

Marketing Innovation Strategies and Operational Performance of MSMEs in an Emerging Economy: Evidence from Taraba State, Nigeria

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DOI: <https://doi.org/10.62154/qjmb.2026.023.01032>

Abstract

This study examines the effect of marketing innovation on the operational performance of Micro, Small and Medium Enterprises (MSMEs) in Taraba State, Nigeria. Marketing innovation was operationalized through four dimensions—digital marketing innovation, branding innovation, customer relationship innovation, and promotional innovation—within a conceptual framework grounded in the Unified Theory of Acceptance and Use of Technology (UTAUT). A quantitative survey design was adopted, and data were collected from 350 MSME employees across five Local Government Areas in Taraba State using a structured, validated questionnaire. Data were analyzed using descriptive statistics, Pearson correlation, and multiple regression analysis. The results show that the four marketing innovation dimensions jointly explain 70.6% of the variance in operational performance [$F(4, 345) = 207.55, p < 0.001$]. Customer relationship innovation emerged as the strongest individual predictor ($\beta = 0.363, p = 0.001$), followed by promotional innovation ($\beta = 0.295, p < 0.001$) and digital marketing innovation ($\beta = 0.256, p = 0.044$). Branding innovation was not a significant unique predictor in the regression model ($\beta = -0.047, p = 0.709$), a result attributed to multicollinearity with digital marketing innovation, although its bivariate correlation with operational performance remained strong and significant ($r = 0.795, p < 0.001$). The findings indicate that marketing innovation functions as an integrated, mutually reinforcing system rather than a set of independent practices, and that customer-centric and promotional strategies offer the most direct route to improved operational performance among MSMEs in resource-constrained, emerging-economy settings. The study contributes to theory by extending UTAUT beyond adoption intention to operational performance outcomes, and offers practical guidance for MSME managers, industry associations, and policymakers seeking to strengthen MSME competitiveness through marketing innovation, particularly within agribusiness-dominated value chains.

Keywords: Marketing Innovation, Operational Performance, MSMEs, Digital Marketing, Customer Relationship Innovation, UTAUT, Taraba State, Nigeria.

Introduction

Micro, Small and Medium Enterprises (MSMEs) play a vital role in Nigeria's economy by contributing to employment creation, rural income generation, and food security, particularly in agricultural states such as Taraba. Despite this importance, many MSMEs

continue to experience weak operational performance, reflected in low productivity, inefficient processes, limited market access, poor customer retention, and weak competitiveness in increasingly dynamic markets.

In response to these challenges, marketing innovation has become a key strategic tool for improving business outcomes. It involves the adoption of new or improved marketing practices such as digital marketing, social media engagement, branding innovation, customer relationship management, and value-driven communication strategies. Empirical studies suggest that such innovations enhance market reach, improve customer engagement, and strengthen firm performance and competitiveness (Singh & Sharma, 2026; Syaifuddin et al., 2026). However, adoption among MSMEs remains low due to inadequate infrastructure, limited digital literacy, and continued reliance on traditional marketing methods.

In Taraba State, these constraints are more pronounced, as many MSMEs operate with limited access to modern marketing tools and weak institutional support, thereby restricting their ability to respond effectively to changing consumer demands and competitive pressures.

Nationally, MSMEs are the backbone of the Nigerian economy: they account for the overwhelming majority of registered businesses and the bulk of non-oil employment, and are widely credited with driving local wealth creation, poverty reduction, and entrepreneurship (SMEDAN & National Bureau of Statistics, 2017). In agrarian states such as Taraba, MSMEs occupy an especially strategic position because they dominate agricultural production, processing, trading, and distribution activities that sustain both rural livelihoods and regional food security. Sustaining and improving the operational performance of these enterprises is therefore not merely a firm-level concern but a matter of broader economic and developmental significance for the state and the country.

Marketing innovation has emerged as a strategic mechanism for addressing these challenges through new or improved practices such as digital marketing, social media engagement, innovative branding and promotion, customer relationship management, and value-oriented communication. Such practices can enhance market reach, customer engagement, brand visibility, and responsiveness, thereby improving operational effectiveness and competitiveness. Empirical studies generally report positive effects of marketing innovation on competitiveness and business performance (Amoa-Gyarteng et al., 2024; Trianto et al., 2025; Syaifuddin et al., 2026). However, Esubalew and Adebisi (2024) found that marketing innovation did not significantly mediate the relationship between entrepreneurial competency and MSME growth in Ethiopia, suggesting that its performance effects may vary across institutional, technological, sectoral, and economic contexts.

Despite this growing scholarly interest, empirical evidence remains fragmented in ways that limit its usefulness for Nigerian MSMEs. Geographically, the bulk of the literature originates from Southeast Asia, East Africa, West Africa, and Eastern Europe, with

comparatively few studies situated in Nigeria and virtually none in sub-national, agrarian contexts such as Taraba State. Outcome-wise, existing studies have predominantly examined growth, competitiveness, and survival, leaving operational performance -- productivity, efficiency, cost, delivery reliability, and customer satisfaction -- comparatively under-examined as a distinct dependent variable. Conceptually, few studies disaggregate marketing innovation into distinct dimensions (digital, branding, customer relationship, and promotional) to establish which dimensions matter most, and under what conditions their effects may be confounded by high inter-correlation among practices that MSMEs tend to adopt together. This combination of geographic, outcome-related, and conceptual gaps constitutes the specific empirical problem this study addresses.

Addressing this problem is important for both theory and practice. Theoretically, the study extends the Unified Theory of Acceptance and Use of Technology (UTAUT) beyond its conventional focus on adoption intention to explain operational performance outcomes, offering a disaggregated view of how specific marketing innovation dimensions relate to firm-level effectiveness in a resource-constrained, emerging-economy setting. Practically, the findings are intended to guide MSME owner-managers in prioritizing marketing investments with the strongest link to performance, to inform industry associations such as SMEDAN in designing targeted capacity-building interventions, and to support policymakers in Taraba State and comparable sub-national contexts in framing evidence-based support programmes for MSMEs. By generating context-specific evidence from an under-studied Nigerian sub-national setting, the study contributes original empirical knowledge to the marketing innovation literature rather than merely replicating findings from other institutional contexts.

Statement of the Problem

Despite the acknowledged importance of marketing innovation in enhancing firm performance, MSMEs in Taraba State continue to record poor operational outcomes. Moreover, there is limited empirical evidence on how specific marketing innovation practices influence their operational performance in the study area. This creates a knowledge gap regarding which marketing innovation strategies are most effective in improving efficiency, competitiveness, and sustainability. Therefore, this study examines the effect of marketing innovation on the operational performance of MSMEs in Taraba State, Nigeria.

Purpose and Structure

The purpose of this study is to examine the effect of marketing innovation on the operational performance of MSMEs in Taraba State, Nigeria. The article is structured as follows: Section 1 presents the introduction, objectives, and hypotheses; Section 2 reviews relevant literature and develops the conceptual framework; Section 3 outlines the research methodology; Section 4 presents data analysis and results; and Section 5 presents the

conclusion, theoretical implications, managerial implications, limitations, and future research directions.

Objectives

To examine the effect of marketing innovation on the operational performance of MSMEs in Taraba State, Nigeria.

Specific Objectives

The study seeks to:

Determine the effect of digital marketing innovation on the operational performance of MSMEs in Taraba State.

Examine the effect of branding innovation on the operational performance of MSMEs in Taraba State.

Assess the effect of customer relationship innovation on the operational performance of MSMEs in Taraba State.

Evaluate the effect of promotional innovation on the operational performance of MSMEs in Taraba State.

Determine the joint effect of marketing innovation dimensions on the operational performance of MSMEs in Taraba State.

