statistically significant relationship between product differentiation strategy and financial performance. On the other hand, in another study carried out by Tintara and Respati, (2020) the results showed that product differentiation, service differentiation, and image differentiation had a positive and significant effect on competitive advantage in different organisations.

3.0 Methodology

3.1 Research Design

The study, which was carried out in Akure metropolis, the capital city of Ondo State, Nigeria, adopted the survey research design. The city hosts a significant number of small and medium sized bakeries that supply bread and related products to other towns in the State. The bakeries located in the town formed the critical mass of the bakery industry in the State. The respondents of the study comprised the sales representatives, marketing managers and bakery owners in Akure metropolis. The total number of bakeries in the metropolis was unknown in view of the perfectly competitive structure of the bakery industry and the rate at which firms freely enter and exit the industry. Being a cross sectional study, the data were collected at a particular point in time from the respondents.

3.2 Sampling Procedure and Sample Size

Using the Cochran's Formula (1963) for infinite or unknown population, a sample size of 384 was obtained. The study adopted a multistage sampling procedure. At the first stage, 384 bakeries that have operated for not less than five years were purposively selected from the unknown population of bakeries in the study area. At the second stage, convenience sampling technique was employed in the distribution of 384 copies of the structured questionnaire to the owners, marketing manager or sales representatives of the selected bakeries in Akure metropolis. A total of 181 copies of questionnaire were retrieved, screened and considered good for analysis.

3.3 Research Instrument

The research instrument was a structured questionnaire to elicit responses from the respondents. The instrument was divided into four sections – A, B, and C. Section A solicited for general information on the background of the respondents and information on the bakeries. Sections B contained questions that assessed the extent of product differentiation strategies among bakeries in the study area. Section B had a five-point Likert scale with the following response categories from 5- Strongly Agree (SA), 4-Agree (A), 3- Undecided (U), 2- Disagree (D), 1- Strongly disagree (SD). Section C asked questions on the sales performance of the bakeries in comparison with others in the last five years. This section was evaluated using five-point rating scale of 5- Very Strong, 4- Strong, 3- Undecided, 2- Weak, 1 - Very Weak. Section B to D also asked respondents to express their opinions on the subject of each section in an open-ended manner.

3.4 Method of Data Collection

The source of data used in the study was primary data obtained via a structured questionnaire. Research instrument was distributed and retrieved from the target respondents in each of the bakeries through the help of contact persons there. The questionnaire was administered through well supervised enumerators to the respondents.

3.5 Validity and Reliability of Instrument

The questionnaire was subjected to both contents and construct evaluation to discover if the instrument

covered the content area and to ascertain if the instrument was suitable for the study. The validated questionnaire was duly pre-tested. Table 1 presents the results of reliability test conducted on the variables in the study. These include product differentiation

strategies and sale performance. The Cronbach alpha values ranged from 0.621 to 0.731. These values were good enough for analysis as it was recently reported that many studies reported that Cronbach alpha between 0.45–0.98 is acceptable (Taber, 2018).

Table 1: Reliability Statistics

	Cronbach's Alpha	No of Items
Product Differentiation Strategies	.731	6
Sale Performance	.621	8

Source: Authors' Computation of Data Obtained from Field Survey, 2020

3.6 Method of Data Analysis

In this study, the effect of product differentiation strategies (features, performance, conformance, reliability, durability and design) as independent variables, on sales performance (dependent variable) of bakery industry in the study area was carried out. The analysis of data was done using both descriptive and inferential statistics. The descriptive statistics were used to analyse demographic information. These included: frequency, tables, percent-tages and mean.

On the other hand, inferential statistics allowed a decision to be made concerning the stated hypothesis. The study adopted the multiple regression analysis to test the effect of product differentiation strategies on sales performance. The analysis was conducted with the aid of Statistical Package for Social Science (SPSS) version 25.

The multiple regression equation below was used to establish the relationship between the variable

$$SAP = f(FEAT, CONF, PPER, PROD, PREL, PDUR) \dots\dots\dots(1)$$

Explicitly, model (1) can be written as follows:

$$SAP_i = \beta_0 + \beta_1 FEAT_i + \beta_2 CONF_i + \beta_3 PPER_i + \beta_4 PROD + \beta_5 PREL + \beta_6 PDUR + e_i \dots\dots(2)$$

Where:

SAP = Sales Performance	PROD = Product Design
FEAT = Product Features	PREL = Product Reliability
CONF = Product Conformance	PDUR = Product Durability
PPER = Product Performance	β_0 = Constant

4.0 Results and Discussion

4.1 Basic Information on the Selected Bakeries

Table 2 presents information on the bakeries in Akure metropolis based on the responses from the owners, marketing managers and sale represent-tatives that participated in the study.

