

Business Model Innovation and Competitive Advantage of Fast-Moving Consumer Goods in Lagos, Nigeria

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Abstract

The study's main objective was to investigate the relationship between business model innovation and competitive advantages, such as value generation and value proposition innovation in a few fast-moving consumer items in Lagos, Nigeria. The research questions and hypotheses were created to support the goal of the study. For the survey research method used in the study, Taro Yamane was used to choose a sample size of 177 respondents from the 319 total population. A structured questionnaire served as the main data collection method, and respondents were selected using a stratified sample technique to guarantee their equitable representation in the population. The data was analysed using basic percentages and ordinal logistic regression at a 0.05 level of significance. The findings showed that the new coordinates that statistically impacted competitive advantage at a 0.05 level of significance were valued creation innovation (3.246), value proposition innovation (3.298), competitive advantage (4.323), and PV (0.000). According to the research's results, competitive advantage in several fast-moving consumer goods in Lagos, Nigeria, may be impacted by relational factors such as value creation, value proposition, creative process, and value capture. Accordingly, it was suggested that value creation innovation is crucial for firms to maintain their competitiveness in the quickly changing business environment of today. By continually innovating and delivering greater value to customers, organizations can differentiate themselves from competitors, attract and retain customers, and drive sustainable growth and profitability.

Keywords: Business model, innovation, competitive advantage, value creation, value proposition.

Introduction

Nigeria's Fast-Moving Consumer Goods (FMCG) businesses are the pillars of the country's economy, propelling trade and providing for the daily demands of its expanding populace. This industry includes a broad range of goods with a short shelf life and rapid turnover, such as food, drinks, personal care products, and domestic necessities. Nigeria's FMCG sector has grown significantly in recent years, supported by population growth, urbanization, and changing consumer tastes. But this expansion is not without its difficulties. The FMCG industry must successfully negotiate a dynamic and complex environment to succeed in this cutthroat market. The twin pillars of competitive advantage and business model innovation are essential to this quest. According to Festus & Asawo (2020), business model innovation (BMI) is the strategic reorganization of an organization's core organizational structure and operational procedures to

reach new methods of generating and capturing value. Because it offers a variety of approaches to strategy conception, development, and implementation, business models are viewed as attractive ideas (McGrath, 2018).

To deal with long-term changes in their market environments, CEOs are turning to innovative company models. Conversely, competitive advantage is the unique edge that enables a business to outperform its competitors and establish a stronger position in the market (Festus & Asawo, 2020). At the same time, maintaining a competitive edge becomes essential for long-term survival. Businesses with a strategic edge are better able to handle external shocks, adjust to changing customer tastes, and endure market pressures. This advantage may be created by a mix of elements, such as customer loyalty, brand equity, operational effectiveness, and product uniqueness, in a market as dynamic as Nigeria. Two essential sources of competitive advantages are differentiation and cost leadership. To survive in the corporate world, businesses must be competitive. This can be done by making sure that their cost leadership, distinctiveness, flexibility, and innovation, all of which are signs of competitiveness, are maintained.

Since innovation is becoming more widely acknowledged as a significant way to support sustainability, management has recently paid more attention to innovation for sustainable company management. However, it is challenging to promote innovation in these situations since individuals and businesses prefer to concentrate on and benefit from current practices rather than investigate novel concepts, demands, and chances for innovation. Therefore, to spur innovation, businesses must investigate the insights of talents and competencies. Innovation is not always a straightforward process. To stimulate and facilitate the spontaneous generation of ideas that might advance a project, it is sometimes necessary to create a certain atmosphere. A key component of organizational success and growth is innovation (Uwa, 2022).

A thorough grasp of consumer behavior and the complex interactions between market forces and Nigerian-specific regulatory dynamics are essential given this fierce rivalry. An already competitive market is made more difficult by economic swings, regulatory uncertainty, and infrastructure constraints. The subject of competitiveness has drawn a lot of attention in recent business literature due to the fiercely competitive character of the corporate world today. Competitiveness is an issue in many disciplines, including political science and economics (Ekanem et al., 2023).

