

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Bank Innovation Capability and Competitive Advantage of Small and Medium Scale Enterprises in Nigeria

Asikhia, O. U.

Professor, Department of Business Administration and Marketing (BAM),
Babcock University(BU), Nigeria

Dr. Makinde, G. O.

Senior Lecturer, Department of Business Administration and Marketing,
Babcock University, Nigeria

Dr. Akinlabi, H. B.

Senior Lecturer, Department of Business Administration and Marketing,
Babcock University, Nigeria

Omagu, I. E.

Ph.D. Student, Department of Business Administration and Marketing,
Babcock University, Nigeria

Abstract:

Small and medium scale enterprises (SMEs) are seen as the engine of most economies of the world. Hence, alarming rate of SMEs' failure in Nigeria, has prompted banks, in response to both regulation and changing market dynamics, to resort to innovating around their structures, systems and processes to design products and processes that could help in alleviating the SMEs failure rate. Therefore, this study investigated the effect of bank innovation capability on the competitive advantage of small and medium enterprises in Nigeria. Cross-sectional survey research design was adopted, 5,292 and 27,000 staff of banks with dedicated SMEs' desks and SMEs' owner managers respectively were sampled and data collated. Multiple regression analysis was adopted and the result shows that bank innovation capability had positive significant effect on competitive advantage ($Adj R^2 = 0.127$, $F(5,493) = 15.483$, $p < 0.05$). It was concluded that bank innovation capability affect the competitive advantage of small and medium enterprises and it was recommended that Central Bank of Nigeria should encourage deposit money banks in Nigeria to embrace innovation capability dimensions which is tailored to customers' needs in dealing with SMEs' industry so as to drive their competitive advantage.

Keywords: Bank innovation capability, Competitive advantage, Small and medium scale enterprises, Nigeria

1. Introduction

Competitive advantage is the heart of a company's performance. It reflects a company's ability to offer consumers greater value either by employing lowering prices or by providing greater benefits and services that justify higher prices. Porter (1985) argues that competitive advantage stems from the many discrete activities a firm performs in designing, producing, marketing, delivering, and supporting its product. Each of these activities can contribute to a firm's relative cost position and create a basis for differentiation. The advantage of the company is grown from the value or benefits that can be created by companies for the buyers. When companies can create excellence through one of the three generic strategies, it will get a competitive advantage (Aaker, 1989). Competitive advantage allows a firm to create superior value for its customers and profits for itself. A firm position itself in the industry through its choice of low cost or differentiation. This decision is a central component of the firm's competitive strategy (Mathenge, 2013).

Bank innovations are important vehicles through which banking institutions can turn around performance of small and medium sized enterprises (SMEs) and lead to an incredible change in business performance. Bank/financial innovation is the act of creating and popularizing fresh monetary instruments as well as fresh monetary technologies, institutions, and markets (Cherotich, Sang, Shisia, & Mutung'u, 2015). It involves the design, the development, and the implementation of innovative financial instruments and processes, and the formulation of creative solutions to problems of finance. Bank innovation encompasses institutional, product and process innovations (Alvarez, 2009). Innovation capabilities are the combination of firm abilities to integrate and build resources to develop new products and processes, improve existing products and processes, and new product to market to provide an advantage towards achieving superior performance (Zhang, 2004). Agyei-Mensah (2016) argued that innovation capability is undoubtedly one primary means by which businesses can adapt to the demands of today's complex and ever-changing business environment.

Small and medium sized enterprises around the world encounter constraints and limitations such as limited number of employees, insufficient financial resources, inconsistency in policies, a lack of educational background of the

promoters, lack of transparency and corruption, inadequate finance, difficulty in accessing credit, lack of innovation and experience and a lack of managerial expertise, among other limiting factors (Annual Report of EU SMEs, 2015; 2016). In Nigeria, most SMEs, in terms of performance, prove to produce a competitive advantage through differentiation while some are producing it through cost. The truth is that the SMEs did not pay proper attention to the foundation of competitive advantage. Some of the SMEs succeeded, while some failed because of a set of problems, such as the financing factor, management experience factor, marketing factor, innovation factor, and many others, within which, in the frame of world-wide economic practices, SMEs cannot compete (Eniola&Entebang, 2014). Hence the need to evaluate the effect of bank innovation dimensions on competitive advantage of small and medium scale enterprises in Nigeria.

