Marketing Innovation Strategies and the Performance of Small and Medium Sized Enterprises (SMES) in Delta State

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Abstract
This study investigated the effect of Marketing Innovation Strategies on the performance of Small and Medium Sized Enterprises in Delta State. A descriptive survey research design was adopted for the study. The population comprises of 461 SMEs in the Delta state. A sample size of 214 respondents was obtained using Taro Yamane (1964) formular. Stratified sampling technique was used to determine the number of respondents to be included in the sample. The study was driven by primary and secondary data. The data was analyzed using Pearson correlation and multiple regression analysis as analytical tools. Findings revealed that Product Innovation has a positive and significant relationship with the performance of SMEs in Delta State, Price Innovation has a positive and significant relationship with the performance of SMEs in Delta State, Promotion Innovation has a positive and significant relationship with the performance of SMEs in Delta State and Distribution channel Innovation has a positive and significant relationship with the performance of SMEs in Delta State. The study concluded that SMEs performance strongly relies on their innovativeness attracts active importance attached to the analysis of innovation activities and their effects. The study recommends that SMEs should ensure that changes in the innovation must be addressed proactively through creative thinking and innovative behavior by finding new ideas, and implements same effectively and efficiently.

Keywords: *Marketing Innovation Strategies, Product Innovation, Price Innovation, Promotion Innovation, Distribution channel Innovation, Performance of Small and Medium Sized Enterprises*

1.1 Introduction

Small and medium-scale enterprises (SMEs) play a crucial role in driving economic growth, employment generation, and poverty reduction in Nigeria (Ali, 2021; Sokoto & Abdullahi, 2013). SMEs encompass a diverse range of sectors, including manufacturing, services, agriculture, and trade, and despite their relatively small size and limited resources compared to large corporations, they exhibit remarkable flexibility and adaptability in response to market dynamics (FGN, 2021). The SMEs in Delta State similarly possess inherent strengths, such as agility and entrepreneurial spirit (Mamman& Isaac, 2020), contributing to their resilience in the face of adversity. Such resilience enables them to face the challenges of limited access to finance, inadequate infrastructure, and a shortage of skilled labour (Adamu et al., 2014; Ali et al., 2019b; Yahaya et al., 2016).

SMEs in Delta State employ various strategies to survive and thrive (Salisu, 2005). For instance, they have embraced creative ideas to develop new and improved products that cater for local consumer demands and preferences, thus giving them a niche market to prosper with less competition (Salisu& Abu Bakar, 2020). Delta State SMEs have also flexibility in their business processes, enabling them to create and maintain remarkable efficiency and cost-effectiveness in their operations, thereby optimizing their scarce resources and increasing their productivity (Salisu& Abu Bakar, 2019). However, while anecdotal evidence exists that some of the sole proprietors in Delta State use WhatsApp in promoting their businesses, very few SMEs in the state utilise the full range of digital platforms such as Facebook, Instagram, TikTok, etc. in their promotional activities (Oyekan, 2022; Iyadi, 2023). Finally, the extant literature contains scarce materials on how SMEs from Delta State use internal organisation structure and administrative culture to pursue sustained growth and development (Mohammed et al., 2020a; Igwebuike & Iyadi, 2021).

Comparing Nigeria to other developing economies, SMEs contribute a considerably larger proportion of GDP than they do in Nigeria at present. This is due to issues such as inadequate financing, a poor legal and regulatory framework, a lack of basic and technical infrastructure, and a lack of assistance for small and medium-sized businesses. Muddaha, Kheng, and Sulaiman (2018) as well as Anthony and Olorunleke (2020) have argued that Nigerian SMEs proprietors and managers have to enhance their usage strategic marketing methods to improve their performance.

A poor marketing strategy and implementation is one of the most common challenges small and medium-sized businesses face. Muddaha et al. (2018) and Alshamayleh et al. (2002) report that the absence of an effective marketing plan, the inappropriate application of resources, and a lack of marketing innovation are among the weaknesses of small and medium enterprises worldwide.

The rate and speed at which things are changing and evolving in the contemporary business environment is an increasingly important issue that affects the performance of businesses whether large, medium or small. In an emerging market like Nigeria, small and medium enterprises (SMEs) are considered drivers of economic activities. However, due to the informal nature of SME operations and activities, they are vastly constrained by competitiveness from larger organisations. This has caused the need to find innovative ways of carrying out business operations such that they can attain desired performance and even compete with well-established organisations.

