

**BUSINESS MODEL INNOVATION AND MARKETING PERFORMANCE OF FOOD  
AND BEVERAGE SMES IN RIVERS STATE**

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**ABSTRACT**

*This study explored business model innovation and marketing performance of food and beverage SMEs in Rivers State. The aim of the study was to determine the relationship between business model innovation (digital business model innovation and sustainable business model innovation) and marketing performance (sales growth and market share growth) of food and beverage SMEs in Rivers State. Four (4) research questions and hypotheses were postulated to guide the study. The study employed the positivist research philosophy and correlational research design. The population of this study consisted of all the 139 registered food and beverage SMEs in Rivers State. The purposive sampling technique was used to select 83 food and beverage SMEs that have innovated their business model digitally or sustainably. The sampling unit was made up of entrepreneurs of the selected food and beverage SMEs in Rivers State. A structured questionnaire was used to elicit data from the respondents. The data collected were analyzed using a combination of descriptive and inferential statistical tools. The Spearman Rank Order Correlation Coefficient ( $\rho$ ) and the SPSS version 27.0 were used to test the hypotheses. The findings revealed that digital business model innovation has a significant relationship with sales growth of food and beverage SMEs. The study also found a significant relationship between digital business model innovation and market share growth of food and beverage SMEs. The study equally reported that a significant relationship between sustainable business model innovation and sales growth of food and beverage SMEs. The study also found a significant relationship between sustainable business model innovation and market share growth of food and beverage SMEs. Based on these findings, it was concluded that business model innovation such as digital and sustainable business model innovations significantly enhance marketing performance of food and beverage SMEs in Rivers State. Hence, it is recommended that food and beverage SMEs in Rivers State particularly those that are experiencing poor marketing performance should innovate their business model as it would improve their marketing performance.*

**Keywords: Business model innovation, digital business model innovation, sustainable business model innovation, marketing performance, sales growth and market share growth.**

**INTRODUCTION**

Change is inevitable and any business that fails to recognize the inevitability of change is doomed to failure. SMEs operate in fast changing environment and as such they need to closely monitor the marketing environment and keep pace with the developments in their

respective industries. A small or medium enterprise that closely monitor and respond quickly to changing market trends will satisfy consumers' needs better than its competitors and improve its marketing performance (Anwar, 2018). However, improving marketing performance in a dynamic and competitive environment is not an easy task for SMEs as it requires a lot of efforts. Many SMEs in developing countries have adopted various strategies to improve their marketing performance but their efforts have remained futile (Lloyd, 2023). To improve marketing performance in a fast changing environment, SMEs needs to closely monitor the marketing environment and continuously align their business model with the changing needs of customers. This can be done by implementing business model innovation.

Business model innovation is the process of adjusting the business model of a firm to reflect the changing needs of customers. It involves making significant changes in the way in which a company delivers value to its customers (Vils et al, 2017). Business model innovation can be initiated by making simultaneous changes to both the company's value proposition and to its existing operating model (Randani et al, 2019). The changes at the value proposition level focus on the choice of target market segment, the product offerings and the revenue model, while the changes at the operating model address the ways to deliver the value proposition i.e. where to focus on the value chain, the cost model needed to attract higher returns, and the type of organizational structure and capabilities needed to drive value creation, profit and competitive advantage.

A firm can implement business model innovation by developing new revenue stream (new target market), distribution channel, communication system or by delivering value in a digital or sustainable manner. Whatever dimension a business model innovation takes, its primary focus is to enable the business responds to the changing demands and expectations of customers (Amit & Zott, 2020). For instance, the switch from conventional products to sustainable products requires companies to adjust their business model to address this changing need of customers. This implies that companies need to modify their business model in order to create value in a sustainable manner. By implementing sustainable business model innovation, companies tend to take advantage of the green market opportunities and create a new revenue stream (Kraus et al, 2020). Also, a brick-and-mortar store can create a new revenue stream (online market segment) and generate more revenue from online customers by developing a digital business model where product sales and customer engagement can be conducted on digital platforms (Kraus et al, 2020).

