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BUSINESS MODEL INNOVATION AND COMPETITIVE ADVANTAGE OF MANUFACTURING FIRMS IN RIVERS STATE, NIGERIA

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Abstract

This study examined the relationship between business model innovation and competitive advantage of manufacturing firm in Rivers state, Nigeria. The cross-sectional survey design was utilized and a total population of 290 supervisors and managers from ten (10) manufacturing firms in Rivers State was covered. A sample size of 165 managers and supervisors was drawn as the sample size of the study. Data were collected using copies of well-structured questionnaire and the simple random sampling technique was utilized in the study. The data was analyzed using the Spearman's Rank Order Correlation and Partial Correlation. The result of the analysis revealed that the dimensions of business model innovation (Value Creation Innovation and Value Innovation) have a significant positive relationship with differentiation and organizational responsiveness. It was concluded that enhanced business model innovation in terms of value creation innovation and value innovation will help improve the competitive advantage of manufacturing firms. The study recommended amongst others that management of manufacturing firms should constantly train their employees in order to develop new competence as such will help improve their competitive advantage in the industry.

Keywords: Business model innovation; Value Creation Innovation; Value Innovation; Differentiation; Organizational Responsiveness.

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1.0 Introduction

As a result of the extremely competitive nature of today's corporate world, the topic of competitiveness has received a lot of attention in contemporary business literature. Various fields, such as economics and political science, are concerned with competitiveness, Alnidawi, Alshemery & Abdulrahman, 2017; Festus, & Asawo, 2020). Ensuring cost leadership and differentiation are two vital sources of competitive advantages(Porter, 2000).Maintaining and sustaining firms' competitiveness is very vital because it help enhance the continuity of the organization in the industry. A company has a competitive advantage if it excels in one or more areas that its rivals find difficult to replicate, either now or in the future (Kotler, 2000). Competitive advantage is a prevalent topic in today's management literature. The competitiveness of firms is a critical aspect in surviving in the corporate world, and it may be achieved by ensuring cost leadership, differentiation, adaptability and innovation, which are competitiveness indicators (Roman et al., 2012). No wonder, business managers and researchers have begun to understand the component of competitiveness, its determinants and the interaction with business model innovations.

Consequently, the attention given to business model innovation (BMI) has increased in recent years given that a good BMI may help in enhancing the fortune of the organization (Verna & Bashir, 2017; Ammirato, Linzalone, & Felicetti, 2021). Through business model innovation, organizations can generate more sales, larger profit margins, and bigger cash flows than their competitors (Ammirato, Linzalone, & Felicetti, 2021).

There are several studies that have been carried on business model innovation and competitive advantage. Festus and Asawo (2020) conducted survey on talent management and competitiveness of oil drilling andwell servicing companies in Rivers State. The study placed more emphasis on the human capital approach to gain competitive advantage. The study made ample effort in reviewing firms' competitiveness in the oil sector but did not examine how business model innovation relate with competitiveness.Verna and Bashir (2017) did a study on how business model innovation could boost competitive advantage. The study made ample effort to review various concept underpinning business model innovation and how it links to Porter's competitive forces but did not deem it necessary to conduct empirical studies in that regard. There seems to be a dearth of studies that have made effort to provide empirical evidence on how business model innovation relates with competitive advantage of manufacturing firms in Rivers State, Nigeria. This study seeks to bridge this observed gap.

Statement of Problem

To stay ahead of the competition, many businesses nowadays place a premium on developing innovative new products and services.The stiff competitiveness in the manufacturing firms have become worrisome and inability of some of these firms to compete among rivalries have made them to fizzle out. New goods and services are typically less successful in today's chaotic economic environment than in the past, since competitors, particularly from cost-effective labour nations like India and China, can replicate similar offerings with ease and at a lower cost (Verna & Bashir, 2017). Observably, manufacturing firms in Rivers State are experiencing heavy competitive forces holding that the state is popular as amongst the oil producing areas in Nigeria. Furthermore, the changes in business processes have caused most businesses to lose track given that they were not ready for the change or lack the managerial skills to withstand the forces that came from change. Supportively, Yannopoulos (2013) acknowledge a big problem which holds that utilizing business models (BM) in trying to achieve high performance is not completely certain.The potential for internal turmoil and dissent, as well as the high levels of risk and uncertainty associated with BM Innovation, are

likely contributing factors. Apparently, lack of competitive advantage could be attributed to inability of a firm to maintain low-cost production that matches competitive industry benchmarks and consumers preferences. It could also be traceable to inability of a firm to differentiate itself from primary competitors which is worrisome to business managers that demands their businesses to survive the test of time. Many manufacturing firms have suffered low competitive advantage despite various attempt to enhance their level of competitiveness. It on this premise that this study examines how business model innovation in terms of value creation innovation, value proposition innovation and value capture innovation relates with the competitive advantage of manufacturing firms in Rivers State, Nigeria.