Previous studies such as Muddaha et al (2018). Samada, Alghafisa and Al-Zuman (2018). Cross (2018), Anthony and Olorunleke (2020), Adefulu et al (2021), Alshamayleh et al., (2021), Blommerde (2022) have considered strategic marketing practices and innovation in relation to corporate performance, however, there seems to be limited evidence as regarding impact of various forms of marketing innovations such as product innovation, price innovation, promotion innovation and place innovation on the performance of SMEs in Nigeria. This study attempts to bridge the gap in the literature by investigating marketing innovations and the performance of SMEs in Delta State, Nigeria.

1.2 Statement of the Problem

The period firms start growing and expanding, they are faced with ferocious competition which may hinder their survival and accomplishment of organizational goals. Therefore, organizations are unlikely to achieve their goals of better performance due to constraints in competition and incapacity of the organizations to effectively compete and outmaneuver its competitors in the market place which is paramount to firms so as to remain relevant amongst competitors. Thus, an organization that wish to succeed should be able to compete within its market, and strive to rub shoulders with other competitors in the international frontiers. Consequently, innovation strategy is very important to business firms in order to keep the pace of their activities more effectively and efficiently as business organizations are often concerned about profit maximization rather than innovative thinking and activities which can help them secure the future of the company and later bring about cost minimization and profit maximization over time. Instead, they use a traditional and archaic approach and a typical traditional or less innovative method of over reliance on firm's goodwill and population strength of its target customers while believing in its old performance record coupled with its assumed good products and moderate sales as methods to achieve competitiveness. This however may work in a simple or less competitive environment or marketplace but in a highly competitive and explosive business environment as it is practiced today, where the world is a virtual place, marketing activities have become online rather than physical and the entire world markets have become one, it is only organisation with innovative thinking, ideas and spirit that can stay afloat and buoyant in this highly competitive era with serious creation, modification and re-establishment of new products, and market organisations to meet the stakeholders need and market demand. This and many other reasons form the basis for this study

1.3 Objectives of the Study

The study investigated Marketing Innovation strategies and the performance of SMEs in Delta State; the specific objective of the study is to:

1. examine how product innovation influences the performance of SMEs in Delta State.
2. determine the extent to which pricing innovation influence the performance of SMEs in Delta State.
3. Find out the extent to which promotion innovation influence the performance of SMEs in Delta State.
4. examine how distribution channel innovation influences the performance of SMEs in Delta State.

REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL REVIEW

2.1.1 Marketing Innovation

A marketing innovation strategy is essential for enhancing the efficiency of marketing mix components. According to Umar, Siti, and Noor (2020), marketing innovation is centred on building and developing the current models, processes, and business models to create new value for customers, effectively (promote) consumer information, undermine rivals, and create new advantages for all stakeholders.

2.1.2 Types of Marketing Innovation Strategies

Effective marketing management is enabled through innovation to create value based on the combination of elements that will provide a competitive advantage (Umar, Siti, and Noor 2020). The following were identified as types of marketing innovation strategies by Gbolagade, Adesola, and Oyewale, (2013) as well as Umar et al (2020).

Product Innovation

Kotler and Armstrong (2016), a product is anything that may be presented to a market in hopes of attracting customers, selling goods, or providing a service. Therefore, a product's innovative qualities include its improved form, function, labelling, and scalability (Iyadi & Christopher, 2022). Product innovation, as defined by Reguia (2014), involves the creation of new products via the modification of a current product's design, functionality, and components.

Extensive proof from past research has shown that innovation in the product influenced firm efficiency. Companies with a competitive advantage over their rivals based on products for example, in terms of innovation, quality of the product, new product packaging, new product design have been demonstrated to achieve better performance (Kaleka & Morgan 2019). Thus, companies in a vibrant company setting generally strive on an ongoing basis to come up with a new product concept that can satisfy their target customers ' needs in order to attain their goals and maintain themselves over time. SMEs will not survive without quality and enhanced product. Product improvement approach is one of the key elements that help firms to take a competitive edge. Performance of SMEs is connected with SMEs capability to invent an innovative product that can meet customers' specification and wants (Iyadi & Egwuenu, 2017).

Osei et al, (2016) asserted that innovation is the key mechanisms of development strategies for entering fresh markets, entering the current profit-enhancing market and giving SMEs a competitive advantage. Innovative companies can have greater rates of yields since their new goods generate fresh markets or offer such specific advantages over current products in established markets that they can command a price premium, producing higher-margin sales development.

