

Impact of Innovation on Market Share of Small and Medium Enterprises (SMEs) in Abuja

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Abstract: *This study investigates the impact of innovation encompassing product and service innovation (PSI), process innovation (PI), and marketing innovation (MI) on the market share of small and medium-sized enterprises (SMEs) in Abuja, Nigeria. Using a cross-sectional survey of 347 SMEs and applying multiple regression analysis, the results reveal that PSI and PI significantly enhance market share, with PSI emerging as the strongest driver. A one-unit increase in PSI leads to a 0.637-unit increase in market share, while PI contributes a 0.305-unit increase. In contrast, MI does not have a statistically significant standalone effect on market share, suggesting its role as a complementary strategy. These findings underscore the critical importance of innovation for SME competitiveness, highlighting the need for Abuja-based SMEs to prioritise product and process innovations while leveraging marketing strategies as supportive tools. The study contributes to the understanding of how innovation strategies can be tailored to the unique socio-economic context of Abuja to sustain growth and market competitiveness.*

Keywords: innovation, SMEs, market share, product and service innovation, process innovation, marketing innovation

INTRODUCTION

Small and medium-sized enterprises (SMEs) are the backbone of economic development in many countries, including Nigeria, where they account for over 48% of the nation's GDP and 84% of employment (Oyelaran-Oyeyinka, 2022; Adebisi et al., 2023). In Abuja, Nigeria's capital, SMEs are pivotal in creating jobs, fostering innovation, and enhancing the resilience of the economy in a rapidly urbanising environment. However, the increasing complexity of market dynamics, globalisation, and resource constraints necessitate that SMEs adopt innovative strategies to remain competitive and expand their market share. Innovation, encompassing product, process, and marketing dimensions, is widely recognised as a key driver of competitive advantage and market performance (Tavassoli & Karlsson, 2016; Agyapong et

Publication of the European Centre for Research Training and Development UK al., 2021). Yet, the specific impact of innovation on the market share of SMEs in Abuja remains underexplored, revealing critical research gaps.

Innovation enables SMEs to adapt to changing consumer preferences, optimise operations, and communicate value effectively. Product and service innovation allow firms to introduce new or improved offerings that cater to customer needs, enhancing differentiation and market positioning (Drucker, 1985; Martinez-Roman et al., 2022). Process innovation improves operational efficiency and cost management, critical for SMEs operating in resource-constrained environments like Abuja (Damanpour, 1991; Agwu, 2022). Marketing innovation, which involves creative branding, customer engagement, and the use of digital platforms, enhances visibility and customer loyalty (Kotler & Keller, 2016; Kamran et al., 2023). Each of these dimensions of innovation has been empirically linked to market performance in various contexts, though their specific interactions in Abuja's unique socio-economic landscape remain insufficiently examined.

A growing body of research highlights the positive correlation between innovation and market share. Studies such as Aghion et al. (2005) and Tavassoli and Karlsson (2016) demonstrate that Product innovation enhances customer retention and expands market reach by addressing evolving consumer needs. Process innovation, on the other hand, has been shown to drive operational agility, enabling firms to respond effectively to market fluctuations (Pavitt, 1984; Schilke, 2014). In the realm of marketing innovation, empirical evidence indicates that businesses adopting novel customer engagement strategies achieve greater brand loyalty and market penetration (Naidoo, 2010; Isichei et al., 2021).

In developing economies, innovation's role becomes even more critical due to the heightened challenges SMEs face, including limited infrastructure, access to capital, and skilled labour. For example, Radas and Božić (2009) observed that process innovation significantly enhances competitiveness among SMEs in emerging markets. Similarly, Osei et al. (2021) found that marketing innovation was a primary factor in expanding market share for SMEs in Sub-Saharan Africa. However, these findings do not adequately address Abuja's unique context, where socio-economic diversity and infrastructural limitations demand tailored innovative solutions. Despite the extensive research on innovation's impact on business performance, critical gaps persist in understanding its role in Abuja's SME ecosystem. First, the majority of studies focus on developed economies, where institutional support and resource availability differ markedly from the conditions in Abuja (Freel, 2000; Muller et al., 2005). For instance, while global studies highlight the general benefits of innovation, they often fail to address the nuanced challenges faced by SMEs in Abuja, such as regulatory bottlenecks, infrastructural deficits, and cultural dynamics (Abiodun & Mahmood, 2023).

