International Journal of Business & Law Research 14(2):243-255, April-June, 2026

© SEAHI PUBLICATIONS, 2026 www.seahipublications.org ISSN: 2360-8986

doi:10.5281/zenodo.20020170

Marketing Model Innovation And Competitive Advantage Among Small And Medium Scale Enterprises In Anambra State, Nigeria

Ojukwu Vincent Obumneme [1]; John Chidume Anetoh (Ph.D) [2]; Vivian Chioma Anetoh Ajakpo (Ph.D) [3]; Helen Ijeoma Oranye (Ph.D) [4]

[1, 2 &4]Department of Marketing, Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, Anambra State, Nigeria.

[3]Department of Accountancy, Anambra State Polytechnic Mgbakwu, Anambra State, Nigeria.

Corresponding Author: jc.anetoh@coou.edu.ng, Phone: +2348035008735

ABSTRACT

The study investigated the effect of marketing model innovation on competitive advantage among selected small and medium scale enterprises in Anambra State, Nigeria. The main objective of the study was to examine the effect of marketing model innovation on competitive advantage of SMEs. The specific objectives were to ascertain the effects of digital marketing innovation, customer relationship management innovation, value proposition innovation, distribution channel innovation, pricing model innovation on competitive advantage among SMEs in Anambra State, Nigeria. Related literature was reviewed and relevant theories formed the theoretical grounding for the study. The study adopted a descriptive survey research design, and the population comprised the registered SMEs in Anambra State. The sample size was determined and purposive sampling strategy was adopted. The validity and reliability of the measuring instrument were established. Multiple regression was used to test the formulated hypotheses at 5% level of significance. The findings revealed that marketing model innovation has a significant positive effect on competitive advantage among SMEs. Specifically, the findings showed that digital marketing innovation significantly enhances market visibility and customer engagement; customer relationship management innovation improves customer loyalty and retention; value proposition innovation strengthens product differentiation and customer satisfaction; distribution channel innovation enhances product accessibility and delivery efficiency; and pricing model innovation improves competitiveness. The study concludes that marketing model innovation has significant positive effect on competitive advantage among SMEs. The researchers recommended that small and medium scale enterprises; owners, managers and workers should invest more and continue using marketing innovations models; digital marketing tools, CRM systems, innovative pricing strategies, and innovative distribution channels in order to enhance their competitiveness and achieve sustainable business growth.

Keywords: Marketing model innovation, competitive advantage, SMEs, digital marketing innovation, customer relationship management, Anambra State of Nigeria.

1. INTRODUCTION

Despite the importance of SMEs to the economy, businesses in Anambra State of Nigeria still face an increasingly complex and challenging operating environment. Intense competition, market saturation,

rapid globalization, and the fast pace of technological advancement have heightened the pressures on SMEs to remain relevant and profitable. The advent of digital platforms has transformed consumer expectations and purchasing behavior, while the influx of imported goods and services has intensified competitive pressures on locally produced goods. Many SMEs in the region still rely heavily on conventional marketing strategies, such as word-of-mouth promotion, traditional advertising, and physical distribution networks. While these methods were effective in the past, they are no longer sufficient to secure sustainable growth in an increasingly technology-driven and competitive marketplace. Small and Medium Enterprises play a pivotal role in Nigeria's economic development, serving as engines for employment generation, wealth creation, industrial expansion, and poverty reduction. In a country where the formal sector struggles to absorb the rapidly growing labor force, SMEs provide critical opportunities for self-employment and income generation. Their contribution extends beyond employment, influencing industrial growth, fostering entrepreneurial culture, and stimulating local economies. In Anambra State, particularly Anambra State Local Government Area, SMEs have earned national recognition due to their vibrant entrepreneurial culture, dense concentration of manufacturing activities, and extensive trading networks. Anambra State is widely regarded as one of the foremost industrial and commercial hubs in southeastern Nigeria, with a reputation for resilience, innovation, and industrial ingenuity. The area hosts numerous indigenous enterprises engaged in automobile parts manufacturing, electronics, pharmaceuticals, trading, and services.

Thus, the businesses earlier stated not only supply domestic markets but also compete in regional and international markets, thereby contributing significantly to local and national economic output. In response to these challenges, marketing model innovation has emerged as a strategic imperative for SMEs seeking to gain and sustain competitive advantage. Marketing model innovation refers to the adoption and implementation of new, creative approaches to marketing activities, including product development, pricing strategies, distribution channels, customer engagement, and value delivery systems. Such innovation enables businesses to better understand evolving customer needs, craft unique value propositions, enhance brand visibility, and foster long-term customer loyalty. Kotler and Keller (2020) state that marketing innovation allows organizations to differentiate themselves from competitors and achieve superior performance in highly competitive markets. For SMEs, this differentiation is crucial, as it can determine survival, growth, and the ability to penetrate new markets. In this context, investigating marketing model innovation as a driver of competitive advantage among SMEs in Anambra State is both timely and necessary. Understanding how innovative marketing practices effect competitiveness can provide actionable insights for business owners, policymakers, and scholars aiming to strengthen SME sustainability, resilience, and growth in Nigeria. By highlighting the connection between marketing innovation and business performance, this study seeks to illuminate strategies that SMEs can adopt to thrive amid economic uncertainties, technological disruption, and global competition.