One consequence of this recent focus on innovation is that it is believed marketing innovation leads to positive tangible business outcomes. One of the price reductions in the manufacturing system is the vital impact of the innovation process. That is why firms are continually seeking to get rid of their traditional method of developing fresh processes to decrease costs, enhance production quality, decrease lead times or boost client value (Eze, Worimegbe& Kolawole, 2016). In this same light, (Foroudi,Jin, Gupta, Melewar, &Foroudi, 2016) reported that, innovation significantly add value to firm performance.

Kanagal (2015) said that innovation is crucial for businesses because it triggers a domino effect of other transformational actions inside the company and its products and services offered to customers. As a result, innovations are developed to meet the demands of a technologically-influenced consumer base and business sector. It is essential to discuss product development in order to discuss product elements and product innovation. Product development, according to Mbithi, Muturi, & Rambo (2015), is a kind of product innovation that seeks to meet the requirements and desires of existing and new clients. Therefore, product development is when businesses that already have a market for their goods and services create new items for that market to take advantage of market possibilities. In order to generate value for a company, product innovation integrates existing resources and capabilities with innovation processes to create novel product offers for the market (Kanagal, 2015; Umar et al., 2020; Iyadi & Ojumude, 2023). environment, providing new products or services to meet areas of untapped market opportunities, integration of new technologies to marketing activities as well as the creation of new markets (Ilić, Ostojić&Damnjanović, 2014; Kazmi, 2018; Janjić&Radjenovic, 2019).

Pricing Innovation

Kotler &Amstrong (2016) and Dixon-Ogbechi (2019), price is the monetary cost that companies consider in consumers' perceptions of a product's worth. Some describe price as the sum of money paid for a good, while others define it as the real or estimated worth of a desirable good that is being exchanged. A crucial part of any pricing plan is determining how prices will affect a company's bottom line. As a result, the competitiveness of a business is heavily impacted by the prices they charge for their goods and services. Adefulu et al. (2021) noted that attracting clients from a variety of socioeconomic backgrounds requires a pricing strategy that is both flexible and imaginative. Pricing strategies may be broken down into the following categories: cost-based, competitive, and customer-value-based (Sammut-Bonnici & Channon, 2014; Nafuna et al., 2019).

Naruetharadhol, Ketkaew and Srisathan (2022) investigated innovative price-setting approaches to high-value products for agribusiness farmers in Netherlands, pointing out that valued-added pricing through online systems can be very effective. The authors defined innovation in pricing as a tactic to pricing strategies and organized pricing structures that are novel to the industry for the enhancement of consumer satisfaction and firm profitability. The innovative pricing system uses online pricing by market segmentation, special pricing known as freemium, and participative pricing (e.g., pay-what-you-want). The use of digital pricing whereby consumers can select products and price match has been considered as price discounting system by Liu, Yang and Zhan (2020). In other words, the use of technology platforms to enhance pricing decisions for innovation strategy choices can be seen in industries such as airline, automobile as well as technology-based supply chain among manufacturers and common suppliers (Iyadi & Oruakpor, 2023).

Promotion Innovation

The practice of communicating with current and future stakeholders, as well as the broader public, is known as marketing promotion (Lamb et al., 2019). Promotion innovation is evident in the use of social networking technologies to increase communication interaction with a target market was cited by Ilic, Ostoji, and Damnjanovi (2014). The innovative nature of the marketing sector has made it possible for businesses to maintain constant lines of communication with their customers. Lamb et al. (2019) noted that SEOs, websites, and digital and online platforms are all examples of online innovation promotional factors. Marketers may now reach their desired demographic both nationally and internationally due innovation advancements in promotional technology (Anthony &Olorunleke, 2020; Blommerde, 2022).

Furthermore, Umar et al. (2020) that found that the promotion innovation approach significantly increased the effectiveness of marketing communication and the creation of value. Essentially, the goals of promotion innovation are to educate the target audience about the merits of a new product and to create a favourable public perception of the brand.

Place Innovation

Place element was described by Kotler and Armstrong (2016) as the ease with which a client may reach a product or service. Kotler and Armstrong (2016) expanded the definition of distribution to include the network of entities responsible for getting a product into consumers' hands. Distribution of goods via traditional wholesalers and retailers, as well as newer electronic and internet channels like self-service machines, is essential to the success of any place innovation plan. Constant communication between the service provider and the client after a product is purchased may also form the basis of the innovation of place strategy. Ayedun, Oloyede, Oluwunmi, and Oyedele, (2014), expressed that today's business activities are facilitated through technologically enable distribution channels that go a long way in making customers access products or services everywhere and anytime. This is referred to as the omnichannel where customers can experience products or services 24/7.