Business model innovation is a strategic tool for improving marketing performance of firms. It allows a company to take advantage of the changing needs of customers and increase its sales and market share. Teece in Nunes and Russo (2019) stated that innovative business model enables a company to differentiate itself in the market and gain a competitive advantage over its rivals. According to him, a company that is able to innovate its business model cannot be displaced by newcomers as it will continue to meet the changing needs of customers and sustain its market competitiveness. With the implementation of business model innovation, firms can discover new economic growth points, obtain new market resources, gain competitive advantage and improve their

marketing performance. It is against this backdrop that this study examines the relationship between business model innovation and marketing performance of food and beverage SMEs in Rivers State.

### Statement of the Problem

Over the years, SMEs in Rivers State are finding it difficult to increase sales and market share due to intense competition from their larger rivals. Different strategies have been adopted by these firms to improve their marketing performance but the desired results are yet to be achieved. A good number of SMEs have ceased from operations due to poor marketing performance (Lloyd, 2023). This poor marketing performance could be attributed to the neglect of the online market segment and the green market segment by these firms as most of these SMEs continue to rely on a single revenue stream. Recently, some SMEs in the food and beverage industry have come to realize the importance of creating new revenue streams and have innovated their business model to generate revenue from both online customers and green customers. While some SMEs have embraced digital business model innovation, others have embarked on sustainable business model innovation to deliver value in a sustainable manner. Ever since these SMEs innovated their business model, it is still not clear whether it has improved their marketing performance as empirical studies that examined the relationship between business model innovation and marketing performance of food and beverage SMEs in Rivers State are lacking. This has created a vacuum in literature which this study is motivated to fill from the Nigerian perspective.

### Conceptual Framework

The conceptual framework of business model innovation and marketing performance of food and beverage SMEs is shown in figure 1 below:

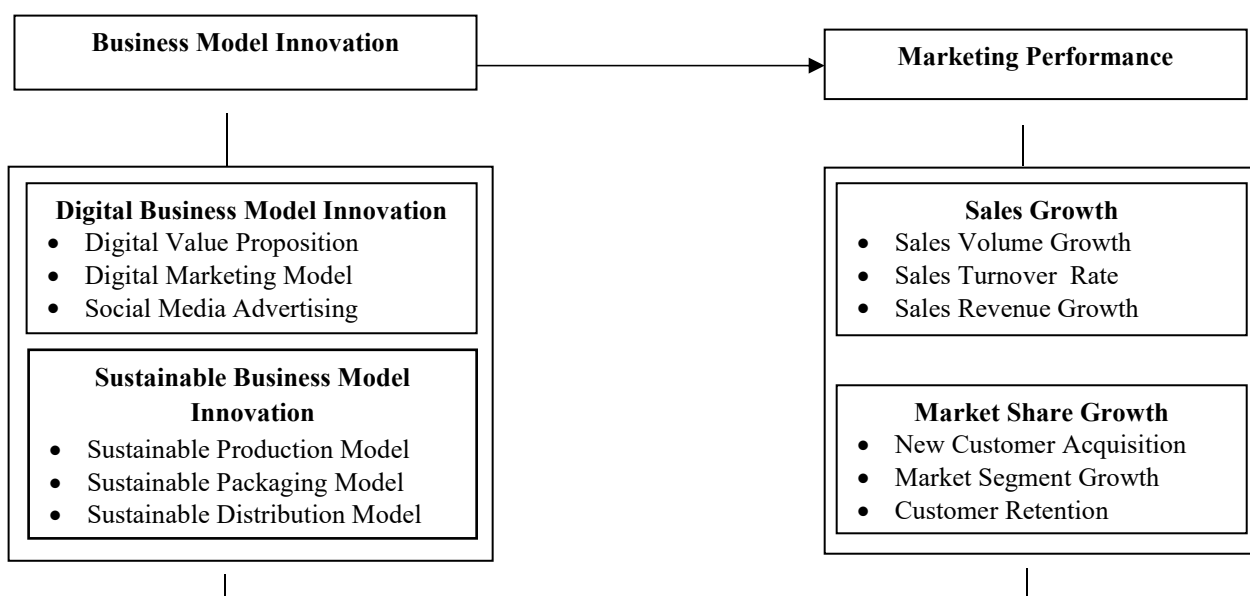


Fig 1: Conceptual framework of business model innovation and marketing performance of food and beverage SMEs

Source: Author's Conceptualization

### **Aim and Objectives of the Study**

The aim of this study is to examine the relationship between business model innovation and marketing performance of food and beverage SMEs in Rivers State. The specific objectives are to:

1. determine the relationship between digital business model innovation and sales growth of food and beverage SMEs in Rivers State;
2. explore the relationship between digital business model innovation and market share growth of food and beverage SMEs in Rivers State;
3. ascertain the relationship between sustainable business model innovation and sales growth of food and beverage SMEs in Rivers State;
4. determine the relationship between sustainable business model innovation and market share growth of food and beverage SMEs in Rivers State.

### **Research Questions**

The following research questions were raised in this study:

1. What is the relationship between digital business model innovation and sales growth of food and beverage SMEs in Rivers State?
2. To what extent does digital business model innovation relate to market share growth of food and beverage SMEs in Rivers State?
3. How does sustainable business model innovation relate to sales growth of food and beverage SMEs in Rivers State?
4. To what extent does sustainable business model innovation relate to market share growth of food and beverage SMEs in Rivers State?

### **Research Hypotheses**

The following hypotheses were tested in the course of this study:

- Ho<sub>1</sub>: There is no significant relationship between digital business model innovation and sales growth of food and beverage SMEs in Rivers State.
- Ho<sub>2</sub>: There is no significant relationship between digital business model innovation and market share growth of food and beverage SMEs in Rivers State.
- Ho<sub>3</sub>: There is no significant relationship between sustainable business model innovation and sales growth of food and beverage SMEs in Rivers State.
- Ho<sub>4</sub>: There is no significant relationship between sustainable business model innovation and market share growth of food and beverage SMEs in Rivers State.

### **Review of Related Literature**

#### **Concept of Business Model Innovation**

Business model is defined as the way in which a company creates and delivers value to its target customers and generate profitable and sustainable income flows (Foss & Saebi, 2017). It is a document that shows how a company delivers value and gain competitive advantage in the marketplace (Foss & Saebi, 2017). However, business model innovation is the transformation of the existing business model by showing how to do business in a

new way (Amit & Zott, 2020). Business model innovation occurs when two or more elements of the business model are renewed to deliver value in a new and different way (Lindgardt et al, in Nunes et al, 2019). It involves the renewal of the business logics, reconfiguration of the existing organization structures and development of a new value proposition that will satisfy the needs and expectations of customers (Spieth et al, 2014). Presenza et al (2019) described business model innovation as the process of reconfiguring the internal and external business processes to create and capture value for its stakeholders. Business model innovation shows the way in which a firm rethinks and redefines its existing business model to reflect changing needs of customers and generate value from the competitive arena (Evans et al, 2017). It accounts for a better way of creating and capturing value in different business areas.

The rapid changes in the business environment have motivated firms to explore new business model to remain profitable and relevant in the market (Clauss et al, 2020). Ferlito and Faraci (2022) opined that companies need to innovate their business model in order to adapt to the changing business environment and remain relevant in the marketplace. Ramdani et al (2019) stated that changing business models involves the modification of a single element, altering multiple elements simultaneously and/or changing the interactions between elements in four areas of innovation: value proposition, operational value, human capital and financial value. Vils et al (2017) posited that innovative business model enables a company to distinguish itself in a highly competitive market and improve its market reputation. With an innovative business model, companies can deliver value to new market segment (s) in a different way and generate revenue from multiple sources (Foss & Saebi, 2017). Chesbrough (2010) opined that business model innovation allows a company to bring new products, services or technologies to the market, transform the existing market with a better business model, satisfy existing market needs, and create an entirely new market.