Hypotheses

The null hypotheses were formulated as a tentative answer to the research questions;

Ho_1: There is no relationship between value creation innovation and differentiation of manufacturing firms in Rivers State

Ho_2: There is no relationship between value innovation and differentiation of manufacturing firms in Rivers State

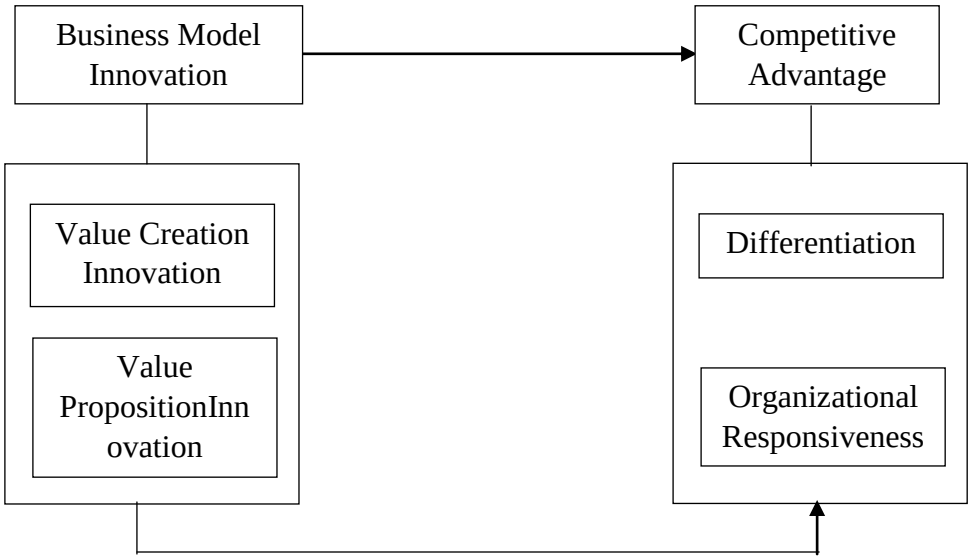
Ho_3: There is no relationship between value creation innovation andorganizational responsivenessof manufacturing firms in Rivers State

Ho_4: There is no relationship between value innovation and organizational responsivenessof manufacturing firms in Rivers State

2.0 Literature Review

A resource-base view (RBV) was used for this analysis. RBV is predicated on an organization's internal characteristics to characterise its standing in the market. It identifies a firm's resources and capabilities as the primary potential determinants of its competitive advantage (Barney, 1991). These include the attributes of a firm's physical, human, and organisational capital that allow it to conceive of and implement strategies that improve its efficiency and effectiveness. According to RBV, a company has an edge over its rivals if it is pursuing a value-creating strategy that no other company is doing at the same time (Barney, 1991). And when other businesses are unable to replicate the success they have had with this tactic, you know they have got a lasting competitive edge. The resource-based approach goes even farther by arguing that a company's total competitiveness and performance may be improved by the possession of unique, valuable, scarce, and non-replicable assets. According to Barney (2007), a company's competitive edge and performance may be strengthened and maintained via the effective mobilisation of four types of resources. Since businesses in the same industry might be different in how they use their resources, and since those resources are not fully convertible from one company to another, competitive advantages tend to last. However, assets and skills are useless when they are not combined with other factors (Newbert, 2008). Since this is the case, according to Newbert, a desirable resource-capability combination is the key to gaining a competitive edge. Bitar and Hafsi (2007), who agree that resources and capacities are sources of competitive advantage but do not necessarily contribute to competitive advantage, provide more support for this viewpoint.

Conceptual Framework



Source: The dimensions of business model innovation were adapted from Faloye et al., (2019) and the measures of competitive advantage were adapted from Ngobe (2020).