Statement of the Problem

Businesses today must contend with fierce competition, technology upheavals, and changing customer tastes in a business climate that is changing quickly. Businesses must develop their business models to preserve growth and a competitive edge because traditional company models frequently become outdated. However, due to a lack of strategic frameworks, resource limitations, or change aversion, many organisations find it difficult to adopt business model innovation (BMI).

Objectives of the Study

The study's primary goal was to investigate how business model innovation affects competitive advantage in a subset of fast-moving consumer goods in Lagos, Nigeria. The particular goals are as follows:

- i. Ascertain how innovation and value creation affect competitive advantage in a subset of fast-moving consumer goods in Lagos, Nigeria.
- ii. Assess how certain fast-moving consumer goods in Lagos, Nigeria, are affected by value proposition innovation in terms of competitive advantage.

Research Questions

The following questions were formulated:

- i. What is the effect of value creation innovation on competitive advantage in selected fast-moving consumer goods in Lagos, Nigeria?
- ii. What is the effect of value proposition innovation on competitive advantage in selected fast-moving consumer goods in Lagos, Nigeria?

Research Hypotheses

H₀₁: There is no significant effect of value creation innovation on competitive advantage in selected fast-moving consumer goods in Lagos, Nigeria.

H₀₂: There is no significant effect of value proposition innovation on competitive advantage in selected fast-moving consumer goods in Lagos, Nigeria.

Review of Relevant Literature

Business Model Innovation

As a crucial component of organizational success, the idea of the business model has drawn a lot of interest from both academic and commercial communities. According to Teece (2010), a business model outlines how an organization generates, provides, and acquires value. According to Osterwalder & Pigneur (2010), it acts as a blueprint that describes a business's primary strategy, including its value proposition, income sources, cost structure, and client connections. The idea of a business model has evolved in response to economic, technological, and competitive variables. Product-centric strategies dominated early business models, but as digital transformation and globalisation have increased, businesses have had to adjust by creating creative business models that take advantage of new platforms, ecosystems, and technologies (Zott et al., 2011). Businesses that don't develop their business models run the danger of becoming obsolete when customer tastes and market dynamics change (Ekanem et al., 2023).

Business model innovation (BMI) has emerged as a strategic tool for companies seeking sustainable competitive advantage. It allows firms to rethink traditional approaches and create new value-creation mechanisms, enabling them to differentiate themselves in the market (Casadesu-Masanell & Ricart, 2010). As industries become more volatile and technology-driven, understanding and innovating business models is essential for long-term business sustainability and growth. An innovative business model refers to a remained or newly developed approach to creating, delivering, and capturing value in a way that differentiates a company from its competitors. Unlike traditional business models that follow conventional industry practices, innovative business models introduce new ways of generating revenue, optimizing operations, and engaging with customers (Teece, 2010).

Dimensions of Business Model

Value Creation Innovation

The process of producing more value is known as value creation (Ekanem et al., 2023). For example, the supplier and the client collaborate to generate value for the client while switching from a process-based to an outcome-based business model. To provide greater use value (such as optimised operations) for the customer, the provider's expertise and the customer's operational knowledge become increasingly important over time (Rabetino et al., 2019). While value creation for shareholders ensures a consistent flow of investment cash to fund continuing corporate operations, value creation for customers propels product sales. A sequence of events known as

value creation must occur for suppliers and customers to progressively attain higher values (Chesbrough et al., 2018).

Value Proposition Innovation

A value proposition is a clear assurance given by a business to its clients that it will provide a specific set of advantages that add value (Buttle, 2019). According to Lanning (2021), a company's value proposition is the whole package of experiences it offers clients, including value for money. Stated differently, the value proposition is a written statement that synchronizes all of an organization's marketing actions with the essential consumer values. Customers are encouraged to favour and select the company's product over rivals' since it makes a substantial difference in their decision-making process (Uforo et al., 2022). Anderson et al. (2020) distinguish between three types of value propositions: advantages, unique selling elements, and resonant emphasis. Without taking into account the demands of the consumer, all benefits are a comprehensive list of the advantages of the product. The elements that set one apart from the competition and emphasize special qualities are known as favourable points of difference. The most pertinent advantages for the client are highlighted by the resonant focus technique. Here, customer-specific value is given priority.