2.1.3 SMEs Performance

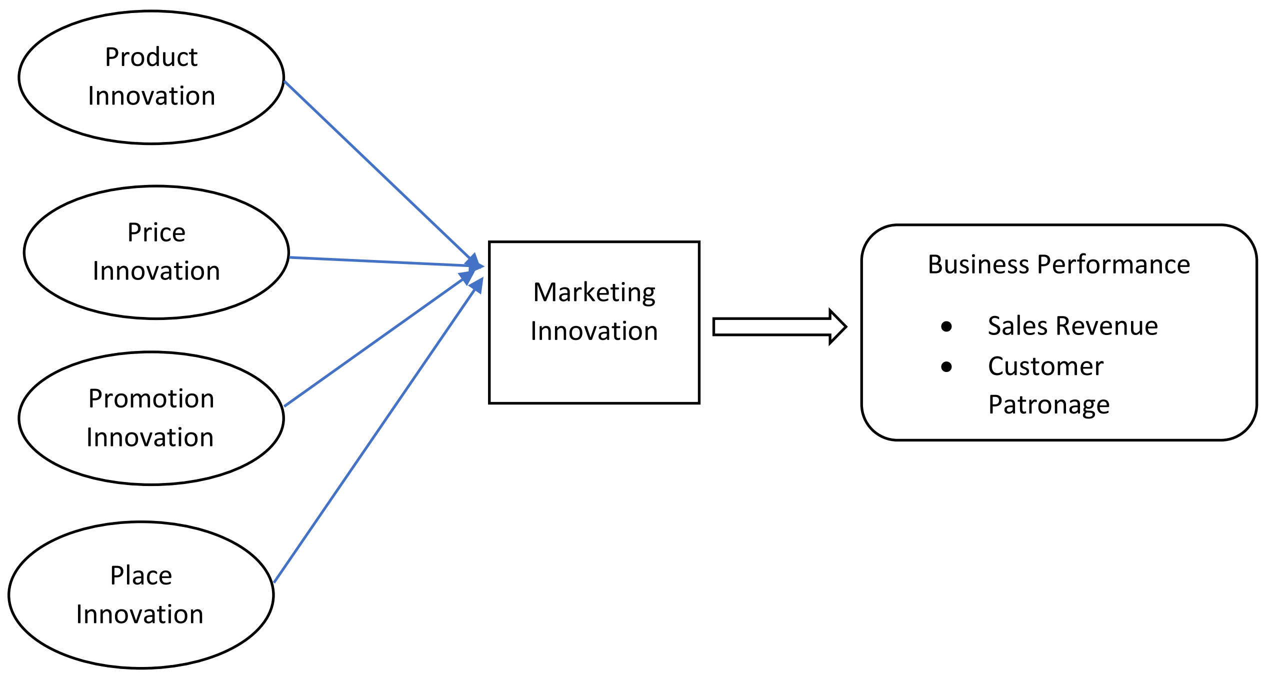
SMEs performance refers to the overall effectiveness, efficiency, and success of SMEs in achieving their business objectives. Either objective or subjective indicators (or a mixture of the two) are usually employed in assessing the success of a business (Yıldız&Karakaş, 2012). Objective indicators are based on financial data and include profit, revenue growth, and market share; subjective indicators comprise customer satisfaction, managers' perceptions, and employee productivity estimations. This study implicitly focuses on SMEs' competitiveness and adaptability to changing market conditions, which qualities are critical to their survival and success. As such, the study uses SMEs owners' perceptions of their respective businesses' effectiveness, efficiency and success as yardsticks for assessing SMEs performance. This approach is consistent with the method developed by Gilsing et al. (2021) who linguistic summaries in defining performance indicators because not financial metrics are "well-suited for the early phases of the business".

2.1.4 Innovation in SMEs

Innovation in SMEs refers to the introduction of a new or substantially improved product or process, a novel marketing method, or a creative organisational approach to business practices (Gault, 2018; Rena, 2023). According to Aires et al. (2022), innovation is closely linked to the notion of renewal, significant improvements and reconfigurations in physical, relational, or virtual aspects; it involves interactions at both individual and organisational levels, encompassing the acquisition, sharing, or imitation of knowledge—all of which contribute to problem-solving, leading to value addition and the fulfilment of potential or actual consumer needs. Innovations can manifest in various forms, such as product innovation, where new or improved goods or services are brought to the market (Ramadani et al., 2019); process innovation, which focuses on optimising internal operations and workflows (Schallmo et al., 2018); marketing innovation, targeting novel strategies to reach and engage customers effectively (Adamu et al., 2020); and organisational innovation, encompassing changes in management practices and structures to enhance adaptability and performance (Kesavan, 2021). Effective innovation is vital for driving SMEs growth and improving competitiveness, making it a crucial area of interest for scholars, policymakers, and SMEs owners.

