

MARKET INNOVATION AND COMPETITIVENESS OF FOOD AND BEVERAGES FIRMS IN NIGERIA

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ABSTRACT

The purpose of this study was to examine the influence of market innovation on competitiveness of food and beverages firms in Nigeria. This study was founded on the positivist paradigm and employed the quantitative methodologies in the investigation of the phenomenon under investigation. Furthermore, these hypotheses testing study adopted a causal research design and a cross-sectional survey research approach and obtained quantitative data from the respondents in a non-contrived environment. The study population comprised all the sixteen (16) quoted food and beverages manufacturing firms in Nigeria; the researcher adopted a census study because of the small size of the study population hence; there was no need for sampling. However, four (4) managers were drawn from each of the 16 quoted food and beverages firms that constituted the study population. In all, sixty-four (64) managers constituted the respondents for the study. Sixty-four (64) copies of structured questionnaire were administered to the respondent managers while fifty-five (55) copies were retrieved, cleaned and qualified for use. Descriptively, measures of central tendencies and measures of dispersions were used in analyzing the respondent's demographics. More so, the Regression analysis was used in testing the study hypotheses in other to ascertain the influence of the predictor variable (market Innovation) on the criterion variable (Competitiveness). The result of the analysis revealed that market innovation significantly and positively influenced competitiveness of food and beverages firms in Nigeria. Based on the study findings, the researcher concluded that market innovation significantly and positively influenced competitiveness of food and beverages firms in Nigeria and thus recommended that food and beverages firms in Nigeria should regularly engage in proper market innovation and consumer preference modifications in other to improve their level competitiveness.

Key Words: market innovation, competitiveness and the Nigerian food and beverages sector.

INTRODUCTION

Innovation is widely recognized, from both academics and managers, as a fundamental requisite of a company in order to grow in today's competitive context, and as one of the key drivers of the firms' long-term success (Baker & Sinkula, 2002; Balkin *et al.*, 2000). The reason is that innovative companies will be able to respond to environmental challenges faster and better than the non-innovative ones (Jimenez *et al.*, 2008). The presence of competition in the modern-day business environment has been a factor compelling the food and beverages firms to look for imaginative and more improved ways to survive (Casals, 2011). The expansion and growth in the food and beverages sector in Nigeria has resulted in the deployment of new strategies, technologies; equipment and other facilities to enhance performance. While firms strive to ensure customer satisfaction to achieve nominated objectives, one expects customers' readiness

and disposition to identify with the preferred food and beverages firms and patronize them (Nwulu & Nwokah, 2018).

The efforts of Nigerian food and beverages firms aimed at convincing prospects into establishing business relationships and continued patronage almost always meet with difficulties as a result of the company's perceived poor product quality, perceived poor company image, perceived high product pricing, inefficient distribution system (UACN Reports, 2021). Rosli and Sidek (2013) defined market innovation as the efforts that organizations put in place in meeting customers' preferences of purchase through appropriate market mix and market selection. In other words, Innovative marketing is not limited to a specific marketing area but extends to any area or marketing practice. The competition amongst firms in the environment to grab opportunities and conquer threats has increased alongside the pressure for constant improvements in meeting customer demands. The dwindling sectorial contribution to the GDP therefore is a pointer to the fact that there may be some problems existing in the individual firms in the sector as to explain the drop in the competitiveness of food and beverage firms in Nigeria as evidenced in reduced growth of sales and profits in recent times (Nigerian Stock Exchange, 2020).

The Nigerian food and beverages Sector is surrounded by a number of problems. This problem is evidenced in the inability of some food and beverages firms to successfully innovate products and services that are in consonance with customer expectations, poor innovation orientation and culture, inability to attain their monthly, quarterly and annual targets; low level of customers satisfaction due to poor and obsolete product delivery, high customer turnover, low patronage of company's products, high employee turnover to mention but a few (Kassim, Innocent, Robert, & Zulaiha, 2021). These scenarios experienced in the Nigerian food and beverages sector undoubtedly have negatively affected their level of performance. Previous research studies have shown that in any organization where there is absence or poor product and market innovation orientation, the attainment of specified goals becomes a mirage (Okpara & Edwin, 2022). The improvement in firm's productivity and level of competitiveness depends heavily on the level of market innovation or culture practiced by the firms.