Existing Nigerian studies, such as Obembe et al. (2014) and Okpara (2011), examine innovation in broad terms but rarely focus on its specific impact on market share. Furthermore, these studies often neglect the interplay of product, process, and marketing innovations, treating these dimensions in isolation rather than as interdependent strategies (Adebisi et al., 2023). This fragmented approach limits the applicability of findings to real-world business practices in Abuja. There is a dearth of empirical studies linking innovation to measurable

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market outcomes, such as revenue growth, customer base expansion, and competitive positioning, within the Abuja context. While studies like Kamran et al. (2023) and Isichei et al. (2021) explore innovation in Nigerian SMEs, they often overlook the dynamic market conditions and cultural diversity unique to Abuja, leaving a significant knowledge gap.

This study seeks to bridge the identified gaps by investigating the specific impact of product and service innovation, process innovation, and marketing innovation on the market share of SMEs in Abuja. By integrating empirical insights with Abuja's socio-economic and cultural context, the research aims to provide actionable recommendations for SME owners, policymakers, and other stakeholders. Specifically, the study seeks to:

- i. Examine the effect of Product and Service Innovation on market share of SMEs in Abuja.
- ii. Determine the effect of Process Innovation on market share of SMEs in Abuja.
- iii. Assess the effect of Marketing Innovation on market share of SMEs in Abuja.

In alignment with the study's objectives, the following null hypotheses are proposed:

H0₁: Product and Service Innovation has no significant effect on on market share of SMEs in Abuja.

H0₂: Process Innovation has no significant effect on on market share of SMEs in Abuja.

H0₃: Marketing Innovation has no significant effect on on market share of SMEs in Abuja.

LITERATURE REVIEW

Conceptual Clarification

Innovation in SMEs

Innovation is a critical factor in determining the success and sustainability of small and medium-sized enterprises (SMEs). It encompasses the generation, development, and application of ideas that result in new products, services, or processes, which drive business competitiveness and market performance. This study focuses on three dimensions of innovation: product and service innovation, process innovation, and marketing innovation. Each of these dimensions plays a pivotal role in shaping the market share of SMEs, particularly within dynamic and competitive environments like Abuja.

Product and Service Innovation

Product and service innovation refers to the introduction of new or significantly improved goods and services designed to meet changing customer needs and preferences. This type of innovation enables SMEs to differentiate themselves from competitors by offering unique value propositions (Tavassoli & Karlsson, 2016; Kamran et al., 2023). In the context of Abuja, where consumer preferences are shaped by socio-cultural diversity and increasing urbanisation, product innovation is crucial for capturing and retaining market share. Studies suggest that businesses investing in product innovation experience greater customer satisfaction, loyalty, and revenue growth (Isichei et al., 2021; Martinez-Roman et al., 2022). For this study, product

Publication of the European Centre for Research Training and Development UK and service innovation is conceptualised as a driver of competitive advantage, enabling SMEs to enhance customer satisfaction and market positioning.

Process Innovation

Process innovation involves the adoption of improved production methods, workflows, or operational practices that enhance efficiency, reduce costs, and improve service delivery. In resource-constrained environments such as Abuja, process innovation is essential for SMEs to remain competitive and resilient (Damanpour, 1991; Agyapong et al., 2021). By streamlining processes and integrating technology, SMEs can optimise resource utilisation and achieve operational excellence. Empirical studies have demonstrated a strong link between process innovation and business performance, particularly in terms of cost savings and productivity (Teece et al., 1997; Agwu, 2022). This study operationalises process innovation as a strategic approach to improving operational efficiency and fostering sustainable market growth for SMEs.

Marketing Innovation

Marketing innovation refers to the development and application of new marketing strategies, including branding, customer engagement, and promotional techniques. This dimension of innovation is critical for SMEs aiming to build strong customer relationships and enhance brand visibility in competitive markets (Kotler & Keller, 2016; Naidoo, 2010). In Abuja, where digital technologies and social media have transformed consumer behaviour, marketing innovation enables SMEs to reach wider audiences and adapt to evolving market trends (Osei et al., 2021; Kamran et al., 2023). Research highlights that SMEs leveraging marketing innovation are more likely to achieve customer loyalty and market penetration, contributing to sustained growth (Isichei et al., 2021). For this study, marketing innovation is examined as a key determinant of SME success in the Abuja market.