Hypotheses

H1: Digital marketing innovation has a significant effect on operational performance of MSMEs in Taraba State.

H2: Branding innovation has a significant effect on operational performance of MSMEs in Taraba State.

H3: Customer relationship innovation has a significant effect on operational performance of MSMEs in Taraba State.

H4: Promotional innovation has a significant effect on operational performance of MSMEs in Taraba State.

H5: Marketing innovation dimensions jointly have a significant effect on operational performance of MSMEs in Taraba State.

Literature Review

Marketing Innovation

Marketing innovation is defined as "the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion, or pricing" (OECD/Eurostat, 2018). Building on this foundation, it encompasses innovative strategies and tools — including digital marketing, social media, eco-labeling, and ESG communication — aimed at enhancing brand visibility, consumer trust, and competitive advantage (Ustik et al., 2026). Scholars further characterize it as a dynamic

capability through which firms adopt novel marketing practices and digital technologies, integrated with sustainability principles, to differentiate themselves, create customer value, and sustain competitive advantage (Civelek et al., 2025; Gonchar et al., 2026). In this study, marketing innovation is operationalized through four key dimensions: digital marketing, branding innovation, customer relationship innovation, and promotional innovation, which collectively enhance market responsiveness, customer engagement, and organizational performance.

Digital Marketing

Digital marketing refers to the strategic use of online platforms and digital tools to promote products, engage customers, and support innovation processes through real-time data, personalization, and enhanced customer interaction (Makhmudov et al., 2026). It is further conceptualized as a strategic capability that leverages digital technologies to strengthen customer engagement, market sensing, and innovation, thereby improving SME performance and competitiveness (Elkhoudary et al., 2026). In the context of MSMEs, digital platforms such as WhatsApp, Facebook, and Instagram serve as vital channels for improving market access, customer engagement, and price discovery. Empirical evidence indicates that digital marketing enhances market reach and operational efficiency by reducing information asymmetry and improving communication between firms and customers (Singh & Sharma, 2026; Eshbayev et al., 2024). However, the effectiveness of digital marketing in MSMEs is largely dependent on the level of digital literacy and the availability of adequate technological infrastructure.

Branding Innovation

Bello et al. (2026) define branding innovation as the strategic enhancement of brand identity and communication through the use of digital technologies and improved customer experiences to strengthen competitiveness and foster customer loyalty. The study further highlights that branding innovation is significantly influenced by digital transformation, which enables firms to redesign brand interactions and improve customer engagement through enhanced digital experiences (Bello et al., 2026). Empirical evidence also suggests that innovative branding strategies, particularly those linked to sustainability initiatives and eco-friendly packaging, significantly increase consumers' willingness to pay and strengthen market competitiveness (Giri & Chaulagai, 2024; Ustik et al., 2026). Consequently, branding innovation serves as a critical mechanism for building consumer trust, enhancing perceived value, and sustaining long-term customer loyalty, particularly among MSMEs.

Customer Relationship Innovation

Customer relationship innovation refers to the continuous enhancement of customer management practices through the application of digital technologies and electronic customer relationship management (E-CRM) systems, aimed at improving customer

engagement, loyalty, and overall organizational performance (Perez-Bertozzi & Palos-Sánchez, 2026). It also involves the integrated use of E-CRM, service quality improvement, and strategic marketing communication to enhance customer satisfaction and strengthen loyalty, particularly within the hospitality industry (Khiabani et al., 2026). Empirical evidence suggests that firms that actively engage customers through digital platforms and interactive communication channels achieve higher levels of customer satisfaction and retention (Wu & Li, 2026; Al Oraini, 2026). In the context of MSMEs, strong customer relationship practices are critical for sustaining repeat purchases and improving long-term market performance in highly competitive environments.

Promotional Innovation

Amoa-Gyarteng et al. (2024) describe promotional innovation as the use of new, creative, and technology-driven approaches to influence customer behaviour and enhance firm performance. Similarly, Purchase and Volery (2020) define it as the introduction of new or significantly improved communication and promotional methods aimed at informing, persuading, and building relationships with customers and other stakeholders. This includes digital and social media communication, personalized and data-driven marketing, influencer and peer-to-peer marketing, and interactive promotional strategies (Purchase & Volery, 2020). Empirical evidence further indicates that innovative promotional strategies significantly enhance consumer engagement, product visibility, and purchase intention, particularly in agribusiness markets (Bondarenko et al., 2025; Singh & Sharma, 2026). These strategies are particularly beneficial for MSMEs because they offer cost-effective ways to reach broader audiences and stimulate demand despite limited financial resources.

Operational Performance

Operational performance refers to the extent to which a firm achieves efficiency, productivity, quality, cost, and delivery objectives, often enhanced through benchmarking and effective performance management practices (Voss, Åhlström, & Blackmon, 1997; De Leeuw & Van den Berg, 2011). It is commonly measured using indicators such as productivity, efficiency, quality, cost performance, delivery reliability, flexibility, customer satisfaction, sales and revenue growth, cost reduction, and market responsiveness (Amoa-Gyarteng et al., 2024; Truong et al., 2017).

Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MSMEs) are heterogeneous business entities classified using quantitative indicators such as employment size, turnover, and assets, as well as qualitative factors including organizational structure, managerial capacity, and capital configuration (De Sordi et al., 2024; Wube & Atwal, 2024). Beyond size-based classification, MSMEs are also understood from a knowledge-based perspective, where their performance and development depend on the level of technological and

organizational knowledge embedded in their operations (López-Ortega et al., 2016). They are typically characterized by limited resources, small workforce size, and simple organizational structures, often operating with low capital investment and constrained access to finance and managerial expertise (Ipinaiye et al., 2017; Levy, 2018). MSMEs are frequently owner-managed or family-run and remain locally embedded within their operating environments (Wright et al., 2015).

Despite these constraints, MSMEs are widely recognized as enterprises operating below standard employment and turnover thresholds and forming a critical base of most national economies (OECD, 2019).

Conceptual Model of Marketing Innovation and Operational Performance of MSMEs

The conceptual model illustrates the proposed relationships between the four dimensions of marketing innovation (independent variables) and operational performance (dependent variable) within the UTAUT framework. Each dimension is hypothesized to have a direct positive effect on operational performance (H_1 – H_4), while H_5 proposes a significant combined effect of all four dimensions.

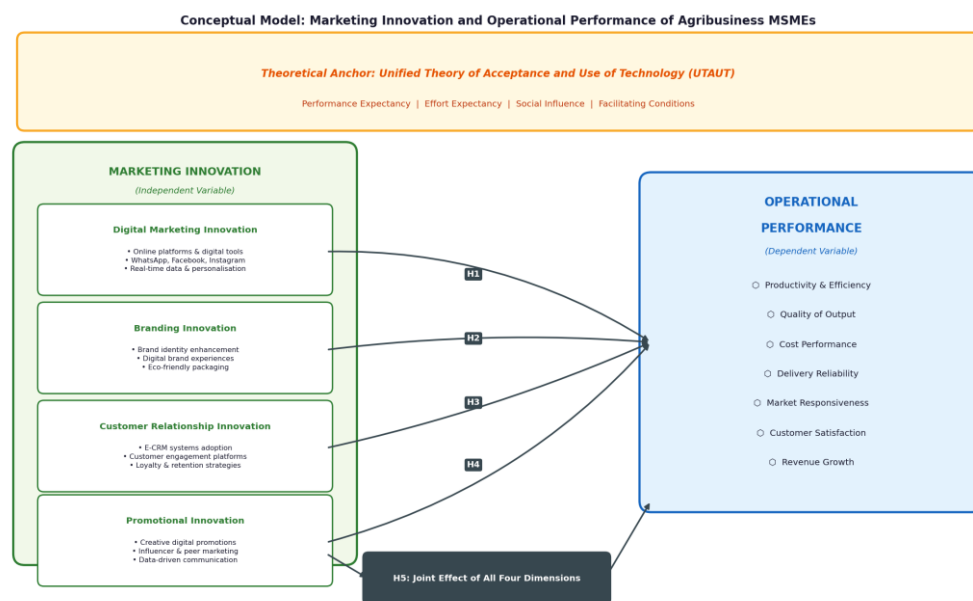


Figure 1: Conceptual Model of Marketing Innovation and Operational Performance of MSMEs

