
Moderating effect of Entrepreneurial Orientation on the Relationship between Strategic Marketing Innovation and Sustainable Competitive Advantage of SMEs in Northwest Nigeria

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Abstract

The primary aim of this study is to investigate how strategic marketing innovation influences the sustainable competitive advantage of SMEs in Northwest Nigeria, with a focus on the moderating effect of entrepreneurial orientation. The study adopted cross-sectional survey research design with data collected at a single point in time. The population of the study consists of 4661 registered SMEs in Northwest Nigeria. A sample size of 368 SMEs was used to represent the entire population, through Yamane formula. The results suggest that only two of the three strategic market innovation measures (i.e. distribution innovation and product innovation) have positive effect on SMEs sustainable competitive advantage, while price innovation has insignificant effect on SMEs sustainable competitive advantage. Furthermore, entrepreneurial orientation has a positive significant effect on SMEs sustainable competitive advantage. Accordingly, the present study demonstrates that entrepreneurial orientation has moderating effect on the relationship between strategic market innovation (i.e. price innovation) and SMEs sustainable competitive advantage. It is therefore recommended that the managers need to be well orientated in anticipating and addressing customer needs and preferences while reviewing and implementing their innovative price.

Keywords: SMEs Sustainability; Product Innovation; Price Innovation; Distribution Innovation.

1. Introduction

Sustainable competitive advantage (SCA) is significant for organizations to grow and dominate competitors over the long period (Du et al., 2024; Nwaizugbo et al., 2019). In contemporary highly competitive environment, firms are no longer satisfied with short-term benefits and are particularly focused on developing enduring competitive advantages (Rifqi et al., 2024). Competing strategies may trigger profitability and market share to regress to the mean over time, thus reducing the competitive edge of a company (Maury, 2017). It is important to note that Small and Medium Enterprises

(SMEs) play crucial roles in both developed and emerging economies, promoting employment and innovation (Gherghina et al., 2020; Mago & Modiba, 2022). They are recognized as the foundation of modern economies due to their important contributions to sustainable development and international economic growth through creating wealth, poverty eradication, employment creation, and food security (Ene et al., 2022; Makhmoor et al., 2023). SMEs account for up to 99% of all business activities worldwide, and an increasing number of SMEs indicates a

country's economic well-being (Buli, 2017).

Nonetheless, they face increasingly dynamic and fierce global competition (Nwaizugbo et al., 2019). Empirical evidence from the Central Bank of Nigeria (CBN, 2023), corroborated by the findings of Ilo, Soyebola, and Olowofela (2023), indicates that despite contributing an estimated 48 percent to Nigeria's Gross Domestic Product (GDP), the SMEs in the country remains suboptimal when benchmarked against their contribution in other emerging and developed economies, where SMEs typically account for a considerably larger share of GDP and employment. This is related with problems such as the difficulty to generate new business, product, markets, and price. In Nigeria, over 50 percent of SMEs fail within the first three years of operation (PwC, 2020). This statistic emphasizes the difficulty in maintaining a competitive advantage over time. Despite their agility and entrepreneurial zeal, they typically battle with limited resources, which hamper their ability to invest in research and development (R&D) and embrace cutting-edge technology (Nimfa et al., 2021).

In addition, they lack the potential to provide inventive and enhanced goods that match changing consumer demands (Olazo, 2022). The lack of product differentiation hinders their capacity to attract and keep clients, resulting in stagnation or reduction in market share. Without a robust product portfolio, SMEs struggle to differentiate themselves in a crowded market and effectively compete with larger, more established competitors (Olokundun et al., 2019). With Nigeria's volatile economic conditions, SMEs struggle to set competitive prices while remaining profitable (Galli-Debicella, 2021). The Naira's fluctuation, combined with inflationary pressures, complicates pricing tactics. Furthermore, Olorunleke et

al. (2020) noted that many SMEs in Nigeria lack the expertise, competitive pricing dynamics, and resources to successfully price their products, resulting in underpricing or overpricing concerns and undermining long-term viability.