Many studies have been conducted within and outside Nigeria examining different constructs as it affects the manufacturing industry and in particular the food and beverages sectors for example Aksoy (2017). Mohamed, Abdikarimand Muhamed (2017), Kassim, Innocent, Robert, & Zulaiha, (2021), Buenechea-Elberdin (2017), and Dorsen (2018). These studies considered different innovation related concepts and paradigms within the manufacturing and services sectors of the Nigeria economy. To the best of our knowledge and from the review of relevant literature it appears that there is dearth of empirical research on market innovation and competitiveness in the Nigerian manufacturing companies especially, the food and beverages firms. Against this backdrop, this paper empirically investigated the influence of market innovation on competitiveness of food and beverages firms in Nigeria. Figure 1, depicts a conceptual framework of the study variables.

LITERATURE REVIEW

Theoretical Review: Resource Based Theory of the firm (RBV)

Hunt (1976) argued that the aim of theory is to increase scientific understanding through systemized structures capable of both explaining and predicting phenomena. The relevant sociological baseline theory appropriate for this study is the resource-based theory of the firm.

The Resource Based View (RBV) analyzes and interprets internal resources of the organizations and emphasizes resources and capabilities in formulating strategy to achieve sustainable competitive advantages. Resources may be considered as inputs that enable firms to carry out their activities. Internal resources and capabilities determine strategic choices made by firms while competing in their external business environment. The RBV takes an 'inside-out' view or firm-specific perspective on why organizations succeed or fail in the market place (Dicksen, 1996). According to RBV, an organization can be considered as a collection of physical resources, human resources and organizational resources (Amit & Zott, 2001). Resources of organizations that are valuable, rare, imperfectly imitable and imperfectly substitutable are main source of sustainable competitive advantage for sustained superior performance (Barney, 1991).

Furthermore, resource-based view (RBV) analyzes and interprets resources of the organizations to understand how organizations achieve sustainable competitive advantage. The RBV focuses on the concept of difficult-to-imitate attributes of the firm as sources of superior performance and competitive advantage (Barney, 1986; Hamel & Prahalad, 1996). Resources that cannot be easily transferred or purchased, that require an extended learning curve or a major change in the organization climate and culture, are more likely to be unique to the organization and, therefore, more difficult to imitate by competitors. According to Conner, performance variance between firms depends on its possession of unique inputs and capabilities (Barney, 1991). According to the resource-based theory, "firm resources and capabilities determine firm performance - sustainable competitive advantage" (Clulow, 2007; Andersen, 2010). Therefore, a firm should develop innovation strategies on its core competencies in order to remain competitive and maximize their value offer (Wong & Karia, 2010; Ramirez *et al.* 2011). The relevance of the resource-based view theory to this study is that it will enable the food and beverages firms to identify and harness their internal, valuable, rare, imperfectly imitable and imperfectly substitutable resources in other to enhance their competitive advantage for sustained superior performance.

Concepts of Market Innovation

Innovation and marketing have often been seen as the two sides of the coin. Half a century ago, Drucker remarked: "Because the purpose of business is to create a customer, the business enterprise has two and only two basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs" (Drucker, 1954, p. 39). Not surprisingly, innovation has been a pervasive topic in the marketing literature. The primary reason underpinning the inseparable link between marketing and innovation stems from the nature and overlap of both disciplines (Foxall, 2015). Innovation is an iterative process initiated by the perception of a problem or unmet customers' needs which leads to the development, production, and marketing of an offering addressing this opportunity. Innovation, therefore, includes not only market research, but also invention, product development, commercialization, and subsequent product adaptation and upgrading (Garcia & Calantone, 2012; Thornhill, 2016).