Source: Author's model, 2026

As illustrated in Figure 1, the model adopts the Unified Theory of Acceptance and Use of Technology (UTAUT) as the guiding framework, with its core constructs—performance expectancy, effort expectancy, social influence, and facilitating conditions—supporting the adoption of marketing innovation practices. Marketing innovation, the independent variable, comprises four dimensions: digital marketing innovation, branding innovation, customer relationship innovation, and promotional innovation. These dimensions focus on

the use of digital platforms, brand enhancement strategies, E-CRM and customer engagement systems, and technology-driven promotional approaches.

The dependent variable, operational performance, is measured through productivity and efficiency, quality of output, cost performance, delivery reliability, market responsiveness, customer satisfaction, and revenue growth. The framework provides a basis for testing Hypotheses H₁–H₅ and examining the influence of marketing innovation on MSMEs' operational performance in Taraba State.

Theoretical Review

The Unified Theory of Acceptance and Use of Technology (UTAUT), developed by Venkatesh et al. (2003), is an integrative framework used to explain users' acceptance and actual use of technology. The model posits that behavioral intention and usage behavior are primarily determined by four constructs: performance expectancy, effort expectancy, social influence, and facilitating conditions. These constructs capture the extent to which users perceive a technology as useful, easy to use, socially supported, and backed by adequate technical and organizational resources.

Recent studies (Banluesapy et al., 2026; Kumar & Siringoringo, 2026; Sadiq et al., 2026) affirm the continued relevance of UTAUT in explaining technology adoption in digital and innovation-driven contexts. Across these studies, adoption is consistently higher when users perceive clear benefits, minimal complexity, positive social reinforcement, and sufficient infrastructural support.

In the context of MSMEs, UTAUT provides a useful lens for explaining the adoption of marketing innovation practices, including digital marketing tools, branding systems, customer relationship innovations, and promotional strategies. Adoption is more likely when operators believe these tools enhance performance (performance expectancy), are easy to use (effort expectancy), are encouraged by peers or market actors (social influence), and are supported by enabling infrastructure such as internet access, mobile devices, and training (facilitating conditions) (Kempen et al., 2026; Sadiq et al., 2026).

Within this framework, the four marketing innovation constructs in the study can be theoretically explained as follows:

Digital marketing innovation (social media, mobile platforms, online advertising) is adopted when MSMEs perceive that it improves market access and sales performance (performance expectancy) and is easy to operate (effort expectancy). Social influence from successful adopters and access to digital infrastructure further strengthens usage, leading to improved operational performance.

Branding innovation (packaging, labeling, and product differentiation) is adopted when it is perceived to enhance product visibility and customer preference (performance expectancy) and is feasible within existing operational capacity (effort expectancy). Peer practices and market competition also encourage adoption, improving competitiveness and performance outcomes.

Customer relationship innovation (CRM systems, feedback mechanisms, personalized communication) is adopted when it is viewed as beneficial for customer satisfaction and retention (performance expectancy) and easy to integrate into daily business activities (effort expectancy). Social influence from customers and business networks further reinforces its use, resulting in improved efficiency and repeat sales.

Promotional innovation (social media campaigns, digital advertising, and online promotions) is adopted when MSMEs perceive it as effective in increasing sales and visibility (performance expectancy) and cost-effective and simple to implement (effort expectancy). Competitive pressure and market trends (social influence) also drive adoption, enhancing market reach and operational outcomes.

Overall, UTAUT (Venkatesh et al., 2003) explains that marketing innovation adoption in MSMEs is driven by perceived usefulness, ease of use, social influence, and facilitating conditions, which collectively translate into improved operational performance.

Empirical Review

The empirical literature on marketing innovation and MSME performance reveals converging evidence across diverse economic contexts, though notable inconsistencies and contextual limitations persist.

Trianto et al. (2025), in a study conducted in Indonesia, investigated the interplay between marketing innovation, market orientation, competitive business advantage, and government support in sustaining micro-business survival during the COVID-19 pandemic. Employing a quantitative research design and Partial Least Square Structural Equation Modeling (PLS-SEM), the study established that marketing innovation significantly contributes to sustainable competitive advantage through differentiation, cost leadership, and focus strategies. The findings further indicated that competitor orientation and government support were critical determinants of micro-business resilience during periods of economic disruption. While methodologically robust, the study's scope was confined to a single crisis period (the pandemic), raising questions about the generalizability of its findings to non-crisis, steady-state business environments.

In a related but contrasting study, Esubalew and Adebisi (2024) examined the mediating role of marketing innovation in the relationship between entrepreneurial competency and MSME growth in Ethiopia. Drawing on data from 288 MSME owner-managers selected through stratified random sampling, and employing structural equation modeling, the study found that entrepreneurial competency exerted a significant positive direct effect on MSME growth. However, contrary to theoretical expectations, marketing innovation did not significantly mediate this relationship, as both its antecedent (entrepreneurial competency) and consequent (enterprise growth) paths proved statistically insignificant. This finding diverges from the broader literature affirming marketing innovation's mediating capacity, suggesting that contextual and sectoral factors within the Ethiopian MSME landscape may moderate the innovation–performance relationship, an issue the study did not fully explore.

Adopting a systematic literature review methodology guided by the PRISMA framework, Lubis et al. (2025) synthesized findings from 22 peer-reviewed articles to examine digital marketing strategies employed in expanding market access for MSME creative products in Indonesia. The review identified social media marketing, e-commerce adoption, search engine optimization (SEO), search engine marketing (SEM), influencer marketing, email marketing, and content marketing as key strategies enhancing brand visibility, market reach, and customer relationships. Nonetheless, the study also highlighted persistent structural barriers—limited digital literacy, inadequate technological infrastructure, and high advertising costs—that constrain MSMEs' capacity to fully exploit digital marketing innovations. As a review-based study, however, it does not offer primary empirical validation, limiting its capacity to establish causal relationships.

Syaifuddin et al. (2026) empirically examined the joint effect of product and marketing innovation on MSME competitiveness and economic growth. Using quantitative analysis, the study demonstrated that both innovation dimensions exert significant positive effects on competitiveness, with marketing innovation—particularly digital platform utilization and customer engagement strategies—emerging as the stronger driver of market expansion and firm performance. The study's findings reinforce the strategic primacy of marketing innovation over product innovation alone in resource-constrained MSME contexts, although the specific industry and geographic scope of the sampled MSMEs was not sufficiently detailed to allow sectoral generalization.

Focusing on sustainability-oriented marketing, Ustik et al. (2026) explored innovative marketing strategy tools for promoting green agribusiness brands in Ukraine. The study found that digital platforms, social media engagement, eco-labeling, storytelling, and green branding practices significantly enhanced consumer trust, brand visibility, and customer loyalty. The authors concluded that authenticity, transparency, and environmental responsibility constitute essential pillars of effective green branding. While insightful, this study's applicability is constrained to agribusiness enterprises operating within advanced sustainability-conscious markets, limiting its transferability to MSMEs in developing agrarian economies with weaker environmental regulatory frameworks.