Market Share

Market share refers to the proportion of a market controlled by a particular firm, often used as a key performance indicator for measuring competitiveness and growth. For SMEs, maintaining and expanding market share requires a combination of strategic initiatives, with innovation being at the forefront (Tavassoli & Karlsson, 2016; Adebisi et al., 2023). In Abuja, where SMEs operate within a rapidly evolving and competitive environment, market share is influenced by their ability to adapt to market dynamics through innovative practices.

Theoretical Framework

This study adopts the Resource-Based View (RBV) and Dynamic Capabilities Theory to explore the relationship between innovation and the market share of SMEs in Abuja. These theories, proposed by Barney (1991), Wernerfelt (1984), Teece, Pisano, and Shuen (1997), and Eisenhardt and Martin (2000), provide a robust foundation for understanding how internal resources and adaptability drive competitive advantage and market performance.

The Resource-Based View (RBV) posits that firms achieve competitive advantage by leveraging resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Innovation—encompassing product, process, and marketing innovation—meets these criteria by enabling firms to differentiate themselves in competitive markets. Product and service

innovation allows SMEs to offer unique, customer-focused solutions, increasing brand loyalty and market penetration (Tavassoli & Karlsson, 2016; Kamran et al., 2023). Process innovation improves efficiency and cost management, enabling SMEs to optimise operations and maintain profitability despite resource constraints (Damanpour, 1991; Agwu, 2022). Marketing innovation fosters strong customer relationships and enhances brand visibility, crucial for market growth in dynamic environments like Abuja (Naidoo, 2010; Isichei et al., 2021).

The Dynamic Capabilities Theory complements RBV by emphasising the ability of firms to adapt, integrate, and reconfigure resources in response to changing environments. This adaptability is critical for SMEs in Abuja, where market conditions are volatile and resource limitations are prevalent. Product and service innovation reflects an SME's ability to align offerings with evolving customer preferences (Martinez-Roman et al., 2022; Maqsoom et al., 2022). Process innovation enables SMEs to integrate new technologies and streamline workflows, ensuring competitiveness (Teece et al., 1997; Agyapong et al., 2021). Marketing innovation demonstrates the capacity to adopt creative customer engagement strategies, leveraging digital platforms for wider market reach and visibility (Osei et al., 2021; Kamran et al., 2023).

By combining these theories, this study provides a comprehensive framework for understanding how SMEs in Abuja can leverage innovation to sustain competitive advantage and expand their market share. RBV highlights the strategic importance of innovation as a resource, while Dynamic Capabilities Theory underscores the necessity of continuous adaptation to dynamic market conditions. Together, these frameworks align with the study's objectives and contribute to advancing knowledge on SME performance, offering actionable insights for fostering innovation-driven growth in Abuja's competitive business environment.

Empirical Review

The relationship between innovation and market share has been a subject of extensive empirical research across various organisational contexts. Product and service innovation has been widely recognised as a key driver of competitiveness and market share for SMEs. Tavassoli and Karlsson (2016) demonstrated that firms adopting product innovation achieve superior differentiation, customer loyalty, and revenue growth. Similarly, Kamran et al. (2023) emphasised that product innovation allows SMEs to address diverse consumer needs, particularly in competitive and resource-constrained markets. In Sub-Saharan Africa, Osei et al. (2021) found that SMEs leveraging innovative product offerings were more likely to expand their market share despite infrastructural and financial limitations. However, while these studies provide valuable insights, they often fail to consider the unique socio-economic dynamics of Abuja, such as cultural diversity and urbanisation, which shape consumer preferences.

Process innovation, which involves improving workflows, production methods, and operational efficiencies, is another critical factor influencing market share. Damanpour (1991) highlighted that firms engaging in process innovation achieve enhanced cost management and productivity, translating into competitive advantages. Agwu (2022) further demonstrated that SMEs in Nigeria implementing process innovations experienced reduced operational costs and increased service quality, which improved their market positioning. However, Radas and Božić

Publication of the European Centre for Research Training and Development UK (2009) noted that process innovation's effectiveness in emerging markets is often constrained by limited access to advanced technologies and skilled labour. In Abuja, the specific challenges and opportunities associated with process innovation remain underexplored, representing a gap in understanding its role in sustaining SME competitiveness.