Rosli and Sidek (2013) defined market innovation as the efforts that organizations put in place in meeting customers' preferences of purchase through appropriate market mix and market selection. Nenonen, (2019) also defined market innovation as purposive actions by market stakeholders that result in a distinctively new or altered form of market. Similarly, Vargo (2015) posits that market innovation concerns improving the mix of target markets and how the customers will be served. It provides a powerful focus for identifying new business opportunities. Market innovation further entails the implementation of new marketing practices involving significant changes in the design, distribution, promotion or pricing of a product or service (Oslo Manual, 2005). In addition, Ngo and O'Casey (2012) posit that market innovation is the firm's ability to develop new solutions to satisfy customers' current and future needs. Similarly, Lee & Garrett (2019), define market innovation as firm's ability to approach the market, effectively use the channels of communication, and deliver product and service to capture potential or existing customers. Garcia and Calantone (2012) also argue that market innovation is necessary in order for radically new products/ services to be successful.

Remarkably, Utkun & Atilgan (2010), relates innovation in market with the employment of a new marketing method that introduces considerable changes in the pricing, promotion and packaging of a product. Nowadays, the determination of customers' needs is not so easy due to the constant and fast changing markets, technology and collective behaviour. These facts make necessary the application of innovative marketing activities in order to expand the satisfaction degree and retention of clients (Noori & Salimi, 2015). In the view of the researcher, firms should engage in market innovation on continuous basis because developmental trends occurring in the marketplace owing to technology makes it possible for their customers to be swept by competitor firms without any difficulty. Thus, market innovation could be considered as major activity to be undertaken by firms, as it helps companies to respond to market opportunities and needs (Rodriguez, Carrillat, & Jaramillo, 2014). Appiah-Adu and Singh (2018) advanced that meeting customer' needs and demands should be the reason for the deployment of market innovation by establishments. Finally, Varis and Littunen (2010) also confirmed a highly significant relationship between a market-related innovative activity and performance of an organization.

Understanding Competitiveness

The concept of competition or being competitive in business is ineluctable as there is hardly any business or company that does not encounter competition in product or service delivery at one time or the other. A company may form strategies in encountering competitive environmental demands and develop capabilities based on the competitive environment. Amid the pressure of competition, it is clearly important for the company to formulate strategies and enhance performance. Various available researches reflect the reality that organizational capability, competition, unpredictable environment, strategy and performance have close relationship (Parnell, Lester, Long & Koseoglu, 2012). Competitiveness is defined as the ability of an industry to show excellence in certain cases, by showing the most favorable situations and conditions, better work results compared to other industries. The competitiveness of a company is very dependent on the company's competitive advantage.

A firm is considered to be competitive, have competitive advantage or sustained competitive advantage when its strategy is adopted by none of its competitors whether current or potential

ones (Lagacé & Bourgault, 2013). Other characteristics like scarceness, uniqueness and non-substitutability of firm traits can be sources of competitive advantage because it will enable the company to take advantage of opportunities and counteract threats in external environment (Al-Rousan, & Qawasmeh, 2009). The expression “competitiveness” has been effusively discussed in the theoretical literature by different researchers. Competitiveness is viewed as the comparative measure between organizations within the same market or its external environment that is closely linked to the availability of comparative advantage (Lewis, 2000, Depperu & Cerrato, 2003). This goes a long way in saying that competitiveness and competitive advantage are both a multidimensional concept that could be defined both at the national, industry as well as organizational level. More so, Arimie and Adiele (2021) posited that competitiveness entails a combination of unique assets and abilities that an organization possess that enables them to compete with rivals in the same industry successfully. These unique resources and abilities enable an organization to sustain and enhance its position in the market.

Competitiveness has been viewed as the aptitude of an organization to become better in its operations over similar companies with regards to sales, profitability, quality and efficiency (Lall, 2011). On the other hand, De-Carohol (2003), advanced that for companies to be able to attain this height of productivity, it must accomplish a greater extent of excellence or specialization in some arrears in comparison with its close rivals. There are many measures of competitiveness including profitability, market share, and customer satisfaction, amongst others. However, the measures of competitiveness used by previous researchers (Omai, Ngugi, & Kiarie, 2018; Gefen, 2012; Abdullah & AL-Shourah 2015), were adapted and used in this study, Porter (2009) also suggested four competitive strategies (Porter’s Five Forces) consisting of Cost Leadership, Product Differentiation, strategic flexibility and market Focus. The measures of competitiveness adopted in this study are: Cost Leadership and Strategic flexibility. The next section discusses the measures of competitiveness used for the study.