Basically, the primary problem that prompted this research is the persistent inability of many Small and Medium Enterprises (SMEs) in Anambra State especially in Anambra State to achieve and sustain competitive advantage despite the high level of entrepreneurial and business activities in the area. Anambra State is recognized nationally because of its vibrant business environment, particularly in manufacturing, trading, and services, yet many enterprises continue to face challenges that limit their growth and overall performance. Specifically, numerous SMEs in the region report low sales growth, weak customer loyalty, poor brand recognition, and declining market share. These issues undermine their capacity to contribute optimally to local and national economic development. Interestingly, one of the major contributing factors to these challenges is the continued reliance on traditional marketing methods, which are increasingly inadequate in a business landscape characterized by rapid technological advancement, the proliferation of digital platforms, and evolving consumer expectations. Conventional strategies such as face-to-face sales, printed advertisements, and local promotions are no longer sufficient to attract and retain customers in a highly competitive market. Furthermore, limited access to knowledge, skills, and resources necessary to implement innovative marketing practices further restricts SMEs' market performance and growth potential. This limitation significantly affects their ability to differentiate

themselves from competitors, respond effectively to market dynamics, and achieve sustainable business growth. Addressing this gap is critical for enhancing the competitiveness, profitability, and long-term viability of SMEs in Anambra State, Nigeria.

Objectives of the Study

The main objective of this study is to investigate the effect of marketing model innovation on competitive advantage among selected small and medium scale businesses in Anambra State, Nigeria. The specific objectives of the study are to:

1. Ascertain the effect of digital marketing innovation on competitive advantage of SMEs in Anambra State.
2. Determine the effect of customer relationship management innovation on competitive advantage of SMEs in Anambra State.
3. Investigate the impact of value proposition innovation on competitive advantage of SMEs in Anambra State.
4. Assess the effect of distribution channel innovation on competitive advantage of SMEs in Anambra State.
5. Examine the effect of pricing model innovation on competitive advantage of SMEs in Anambra State.

Research Questions

The following research questions were raised;

1. To what extent does digital marketing innovation affects the competitive advantage of SMEs in Anambra State?
2. How does customer relationship management innovation affects the competitive advantage of SMEs in Anambra State?
3. What is the effect of value proposition innovation on the competitive advantage of SMEs in Anambra State?
4. To what degree does distribution channel innovation affects the competitive advantage of SMEs in Anambra State?
5. How does pricing model innovation affect the competitive advantage of SMEs in Anambra State?

Research Hypotheses

The following alternative hypotheses were formulated to guide the study;

H1: Digital marketing innovation has a significant effect on the competitive advantage of SMEs in Anambra State.

H2: Customer relationship management innovation has a significant effect on the competitive advantage of SMEs in Anambra State.

H3: Value proposition innovation has a significant impact on the competitive advantage of SMEs in Anambra State.

H4: Distribution channel innovation has a significant effect on the competitive advantage of SMEs in Anambra State.

H5: Pricing model innovation has a significant effect on the competitive advantage of SMEs in Anambra State.

Significance of the Study

The significance of this study lies in its expected contributions to business owners, policymakers, researchers, and government. The findings of this study is expected to provide practical insights into how innovative marketing models can be adopted to enhance competitiveness, improve customer engagement, increase market share, and achieve sustainable business growth. SME operators stand to make more informed decisions For policymakers and government agencies responsible for SME development, the study offers empirical evidence that can inform the formulation of supportive policies and intervention programs. Such policies may include training initiatives, digital marketing support schemes, and incentives aimed at encouraging innovation-driven marketing practices among SMEs. This is particularly important in emerging economies like Nigeria, where SMEs serve as a backbone of economic

development and employment creation. Academically, the study is expected to contribute to the existing body of knowledge on marketing model innovation and competitive advantage, with a specific focus on SMEs operating in an emerging economy context. By situating the study within Anambra State, the research provides context-specific insights that enrich the broader discourse on SME development in Africa. Additionally, the findings will serve as a valuable reference for students and future researchers thereby supporting further scholarly inquiry and comparative studies.

2. LITERATURE REVIEW

Conceptual Review

Marketing Model Innovation

Marketing model innovation refers to the development and implementation of new or significantly improved approaches to how firms create, communicate, deliver, and capture value from their markets. Not like product or process innovation, marketing model innovation focuses on transforming marketing strategies, structures, and customer engagement mechanisms to achieve superior performance and competitiveness (OECD, 2018). It encompasses innovative changes in pricing strategies, promotion techniques, distribution channels, branding, and customer relationship management. In recent years, marketing model innovation has gained prominence due to rapid technological advancement, globalization, and evolving consumer behavior. Digital technologies such as social media platforms, data analytics, e-commerce systems, and mobile applications have reshaped traditional marketing practices, enabling firms especially SMEs to reach wider markets at lower costs (Chaffey & Ellis-Chadwick, 2019). Through innovative marketing models, firms can personalize customer experiences, enhance brand visibility, and foster long-term customer loyalty. Marketing model innovation also supports value co-creation by actively involving customers in product development, feedback processes, and brand advocacy. Kotler and Keller (2020) maintain that organizations that continuously innovate their marketing models are better positioned to differentiate themselves from competitors and respond effectively to market changes. This differentiation strengthens competitive advantage by creating unique customer experiences that are difficult for rivals to imitate. For SMEs operating in highly competitive environments such as Anambra State in Anambra State, marketing model innovation serves as a strategic tool for overcoming resource constraints and market limitations. By applying flexible, customer-centric, as well as technology-driven marketing approaches, small and medium businesses tend to improve market penetration, increase sales performance, and sustain long-term growth (Teece, 2020). Therefore, marketing model innovation remains a critical driver of competitiveness and business sustainability in contemporary markets.

