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EVALUATING THE IMPACT OF PRICING STRATEGIES ON ORGANIZATIONAL PERFORMANCE OF SOME SELECTED BAKERIES IN GOMBE

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ABSTRACT

This research examines the impact of three pricing strategies; cost-plus pricing, customer value-based pricing, and competitive pricing, on the performance of specific bakeries in Gombe State, Nigeria. Anchored in the Resource-Based View, Customer Value Theory, and Porter's Competitive Advantage Theory, the study offers a theoretical framework for comprehending how pricing decisions influence performance outcomes. A descriptive survey approach was utilized, and data were gathered using a structured questionnaire distributed to 142 respondents selected through a proportionate stratified random sampling method. The data were examined utilizing SPSS version 20, incorporating descriptive statistics, Pearson's correlation, and simple linear regression. The results indicated that all three pricing models positively and significantly influence organizational performance. Cost-plus pricing bolstered financial stability, customer value-based pricing fostered customer loyalty and revenue growth, and competitive pricing augmented market share and customer acquisition. The research finds that implementing a hybrid pricing model enhances both financial and non-financial outcomes. It enhances the body of knowledge by associating pricing strategies with organizational performance in the context of small and medium-sized firms within Nigeria's bakery sector.

Keywords: Pricing Strategies, Cost-Plus Pricing, Customer Value-Based Pricing, Competitive Pricing, Organizational Performance

INTRODUCTION

Adeola and Mofoluwake (2024) assert that accurately establishing prices is the most expedient method for organizations to enhance earnings and ensure their sustained market presence. Consequently, a primary responsibility of the marketing and finance departments is to determine the pricing policy to be adopted. Moreover, an organization's pricing approach often significantly influences its profitability. Consequently, businesses must continuously strive to establish the optimal pricing for their products and services in reaction to fluctuating consumer demands. Nevertheless, most enterprises persist in incurring losses due to inadequate pricing management.

Pricing, one of the four Ps of marketing, is the process of assigning a monetary value to a commodity or service. Osana (2023) defines price as the consideration exchanged between the seller and the customer in the transaction of goods and services. The sustainability and profitability of a firm hinge on its pricing strategies, as price is the sole element of the marketing mix that produces revenue and, consequently, profit (Kotler & Armstrong, 2020). Consequently, pricing strategy is a critical concern for any commercial entity.

According to Hilton and Platt (2021), the cost of production and the forces of supply and demand in the market have a big impact on prices. However, other factors like manufacturer pricing goals, the state of the economy, rivals, and the availability of a close substitute also have an impact. As a result, price management plays a critical role in determining an organization's performance and is an essential component of its marketing mix and competitive strategy.

On the other hand, Olufemi A., Gbadamosi et al. (2023) argued that businesses that use a penetration pricing strategy have a higher chance of increasing sales revenues and gaining market share, particularly in emerging nations like Nigeria. Additionally, some bakeries in Gombehad trouble reaching a high sales volume, which has resulted to a large number of products being discarded overtime or returned to the inventory to be sold at a loss. Bakeries have suffered greatly financially as a result of this. According to Chukwudi (2022), market parity pricing is a successful tactic for boosting sales volume. Ihemeje, Ezechi et al. (2023), however, disagreed, stating that the existence of other competitors did not ensure that market parity pricing would result in higher sales volumes.The bakery business in Gombe State constitutes an expanding sector of the local economy, generating employment opportunities and bolstering the food supply chain. Gombe city is home to more than 30 registered bakeries, predominantly functioning as small and medium-sized enterprises (SMEs). Notwithstanding their economic significance, these bakeries frequently incur financial deficits and waste as a result of unsold inventory, inadequate pricing strategies, and escalating manufacturing expenses. These problems emphasize the necessity for efficient pricing strategies that reconcile cost recovery with customer value and competitive positioning.