### **Dimensions of Business Model Innovation**

There are several dimensions of business model innovation in literature. However, this study focuses on digital business model innovation and sustainable business model innovation.

### **Digital Business Model Innovation**

Digital business model innovation is a new way of creating and capturing business value that is embodied in or enabled by information technology (Fichman et al in Trischler & Li-Ying, 2023). Trischler and Li-Ying (2023) defined digital business model innovation as a purposeful, non-trivial, dynamic changes made to the key elements of the business model by transforming analog, physical objects, processes or content into primarily (or entirely) digital formats. A good number of companies have adjusted their business models to take advantage of the opportunities provided by digital technology (Linde et al, 2021). Netflix is a good example of company that has implemented digital business model innovation. The company transitioned from providing a DVD rental service to a famous streaming giant, thereby exploiting the opportunity in the online entertainment streaming industry. This innovation led to the disruption of the traditional media consumption, shifting from physical purchases and rentals to the large on-demand digital content which has heavily

impacted the cable TV industry (Lloyd, 2023). Bleicher and Stanley (2019) observed that companies with digitalized business model utilize novel digital technology in all aspects of their business operations.

The digital transformation of the business model affects the individual elements in the business model, including the value-added chains and the different actors in the company's value-added network (Dellermann et al, 2017). The nature of transformation can be incremental or radical changes in the business model (Bican & Brem, 2020). The approach to digital transformation of business model follows sequential and logical processes that are related to one another (Katsamakos & Pavlov, 2020). However, when transforming the business model digitally, technologies such as big data and enabler (s) are used in generating new applications (Cheah & Wang, 2017). These technologies and enablers require skills that will facilitate data collection and exchanges as well as the capability to calculate, analyze and evaluate various options. New processes with the digitalized business model are initiated using the evaluated options (Cheah & Wang, 2017).

### **Sustainable Business Model Innovation**

According to Ferlito and Faraci (2022), sustainable business model innovation is a change in the way a firm operates in order to create positive impacts or to reduce negative consequences for the environment and society. Similarly, Presenza et al (2019) defined sustainable business model innovation as a change in how a firm operates to reduce adverse external effects and create new positive external effects for the environment and society. Geissdoesfer et al (2018) described sustainable business model innovation as the integration of sustainability concern into a business model to create value for customers and shareholders. Sustainable business model innovation is characterized by integrating sustainable principles or goals into the existing value proposition of firms and extending the value creation concept from commercial or economic value to shared value (Porter & Kramer, 2011). This type of business model innovation requires firms not to consider only their financial interests but also their non-financial interests (environmental and social interests) when making business decisions (Lozano, 2018). A typical example of sustainable business model innovation involves changing the energy inputs (e.g. fossil fuel energy) for production operation and using renewable energy sources such as sunlight and wind energies; or modifying the way in which products reach the market such as the distribution and transportation operations (Baldassarre et al, 2017). Some firms have integrated sustainability innovation into their business models to exploit green market opportunities and build a competitive advantage for themselves (Presenza et al, 2019). Evans et al (2017) noted that firms that implement sustainable business model innovation capture economic value for investors and shareholders, and environmental and social value for stakeholders.