Digital Marketing Innovation

Digital marketing innovation refers to the adoption and use of modern digital technologies and online platforms to promote products and services, communicate with customers, and create value in new and more effective ways. It involves the integration of internet-based tools such as social media platforms, websites, search engines, mobile applications, email marketing, and online advertising to improve the effectiveness of marketing activities. In the contemporary business environment, digital marketing has become a critical component of marketing model innovation because it allows businesses to interact with customers instantly, reach wider markets, and promote their offerings more efficiently than traditional marketing methods. Digital marketing innovation goes beyond simply using the internet for promotion; it involves the development of new digital strategies and techniques that enhance customer engagement and improve marketing performance. Businesses now employ various digital tools such as search engine optimization (SEO), social media marketing, content marketing, effectr marketing, and data analytics to understand consumer behavior and tailor marketing messages accordingly. These innovative approaches enable firms to build stronger relationships with customers and deliver personalized marketing experiences. Chaffey and Ellis-Chadwick (2019) state that digital marketing enables organizations to reach customers through online channels while improving communication efficiency and reducing

marketing costs. Through digital platforms, businesses can communicate directly with customers, receive feedback instantly, and adjust their marketing strategies to suit changing consumer preferences. Unlike traditional marketing channels such as print media and television, digital marketing allows companies to measure the effectiveness of their marketing campaigns through analytics tools that track customer engagement, website traffic, and conversion rates. Furthermore, digital marketing innovation provides businesses with opportunities to expand their market reach beyond geographical boundaries. Through social media platforms such as Facebook, Instagram, WhatsApp, and Twitter, businesses can promote their products and services to customers in different locations without the need for physical presence. Online marketplaces and e-commerce platforms also allow businesses to sell their products directly to customers, thereby increasing sales opportunities and improving overall business performance. Digital marketing innovation is particularly important because it offers cost-effective methods of marketing compared to traditional advertising channels. SMEs often operate with limited financial resources, and digital marketing provides them with affordable tools to compete with larger organizations. Social media page and online advertisements that increase brand awareness without requiring large marketing budgets.

Customer Relationship Management (CRM) Innovation

Customer relationship management innovation refers to the introduction and application of new strategies, technologies, and processes that enable organizations to effectively manage interactions with their customers so as to improve the overall customer experience. It involves the use of modern tools and data-driven systems to collect, analyze, and utilize customer information in order to build strong and lasting relationships. This innovation focuses on understanding customer needs, preferences, and behaviors so that businesses can tailor their products, services, and communication strategies to meet customer expectations more effectively. In the contemporary business environment, organizations recognize that maintaining strong relationships with customers is essential for long-term success. As competition continues to increase across different industries, businesses are increasingly adopting innovative CRM systems to strengthen customer engagement, improve service delivery, and enhance customer loyalty. Customer relationship management innovation goes beyond the traditional customer service practices by integrating digital technologies, data analytics, and automated systems to create more efficient and personalized customer interactions. Payne and Frow (2017), see it as a strategic approach that integrates people, processes, and technology to understand customers and build long-term relationships with them. Through CRM systems, businesses can track customer activities, record purchasing histories, and analyze customer preferences. This information enables firms to design marketing strategies that are more relevant to their customers' needs and expectations. CRM innovation involves the adoption of advanced digital tools such as customer databases, cloud-based CRM software, artificial intelligence, and automated communication systems. These technologies help organizations collect and manage customer information efficiently while improving communication between businesses and their customers. Businesses use CRM platforms to send personalized messages, respond quickly to customer inquiries, and provide customized product recommendations. Such practices enhance customer satisfaction and encourage repeat purchases. Innovative CRM practices such as personalized marketing, customer data analytics, and loyalty programs play a vital role in strengthening customer relationships. Personalized marketing allows businesses to tailor promotional messages and product offerings based on the preferences and behaviors of individual customers. Customer data analytics helps organizations gain deeper insights into consumer patterns and market trends, enabling them to make informed marketing decisions. Similarly, loyalty programs such as reward points, discounts, and exclusive offers encourage customers to remain committed to a particular brand or business. CRM innovation provides an effective way to compete with larger organizations. SMEs often rely heavily on customer relationships for their survival and growth. By adopting innovative CRM practices, SMEs can enhance customer satisfaction, improve service quality, and build strong customer loyalty. These factors contribute significantly to the development of a sustainable competitive advantage in the marketplace.