Concept of Business Innovation Model

For innovation to succeed, it needs to be properly managed. Business models are conceptual frameworks that reveal how a corporation generates, delivers, and captures value. Business model innovations are derived from established industry practises in a substantial, sometimes revolutionary, way. Companies achieve this through meeting the demands of previously underserved markets by providing previously unavailable features, enhancing existing ones, or giving value to customers in novel ways (Skarzynski & Gibson, 2008). Clean products and technical advancements provide the foundation for new and exciting business strategies. The firms achieve phenomenal financial success by pushing the limits of their business strategy in one or more ways. In the long term, a firm is more likely to profit from adopting an innovative, business-wide strategy than from adopting innovations in isolation in the areas of goods, services, technology, and operations. Business models (BMs) are conceptual frameworks that reflect the underlying logic of businesses (Afuah & Tucci, 2003; Wirtz, 2019); BMs also represent the resulting business architecture when essential business components are combined with their inherent linkages (Osterwalder et al., 2005). Overall, the BM is a conceptual tool that identifies and makes explicit, perhaps through the use of diagrammatic tools, the key components of a business (i.e., revenues, costs, providers, channels, etc.) and the interactions among these components (i.e., transactions, deliveries, partnerships, etc.) into a unique and comprehensive framework. The BM is useful for many reasons, but one of the most important is that it provides a model for how a set of organisations might work together to create and capture value from technical innovation. As such, the BM is a strong and strategic model for openly explaining, using a combination of story and figures (Magretta, 2002), the inner workings of a current business, the predicted performance of a new business model, the reasons for the success or failure of a corporation, and the optimal ways to leverage digital technologies.

Value Creation Innovation

According to many recent studies (Chesbrough et al., 2018; Dyer et al., 2018; Visnjic et al., 2018), value creation is the act of generating more value. For instance, by moving from a process-based to an outcome-based business model, the provider and the customer work together to create value for the customer, with the provider's expertise and the customer's operational knowledge playing key roles in producing greater use value (e.g., optimised operations) for the customer over time (Chatain, 2011; Rabetino et al., 2015; Sjödin et al., 2016). The traditional value-in-exchange view (i.e., at the point of sale) is contrasted with the value-in-use perspective (i.e., value produced via client usage). Providers that see things from the customer's point of view, as represented by the value-in-use viewpoint, may have a leg up on the competition in the long run (Chesbrough et al., 2018). In order for suppliers and consumers to gradually achieve this increased value, a series of actions known as value creation must take place (Chesbrough et al., 2018).

The purpose of every company should be to provide value for their customers. Value creation for consumers drives product sales, while value creation for shareholders through stock price appreciation secures a steady supply of investment money to finance ongoing business activities. From a monetary standpoint, value is considered to be generated when a company's profits (or return on capital) are greater than its costs. Some researchers, however, push for a broader definition of value creation that goes beyond only monetary considerations. According to ValueBasedManagement.net, conventional approaches to measuring business success are inadequate in the current economic climate. Earnings and fundamentals have less and less of an impact on stock values. Innovation, people, ideas, and brands are all examples of intangible factors that contribute to value generation in modern businesses. Although many traditional financial measurements of performance prioritise short-term gains through cost cutting over investments that boost long-term competitiveness and development, value creation as widely defined is increasingly being seen as a preferable management aim. Therefore, some professionals advise putting value creation at the forefront of the work of every employee and the choices of every business. According to Ken Favaro's Marakon Commentary, putting value creation first in the proper approach will lead to growth in the right places, better capital deployment, and greater talent development than the competition. For a business that wants to expand successfully and sustainably, this is a huge boost in the right direction.

Value Proposition Innovation

For McKinsey (2000), "a clear, simple statement of the benefits, both tangible and intangible, that the company will provide, along with the approximate price it will charge each customer" constituted a value proposition. The three-part method proposed by Lanning and Michaels (1988) for developing value propositions—choosing the value, supplying the value, and communicating the value—is described as the "value delivery system" of the company. By providing a solution to the customer's primary issue, a value proposition contributes to the company's success (Demil & Lecocq, 2010; Johnson et al., 2008). According to Osterwalder and Pigneur (2010), a company's value proposition is the total of the advantages it provides, which might include both novel features and features that are comparable to those already available on the market. Several factors, such as novelty, performance, customisation, design, brand, price, availability, and convenience, were cited as potential drivers of consumer value. These are all potential areas of focus for the company to innovate its business strategy.

Companies can aim to align their processes with those of their customers by interacting directly with them to explain the value proposition, how it should be utilised, and how it can

be used in conjunction with other value propositions. The purpose of negotiations is to convey one party's perception of value to the other, according to certain studies (Ballantyne & Varey, 2006; Ballantyne et al., 2011; Frow & Payne, 2011). One company may have several value propositions with different stakeholders (Ballantyne & Varey, 2006; Ballantyne et al., 2011), and this communication is used as the basis for creating these value propositions. It is therefore proposed that enterprises and customers mutually influence one another as they develop value propositions, with the value then being achieved through interactions between the two. However, it is not yet obvious if value propositions are, in fact, co-created. Among all business, management, and financial accounting principles, the value proposition has been around the longest. It is touted as a useful tool in corporate planning.