### **Concept of Marketing Performance**

According to Katsikeas et al (2016), marketing performance refers to the outcome of the marketing activities of a firm for a specific period of time. It is the performance which the marketing department of a company looks at to determine how well their marketing activities are meeting their marketing goals. Companies usually evaluate their marketing performance to determine how effective is their marketing strategies, marketing teams and department in achieving their marketing goals (Frosen et al, 2013). Homburg et al

(2012) noted that marketing goals are often set by the marketing department of a company and at the periodical interval, comparison is made between the marketing goals and the actual marketing performance of the company. If the actual marketing performance exceeds the set target for the period under review, the company can be said to have a good marketing performance and vice versa (Homburg et al, 2012). Liang and Gao (2020) stated that marketing performance enables the marketing department and teams to determine how well their marketing effort is driving growth. It provides an insight for marketing managers to review their effort, amplify their actions and make better-informed decisions that will improve their future marketing performance.

### **Measures of Marketing Performance**

Marketing performance is measured using various indicators. However, in this study, marketing performance of firms is measured using sales growth and market share growth.

#### **Sales Growth**

Sales growth is the increase in sales of a company over a period of time (Pantow et al, 2015). Sales growth can be determined by comparing the current year sales of a company with its previous year sales (Nanningsih & Dewi, 2023). For instance, if a company made a sales of N15,000,000 in the year 2024 and generated a sales of N20,000,000 in the year 2025, it means that the company has experienced a sales growth of N5,000,000 in the year 2025. When the sales grow consistently from year to year, it means that the sales department is performing well. Thus, a massive growth in sales indicates that the company is doing well in the marketplace, satisfying its customers and competing favourable against its competitors (Sriyono & Andesto, 2022). Sales growth is very important to any company because it leads to revenue and profitability growth (Shubita, 2024). Without sales growth, it will be impossible for companies to grow their revenue and profitability. Hence, a company with talented salesmen can increase their sales and sustain its competitive advantage in the market (Budiharjo, 2023).

#### **Market Share Growth**

Market share growth is the increase in proportion of a market captured by a company for a specific period of time (Edeling & Himme, 2018). The market share of a company can be calculated by dividing the total industry's sales by the sales made by the company for the period under review. By multiplying the figure by 100%, the company can be able to determine its market share growth rate. Thus, a high market share growth rate indicates that customers value the company's products over competitors' offerings (Liang & Gao, 2020). Market share growth helps to increase a company's revenue and profitability, thereby positioning the company on the right path for growth (Katsikeas et al, 2016). Edeling and Himme (2018) stated that a company whose market share is growing from year to year grows its revenue faster than its rivals in the same industry. When the market share of a company increases from year to year, it enables the company to expand its operation and increase profit.

### **Theoretical Review**

This study applied the disruptive innovation theory which was developed by Clayton Christensen in the early 1990s. The theory explains how smaller firms can challenge their

larger and established rivals by targeting or creating new markets through business model innovation. The theory argues that small firms can disrupt the existing market by focusing on simplicity and accessibility to create new markets (Christensen in Evans et al, 2017). Disruptive innovation theory explains the move that small firms can make to displace their larger competitors. The theory requires small firms to embark on innovations that will make their products and services more accessible and affordable to large population and displace their larger competitors in the marketplace. The disruptive innovation theory is very relevant in explaining the importance of business model innovation to SMEs. The theory argues that SMEs can improve their marketing performance and gain a competitive advantage over their larger rivals if they innovate their business models and channel their innovation efforts towards creating a new market by developing products and services that are easily accessible and affordable to the larger population. By innovating their business model, SMEs would create and deliver value in a new way, increase sales and market share, and displace their larger rivals in the market.

### **Empirical Review**

A number of studies have been conducted on business model innovation and marketing performance of firms. For instance, Freisinger et al (2021) examined business model innovation and performance of firms. Their study adopted the survey research design and the quantitative research approach where questionnaire was used to collect data from 250 organizations in Germany. The data collected were analysed statistically while the hypotheses were tested using the Structural Equation Modeling (SEM). The findings revealed that business model innovation has a positive relationship with firm performance.

Anwar (2018) explored the relationship between business model innovation and SMEs performance. The researcher adopted the correlational research design and quantitative research approach where data were collected from 158 entrepreneurs in Malaysia using a structured questionnaire. After analysing the data collected using both descriptive and inferential statistics, the researcher found out that significant relationship exists between business model innovation and SMEs performance, and that this relationship is significantly mediated by competitive advantage.