Despite previous studies (e.g., Hinterhuber, 2024; Nwachukwu, Okoro et al., 2023) investigating the relationship between pricing and performance, empirical research on the application and advantages of diverse pricing methods by SMEs, specifically bakeries in emerging nations, is scarce. Most current research concentrates on large-scale or industrial organizations, overlooking smaller enterprises that function under unique restrictions, including restricted market data and limited profit margins. The bakery business in Gombe suffers from unstructured pricing strategies, resulting in diminished profitability, a decrease in market share, and the wastage of perishable items. Theoretically, a gap exists in comprehending the interplay of cost-plus, customer value-based, and competitive pricing in affecting both financial and non-financial performance metrics in small firms. This study aims to address this practical and theoretical deficiency.

LITERATURE REVIEW

Pricing Strategy

Recent studies have increasingly underscored the strategic importance of pricing in customer retention, beyond traditional cost-based frameworks. Previous studies, such as Kotler and Armstrong (2020), mostly regarded pricing as a transactional instrument. However, current research, notably Hinterhuber (2024) and Ali, Rafiq et al. (2023), argues that pricing must correspond with customer-perceived value to sustain loyalty. Cost-based and competition-based pricing remain relevant; nevertheless, they often fail to differentiate brands in saturated markets, such as gasoline retail. Deonir, Silva et al. (2021) found that customer value-based pricing significantly enhances retention by linking price to perceived benefits. This contrasts with prior studies that prioritized operational efficiency over customer psychology. Moreover, contemporary research highlights the disadvantages of competition benchmarking, suggesting that it may undermine brand identity and reduce long-term engagement.

Prior research demonstrates that pricing strategies significantly influence organizational performance; yet, outcomes vary across different industries and contexts. Sije and Oloko (2023)found that penetration pricing markedly enhanced SME performance in Kenya, whereas Trebicka, Tartaraj et al. (2023) demonstrated that hotels utilizing economy and competitive pricing had superior client retention and sales growth. Bello, Sakariyau et al. (2023) determined that skimming, penetration, and psychological pricing had minimal impact on sales in Nigeria's petrochemical sector. The conflicting results suggest that the effectiveness of pricing strategies is contingent upon contextual factors, such as industry classification, consumer purchasing power, and market competitiveness. Similarly, Ahmed, Majeed et al. (2020) and Zhao and Yao (2021) confirm the

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advantageous influence of psychological pricing on consumer purchasing behavior; however, other scholars caution that its effects may be ephemeral or vary between demographic segments (Naipaul 2022, Wagner and Jamsawang 2022).

Pricing strategy denotes the intentional approaches employed by firms to establish product prices aimed at fulfilling their objectives, such as profitability, market share, and customer happiness. Kotler and Armstrong (2020) assert that price is the sole component of the marketing mix that produces revenue and directly influences profitability. Hinterhuber (2024) asserts that price transcends just cost considerations, serving as a strategic tool that embodies value creation and competitive positioning. Effective pricing is crucial for small and medium-sized firms (SMEs), such as bakeries, where slim profit margins, perishability, and variable input costs necessitate precise pricing decisions for sustainability.

Classification of Pricing Strategies

Umemezilem and Okuwa (2025) divided pricing techniques into three groups, as previously mentioned: cost-plus based, competition-based, and customer value-based pricing models.

Cost-Plus Pricing

Cost-plus pricing is incorporating a predetermined markup to the production cost to establish the selling price. It is extensively utilized by SMEs because of its simplicity and guarantee of cost recovery (Alan &Indounas, 2023). This strategy offers financial stability and reduces losses from underpricing for bakeries, where ingredient prices and operational costs constantly change. Critics contend that it overlooks customer value judgments and rival pricing (Nwachukwu, Okoro et al., 2023). In price-sensitive marketplaces like as Gombe, the inflexible use of cost-plus pricing may hinder competitiveness; yet, it continues to be a dependable method for cost recovery among resource-limited bakeries.