2. Literature Review/Theoretical Underpinning

2.1. Conceptual Review

2.1.1. Bank Innovation Capability

Innovation capabilities are the combination of firm abilities to integrate and build resources to develop new products and processes, improve existing products and processes, and new product to market to provide an advantage towards achieving superior performance (Zhang, 2004). In the financial services industry, innovation is viewed as the act of creating and popularizing new financial instruments, technologies, institutions, and markets, which facilitate access to information, trading and means of payment (Solans, 2003). Ignazio (2007) defines bank innovation capability as the development of financial products, new ways of delivering already financial services or new financial services with the new process. Therefore, bank innovation capability can take different ways.

There are different types of innovation in business (Rosabeth, 2013). These types are based on two conventional ways of categorizing innovations; the object of change and the newness or extent of the change. This first categorization based on the object of change was proposed by Schumpeter (1934). Accordingly, innovation is categorized into product, process, market, and organizational innovations. The second categorization concerns the "newness" or "radicalness" the degree of change, innovation is categorized as being radical or incremental. OECD Innovation Manual identifies four main types of innovation based on the object of change and these are product, process, marketing and organizational innovations (OECD, 2005). Schumpeter (1939) on the other hand classified innovations into five types: new products; new processes (technological process innovation and organizational innovation); new sources of supply/raw materials; new markets and new ways organization. This research work adopts the five-dimensional model of innovation related to the deposit's money banks. These five dimensions of bank innovation are product innovation, process innovation, organizational innovation, open innovation, and marketing innovation.

2.1.2. Product Innovation

Product innovation as first dimension refers to the introduction of goods and services that is new or significantly improved for its intended usage that may include the technical specification, components and materials, incorporated software, or other characteristics their-in. it utilizes new knowledge or technologies, or a combination of both existing knowledge and technologies (Ogbonna, 2013). Product innovations can utilize new knowledge or technologies or can be based on new uses or combinations of existing knowledge or technologies.

2.1.3. Process Innovation

Process innovation as a second dimension of bank innovation capability entails the implementation of a new or enhanced manufacturing or distribution process, or a new course of social service. Product and Process innovations are interconnected and interwoven to meet certain production targets. Process innovation is the implementation of a new or significantly improved method of production or delivery. This includes significant changes introduced in techniques, equipment or software that are employed during the innovation phase (Oslo, 2005). It is coupled with the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software.

2.1.4. Marketing Innovation

Marketing innovation as another dimension is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing (OECD, 2005). The objective of marketing innovation is to bring about major changes in product design and or packaging, placement, and promotion. Marketing innovations target at addressing customer needs better, opening up new markets, or newly positioning a firm's product on the market to increase a firm's sales. Marketing innovations are strongly related to pricing strategies, product package design properties, product placement and promotion activities along the lines of four Ps of marketing (Kotler, 2016).

2.1.5. Organizational Innovation

Organizational innovation dimension is a new organizational method in a firm's business practices, workplace organization or external relations that has not been previously used by the firm. It is the result of strategic decisions taken by the management, and exclude mergers or acquisitions, for the first time (Olughor, 2015). Organizational innovation results in new ways of categorizing internal associations, directing, and empowering employees, moulding careers and

rewarding work with pay and benefits (Chieze, 2016). This leads to more effective use of human resources that are of importance to the successful utilization of ideas.

2.1.6.Open Innovation

Open innovation dimension is the purposive inflow and outflow of knowledge to accelerate internal innovation, and expand the market for external use of innovation, respectively (Chesbrough, Vanhaverbeke& West 2006). This implies that with open innovation, both internal and external knowledge can find their way to commercialization for existing or new markets by crossing a firm's boundary. The basis for the idea of openness is that a single organization cannot innovate in isolation. It has to engage with different types of partners to acquire ideas and resources from the external environment to stay abreast of competition and to become more profitable (Chesbrough2003b; Laursen& Salter 2006).

2.1.7.Competitive Advantage

Smith and Flanagan (2006) defined competitive advantage as something, what separates the enterprise from others and keeps it alive and growing. Competitive advantage is the extent to which an organization can create a defensible position over its competitors (Tracey, 2009). According to Ogundele (2005), competitive advantage occurs when an organization can implement a significant strategy that is established in its unique resources, capabilities, and core competencies which other organizations either are unable to duplicate or too costly for them to duplicate. Competitive advantage consists of three characteristics (Meutia& Ismail, 2012) namely; long survival, difficult to imitate, and difficult to identify. Creating and sustaining competitive advantage hence requires firms to always stay ahead of competition (Sachitra, 2017).

