



DOI:10.5281/zenodo.14003210

Impacts Of Retailing And Promotion As Innovation Strategies For Business Sustainability And Marketing Advantage Among Small And Medium Enterprises In Delta State, Nigeria

¹Igabari, Blessing and Oroka, Othuke Valentine Ph.D.²

^{1&2}Department of Business Education
Delta State University, Abraka, Delta State, Nigeria
blessingigabari07@gmail.com (+2348032131869)
²ovoroka@delsu.edu.ng (+2348035691758)

ABSTRACT

This study assessed the impact of retailing and promotion as innovation strategies for business sustainability and marketing advantage among small and medium scale enterprises in Delta State, Nigeria. Two research questions were raised and answered, and two null hypotheses were formulated and tested at 0.05 level of significance. The study utilized the descriptive survey design. The population of the study was 680 SMEs in Delta Central Senatorial District. The stratified random sampling technique was adopted and the sample size was 204. The instrument used was a structured questionnaire titled “Retailing & Promotion Innovation Strategies for Business Sustainability and Marketing Advantage Questionnaire (RPISBSMAQ)” and was validated by three experts. The Pearson’s Product Moment Coefficient (PPMC) was used to ascertain the reliability of the instrument and reliability coefficient of 0.76 was obtained. Data collected from the respondents were analyzed using Mean, Standard Deviation and t-test Statistics. The findings of the study revealed that innovation has impact on business sustainability and marketing advantage among SMEs in Delta State. Based on the findings of this study, it was concluded that marketing (retail concept and promotion) as innovation strategies have positive impact on business sustainability and marketing advantage of SMEs in Delta State. Also, that there is no significant difference in the mean responses of business owners-managers retailing and promotion as innovation strategies among SMEs in Delta State. Based on the findings amongst others, it was recommended that business owners-managers should engage more on modern promotional innovation such as Facebook, Instagram, google+, twitter, YouTube to publicize their products. As this will help to create more awareness of the product to the general public and by this demand for the product will increase, in turn the sales will be high and eventually lead to business sustainability and marketing advantage.

Keywords: Retailing, Promotion, Innovation, Marketing Strategy, Business Sustainability & SMEs

INTRODUCTION

The intensity of global market competition has created dynamic and fast-changing business environment which has affected all enterprises including small- and medium-sized enterprises (SMEs). SMEs have, therefore, realized the need to explore, exploit and deploy innovative strategies, in their operations. According to Oroka (2017), the ultimate objective of any firm including SMEs is to maximize profit, which can only be sustained through continuous innovation.

The marketing focus of SME owner–managers is to create new and/or modify product packages and designs, promotion tactics, pricing strategies as well as explore effective and efficient distribution networks. These marketing strategies and practices have been generally described as marketing innovations (Stošić, as cited in Quaye et al, 2019) because they are peculiar, unsystematic, responsive opportunistic, inventive and unusual solutions to market needs. In operational lenses, the concept of marketing innovation has been variously defined as the implementation of new marketing methods which involve significant changes in product designs and package, product placement, promotion and pricing (Onwumere & Ozioma-Eleodinmuo, 2015). Consequently, the concept of innovation is considered as an fundamental ability of SMEs to compete domestically and also enhance their performance (Ren et al., 2015). These basic components of marketing innovation: new upgraded packages and designs, promotion tactics, pricing strategies and distribution networks create competitive advantage through product distinction, visibility and easy recognition (Ilić et al., 2014).

The findings of Quaye and Acheampong (2013); Dzisi and Ofosu (2014) revealed that innovation was examined from general perspectives such as product innovation and process innovations using all sectors of the Ghanaian economy including service, agriculture and industry. However, it was observed that SMEs may not be innovative in terms of new products (product innovation) but can develop innovative approaches such as new package and design, promotional strategies, pricing and distribution strategies to sell their existing products. Hence, the study assessed retailing and promotion as innovation as strategies for business sustainability and marketing advantage among small and medium enterprises in Delta State.

Purpose of the Study

The purpose of this study was to assess retailing and promotion as innovation strategies for business sustainability and marketing advantage among small and medium scale enterprises in Delta State, Nigeria.