Recent research presents inconclusive evidence concerning its efficacy. It is preferred for its simplicity and capacity to provide cost recovery and constant margins (Alan and Indounas 2023, Aguilar, Enriquez et al. 2024). For SMEs lacking financial knowledge, cost-plus pricing simplifies decision-making and ensures predictability in financial planning(Ali, Rafiq et al. 2023). Nevertheless, academics are progressively criticizing the methodology for overlooking customer views and competitive factors. Nwachukwu, Okoro et al. (2023) contend that strict adherence to cost-plus pricing may result in overpricing, customer discontent, and a decline in market share within price-sensitive industries. Elmaghrapy and Keskinocak (2023) assert that in sectors with variable input costs, cost-plus pricing might diminish agility and render enterprises vulnerable to financial hazards. The divergent findings indicate that although cost-plus pricing ensures cost recovery, it frequently does not correspond with customer value, a significant drawback in contemporary competitive marketplaces.

Despite these findings, ongoing challenges remain. Most prior research has focused on cost-plus pricing within industrialized economies or capital-intensive industries, but studies on small-scale food enterprises in emerging countries are limited. Recent research suggests that hybrid methodologies, which combine cost-oriented and value-oriented tactics, may harmonize cost recovery with market adaptability (Gupta, Ivanov et al. 2021, Hinterhuber 2024). Nevertheless, empirical studies regarding the adaption or integration of cost-plus pricing by SMEs, particularly bakers managing perishable items and constrained profit margins, are scarce. The lack of evidence highlights the ambiguity regarding whether cost-plus pricing improves or undermines competitiveness in these contexts. This study examines cost-plus pricing in Nigerian bakeries, augmenting comprehension of its practical implications in emerging economies and contributing to theoretical discourse regarding the adaptability of conventional pricing models in dynamic environments.

H$_1$: *Cost-plus pricing strategy has a significant positive effect on the organizational performance of bakeries in Gombe State.*

Customer Value-Based Pricing Strategy

Customer value-based pricing (CVBP) is increasingly acknowledged as a contemporary pricing strategy that establishes prices based on the perceived value of a product or service, rather than only on production costs. Researchers contend that CVBP enhances customer loyalty and promotes product differentiation by aligning organizational offerings with consumer price sensitivity.Gupta, Ivanov et al. (2021)demonstrate that enterprises implementing CVBP may sustain profitability in intensely competitive settings, whereas Odoom (2021)indicate that value-oriented pricing improves brand performance among SMEs in Africa.

Customer value-based pricing (CVBP) establishes prices based on the perceived value to customers rather than the cost of manufacturing. Researchers include Hinterhuber (2024) and Ali, Rafiq et al. (2023) contend that CVBP improves consumer loyalty, satisfaction, and revenue growth by synchronizing price with perceived advantages. For bakeries, CVBP provides the option to modify prices according to freshness, quality, and product differentiation, which are essential determinants of customer preference. Nonetheless, its execution poses difficulties for SMEs that lack data on consumer preferences or analytical instruments to assess value judgments. In Gombe State, where consumers exhibit significant price sensitivity and demand fluctuates daily, managing CVBP can be challenging yet advantageous if executed through diligent feedback and market analysis.

There are still questions about whether CVBP can be used in different businesses and market scenarios. Most of the evidence comes from modern economies and technology-driven industries, where data-driven insights make it easier to figure out how much something is worth(Hinterhuber 2024). Conversely, empirical research on CVBP in small-scale consumer goods sectors, including bakeries in emerging nations, is limited. Recent research indicates that hybrid models integrating value-based and cost-based methodologies may be more effective for SMEs, as they reconcile market responsiveness with cost recovery(Elmaghrapy and Keskinocak 2023). However, there is limited understanding regarding whether this hybridization improves or undermines the efficacy of CVBP in maintaining customer loyalty and profitability. This gap highlights the necessity for additional research in areas characterized by significant price sensitivity and product perishability. This study examines CVBP in Nigerian bakeries, addressing a previously under-researched area while contributing to theoretical discussions on the adaptation of value-based pricing to the realities of small businesses in emerging countries.