Table 2: Basic Information on the Selected Bakeries

Form of bakery ownership	Frequency	Percent	Sales Outlets/ Distributors in Akure		
Sole Proprietorship	176	97.2	No Response	5	2.8
Partnership	2	1.1	10	1	0.6
Limited Liability	3	1.7	15	2	1.1
Total	181	100.0	20	1	0.6
Age of bakery			50	2	1.1
No Response	2	1.1	Few	40	22.2
5 years and below	28	15.5	As many as possible	61	33.6
6 – 10 years	73	40.3	Many	69	38.0
11 – 20 years	44	24.3	Total	181	100.0
21 – 30 years	25	13.8	Sales Outlets/Distributors outside Akure		
31 – 40 years	6	3.3	No Response	157	86.7
41 – 50 years	0	0.0	13	1	0.6
Above 50 years	3	1.7	Fewer than 13	12	6.6
Total	181	100.0	As many as possible	2	1.1
			Many	9	5.0
			Total	181	100.0

Source: Field Survey, 2000

4.2 Extent of Product Differentiation Strategies in the Bakery Industry in Akure

The study sought to examine the extent of product differentiation strategies adopted (or in use) by bakeries in the study area. The results are presented using mean values, degree of use index, and by ranking each specific product differentiation strategy as shown in Table 3.

Table 3: Extent of Specific Differentiation Strategies adopted by Bakeries in Akure

Strategy	Mean	Extent	Degree of Use Index	Rank
Product Features: Characteristics that supplement the basic function of the product.	4.56	Very High	0.91	1
Product Design: Arrangement of items that collectively form a product.	4.50	Very High	0.900	2
Product Reliability: Bakery maintains a quality control at key supplier facilities and purchases superior quality raw materials.	4.41	Very High	0.882	3

Product Conformance: Product meets the promised target specifications.	4.35	Very High	0.870	4
Product Durability: Product lasts for a long time under normal and unusual conditions.	4.34	Very High	0.868	5
Product Performance: Product meets the need of target customers.	4.21	Very High	0.842	6

Very High = 4.21 - 5.00, High = 3.41 - 4.20, Low = 2.61 - 3.40, Very low = 1.81-2.6, Not at all = 1-1.8

Source: Field Survey, 2020

As presented in the Table 3, all the specific differentiation strategies are in use to a ‘very high’ extent considering the fact that, they all have mean values ranging between 4.21 – 4.56. The degree of use index were calculated from the means and ranked in order of magnitude. From the analysis of the results, feature strategy of the products was ranked first as it had the highest degree of use index of 0.910. This means that most of the bakeries used product features strategy (i.e. attributes) to differentiate their products

Product reliability strategy ranked third with a degree of use index of 0.882. This implies that the bakeries to a very high extent maintained quality control at key supplier facilities and by purchasing superior quality raw materials. The latter would guarantee the production of reliable products. When products are made from quality raw materials, the firms are shielded from possible complaints as a result of defective products. They are also able to win the heart of customers who know them for quality products.

Conformance is another strategy of product differentiation which was rated very high in terms of degree of use by the bakeries with a mean of 4.35. It ranked fourth with a degree of use index of 0.870.

in order give them competitive advantage in the market. A product’s features can be likened to the contents which the products are made of.

In addition, the product design strategy ranked second with a degree of use index of 0.900. This strategy ensures bakeries have specific arrangements of items that collectively form the products that make them different from those being produced by their rivals. The respondents stated that they have been using the design of product to a ‘very high’ extent but a little less in comparison to the features of product strategy. This means that customers always have a pre conceived idea of what meets their needs. It is this criteria that determines whether they will patronize a product or its substitutes. The implication of this is that, product must meet the promised target specifications for it to be acceptable. Hence, bakeries in the study area obtained feedbacks from consumers in respect of what exactly the consumers wanted in the products to satisfy their needs and they tried to meet the specifications.

Product durability strategy was placed in the fifth position before performance with a mean of 4.34 and degree of use index of 0.868. This implies that bakery management used the product durability strategy to a

large degree to ensure that the products lasted for a long time under normal and unusual conditions. However, the degree of use of this strategy was not as high as the earlier identified ones, since bakery products are not meant to stay for a long time if they are to be healthy foods for consumption. Hence, it was ranked among the last two product differentiation strategies. However, this strategy can distinguish a bakery from the others if it is used wisely.

The performance strategy, a measure of product's ability to meets the need of target customers was the least used strategy according to the respondents. It had a mean value of 4.21 and degree of use of 0.842. This strategy requires that bakeries to do extra work to identify customer needs that would satisfy the consumers since the latter evaluate products before making purchase decisions.