Competitive Advantage

A corporation can obtain an organizational competitive advantage over rivals by giving its consumers better value, which can be achieved by either decreasing product pricing or by offering more advantages and services that make a higher price point justified (Rothaermel, 2019). Organizations may only get a competitive edge when they integrate a variety of resources and talents to create a special competency or aptitude that is valued in the sector (Holzman, 2017). Uwa (2024) claims that the framework's definition of competitive advantage includes a thorough assessment of an organization's capacity to provide value to clients while outperforming or undercutting its competitors in terms of resource and process optimization. Rothaermel (2019) and Cassiman et al. (2022) emphasized that a business has a competitive advantage when it outperforms its competitors in luring and keeping clients while simultaneously protecting itself from outside pressures. Because of these benefits, the company can outperform its rivals in terms of sales, profit margins, and client retention. A company needs certain advantages to build sustained competitiveness, which in turn results in better market performance (Uwa, 2024).

Product Differentiation

Differentiation is the process of setting a business's goods or services apart from those of its rivals. Kotler & Keller (2021) define differentiation as the process by which a company develops unique attributes for its goods and services. He said that differentiation is the process of creating a brand that is distinct from the competitors. Brands can fetch a premium when differentiation tactics are executed well (Chaudhuri & Holbrook, 2019; Knox, 2020). Businesses use innovation to distinguish their brands and lessen the impact of pricing competition (Schumpeter, 2021). This tactic makes the improbable assumption that businesses would not compete on pricing in a free market. They will therefore be less motivated to set their brands apart. Customers who have lower expectations for their companies' uniqueness and creativity are more likely to select less expensive goods (Sandvik & Sandvik, 2019). Among other tactics, a business can set itself apart in the market by enhancing its brand image, providing outstanding customer service, integrating cutting-edge technology into its goods, and upholding higher quality standards. (Shaley & Fombrun, 2019).

Organisational Responsiveness

An organization's capacity to adapt and innovate in response to information about the market change, according to Wei et al. (2018), includes information on variables including customer preferences and the existence of rivals. Holweg (2019) asserts that a business's responsiveness reveals how well it can adapt to changing customer demands. One of the most crucial differentiators you can offer in the fiercely competitive business world of today is the capacity to react to customer requests promptly and efficiently. Establishing a setting that encourages reflective conversation is the first step towards a micro-level responsive practice (Uwa, 2021). In today's turbulent organisational environments, the majority of businesses must deal with both the "here and now" and the future; hence, they must be able to blend routine behaviour with improvisation (Winter, 2019). Increased responsiveness in unpredictable situations may be achieved by an agile approach, which seeks to improve a team's long-term sustainability by enhancing their competency (Loss & Crave, 2021). Therefore, organisational responsiveness has both strategic and operational components.

The Influence of Business Model Innovation on Competitive Advantage

Nair (2019) asserts that a business model adds value when it makes use of resources to expand competencies, explore income streams, and maintain financial viability. Business Model Innovation (BMI) significantly enhances competitive advantage by enabling firms to deliver unique value and adapt to market change. Newth(2019) highlighted that business model innovation fosters resilience by aligning organizational structures with evolving customer needs. Innovative models do not only differentiate firms but also create sustainable growth by tapping into the underutilized market segment (Peter, 2022). These perspectives underline BMI as a critical strategy for maintaining relevance and outperforming competitors.

Value Creation Innovation and Competitive Advantage

In service research, the customer-centric approach to value creation is gaining traction as it emphasizes providing distinctive advantages that successfully satisfy client wants, which is essential for gaining a competitive edge. Uttong et al. (2024) argue that open innovation fosters collaboration, enhancing value creation through shared resources and insights. Similarly, Seppanen & Makinen (2019) highlight that leveraging business model innovation for superior value creation ensures differentiation and strengthens market positioning, making it a key enabler of sustainable competitive advantage.