Value Proposition Innovation

Value proposition innovation refers to the development and introduction of new ways organizations deliver value to their customers by improving product benefits, service quality, and overall customer experience. It involves redesigning and enhancing the core value that a firm offers to its target market in order to better satisfies customer needs and preferences. In a highly competitive business environment, firms cannot rely solely on traditional product offerings; instead, they must continuously boost their value propositions to remain attractive and relevant to customers. A value proposition represents the unique combination of products, services, and benefits that a company offers to customers to solve their problems or satisfy their needs. It explains the reasons why customers should choose a particular company's product or service over that of its competitors. Osterwalder and Pigneur (2010) capture that a value proposition explains why customers choose one firm over another and represents the bundle of products and services that create value for a specific customer segment. This definition highlights the importance of aligning a firm's offerings with the needs and expectations of its target customers.

Value proposition innovation therefore focuses on identifying new ways of improving the benefits customers receive from a product or service. This may involve enhancing product quality, introducing new features, improving service delivery, offering better customer support, or providing additional benefits that competitors do not offer. Thus, businesses can create distinctive offerings that attract customers and strengthen their competitive position in the market. This innovation involves understanding customer problems and developing creative solutions that address those problems more effectively. Businesses achieve this by conducting market research, gathering customer feedback, and analyzing consumer behavior. By understanding what customers truly value, firms can design products and services that deliver greater satisfaction and improve customer loyalty. Value proposition innovation plays a crucial role in business survival and growth. SMEs typically operate in markets where numerous firms offer similar products or services. As a result, they must find unique ways to stand out from competitors. By boosting their value propositions, SMEs can differentiate their offerings and attract more customers. This differentiation may come in the form of better product quality, unique product designs, improved customer service, faster delivery, or additional benefits that competitors fail to provide. Value proposition innovation contributes significantly to building strong customer relationships and enhancing brand reputation. When customers perceive that a firm consistently provides superior value, they are more likely to develop trust in the brand and remain loyal over time.

Distribution Channel Innovation

Distribution channel innovation refers to the introduction and adoption of new methods, systems, or strategies for delivering products and services from producers to consumers more efficiently and effectively. It involves improving or redesigning the channels through which goods and services reach customers in order to enhance accessibility, convenience, and customer satisfaction. In modern marketing practices, distribution channel innovation plays an important role in ensuring that products are available to customers at the right place, at the right time, and in the right quantity. Distribution channels represent the pathways through which products move from manufacturers or producers to final consumers. These channels may include wholesalers, retailers, agents, distributors, and increasingly digital platforms that facilitate product delivery. Rosenbloom (2018) opines that distribution channels consist of organizations and processes that move products from producers to consumers. This definition highlights the importance of coordination among different intermediaries and systems involved in the movement of goods and services within the marketplace. Innovation in distribution channels occurs when businesses adopt new or improved approaches that enhance the efficiency and effectiveness of product delivery. In recent years, technological advancements and changes in consumer behavior have significantly effectd how businesses distribute their products. Many organizations now combine traditional distribution methods with modern technological solutions in order to reach customers more conveniently and quickly. For example, businesses may integrate online sales platforms with physical retail stores to create a multi-channel distribution system that allows customers to purchase products through different channels. Distribution

channel innovation is evident by using of digital platforms to facilitate product delivery and customer access. Online ordering systems, e-commerce websites, and mobile applications enable customers to browse products, place orders, and receive deliveries without visiting physical stores. These digital channels have transformed traditional distribution structures by making it easier for businesses to reach a wider customer base and operate beyond geographical limitations. Another important innovation in distribution channels is the introduction of home delivery services and logistics partnerships. Many businesses now collaborate with logistics companies or employ delivery personnel to ensure that products reach customers quickly and efficiently. This approach enhances customer convenience and satisfaction, particularly in urban areas where consumers prefer faster and more reliable delivery options. Multi-channel retailing is also an important component of distribution channel innovation. This strategy involves using multiple channels such as physical stores, online platforms, and mobile applications to distribute products and interact with customers. By providing different purchasing options, businesses can cater to diverse customer preferences and increase their chances of making sales. Distribution channel innovation provides an opportunity to expand their market reach and compete more effectively with larger organizations. SMEs that adopt innovative distribution strategies can improve product availability, reduce delivery time, and enhance customer service. These improvements contribute to stronger customer satisfaction and increased customer loyalty.