Tichá and Hron (2003) observed that the basic purpose of the innovation adoption is to create competitive advantage as the most important condition for business success. All of the company's potential is geared to achieve this goal by daily operational decisions based on the innovations that they have adopted. Competitive advantage is important for an organization because if they want to lead the market, then it has to compete with competitors and competitive advantage is the key point through which they can get the market-leading position. On the other hand, SMEs have to continuously carry out external analysis to identify the opportunities and threats and internal analysis to identify their distinctive competencies (Eniola&Ektebang, 2014).

2.1.8.Theoretical Review

Theoretically, this study is anchored on two theories namely: Diffusion of Innovation Theory and Technology Acceptance Model. Innovation diffusion theory opines that relative advantage, complexity, compatibility, trialability and observability are the factors influencing the adoption of innovation. The study considers that SMEs can gain and sustain its competitiveness to compete effectively in its industry through innovation. Innovation diffusion theory opines that relative advantage, complexity, compatibility, trialability and observability are the factors influencing the adoption of innovation. The study considers that SMEs can gain and sustain its competitiveness to compete effectively in its industry through innovation. The main limitations of Rogers's theory of adoption of innovation were that he built a set of stages which described the diffusion process and he explained the factors, which could influence the adoption process, in general terms. However, he did not specify which factors could affect each stage of the adoption process since many studies showed that every stage of the adoption of technological innovation had its factors which, in the end, were affected by the degree of the adoption. For example, in studying small businesses' adoption of information systems, Thong (1999) found that the factors which influenced the extent of the companies' adoption were rather different from the factors which influenced their likelihood of adoption.

Technology Acceptance Model developed by Davis (1986) is based on the belief that the use and acceptance of an innovation are determined by the behavioural intention, but on the other hand, that the behavioural intention is determined by the individual's attitude towards the use of the innovation and also by his perception of its utility. It suggests that the acceptance of an innovation is determined by perceived usefulness and perceived ease of use. The technology of Acceptance Model is a theory that relates to this study as the study looks at the relationship between bank innovation and performance of SMEs and tries to also determine the organizational factors that promote the adoption of innovation. The Technology Acceptance Model is not without its critics. It had some limitations which reduced its efficiency to investigate the adoption of IT (innovation), the most common being its very simple and stingy characteristics (Chau & Hu, 2001). Benbasat and Barki (2007) indicated that TAM diverted researchers' attention away from other important research issues and created an illusion of progress in the accumulation of knowledge.

2.2. Empirical Review

There are several diverse empirical findings among scholars based on the link between bank innovation capability components and competitive advantage. Studies such as Ionescu and Dumitru (2015) and Petrariu, Bumbac and Ciobanu (2013) empirically found that innovation positively enhances SMEs competitive advantage. Ionescu and Dumitru (2015) further revealed that innovation is the leading force of competitiveness of SMEs growth and profitability, as well as of the creation of durable values since it is well known that the competitive advantage, so much wished-for by any organization which operates in a highly competitive environment, is volatile and hard to obtain.

The studies of Hazzan, Shaukat, Nawaz and Naz (2013) and Muchemiand Moronge (2017) examined the effects of innovation types strategies on firm performance. They found that product innovation, marketing innovation and organizational innovation have a positive effect on firm competitive advantage. Also, their study revealed that market innovation strategies and Product innovation strategies collectively explain variations in firm performance. Consistently,

Damanpour and Evan (1984) empirically supported other studies finding that organizational innovation strategies significantly enhance firm competitive advantage. But these past empirical findings are unable to establish an empirical link between innovation strategies and SMEs' competitive advantage.