H_2: *Customer value-based pricing strategy has a significant positive effect on the organizational performance of bakeries in Gombe State.*

Competitive Pricing

Competitive pricing entails establishing prices in accordance with current market rates, frequently using competitors as benchmarks to maintain customer appeal. Researchers have identified it as an effective tactic in densely populated marketplaces, as it improves customer perceptions of equity and facilitates sales expansion(Rajasa and Manap 2023, Trebicka, Tartaraj et al. 2023). Competitive pricing involves establishing prices in relation to competitors' products to maintain customer appeal. Research conducted by Rajasa and Manap (2023) and Trebicka et al. (2023) indicates that this method enables enterprises to preserve market share and draw in new customers within competitive markets. In Gombe State bakeries, where numerous suppliers provide analogous items, competitive pricing is essential for sustainability by averting consumer attrition. Excessive dependence on competition pricing can diminish business margins and instigate detrimental price wars (Vidrova, Krizanova et al., 2019). SMEs should strategically implement competitive pricing to ensure that prices are equitable and profitable.

Wang, Zhang et al. (2022)indicated that competitive pricing allowed online retailers to gain market share despite providing comparable products to competitors, whilst Ali, Rafiq et al. (2023)highlighted its significance in maintaining performance in resource-limited SMEs. Nonetheless, other research warns that an overdependence on competitor-based pricing could incite detrimental price wars, resulting in diminished profit margins and constrained innovation(Vidrova, Krizanova et al. 2019, Wagner and Jamsawang 2022). This disparity highlights a significant issue of the literature: although several studies focus on the immediate advantages of competitive pricing in enhancing sales, less examine its long-term effects on profitability and brand differentiation.

Notwithstanding these findings, persistent questions remain about the operation of competitive pricing across various industries and economic circumstances.

Numerous studies emphasize its efficacy in digital commerce, hospitality, and retail(Rajasa and Manap 2023, Trebicka, Tartaraj et al. 2023), although scant evidence is available for small-scale consumer products firms in emerging nations. Furthermore, previous studies frequently regard competitive pricing as an isolated strategy, neglecting to analyze its interaction with alternative methods such as value-based or promotional pricing(Elmaghrapy and Keskinocak 2023).

H_3: *Competitive pricing strategy has a significant positive effect on the organizational performance of bakeries in Gombe State.*

Factors Affecting the Pricing Decisions

Pricing decisions are shaped by a confluence of internal and external forces, which dictate how organizations establish and modify pricing in fluctuating marketplaces. Internally, production expenses, organizational goals, and product attributes are pivotal. Huang (2024) asserts that cost structures and product types are fundamental factors in price determination, as companies strive to achieve profitability while ensuring operational sustainability. Alan and Indounas (2023)contend that pricing objectives, whether aimed at profit maximization, market penetration, or survival, dictate the extent to which managers employ price as a competitive instrument. Scholars increasingly observe that dependence primarily on internal factors like cost-plus pricing may compromise competitiveness, especially in sectors marked by significant consumer price sensitivity(Ihemeje, Ezechi et al. 2023, Nwachukwu, Okoro et al. 2023).

External factors such as market dynamics, consumer preferences, and regulatory frameworks profoundly influence pricing decisions. Rajasa and Manap (2023)established that competitive intensity compels firms to implement rival-oriented pricing, whereas Wang, Zhang et al. (2022)illustrated that e-commerce enterprises dynamically modify prices in reaction to real-time demand variations. In addition to conventional competition-related issues, recent research underscores the increasing significance of consumer values like sustainability and traceability in influencing willingness to pay. Bera and Giri (2024)demonstrate that customer demand for ethical and eco-friendly products is transforming pricing tactics within supply chains, indicating that value-based pricing must increasingly consider social and environmental demands.

Organizational Performance

Organizational performance is a multifaceted concept that includes both financial and non-financial results. Recent studies emphasize profitability, revenue growth, and market share as conventional metrics, while also acknowledging operational efficiency, innovation, and customer satisfaction as equally essential indicators(Lawrence and Obasi 2022, Odunlami and Eniola 2023, Obinna and Uzoamaka 2024). Researchers contend that performance is influenced not just by internal competencies but also by the manner in which organizations adjust to evolving circumstances. Odunlami and Eniola (2023)discovered that whole quality management methods markedly enhanced SME performance, with innovation speed serving as a mediating factor in the relationship. Sije and Oloko (2023) revealed that high-performance work systems improve sustainable performance by promoting employee dedication and information exchange. These findings underscore that organizational effectiveness encompasses not only financial results but also intangible assets and long-term adaptation.