Specifically, the following are the objectives of this study:

1. To determine the impacts of innovation retail concept on business sustainability and marketing advantage among SMEs in Delta State
2. To examine the impacts of innovative promotion concept on business sustainability and marketing advantages among SMEs in Delta State?

Research Questions

The following research questions were raised and answered in this study:

1. What are the impacts of retail innovation concept on business sustainability and marketing advantage among SMEs in Delta State?
2. What are the impacts of innovative promotion concept on business sustainability and marketing advantages among SMEs in Delta State?

Hypotheses

The following null hypotheses were analyzed at 0.05 level of significance:

- HO₁: There is no significant difference in the mean responses of business owners-managers on the impacts of retail innovation concept on business sustainability and marketing advantage among SMEs in Delta State based on location.
- HO₂: There is no significant difference in the mean responses of business owners-managers on the impacts of innovative promotion concept on business sustainability and marketing advantages among SMEs in Delta State based on experience.

Review of Related Literature

Theoretical framework

Institutional Theory represents the foundations for this study. It is directed towards understanding enterprises that have identical institutional environment. The key foundations of Institutional Theory were articulated in the early 1980s by DiMaggio and Powell, and then, the theory has further been developed by Meyer and Scott in the same period. DiMaggio and Powell emphasized that governments, social institutions, and regulatory structures encourage organizations and urge them to comply with the specified rules and regulations to ensure their continual growth and prosperity. On the other hand, Meyer and Scott emphasized that business organizations have to conform to governmental pressures that aim to regulate business practices and ensure organizational development

while considering stakeholders' interests. Accordingly, Institutional Theory provides useful insights and details related to the motives for entrepreneurs to adopt particular practices to ensure greater profits and economic revenues, and the same time act ethically in the eyes of the society and government institutions.

According to Institutional Theory, firms have to design appropriate strategies for responding to institutional issues and complying with diverse rules and regulations in order to maintain their existence or achieve further growth. Institutional Theory provides useful guidelines for entrepreneurs to strengthen their competitive positions in today's dynamic business environment and suggests that focusing on regulatory aspects and legitimacy rules should be closely monitored. Therefore, the theory improves our understandings with regards to the necessary requirements for operating within the legal settings and managing business activities. Moreover, the notions of the theory posit that legal institutions function as a set of operational rules which provide a direction for making effective decisions. Accordingly, the assumptions of Institutional Theory indicate that organizations can safeguard their survival by emphasizing on the legitimacy concerns and complying with prevalent institutional rules and pressures in legal and societal environments, and at the same time focusing on social, environmental, and economic aspects of sustainability.

Thus, the theory explains how organizations from different industries choose specific practices to maintain their profitability in fluctuating environments. It also posits that firms have to strive for legitimacy by referring to institutional guidelines to deal with the issues that are allied with sustainable development. Accordingly, Institutional Theory represents a valuable framework for deliberating the significance of entrepreneurial marketing elements in determining SMEs' business sustainability. Moreover, it can be used for describing how the dynamics in societal values and environments, in addition to the changes in social regulations, could impact the sustainable business practices.

Promotion innovation: Oroka (2011) noted that Promotion is the marketing mix element that is concerned with making the products, their price and place of existence known to the existing and potential markets and persuading them to buy and rebuy the products or patronize the firms' ideas and other activities. Innovative promotion involves significant changes in media techniques and symbols that are different from what the firm has used or existed before (Ilić et al., 2014). Salehi (2012) established that SME managers have used the conventional marketing tools to be working well and attracted consumers to purchase firms' offerings.