Pricing Model Innovation

Pricing model innovation refers to the development and implementation of new or improved pricing strategies that enable firms to create greater value for customers while enhancing their competitiveness and profitability. Pricing is one of the most important elements of the marketing mix because it directly effects customers' purchasing decisions and determines the revenue generated by a firm. In a competitive business environment, organizations must continually review and adjust their pricing strategies in order to remain attractive to customers and sustain their market position. Pricing model innovation therefore involves adopting creative and flexible pricing approaches that reflect market conditions, customer perceptions, and the value offered by products or services. Traditionally, businesses relied on simple pricing methods such as cost-plus pricing, where the price of a product is determined by adding a profit margin to the cost of production. However, modern markets require more sophisticated pricing strategies that consider customer value, competitor pricing, and market demand. Pricing model innovation focuses on designing pricing structures that align with the perceived value of products and services while ensuring profitability for the organization. Nagle, Hogan, and Zale (2016) observe that innovative pricing strategies help firms maximize revenue and attract customers by aligning price with perceived value. This means that businesses should not base their prices solely on production costs but should also consider how much value customers place on their products or services. When pricing strategies are aligned with customer value perceptions, businesses are more likely to attract customers, increase sales, and strengthen their competitive advantage. Several innovative pricing models are commonly used by businesses to improve their market performance. One example is discount pricing, which involves offering products at reduced prices during specific periods to attract more customers and increase sales volume. Discounts, promotional pricing, and seasonal sales are widely used strategies that encourage customers to make purchasing decisions quickly. Another example is dynamic pricing, where businesses adjust prices based on changes in demand, market conditions, or customer behavior. This pricing model is widely used in industries such as transportation, hospitality, and e-commerce. Dynamic pricing allows firms to maximize profits by charging higher prices when demand is high and lower prices when demand decreases. Subscription pricing is another innovative pricing model in which customers pay a recurring fee to access products or services over a specific period of time. This model has become increasingly popular in digital services, software industries, and membership-based businesses. Subscription pricing helps firms generate steady and predictable revenue while maintaining long-term relationships with customers. Similarly, value-based pricing focuses on setting prices according to the value customers perceive in a product or service rather than the cost of production. Businesses that adopt value-based pricing emphasize product

quality, unique features, and superior service in order to justify their pricing structure. Pricing model innovation is particularly important because these businesses often operate in highly competitive markets where price plays a significant role in attracting customers. By adopting innovative pricing strategies, SMEs can differentiate themselves from competitors, increase customer satisfaction, and improve sales performance. Flexible pricing strategies also allow SMEs to respond quickly to changes in market demand and economic conditions.

Competitive Advantage

Competitive advantage refers to a firm's ability to achieve superior performance relative to its competitors by delivering greater value to customers or operating more efficiently within its market. It enables an organization to outperform rivals in terms of profitability, market share, customer loyalty, and long-term sustainability (Porter, 1985). Competitive advantage arises when a firm develops strategies or capabilities that are valuable, rare, difficult to imitate, and well organized, thereby creating barriers that competitors find hard to overcome (Barney, 1991).

According to Porter (1985), competitive advantage can be achieved through cost leadership, differentiation, or focus strategies. Cost leadership involves offering products or services at lower prices through operational efficiency, while differentiation emphasizes unique features, quality, branding, or customer experience that distinguishes a firm from competitors. Focus strategies target specific market niches with tailored offerings. In contemporary business environments, firms increasingly combine these strategies with innovation and technology to strengthen their competitive position. Competitive advantage is particularly critical due to limited resources and intense market competition. SMEs often rely on intangible assets such as brand reputation, customer relationships, flexibility, and innovative capabilities to compete effectively with larger firms (Grant, 2019). Marketing-driven competitive advantage allows SMEs to better understand customer needs, communicate value effectively, and build strong emotional connections with their target markets. Sustaining competitive advantage is further effectd by environmental factors such as infrastructure constraints, regulatory challenges, and market volatility. Therefore, firms that continuously adapt, innovate and respond to market changes are more likely to achieve long-term success.

Theoretical Review

This study is anchored on three key theories: the Resource-Based View (RBV), Schumpeter's Innovation Theory, and Porter's Competitive Advantage Theory.

a. Resource-Based View (RBV)

The Resource-Based View (RBV), developed by Barney (1991), posits that firms achieve sustainable competitive advantage when they possess resources that are valuable, rare, inimitable, and non-substitutable (VRIN). These resources can include tangible assets, such as technology and capital, as well as intangible assets like brand reputation, knowledge, and innovative capabilities. The theory emphasizes that internal resources, rather than external market conditions alone, are the primary drivers of competitive advantage. In the context of marketing model innovation, RBV suggests that SMEs in Anambra State can leverage their unique capabilities in areas such as digital marketing expertise, customer relationship management systems, innovative pricing strategies, and distribution channel development as strategic resources. These capabilities are valuable because they help firms reach customers more effectively and create superior customer experiences. They are rare when competitors do not possess similar capabilities, inimitable when they are difficult for others to replicate, and non-substitutable when alternative resources cannot deliver the same value. Thus, SMEs that develop and deploy innovative marketing models based on these strategic resources can outperform competitors and secure sustainable competitive advantage. For example, a small enterprise that effectively integrates digital marketing with personalized CRM strategies can attract and retain customers more successfully than competitors relying on traditional marketing methods.

b. Schumpeter's Innovation Theory (1934)

This theory states that innovation is the primary driver of economic development and business competitiveness. The theory emphasizes that firms achieve competitive advantage through the introduction of new combinations of resources, the development of new products, the exploration of new markets, and the adoption of new marketing methods. Schumpeter viewed innovation not only as product or process improvements but also as strategic actions that disrupt existing market patterns and create superior value for customers. In the contest of this study, this theory suggests that SMEs can differentiate their products and services through novel marketing strategies, such as digital engagement platforms, personalized value propositions, dynamic pricing models, and enhanced distribution channels. By adopting innovative marketing models, SMEs can gain a competitive edge over rivals who continue to rely on traditional methods. In essence, innovation serves as a mechanism through which SMEs in Anambra State can strengthen their market positioning, attract new customers, and retain existing ones.