Caravannis et al (2015) carried out a study to determine the impact of business model innovation on organizational sustainability. Their study employed the descriptive research design and qualitative research approach where interview was used to collect data from 45 executives and managers of IT firms in India. The data collected were analysed using content and thematic analysis, and the findings revealed that business model innovation serves as a tool for achieving organizational sustainability.

Calauss et al (2019) examined the effect of strategic agility and business model innovation on firm performance. The researchers employed the cross-sectional survey research design and used a structured questionnaire to collect data from 63 managers in the manufacturing sector in UK. After analysing the data collected using percentage and frequency tables, Pearson correlation and SPSS version 19.0, the researchers found that strategic agility and business model innovation have a positive and significant impact on firm performance.

Futterer et al (2020) conducted a research to determine how business model innovation affects consumers' adoption behaviour. Their study employed survey research design where data were collected from 285 consumers in Italy using a structured questionnaire. After analysing the data using percentage and frequency analysis, mean and standard deviation, the researchers found out that business model innovation significantly influence consumers' adoption behaviour.

Karimi and Walter (2016) explored the impact of corporate entrepreneurship and disruptive business model innovation adoption on the performance of firms in the newspaper industry. Their study employed the descriptive research design and the quantitative research approach where questionnaire was used to obtain data from employees in newspaper firms. The data collected were analysed using descriptive and inferential statistics and the findings revealed that corporate entrepreneurship and disruptive business model innovation have significant impact on firm performance.

Tavassoli and Bengtsson (2018) examined the role of business model innovation in product innovation performance. The researchers employed the cross-sectional survey research and used a structured questionnaire to collect data from managers drawn from manufacturing firms in Sweden. The data collected were analysed using percentage and frequency analysis while the hypotheses were tested using Pearson correlation. The findings revealed that business model innovation significantly enhance product innovation performance.

### **Gap in Literature Review**

From the empirical literature reviewed, it was observed most of the studies conducted on business model innovation and firm performance were carried out in Germany, Malaysia, India, UK, Italy and Sweden while studies that examined the relationship between business model innovation and performance of SMEs in Nigeria particularly in Rivers State are absent. Also, it was observed that none of the previous studies relate digital business model innovation and sustainable business model innovation to marketing performance (sales growth and market share growth) of food and beverage SMEs in Rivers State. These gaps need to be filled to increase literature on business model innovation and firm performance in developing countries. This is the motivation behind this study.

### **METHODOLOGY**

This study is a correlational research that utilizes the positivist research philosophy. The study population consisted of all 139 registered food and beverage SMEs in Rivers State (Small and Medium Enterprises Development Agency of Nigeria) while the accessible population was limited to selected registered food and beverage SMEs in Rivers State. The purposive sampling technique was used to select 83 food and beverage SMEs for the study. The SMEs were selected purposively based on the criteria that they operate a digital and sustainable business models. The sampling units consisted of entrepreneurs of the selected food and beverage SMEs in Rivers State. A structured questionnaire was used as the main instrument for collecting data from the respondents. The questionnaire was structured using the modified four (4) point Likert scale ranging from Strongly Agree, Agree, Disagree to Strongly Disagree. The validity of the instrument was determined using

content analysis and its reliability was tested using Cronbach Alpha method. Having confirmed the validity and reliability of the instrument, the questionnaire was administered to the respondents. Eighty-three (83) questionnaires were administered to the respondents (entrepreneurs) of the selected food and beverage SMEs in Rivers State and 74 copies were collected from them which represents 89% collection rate. The data collected were analyzed using descriptive statistics while the hypotheses were tested using Spearman Rank Order Correlation Coefficient ( $\rho$ ). The analysis was facilitated with the use of a computer software program known as SPSS 27.0 version.