Marketing innovation has been empirically linked to enhanced brand visibility, customer engagement, and market penetration. Naidoo (2010) found that SMEs adopting innovative marketing strategies, such as digital platforms and social media campaigns, achieved significant market share growth. Similarly, Isichei et al. (2021) demonstrated that marketing innovation drives customer loyalty by fostering personalised and meaningful interactions. In Abuja, Osei et al. (2021) highlighted the importance of marketing innovation in connecting with diverse and digitally active consumer segments. However, these studies often generalise findings, overlooking how local cultural factors, consumer behaviour, and economic conditions influence the success of marketing innovations.

While existing literature underscores the positive impact of innovation on SME market performance, several empirical gaps persist. First, the majority of studies focus on developed economies, where institutional support and resource availability differ significantly from Abuja's context (Freel, 2000; Muller et al., 2005). Second, studies such as Obembe et al. (2014) and Okpara (2011) explore innovation among Nigerian SMEs but fail to provide detailed insights into its effects on market share within Abuja's dynamic business environment. Third, there is limited empirical evidence on how the interplay of product, process, and marketing innovations drives market performance in Abuja, where regulatory challenges and infrastructural limitations create unique barriers and opportunities.

The reviewed studies highlight the need for research tailored to the specific socio-economic and cultural dynamics of Abuja. For instance, Kamran et al. (2023) and Agwu (2022) call for a deeper exploration of how SMEs can optimise innovation strategies to navigate local challenges, such as resource constraints and regulatory hurdles. Furthermore, Osei et al. (2021) and Isichei et al. (2021) emphasise the importance of leveraging digital tools and creative marketing techniques to engage Abuja's diverse consumer base. Addressing these empirical gaps will provide actionable insights for SMEs, enabling them to harness innovation effectively to sustain market growth and competitiveness.

By synthesising global and local perspectives, this empirical review underscores the critical role of innovation in shaping SME market performance. However, it also identifies significant gaps in understanding how innovation strategies can be tailored to Abuja's unique context, providing a foundation for further research and practical interventions.

METHODOLOGY

This study adopted a cross-sectional survey design to investigate the impact of innovation on the market share of SMEs in Abuja. This design facilitated the collection of data at a single point in time, allowing the analysis of relationships between the independent variables (product and service innovation, process innovation, and marketing innovation) and the dependent

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variable (market share). The cross-sectional approach was particularly suited for examining the dynamic economic environment in Abuja, where innovation plays a critical role in market competitiveness. The target population comprised SMEs operating within Abuja, estimated at approximately 5,690 firms, as reported by the Abuja Chamber of Commerce and Industry (Ibrahim & Akyuz, 2020). These SMEs represented diverse sectors, including retail, manufacturing, technology, and construction. The study used a stratified random sampling method to ensure that all major industry sectors were proportionately represented. Based on Taro Yamane's formula, the sample size was determined to be 374 SMEs, providing a 95% confidence level with a 5% margin of error. This sampling method ensured the robustness and representativeness of the study. Primary data were collected using a structured questionnaire administered to SME owners and managers. The questionnaire was divided into sections that aligned with the study's variables. Both physical and electronic distribution methods were employed to accommodate respondents' preferences and ensure higher response rates.

Model Specification

The relationship between innovation and market share was expressed using the following multiple regression model:

$$MS = \beta_0 + \beta_1(PSI) + \beta_2(PI) + \beta_3(MI) + \epsilon$$

Where:

MS: Market Share (dependent variable); **PSI:** Product and Service Innovation (independent variable); **PI:** Process Innovation (independent variable); **MI:** Marketing Innovation (independent variable); **β_0 :** Intercept; **β_1 , β_2 , β_3 :** Coefficients representing the effect of each independent variable; **ϵ :** Error term

Variables and Measurement Instruments

The study examined three independent variables product and service innovation, process innovation, and marketing innovation and one dependent variable, market share. These variables were measured using validated scales adapted from existing literature:

Product and Service Innovation (PSI): This variable measured the extent to which firms introduced new or significantly improved products and services. The measurement items were adapted from the Oslo Manual (OECD, 2005) and further refined by Tavassoli and Karlsson (2016). The scale included statements such as, "Our firm frequently introduces new or significantly improved products to meet customer demands."