c. Porter's Competitive Advantage Theory (1985)

This theory states that firms gain competitive advantage through cost leadership, differentiation, or focus strategies. Cost leadership involves achieving efficiency to offer products or services at lower prices than competitors. The assumption of this theory is that differentiation focuses on providing unique products, services, or experiences that customers perceive as superior. The focus strategy targets specific market segments with tailored offerings. Marketing innovations such as innovative pricing models, value proposition development, and digital marketing strategies align closely with Porter's framework. For instance, innovative pricing strategies can help SMEs achieve cost leadership by offering better value at competitive prices, while digital marketing and value proposition innovations can enable differentiation by enhancing customer experiences and perceptions of uniqueness. Collectively, these strategies allow SMEs to compete effectively in their markets and establish sustainable competitive advantages.

Accordingly, this study establishes strong theoretical grounding using the three theories for understanding how marketing model innovation drives competitive advantage among SMEs in Anambra State. These theories collectively highlight the importance of leveraging internal resources, fostering innovation, and strategically differentiating the business to achieve superior performance of small and medium scale businesses in Anambra State of Nigeria.

Empirical Review

Uche and Ogbuji (2022) examined c*hallenges of big data analytics adoption among Nigerian SMEs.* The study revealed that adoption of analytics tools was limited due to poor digital infrastructure, lack of technical expertise, and high software costs. Adewale (2021) examined *adoption of digital marketing in Nigerian SMEs*. He found that adoption of digital marketing significantly enhanced customer engagement and sales but was constrained by lack of technical skills. Adegbite (2021) investigated *marketing innovation and SME performance in Nigeria.* The findings revealed that marketing innovation had a significant positive effect on SME performance, particularly in terms of sales growth, customer retention, and market share. Obaji (2019) studied *marketing innovation and firm competitiveness in emerging economies in southeastern Nigeria*. He found a strong and positive relationship between marketing innovation and firm competitiveness. Eze (2020) investigated *digital marketing adoption and business performance of SMEs in Nigeria.* He found that digital marketing tools such as social media marketing, email marketing, and online advertising significantly improved brand visibility, customer engagement, and profitability among SMEs. Okeke and Nwankwo (2020) assessed the i*mpact of innovative marketing strategies on SME growth in South-eastern Nigeria.* They found that SMEs implementing innovative marketing strategies recorded higher customer retention and revenue growth. Chukwu (2019) researched on *marketing innovation and business performance of SMEs in Nigeria*. The study revealed that innovative pricing strategies, product promotion, and distribution channels significantly enhance SME performance. Ogunleye (2020) investigated the *challenges and prospects of marketing innovation among SMEs in Nigeria"*; found that poor infrastructure, high cost of technology, and low awareness of marketing innovations hindered adoption. Akinyele (2019) assessed d*igital marketing and SME*

performance in Nigeria and found that SMEs that effectively leveraged digital marketing tools experienced improved brand visibility, customer loyalty, and profitability. Nwosu (2018) examined *innovation in marketing as a determinant of SME competitiveness in Nigeria;* found that SMEs that adopted innovative marketing techniques such as social media campaigns and customer relationship management achieved higher sales growth and market share.

3. METHODOLOGY

The study adopted a descriptive research design using survey design method. The rationale for using it is to aid in collecting the needed data on the opinions, perceptions, attitudes, and views of the respondents regarding marketing model innovation and its effect on competitive advantage. The target population of this study comprised the registered SME owners and operators in Anambra State. The sample size is 316 while the purposive sampling technique was used. The source of data collection was primary while the data for this study were collected using structured questionnaire. The questionnaire was adopted from the previous studies and modified to suit the context of the present study. The Likert-scale was adopted and also modified to suit the context of the present study. The instrument was validated by three research experts. The instrument was checked for internal consistency. This was done using test retest method of reliability test. The Cronbach coefficient value of 0.717 proved the reliability and internal consistency of the measuring instrument. The copies of the questionnaire were administered to the respondents (SME owners, managers and workers) in Anambra State The data collected were analyzed using Statistical Package for Social Sciences (SPSS) version 26. Hypotheses were tested using multiple regression analysis at 5% level of significance. The functional form of the operational model was expressed as thus:
$CA=\beta0+\beta1DMI+\beta2CRM+\beta3VPI+\beta4DCI+\beta5PMI+e.$
Where:
$\beta0$ = Intercept (baseline level of competitive advantage without the effect of X variables)
$\beta1…\beta5$ = Regression coefficients of parameters 1-5
e = error term accounting for variation not explained by the model.
CA = Competitive Advantage
DMI = Digital Marketing Innovation
CRM = Customer Relationship Management Innovation
VPI = Value Proposition Innovation
DCI = Distribution Channel Innovation
PMI = Pricing Model Innovation

4. RESULTS

Multiple Regression Analysis

Multiple regression analysis was employed to examine the effect of marketing model innovation on competitive advantage among SMEs in Anambra State, Nigeria. Specifically, the analysis evaluated the effect of Digital Marketing Innovation (DMI), Customer Relationship Management Innovation (CRM), Value Proposition Innovation (VPI), Distribution Channel Innovation (DCI), and Pricing Model Innovation (PMI) on Competitive Advantage (CA). Multiple regression analysis is appropriate for this study because it allows the researcher to determine the combined and individual effects of multiple independent variables on a dependent variable.