## RESULTS AND DISCUSSION

The data collected on business model innovation (digital business model innovation and sustainable business model innovation) were correlated with the data obtained on marketing performance (sales growth and market share growth) of food and beverage SMEs. The results are shown in the tables below:

**Table 1: Correlation between digital business model innovation and sales growth of food and beverage SMEs**

			Digital Business Model Innovation	Sales Growth
Spearman ( $\rho$ )	Digital Business Model Innovation	Correlation Coefficient	1.000	.892**
		Sig. (2 tailed)	.001	.001
			74	74
	Sales Growth	Correlation Coefficient	.892**	1.000
		Sig. (2 tailed)	.001	.001
			74	74
			N	N

\*\*Correlation is significant at 0.01 levels (2 tailed)

\*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 1 shows a very strong and positive correlation between digital business model innovation and sales growth ( $\rho = .892^{**}$ ) and this correlation is significant at 0.01 level. Based on this this, the null hypothesis was rejected while the alternate hypothesis was accepted. This implies that we then accept that there is significant relationship between digital business model innovation and sales growth of food and beverage SMEs in Rivers State.

**Table 2: Correlation between digital business model innovation and market share growth of food and beverage SMEs**

			Digital Business Model Innovation	Market Share Growth
Spearman (rho)	Digital Business Model Innovation	Correlation Coefficient	1.000	.846**
		Sig. (2 tailed)	.74	.001
			N	74
	Market Share Growth	Correlation Coefficient	.846**	1.000
		Sig. (2 tailed)	.001	.74
			N	74

\*\*Correlation is significant at 0.01 levels (2 tailed)

\*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 2 indicates that digital business model innovation has a very strong and positive correlation with market share growth ( $\rho = .846^{**}$ ) and this correlation is significant at 0.01 level. As a result of this, we then reject the null hypothesis and accept the alternate hypothesis which states that there is significant relationship between digital business model innovation and market share growth of food and beverage SMEs in Rivers State.

**Table 3: Correlation between sustainable business model innovation and sales growth of food and beverage SMEs**

			Sustainable Business Model Innovation	Sales Growth
Spearman (rho)	Sustainable Business Model Innovation	Correlation Coefficient	1.000	.638**
		Sig. (2 tailed)	.74	.001
			N	74
	Sales Growth	Correlation Coefficient	.638**	1.000
		Sig. (2 tailed)	.001	.74
			N	74

\*\*Correlation is significant at 0.01 levels (2 tailed)

\*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 3 shows that sustainable business model innovation is strongly and positively correlated to sales growth ( $\rho = .638^{**}$ ) and this correlation is significant at 0.01 level. Therefore, the null hypothesis is rejected and the alternate hypothesis is accepted. This means that we then accept that there is significant relationship between sustainable business model innovation and sales growth of food and beverage SMEs in Rivers State.

**Table 4: Correlation between sustainable business model innovation and market share growth of food and beverage SMEs**

			Sustainable Business Model Innovation	Market Share Growth
Spearman (rho)	Sustainable Business Model Innovation	Correlation	1.000	.681**
		Coefficient	.	.001
		Sig. (2 tailed)	.74	.74
	Market Share Growth	Correlation	.681**	1.000
		Coefficient	.001	.
		Sig. (2 tailed)	.74	.74
		N		

\*\*Correlation is significant at 0.01 levels (2 tailed)

\*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

Table 4 indicates a strong and positive correlation between sustainable business model innovation and sales growth ( $\rho = .681^{**}$ ) and this correlation is significant at 0.01 level. Consequently, the null hypothesis is rejected and the alternate hypothesis is accepted. This implies that we then accept that there is significant relationship between sustainable business model innovation and market share growth of food and beverage SMEs in Rivers State.