Nevertheless, Sledzik found evidence to disagree that traditional promotion tools appear too glossy, aggressive and insincere to the specific needs of customers. These problems are evident because the power of the digital age has altered the way consumers purchase and consume products (Ilić et al., 2014), and thus consumers are now immune to all marketing tools and strategies (Lendel & Varmus, 2013). Furthermore, in an era where physical "word of mouth" is giving way to "word of mouse" and social media (Resnick et al., 2016), SMEs managers have also resorted to social network sites and platforms such as WhatsApp, Facebook, Google+ and YouTube to promote their products and build relationships. These social network platforms allow SMEs to create internet platforms to promote their products and also allow customers to make purchase orders online. SMEs that do not have enough financial resources to adopt digital innovations to promote their products have resorted to use personality, personal contact, calls and text messages to customers, and good personal relationship as branding tools, which is essential for sustainable business performance (Resnick et al., 2016). Innovative promotion activities such as branding, networking and internet adoption are critical to sustaining market advantage. In effect, innovative promotion tools improve brand trust, customer fulfilment, marketing image and also achieve good market performance (Schaupp & Bélanger, 2013).

Retail innovation: This is the introduction of new sales channels used in selling goods and services to customers (Wang,2022). Innovative retail concepts may involve first-time franchising system, direct mode of selling, exclusive retailing and product licensing mechanisms to other sellers. SME managers normally have the desire to take full control of their product delivery chain but due to time and other resource constraints, they sometimes resort to indirect channels. Regarding the innovative direct product distribution tools, some SMEs launch their own delivery vans and "showrooms" at various locations to distribute products to customers within specified geographical areas. Firms also adopt innovative discounts and other promotion tools to encourage customers to purchase directly

from their factory, warehouse and distribution centres. Indirectly, manufacturing SMEs also organize intermittent mass sale promotions where consumers buy from the wholesaler at vantage places. In the age of technology, manufacturers have also developed websites and other social network sites such as Instagram to provide product information and pictures and also allow customers to make orders online. Such a delivery system means that different customers receive special and preferential retail service from a firm. The nature of the innovative SME delivery systems, which have shaped and moulded a closer relationship with customers, often creates a loyalty which cannot be replaced by large firms (Harrigan et al., 2011).

METHODOLOGY

The design adopted for this study is the descriptive survey research design. It considered was suitable and appropriate for this study because it met the expectation of this study for effective analysis. The target population of this study was Small and Medium Enterprises in Delta Central Senatorial District in Delta State, Nigeria. The population distribution of SMEs in Delta Central Senatorial District that was used for the study is 680 (Source: Delta State Ministry of Trade and Investment, 2023). The stratified random sampling technique was utilized for the study. Within each stratum, the researcher randomly selected the required number of participants to ensure representativeness. A sample size of 204 business owners-managers of bakery industries, water factory and soap and detergent industries was used in this study

The study used questionnaire as the instrument for data collection titled “Retailing & Promotion Innovation Strategies for Business Sustainability and Marketing Advantage Questionnaire (RPISBSMAQ). The questionnaire was made up of two sections, A and B. Section A was made up of demographic variables while section B was made up of two Parts with a total of twenty questionnaire items. The research instrument was face and content validated by three experts. To ascertain the reliability, a pre-test was done using questionnaire administered to thirty (30) respondents. The results were correlated using Pearson Product Moment Correlation Co-efficient (r). The reliability obtained was 0.78, which indicated that the instrument was reliable. SPSS version 24 was used in analyzing the data. The mean and standard deviation were used to answer the research questions. The two null Hypotheses were tested using t-test statistics at 0.05 level of significance.

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

Research Question 1

What are the impacts of retail innovation concept on business sustainability and marketing advantage among SMEs in Delta State?

Table 1: Mean and Standard Deviation responses of business owners-managers on impacts of retail innovation concept on business sustainability and marketing advantage among SMEs

S/N	Statement Items	X	SD	Remark
	Retail innovation concept on business sustainability and marketing advantage among SMEs in Delta State			
1	My company introduce innovative retail concept in the business	3.43	0.60	Agreed
2	My company introduce new sales channels used in selling goods and services to customers.	3.58	0.63	Agreed
3	My company product are sold using direct mode of selling approach.	3.20	0.77	Agreed
4	My company use exclusive retailing approach in the sales of company product.	2.96	0.90	Agreed
5	My company made use of the product licensing mechanisms to other sellers.	3.04	0.95	Agreed
6	My company has delivery vans to distribute products to customers within specified geographical areas	2.81	1.02	Agreed
7	My company has showrooms at various locations to distribute products to customers within specified geographical areas	2.75	0.98	Agreed