4.3 Effect of Product Differentiation Strategies on The Sales Performance of Bakeries in Akure

The study sought to establish the effect of product differentiation on the sales performance of bakeries in Akure. As the first step in achieving this objective, the study evaluated sales performance in the industry in the last five years. The study asked the respondents to show the extent to which sales turnover of bakeries increased in the last five years. Table 4 shows that 56.4 per cent and 38.7 per cent of the respondents opined that sales turnover of bakeries increased in the last five years to a 'very high' and 'high' extent respectively, while 3.3 per cent and 0.6 per cent stated that the increase has been to a 'moderate' and 'low' extent respectively. This result shows that majority of the respondents observed that sales turnover among bakeries increased to a very high extent in the last five years.

Table 4: Extent to Which Sales Turnover of Bakeries Increased in the Last Five Years

	Low Extent	Moderate Extent	High Extent	Very High Extent	No Response	Total
Frequency	1	6	70	102	2	181
Percent	0.6	3.3	38.7	56.4	1.1	100. 0

Source: Field Survey, 2020

A regression analysis was conducted to assess how sales performance responded to product differentiation strategies (features, performance, conformance, durability, reliability and design of product). The data were also pre-tested to confirm they meet the assumptions for a set of data to be used for the regression analysis.

The sample size of 181 was more than adequate given the number of independent variables (6) subjected to the test. The ratio for this analysis was 181 valid cases to 6 independent variables. This equates to 30 to 1, which satisfies the minimum requirement of 15 to 1 (Tabachnick & Fidell, 2001). The assumption of singularity was also met. A close look at Table 5 shows that none of the independent variables (features, performance, conformance, durability, reliability and design of product) correlated highly with each other. To establish the existence of multicollinearity, tolerance has to be close to zero while variance inflation factor (VIF) has to be close to 10, but that was not the situation as revealed in Table 5. The variables have Variance Inflation Factor (VIF) between 1.167 and 1.982, which indicate that all the variables have a Variance Inflation Factor (VIF) less than ten. On the other hand, their tolerance varies from 0.510 to 0.857, which are close to one. This implies that there was no multicollinearity (Coakes, 2005). The normality test is only needed for small samples of say $N \leq 20$ or so. In view of the central limit theorem, test results are unaffected by even severe violations of normality (Van den Berg, 2021).

Since there are no violations of multiple regression assumptions, the study proceeded to establish whether the independent variables-features (*FEAT*), performance (*PPER*), conformance (*CONF*), durability (*PDUR*), reliability (*PREL*) and product design (*PDES*) affected sales performance (*SAP*) among bakeries in Akure. The strength of predictability of *SAP* by *FEAT*, *PPER*, *CONF*, *PDUR*, *PREL* and *PDES*, using the Adjusted R^2 with a value 0.194 shows that approximately 19 per cent of the changes in *SAP* is caused by *FEAT*, *PPER*, *CONF*, *PDUR*, *PREL* and *PDES*.

Additionally, the coefficient section of the table shows that three of the six predictor variables individually contribute significantly to the changes observed in the dependent variable. Conformance strategy ($\beta = 1.726$, $p = .002$) was the most significant predictor followed by product design strategy ($\beta = 0.966$, $p = .029$), and performance strategy ($\beta = -1.040$, $p = .044$). These imply that conformance and product design strategies individually exerts a significant positive effect on the sales performance of bakeries in the study area at 5 percent level. Performance strategy exerts a significant negative effect on sales performance of bakeries in the study area. Other strategies such as features ($\beta = 0.655$, $p = .214$), durability ($\beta = 0.132$, $p = .763$) and reliability ($\beta = 0.590$, $p = .214$) are not significant drivers of sales performance among bakeries in the study area at 5 percent level.

If all the product differentiation variables (features, performance, conformance, durability, reliability and product design) constant at zero, Table 5 shows that sales performance will be 19.028 units. Taking all other independent variables at zero, a unit improvement in the product conformance strategy will lead to a 1.726 units increase in the sales performance. This suggests that by fulfilling the promised target specifications, bakeries have been able to increase their sales. Also, a unit improvement in the product design strategy will lead to a 0.966 unit increase in sales performance of bakeries in the study area. This means that the arrangements of items that collectively form the bakery products have effectively increased sales among bakeries in the study area. However, a unit improvement in product performance strategy will lead to 1.040 decreases in sales performance. This suggests that bakeries have been applying a wrong product performance strategy. This

calls for a review of the existing product performance strategy, which can be driven by findings from a regular customer satisfaction survey. These findings are in line with those of Tuva (2015) and Atikiya, Mukulu, Kihoro and Waiganjo, (2015) who established that differentiation strategies significantly influence the performance of manufacturing firms. This study has further established the bakery industry-specific drivers of sales performance. These findings are also in consonance with that of Nwewi *et al.* (2017) who revealed that product differentiation strategies have enabled bakeries to stay competitive in Delta State of Nigeria by increasing their market share. Further-more, the fact that product features, product durability and product reliability strategies are not significant drivers of sales performance among bakeries in the study area underscore the need for a regular customer satisfaction survey.