Cost Leadership

Cost leadership strategies involve cutting down costs throughout the value chain to try and achieve the minimum cost structure possible where the products are made of high value, but with limited standard features with the intention of gaining competitive advantage thus increasing market share (Sumer & Bayraktar, 2012). Cost leadership strategies depend on some unique capabilities of the firm to achieve and sustain their low-cost position within the industry of operation. Furthermore, it entails being the lowest cost manufacturer or provider of services for a given quality level. Such a strategy is characterised by tight control of costs and overheads, minimisation of operational costs, reduced labour costs and reduced input costs. Competitive advantage for a service organisation comes from offering the cheapest service. According to Porter’s Generic Competitive Strategies, in cost leadership, a firm sets out to become the low-cost producer in its industry. The sources of cost advantage are varied and depend on the structure of the industry. They may include the pursuit of economies of scale, proprietary technology, preferential access to raw materials and other factors. A low-cost producer must find and exploit all sources of cost advantage. If a firm can achieve and sustain overall cost leadership, then it will be an above average performer in its industry, provided it can command prices at or near the industry average. The goal of Cost Leadership Strategy is to offer products or services at the lowest cost in the industry. The challenge of this strategy is to earn a suitable profit for the company, rather than operating at a loss and draining profitability from all market players. Companies such as Walmart succeed with this strategy by featuring low prices on key

items on which customers are price-aware, while selling other merchandise at less aggressive discounts. To succeed at offering the lowest price while still achieving profitability and a high return on investment, the firm must be able to operate at a lower cost than its rivals (Kotler & Armstrong 2010).

Strategic Flexibility

This refers to the ability of an organization to use its available resources to respond to the major changes that take place in its external environment. The economic globalization and increasing competitive pressures for most firms demand innovative strategies to comply with such dynamic and complex environments. In addition, the increasingly digitized technological innovations and the higher demand uncertainty set new challenges for manufacturing firms seeking a competitive advantage (Wei, Song, & Wang, 2017; & Huerta-Arribas, 2014). This situation leads organizations to implement efficient and effective management strategies and practices in order to respond quickly to the changing requirements of the current competitive environment (Broekaert, Andries, & Debackere, 2016). Consequently, the focus of the strategy has shifted from cost, quality and term/service delivery to flexibility. In fact, the flexibility strategy is currently one of the main success factors for all those companies seeking to enjoy a favorable position in the market (Pérez-Pérez, Serrano-Bedia, López-Fernández, & García-Piqueres, 2018; Pérez-Pérez *et al.*, 2016).

Strategies based on flexibility, specifically in strategic, organizational, and manufacturing flexibility, allow companies to adapt to changing circumstances in an organized manner, thus increasing their competitiveness, and avoiding a chaotic behavior that is dysfunctional. It is considered that those companies that are sluggish and inflexible are likely to miss valuable opportunities for profit and growth (Zahra, Hayton, Neubaum, Dibrell, & Craig, 2008). Strategic flexibility is the capability of an organization to identify significant changes. Flexibility is a multidimensional concept demanding agility and versatility; associated with change, innovation and novelty; coupled with robustness and resilience, implying stability, sustainable advantage and capabilities that may evolve over time (Byrd & Turner,