In contrast, distribution channels are critical to SMEs' success since they ensure effective reach to target clients. However, many Nigerian SMEs struggle to build strong distribution networks that deliver items to clients on time and at a reasonable cost. Limited access to dependable transportation infrastructure, inefficient inventory management procedures, and ineffective channel partnerships prevent SMEs from increasing their market reach and client base (Falola, 2021; Olazo, 2022). Furthermore, businesses who can successfully implement strategic marketing innovation (SMI) are better positioned to fulfill Nigerian consumers' evolving requirements and expectations, increase customer loyalty, improve overall market performance, and maintain competition (Anigbogu et al., 2020; Eze & Okoye, 2018). Similarly, Davis (2021) stated that it is difficult, if not impossible, to replicate a SCA e because businesses with several SCA outperform their competitors by making higher profits. According to Olsen (2021), having a SCA makes it simpler to identify and exploit chances. Also, Ha et al. (2021) believe that a company can survive by obtaining a long-term CA if it continues to explore for new business opportunities and employs an Entrepreneurial Orientation (EO) to implement adaptive business processes in a changing environment. EO and SMI are critical for identifying company opportunities (Cao et al., 2021).

A number of scholars have advocated growth and competitiveness strategies for SMEs. To face the challenges of this new environment, small and medium-sized enterprises (SMEs) must first understand their market. Fatoki (2019) suggested that

in an increasingly uncertain business environment, small businesses may use innovative marketing to acquire and retain customers due to resource constraints. Furthermore, responding to the environment is vital, necessitating the usage of EO in achieving SCA. It has been related to SCA for businesses (Mariussen, 2020). Su and Jiang (2021) concluded that EO is a critical predictor of SCA in unstable environments. There is little study on the relationship between EO and SCA, particularly in emerging markets. As a result, there is a need to investigate the border conditions under which EO leads to SCA. For example, EO may be more effective in firms with high levels of innovation or in those operating in dynamic environments (Mariussen, 2020). Meanwhile, different results have emerged, with Egberi (2023), Mohammed and Sherien (2022), and Al-Hakimi et al. (2021) reporting that strategic marketing innovations have a significant effect on sustainable competitive advantage. Digdowiseiso et al.'s (2022) research found no significant interactions between them. Also, numerous authors used different methods of analysis, such as correlation (Egberi, 2023) and partial least squares (Muharam et al., 2020). Scholars have conducted studies in many locations, including Bandung (Allizia et al., 2022), South Korea (Amenuvor, 2021), and Jordan (Al-Refai et al., 2021). To the best of the researchers' knowledge, no analogous studies have been conducted in Nigeria, with the exception of one in the South-South region by (Egberi 2023), who examined the EO and SCA of SMEs in Nigeria's South-South geopolitical zone. Furthermore, previous studies focused on a few dimensions of innovation, such as strategy innovation (Nagwan et al., 2018), process innovation (Osaenwe, 2012), technological, market, and administrative innovation (Salim & Sulaiman, 2011; Ukpabio & Oyeibisi 2017), process and

market innovation (Abdulaziz & Alyaassin, 2013), process, marketing, and organizational innovation (Kiarie & Lewa, 2019; Hanène et al., 2015; Yahya, 2014; Gunday, 2010).

Notwithstanding the potential advantages associated with strategic marketing innovation, its impact on Nigerian SMEs' long-term competitive advantage is insufficiently understood. There is less empirical evidence to determine the direct and indirect relationship between strategic marketing innovation and a sustainable competitive edge for SMEs in Nigeria, particularly in the Northwest. The researcher could not locate any studies that examined the indirect association and the moderating influence of EO. Furthermore, as Brown and Lee (2019) indicated, future research can examine the indirect association between SMI and SCA utilizing a moderator. While Johnson and Smith (2017) stated that EO might be employed as an intervening variable in future studies. The preceding is a reason for this study to fill the contextual, empirical, and methodological gaps.

1.2 Objectives of the Study

The main objective of this study is to examine the moderating role of entrepreneurial orientation on the relationship between strategic marketing innovation and sustainable competitive advantage of SMEs in Northwest Nigeria. The specific objectives are to;

- i. Evaluate the effects of product innovation on sustainable competitive advantage of SMEs in Northwest Nigeria.
- ii. Investigate the effects of price innovation on sustainable competitive advantage of SMEs in Northwest Nigeria.
- iii. Examine the effects of distribution innovation on sustainable competitive advantage of SMEs in Northwest Nigeria.