Finally, Amoa-Gyarteng et al. (2024) investigated whether innovative marketing and sales promotion function as catalysts or inhibitors of SME performance in Ghana. Their empirical findings revealed that customer-oriented promotional strategies generally enhance firm performance by improving market reach, customer engagement, and competitiveness. However, the study cautioned that poor implementation and resource limitations could attenuate these benefits, underscoring that positive outcomes are not automatic but contingent on effective execution capacity.

Within Nigeria specifically, Awotunde, Oyedele, and Aregbeshola (2024) examined how online marketing and ICT-based initiatives influence the competitiveness and growth of small and medium enterprises, using a quantitative survey design and regression analysis. Their findings showed that online marketing significantly enhanced business

competitiveness and that ICT adoption was positively associated with business growth, reinforcing the relevance of digital marketing practices for Nigerian SME performance. However, the study was conducted without a specific sectoral or sub-national focus, leaving open the question of how these effects manifest among agrarian, sub-nationally concentrated MSMEs such as those in Taraba State.

Research Gap

Collectively, these studies affirm a generally positive relationship between marketing innovation and MSME performance outcomes—including competitiveness, growth, and survival—across Indonesia, Ethiopia, Ukraine, and Ghana. However, three critical patterns emerge. First, the relationship is not uniformly significant; Esubalew and Adebisi (2024) demonstrate that mediating effects can be statistically insignificant depending on contextual and institutional conditions. Second, the moderating or interactive role of government support (Trianto et al., 2025) and implementation capacity (Amoa-Gyarteng et al., 2024) suggests that marketing innovation alone is insufficient without complementary institutional and firm-level enabling conditions. Third, the reviewed studies are geographically concentrated in Southeast Asia, East Africa, West Africa (Ghana), and Eastern Europe, with methodological approaches ranging from PLS-SEM and structural equation modeling to systematic literature review—yet none employs a comparative or Nigerian-specific empirical lens, particularly within agrarian, sub-national contexts such as Taraba State. This geographic, sectoral, and methodological concentration constitutes the empirical gap this study seeks to address, by empirically investigating the role of marketing innovation, in enhancing MSME performance within Taraba State.

Methodology

This study adopted a quantitative survey design to examine the relationship between marketing innovation and MSME performance in Taraba State, Nigeria. The state, with a projected population of approximately 3.1 million in 2021 (National Bureau of Statistics, 2021), was selected due to its high concentration of MSMEs. The target population comprised 953,821 MSME employees in Taraba State (SMEDAN & National Bureau of Statistics, 2017).

The sample size was determined using the Krejcie and Morgan (1970) formula for finite populations:

$$S = (X^2NP(1-P)) / (d^2(N-1) + X^2P(1-P))$$

Where $X^2 = 3.841$ at 95% confidence level, $N = 953,821$, $P = 0.5$, and $d = 0.05$. The computed sample size was approximately 384 respondents.

A stratified systematic sampling technique was employed across five MSME-concentrated Local Government Areas—Jalingo, Wukari, Bali, Gembu, and Takum—to ensure geographic representation. MSME clusters were identified, and every k th enterprise was selected, with replacements where necessary. Out of 384 distributed questionnaires, 350 were valid, representing a 91% response rate. The distribution of respondents across the five sampled

Local Government Areas is reported in Table 1a, and the firm-size composition of the sample (micro, small, and medium enterprises) is reported in Table 1b.

Table 1a: Sample Distribution by Local Government Area (n = 350)

Local Government Area	Frequency (f)	Percentage (%)
Jalingo	105	30.0%
Wukari	84	24.0%
Bali	56	16.0%
Gembu	56	16.0%
Takum	49	14.0%
Total	350	100.0

Source: Author's field distribution records, 2026

The distribution of respondents across the five selected Local Government Areas (LGAs) indicates reasonable geographical coverage of the study area. Jalingo contributed the largest proportion of respondents (30.0%), followed by Wukari (24.0%), while Bali and Gembu each accounted for 16.0%. Takum recorded the lowest proportion (14.0%). The distribution reflects the stratified systematic sampling procedure adopted for the study and provides representation across the selected LGAs, although a modest variation in respondent concentration exists among the strata.

Table 1b: Firm-Size Distribution of Sampled MSMEs (n = 350)

Firm Size	Frequency (f)	Percentage (%)
Micro	147	42.0%
Small	133	38.0%
Medium	70	20.0%
Total	350	100.0

Source: Author's field survey, 2026

The firm-size distribution shows that micro enterprises constituted the largest proportion of the sampled MSMEs, accounting for 42.0% (147 respondents). Small enterprises represented 38.0% (133 respondents), while medium-sized enterprises accounted for the remaining 20.0% (70 respondents). Thus, the sample reflects the predominance of micro and small enterprises within the study context, while also providing adequate representation of medium-sized firms.

Data were collected using a structured questionnaire on a five-point Likert scale ranging from "strongly disagree" to "strongly agree." The instrument consisted of four marketing innovation dimensions—Digital Marketing Innovation, Branding Innovation, Customer Relationship Innovation, and Promotional Innovation (five items each)—and Operational Performance (five items).

Content validity was assessed using the Item-level Content Validity Index (I-CVI) and Scale-level Content Validity Index (S-CVI), based on evaluations from six experts. The S-CVI of 0.90 exceeded the recommended threshold of 0.80. Face validity was confirmed through feedback from MSME managers, leading to minor revisions for clarity.

Reliability was established through a pilot study involving 30 MSME employees. Cronbach's alpha values ranged from 0.874 to 0.901, indicating strong internal consistency. Composite Reliability values ranged from 0.910 to 0.927, while Average Variance Extracted (AVE) values ranged from 0.671 to 0.718, confirming strong construct reliability and convergent validity. All factor loadings exceeded 0.70, leading to the retention of all items in the final instrument.

Table 1: Reliability Analysis of Study Constructs (Pilot Study: n = 30)

Construct	Number of Items	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Digital Marketing Innovation	5	0.889	0.918	0.692
Branding Innovation	5	0.874	0.910	0.671
Customer Relationship Innovation	5	0.901	0.927	0.718
Promotional Innovation	5	0.883	0.914	0.681
Operational Performance	5	0.895	0.921	0.701
Overall Instrument	25	0.888	0.918	0.693

Source: Pilot Survey Reliability Analysis (2025).

Data were analyzed using IBM SPSS Statistics through descriptive statistics, correlation analysis, and multiple regression analysis to test the study hypotheses. The regression model adopted for the study is specified as:

$$OP = \beta_0 + \beta_1(DMI) + \beta_2(BI) + \beta_3(CRI) + \beta_4(PI) + \varepsilon$$

Where:

OP = Operational Performance

DMI = Digital Marketing Innovation

BI = Branding Innovation

CRI = Customer Relationship Innovation

PI = Promotional Innovation

β_0 = Constant term

β_1 – β_4 = Regression coefficients

ε = Error term

Ethical principles were observed throughout the study, including obtaining informed consent and ensuring anonymity and confidentiality through the exclusion of personal identifiers and the use of aggregated data.