Reguia (2014) found that there is a positive and significant relationship between product innovation and firm competitive advantage. He also stated that a new idea which will be implemented for realizing the competitive advantage to the companies, at a time when they have had similar opportunities to present their products at low costs. Similarly, Abou-Moghli, Al Abdallah and Al Muala (2017) found that innovation has a direct positive impact on competitive advantage through its dimensions (time, quality, cost, and flexibility) and that banks should support innovation in all aspects of business and operations. Njuguna (2016) empirically revealed that collaborative networks, innovation, product diversification and business development services have a positive significant relationship with the competitive advantage of SMEs youth enterprises. Furthermore, Eniola and Ektebang (2014) examined the link between SMEs performance and competitive advantage in Nigeria. Their study revealed that organizational competitive advantage from the RBV is indeed consequential as it can be used as a conceptual measure for SMEs performance in particular through application and manipulation of identifying internal and external organizational resources to raise their competitive advantageous position.

Contrary to the results of previous studies, Siyanbola, Egbetokun, Olamide, Adeniyi and Ireferin (2008) found no significant difference in the focus on product and process innovations and competitive advantage of firms. Based on these mixed findings, this study hypothesizes that:

- H_0 : Bank innovation capability dimensions have no significant effect on competitive advantage of small and medium scale enterprises in Nigeria.

2.3. Literature Gap

Several studies have been carried out on bank innovation and performance of SMEs in different areas, organisations, countries and contexts (Bisseker, 2014; Wagner, 2015; Rungani&Potgieter, 2018; Kathuku, 2017). Nevertheless, the linkage between bank innovation capability and performance of SMEs in terms competitive advantage in Nigeria has not been properly established (Akinwale, Adepoju&Olomu, 2017; Ehinomen&Adeleke, 2012). Furthermore, previous studies have mainly focused on one type of innovation at the expense of other types (Azar&Ciabuschi, 2016; Walobwa et al., 2013). However, Damapour and Aravind (2011) argue that the adoption of a single type or even a set of innovations of "only one type" may not enable firms to fully realize the positive effects of innovation on performance. This, therefore, leaves a gap that needs to be attended to in the case of bank innovation and SMEs' performance in Nigeria.

3. Methodology

The study adopted cross sectional survey research design. The adoption of this design is consistent with the studies of various scholars (Akimehmeti, &Prifti, 2017; Chepkulei, Ngugi, &Walobwa, 2013; Ciabuschi, &Azar, 2016; Ihi, Piller, & Wagner, 2012). Population of this study covers 5,292 and 27,000 staff of banks with dedicated SMEs' desks and SMEs' owner managers, respectively. However, the sample size consists of the 701 and 763 banks' advisors and owner managers respectively determined using Cochran formula. The study adopted stratified sampling technique. The main goal of using stratified sampling in this research was to divide the population into two groups. Then a probability sample (usually a random sample) is drawn from each group. The research instrument that was used in this study is adapted questionnaires. In the questionnaire, bank innovation capability is the independent variable, and its sub-variables are product innovation, process innovation, marketing innovation, open innovation, and organizational innovation. The dependent variable is competitive advantage. The questionnaires were validated, and properly tested for reliability using internal consistency method. The Cronbach's Alpha ranged between 0.71 and 0.93. The items in the questionnaire were measured on a 6-point-type Likert scale of Very High (VH) = 6, High (H) =5, Moderately High (MH) = 4, Moderately Low (ML) = 3, Low (L) = 2 and Very Low = 1. The model specified is represented below.

$CA = f(PI, PrI, MI, OI, Opl)$ Regression equation 1

Transforming equation 1 to econometric form, we have:

$$CA = \alpha_0 + \beta_1PI + \beta_2PrI + \beta_3MI + \beta_4OI + \beta_5Opl + \mu_i$$

Where:

α_0 = Constant term

CA = Competitive Advantage

PI = Product Innovation

PrI= Process Innovation

MI = Market Innovation

OI = Open Innovation

Opl= Organizational Innovation

$\beta_1, \beta_2, \beta_3, \beta_4$ & β_5 = Coefficients of Explanatory Variables

μ_i =Error term

3.1. Apriori Expectation of the Result

The study proposes that an increase in the independent variables bank innovation capability will increase SMEs competitive advantage. This can be mathematically stated as follows: $-\beta_1, \beta_2, \beta_3, \beta_4$ & $\beta_5 > 0$

4. Results and Discussion

A total of 1,304 copies of questionnaire were administered to 701 bank employees and 763 owners/managers of SMEs in Nigeria, respectively. Out of 1,304 copies of questionnaire that were distributed, 1,039 (i.e., 499 copies from bank employees and 540 copies from owners/managers of SMEs) were correctly filled and returned. This represented 70.97% percent. Multiple regression analysis was used to analyse and test the hypothesis. The results of the analysis and parameter estimates obtained are presented in Table 1.