- iv. Examine the effects of entrepreneurial orientation on sustainable competitive advantage of SMEs in Northwest Nigeria.
- v. Examine the moderating effects of entrepreneurial orientation on product innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.
- vi. Investigate the moderating effects of entrepreneurial orientation on price innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.
- vii. Examine the moderating effects of entrepreneurial orientation on distribution innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.

1.3 Hypotheses of the Study

H₀₁ There is no significant relationship between product innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.

H₀₂ There is no significant relationship between price innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.

H₀₃ There is no significant relationship between distribution innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.

H₀₄ There is no significant relationship between entrepreneurial orientation on sustainable competitive advantage of SMEs in Northwest Nigeria.

H₀₅ There is no significant moderating effects of entrepreneurial orientation on the relationship between product innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.

H₀₆ There is no significant moderating effects of entrepreneurial orientation on the relationship between price innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.

H₀₇ There is no significant moderating effects of entrepreneurial orientation on the

relationship between distribution innovation and sustainable competitive advantage of SMEs in Northwest Nigeria.

2. Literature Review

This section reviews the concept of sustainable competitive advantage, strategic marketing innovation, entrepreneurial orientation and the empirical review. The section also discuss the theory that underpinned the study.

2.1 Sustainable Competitive Advantage

The term "sustainable competitive advantage" (SCA) first appeared in 1984 when Day and Wensley (1988) proposed various approaches that may aid in "sustaining the competition." When Porter defined the fundamental types of competitive strategies a corporation may have (low-cost or distinctiveness) in order to achieve a long-run SCA, the actual word "SCA" first appeared in 1985 (De-Guimarães et al., 2023). It's worth noting that Porter's speech had no formal intellectual development. According to Day and Wensley (1988), there is "no common meaning for 'SCA' in practice or in the marketing strategy literature". The closest formal definition is provided by Barney (1991), who writes: "A firm is said to have a sustained competitive advantage when it is implementing a value-creating strategy that is not concurrently being implemented by any current or potential competitors and when these other firms are unable to replicate the benefits of this strategy."

Competitive advantage (CA) is a trait that allows firms to outperform their competitors (Darmasetiawan et al., 2019). CA is a combination of final aim and instrument (policy) that allows a corporation to get there (Hadiwidjojo et al., 2014). CA is measured using metrics like as product uniqueness, product quality, and competitive pricing. The first indicator relates to a company's unique offering that mixes art and client desire. The term

product quality refers to the standard design of the company. While competitive price, the final indicator, is a company's capacity to change its product price to market prices (Dirisu et al. 2013).

2.2 Strategic Marketing Innovation

The term "innovative marketing" refers to the ideas, techniques, and creative suggestions for the marketing system in all of its forms (Habboush, 2022). Modern technological breakthroughs are used in creative marketing, resulting in new marketing scenarios in the fields of innovative products, pricing, promotions, distribution (network), and other aspects that help the company achieve a high marketable value. Strategic marketing innovation (SMI) as a marketing choice is one of the behaviors associated with fostering competition among organizations, sustaining advantages, and increasing market share. According to famous researchers, the marketing innovation strategy is a road map for how the firm can deploy its resources, connect them to their environment, and achieve its goal of creating economic value while keeping its competitive edge (Nair et al., 2010). As a result, a company's effectiveness and cost structure are heavily influenced by its marketing methods. According to Foroughi and Moghaddam (2012), academics have employed a variety of variables in international marketing research to explain the MI method, including pricing, production, promotion, location, and artificial intelligence.