Data Analysis and Discussion of Results

Descriptive Statistics of Survey Items

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n = 350 Respondents • 5-Point Likert Scale

Table 2: Respondents' Characteristics (n = 350)

Variable	Category	Frequency (f)	Percentage (%)
Gender	Male	198	56.6
	Female	152	43.4
	Total	350	100.0
Age	Below 25	38	10.9
	25–34	112	32.0
	35–44	96	27.4
	45–54	72	20.6
	55 and above	32	9.1
	Total	350	100.0
Educational Qualification	No formal education	28	8.0
	Primary	54	15.4
	Secondary	96	27.4
	Diploma/NCE	74	21.1
	Bachelor's degree	74	21.1
	Postgraduate	24	6.9
	Total	350	100.0
Type of MSMEs	Agribusinesses	128	36.6
	Trading	84	24.0
	Service	42	12.0
	Manufacturing	78	22.3
	Others (specify)	18	5.1
	Total	350	100.0
Years of Business Operation	Less than 1 year	44	12.6
	1–5 years	142	40.6
	6–10 years	98	28.0
	Above 10 years	66	18.9
	Total	350	100.0

Source: Author's computation, 2026

The demographic characteristics of the respondents indicate that males constituted the majority (56.6%), while females accounted for 43.4%. Most respondents were within the economically active age group of 25–34 years (32.0%), followed by 35–44 years (27.4%). Regarding educational qualification, the largest proportion possessed secondary education (27.4%), while respondents with postgraduate qualifications constituted the least percentage (6.9%). In terms of MSMEs type, Agribusinesses recorded the highest representation (36.6%), followed by Trading (24.0%). Furthermore, the majority of respondents had operated their businesses for 1–5 years (40.6%), indicating a relatively moderate level of business experience among the sampled MSMEs, which comprised agribusinesses (36.6%), trading enterprises (24.0%), manufacturing enterprises (22.3%), service enterprises (12.0%), and other MSME types (5.1%). Because agribusinesses constitute only just over a third of the sample, findings are interpreted as applying to MSMEs generally in Taraba State, with sector-specific patterns noted where relevant.

Table 3. Frequency, Percentage Distribution, Mean and Standard Deviation of All Constructs (n = 350)

Code	Item Statement	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Std. Dev.
		<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%		
Digital Marketing Innovation (DMI)													
DMI1	Our agribusiness uses social media platforms (WhatsApp, Facebook, Instagram) to promote products.	2	0.6%	1	0.3%	78	22.3%	143	40.9%	126	36%	4.114	0.797
DMI2	We use digital platforms to communicate directly with customers.	0	0%	0	0%	77	22%	148	42.3%	125	35.7%	4.137	0.748
DMI3	Digital marketing tools help us reach more customers than traditional methods.	0	0%	0	0%	74	21.1%	149	42.6%	127	36.3%	4.151	0.744

Code	Item Statement	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Std. Dev.
DMI4	We regularly advertise our products using mobile or internet-based platforms.	0	0%	0	0%	74	21.1%	141	40.3%	135	38.6%	4.174	0.754
DMI5	Digital marketing improves our access to new and distant markets.	0	0%	0	0%	76	21.7%	150	42.9%	124	35.4%	4.137	0.744
Brand Innovation (BI)													
BI1	Our agribusiness has a unique and identifiable brand name or identity.	0	0%	0	0%	72	20.6%	151	43.1%	127	36.3%	4.157	0.739
BI2	We have improved our product packaging to attract customers.	0	0%	1	0.3%	72	20.6%	150	42.9%	127	36.3%	4.151	0.747
BI3	Our branding helps us stand out from competitors in the market.	0	0%	0	0%	74	21.1%	144	41.1%	132	37.7%	4.166	0.750
BI4	Our product labels and branding increase customer trust.	0	0%	0	0%	78	22.3%	148	42.3%	124	35.4%	4.131	0.749
BI5	We continuously improve our brand image to remain competitive.	0	0%	1	0.3%	75	21.4%	150	42.9%	124	35.4%	4.134	0.751

Code	Item Statement	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Std. Dev.
Customer Relationship Innovation (CRI)													
CRI1	We maintain regular communication with our customers.	0	0%	0	0%	77	22%	143	40.9%	130	37.1%	4.151	0.755
CRI2	We use customer feedback to improve our products and services.	0	0%	0	0%	77	22%	148	42.3%	125	35.7%	4.137	0.748
CRI3	We respond quickly to customer inquiries and complaints.	0	0%	1	0.3%	75	21.4%	150	42.9%	124	35.4%	4.134	0.751
CRI4	We use digital tools (e.g., WhatsApp, SMS) to manage customer relationships.	0	0%	0	0%	79	22.6%	145	41.4%	126	36%	4.134	0.755
CRI5	Customer satisfaction is a key priority in our business operations.	0	0%	0	0%	76	21.7%	151	43.1%	123	35.1%	4.134	0.743
Promotional Innovation (PI)													
PI1	We use social media campaigns to promote our products.	0	0%	0	0%	77	22%	151	43.1%	122	34.9%	4.129	0.744
PI2	We use discounts and special offers to attract customers.	0	0%	0	0%	76	21.7%	146	41.7%	128	36.6%	4.149	0.750
PI3	Our promotional	0	0%	0	0%	75	21.4%	153	43.7%	122	34.9%	4.134	0.739

Code	Item Statement	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Std. Dev.
	strategies are creative and different from competitors.												
PI₄	We use targeted messages to reach specific customer groups.	0	0%	0	0%	74	21.1%	153	43.7%	123	35.1%	4.140	0.738
PI₅	Our promotional activities increase customer interest and demand.	0	0%	0	0%	75	21.4%	152	43.4%	123	35.1%	4.137	0.741
Operational Performance (OP)													
OP₁	Our agribusiness operates efficiently with minimal waste of resources.	0	0%	0	0%	79	22.6%	152	43.4%	119	34%	4.114	0.744
OP₂	We complete production and service activities within expected timeframes.	0	0%	0	0%	74	21.1%	155	44.3%	121	34.6%	4.134	0.735
OP₃	Our operational costs have reduced due to improved management practices.	0	0%	0	0%	78	22.3%	151	43.1%	121	34.6%	4.123	0.745
OP₄	Our sales and revenue have increased over time.	0	0%	0	0%	75	21.4%	149	42.6%	126	36%	4.146	0.745

Code	Item Statement	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly Agree (5)		Mean	Std. Dev.
OP ₅	Our customers are satisfied with the quality of our products and services.	0	0%	0	0%	79	22.6%	149	42.6%	122	34.9%	4.123	0.749

Source: Author's computation 2026

The descriptive statistics in Table 2 show high agreement across all marketing innovation dimensions and operational performance indicators, with mean scores ranging from 4.114 to 4.174 on a five-point Likert scale. Since all values exceed the benchmark midpoint of 3.0, respondents perceive marketing innovation practices as actively adopted by MSMEs in Taraba State.

For Digital Marketing Innovation (DMI), DMI₄ recorded the highest mean ($\bar{x} = 4.174$, $SD = 0.754$), indicating strong use of digital platforms for advertising and customer reach. Branding Innovation (BI) was led by BI₃ ($\bar{x} = 4.166$, $SD = 0.750$), suggesting that branding is viewed as an important competitive strategy.

Customer Relationship Innovation (CRI) also showed high ratings, particularly CRI₁ ($\bar{x} = 4.151$) and CRI₂ ($\bar{x} = 4.137$), reflecting emphasis on customer communication and feedback. Similarly, Promotional Innovation (PI) recorded high scores, with PI₂ ($\bar{x} = 4.149$) highlighting the use of discounts and targeted promotional strategies.

Operational Performance (OP) recorded mean values between 4.114 and 4.146, indicating positive perceptions of efficiency, customer satisfaction, and business performance. Overall, the findings provide preliminary evidence of a positive relationship between marketing innovation and operational performance among MSMEs in Taraba State.