Nonetheless, persistent challenges exist in defining and quantifying organizational performance, especially among SMEs. Numerous research depends on self-reported, perceptual metrics instead of actual financial data, which raises concerns regarding bias(Idogu and Oseyomon 2024). Some individuals concentrate excessively on singular aspects, such as growth or efficiency, neglecting to consider wider metrics like customer loyalty or sustainability(Bello, Sakariyau et al. 2023). Furthermore, the majority of studies is cross-sectional, complicating the establishment of causal links between methods and performance results. Context-specific data remains scarce; for instance, although research in industrial and service sectors yields varied outcomes, there is insufficient understanding of performance measurement in food-related SMEs, where perishability, waste, and customer retention are paramount. The identified shortcomings highlight the necessity for sector-specific assessments that amalgamate financial and non-financial data, thereby offering a more holistic comprehension of organizational performance in emerging economies.

Theoretical Review

The correlation between pricing strategies and organizational success can be elucidated through several theoretical frameworks. The Resource-Based View (RBV) is extensively utilized, positing that organizations get greater performance by utilizing unique, valuable, and inimitable resources(Barney 1991). Pricing capabilities, encompassing the implementation of value-based or competitive pricing, are strategic resources. Recent research indicates that companies possessing sophisticated pricing abilities are more inclined to maintain profitability and market dominance in volatile situations(Hinterhuber 2024). This theoretical framework supports the investigation of how bakeries' internal pricing capabilities lead to enhanced performance results.

The Customer Value Theory reinforces the justification for implementing customer value-based pricing. This theory asserts that customers' value perceptions, characterized as the balance between perceived advantages and the price paid, dictate purchasing decisions and loyalty(Zeithaml 1988). Empirical data indicates that companies that align prices with customer-perceived value not only increase revenue but also foster long-term partnerships (Ali, Rafiq et al. 2023). Consequently, customer value theory establishes a direct connection between value-based pricing and organizational performance by elucidating how

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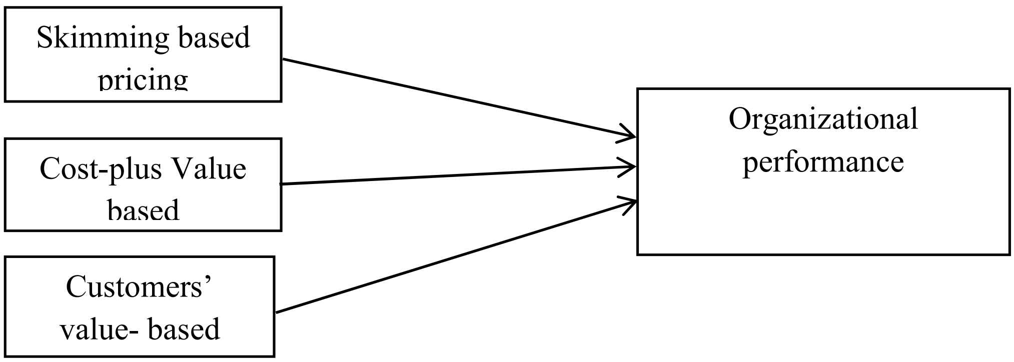
customer-centric pricing strategies promote both financial and non-financial achievements.

Moreover, Porter's Competitive Advantage Theory offers insight into competitive pricing strategies. Porter (1980)contends that cost leadership and differentiation serve as fundamental elements of competitive advantage. Competitive pricing embodies the cost leadership strategy by enabling enterprises to appeal to price-sensitive consumers in saturated markets. Nonetheless, although this method may augment sales growth, it may also diminish profitability if not harmonized with distinction. Consequently, connecting Porter's framework to competitive pricing elucidates its dual capacity to enhance or detract from organizational performance, contingent upon the industry situation(Rajasa and Manap 2023).