2.3 Entrepreneurial Orientation

According to Al-Hakimi et al. (2021), Heimonen (2019), Callaghan, and Rubin (2019), EO is defined as a strategic entrepreneurial posture typified by a strong readiness to examine and seize emerging business possibilities. Contrarily, "an entrepreneurial firm is one that engages in product market innovation, undertakes a little risky venture, and is first to come up with 'proactive' innovations, beating

competitors to the punch" (Miller, 1983; emphasis added). Because it embodies the company's notion of how a business runs in connection to the environment, EO has been acknowledged in earlier study as a significant strategic resource such as Chen, et al., (2021), Ali and Shaher (2020) and Dutta et al. (2017). As a result, EO enables businesses to respond to environmental changes by discovering new opportunities and creating unique solutions that differentiate the organization from its competitors in the market (Al-Hakimi & Borade, 2020).

The aspects of entrepreneurial orientation refer to an organization's essential features and practices that foster entrepreneurship while driving innovation and growth. These qualities are critical for firms to adopt a proactive and entrepreneurial mindset, as well as to successfully navigate and capitalize on market possibilities. These elements of entrepreneurial orientation combine to develop an entrepreneurial culture, encourage innovation, and improve an organization's ability to adapt and survive in dynamic and competitive contexts. However, this study will only look at proactive measures to balance between the independent variable and dependent variable.

2.4 Review of Empirical Studies

There appear to be conflicting results from prior studies, which create possibility of the identification of research gaps. Recent research by Egberi (2023) explored the relationship between SMEs in Nigeria's south-south geopolitical zone's entrepreneurial orientation and competitive advantage. The Author used a cross-sectional survey approach and gave out 200 questionnaires to employees of SMEs. Using component analysis and descriptive and inferential statistics, the Author established four EO dimensions: market, resource, innovation, and strategic orientations. The Pearson correlation showed that there is a positive relationship

between EO and CA, which is the most important finding from the research. Interestingly, the factor analysis result showed that the most important component determining entrepreneurial attitude is innovative orientation influencing competitive advantage. Due to its small size and the gap in variables and analytic technique found in this study, the sample size could fail to accurately represent the full population.

The impacts of digital marketing, entrepreneurial orientation, and product innovation on competitive advantage are examined by Digdowiseiso et al. (2022) study, as well as how these factors affect Talas Bolu Sangkuriang's marketing performance in Bogor City, Indonesia. A proportionate random sample of 100 respondents was employed in the Purposive Sampling approach. They used the SmartPLS 3.0 software analysis tool and statistical partial least squares. The results demonstrated that digital marketing significantly and favorably impacted competitive advantage. Similar to this, product innovation significantly and favorably influences competitive advantage. But competitive advantage is little impacted by entrepreneurial attitude. Additionally, there was little correlation between entrepreneurial mindset, product innovation, and digital marketing effectiveness. Competitive advantage did, however, have a beneficial and notable impact on marketing success. The sample size may be small for analysis, this gives gap for future study to increase the sample size and look at other industries.

Mohammed and Sherien (2022) investigate how innovative marketing affects competitive advantage in a renewable energy in Jordan. They employ heuristic, analytic, and descriptive research techniques. The whole population of Jordan's 212 renewable energy enterprises, which employs 957 people. Additionally, they employ multiple linear regression

using random sampling. According to their research, innovative marketing (production, pricing, distribution, and promotion) has a statistically significant influence ($p < 0.05$) on the competitive advantage of the renewable energy enterprises. The unit of analysis is not be justifiable because some employees of organization may not be informed in terms of the strategies of the organizations, hence the manger and or owner should be the only unit of analysis.

Habboush (2022) determines the effect of the marketing innovation strategy in achieving CA in Saudi telecom companies (Mobily, Zain Saudi Arabia, STC). The Author employs a questionnaire tool in addition to a descriptive and analytical technique. The Author uses a simple random method to get information from all three businesses' mobile phone users. 741 legitimate questionnaires were used for examination. The (SPSS) was further employed to examine the data. The results showed that the marketing innovation approach had a statistically positive significant on the Saudi telecom businesses' ability to achieve a competitive advantage through their financial and operational performance. This study will look at the industry gap and use different types of analysis to look for the subject. This makes the instrument that will be utilized for the study more current and reliable.