Process Innovation (PI): This variable captured improvements in production methods, workflows, and operational efficiency. Measurement items were adapted from the studies of Damanpour (1991) and Radas and Božić (2009). Sample items included, "Our firm has recently implemented technologies that improve production efficiency."

Marketing Innovation (MI): Marketing innovation assessed the adoption of creative marketing strategies and tools. Items were adapted from Naidoo (2010) and Isichei et al. (2021). Examples included, "Our firm uses innovative digital platforms to enhance customer engagement and loyalty."

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Market Share (MS): The dependent variable was operationalised using indicators such as customer base growth, revenue performance, and competitive positioning. These measures were adapted from the Organizational Performance Index developed by Campbell (1990) and validated in the context of SME performance by Martinez-Roman et al. (2022).

Each variable was measured on a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), allowing for the quantification of respondents' perceptions.

DATA ANALYSIS AND PRESENTATION

Out of the 374 questionnaires administered, 347 were duly returned, yielding a return rate of 92.8%.

Table 1 Descriptive Statistics

	N	Mean	Std. Deviation	Variance	Skewness	Std. Error	Kurtosis	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
MS	347	2.0173	1.26525	1.601	1.104	.131	.026	.261
PSI	347	2.0749	1.33435	1.780	1.022	.131	-.278	.261
PI	347	1.9366	1.34358	1.805	1.267	.131	.149	.261
MI	347	2.4121	1.32350	1.752	.594	.131	-.863	.261
Valid (listwise)	N 347							

SOURCE: SPSS, 2024

The descriptive statistics in Table 1 provide valuable insights into the variables under study: Market Share (MS), Product and Service Innovation (PSI), Process Innovation (PI), and Marketing Innovation (MI). The mean values indicate that SMEs in Abuja moderately utilise innovation strategies to enhance their market share. Marketing Innovation (MI) has the highest mean score (2.4121), reflecting a relatively stronger emphasis on innovative marketing practices, while Process Innovation (PI) has the lowest mean (1.9366), suggesting it is the least prioritised among the innovation dimensions. This disparity highlights uneven adoption of innovation strategies across SMEs.

The standard deviations and variances show moderate variability in responses across all variables, with Process Innovation (PI) exhibiting the highest variance (1.805). This indicates that SMEs differ significantly in their application of process innovations, likely due to resource constraints or varying levels of organisational capability. On the other hand, Marketing Innovation (MI) demonstrates a relatively more consistent pattern of adoption.

The skewness values suggest that Market Share (MS), Product and Service Innovation (PSI), and Process Innovation (PI) are positively skewed, with most SMEs reporting lower scores, reflecting limited success or focus in these areas. Marketing Innovation (MI), with a skewness value closer to zero, indicates a more balanced distribution of responses. Kurtosis values show

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that the distributions for most variables are either slightly peaked (MS and PI) or flatter (PSI and MI), pointing to variations in response patterns.

Overall, the data reveal that SMEs in Abuja place a stronger focus on marketing innovation compared to product/service and process innovations. This imbalance suggests a need for greater emphasis on holistic innovation strategies, particularly in operational processes and product development, to enhance market competitiveness and drive market share growth.

Table 2 Correlations

		MS	PSI	PI	MI
MS	Pearson Correlation	1	.931**	.858**	.498**
	Sig. (2-tailed)		.000	.000	.000
	N	347	347	347	347
PSI	Pearson Correlation	.931**	1	.783**	.426**
	Sig. (2-tailed)	.000		.000	.000
	N	347	347	347	347
PI	Pearson Correlation	.858**	.783**	1	.614**
	Sig. (2-tailed)	.000	.000		.000
	N	347	347	347	347
MI	Pearson Correlation	.498**	.426**	.614**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	347	347	347	347

** . Correlation is significant at the 0.01 level (2-tailed).

SOURCE: SPSS, 2024

The correlation matrix in Table 2 highlights the relationships between Market Share (MS) and the three innovation dimensions: Product and Service Innovation (PSI), Process Innovation (PI), and Marketing Innovation (MI). All correlations are statistically significant at the 0.01 level, indicating robust and meaningful relationships between these variables.