8	My company developed websites and other social network sites such as Instagram to provide product information and pictures and also allow customers to make orders online.	2.76	0.95	Agreed
9	These innovative retail concepts help in sustain the business over the years	3.12	0.76	Agreed
10	They equally give the company a marketing advantage over other competitors of similar products.	3.48	0.63	Agreed
Grand Mean/SD		3.11	0.82	Agreed

Source: Researchers' Computation, 2024

Data presented in Table 1 revealed that the mean responses of respondents on retail innovation concept on business sustainability and marketing advantage among SMEs ranged from 2.75 to 3.58, while the standard deviation ranged from 0.60 to 1.02. Similarly, the grand mean of 3.11 displayed that retail innovation concept has impact on business sustainability and marketing advantage among SMEs in Delta State. Also, the standard deviation demonstrated that the responses of the respondents were not too far apart.

Research Question 2

What are the impacts of innovative promotion concept on business sustainability and marketing advantages among SMEs in Delta State?

Table 2: Mean and Standard Deviation of business owners-managers on impacts of innovative promotion concept on business sustainability and marketing advantage among SMEs

S/N	Statement Items	X	SD	Remark
Innovative promotion concept on business sustainability and marketing advantages among SMEs in Delta State				
11	My company is dynamic, following modern trend in terms of promotional means for product and services	3.07	0.88	Agreed
12	My company have also resorted to social network sites and platforms to create aware of their product to the public.	2.85	0.98	Agreed
13	My company uses WhatsApp to promote their products and build relationship with customers.	3.04	0.91	Agreed
14	My company uses Facebook to publicize their products to their customers.	2.27	1.02	Disagreed
15	My company also advertise their product on YouTube	2.39	1.01	Disagreed
16	My company make use of Google+ to market their products and establish relationship with customers	2.01	0.84	Disagreed
17	My company advertise their product using Twitter	2.07	0.94	Disagreed
18	My company market their product using personality, personal contact, calls, text messages to customers, and good personal relationship as branding tools, which is essential for business sustainability.	3.09	0.89	Agreed
19	Promotion innovation is a major contributor to business sustainability.	3.45	0.51	Agreed
20	It is equally a major contributor to having marketing advantage.	3.40	0.54	Agreed
Grand Mean/SD		2.76	0.85	Agreed

Source: Researchers' Computation, 2024

Data presented in Table 2 illustrated the mean responses of respondents on innovative promotion concept on business sustainability and marketing advantages among SMEs and this showed that items 31, 32, 33, 38, 39 and 40 agreed and their mean ranged from to 2.85 to 3.45, while items 34, 35, 36, and 37 disagreed with mean ranging from 2.01 to 2.39. Also, the standard deviation ranged from 0.51 to 1.02. Similarly, the grand mean of 2.76 expressed that innovative promotion concept has

impact on business sustainability and marketing advantages among SMEs in Delta State. Also, the standard deviation showed that the responses of the respondents were not too far apart.

Hypothesis 1

There is no significant difference in the mean responses of business owners-managers on the impacts of retail innovation concept on business sustainability and marketing advantage among SMEs in Delta State based on location.

Table 3: *t-test Analysis of impacts of retail innovation concept on business sustainability and marketing advantage among SMEs based on location.*

Variable	N	Mean	SD	df	α	t	p-value	Decision
Urban	138	3.39	0.60	202	0.05	-1.39	0.92	Not Significant
Rural	66	3.52	0.59					

Source: Researchers' Computation, 2024

Data presented in Table 3 indicated that the t-value on impacts of retail innovation concept on business sustainability and marketing advantage among SMEs is -1.39 while the p-value is 0.92. This implies that there is no significant difference in the mean rating of business owners-managers on impacts of retail innovation concept on business sustainability and marketing advantage among SMEs in Delta State based on location.

Hypothesis 2

There is no significant difference in the mean responses of business owners-managers on the impacts of innovative promotion concept on business sustainability and marketing advantages among SMEs in Delta State based on experience.