Using firm growth and personal wealth metrics, Isaga and Kiyabo (2020) examine EO, CA, and SMEs performed. In order to gather information, 300 owners-managers of welding sector SMEs in Tanzania's urban centers of Dar es Salaam, Mbeya, and Morogoro were surveyed using a cross-sectional design. They use the structural equation modeling approach to examine the data with the assistance of the AMOS software. The results of this study show that, for both firm growth and personal wealth performance metrics, CA

mediates the association between EO and SMEs' performance.

2.5 Theoretical Framework

This study is underpinned by the resource-based view.

2.5.1 Resource Based View

The Resource-Based View (RBV) provides a robust theoretical foundation for understanding how Small and Medium-Sized Enterprises (SMEs) can achieve and sustain competitive advantage. At its core, RBV argues that firms derive superior performance from resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991; Wernerfelt, 1984). This perspective shifts attention from external market conditions to the internal capabilities of firms, emphasizing that strategic marketing innovation, when grounded in distinctive resources, can generate long-term economic benefits (Chinwe et al., 2021; Brown, 1995).

RBV highlights the importance of identifying and evaluating a firm's unique resources and competencies as the first step toward competitive advantage. These resources may be tangible—such as financial capital, physical assets, and human expertise—or intangible, including goodwill, intellectual property, and reputation (Chen & Zhu, 2004). When SMEs strategically deploy these resources through marketing innovations in product design, pricing, and distribution, they can differentiate themselves in the marketplace. For instance, SMEs with advanced technological capabilities may innovate by offering personalized online experiences, while those with strong customer relationships may leverage loyalty programs to secure long-term patronage. In this way, RBV underscores the role of entrepreneurial orientation and innovative strategies in enhancing firm performance and resilience (Alqahtani & Can, 2018; Caldeira & Ward, 2003).

The theory is particularly relevant for SMEs because it provides a stable

framework for analyzing how strategic marketing innovation interacts with supply chain resilience and entrepreneurial orientation to foster sustainable competitive advantage. Scholars such as Lu et al. (2019) argue that a resilient supply chain constitutes a critical resource, enabling SMEs to adapt to market volatility and recover quickly from disruptions. Thus, RBV extends beyond static resource possession to dynamic capabilities, where firms continuously reconfigure their assets to maintain competitiveness.

Despite its strengths, RBV is not without limitations. A key critique lies in the difficulty of empirically identifying which resources truly meet the criteria of being valuable, rare, inimitable, and non-substitutable. This ambiguity complicates its practical application, particularly for SMEs operating in rapidly changing environments. Moreover, an excessive focus on internal resources may lead firms to overlook external factors such as industry trends, customer preferences, and competitive pressures (Hitt et al., 2001). Consequently, while RBV is well-suited for analyzing established firms in relatively stable industries, its applicability to startups or enterprises in highly dynamic markets is more constrained.

Nevertheless, RBV remains a widely adopted framework in strategic management research. It conceptualizes firms as bundles of strategically significant resources, where entrepreneurial values such as innovativeness, risk-taking, and customer focus are central to performance and growth. By leveraging unique resources to drive marketing innovation, SMEs can differentiate themselves, build customer loyalty, and sustain competitive advantage over time. Importantly, the theory emphasizes that success depends not only on possessing distinctive resources but also on the ability to deploy

them effectively in response to evolving market conditions.

In summary, RBV provides a comprehensive lens for examining how SMEs can harness their internal strengths to achieve sustainable competitive advantage. While challenges remain in operationalizing its criteria and balancing internal with external considerations, the theory offers valuable insights into the interplay between resources, innovation, and resilience in shaping SME performance. Its emphasis on strategic resource utilization makes it particularly relevant for studies investigating the mediating and moderating roles of supply chain resilience and entrepreneurial orientation in SME success.

3. Methodology

This study adopted cross-sectional survey research design as data were collected at a

single point in time. The population of the study consists of 4661 registered businesses in Northwest Nigeria. A sample size of 368 SMEs was used to represent the entire population, through Yamane (1973) formula. Stratified random sampling technique, this technique was adopted because the population of the study is heterogeneous, stratified sampling technique was used to obtain a representative sample to ensure that each subgroup within the population is proportionately represented in the sample.