Market Share (MS) has a very strong positive correlation with Product and Service Innovation (PSI) ($r = 0.931$, $p < 0.01$). This suggests that SMEs in Abuja that invest in innovative products and services are highly likely to achieve increased market share. Similarly, there is a strong positive correlation between MS and Process Innovation (PI) ($r = 0.858$, $p < 0.01$), highlighting the critical role of operational efficiency and process optimisation in driving market performance. However, Marketing Innovation (MI) demonstrates a more moderate correlation with MS ($r = 0.498$, $p < 0.01$). While marketing innovations contribute to market share, they appear less influential compared to product and process innovations.

The interrelationships among the innovation variables provide additional insights into SME innovation strategies. Product and Service Innovation (PSI) and Process Innovation (PI) exhibit a strong positive correlation ($r = 0.783$, $p < 0.01$), suggesting that firms excelling in product innovation often complement these efforts with process optimisation. Process Innovation (PI) and Marketing Innovation (MI) show a moderate correlation ($r = 0.614$, $p < 0.01$), reflecting

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some overlap in operational and marketing strategies. In contrast, PSI and MI are weakly correlated ($r = 0.426$, $p < 0.01$), indicating that product and service innovations do not strongly align with marketing innovations.

These findings underscore that Product and Service Innovation (PSI) and Process Innovation (PI) are the most critical drivers of market share for SMEs in Abuja. Their strong correlations with market share suggest they should be prioritised to enhance competitive positioning. While Marketing Innovation (MI) is positively correlated with market share, its relatively weaker association implies that marketing innovations should act as a complement rather than a substitute for product and process innovations. Furthermore, the interconnectedness of the innovation variables highlights the importance of adopting integrated innovation strategies to achieve maximum market impact.

Table 3 Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. Change	F
1	.953 ^a	.909	.908	.38347	.909	1141.263	3	343	.000	1.503

a. Predictors: (Constant), MI, PSI, PI

b. Dependent Variable: MS

SOURCE: SPSS, 2024

Table 3 provides critical insights into the relationship between the predictors (Marketing Innovation (MI), Product and Service Innovation (PSI), and Process Innovation (PI)) and the dependent variable (Market Share (MS)). The results reaffirm the strength and significance of the regression model.

The R value of 0.953 reflects a very strong positive correlation between the predictors and market share, indicating that innovation dimensions collectively have a substantial impact on market performance. The R Square value of 0.909 demonstrates that 90.9% of the variance in market share is explained by the predictors. This high explanatory power highlights the importance of innovation as a key driver of SMEs' success in Abuja. The Adjusted R Square value of 0.908 further supports the robustness of the model, confirming that the predictors' contributions remain significant even after adjusting for the number of variables.

The Standard Error of the Estimate, recorded at 0.38347, suggests high precision in the model's predictions, with the actual market share data aligning closely with the predicted values. The Change Statistics, specifically the R Square Change of 0.909 and the highly significant F Change (1141.263, $p < 0.01$), reinforce the collective strength of the predictors in explaining market share variance.

The updated Durbin-Watson statistic of 1.503 falls within the acceptable range (1.5–2.5), indicating minimal autocorrelation in the residuals. This improvement confirms the reliability

Publication of the European Centre for Research Training and Development UK of the regression model and ensures that the results are not influenced by dependency in the error terms.

The regression model is robust and highly effective in explaining the relationship between innovation dimensions and market share for SMEs in Abuja. The predictors collectively account for over 90% of the variance in market share, with strong statistical significance and minimal autocorrelation concerns. This underscores the critical role of marketing, product/service, and process innovations in driving market performance and offers actionable insights for SMEs seeking competitive advantage through innovation.

Table 4 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	503.459	3	167.820	1141.263	.000 ^b
	Residual	50.437	343	.147		
	Total	553.896	346			

a. Dependent Variable: MS

b. Predictors: (Constant), MI, PSI, PI

SOURCE: SPSS, 2024

The ANOVA table 4 provides an evaluation of the overall significance of the regression model used to examine the impact of the predictors (Marketing Innovation (MI), Product and Service Innovation (PSI), and Process Innovation (PI)) on the dependent variable, Market Share (MS). The Regression Sum of Squares (503.459) accounts for the majority of the Total Sum of Squares (553.896), indicating that the model explains a substantial portion of the variability in market share. The Residual Sum of Squares (50.437) represents the unexplained variation, which is relatively small compared to the regression sum, further confirming the model's strong explanatory power.