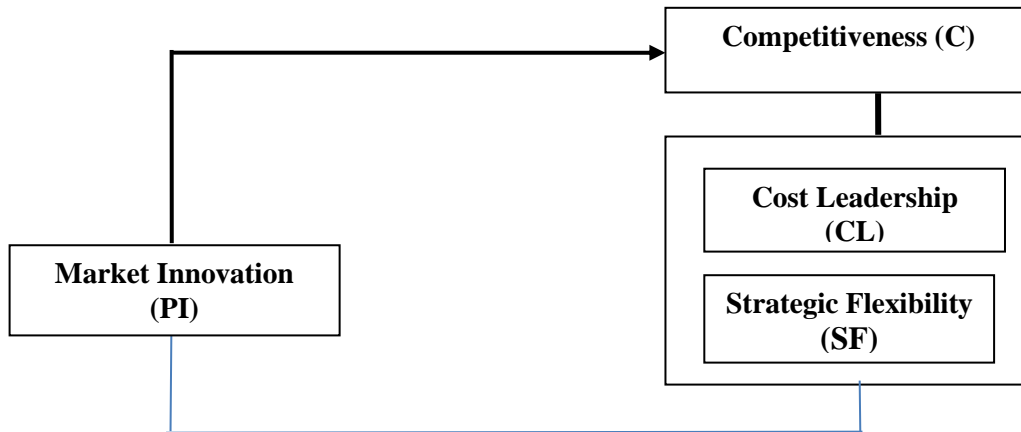


Figure 1. Conceptual Framework of the influence of Market Innovation on Competitiveness of Food and beverages Firms in Nigeria.

Source: Kassim, I., Innocent, S. K. A., Robert, G., & Zulaiha, H. (2021)

METHODOLOGY

This study was founded on the positivist paradigm and employed the quantitative methodologies in the investigation of the phenomenon under investigation. Furthermore, these hypotheses testing study adopted a causal research design and a cross-sectional survey research approach and obtained quantitative data from the respondents in a non-contrived environment. The study population comprised all the sixteen (16) quoted food and beverages manufacturing firms in Nigeria; the researcher adopted a census study because of the small size of the study population hence; there was no need for sampling. The validity of the scales used in this study was assessed for content, construct and face validity, similarly, the authors used the Cronbach's Alpha analysis to ascertain the reliability and internal consistency of the measurement instrument. However, four (4) managers were drawn from each of the 16 quoted food and beverages firms that constituted the study population. In all, sixty-four (64) managers constituted the respondents for the study. Sixty-four (64) copies of structured questionnaire were administered to the respondent managers while fifty-five (55) copies were retrieved, cleaned and qualified for use. Descriptively, measures of central tendencies and measures of dispersions were used in analyzing the respondent's demographics. More so, the Regression analysis was used in testing the study hypotheses in other to ascertain the influence of the predictor variable (Market Innovation) on the criterion variable (Competitiveness) of food and beverages firms in Nigeria. The various tests were facilitated with the help of the Statistical Packages for social sciences version 23.0. Table 1 depicts the Cronbach's Alpha reliability test for research instruments used for the study.

Table 1. Reliability Coefficients of Variable Measures

S/No	Dimensions/Measures of the study variable	Number of items	Cronbach's Alpha	Comment
1	Market Innovation	5	0.708	Reliable
2	Competitiveness	5	0.788	Reliable
3	Cost Leadership	5	0.753	Reliable
4	Strategic Flexibility	5	0.828	Reliable
	Overall	5		Reliable

Source: SPSS Output, 2024

Table 1. Showed the reliability outcomes for four variables used for the study. The obtained result depicts very high values for the study constructs meaning that the variables used for the investigation had high construct reliability

DATA PRESENTATION

Univariate Data Analyses

Univariate analysis is basically the process of describing individual variables in a study. According to Sullivan (2001), univariate statistics are used to describe the distribution of a single variable through the use of simple frequency tables. According to Saunders *et al* (2003), commencing initial analysis is best done by looking at individual variables and their respective components. Earlier in this paper, we clearly explained our study variables as Product Innovation as -the predictor variable; and Competitiveness as the criterion variable.

Predictor Variable - Market Innovation

In generating the data on the operationalized variables, the study used a 5-point Likert scale instrument. Therefore, in interpreting the mean values, the study is relying on Asawo’s (2016) categorization of responses with mean (x) thus: $1 < x \leq 2.5$ = low; $2.5 < x \leq 3.5$ = moderate; $3.5 < x \leq 4.5$ = high and $4.5 \geq x$ = very high. In order to ascertain the responses on product innovation measured on a set of multi-item instruments, all were scaled on a five points Likert scale and presented in the following Table 2, below:

Table 2: Descriptive Statistics for Market innovation

	N	Minimum	Maximum	Mean	Std. Deviation
To what extent is your business often the first to market with new products and services	55	1	5	3.69	1.386
To what extent do you consider the specific needs of your customers in marketing your company products	55	1	5	3.33	1.479
To what extent do your company constantly venture into new markets for products	55	1	5	3.44	1.288
To what extent is your Firm’s ability to develop new solutions to satisfy customers’ current and future needs	55	1	5	2.58	1.397
To what extent does improvements in product design, placement, promotion or pricing enhance your company level of competitiveness	55	1	5	3.53	1.274
Valid N (listwise)	55				

Source: SPSS Output

The results obtained in Table 2, illustrates that there is a high level of affirmation (where $x > 2.50$) as regards the indicators of market innovation which is a dimension of innovation orientation. The construct examined the context and manifestations of market innovation within the target organizations with indicators aimed at examining respondents’ perception of market innovation through its indicators. The results affirm to all five indicators of market innovation within the target organizations as also supported by the low disparity in response ($SD < 2.00$). The implication of these responses is that the respondents in food and beverages firms in Nigeria are strongly of the opinion that market innovation is an observed phenomenon in their organizations and hence is largely on the agreement range of the scale.

Criterion Variable – Competitiveness

In order to ascertain the responses on competitiveness, the measures, namely; cost leadership and strategic flexibility, were measured on a set of multi-item instruments; all were scaled on a five points Likert scale and are as presented as follows:

Table 3: Descriptive Statistics for cost leadership

	N	Minimum	Maximum	Mean	Std. Deviation
To what extent do you think that your company's product prices are lower compared to your competitors	55	1	5	3.85	1.393
To what extent do you think that your company enjoys economies of scale as a result of its cost leadership strategy	55	1	5	3.93	1.399
To what extent do you think that your product cost is the best when compared with your rivals in the industry	55	1	5	3.89	1.315
To what extent do your efficient level of competitiveness depends on your cost leadership strategy.	55	1	5	3.64	1.338
To what extent do you think that your company is positioned as the cheapest manufacturer of products in your industry.	55	1	5	3.84	1.330
Valid N (listwise)	55				

Source: SPSS Output

The results obtained in Table 3, illustrates that there is a high level of affirmation (where $x > 2.50$) as regards the indicators of cost leadership which is a measure of competitiveness. The construct examined the context and manifestations of cost leadership within the target organizations with indicators aimed at examining respondents' perception of cost leadership through its indicators. The results affirm to all five indicators of cost leadership within the target organizations as also supported by the low disparity in response ($SD < 2.00$). The implication of these responses is that the respondents in food and beverages firms in Nigeria are strongly of the opinion that cost leadership is an observed phenomenon in their organizations and hence is largely on the agreement range of the scale.

Table 4: Descriptive Statistics for strategic flexibility

	N	Minimum	Maximum	Mean	Std. Deviation
To what extent do you think that your organization responds to changes that occur in the business environment?	55	1	5	3.89	1.315
To what extent does your organization make pre-emptive move to adapt to the changes in business environment.	55	1	5	3.69	1.386
To what extent does your organization use its available resources to respond to the major changes that take place in its external environment?	55	1	5	3.27	1.283
To what extent do your company put in place flexible operational plans that accommodate un expected challenges in business.	55	1	5	3.45	1.303
To what extent do your company's proactive strategies help in improving its level of competitiveness	55	1	5	3.33	1.402
Valid N (listwise)	55				

Source: SPSS Output

The results obtained in Table 4, illustrates that there is a high level of affirmation (where $x > 2.50$) as regards the indicators of strategic leadership which is a measure of competitiveness. The construct examined the context and manifestations of strategic leadership within the target organizations with indicators aimed at examining respondents' perception of strategic leadership through its indicators. The results affirm to all five indicators of strategic leadership within the target organizations as also supported by the low disparity in response ($SD < 2.00$). The implication of these responses is that the respondents in food and beverages firms in Nigeria are strongly of the opinion that strategic leadership is an observed phenomenon in their organizations and hence is largely on the agreement range of the scale.

Test of Hypotheses for Market Innovation and Measures of Competitiveness

The research hypotheses 1-2 were stated to verify the extent to which market innovation influence the measures of competitiveness. The p-value and the t-value are presented and analyzed to test the stated hypotheses of the study.