4. Results and Discussion

Reliability is checked for all the composite variables, and all of them are considered acceptable. The convergent validity was also achieved using the required AVE values of all constructs, which

Table 1: *Cronbach's Alpha, Composite Reliability, and Average Variance Extracted*

Variable	Cronbach's α	Composite Reliability (ρ_A)	Composite Reliability (ρ_C)	AVE
Distribution Innovation	.807	.860	.869	.626
Entrepreneurial Orientation	.797	.860	.878	.707
Price Innovation	.706	.720	.834	.626
Product Innovation	.853	.881	.901	.695
Sustainable Competitive Advantage	.754	.824	.844	.586

Note. AVE = average variance extracted; ρ_A = rho_a; ρ_C = rho_c. Source: Survey (2026).

4.1 Structural Model

For the purpose of this study standard bootstrapping using 5000 bootstrapped samples to assess the significance of path coefficients were employed as suggested

by (Hair et al., 2014). Figure 1 and Table 2. below shows the estimates for the structural model.

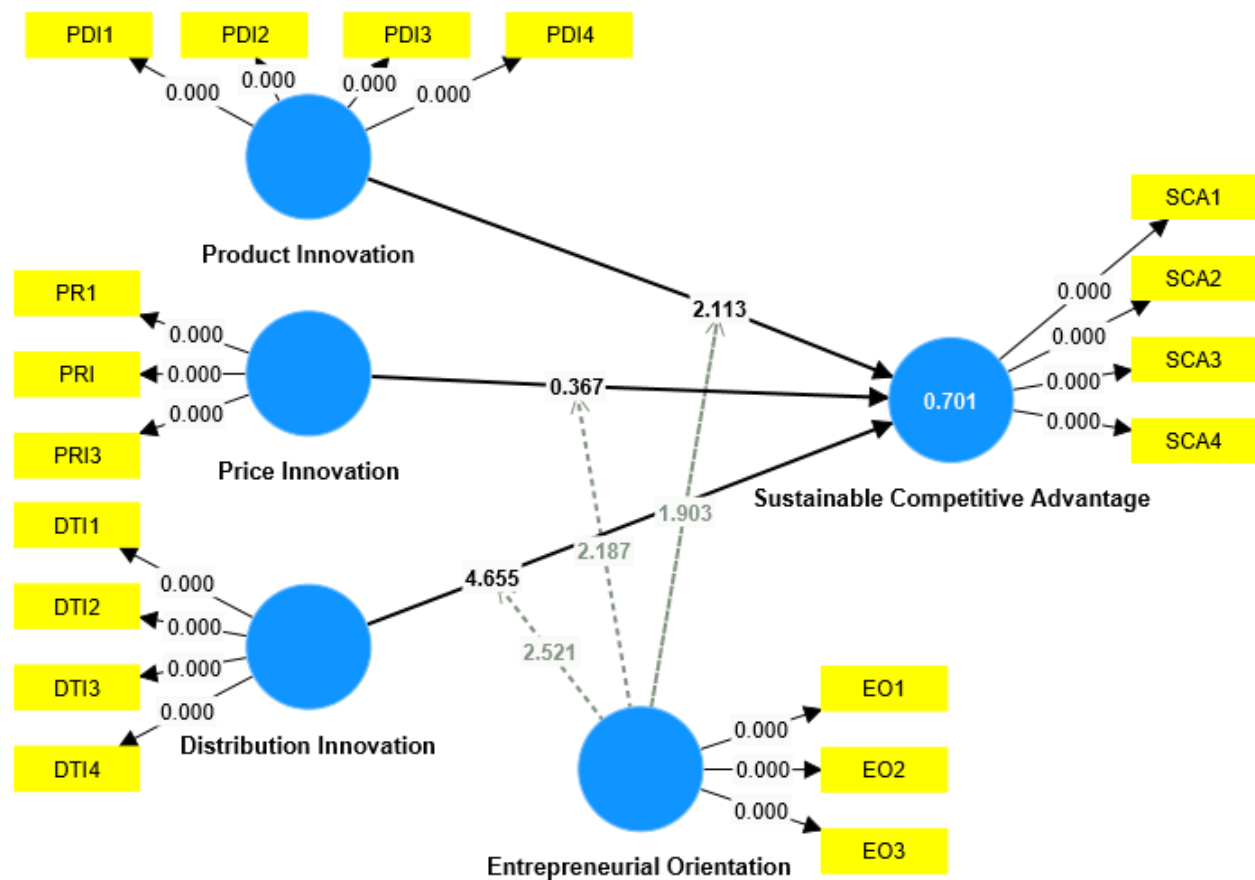


Figure 1: Research Model

In figure 1, there is a substantial predictive power for the key endogenous constructs for the proposed research model i.e., $R^2 = 0.701$, Product Innovation-Sustainable Competitive Advantage t-value = 2.113, Price Innovation- Sustainable Competitive Advantage t-value = 0.367, Distribution Innovation-Sustainable Competitive

Advantage t-value = 4.655. Hence, the direct research model explained a considerable degree of variance for the endogenous variables, as the R^2 suggests that the direct research model explains 70.1% of the total variance in constructive deviance.

Table 2: Multiple Regression Analysis and Hypothesis Testing

Paths	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Decision
Distribution Innovation -> Sustainable Competitive Advantage	0.221	0.23	0.048	4.655	0.000	
Entrepreneurial Orientation -> Sustainable Competitive Advantage	0.222	0.213	0.079	2.801	0.005	Significant

Price Innovation	->						
Sustainable Competitive Advantage		0.021	0.026	0.057	0.367	0.714	Not Significant
Product Innovation	->						
Sustainable Competitive Advantage		0.180	0.196	0.085	2.113	0.035	Significant
Entrepreneurial Orientation	x						
Product Innovation	->	0.107	0.118	0.056	1.903	0.057	Not Moderated
Sustainable Competitive Advantage							
Entrepreneurial Orientation	x						
Price Innovation	->	0.137	0.143	0.063	2.187	0.029	Moderated
Sustainable Competitive Advantage							
Entrepreneurial Orientation	x						
Distribution Innovation	->	0.193	0.195	0.076	2.521	0.012	Not Moderated