Table 4: *t-test Analysis of impacts of innovative promotion concept on business sustainability and marketing advantage among SMEs based on experience.*

Variable	N	Mean	SD	df	α	t	p-value	Decision
Less Experience	115	3.12	0.92	202	0.05	0.98	0.04	Significant
Experience	89	3.00	0.83					

Source: Researchers' Computation, 2024

Data presented in Table 4 indicated that the t-value on impacts of innovative promotion concept on business sustainability and marketing advantage among SMEs is 0.98 while the p-value is 0.04. This implies that there is a significant difference in the mean rating of business owners-managers on impacts of innovative promotion concept on business sustainability and marketing advantage among SMEs in Delta State based on experience.

DISCUSSION OF FINDINGS

The result of the data analysis on research question three indicated that retail innovation concept has impact on business sustainability and marketing advantage among SMEs in Delta State. This findings upheld that innovative retail concepts assist in sustaining businesses and gives them marketing advantage over other competitors of similar products. This finding is confirmed by the findings of Harrigan et al. (2011) who affirmed that the nature of the innovative SME delivery systems, has assist in shaping and moulding a closer relationship with customers and often creates a loyalty which cannot be replaced by large firms. Again, Quaye et al. (2019) found that retail innovation provide sustainable market advantage for water, beverage, detergent and metal fabrication SMEs.

The result of the data analysis on research question four indicated that innovative promotion concepts has impact on business sustainability and marketing advantage among SMEs in Delta State. This finding specified that promotion innovation is a major contributor to business sustainability and marketing advantage. The finding of this current study is in agreement with the findings of Nasiri et al. (2021) who discovered that companies with high levels of digital orientation in their operations contributed more to sustainable innovation than those without such high levels. Also, in agreement with the present study finding Lopes et al. (2022) found that innovation help entrepreneurs in SMEs to

sustain their businesses and improve their competitive strengths. The finding was further supported by the findings of Ren et al., (2015) who maintained that marketing innovation remains one of the important strategies to achieving Sustainable Marketing Advantage.

The result of the hypothesis three displayed that there was no significant difference in the mean rating of business owners-managers on impacts of retail innovation concept on business sustainability and marketing advantage among SMEs in Delta State based on location. This is in corroboration with the findings of Adamua et al. (2020) who found that there is a significant correlation with marketing innovation strategy and wood furniture SMEs performance. Also, the finding was reaffirmed by Yelmi, et al. (2021) who discovered that marketing innovation had positive and significant influence on performance of SMEs in Nigeria. The findings was in conformity with Uttahi (2015) who found that location of an organization has influence on the job competencies required of employees.

The result of the hypothesis four disclosed that there is a significant difference in the mean rating of business owners-managers on impacts of innovative promotion concept on business sustainability and marketing advantage among SMEs in Delta State based on experience. The study corroborates the findings of Quaye & Mensah (2019) who found out that product design and packaging innovations, promotion innovations, retail innovations and pricing innovations provide sustainable market advantage for water, beverage, detergent and metal fabrication SMEs.

CONCLUSION

Based on the findings of this study, it was concluded that marketing (retail concept and promotion concept) as innovation strategies have positive impact on business sustainability and marketing advantage of SMEs in Delta State. The study further concluded that there is a statistical significant difference in the mean responses of business owners-managers on innovative promotion concept among SMEs in Delta State based on experience.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations were made:

1. Business owners-managers should create more avenue of Retail outlets to sell their products as this will help to make the product to be available in all the geographical area and by this, the business will be able to sustain itself and have marketing advantage over competitors of similar products.
2. Business owners-managers should engage more on modern promotional innovation such as Facebook, Instagram, google+, twitter, YouTube to publicize their products. As this will help to create more awareness of the product to the general public and by this demand for the product will increase, in turn the sales will be high and eventually lead to business sustainability and marketing advantage.
3. The government agency in charge of communication should ensure that strategies are put in place to detect fraudsters and to prevent them from sabotaging the efforts of business owners-managers in engaging in innovative promotion concept.