Value Proposition Innovation and Competitive Advantage

Value proposition innovation, according to Osterwalder et al. (2014), is the act of redefining or enhancing the unique benefits that a company offers to its customers, usually through cutting-edge products, services, or business models. Technological developments, shifting customer tastes, or changes in the dynamics of the sector can all lead to this innovation. By making businesses stand out in the marketplace, a well-differentiated value offer is essential to developing a long-term competitive advantage (Porter, 1985). Companies that innovate their value propositions effectively can achieve superior customer satisfaction, brand loyalty, and market leadership (Teece, 2010). For instance, companies like Tesla have revolutionized the automotive industry by offering a value proposition centred on sustainable energy, high performance, and cutting-edge technology. Similarly, Apple has maintained its competitive edge by consistently innovating in design, user experience, and ecosystem integration.

Theoretical Review

Resource-Based Theory (RBV)

According to Barney (1991), internal resources and capabilities are important sources of competitive advantage. RBV states that businesses use valuable, rare, inimitable, and non-substitutable (VRIN) resources, such as proprietary technology, brand reputation, and intellectual property, to achieve long-term success (Wernerfelt, 1984). In the context of business model innovation (BMI), RBV suggests that organizations must continuously reconfigure and optimize their internal resources to create new value propositions and adapt to market changes (Teece, 2010). Firms that successfully integrate RBV principles into business model innovation can differentiate themselves by developing unique revenue mechanisms, optimizing operational efficiency, and leveraging digital transformation (Amit & Zott, 2001). For example, companies like Amazon and Google have used their technological infrastructure and data analytics capabilities as strategic resources to innovate their business models. By capitalizing on their internal strengths, these firms have redefined industries and created sustainable competitive advantages.

Empirical Review

Cerdan et al. (2024) investigated the relationship between business model innovation (BMI) and growth and performance in family firms. The study determined the main concepts and factors of performance, development, and BMI in family businesses. After integrating these structures, the authors created a conceptual framework and offered theories regarding their connections. Using a sample of 174 family businesses from the Spanish manufacturing industry, the authors undertook a quantitative study. They gathered information from primary and secondary sources. The authors tested their ideas and looked at the connections between the main components using statistical analytic methods including regression analysis. The important elements that lead to the success of BMI efforts in family businesses were identified using a grounded theory method. The results of the study indicated a positive relationship between family business development and performance and BMI. The authors also discovered that elements including the company's leadership style, organisational culture, and strategic direction affect how successful BMI projects are.

Sarangolhar et al. (2024) conducted a qualitative study to explore the concept of business model innovation in high-velocity environments. The authors conducted in-depth interviews with 15 executives from companies that have successfully implemented business model innovation. The study found that companies that can adapt and innovate quickly in response to changing market conditions are more likely to succeed. The authors also found that companies with a culture of innovation and open to change are more likely to adopt business model innovation.

Bryan et al. (2024) conducted a quantitative study to examine the factors that influence firms' adoption of innovative business models. The authors collected data from a large sample of firms (500) and used statistical analysis to identify the factors that are most strongly associated with the adoption of innovative business models. The study found that companies that are more responsive to customer needs and have a strong focus on value creation are more likely to adopt innovative business models. The authors also found that firms that are more open to change and have a culture of innovation are more likely to adopt innovative business models. The authors used statistical analysis to identify the factors that are most strongly associated with the adoption of innovative business models.

Methodology

The research design used in the study was survey-based. In this case, respondents' views about business model advancements were kept apart. To help with the methodical communication of the problem, the survey was utilized to collect accurate data to determine the current condition of the study topic. The study's population consisted of 319 senior, middle, and intermediate management workers from certain fast-moving consumer goods businesses in Lagos, Nigeria. A sample size of 177 employees from selected Fast Moving Consumer Goods Industries in Lagos, Nigeria, was determined using the Taro Yamane method. To guarantee the accuracy of the material derived from the research, the study used primary sources for data collecting. This included a questionnaire with questions tailored to each respondent and an interview.

This study employed a questionnaire as a tool with a 5-point Likert scale which contains, Strongly Agreed SA (5), Agreed A (4), Strongly Disagreed SD (3), Disagreed D (2) and undecided (1). The surveys were separated into two sections: part B included certain research questions pertinent to the issue at hand, while section A assessed the demographic data of the respondents. The questionnaire's design allowed respondents to select the best answer from a list of alternative questions in an attempt to elicit a precise view. The questionnaire's questions were closed-ended and written in plain, unambiguous, and easy-to-understand English. The study used ordinal data, which is a statistical type of quantitative data where variables are found in naturally occurring ordered groups. Regression was used to analyze the data.