Sustainable Competitive Advantage							

Source: Survey, 2026

Table 2 shows the result of the direct relationship of the measures of independent variable, moderating variable and dependent variable, the result indicate a significant positive relationship between two measures of strategic marketing innovation (i.e. product innovation and Distribution innovation) and sustainable competitive advantage ($\beta = .180$, $p < .05$; $\beta = .221$, $p < .05$), while the remaining measure of strategic marketing innovation (i.e. price innovation) have insignificant relationship with sustainable competitive advantage ($\beta = .021$, $p > .05$). Meanwhile, the result shows that entrepreneurial

orientation has positive significant effect on sustainable competitive advantage ($\beta = .222$, $p < .05$). As such, the null H_{01} , H_{03} and H_{04} were rejected, while null H_{02} was accepted. Meanwhile, the result indicated that entrepreneurial orientation has a significant moderating effect on the relationship between strategic marketing innovation (i.e. price innovation) and sustainable competitive advantage and has insignificant moderating effect on the relationship between the remaining measures of strategic marketing innovation and sustainable competitive advantage. As

such, the null H_5 and H_7 were rejected, while null H_6 was accepted.

4.2 Discussion of Findings

The impact of first proxy of independent variable product innovation on dependent variable sustainable competitive advantage is positive with coefficient value of 0.180, meaning that a unit increase in product innovation while other variable remains constant lead to an increase in sustainable competitive advantage by 18%. The outcome is consistent with the study of Al-yed et al. (2022); Guo et al. (2023) and support the resource based theory which highlights resource availability, specifically product innovation, as a critical success factor for firms' competitiveness, performance, and sustainability. Also the result is not consistent with the study Cummins et al. (2021).

The impact of second proxy of independent variable price innovation on dependent variable sustainable competitive advantage is positive insignificant with coefficient value of 0.021, meaning that a unit increase in the price innovation while other variable remains constant will not lead to an increase in firms' sustainable competitive advantage by 2.1%. The outcome is consistent with the study of Cummins et al., (2021). Also the result is not consistent with the study Elgamal and Al-Aassy, (2023).