Variables	B	T	Sig.	R ²	Adj. R ²	F(df)	ANOVA (Sig)
(Constant)	10.103	2.977	.003	0.136	0.127	15.483 (5,493)	0.001
Product Innovation	.200	2.010	.045				
Process Innovation	.068	.914	.361				
Organizational Innovation	.240	2.625	.009				
Marketing Innovation	.117	1.343	.180				
Open Innovation	.127	1.757	.080				

Table 1: Regression of Bank Innovation Capability Dimensions on Competitive Advantage

a. Dependent Variable: Competitive Advantage

a. Predictors: (Constant), Open Innovation, Organizational Innovation, Process Innovation, Marketing Innovation, Product Innovation

Source: Researcher's Field Results (2021)

Table 1 shows the multiple regression analysis for the effect of bank innovation capability dimensions effect on competitive advantage of small and medium scale enterprises (SMEs) in Nigeria. The results revealed that product innovation ($\beta = 0.200$, $t = 2.010$, $p < 0.05$) and organizational innovation ($\beta = 0.240$, $t = 2.625$, $p < 0.05$) have significant positive effect on competitive advantage while process innovation ($\beta = 0.068$, $t = .914$, $p > 0.05$), marketing innovation ($\beta = 0.117$, $t = 1.343$, $p > 0.05$), and open innovation ($\beta = 0.127$, $t = 1.757$, $p > 0.05$) have positive effect but not significant. The result showed that out of all the bank innovation capability dimensions, product innovation and organizational innovation are significant predictors of competitive advantage of small and medium scale enterprises in Nigeria Furthermore, the results indicated that bank innovation capability dimensions (product innovation, process innovation, marketing innovation, organizational innovation, and open innovation) explained 12.7% of the variances in competitive advantage as indicated by adjusted coefficient of determination (Adj. R²) of 0.127. The results indicated that the overall model was statistically significant ($F(5,493) = 15.483$, $p < 0.05$). The established regression model for the study was:
 $CA = 10.103 + 0.200PI + 0.240OI$

The regression equation above has established that taking all factors into account (product innovation, process innovation, marketing innovation, organizational innovation, and open innovation) constant at zero, competitive advantage of SMEs was 10.103. The findings presented also show that taking all other independent variables at zero, unit change in product innovation would leads to 0.200 change or increase in competitive advantage of small and medium scale enterprises, and unit change in organizational innovation would cause 0.240 increase in competitive advantage of small and medium scale enterprises in Nigeria. Overall, organizational innovation had the greatest effect on the competitive advantage of small and medium scale enterprises in Nigeria followed by product Innovation. These variables were significant ($p < 0.05$). On the strength of these findings, the null hypothesis (H_0) which states that bank innovation capability dimensions have no significant effect on competitive advantage of small and medium scale enterprises in Nigeria was hereby rejected.

5. Discussion

The findings of this study indicated that bank innovation capability dimensions have significant effect on competitive advantage of small and medium scale enterprises in Nigeria through organizational and product Innovations. This implies that an increase in organizational and product Innovations will improve the competitiveness of SMEs. These results are consistent with previous studies investigating the influence of bank innovation on SMEs performance and competitive advantage. The finding of a study conducted by Ionescu and Dumitru (2015) revealed that innovation is the leading force of competitiveness of SMEs growth and profitability, as well as of the creation of durable values since it is well known that the competitive advantage, so much wished-for by any organization which operates in a highly competitive environment, is volatile and hard to obtain. Consistently, Eris and Ozmen (2012), in their study, assessed the effect of market orientation, organization learning and innovation on corporate performance which shows results of the positive effect of market orientation, organizational learning and innovation on the corporate performance. Another research conducted by Singh and Garg (2008) found that SMEs have not received quite an attention yet to develop their effective strategies.