Result and Discussion

Table 4.1.1: Copies of Questionnaire Administered and the Response Rate

S/N		Copies of questionnaire distributed	Copies of questionnaire retrieved useable	Copies of questionnaire not retrieved	Percentage (%)
1.	Nestle Plc	54	45	9	83.0
2.	Friesland Campina Wamco	42	36	6	85.0
3.	Unilever Nigeria Plc	33	28	5	84.0
4.	Flour Mill in Nigeria	27	22	5	81.0
5.	PZ Cussons	21	19	2	90.0
Total		177	150	27	85.0

Source: Compiled from questionnaire response (2024).

150 of the 177 copies of the questionnaire that were sent had been accurately completed and returned, according to Table 4.1.1. This was found to be helpful and accounted for 85.0% of the total copies of the questionnaire. Despite the researcher's best efforts to ensure appropriate and accurate completion of the questionnaire via self-administering, 27 copies were returned incompletely filled and were thus discarded. The Statistical Package for Social Sciences (SPSS) was then used to analyse the replies.

Table 4.1.7: Percentage Analysis of Responses on Value Creation Innovation

Value Creation Innovation	Extent of Agreement					Total
	SA	A	UD	SD	D	
We developed new products or improve existing ones to better meet customer needs.	66 (44%)	61 (41%)	2 (1%)	12 (8%)	9 (6%)	150 (100%)
We introduced new services or improve existing ones to enhance the overall customer experience.	57 (38%)	66 (44%)	6 (4%)	11 (7%)	10 (7%)	150 (100%)
We focus on improving every interaction a customer has with the organisation, from initial awareness to post-purchase support	62 (41%)	65 (43%)	2 (1%)	9 (6%)	12 (8%)	150 (100%)
Rethinking the way the organisation creates, delivers, and captures value.	66 (44%)	57 (38%)	6 (4%)	11 (7%)	10 (7%)	150 (100%)

Source: Field survey 2024

According to Table 4.1.7 A), 60 respondents, or 41%, strongly agreed, 62 respondents, or 40%, agreed, 2 respondents, or 1%, were unsure, 12 respondents, or 8%, strongly disagreed, and 9 respondents, or 6%, disagreed that they improved existing products or created new ones to better satisfy customer needs.

According to B), 56 respondents, or 38% of the sample, strongly agreed, 65 respondents, or 44%, agreed, 6 respondents, or 4%, were unsure, 11 respondents, or 7%, strongly disagreed, and 10 respondents, or 7%, agreed that they improved or added new services to improve the overall customer experience.

According to C), 62 respondents, or 41%, strongly agreed, 65 respondents, or 43%, agreed, 2 respondents, or 1%, were unsure, 9 respondents, or 6%, strongly disagreed, and 12 respondents, or 8%, disagreed that the company should concentrate on enhancing every customer interaction, from initial awareness to post-purchase support.

D) reveals that 56 respondents, or 38% of the sample, strongly agreed, 66 respondents, or 44%, agreed, 6 respondents, or 4%, were unsure, 11 respondents, or 7%, strongly disagreed, and 10 respondents, or 7%, agreed that the organisation should rethink how it generates, delivers, and collects value.

Table 4.1.8: Percentage Analysis of Responses on Value Proposition Innovation

Value Proposition Innovation	Extent of Agreement					
	SA	A	UD	SD	D	Total
The first step in value proposition innovation is gaining a deep understanding of customer needs, pain points, preferences, and aspirations.	62 (41%)	65 (43%)	2 (1%)	9 (6%)	12 (8%)	150 (100%)
Once customer needs are understood, the next step is to identify unique features, benefits, or attributes that set the offering apart from competitors.	57 (38%)	66 (44%)	6 (4%)	11 (7%)	10 (7%)	150 (100%)
The value proposition is crafted to communicate the unique value that the offering delivers to customers.	66 (44%)	61 (41%)	2 (1%)	12 (8%)	9 (6%)	150 (100%)
We often involve experimentation and iteration to refine the offering and messaging based on real-world feedback.	58 (39%)	67 (45%)	5 (3%)	11 (7%)	9 (6%)	150 (100%)