The impact of third proxy of independent variable distribution innovation on dependent variable sustainable competitive advantage is positive and significant with coefficient value of 0.221, meaning that a unit increase in the distribution innovation while other variable remains constant will not lead to an increase in firms' sustainable competitive advantage by 22.1%. The outcome is consistent with the study of Sui & Yao (2023). Also the result is not consistent with the study Cummins et al., (2021).

The impact of moderating variable (entrepreneurial orientation) on dependent variable sustainable competitive advantage is positive with coefficient value of 0.222, meaning that a unit increase in the entrepreneurial orientation while other variable remains constant lead to an increase in firms' sustainable competitive advantage by 22.2%. The outcome is consistent with the study of Karnsomdee (2021) and support the resource-based theory which recognizes that the pro-activeness is one of the critical success factor for firms' competitiveness, performance, and sustainability.

The moderating effect of entrepreneurial orientation on the relationship between the strategic marketing innovation (i.e. price innovation) and sustainable competitive advantage is positively significant with coefficient value of 0.137, based on Baron and Kenny criterion, the result showed that entrepreneurial orientation has a significant moderating effect on the relationship between strategic marketing innovation (i.e. price innovation) and sustainable competitive advantage, meaning that the ability of an organization to be well oriented is strengthen the relationship between price innovation and sustainable competitive advantage in Northwest, Nigeria. The result also entrepreneurial orientation has no significant moderating effect on the relationship between strategic marketing innovation (i.e. product innovation and distribution innovation) and sustainable competitive advantage in Northwest, Nigeria.

5. Conclusion

This study provides valuable insights into the strategic factors influencing the sustainable competitive advantage of SMEs in Northwest Nigeria. The findings indicate that product innovation and

distribution innovation are positively associated with SMEs' sustainable competitive advantage, emphasizing the importance of adopting innovative distribution channels, and product innovation, suggesting that an overemphasis on product development may always translate into sustained success within this context. Conversely, Price innovation, on the other hand, showed no significant impact, implying that pricing strategies alone may not substantially influence competitive positioning. Additionally, entrepreneurial orientation moderate the relationship between strategic market innovation (i.e. price innovation) and competitive advantage, highlighting that its role may be more indirect rather than direct.

5.1 Recommendations

Based on these findings, it is therefore recommended that SMEs should:

- i. As product innovation reported positive and significance effect on sustainable competitive advantage of firms' in Northwestern, Nigeria, therefore it is recommended that the managers of the firms needs to be more focus on the improvement of the performance of existing products and the innovative product should be easy to use and understand.
- ii. As price innovation reported positive but insignificance effect on sustainable competitive advantage of firms' in Northwestern, Nigeria, therefore it is recommended that the managers of the firms needs to redesign it price setting based on its cost compared to other strategies and innovative price should enable organization to respond effectively to changing market conditions and customer needs.
- iii. As distribution innovation reported positive and significance effect on sustainable competitive advantage of firms' in Northwestern, Nigeria, therefore it is recommended that the managers of the firms should focus on it strategies on innovative distribution channel and ensure full implementation and application by the firms so as to meet current global trend and remain competitive in the challenging environment.
- iv. As risk taking does not mediate the relationship between strategic marketing innovation (i.e. price innovation) and firms' sustainable competitive advantage in Northwestern, Nigeria, therefore it is recommended that the managers need to should review their policies and strategies on conducting regular risk assessment of innovative price.
- v. As entrepreneurial orientation moderate the relationship between strategic marketing innovation (i.e. price innovation) and firms' sustainable competitive advantage in Northwestern, Nigeria, therefore it is recommended that the managers need to be well orientated in anticipating and addressing customer needs and preferences while reviewing and implementing their innovative price.
- vi. Policymakers and stakeholders should facilitate capacity-building initiatives that promote technological adoption and entrepreneurial skills among SMEs.

5.2 Suggestion for Future Studies

Future research could explore contextual factors influencing the efficacy of different innovation strategies and further examine the numerous roles of entrepreneurial orientation in diverse market environments.

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