The study findings also support the work of Hazzan, Shaukat, Nawaz and Naz (2013) and Muchemi and Moronge (2017) and Zainurossalamia, Setyadi and Hudayah (2016) and Martim de Conto, Antunes-Júnior and Roehe Vaccaro (2016) that examined the effects of innovation type strategies on firm performance, they found that product innovation, marketing innovation and organizational innovation have a positive effect on firm competitive advantage. This is in support with the present findings. The support of the results of this study could be attributed to the fact that various banks implement innovation strategies and packages for SMEs which have improved the competitive advantage of the firms due

to their level of utilizations by these SMEs. This was enhanced by a number of factors such as high level of awareness of the available innovations by the SMEs/good marketing communication by the banks, tenure of the availability of the disparate innovations and the timing of this study as well as disclosure of the benefits of the various innovations being enjoyed by the SMEs. Also, Nuryakin (2018) studied the effect of marketing innovation capability on marketing performance. The finding showed that marketing capability had a significant effect on marketing performance.

6. Conclusion and Recommendation

The study concludes that bank innovation capability enhances competitive advantage of SMEs in Nigeria. The study also concludes that organizational innovation had the greatest effect on the competitive advantage of small and medium scale enterprises in Nigeria followed by product Innovation. Based on the findings of the study, the researchers recommend that Central Bank of Nigeria should encourage deposit money banks in Nigeria to embrace innovation capability dimensions such as process innovation, product innovation, open innovation, marketing innovation and organizational innovation which is tailored to customers' needs in dealing with SMEs industry so as to drive competitive advantage of small and medium scale enterprises in Nigeria towards boosting their contribution to national economy.

7. References

- i. Aaker, D. A. (1989). Managing assets and skills: The key to a sustainable competitive advantage. *California management review*, 31(2), 91-106
- ii. Agyei-Mensah, B. K. (2016). Impact of corporate governance attributes and financial reporting lag on corporate financial performance. *African Journal of Economic and Management Studies*. 7(3), 1-15.
- iii. Akimehmeti, K. &Prifti, L. (2017). A competency model for "Industrie 4.0" Employees. 13th International Conference on Wirtschaftsinformatik, 46-60.
- iv. Akinwale, Y., Adepoju, A., &Olomu, M. (2017). The impact of technological innovation on SMEs profitability in Nigeria. *International Journal of Research, Innovation and Commercialization*,1(1), 74-92.
- v. Al-Abdallah, G. M., & Al-Salim, M. I. (2021). Green product innovation and competitive advantage: an empirical study of chemical industrial plants in Jordanian qualified industrial zones. *Benchmarking: An International Journal*. 9(3), 92-107.
- vi. Alvarez, F. (2009). Financial innovation and the transactions demand for cash. *Econometrica*, 77(2), 16-29.
- vii. Annual Report (2015/2016). Annual report on European SMEs. *European Commission*.
- viii. Azar, G., &Ciabuschi, F. (2016). Organizational innovation, technological innovation, and export performance: The effects of innovation radicalness and extensiveness. *International Business Review*, 26(2), 324-336.
- ix. Benbasat, I., &Barki, H. (2007). Quo vadisTAM?. *Journal of the association for information systems*, 8(4), 7-22.
- x. Bisseker, C. (2014). The key to job creation', Business Live, Retrieved on 28 April 2016, from <https://www.businesslive.co.za/fm/fm-fox/2016-04-28-the-key-to-job-creation>.
- xi. Chau, P. Y., & Hu, P. J. H. (2001). Information technology acceptance by individual professionals: A model comparison approach. *Decision sciences*, 32(4), 699-719.
- xii. Chepkulei, B., Ngugi, J., &Walobwa, D. (2013). Effect of the type of innovation on the growth of small and medium enterprises in Kenya: a case of garment enterprises in Jericho, Nairobi. *European Journal of Management Sciences and Economics*, 1(2), 49-57.
- xiii. Cherotich, K. M., Sang, W., Mutungú, C., &Shisia, A. (2015). Financial innovations and performance of commercial banks in Kenya. *International Journal of Economics, Commerce and Management*, 3(5), 1242-1265.
- xiv. Chesbrough, H., (2003b). The era of open innovation. *MIT Sloan Management Review*, 44(3), 35-41.
- xv. Chesbrough, H., Vanhaverbeke, W., & West, J. (Eds.). (2006). *Open innovation: Researching a new paradigm*. Oxford University Press on Demand.
- xvi. Chieze, A. C. (2016). Impact of political and socio-cultural business environment on growth & market performance in selected ICT companies in Lagos State. *International Journal of Advanced Studies in Business Strategies & Managements*, 4(1), 1-10.
- xvii. Ciabuschi, F. &Azar, G. (2016). Organizational innovation, technological innovation, and export performance: The effects of innovation radicalness and extensiveness. *International Business Review*, 26(2), 324-336.
- xviii. Conto de, S. Junior Antunes, I., & Vaccaro, G. (2016). Innovation as a competitive advantage issue: a cooperative study on an organic juice and wine producer. *Gest. Prod., São Carlos*, 23(2), 397-40.
- xix. Damanpour, F., & Evan, W. M. (1984). Organizational innovation and performance: The problem of organizational lag. *Administrative Science Quarterly*, 29(3), 392-409.
- xx. Damapour, F., &Aravind, D. (2011). Managerial innovation: conceptions, processes, and antecedents. *Management and organizational Review*, 8(2), 72-80.
- xxi. Davis, F. D. (1986). *A technology acceptance model for empirically testing new end-user information systems: Theory and results* (Doctoral dissertation, Massachusetts Institute of Technology).
- xxii. Egbetokun, A., Siyanbola, W., Olamide, O., Adeniyi, A., &Irefin, I. (2008). Innovation in Nigerian SMEs: types and impact. *Journal of Business Management and Economics*, 3(7), 266-274.
- xxiii. Ehinomen, C., &Adeleke, A. (2012). An assessment of the distribution of Petroleum products in Nigeria. *E3 Journal of Business Management and Economics*, 3(6), 232-241.
- xxiv. Eniola, A. A., &Ektebang, H. (2014). SME firms performance in Nigeria: Competitive advantage and its impact. *International Journal of Research Studies in Management*, 3(2), 75-86.