Table 1: Regression Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of Estimate
1	0.781	0.610	0.603	0.421

Source: SPSS Output, 2026.

The R value of 0.781 demonstrates a strong positive relationship between marketing model innovation variables and competitive advantage. The R-square value of 0.610 implies that approximately 61.0% of

the variation in competitive advantage among SMEs is explained by the five marketing innovation variables included in the model. The remaining 39.0% may be attributed to other factors not included in the study. The adjusted R^2 of 0.603 shows that the model remains strong even after adjusting for the number of predictors in the model.

Table 2: Regression ANOVA (Model Significance)

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	52.381	5	10.476	59.128	0.000
Residual	33.218	310	0.107		
Total	85.599	315			

Source: SPSS Output, 2026.

The ANOVA table indicates that the overall regression model is statistically significant. The F-value of 59.128 with a significance level of 0.000 ($p < 0.05$) shows that the independent variables jointly have a significant effect on competitive advantage. This result confirms that marketing model innovation significantly affects competitive advantage among SMEs in Anambra State.

Tale 3: Regression Coefficients

Variable	Beta (β)	t-value	P-value
Constant	0.842	7.86	0.000
Digital Marketing Innovation (DMI)	0.286	5.50	0.000
CRM Innovation (CRM)	0.214	4.37	0.000
Value Proposition Innovation (VPI)	0.198	4.21	0.000
Distribution Channel Innovation (DCI)	0.167	3.71	0.001
Pricing Model Innovation (PMI)	0.153	3.56	0.002

Source: SPSS Output, 2026.

The regression results show that all five marketing model innovation variables have positive and significant effects on competitive advantage.

- Digital Marketing Innovation ($\beta = 0.286$, $p < 0.05$) significantly affects competitive advantage. This implies that SMEs that adopt digital marketing strategies tend to achieve higher competitive advantage.
- Customer Relationship Management Innovation ($\beta = 0.214$, $p < 0.05$) also has a significant positive affect on competitive advantage, indicating that effective customer relationship strategies enhance firm performance.
- Value Proposition Innovation ($\beta = 0.198$, $p < 0.05$) contributes positively to competitive advantage by enabling firms to offer unique value to customers.
- Distribution Channel Innovation ($\beta = 0.167$, $p < 0.05$) improves competitive advantage through improved accessibility and product delivery.
- Pricing Model Innovation ($\beta = 0.153$, $p < 0.05$) also significantly affects competitive advantage, suggesting that innovative pricing strategies can improve SME competitiveness.

The results as depicted on table 3 show that since the p-values for all variables are less than 0.05, the null hypotheses (H_{01}–H_{05}) were rejected and alternative hypotheses accepted. This means that digital marketing innovation significantly affects competitive advantage. CRM innovation significantly affects competitive advantage. Value proposition innovation significantly affects competitive advantage. Distribution channel innovation significantly affects competitive advantage. Pricing model innovation significantly affects competitive advantage.

5. CONCLUSION

This study examined marketing model innovation as a driver of competitive advantage among small and medium-sized enterprises (SMEs) in Anambra State, Anambra State. The study specifically investigated the effect of digital marketing innovation, customer relationship management (CRM) innovation, value proposition innovation, distribution channel innovation, and pricing model innovation on competitive advantage. The objective was to determine whether these marketing innovation strategies contribute to improved competitiveness among SMEs operating in the area. The findings revealed that marketing model innovation plays a significant role in enhancing the competitive advantage of SMEs in Anambra State. The results showed that all five variables of marketing innovation examined in the study have positive and statistically significant effects on competitive advantage. This indicates that SMEs that adopt innovative marketing strategies are more likely to achieve better market performance, customer loyalty, and business sustainability. Specifically, the study found that digital marketing innovation significantly improves the visibility of SMEs, enabling them to reach wider audiences and communicate effectively with customers through online platforms. This enhances brand awareness and strengthens market presence. Customer relationship management innovation was also found to significantly and positively affect competitive advantage by improving customer satisfaction, loyalty, and long-term business relationships. The study also revealed that value proposition innovation contributes to competitive advantage by enabling SMEs to differentiate their products and services from those of competitors. Firms that provide unique value to customers are more likely to attract and retain customers in competitive markets. Distribution channel innovation enhances competitive advantage by improving product availability, accessibility, and delivery efficiency, thereby increasing customer satisfaction. The findings showed that pricing model innovation positively affects competitive advantage. Innovative pricing strategies such as flexible pricing, promotional discounts, and value-based pricing enable SMEs to attract customers and maintain competitiveness in dynamic market environments.