Finally, the Profit Maximization Theory provides a justification for cost-plus pricing. Grounded in classical economics, it posits that enterprises establish prices to optimize profits while accounting for production expenses(Marshall 1890). Although cost-plus pricing guarantees cost recovery and financial stability, its drawbacks become apparent when consumer value and competitive constraints are disregarded. Empirical studies indicate that excessive dependence on this method may diminish performance in intensely competitive marketplaces (Nwachukwu, Okoro et al. 2023). The incorporation of this idea is warranted as it represents a pricing strategy commonly employed by SMEs, particularly in emerging economies.

Conceptual Framework

The dependent variable is organizational performance, while the independent variable is pricing strategy, which comprises cost-plus, skimming, and customer value-based pricing.



Source: Research Framework (2025)

METHODOLOGY

This research employed a descriptive survey design, appropriate for examining the correlation between pricing methods and organizational performance as perceived by respondents. The design facilitates the collection of quantitative data that illustrates bakery employees' comprehension and implementation of pricing practices.

The population is derived by categorizing the locations of the bakeries in Gombe metropolis in to two, that is, Gombe north and Gombe south.

Table 1: Population of the Study

S/N	Gombe North Bakery	Number of Workers	Gombe South Bakery	Number of workers
1	Mohgis	33	White Light	34
2	Abba	31	Top Taste	30
3	Amal	28	Alheri	19
4	Savannah	22	Makama	22
	Total	**114**	**Total**	**105**

This table shows the study's total population and the proportional distribution across the two main zones of Gombe metropolis.

From the table above, Gombe north bakeries have a total workforce of 114, while Gombe south bakeries have a total workforce of 105. The aggregate number of workers from the two locations is 219. And this serves as the population of the study.

Measurement of Variables

The study includes one dependent variable (organizational performance) and three independent factors (cost-plus pricing, customer value-based pricing, and competitive pricing).

Table 2: Variables and their measurement

Variable	Measurement Items	Source
Cost-Plus Pricing (CPP)	Cost calculation method, markup policy, cost recovery, price adjustment mechanisms	Alan &Indounas (2023)
Customer Value-Based Pricing (CVP)	Perceived value, price–quality alignment, customer satisfaction, willingness to pay	Hinterhuber (2024)
Competitive Pricing (CMP)	Competitor price monitoring, market parity, discount flexibility, responsiveness to demand	Rajasa&Manap(2023)
Organizational Performance (OGP)	Profitability, market share, customer satisfaction, and operational efficiency	Odunlami&Eniola (2023); Lawrence &Obasi (2022)

These variables were designed to capture both financial performance (profitability and market share) and non-financial performance (customer satisfaction, operational efficiency).

Validity and Reliability of Instrument

The content and face validity of the questionnaire were validated by two specialists in Business Administration from Gombe State University. A pilot test was performed with 20 participants selected from non-sampled bakeries to evaluate the instrument's reliability. Reliability was evaluated via Cronbach's Alpha, with the results given below:

Table 3: Reliability check

Variable	Number of Items	Cronbach's Alpha
Cost-Plus Pricing	4	0.878
Customer Value-Based Pricing	4	0.826
Competitive Pricing	4	0.883
Organizational Performance	4	0.841

All alpha coefficients exceeded 0.70, the minimum acceptable threshold (Nunnally, 1978), confirming satisfactory internal consistency of the measurement scales. Pearson's correlation analysis examined the interrelationships among variables while, simple linear regression analysis was employed to evaluate the study's hypotheses (H_1-H_3).

Method of Data Analysis

Data were analyzed using the Statistical Package for the Social Sciences (SPSS) version 20. Descriptive statistics, including frequencies, means, and percentages, were employed to encapsulate demographic information.

Ethical Considerations

The research rigorously complied with ethical requirements. Participants were apprised of the study's aims, and their involvement was voluntary. Informed consent was secured prior to data collection. Participants were guaranteed that all information submitted would be kept anonymous and utilized exclusively for scholarly reasons. No personally identifiable information was gathered, guaranteeing complete anonymity of respondents.