Inferential Statistics

Table 4: Pearson Correlation Matrix of Study Variables

Variable	DMI	BI	CRI	PI	OP
DMI	1.000	0.969	0.940	0.856	0.805
BI	0.969	1.000	0.938	0.858	0.795
CRI	0.940	0.938	1.000	0.906	0.827
PI	0.856	0.858	0.906	1.000	0.803
OP	0.805	0.795	0.827	0.803	1.000

Source: 2026 computation. Correlation is significant at $p < 0.01$ (one-tailed). $N = 350$. DMI = Digital Marketing Innovation; BI = Branding Innovation; CRI = Customer Relationship Innovation; PI = Promotional Innovation; OP = Operational Performance.

Table 5: Bivariate Correlations between Marketing Innovation Dimensions and Operational Performance

Predictor Variable	N	r	95% CI Lower	95% CI Upper	t-value	p-value	Decision
Digital Marketing Innovation (DMI)	350	0.805	0.765	0.839	25.283	0.000	Significant
Brand Innovation (BI)	350	0.795	0.753	0.831	24.446	0.000	Significant
Customer Relationship Innovation (CRI)	350	0.827	0.791	0.857	27.477	0.000	Significant
Promotional Innovation (PI)	350	0.803	0.762	0.837	25.16	0.000	Significant

Source: 2026 computation. $p < 0.01$ (one-tailed). $N = 350$. Decision criterion: reject H_0 if $p < 0.05$.

Note: The 95% confidence intervals reported above were calculated using the Fisher r -to- z transformation ($z = \text{arctanh}(r)$; $95\% \text{ CI} = \tanh [z \pm 1.96/\sqrt{(N-3)}]$, $N = 350$).

Correlation Findings

The Pearson correlation analysis reveals strong, positive, and statistically significant relationships (all $p < 0.001$) among all construct pairs. The highest correlation is between DMI and BI ($r = 0.969$), indicating that digital marketing and brand innovation tend to co-evolve in these agribusinesses. CRI registers the strongest correlation with Operational Performance ($r = 0.827$), followed by DMI ($r = 0.805$), PI ($r = 0.803$), and BI ($r = 0.795$). The uniformly high inter-construct correlations ($r = 0.796$ – 0.969) confirm convergent validity and suggest these innovation dimensions operate as an integrated ecosystem rather than independent strategies.

Table 6: Model Summary for Multiple Regression Analysis

Model	R	R ²	Adjusted R ²	Std. Error of Estimate	F-value	Sig.	Durbin Watson
1	0.840	0.7064	0.7030	0.3189	207.55	<0.001	1.949

Source: 2026 computation.

Dependent Variable: Operational Performance (OP)

The multiple regression model is strongly significant [$F(4, 345) = 207.55$, $p < 0.001$], with the four innovation constructs jointly explaining 70.6% of the variance in Operational Performance ($R^2 = 0.706$, Adjusted $R^2 = 0.703$). This is a substantial effect size, indicating that marketing innovation collectively is a powerful predictor of agribusiness operational outcomes. The minimal difference between R^2 and Adjusted R^2 further confirms model parsimony and stability.

Table 7: ANOVA for Multiple Regression Analysis

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	84.4504	4	21.1126	207.55	<0.001
Residual	35.0952	345	0.1017	—	—
Total	119.5456	349	—	—	—

Source: 2026 computation.

Table 8: Regression Coefficients

Predictor	B	Std. Error	β	t-value	p-value	Tolerance	VIF
Constant	0.877	0.1175	—	7.462	<0.001	-	-
(DMI)	0.232	0.1144	0.2559	2.025	0.044	0.112	8.92
(BI)	-0.040	0.1079	-0.0465	-0.373	0.709	0.104	9.64
(CRI)	0.320	0.0946	0.3631	3.382	0.001	0.145	6.88
(PI)	0.274	0.0642	0.2951	4.274	<0.001	0.321	3.12

Source: 2026 computation.

Table 9: Relative Strength of Predictors

Rank	Predictor	Standardized Beta (β)	Interpretation
1	Customer Relationship Innovation (CRI)	0.3631	Strongest predictor
2	Promotional Innovation (PI)	0.2951	Second strongest predictor
3	Digital Marketing Innovation (DMI)	0.2559	Moderate predictor
4	Brand Innovation (BI)	-0.0465	Weak and insignificant predictor

Source: 2026 computation.

Regression Equation: $OP = 0.877 + 0.232(DMI) - 0.040(BI) + 0.320(CRI) + 0.274(PI)$

Summary of Hypothesis Testing Results

Hyp.	Predictor	β (Beta)	t-value	p-value	Decision
H ₁	Digital Marketing Innovation (DMI)	0.256	2.025	0.044	Supported
H ₂	Branding Innovation (BI)	-0.047	-0.373	0.709	Not Supported*
H ₃	Customer Relationship Innovation (CRI)	0.363	3.382	0.001	Supported
H ₄	Promotional Innovation (PI)	0.295	4.274	<0.001	Supported
H ₅	Joint Effect [F(4,345)=207.55; R ² =0.706]	—	207.55	<0.001	Supported

Source: 2026 computation.

Three of four predictors are statistically significant. Customer Relationship Innovation (CRI) is the strongest unique predictor ($\beta = 0.363$, $p < 0.001$), followed by Promotional Innovation (PI: $\beta = 0.295$, $p < 0.001$), and Digital Marketing Innovation (DMI: $\beta = 0.256$, $p = 0.044$). Brand Innovation (BI: $\beta = -0.047$, $p = 0.709$) is non-significant when controlling for other predictors — likely due to multicollinearity ($r_{\text{DMI-BI}} = 0.969$), meaning BI's contribution is already captured by DMI and CRI in the regression context. This does not negate BI's bivariate importance (r with OP = 0.795), but indicates its unique marginal contribution is absorbed by correlated predictors.

The extremely high inter-predictor correlations (particularly DMI–BI = 0.969 and DMI–CRI = 0.940) indicate substantial multicollinearity in the regression model. Researchers are advised to examine Variance Inflation Factors (VIF) — values above 10 would indicate problematic collinearity. Despite this, the overall model's predictive power ($R^2 = 0.706$) and the significance of CRI, PI, and DMI suggest that the regression results are interpretable, though individual beta coefficients should be interpreted with caution given the suppression of BI's unique effect.

It should be emphasized that this level of collinearity is more severe than the framing above suggests. While $VIF = 10$ is a commonly cited maximum threshold, several methodologists regard VIF values above 5 -- and certainly the $VIF = 9.64$ observed for Branding Innovation and $VIF = 8.92$ for Digital Marketing Innovation, corresponding to tolerance levels of only 0.104 and 0.112 respectively -- as indicating problematic collinearity that materially destabilizes individual regression coefficients, even where the overall model remains statistically significant. In practical terms, this means the non-significant unique effect of Branding Innovation ($\beta = -0.047$, $p = 0.709$) should not be read as evidence that branding is unimportant; rather, its near-collinearity with Digital Marketing Innovation ($r = 0.969$) makes it statistically impossible for ordinary least squares regression to isolate the independent contribution of either variable with confidence. Given this, the standardized beta coefficients in Table 8 are best interpreted qualitatively (i.e., as indicating the general ordering of predictors) rather than as precise, stable point estimates. Future analyses of this dataset, or replications in similar contexts, would benefit from alternative analytical treatments better suited to highly correlated predictors, such as ridge regression, principal component regression, or partial least squares structural equation modelling (PLS-SEM), which can accommodate multicollinearity without discarding theoretically important predictors.