Table 5: Coefficients for Market Innovation and Cost Leadership

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.578	.296		1.957	.056
Market Innovation	.801	.081	.805	9.874	.000

a. Dependent Variable: Cost Leadership

H₀₁: Market innovation does not significantly influence cost leadership of food and beverages firms in Nigeria.

The result in Table 5. Showed that market innovation and cost leadership had a calculated t-value of 1.957 and a corresponding sig.value/probability value (PV) of 0.000. Similarly, $t_{\text{calculated}} = 1.957 > t_{\text{tabulated}}$. However, with a unit change or improvement in market innovation it leads to 0.801 units increase in cost leadership of food and beverages firms in Nigeria. The p-value for the model and analysis was reported as less than the alpha benchmark of 0.05, implying that the analysis is statistically significant. On that basis, the null hypothesis one that was formulated was rejected and the study thus concluded that market innovation significantly influenced cost leadership of food and beverages firms in Nigeria.

Table 6: Coefficients for Market Innovation and Strategic Flexibility

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.997	.251		15.909	.000
Market Innovation	-.247	.069	-.442	-3.583	.001

a. Dependent Variable: Strategic Leadership

H₀₂: Market innovation does not significantly influence strategic flexibility of food and beverages firms in Nigeria.

The result obtained in Table 6. Showed that market innovation and strategic flexibility had a calculated t-value of 15.909 and a corresponding sig.value/probability value (PV) of 0.001. Remarkably, $t_{\text{calculated}} = 15.909 > t_{\text{tabulated}}$. However, with a unit change or improvement in

market innovation it leads to -0.247 units decrease in strategic flexibility of food and beverages firms in Nigeria. The p-value for the model and analysis was reported as less than the alpha benchmark of 0.05, implying that the analysis was statistically significant. On that basis, the null hypothesis two that was formulated was rejected. The study thus concluded that market innovation significantly influenced strategic flexibility of food and beverages firms in Nigeria.

DISCUSSION

Market Innovation and Competitiveness of Food and Beverages Firms in Nigeria

The findings showed that market innovation significantly influenced competitiveness of food and beverages firms in Nigeria. This finding substantiates the earlier results of the study by Daniel and Quaye (2018) who conducted a study on market innovation and sustainable competitive advantage of manufacturing SMEs in Ghana and found that product design and packaging innovations, promotion innovations, retail innovations and pricing innovations provided sustainable market advantage for water, beverage, detergent and metal fabrication SMEs. The study also found that new product designs and packages are the major drivers of sustainable market advantage followed by innovative retail outlets.

Also, Kassimu, Innocent, Robert and Zulaiha (2021) examined innovation orientation and performance of small and medium-sized enterprises (SMES) in Ghana: evidence from manufacturing sector and found that marketing innovation significantly predicted SMEs' performance. Conversely, non-significant positive nexus was established between process innovation and SMEs' performance as well as market innovation and SMEs' performance.

Correspondingly, the current study supports the earlier result of Mohamed, Abdikarim and Muhumed (2017) who investigated the impact of innovation on small and medium enterprises performance: Empirical evidence from Hargeisa, Somaliland and found that innovation significantly affects the performance of SMEs in Hargeisa. The study further revealed that product innovation, market innovation and organizational innovation significantly improved the performance of the SMEs used for the study. Likewise, the finding corroborates with the finding of Marwa (2019) who examined market innovation in service SMEs of Egyptian food and beverage Industry and found that newness is a key concept regarding innovation at the organizational level and the authors recommended that SMEs in service industry should regularly adopt innovative marketing strategies as precursor to organizational performance.

CONCLUSION AND RECOMMENDATION

This paper baroquely discussed the concept of market innovation and competitiveness of food and beverages firms in Nigeria. It reviewed relevant and related literature on the study constructs and tested the hypotheses postulated for the study. Based on the findings obtained from the tested hypotheses, the author concludes that market innovation significantly influenced competitiveness in the food and beverages firms in Nigeria and thus recommended that food and beverages firms in Nigeria should regularly engage in proper market innovation, and consumer preference modifications in other to improve their level competitiveness.

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