- xxv. Eniola, A. A., &Entebang, H. (2016). Financial literacy and SME firm performance. *International Journal of Research Studies in Management*, 5(1), 31-43.
- xxvi. Eniola, A., &Ektebang, H. (2014). SME firm performance in Nigeria: Competitive advantage and impact. *International Journal of Research Studies in Management*,3(2), 22-32.
- xxvii. Eris, E., &Ozmen, O. (2012). The effect of market orientation, learning orientation and innovativeness on firm performance: A research from Turkish logistics sector. *International Journal of Economic Sciences and Applied Research*,5(1), 77-108.
- xxviii. Hazzan, M., Shaukat, S., Nawaz, M. S., &Naz, S. (2013). Effects of innovation types on firm performance: An empirical study on Pakistan's manufacturing sector. *Pakistan Journal of Commerce and Social Sciences*, 7, 243-262.
- xxix. Hazzan, M., Shaukat, S., Nawaz, M. S., &Naz, S. (2013). Effects of innovation types on firm performance: An empirical study on Pakistan's manufacturing sector. *Pakistan Journal of Commerce and Social Sciences*, 7, 243-262.
- xxx. Ignazio, V. (2007). Financial Deepening and Monetary Policy Transmission Mechanism, BIS Review 124/2007.
- xxxi. Ihi, C., Piller, T., & Wagner, P. (2012). Organizing for open innovation: Aligning internal structure with external knowledge search. *Journal of the Academy of Marketing Science*,35(4), 475 - 491.
- xxxii. Ionescu, A., &Dumitru, R. (2015). The role of innovation in creating the company's competitive advantage. *EcoForum*,4(1), 1-14.
- xxxiii. Kathuku, J. K. (2017). Influence of commercial banks' capacity building lending strategy on growth of MSEs in Kenya. *Journal of Business and Strategic Management*, 2(1,2), 20-34.
- xxxiv. Kotler, P. (2016). *Principles of marketing* (3rd Ed). Europe: Prentice Hall, Pearson Education.
- xxxv. Laursen, K., & Salter, A., (2006). Open for innovation: The role of openness in explaining innovation performance among UK manufacturing firms', *Strategic Management Journal*, 27(2), 131-150.
- xxxvi. Mathenge, J. (2013). *Effect of innovation on competitive advantage of telecommunication companies in Kenya*. Thesis.
- xxxvii. Meutia, G., & Ismail, T. (2012). The development of entrepreneurial social competence and business network to improve competitive advantage and business performance of small medium sized enterprises: A case study of batik industry. *Procedia - Social and Behavioral Sciences*, 65-51.
- xxxviii. Muchemi, C., &Moronge, M. (2017). Effects of implementation of strategic innovation on the performance of commercial banks in Kenya: A case study of Equity Bank. *The Strategic Journal of Business and Change Management*, 4(2), 606-630.
- xxxix. Muchemi, C., &Moronge, M. (2017). Effects of implementation of strategic innovation on the performance of commercial banks in Kenya: A case study of Equity Bank. *The Strategic Journal of Business and Change Management*, 4(2), 606-630.
- xl. Njuguna, M. (2016). The changing market efficiency of the Nairobi securities exchange. *Banks and Bank System*, 11(2), 70-80.
- xli. Nuryakin, M. (2018). Competitive advantage and product innovation: key success of batik smes marketing performance in Indonesia. *Academy of Strategic Management Journal*, 17(2), 1-17.
- xlii. Ogbonna, J. C. (2013). Bioenergy production and food security in Africa. *African Journal of Biotechnology*, 12(5), 7147-7157.
- xliii. Ogundele, O. J. (2005). *Introduction to entrepreneurship development, corporate governance, and small business management*. Lagos: Molofin Nominees.
- xliv. Olughor, R. J. (2015). Effect of innovation on the performance of SMES organizations in Nigeria. *Scientific & Academic Publishing*,5(3), 90-95.
- xlv. Oslo, M. (2005). Product, process, marketing and organizational innovation in industries of the flat knitting sector. *RAI Revista de Administração e Inovação*, 14(4), 321-332.
- xlvi. Petrariu, I., Bumbac, R., &Ciobanu, R. (2013). Innovation: a path to competitiveness and economic growth. The case of CEE countries. *Theoretical and Applied Economics*, 5(582), 15-26.
- xlvii. Porter, M. E. (1985). Technology and competitive advantage. *Journal of business strategy*. 25(1), 223-230.
- xlviii. Reguia, C. (2014). Product innovation and the competitive advantage. *European Scientific Journal*, 1, 1-14.
- xlix. Rosabeth, P. (2013). *Types of innovation: The discipline of building breakthroughs*. John Wiley & Sons.
- l. Rungani, E. C. &Potgieter, M. (2018). The impact of financial support on the success of small, medium and micro enterprises in the Eastern Cape Province. *Independent Research Journal in the Management Sciences* 18 (1), 1-12.
- li. Sachitra, V. (2017). Measuring the academic self-efficacy of undergraduates: The role of gender and academic Year experience. *World Academy of Science, Engineering and Technology*, 11(1), 2220-2325.
- lii. Schumpeter, J. A. (1934). The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle. University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship.
- liii. Schumpeter, J. A. (1939). The theory of economic development. An inquiry into profits, capital, credit, interest, and the business cycle, New Brunswick.
- liiv. Singh, R. K.&Garg, K. (2008). Strategy development by SMEs for competitiveness: A review. *Benchmarking An International Journal* 15(5), 525-547.