2.1.5 Conceptual Framework

In light of the concepts discussed above the model of this study is developed using the previous studies of Umar et al (2020) and Blommerde (2022) describing marketing innovation-based marketing mix elements (product, price, promotion, and place) contributing to organizational performance from the perspective of SMEs. This is shown in the image below



Source: Researcher's construct, (2025) as adapted from Umar et al (2020)

2.1.6 Innovation and Firm Performance

A firm performance is related to the ability of the firm to gain profit and growth in order to achieve its general strategic objectives (Adamu, 2014) It is a consequence of the interaction between actions taken in relation to competitive forces that allow the firm to adapt to the external environment, thereby integrating competence and usefulness (Adamu, 2014). Abiodun and Ibidun (2017) emphasized that the firm's innovation performance depends on the opportunities provided by their external environment. This implies that SMEs becomes very competitive in an emerging market when attention is giving to innovative product and process that build their reputation in the market environment. Essentially, the key reason for innovativeness is the desire of firms to obtain increased business performance and increased competitive edge. Arisi-Nwugballa, Elom, and Onyeizugbe (2016); Idowu, (2018) investigated the relationship between firms' performance and its familiarity with innovation and research. It was found out that; the outlook of firms towards innovations has high score in the competitive environments in order to gain higher competitive lead. Through, an integrated innovation-performance analysis carried out by (Duru, Ehidiamhen, and Chijioke, 2018) on 184 manufacturing firms operating in Turkey, the effect of organizational, product, process and marketing innovation was explored on different aspects of firm performance-innovation, production, market and financial. The results showed evidence of a positive relationship of innovations on firms' performance. The study of 'the relationship between learning orientation, firm innovation and firm performance' in US firms found that learning orientation is significant for innovation and performance. According to Audrey and Jarji (2016) considered innovation practices and its effects on performance of SMEs in Australians. With an investigated 600 firms in the manufacturing sector, the study results showed that, innovation strategy is a key driver to performance of SMEs, which do not appear implement innovation culture in a strategic and structured manner, The conclusion of the study was that SMEs performance is likely to improve as they increase the degree to which they realized that innovation culture and strategy are closely aligned throughout the innovation process. The study of 320 SMEs operating in the ICT industry in Malaysia was investigated by (Carol, & Marvis, 2017). The investigation revealed that organizational learning contributes to innovation capability and in turn innovation is positively related to firm. In the work of (Salim &Sulaiman, 2011) where 1,091 samples of SMEs in Spanish manufacturing firms were studied, the finding showed innovation (product, process and administration system) was related to performance.

2.2 Theoretical Review

2.2.1 Innovation Diffusion theory (IDT)

Innovation Diffusion theory was fine-tuned by Rogers (1995). This theory focuses on understanding how, why and at what rate innovative ideas and technologies spread in a social system (Rogers, 1962). In terms of the theories of change, Innovation Diffusion theory takes a contrary approach to study changes. Instead of focusing on persuading individuals to change, it sees change as being primarily about the evolution or "reinvention" of products and behaviors so they become better fits for the needs of individuals and groups. In diffusion of innovations, it is not people who change, but the innovations themselves (Mohammed, 2018). On the other hand, diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system (Haborne, &Johne 2017). Mcdonogh (2015) denies diffusion as the process by which a technology spreads across a population of organizations. The concept of diffusion innovations again usually refers to the spread of ideas from one society to another or from a focus or institution within a society to other parts of that society (Bessant, 2017) This theory helps SMEs firm to understand how a buyer adopts and engages with new product or technology over time. Company uses it when launching a new product or services adapting it or introducing an existing product into a new market. In the diffusion of innovation theory helps marketers understand how trends occur, and helps firms in assessing the likelihood of success or failure of their new introduction. In conclusion, diffusion innovation theory is relevant theory that suggest that innovations that have a clear, unambiguous advantage over the previous approach will be more easily adopted and implemented.