Source: Field survey 2024

Table 4.1.8 A) reveals that the first step in value proposition innovation is developing a thorough understanding of customer needs, pain points, preferences, and aspirations. Of these, 62 respondents, or 41%, strongly agreed, 65 respondents, or 43%, agreed, 2 respondents, or 1%, were undecided, 9 respondents, or 6%, strongly disagreed, and 12 respondents, or 8%, disagreed.

According to B), after understanding customer needs, the next step is to identify distinctive features, benefits, or attributes that set the offering apart from competitors. Of these, 57 respondents, or 38%, strongly agreed, 66 respondents, or 44%, agreed, 6 respondents, or 4%, were undecided, 11 respondents, or 7%, strongly disagreed, and 10 respondents, or 7%, agreed.

C) demonstrates that 66 respondents, or 44% of the sample, strongly agreed, 61 respondents, or 41%, agreed, 2 respondents, or 1%, were unsure, 12 respondents, or 8%, strongly disagreed, and 9 respondents, or 6%, disagreed that the value proposition is designed to convey the special value that the offering offers to clients.

D) reveals that 58 respondents, or 39%, strongly agreed, 67 respondents, or 45%, agreed, 5 respondents, or 3%, were unsure, 11 respondents, or 7%, strongly disagreed, and 9 respondents, or 6%, disagreed that we frequently use experimentation and iteration to improve the offering and messaging in response to feedback from the real world.

Table 4.1.11: Percentage Analysis of Responses on Competitive Advantage

Competitive Advantage	Extent of Agreement					Total
	SA	A	UD	SD	D	
We offer products or services that are perceived as unique or superior to those of competitors.	66 (44%)	61 (41%)	2 (1%)	12 (8%)	9 (6%)	150 (100%)
We offer lower prices or higher margins while still maintaining profitability.	62 (41%)	65 (43%)	2 (1%)	9 (6%)	12 (8%)	150 (100%)
We focus on a specific segment of the market or serving a specialized customer need that is not effectively addressed by competitors.	52 (35%)	71 (47%)	8 (5%)	4 (3%)	15 (10%)	150 (100%)
We continuously introducing new products, services, processes, or business models that create value for customers and keep the company ahead of the competition.	58 (39%)	67 (45%)	5 (3%)	11 (7%)	9 (6%)	150 (100%)

Source: Field survey 2024

According to Table 4.1.11 A), 66 respondents, or 44% of the sample, strongly agreed, 61 respondents, or 41%, agreed, 2 respondents, or 1%, were unsure, 12 respondents, or 8%, strongly disagreed, and 9 respondents, or 6%, disagreed that they provide goods or services that are thought to be different or better than those of rivals.

B), 62 respondents, or 41%, strongly agreed, 65 respondents, or 43%, agreed, 2 respondents, or 1%, were unsure, 9 respondents, or 6%, strongly disagreed, and 12 respondents, or 8%, disagreed that they continue to be profitable while offering lower prices or higher margins.

C) 52 respondents, or 35%, strongly agreed, 71 respondents, or 47%, agreed, 8 respondents, or 5%, were unsure, 4 respondents, or 3%, strongly disagreed, and 15 respondents, or 10%, disagreed that they concentrate on a particular market niche or meet a niche customer need that is not adequately met by rivals.

D) reveals that they consistently introduce new products, services, processes, or business models that add value for customers and keep the company ahead of the competition. Of these, 58 respondents, or 39%, strongly agreed, 67 respondents, or 45%, agreed, 5 respondents, or 3%, were undecided, 11 respondents, or 7%, strongly disagreed, and 9 respondents, or 6%, opposed.

Test of Hypotheses**Table 4.3 Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.838 ^a	.703	.683	14.6911481	.917

a. Predictors: (Constant), value creation innovation and value proposition innovation.

b. Dependent Variable: Competitive Advantage

Source: Researcher's Computation (2025)

Table 4.4 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23445.898	3	7815.299	36.210	.000 ^b
	Residual	9928.172	46	215.830		
	Total	33374.071	49			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), value creation innovation and value proposition innovation.