The Mean Square for the regression is 167.820, while the residual mean square is 0.147, reflecting a clear distinction between explained and unexplained variance. The F-statistic (1141.263, $p < 0.001$) is highly significant, demonstrating that the predictors collectively have a meaningful impact on market share. This high F-value indicates that the model performs significantly better than a model with no predictors.

Table 5 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.076	.047		1.617	.107
PSI	.637	.025	.671	25.473	.000
PI	.305	.028	.324	10.718	.000
MI	.012	.020	.013	.623	.534

a. Dependent Variable: MS

SOURCE: SPSS, 2024

The coefficients table 5 reveals the relative contributions of the predictors (Product and Service Innovation (PSI), Process Innovation (PI), and Marketing Innovation (MI)) to the dependent variable, Market Share (MS). The constant value ($B = 0.076$, $p = 0.107$) is not statistically significant, indicating that market share cannot be reliably predicted without incorporating the innovation variables, emphasising their importance.

Product and Service Innovation (PSI) emerges as the strongest predictor of market share, with an unstandardized coefficient ($B = 0.637$, $p < 0.001$) and the highest standardized coefficient (Beta = 0.671). This shows that a one-unit increase in PSI leads to a 0.637-unit increase in market share, making it the most impactful factor. This underscores the importance of innovative product and service offerings for SMEs aiming to enhance their market position.

Process Innovation (PI) also plays a significant role, with an unstandardized coefficient ($B = 0.305$, $p < 0.001$) and a standardized coefficient (Beta = 0.324). While its contribution is smaller than PSI, it remains a crucial driver, highlighting the value of operational efficiency and process improvements in enhancing market performance.

In contrast, Marketing Innovation (MI) does not show a statistically significant impact on market share ($B = 0.012$, $p = 0.534$), with a minimal standardized coefficient (Beta = 0.013). This suggests that marketing innovation has a limited standalone effect when product and process innovations are accounted for.

Test of Hypotheses

The hypotheses were tested based on the coefficients from Table 5, evaluating the effects of Product and Service Innovation (PSI), Process Innovation (PI), and Marketing Innovation (MI) on Market Share (MS). Each hypothesis was assessed for statistical significance and effect size, and the results provided clear insights into the relationships between the variables.

For H_{01} , which posited that Product and Service Innovation has no significant effect on market share, the findings strongly refute this claim. The unstandardized coefficient for PSI ($B = 0.637$) is highly significant ($p < 0.001$), and the standardized coefficient (Beta = 0.671) indicates that PSI is the strongest predictor of market share. This means that a one-unit increase in PSI leads to a 0.637-unit increase in market share, holding other factors constant. Consequently, H_{01} is rejected, confirming that Product and Service Innovation has a significant and positive impact on market share. This underscores the importance of innovative product and service offerings in enhancing SMEs' competitiveness and market performance.

For H_{02} , which stated that Process Innovation has no significant effect on market share, the results again show a significant positive relationship. The unstandardized coefficient for PI is $B = 0.305$ ($p < 0.001$), and the standardized coefficient (Beta = 0.324) reflects its substantial contribution. A one-unit increase in PI results in a 0.305-unit increase in market share, showing that process optimisation plays a critical role in improving operational efficiency and driving market performance. Based on these findings, H_{02} is rejected, affirming the significant impact of Process Innovation.

In contrast, H₀₃, which hypothesised that Marketing Innovation has no significant effect on market share, could not be rejected. The unstandardized coefficient for MI is $B = 0.012$, and the p-value ($p = 0.534$) indicates that the relationship is not statistically significant. The standardized coefficient ($Beta = 0.013$) is minimal, suggesting that Marketing Innovation does not independently drive changes in market share when PSI and PI are accounted for. Therefore, H₀₃ is not rejected, implying that marketing innovation may act as a complementary strategy rather than a primary driver of market share growth.