### Discussion of Findings

This study reported a significant relationship between digital business model innovation and sales growth of food and beverage SMEs in Rivers State. This finding was deduced from the result of the analysis carried out on the two variables. The result showed that a very strong and positive correlation between digital business model innovation and sales growth and this correlation is significant at 0.01 level (see table 1). As a result of this we then rejected the null hypothesis and accepted the alternate hypothesis which states that there is significant relationship between digital business model innovation and sales growth of food and beverage SMEs in Rivers State. This finding is supported by Bican and Brem (2020) and Linde et al (2021) as their studies revealed that digital business model enhance sales performance of firms.

This study also found a significant relationship between digital business model innovation and market share growth of food and beverage SMEs in Rivers State. This finding was derived from the result of the analysis carried out on the two variables. The result

showed that a digital business model innovation has a very strong and positive correlation with market share growth and this correlation is significant at 0.01 level (see table 2). Consequently, the null hypothesis was rejected and the alternate hypothesis was accepted. This means that we then accepted that there is significant relationship between digital business model innovation and market share growth of food and beverage SMEs in Rivers State. This finding is in line with the research conducted by Bleicher and Stanley (2019) and Katsamakas and Pavlov (2020) which revealed that digital business model significantly increase the market share of firms.

This study discovered a significant relationship between sustainable business model innovation and sales growth of food and beverage SMEs in Rivers State. This finding emerged from the result of the correlation analysis carried out on the two variables. The result showed that sustainable business model innovation is strongly and positively correlated to sales growth and this correlation is significant at 0.01 level (see table 3). Based on this result, the null hypothesis was rejected and the alternate hypothesis was accepted. This means that we then accepted that there is significant relationship between sustainable business model innovation and sales growth of food and beverage SMEs in Rivers State. This finding is supported by Presenza et al (2019) and Baldassarre et al (2017).

Finally, it was revealed that sustainable business model innovation is significantly related to market share growth of food and beverage SMEs in Rivers State. This finding was emanated from the result of the analysis carried out on the two variables. The result revealed that a strong and positive correlation exists between sustainable business model innovation and sales growth and this correlation is significant at 0.01 level (see table 4). Consequently, the null hypothesis was rejected and the alternate hypothesis was accepted. This implies that we then accepted that there is significant relationship between sustainable business model innovation and market share growth of food and beverage SMEs in Rivers State. This finding is consistent with the position of Evans et al (2017) and Lozano (2018) which revealed that sustainable business model has significant impact on the market share of firms.

## **CONCLUSION**

Given the dynamic nature of the business environment and the intense competition in the Nigerian food and beverage industry, it becomes imperative for SMEs to embrace business model innovation such as digital and sustainable business model innovations. This study has proven that digital business model innovation has a significant relationship with sales growth and market share growth of food and beverage SMEs. The study also revealed that sustainable business model innovation is significantly related to sales growth and market share growth of food and beverage SMEs. In line with these findings, it was concluded that business model innovation such as digital and sustainable business model innovations have significant impact on marketing performance of food and beverage SMEs in Rivers State.

## **RECOMMENDATIONS**

In line with the above drawn conclusion, the following recommendations are given:

1. That, food and beverage SMEs in Rivers State particularly those that are experiencing poor marketing performance should innovate their business model as it would improve their marketing performance.
2. That, food and beverage SMEs in Rivers State especially those that are operating a physical brick-and-mortar store should take advantage of the opportunities provided by digital technology and digitalized their business model as this would enable create an online market segment and increase their sales and market share.
3. That, food and beverage SMEs in Rivers State particularly those that operating an unsustainable business model should adopt sustainable business model innovation as this would enable them create a green market segment and increase their sales and market share.
4. That, food and beverage SMEs in Rivers State particularly those that are planning to innovate their business model should adopt the disruptive innovation theory and the business model canvass to guide them in their innovation effort as this would ensure successful implementation of their business model innovation.
5. Finally, it is recommended that food and beverage SMEs in Rivers State should ensure that their business model innovation produces products that are accessible and affordable to the low-income population as this would give them a competitive edge over their larger rivals and improve their marketing performance.

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