2.3 Empirical Review

Blommerde (2022) investigated the correlation between service innovation and productivity in SMEs. The research centred on the idea that innovations—that is, new or considerably better services—are crucial to the long-term success of SMEs. The results highlighted the significance of the connection between SIP and OP for service-based businesses. Partial Least Squares Structural Equation Modelling (PLS-SEM) and multigroup analysis were utilized to evaluate the assumptions in their research utilizing data from 802 Irish service MSMEs. The result shed light on how business size, firm age, and customer profile affect the SIP-OP connection for MSMEs.

Adefulu et al. (2021) examined the data from Nigeria to determine the connection between strategic marketing, innovation culture, and competitive advantage at a subset of petroleum products marketing firms. The study used a cross-sectional survey research approach to collect data from a representative sample of the population consisting of 1568 managers at the sampled businesses. Multiple regression analysis was used to examine the gathered data. Strategic marketing was shown to have a favourable and statistically significant impact on the innovation culture and competitive advantage. Strategic marketing should be used by the management of petroleum product marketing organizations with the goals of creating an innovation culture and gaining a competitive edge, according to the research.

In comparison, the impact of marketing competencies on the innovation performance of SMEs in Jordan was studied by Alshamayleh et al. (2021). As a result of the study's mixed findings and the literature's lack of agreement, further investigation into the topic of marketing capacities is needed. Primary data was acquired through an online questionnaire sent out to a random sample of 385 people and analyzed using SPSS version 23. The research showed that marketing competence significantly affects innovation outcomes. The results demonstrated that the marketing capacity is a critical component impacting the innovative performance of SMEs.

The impact of marketing creativity on the success of Nigerian SMEs was investigated by Umar et al. (2020). This study used a sample of 203 SMEs in the furniture industry to examine the correlation between product innovation, price, marketing, and distribution tactics, and SMEs' productivity. Multiple regressions were used to analyze the data. Results showed that innovative marketing techniques had a beneficial effect on the productivity of small and medium-sized businesses. It was determined that many businesses benefited from marketing innovation, thus small and medium-sized enterprises (SMEs) should work to include it into their practices.

RESEARCH METHODOLOGY

3.1 Research Design

This study adopted descriptive survey research design and was conducted with data gathered from the business owners/managers where all respondents were asked to give data on their business and insightful information on product innovation, pricing innovation, promotion innovation and distribution innovation as it relates to performance.

3.2 Population

The target population for this study are the registered SMEs in the service sector from the three senatorial zones in Delta State as outlined as follows: Zone A (164), Zone B (153), and Zone C (144), giving a total of 461 SMEs in the state which includes automotive, barbing saloons, beauty salons and spa, cleaning services, computer services, financial services, food services, health services, home and living, hotels, lounge and bars, real estate, sports and fitness and transportation. (SMEDAN, 2022).

Table1 Sample element of Registered SMEs in Delta State

S/N	SMEs	NO OF SMEs
1	Automotive	74
2	Barbing Saloon	38
3	Beauty Salons & Spa	66
4	Cleaning Services 16	16
5	Computer Services	38
6	Financial services (POS)	42
7	Food Services	48
8	Health Services Pharmacy	20
9	Hotels / Bars / Lounge	51

10	Real Estate Agents	58
11	Sports & Fitness Centers	10
	TOTAL	**461**

Source: Researcher Survey (2025)

3.3 Sample size

A sample size is the proportion of the population chosen. For the purpose of this study, a sample size of two hundred and fourteen (214) SMES was determined using Yamane (1964) formular, Sample size determination

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

n = sample size
N = Population
Precision estimate
Confidence level = 95% and + or – 5%

$$n = \frac{461}{(1 + 461(0.05)2}$$

$$n = \frac{461}{2.1525}$$

n = 214

Therefore, stratified sampling technique was used to determine the number of respondents to be included in the sample. The choice of this sampling technique is based on the availability and willingness of SMEs to participate in the survey.

3.4 Reliability of the Instrument

To establish the degree of reliability, consistency, stability and accuracy of the instrument, a pilot study was conducted. It was to ensure consistency and reliability of the test scores. The pilot study was carried out on some selected SMEs. Twenty-four (24) participants on salons and spa were randomly selected for the pilot study, while the actual study was conducted on 198 SMEs.
The research instrument used for this study is perceived to be reliable because the Cronbach Alpha coefficient reliability result for the pilot study and actual study are 0.835 and 0.784 respectively which are greater than 0.7.
The reliability statistics result is shown below in Table 3