Discussion of Findings

This study investigated the influence of marketing innovation strategies on the operational performance of MSMEs in Taraba State, Nigeria. The findings provide empirical evidence that marketing innovation represents a significant strategic capability for improving MSME operational outcomes in an emerging economy context. Specifically, the results demonstrate that digital marketing innovation, customer relationship innovation, and

promotional innovation significantly enhance operational performance, while branding innovation, although positively associated with performance, does not exert a significant unique effect when other innovation dimensions are controlled. Collectively, the marketing innovation dimensions explain 70.6% of the variance in operational performance, highlighting the strategic importance of integrating multiple marketing innovation practices rather than relying on isolated initiatives.

The findings contribute to the growing body of literature that conceptualizes marketing innovation as a multidimensional capability involving technological adoption, customer engagement, market communication, and value creation. Consistent with the Unified Theory of Acceptance and Use of Technology (UTAUT) proposed by Venkatesh et al. (2003), the results suggest that MSMEs are more likely to achieve improved operational outcomes when they perceive marketing technologies and innovative practices as useful, accessible, socially supported, and supported by enabling conditions. Unlike traditional applications of UTAUT that primarily focus on behavioural intention and technology adoption, this study extends the framework by demonstrating how the actual utilization of marketing innovation practices translates into operational performance improvements.

Digital Marketing Innovation and Operational Performance

The findings indicate that digital marketing innovation has a significant positive effect on operational performance ($\beta = 0.256$, $p = 0.044$), confirming the strategic importance of digital capabilities among MSMEs. This suggests that enterprises adopting digital platforms, mobile communication tools, and online promotional channels achieve improved market accessibility, customer interaction, and operational efficiency.

This finding corroborates Makhmudov et al. (2026), who established that digital marketing enhances customer engagement through real-time communication, personalization, and improved market intelligence. Similarly, Elkhoudary et al. (2026) identified digital marketing capability as an important mechanism through which SMEs strengthen competitiveness and innovation performance. The result also supports Singh and Sharma (2026) and Eshbayev et al. (2024), who demonstrated that digital marketing reduces information asymmetry and expands market opportunities for small businesses.

The significant influence of digital marketing innovation can be explained through the UTAUT dimensions of performance expectancy and facilitating conditions. MSMEs in Taraba State appear to adopt digital marketing tools because they perceive them as relatively affordable mechanisms for expanding customer reach and improving business visibility. In resource-constrained environments, digital platforms provide a low-cost alternative to conventional marketing channels, thereby enabling MSMEs to overcome geographical and financial limitations.

Branding Innovation and Operational Performance

The findings reveal a complex relationship between branding innovation and operational performance. Although branding innovation demonstrates a strong positive correlation

with operational performance ($r = 0.795$, $p < 0.001$), it does not emerge as a significant independent predictor in the regression model ($\beta = -0.047$, $p = 0.709$). This indicates that branding practices contribute to performance outcomes but their unique explanatory power diminishes when digital marketing, customer relationship, and promotional innovations are considered simultaneously.

This finding partially supports previous studies that emphasize the strategic role of branding innovation in strengthening consumer trust, differentiation, and competitiveness. Bello et al. (2026) argued that innovative branding enhances customer experience and brand identity through improved communication and digital interaction. Similarly, Ustik et al. (2026) and Giri and Chaulagai (2024) found that innovative branding approaches improve consumer confidence and market positioning.

However, the insignificant regression effect observed in this study may be attributed to the high degree of overlap between branding innovation and digital marketing innovation ($r = 0.969$). In contemporary MSME environments, branding activities are increasingly embedded within digital platforms, where brand identity, packaging communication, customer engagement, and promotional activities occur simultaneously. Therefore, the influence of branding may be indirectly captured through other marketing innovation dimensions. This finding provides an important theoretical insight by suggesting that marketing innovation dimensions should be examined as interconnected capabilities rather than independent constructs.

Customer Relationship Innovation and Operational Performance

Customer relationship innovation emerged as the strongest predictor of operational performance ($\beta = 0.363$, $p = 0.001$). This finding indicates that MSMEs achieve superior operational outcomes when they prioritize customer engagement, feedback mechanisms, responsiveness, and relationship-building practices.

The result aligns with Perez-Bertozzi and Palos-Sánchez (2026), who established that electronic customer relationship management enhances customer loyalty and organizational performance. It also supports Wu and Li (2026) and Al Oraini (2026), who demonstrated that customer-oriented innovation improves satisfaction, retention, and long-term business relationships.

The dominant influence of customer relationship innovation reflects the relational nature of MSME competitiveness in emerging economies. Unlike larger corporations that may compete through extensive resources and economies of scale, MSMEs often depend heavily on customer trust, repeat transactions, and personalized interactions. Therefore, innovative customer relationship practices provide a mechanism for improving market responsiveness and operational stability.

From a UTAUT perspective, this finding highlights the importance of social influence in technology and innovation adoption. Customer expectations, market competition, and

changing consumption patterns encourage MSMEs to adopt innovative relationship management practices that ultimately enhance operational performance.

Promotional Innovation and Operational Performance

The study further establishes that promotional innovation significantly influences operational performance ($\beta = 0.295$, $p < 0.001$). This finding demonstrates that MSMEs implementing creative promotional approaches, including digital campaigns, targeted communication, customer incentives, and interactive marketing activities, experience improved operational outcomes.

The result supports Purchase and Volery (2020), who conceptualized promotional innovation as the introduction of new communication approaches designed to create customer value and strengthen market relationships. It also agrees with Amoa-Gyarteng et al. (2024), who found that innovative promotional strategies enhance SME competitiveness by improving market reach and customer engagement.

Furthermore, the finding extends Bondarenko et al. (2025) and Singh and Sharma (2026), who reported that technology-driven promotional strategies improve consumer awareness and purchase intentions. In the context of Taraba State MSMEs, promotional innovation appears particularly valuable because it provides cost-effective approaches for increasing visibility and stimulating demand despite financial constraints.

Joint Effect of Marketing Innovation Dimensions on Operational Performance

The overall regression model confirms that marketing innovation dimensions jointly have a significant effect on operational performance [$F(4,345) = 207.55$, $p < 0.001$], explaining 70.6% of the variance in performance outcomes. This finding reinforces the argument that marketing innovation functions as an integrated organizational capability rather than a collection of unrelated activities.

The result is consistent with Syaifuddin et al. (2026), who found that marketing innovation significantly enhances MSME competitiveness through digital adoption and customer engagement strategies. Similarly, Trianto et al. (2025) demonstrated that marketing innovation strengthens business resilience and competitive advantage when supported by appropriate organizational and institutional conditions.

However, the findings contrast with Esubalew and Adebisi (2024), who found that marketing innovation had an insignificant effect on MSME growth in Ethiopia. This divergence may reflect differences in economic contexts, industry characteristics, measurement approaches, and institutional environments. Whereas previous research has largely examined broad measures of MSME growth, the present study focuses specifically on operational performance among MSMEs in an emerging Nigerian economy. In this context, marketing innovation may have more immediate operational implications by enhancing market access, strengthening customer retention, improving promotional effectiveness, and supporting more efficient market-facing activities.

Overall, these findings extend existing knowledge by demonstrating that marketing innovation can serve as an important mechanism through which MSMEs in emerging economies enhance operational performance. The study contributes theoretically by extending the application of UTAUT beyond technology adoption behaviour to its potential performance consequences and contributes empirically by providing evidence from an under-researched sub-national context in Nigeria. From a managerial perspective, the findings suggest that MSMEs should adopt coordinated marketing innovation strategies, particularly in customer relationship management, digital engagement, and innovative promotional practices, to strengthen operational efficiency and achieve sustainable performance improvements.