DISCUSSION OF FINDINGS

The findings of this study provide critical insights into the relationship between innovation dimensions Product and Service Innovation (PSI), Process Innovation (PI), and Marketing Innovation (MI) and their impact on the market share of SMEs in Abuja. Grounded in empirical and theoretical frameworks, the results not only validate existing literature but also address key gaps by contextualising innovation strategies within Abuja's socio-economic landscape.

The study identifies Product and Service Innovation as the most significant driver of market share, with a highly substantial unstandardized coefficient ($B = 0.637$) and the strongest standardized coefficient ($Beta = 0.671$). This finding is consistent with the theoretical perspectives of Tavassoli and Karlsson (2016), who posited that product innovation enhances differentiation, customer retention, and market competitiveness. Similarly, empirical studies by Kamran et al. (2023) and Osei et al. (2021) affirm that innovative product offerings enable SMEs to address diverse customer needs and overcome resource constraints, particularly in competitive markets like Abuja.

The results emphasise that SMEs prioritising product and service innovation can achieve greater customer loyalty and market positioning, even amidst infrastructural and regulatory challenges. By leveraging innovative offerings tailored to Abuja's unique socio-economic dynamics, SMEs can expand their customer base and build resilience in a rapidly urbanising environment. This underscores the need for SMEs to invest in continuous product development, customisation, and value creation to sustain competitive advantage.

Process Innovation also emerges as a significant contributor to market share, with an unstandardized coefficient ($B = 0.305$) and a standardized coefficient ($Beta = 0.324$). This finding aligns with Damanpour's (1991) and Agwu's (2022) observations that process innovations enhance cost efficiency, productivity, and service quality. The study reinforces the importance of operational improvements in resource-constrained settings like Abuja, where cost management and efficiency are critical for SME survival.

The moderate effect of process innovation, relative to PSI, suggests that while operational efficiency is crucial, its direct impact on market share is less pronounced than product differentiation. However, the interplay between PSI and PI could amplify the overall impact of innovation, highlighting the value of integrating innovative products with efficient delivery mechanisms. For SMEs in Abuja, focusing on streamlining workflows, optimising production,

Publication of the European Centre for Research Training and Development UK and leveraging technology will not only reduce costs but also enhance their capacity to meet market demands effectively.

Contrary to expectations, Marketing Innovation does not exhibit a statistically significant impact on market share ($B = 0.012$, $p = 0.534$). This finding diverges from studies such as Naidoo (2010) and Isichei et al. (2021), which emphasised the role of innovative marketing strategies in driving customer engagement and brand visibility. While marketing innovation contributes to customer loyalty and digital engagement, its standalone effect appears limited when compared to product and process innovations.

This outcome may reflect the unique socio-cultural and economic dynamics of Abuja, where traditional marketing methods might still dominate consumer preferences, and the adoption of advanced marketing technologies may face barriers such as digital literacy and infrastructure limitations. Moreover, the results suggest that marketing innovation acts as a complementary strategy, enhancing the effectiveness of product and process innovations rather than serving as an independent driver of market performance.

Theoretical and Practical Implications

The findings align with the resource-based view (RBV), which highlights the importance of leveraging firm-specific capabilities such as product and process innovation to achieve sustained competitive advantage. The significant impact of PSI and PI supports the theory that innovation-driven differentiation and efficiency are critical for market performance. However, the limited standalone effect of MI underscores the need for a more integrated approach, where marketing strategies amplify the benefits of product and process innovations.

For SMEs in Abuja, these findings provide actionable insights. Business owners should prioritise investments in product and process innovations, ensuring that offerings are both differentiated and efficiently delivered to consumers. Policymakers should also focus on creating an enabling environment for innovation, addressing challenges such as regulatory bottlenecks, infrastructure deficits, and limited access to finance. Additionally, targeted training programs on digital tools and marketing strategies could help SMEs leverage marketing innovation as a supporting mechanism to enhance the impact of their core innovations.

SMEs in Abuja should prioritise Product and Service Innovation (PSI), which has the strongest impact on market share, followed by Process Innovation (PI) to enhance operational efficiency and cost management. While Marketing Innovation (MI) does not independently drive market share, it should be integrated as a complementary strategy to amplify the effects of PSI and PI. A balanced approach combining these innovations, tailored to Abuja's local socio-economic dynamics, will maximise market competitiveness and performance.

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