Table 5: Effect of Product Differentiation Strategies on the Sales Performance of Bakeries in the Study Area

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.470 ^a	.220	.194	3.01705
a. Predictors: (Constant), Design of Product, Durability, Reliability, Performance, Features, Conformance				
b. Dependent Variable: Sale Performance				

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	19.028	2.837		6.708	.000		
	Features	.655	.526	.109	1.246	.214	.582	1.719
	Performance	-1.040	.513	-.153	-2.027	.044	.786	1.273
	Conformance	1.726	.558	.290	3.094	.002	.510	1.962
	Durability	.132	.437	.024	.302	.763	.741	1.350
	Reliability	.590	.473	.094	1.247	.214	.784	1.275
	Product Design	.966	.439	.159	2.202	.029	.857	1.167

a. Dependent Variable: Sale Performance

Source: Authors' Computation of Data Obtained from Field Survey, 2020

4.4 Tests of Hypotheses

The understated hypotheses were tested using the result generated from the multiple regression analysis.

1. **H₀:** Product Features Strategy does not exert a significant influence on Sales Performance of Bakeries in Akure.

2. **H₀:** Product Performance Strategy does not exert a significant influence on Sales Performance

3. **H₀:** Product Conformance Strategy does not exert a significant influence on Sales Performance

4. **H₀:** Product Durability Strategy does not exert a significant influence on Sales Performance

5. **H₀:** Product Reliability Strategy does not exert a significant influence on Sales Performance

6. **H₀:** Product Design Strategy does not exert a significant influence on Sales Performance.

The result of the tests of hypotheses is presented in Table 6. The probabilities presented under "Sig."

were tested at 5% level. Hypothesis 2 in respect of product performance strategy ($\beta = -1.040$, $p = .044$), hypothesis 3 in respect of conformance strategy ($\beta = 1.726$, $p = .002$), and hypothesis 6 on product design strategy ($\beta = 0.966$, $p = .029$) stand rejected as their respective probabilities are less than 0.05. These suggest that product performance, product conformance and product design strategies exert significant influence on sales performance in the study area. However, hypothesis 1 in respect of product features strategy ($\beta = 0.655$, $p = .214$), hypothesis 4 on product durability strategy ($\beta = 0.132$, $p = .763$) and hypothesis 5 in respect of product reliability strategy ($\beta = 0.590$, $p = .214$) stand accepted as their respective probabilities are greater than 0.05. These suggest that product features, product durability and product reliability strategies do not significantly influence sales performance among bakeries in the study area.

Table 6: Tests of Hypotheses

Hypothesis No.	Strategy	β	T Statistic	Sig. @ (5%) Level	Decision
1	Features	.655	1.246	.214	Accept H_0
2	Performance	- 1.040	-2.027	.044	Reject H_0
3	Conformance	1.726	3.094	.002	Reject H_0
4	Durability	.132	.302	.763	Accept H_0
5	Reliability	.590	1.247	.214	Accept H_0
6	Product Design	.966	2.202	.029	Reject H_0

Source: Authors' Computation from Data Obtained from Field Survey, 2020

5.0 Conclusion and Recommendations

From the findings of the study, it can be concluded that product differentiation strategies are in use to a very high extent among bakeries in the study area, with product design strategy being the most adopted. The study empirically established that sales from the bakeries in the study area generally increased in the last five years preceding the study. The study further established that out of the six product differentiation strategies examined, product conformance and product design strategies individually exerts a significant positive effect on the sales performance of bakeries in Akure, while product performance strategy exerts a significant negative effect on the sales performance of bakeries in the study area. Sequel to the findings from the study a number of recommendations are hereby put forward in order to engender improved sales performance among bakeries in the study area:

i. Management of bakeries should build on their product conformance and product design strategies,

which constitute their strengths, to drive sales performance.

ii. Since product reliability strategy (i.e. bakery maintains a quality control at key supplier facilities and purchases superior quality raw materials) does not significantly influence sales performance, there is need to strengthen this strategy in order to attract more sales.

iii. In view of the product performance strategy's negative contribution to sales performance, management of bakeries need to review this strategy with a view to ensuring a turnaround of its contribution to sales.

iv. Management of bakeries should ensure a regular and comprehensive customer satisfaction survey in order to identify customers' needs with respect to their products in order to take informed decisions on the appropriate strategies to adopt with a view to increasing sales.

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