Table 3: Reliability Statistics

	Cronbach's Alpha	**No of Items**
Pilot study	0.835	12
Actual study	0.794	12

RESULTS AND DICUSSIONS

Table 4.1: Analysis of Questionnaire Distributed

S/N	SMEs	NO OF SMEs	NO OF COPIES OF QUESTIONNAIRE ADMINISTERED	NO OF COPIES OF QUESTIONNAIRE RETRIEVED
1.	Automotive	74	34	31
2.	Barbing Saloon	38	18	17
3.	Beauty Salons & Spa	66	31	29
4.	Cleaning Services	16	07	06
5.	Computer Services	38	17	16
6.	Financial services (POS)	42	19	18
7.	Food Services	48	22	20
8.	Health Services Pharmacy	20	10	09
9.	Hotels / Bars / Lounge	51	24	22
10.	Real Estate Agents	58	27	25
11.	Sports & Fitness Centers	10	05	5
	TOTAL	**461**	**214**	**198**

***Source*: Authors' field survey, 2025**

Table 4.1 above indicates that out of 214 copies of questionnaire distributed, only 198 copies of questionnaire were collected. A total of one-hundred and ninety-six (196) copies of questionnaire were properly filled representing a response rate of 92.5 percent.

4.2 Analysis of Data from Respondents

Table 4.2 Distribution of the Respondents

		Frequency	Percentage (%)
Gender	Male	105	53.03
	Female	93	46.97
	Total	**198**	**100**
Age Range	Less than 25 years	24	12.12
	25-35 years	41	20.71
	36-45years	78	39.39
	46 and above	55	27.78
	Total	**198**	**100**
Marital Status	Single	65	32.83
	Married	133	67.17
	Total	**198**	**100**
Educational Qualification	SSCE	15	7.58
	OND/Diploma	58	29.29
	B.Sc/HND	88	44.44
	Masters	31	15.66
	Other qualifications	6	3.03
	Total	**198**	**100**

***Source*: Authors' field survey, 2025**

Table 4.2 above shows that there are more male owned registered SMEs in service sector (53.03%) than female owned (46.97%) in the selected zones in Delta State.
It indicates the age distribution of the respondents from which data have been gathered for the purpose of analysis and test of hypotheses. Of the 198 respondents considered 24 respondents (i.e 12.12%) of the sample falls below 25 years, 41 respondents (i.e 20.71%) fall within 25-35 years, 78 respondents (i.e 39.39%) fall within 36-45 years while the remaining 46 respondents (i.e 55%) are either 46 years or above.
It shows that the educational qualifications of the SME owners are quite impressive, 29.29% are OND/Diploma graduates, 44.44% have B.Sc. / HND certifications, while 15.66% are Master's degree holders. These findings suggests that the respondents are enlightened and as such have good understanding of the subject matter.

Table 4.3 Correlation matrix between studied variables

		1	**2**	**3**	**4**	**5**
product innovation	Pearson Correlation	1				
	Sig. (1-tailed)					
	N	198				
pricing innovation	Pearson Correlation	.521**	1			
	Sig. (1-tailed)	000				
	N	198	198			
promotion innovation	Pearson Correlation	.571**	.221*	1		
	Sig. (1-tailed)	.000	.000			
	N	198	198	198		
distribution channel innovation	Pearson Correlation	.421*	.422*	.560**	1	
	Sig. (1-tailed)	.000	.000	.000		
	N	198	198	198	198	
Performance	Pearson Correlation	.441*	.373**	.488**	564**	1
	Sig. (1-tailed)	.000	.000	.000	.000	
	N	198	198	198	198	198

**. Correlation is significant at the 0.01 level (1-tailed).
*. Correlation is significant at the 0.05 level (1-tailed).
Source: Research Data (2025).
The result in table 4.3 shows that the tested variables showed an overwhelming positive correlation ranging from (.221 to .564.) Implying that, there is a significant positive association between the variables of marketing innovation strategies and the performance

Regression Analysis
A multiple linear regression model was used in estimating the magnitude of the relationship between the dependent and independent variables. The results are presented in this section.