The sample size was determined using the Taro Yemeni formula, (Yamane 1967):

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

Where:

n = Corrected sample size,

N = Population size and

e = margin of error

e = 0.05 based on the research condition

N= 220

1= constant

$= 220/1+220\ (0.05)^2$

$= 220/1+220\ (0.0025)$

= 132/1+0.55
= 220/1.55
= 141.93
= 142

RESULTS AND DISCUSSION

Table 4: Analysis of Gender of respondents

	Frequency	Percent
Gender		
Male	69	48.6
Female	73	51.4
Years of experience		
Less than 5 years	11	7.7
5-10 years	29	20.4
11-15 years	37	26.1
Above 15 years	65	12.2

Source: Field Survey, 2025

According to table 1, which details the respondents' gender, 69 (48.6%) are male, while 73 (51.4%) were women. In other words, there were more females than males in all. The demographic findings reveal that both male and female employees engage in bakery activities, with a marginal female predominance. Moreover, most respondents possess over 11 years of experience and are employed in finance and administrative positions, signifying their direct involvement in pricing and decision-making processes. This enhances the dependability and pertinence of the acquired responses.

Hypotheses Tests

This section focuses on the hypothesis tests of the study. Demographic characteristics, including age, gender, and years of experience, were collected but excluded as control factors in the regression models, as the study's primary objective was to investigate the direct effects of pricing strategies on organizational performance. Nonetheless, these characteristics may affect pricing perceptions and decision-making behavior. Consequently, subsequent research should incorporate demographic features as control or moderating variables to strengthen the model's robustness.

Table 5: Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity VIF
	B	Std. Err	Beta	t		
Const	1.689	.099		16.988	.000	
CPP	.475	.028	.689	17.243	.000	1.000
CVP	.548	.023	.793	23.592	0.00	1.00
CMP	.657	0.31	.755	20.916	.000	1.000

Table 5 presented the simple linear regression of the first hypothesis and the result showed (β=.689, t=17.243, p<.05) values. Therefore, based on the values got, hypothesis one ($H_0$1) which states that "Cost-plus pricing strategy has no positive effect on the organizational performance of some bakeries" is not supported. This also signifies that it is also significant at .000 less than p-value which is .05. This result also implies that hypothesis one is not supported. The result indicated that cost-plus pricing positively has impact on the performance of some bakeries in Gombe.

Table 5 presented the simple linear regression of the second hypothesis and the result revealed that (β=.548, t=23.592, p<.05). This also implies that hypothesis two (H_0 2) which states that; "Customer value-based bakeries" is again not supported. That is, customer value-based pricing strategy has positive effect on the organizational performance of bakeries in Gombe. And it is also significant at .000 less than p-value which is .05. The pricing strategy has no positive effect on the organizational performance of implication is that hypothesis two is not true and is not significant.

Moreover, table 5 presented the simple linear regression of the second hypothesis and the result revealed that (β=.755, t=20.916, p<.05). This also implies that hypothesis two (H_0 3) which states that; "Competitive pricing strategy has no positive effect on the organizational performance of bakeries" is again not supported. That is, competitive pricing strategy has positive effect on the organizational performance of bakeries in Gombe. And it is also significant at .000 less than p-value which is .05. The implication is that hypothesis three is not true and is significant.

The correlation between Cost-Plus Pricing (CPP) and Customer Value-Based Pricing (CVP) was notably high (.751), but the Variance Inflation Factor (VIF) scores were uniformly 1.00, well below the 10 level suggested by Hair et al. (2019). This verifies that multicollinearity is not an issue, and the predictors do not interfere with one another in the regression model. Consequently, the assessments of the pricing strategy's effects remain statistically robust and valid.

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Table 6: Pearson's Correlations between Study Variables

Variables	CPP	CVP	CMP	OGP
Cost-plus pricing	1.00			
Customer-based value pricing	.751	1.00		
Competitive pricing	.508	.663	1.00	
Organizational performance	.689	.793	.755	1.00

Table 6 showed that the study variables have significant positive relationship at 95% confidence level (1-tailed). Correlation between CPP and OGP indicated a significant positive relationship (.689). CVP as correlated with OGP as well revealed a positive relationship of .793. The correlation between two independent variables (CPP and CVP) is .751. Also, correlation between other two independent variables (CMP and CVP) indicated .663. The above Pearson's correlation of the study variable has indicated absence of problem of collinearity, although, the relationship between the two independent variables, CPP and CVP is indicating some element of high correlation.