6. RECOMMENDATIONS

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

1. SMEs should adopt digital marketing strategies such as social media marketing, online advertising, and e-commerce platforms in order to increase their market reach, improve brand visibility, and attract more customers.
2. SME owners and managers should invest in customer relationship management systems to improve communication with customers, monitor customer feedback, and develop loyalty programs that strengthen long-term customer relationships.
3. Businesses should continuously enhance their value propositions by improving product quality, offering unique services, and creating superior customer experiences that distinguish them from competitors.
4. SMEs should develop innovative distribution channels, including online ordering systems and home delivery services, to improve product accessibility and customer convenience.
5. SMEs should implement flexible and innovative pricing strategies, such as promotional pricing and value-based pricing, in order to remain competitive and attract price-sensitive customers.
6. Government agencies and SME development organizations should provide training programs and workshops to help SME owners understand and implement modern marketing innovations effectively.

7. REFERENCES

Adegbite, T. (2021). *Marketing innovation and SME performance in Nigeria*. Journal of Small Business Development, 6(2), 45–60.

Adeleke, I. A., & Oladipo, O. (2020). Marketing innovation and performance of SMEs in Lagos State, Nigeria. *International Journal of Small Business Studies*, 9(2), 44–60.

Adewale, O. (2021). *Adoption of digital marketing in Nigerian SMEs*. International Journal of Entrepreneurship and Small Business, 14(3), 22–38.

Afolabi, O. A., & Lawal, M. K. (2019). Digital tools adoption and SME growth: Evidence from Nigeria. *African Journal of Management Studies*, 5(1), 21–36.

Akinyele, S. T. (2019). *Digital marketing and SME performance in Nigeria*. International Journal of Marketing Studies, 11(2), 56–68.

Babbie, E. (2016). *The practice of social research* (14th ed.). Cengage Learning.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.

Bassey, E., & Umeh, O. (2020). Relationship marketing and customer loyalty in Nigerian SMEs. *Journal of African Business*, 21(4), 512–529.

Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing* (7th ed.). Pearson.

Chukwu, K. C. (2019). Marketing innovation and business performance of SMEs in Nigeria. *African Journal of Business and Technology*, 5(1), 15–29.

Eze, S. (2020). Digital marketing adoption and business performance of SMEs in Nigeria. *International Journal of Marketing Studies*, 12(3), 45–57.

Eze, T., & Okafor, F. (2021). The role of branding strategies on SME competitiveness in Nigeria. *Journal of Marketing and Management*, 12(3), 67–81.

Grant, R. M. (2019). *Contemporary strategy analysis* (10th ed.). Wiley.

Grönroos, C. (1994). From marketing mix to relationship marketing: Towards a paradigm shift in marketing. *Management Decision*, 32(2), 4–20.

Ifeanyi, K., & Chukwuma, O. (2020). Service innovation as a driver of SME performance in southeastern Nigeria. *Journal of Entrepreneurship and Innovation Management*, 8(2), 40–58.

Keller, K. L. (2013). *Strategic brand management* (4th ed.). Pearson.

Kothari, C. R. (2014). *Research methodology: Methods and techniques* (3rd ed.). New Age International.

Kotler, P., & Keller, K. L. (2020). *Marketing management* (16th ed.). Pearson.

Nwosu, E. (2018). Innovation in marketing as a determinant of SME competitiveness in Nigeria. *Journal of Entrepreneurship and Innovation*, 6(2), 23–37.

Obaji, M. (2019). Marketing innovation and firm competitiveness in emerging economies. *African Journal of Entrepreneurship*, 8(2), 88–101.

OECD. (2018). *Oslo manual: Guidelines for collecting, reporting and using data on innovation* (4th ed.). OECD Publishing.

Ogundele, O. J., & Adeyemi, A. (2019). Marketing strategies and performance of SMEs in Nigeria. *African Journal of Business Management*, 13(7), 214–226.

Ogunleye, T. (2020). Challenges and prospects of marketing innovation among SMEs in Nigeria. *Journal of Small Business and Entrepreneurship Development*, 7(1), 41–55.

Okeke, P., & Nwankwo, C. (2020). Impact of innovative marketing strategies on SME growth in southeastern Nigeria. *International Journal of Business and Management Research*, 8(3), 14–28.

Okonkwo, P., & Nnamdi, C. (2021). Digital marketing adoption and SMEs' competitive advantage: Evidence from Nigeria. *International Journal of Business Research*, 11(1), 55–70.

Onyema, E., & Chukwu, A. (2018). Marketing model innovation and firm growth in emerging markets. *African Journal of Entrepreneurship*, 6(1), 12–28.

Ostrom, A. L., Bitner, M. J., Brown, S. W., Burkhard, K. A., Goul, M., Smith-Daniels, V., Demirkan, H., & Rabinovich, E. (2010). Moving forward and making a difference: Research priorities for the science of service. *Journal of Service Research*, 13(1), 4–36.

Schumpeter, J. A. (1934). *The theory of economic development*. Harvard University Press.

Teece, D. J. (2010). Business models, business strategy and innovation. *Long Range Planning*, 43(2–3), 172–194.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533.

Uche, C., & Ogbuji, P. (2022). Challenges of big data analytics adoption among Nigerian SMEs. *Journal of Information Technology and Business*, 10(2), 33–50.

World Bank. (2021). *Small and medium enterprises (SMEs) finance: Improving access to finance for SMEs in Nigeria*. World Bank Group Report. https://www.worldbank.org/en/country/nigeria.