- lv. Smith, N. & Flanagan, C. (2006). The Effective detective: Identifying the skills of an effective SIO. *Police Research Series*, 3(5), 51-68.
- lvi. Solans, D. (2003). Financial innovations and monetary policy. Speech, Delivered at the 38th SEACEN Governors Conference and 22nd Meeting of the SEACEN Board of Governors on Structural Change and Growth.
- lvii. Thong, J. Y. (1999). An integrated model of information systems adoption in small businesses. *Journal of management information systems*, 15(4), 187-214.
- lviii. Tracey, P. (2009). Strategy making in social enterprise: The role of resource allocation and its effects on organizational sustainability. *Systems Research and Behavioral Science*, 27, 252-266.
- lix. Wagner, B. (2015). Small business survival relies on grit, perseverance. *Business Journals Incorporation*, 5(6), 22-35.
- lx. Walobwa, D. N., Ngugi, J. K., & Chepkulei, B. (2013). Effect of the type of innovation on the growth of small and medium enterprises in Kenya: a case of garment enterprises in Jericho, Nairobi. *European Journal of Management Sciences and Economic*, 1(2), 49-57.
- lxi. Zainurossalamia, S., Setyadi, D., & Hudayah, S. (2016). The effect of innovation on firm performance and competitive advantage. *European Journal of Business and Management*, 8(28), 1-9.
- lxii. Zhang, J. (2016). Influence of innovation capabilities organizational competitiveness. *International Journal of Business Management*, 5(2): 23-35.
- lxiii. Zhang, L. (2004). Small area estimates for cross-classifications. *Journal of the Royal Statistical Society*, 66(2), 1-23.