Discussion of Findings

The results of this study demonstrate that cost-plus pricing significantly enhances organizational performance, contradicting the null hypothesis that suggested no such effect. This outcome indicates that, despite frequent critiques of cost-plus pricing for its simplicity and limited responsiveness to market fluctuations, it continues to serve as a dependable technique for achieving cost recovery, financial stability, and profitability in bakeries. This corresponds with prior research indicating the efficacy of cost-based strategies in preserving business sustainability under resource-limited contexts (Alan & Indounas, 2023). It demonstrates that in environments like Nigerian bakeries, where production costs and input prices fluctuate significantly, cost-plus pricing offers companies a systematic approach to sustain profitability and operational efficiency.

The rejection of the null hypothesis for customer value-based pricing and competitive pricing indicates that both techniques substantially improve organizational performance. The results affirm that value-based pricing enhances customer loyalty, satisfaction, and revenue growth, corroborating the assertions of Ali, Rafiq et al. (2023), who highlighted the enduring advantages of aligning prices with perceived customer value.

The results demonstrate that cost-plus pricing, customer value-based pricing, and competitive pricing each have a beneficial impact on the performance of bakeries in Gombe State. This aligns with the Resource-Based View, which emphasizes pricing capability as a strategic internal resource that enhances performance (Barney, 1991). The bread sector is marked by significant product perishability, variable ingredient costs, and pronounced customer price sensitivity, rendering pricing decisions exceptionally crucial. Cost-plus pricing enables bakeries to recuperate production expenses and provide stability, but value-based pricing enhances customer pleasure by emphasizing perceived freshness and quality. Competitive pricing improves customer retention; nevertheless, it must be implemented judiciously to prevent price wars that may diminish profit margins.

Although the study offers valuable information, it possesses limitations. The study employed a cross-sectional approach, hence the found connections cannot be construed as causative, and the sample was confined to certain bakeries in Gombe, thereby restricting generalizability. Furthermore, the study depended on self-reported data, which may exhibit respondent bias. Future research could broaden the sample to encompass several locations or compare different types of bakeries, and may also use demographic or operational data as control variables to enhance the study. The findings underscore the necessity for bakers to have balanced pricing strategies that account for cost recovery and consumer value while maintaining competitiveness.

On policy implications, the study shows that pricing strategies significantly influence bakery performance in Gombe State, indicating the need for SMEDAN and the Gombe State Ministry of Trade and Industry to provide training on cost control and pricing techniques for bakery operators. The Manufacturers Association of Nigeria (MAN), Gombe Chapter can also encourage collaboration among bakeries to reduce harmful price competition. Additionally, government support in the form of input subsidies (e.g., flour, baking gas) and waste-reduction guidelines would help stabilize production costs and enhance the competitiveness of local bakeries.

CONCLUSION AND RECOMMENDATIONS

This study aimed to investigate the impact of cost-plus, customer value-based, and competitive pricing strategies on the organizational performance of bakeries in Gombe State, Nigeria. The objectives were met, as the findings indicated that all three strategies significantly and positively affect performance, leading to the rejection of the null hypotheses. Specifically, cost-plus pricing facilitated cost recovery and financial stability, customer value-based pricing fostered loyalty and revenue growth, and competitive pricing aided in customer attraction and market share expansion. These results affirm that pricing strategies are essential determinants of both financial and non-financial organizational performance.

Bakery managers are advised to implement a hybrid pricing strategy. Cost-plus pricing guarantees financial stability in fluctuating markets, while the incorporation of customer value-based and competitive pricing allows bakeries to be market-responsive and customer-centric. Managers ought to allocate resources towards market research and customer feedback mechanisms to align pricing with consumer expectations, while concurrently observing competition activities to maintain competitiveness without sacrificing profitability. This study theoretically enhances pricing literature by illustrating how various pricing strategies synergistically enhance SME performance, specifically in food-related sectors inside emerging economies. This research enhances the theoretical connection between pricing strategies and organizational results in the bakery industry by applying resource-based, customer value, and competitive advantage theories, thus providing a foundation for further investigation in analogous SME contexts.

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