Table 4.5**Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	1.280	11.271		.114	.910		
	value creation innovation	.008	.006	.118	1.301	.200	.786	1.272
	value proposition innovation	.129	.020	.707	6.615	.000	.567	1.765

a. Dependent Variable: Competitive Advantage

Source: Researcher's Computation (2025)

According to the null hypothesis, value proposition and value creation innovation have no discernible impact on competitive advantage in a subset of fast-moving consumer goods in Lagos, Nigeria. Because the p-value of 0.000 in Table 4.5 is less than 0.05, the alternative hypothesis was accepted, and the first and second null hypotheses were rejected following the study's decision criterion. Because the F-cal value of 36.21 is higher than the crucial value of F, which was 2.80, the null hypothesis is further rejected. Thus, in a few fast-moving consumer goods in Lagos, Nigeria, value creation and value proposition innovation are strongly correlated with competitive advantage.

Discussion of Findings

To ascertain the effect of value creation innovation on competitive advantage in selected fast-moving consumer goods in Lagos, Nigeria

The results of the regression analysis for hypothesis (Ho1) indicate that competitive advantage in a subset of fast-moving consumer products in Lagos, Nigeria, is associated with value creation innovation. This implies that for every unit increase in the degree of value generation, innovation will increase prospects for competitive advantage, assuming that all other model parameters remain the same. This is in line with Anwar's (2019) study, which examined the role of value creation innovation and competitive advantage as a mediator in SME performance.

To examine the effect of value proposition innovation on competitive advantage in selected fast-moving consumer goods in Lagos, Nigeria

The findings of the test of the null hypothesis (Ho2) in table 4.2.4 indicate that value proposition innovation influences competitive advantage since the P-value is less than the significance level (0.05). This finding suggests that, in a few fast-moving consumer products in Lagos, Nigeria, value proposition innovation and competitive advantage have a significant and positive association. As a result, the null hypothesis was rejected. This result is in line with previous studies on value-proposition design, which Maglio & Spohrer (2022) define as the systematic search for business model innovation. Adaptive advantages that improve existing services, create new offerings, or rearrange the value-generating environment are made possible by this strategy. The argument is based on the idea that value propositions serve as the cornerstone of relationships between service system stakeholders. In addition to resource types, stakeholder concerns, and access rights, the improvement of service systems depends on symbolic processes of communication and value (Maglio & Spohrer, 2022).

Conclusion

From the study conducted, it is obvious that value creation innovation and value proposition innovation are relational dimensions that can influence competitive advantage in selected fast-moving consumer goods in Lagos, Nigeria. The empirical results of the study underscore the following:

- i. Value creation innovation and value proposition innovation are significant positive determinants of organisational performance.
- ii. Firms that consider the application of business model dimensions are likely to record a better Key Performance Indicator (KPI) in the organisation.

Recommendations

- i. It was recommended that value creation innovation is essential for organisations to stay competitive in today's rapidly evolving business landscape. By continually innovating and delivering greater value to customers, organisations can differentiate themselves from competitors, attract and retain customers, and drive sustainable growth and profitability.
- ii. The study recommended that the manufacturing firms should incorporate value proposition innovation as a critical driving force for customer acquisition, retention, and loyalty, as well as maintaining a competitive edge in the marketplace. By continually refining and enhancing the value proposition, organisations can better meet evolving customer needs and preferences, capture market share, and achieve sustainable growth and success.

Contribution to knowledge

Before this study, many workplace performance studies rarely considered the business innovation model as a substantial element that can contribute to organisations' competitive advantage. This study is giving a systematic and advancing approach to process improvement through waste reduction, continuous learning, and employee engagement in enhancing operational efficiency, quality and customer value, which lead to significant advancements in organisational performance and competitiveness.

Suggestion for further study

The four-business model innovation (value creation innovation and value proposition) covered in this study can explain their effect on competitive advantage. Similar studies should be carried out in other companies/organisations that may not necessarily be in the fast-moving consumer goods industry to be able to be generalised, which means it is open for further studies.

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