Conclusion, Implications, Limitations, and Future Research

Conclusion

This study examined the effect of marketing innovation on the operational performance of Micro, Small and Medium Enterprises (MSMEs) in Taraba State, Nigeria, operationalizing marketing innovation through four dimensions—Digital Marketing Innovation (DMI), Branding Innovation (BI), Customer Relationship Innovation (CRI), and Promotional Innovation (PI)—and measuring operational performance across indicators of efficiency, productivity, cost performance, delivery reliability, customer satisfaction, and revenue growth.

The findings unequivocally establish that marketing innovation is a powerful and statistically robust driver of operational performance among MSMEs in Taraba State, collectively accounting for 70.6% of the variance in operational outcomes [$F(4, 345) = 207.55, p < 0.001$]. Three of the four innovation dimensions—Customer Relationship Innovation ($\beta = 0.363$), Promotional Innovation ($\beta = 0.295$), and Digital Marketing Innovation ($\beta = 0.256$)—emerged as significant independent predictors. Branding Innovation, while non-significant in the multivariate context due to high multicollinearity with DMI ($r = 0.969$), demonstrated a strong bivariate association with operational performance ($r = 0.795, p < 0.001$), confirming its substantive relevance within the broader innovation ecosystem.

Critically, the study establishes that marketing innovation in the MSME context is not a set of independent practices but rather an integrated, co-evolving system of capabilities. Digital marketing facilitates brand communication; branding reinforces customer trust; customer relationship management sustains promotional effectiveness; and promotional innovation generates the demand visibility that validates and incentivizes continued innovation. This systemic character explains both the high inter-predictor correlations observed and the substantial joint explanatory power of the model.

The findings also confirm the applicability of UTAUT (Venkatesh et al., 2003) as a theoretical lens for explaining marketing innovation adoption in MSMEs. Performance expectancy, effort expectancy, social influence, and facilitating conditions collectively

shape whether and how MSME operators adopt digital, branding, customer management, and promotional tools—and these adoption decisions, in turn, directly influence operational outcomes. The study thus extends UTAUT's application beyond traditional information systems contexts into the domain of agricultural marketing innovation in sub-Saharan Africa.

In sum, this study provides strong empirical support for the proposition that marketing innovation is not merely a commercial strategy but a fundamental operational lever for MSMEs seeking to improve efficiency, enhance competitiveness, and achieve sustainable performance in emerging market environments such as Taraba State, Nigeria.

Theoretical Implications

This study contributes to knowledge by conceptualizing marketing innovation as a multidimensional construct comprising digital, branding, customer relationship, and promotional innovation, thereby providing a more context-specific understanding for MSMEs. It also extends the application of the UTAUT framework by linking marketing innovation adoption to operational performance outcomes. Furthermore, the finding that customer relationship innovation is the strongest predictor of operational performance highlights the importance of customer-centered strategies over purely technological approaches. The study also emphasizes the need for appropriate analytical methods when examining highly related innovation dimensions.

Managerial Implications

The findings have important implications for MSMEs, industry associations, and policymakers in Taraba State and similar contexts.

For MSME Owners and Managers: Given that Customer Relationship Innovation was the strongest unique predictor ($\beta = 0.363$), managers with limited resources should prioritize low-cost relationship-building practices first -- structured customer feedback routines, prompt complaint handling, and WhatsApp/SMS-based follow-up -- before investing further in stand-alone advertising spend. Promotional Innovation ($\beta = 0.295$) is the next most reliable lever and should be pursued through targeted, low-cost promotions (discounts, social media campaigns) rather than broad, undirected advertising. Digital Marketing Innovation ($\beta = 0.256$) also contributes significantly, but because it is highly collinear with Branding Innovation ($r = 0.969$) in this sample, managers should treat digital platform adoption and brand-building as a single integrated investment rather than two separate budget lines -- for example, using digital channels themselves as the vehicle for consistent branding (uniform packaging, logos, and messaging across WhatsApp, Facebook, and Instagram) rather than funding branding and digital marketing as unrelated activities.

For Industry Associations and Support Agencies: Because Branding Innovation showed a strong bivariate association with performance ($r = 0.795$) that was statistically absorbed by its overlap with digital marketing in the regression model, agencies such as SMEDAN and

NASME are better positioned than individual MSMEs to capture branding's value -- for example, through collective branding schemes (shared labels, quality marks, or cooperative packaging) that reduce the cost of differentiation for individual firms while still leveraging the same digital channels emphasized above. Agencies should also prioritize customer relationship management and targeted promotion skills in their training curricula, reflecting these dimensions' stronger and more stable unique effects on operational performance relative to branding and digital marketing in isolation.

For Policymakers: Given that all four marketing innovation dimensions are highly inter-correlated ($r = 0.856-0.969$) and jointly explain 70.6% of the variance in operational performance, policy interventions are likely to be more effective when they support bundles of complementary practices rather than isolated initiatives -- for instance, digital-infrastructure grants that are conditioned on parallel branding and customer-service training, rather than infrastructure support alone. Taraba State's MSME agencies should also prioritize monitoring indicators disaggregated by the LGA and firm-size distributions reported in Tables 1a and 1b, so that support can be targeted toward the sub-populations (e.g., smaller or more geographically isolated enterprises) shown to lag in marketing innovation adoption.

Limitations of the Study

This study has some limitations. The cross-sectional design restricts causal interpretation between marketing innovation and operational performance. The study was limited to five Local Government Areas in Taraba State, which may affect the generalizability of the findings. In addition, high correlations among some innovation dimensions reduced the precision of individual predictor estimates. The use of self-reported data may also introduce response bias, while the study focused mainly on MSME operators, excluding the perspectives of customers and supply chain partners.

Recommendations for Future Research

Future studies should employ longitudinal designs to establish causality and use Structural Equation Modeling (SEM) to better examine relationships among variables. Comparative studies across different regions, investigation of moderating variables, and mixed-method approaches are also recommended. Additionally, future research should incorporate customer perspectives and sector-specific analyses for broader understanding.

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Appendix

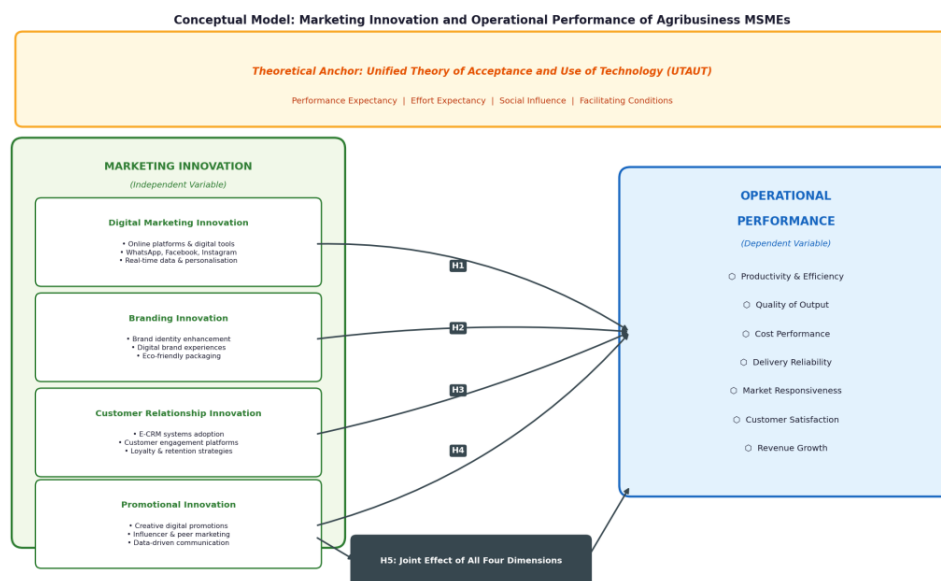


Figure 1: Conceptual Model of Marketing Innovation and Operational Performance of MSMEs

Source: Author's model, 2026