Concept of Competitive Advantage

According to Porter (1980), a business's performance in competitive markets hinges on its ability to gain a competitive edge. A firm gains a competitive advantage when the value it provides to its customers is greater than the cost of providing that value. According to Barney (2002), a company has a competitive edge when its actions in a market or industry provide economic value and there are few other companies doing the same. According to Besanko et al. (2000), a company has a competitive advantage in a given market if its economic profit margin is larger than the average economic profit margin of other businesses operating within that market. Most types of competitive advantage, according to Saloner et al. (2001), indicate that a company can either create a service or product that consumers value more than those supplied by rivals, or manufacture its service or product at a cheaper cost. Freely tradable assets do not provide a competitive advantage, according to Dierick and Cool (1989). From the above, it is clear that a company has an advantage over its rivals when it offers a product or service that is more highly valued by its target market. Furthermore, a competitive edge will always lead to increased revenues since it will lead to increased performance by the company. Decision-makers have a constant problem in trying to comprehend competitive advantage. Advantage in a competitive market used to be conceived of as a question of location, with companies staking out territory and working to expand and protect their share of the market (Stalk et al., 1992). Where a company is based and where it choose to offer its services is crucial to its competitive position. Large, dominating companies in established sectors benefited the most from stable surroundings, making this strategy a winner. Furthermore, a competitive advantage is defined as a distinct benefit that one company enjoys over its rivals. In other words, a company has a competitive edge if its products and services provide more value than those of its rivals but at a cheaper price. This is known as a "cost advantage." An organization's competitive edge may stem from one or more of its core competencies, those areas of expertise that are both distinctive and difficult for competitors to copy (Prahalad and Hamel, 1990). Mooney (2007) explains that a company's competitive advantage comes from its ability to capitalise on its strengths in response to opportunities in the external environment while avoiding its weaknesses and dangers. According to Porter (1980, 1985), product differentiation and cost leadership are the two overarching methods that each company may use to gain a competitive edge.

Differentiation

Developing a brand that stands out from the competition is called differentiation (Porter 1998; Kotler & Keller 2012). According to Kotler and Keller (2012), differentiation is the process through which a business creates distinguishing features for its products and services. A 10-20% price premium is possible when consumers associate a brand with the unique benefits it offers over competitors (Kotler & Keller, 2012). When differentiation strategies are implemented well, brands can command a premium (Chaudhuri & Holbrook, 2001;

Davcik & Rundquist, 2012; Knox, 2000). There is a correlation between brand value distinctiveness and brand success (Knox, 2000). Key parts of the brand paradigm are differentiation (in the marketing domain) and innovation (in the technological domain) since they shape and drive a brand's performance. For instance, Madden et al. (2006) advocate for further empirical research into the important distinctions between the qualities of a powerful brand and performance. To mitigate the effects of price competition, companies differentiate their brands via innovation (Schmalensee, 1982). This strategy assumes that companies would not compete on price, which is unlikely in a free market. As a result, they will have less of an incentive to differentiate their brands. Because it takes more resources for a new business to enter the market and/or fill the innovation gap, more inventive brands can help a firm keep its dominant position in the market for longer (Tirole 1988). Consumers that demand less from their brands in terms of differentiation and innovation tend to choose cheaper products (Sandvik & Sandvik, 2003). The term "differentiation" refers to the practise of making a company's product or service stand out from the competition. Companies may set themselves apart in the marketplace by, among other things, making their products more cutting-edge technologically, delivering higher quality standards, enhancing their brand image, or providing better customer service (Fombrun & Shanley, 1999).

Organizational Responsiveness

Wei et al. (2014) define responsiveness as "an organization's capacity to adapt and innovate in response to information about market change," which includes data on factors such as consumer wants and the presence of competitors. In today's highly competitive business environment, the ability to quickly and effectively respond to client demands is one of the most important differentiating factors you can provide. According to Holweg (2018), a company's responsiveness indicates how well it can meet shifting consumer needs. An agile strategy, which seeks to promote a team's long-term sustainability by improving the team's competence, can help increase responsiveness in uncertain contexts (Loss & Crave, 2011). The ability and capability to respond to environmental concerns appears to be the primary strategic challenge for most enterprises. The dynamic idea of responsiveness permits more nuanced conceptual reflection on the hearing, comprehending, and responding processes of an organisation. The first step towards a responsive practise at the microlevel is creating the environment for the possibility of reflective discussion. Most organisations in today's tumultuous organisational contexts have to cope with both the "here and now" and the future; as a result, they need to be able to combine routine conduct with improvisation (Winter, 2003). Thus, there are strategic and operational dimensions to organisational responsiveness.