Table 4.4 Model Summary
Model

Model	**R**	R Square	Adjusted R Square	Std. Error of the Estimate
1	.619a	.383	.342	2.53795

a. Predictors: (Constant), distribution channel innovation, promotion innovation, pricing innovation, product innovation
b. Dependent Variable: Performance
The analysis showed an (R2) as 0.383 which shows that 38.3% of performance of selected SMEs in Delta State can be predicted by the marketing innovation strategies measured by; distribution channel innovation, promotion innovation, pricing innovation and product innovation

Table 4.5 ANOVA

Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	243.709	**3**	60.927	9.459	000b
	Residual	392.912	**97**	6.441		
	Total	636.621	**96**			

a. Dependent Variable: Performance
b. Predictors: (Constant), distribution channel innovation, promotion innovation, pricing innovation, product innovation

The findings of the ANOVA analysis yielded a P-value of .000 which is less than the critical value of .005, further the F-calculated was 9.459 which indicated there is a statistically significant relationship between marketing innovation strategies and the performance of the selected SMEs in Delta State. Thus, the null hypothesis is rejected in favor of the alternate.

Table 4.6: Multiple Regressions
Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	14.225	1.548		7.642	.281
product innovation	.372	.256	.278	3.307	.001
pricing innovation	.120	.189	.322	2.663	.003
promotion innovation	.127	.163	.192	2.724	.000
distribution channel innovation	.226	.288	.127	3.157	.001

The result in table 4.6 above shows that the four components of marketing innovation strategies have a positive effect on performance. On this note, pricing innovation is the most important predictor of performance (β = 0.322, P < 0.01), followed by product innovation (β = 0.278, P < 0.01), followed by promotion innovation (β = 0.192, P < 0.01), followed by distribution channel innovation (β = 0.127, P < 0.01).

4.3 Testing of Hypotheses

Hypothesis One ($H0_1$): Product innovation has no significant effect on the performance of SMEs in Delta State

The multiple regression table 4.6 expresses how product innovation influences performance. The regression analysis for product innovation and performance on the test of hypothesis one, table 4.6 indicated that the exact level of significance calculated (.001) is less than the probability of committing a type error (0.05). Given the result, the null hypothesis would be rejected in and the alternate accepted. Thus, implying that, there is a statistical significance effect of product innovation and performance.

Hypothesis Two ($H0_2$): Pricing innovation has no significant effect on the performance of SMEs in Delta State

Table 4.6 shows how pricing innovation influences performance. The exact level of significance (.003) is less than the probability of committing a type one error (0.05). There is the need therefore to reject the null hypothesis stating that there is a no significant effect between pricing innovation and performance, while accepting the alternate that stated otherwise. Hence, there is a significant positive effect between pricing innovation and performance.

Hypothesis three (HO_3): Promotion innovation has no significant effect on the performance of SMEs in Delta State

The coefficient table 4.6 also shows how promotion innovation helps in influencing performance. On hypothesis three showed in table 4.6, it reviewed that the exact level of significance (.000) is less than the probability of committing a type one error (0.05). There is the need therefore to reject the null hypothesis stating that there is a no significant effect and accepting the alternate that stated otherwise. Hence, there is significant positive effect between promotion innovation and performance.

Hypothesis four (HO_4): Distribution channel has no significant effect on the performance of SMEs in Delta State

The coefficient table 4.6 also shows how distribution channel innovation helps in influencing performance. On hypothesis three showed in table 4.6, it reviewed that the exact level of significance (.001) is less than the probability of committing a type one error (0.05). There is the need therefore to reject the null hypothesis stating that there is a no significant relationship and accepting the alternate that stated otherwise. Hence, there is significant positive effect between distribution channel innovation and performance.

5.1 Conclusions

SMEs are known to account for a substantial share of every country's economy. Hence, the relative importance of this segment of the economy needs an examination of their enterprises' performance. The fact that the SMEs performance strongly relies on their innovativeness attracts active importance attached to the analysis of innovation activities and their effects.

In the study, the link between innovation and firm performance was examined and data was collected from small and medium enterprises operating in Nigeria using Delta State as a pilot study. The study provided support to the hypothesis proposed thus laying importance on the role of organisational innovation capability on firm performance. The ultimate goal of innovation is to improve business performance. Given that the business environment is continually changing, innovation becomes a competitive advantage when it is based on the understanding of customers' needs to guarantee high quality of life of the people and harness a dynamic sector to make sure that expansions are solid based and beneficial than ever.

5.2 Recommendations

1. Public and organizational policies should be designed in ways that addresses horizontal concerns and which generates better and viable inducement for innovation activities on product differentiation among the companies
2. SMEs should ensure that changes in the innovation must be addressed proactively through creative thinking and innovative behavior by finding new ideas, and implements same effectively and efficiently.
3. It is also necessary for SMEs to have ability to acquire, absorb, and exploit knowledge effectively so that they can increase their innovative capability on a sustainable basis.
4. SMEs managers should focus efforts on adopting innovation in order to realize the potential values of their target markets.

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