REFERENCES

- Adamua, U.G., Hussinb,S.B. & Ismailc, N.A (2020). Effect of marketing innovation on performance of small and medium enterprises in Nigeria. *International Journal of Innovation, Creativity and Change*, 11(12), 353- 370.
- Dzisi, S., & Ofosu, D. (2014). Marketing strategies and the performance of SMEs in Ghana. *European Journal of Business and Management*, 6(5), 102–111.
- Harrigan, P., Ramsey, E., & Ibbotson, P. (2011). Critical factors underpinning the e-CRM activities of SMEs. *Journal of Marketing Management*, 27(5–6), 503–529.
- Lendel, V. and Varmus, M. (2013), “Use of innovation in marketing management of Slovak business enterprises”, *Business: Theory and Practice/Verslas: Teorija ir Praktika*, 14(1), 35-42.
- Ilić D., Ostojic, S. & Damnjanovic, N. (2014). The importance of marketing innovation in new economy. *Singidunum Journal of Applied Sciences* 11(1):34-42

- Lopes, J.M., Gomes, S., Pacheco, R., Monteiro, E. & Santos, C. (2022). Drivers of Sustainable Innovation Strategies for Increased Competition among Companies. *Sustainability*, 14, 5471. [https://doi.org/ 10.3390/su14095471](https://doi.org/10.3390/su14095471)
- Nasiri, M., Saunila, M., Rantala, T., & Ukko, J. (2022). Sustainable innovation among small businesses: The role of digital orientation, the external environment, and company characteristics. *Sustainable Development*, 30(4), 703–712. <https://doi.org/10.1002/sd.2267>
- Onwumere, J. and Ozioma-Eleodinmuo, P. (2015), “Enhancing innovativeness among small and medium scale (SMEs) leather enterprises to boost performance in Abia State, Nigeria”, *International Journal of Community and Cooperative Studies*, 3 (1) 1-4.
- Oroka, O. V. (2011). *Operations in Entrepreneurship and Small Business Management*. Benin City: Masega Publishers.
- Oroka, O. V. (2017). Working Capital Management Practices Required by Small and Medium Scale Enterprises for Effective Operations in Delta State, Nigeria. Unpublished Ph.D. Thesis, Department of Vocational Teacher Education, University of Nigeria, Nsukka.
- Quaye, D.M. and Acheampong, G. (2013), “Are SME owner-managers entrepreneurs? Evidence from Ghana”, *European Journal of Business and Management*. 5 (23), 37-47.
- Quaye, D. & Mensah, I (2019). Marketing innovation and sustainable competitive advantage of manufacturing SMEs in Ghana. *Management Decision*, 57 (7), 1535-1553
- Ren, S., Eisingerich, A.B. and Tsai, H.T. (2015), “How do marketing, research and development capabilities, and degree of internationalization synergistically affect the innovation performance of small and medium-sized enterprises (SMEs)? A panel data study of Chinese SMEs”, *International Business Review*, 24 (4), 642-651.
- Resnick, S.M., Cheng, R., Simpson, M. and Lourenço, F. (2016), “Marketing in SMEs: a ‘4Ps’ self-branding model”, *International Journal of Entrepreneurial Behavior & Research*, 22 (1), 155-174.
- Salehi, M. (2012), “Consumer buying behavior towards online shopping stores in Malaysia”, *International Journal of Academic Research in Business and Social Sciences*, 2 (1), 393- 403.
- Schaupp, L.C. and Bélanger, F. (2013), “The value of social media for small businesses”, *Journal of Information Systems*, 28 (1), 187-207.
- Uttahi, N.C. (2015). Influence of location on job competencies required of employees. *Journal of Social Science and Management*, 3(2), 37-44.
- Wang X. (2022). How Does Organizational Unlearning Influence Product Innovation Performance? Moderating Effect of Environmental Dynamism. *Frontiers in Psychology*, 13, 84-95
- Yelmi, A., Yahaya, Y. & Muhamed, A. (2021). The impact of marketing innovation on the performance of small and medium enterprises in Nigeria. *ScioEconmic Challenges*, 5 (3), 51-63