Empirical Review

Faloye et al. (2021) sought to determine the key drivers of BMI in Nigeria's small businesses. Survey research design was employed, and items of instrument developed by previous researchers were adapted. The respondents of this study were Micro and small businesses owners/representatives in the study area, and data from 142 of them were subjected to Principal Component Analysis. The study employed an Orthogonal method of rotation using the Varimax approach. This study finding revealed that customer satisfaction and retention, market opportunities, regular assessment of operations, employee's capabilities, increment in revenue generation, and efficient channel functions are the key discriminating factors driving BMI in micro and small business enterprises (MSEs) in Nigeria. Thus, the study concludes that employing these attributes may influence performance-related outcomes in Nigeria MSEs.

Pehrsson (2019) contributes to the international strategy and entrepreneurship literature by extending our understanding of the actionable components of the EO/MO of firms' foreign units, that is, innovativeness and responsiveness. The study examines relationships between the actionable components and the performance of industrial firms' wholly owned subsidiaries and cooperative arrangements in foreign markets. The results indicate that innovativeness and responsiveness are directly and positively associated with the performance of the foreign unit. Higher institutional barriers make innovativeness less effective, while full ownership strengthens the positive relationship with responsiveness.

Latifia et al. (2021) drew on the data from a cross-industry sample of 563 European SMEs, we apply structural equation modelling to examine how a firm's performance is affected by innovating its business model. A conceptual model is developed to examine how organisational capabilities and implementation of a profit- or growth-oriented strategy, as materialised in BMI, affect a firm's overall performance. The results indicate that, while the direct link between BMI and firm performance is not significant, this path is fully mediated through efficiency growth, organisational capabilities and revenue growth. Furthermore, there are significant direct effects from efficiency growth, organisational capabilities and revenue growth on firm performance. These findings confirm the validity of the model and contribute to existing literature on BMI efforts in SMEs and provide guidelines to help company owners/managers implement informed decisions about the implementation of BMI based on their firm' s strategies.

Adebayo et al. (2018) examined how product differentiation affects the competitive advantage of telecom firms in Nigeria. The study specifically evaluates the effect of distinctive product-quality on the market share of telecommunication firms in Nigeria and as well determines the effect of service differentiation on the Nigeria's telecommunication firms ' overall corporate image. The study adopted survey design. Data was collected through structured self-studied questionnaire designed on Likert Scale. The main source of data was primary and the target population consisted of staff of four GSM telecomm firms in South west, Nigeria. A sample size of 383 was derived from the total population of 910 while Bowley's proportional allocation method was adopted to determine the allocation of questionnaire to each organization. A cronbach alpha was used to determine the reliability of questionnaire using. The result gave a reliability coefficient of 0.82. Two hypotheses were formulated and tested through Z-test statistics and Simple Linear Regression Coefficient at 0.05 level of significance. The findings revealed that distinctive product-quality impacted positively on the market share of telecommunication firms in Nigeria ($z = 19.84$, $df= 339$, $p < 0.05$). Service differentiation positively affected on the Nigeria's telecommunication firms' overall corporate image ($R2 = .556$, $df = 339$ at $p< 0.05$). The study concluded that there is a significant positive effect of differentiation strategy on competitive advantage of telecom firms. The study recommends that firms that choose to employ service differentiation strategies should concentrate on a promising customer segment and within that segment attempt to achieve either a cost advantage or differentiation.

Anwar (2018) examined the importance of BMI in SME performance and the mediating role of competitive advantage. Data were collected through structured questionnaires using a sample size of 303 manufacturing SMEs operating in the emerging market of Pakistan. Hypotheses were tested through Structural Equation Modelling (SEM) using AMOS 21. The results indicate that BMI has a significant positive impact on competitive advantage and SME performance. Competitive advantage partially mediates the relationship between BMI and SME performance. Firms are required to create an effective business model to acquire competitive advantage and superior financial performance.

Dymitrowski and Mielcarek (2021) determined the influence of BMI based on new technologies on a company's competitive advantage. In order to accomplish the aim a quantitative research was performed using the computer assisted telephone interview (CATI) method. There are two main outcomes of the research. Firstly, BMI based on new technologies has a positive influence on a company's competitive advantage. Secondly, it was proven that the greater the use of technologies for BMI the greater a company's competitive advantage is. Taking into account the research results, the paper explains how they contribute to the development of two theories—the theory of innovation as well the theory of competitive advantage.

3.0 Methodology

This study used a cross-sectional survey and the target population was 290 managers and supervisors drawn from 10 manufacturing firms in Rivers state. The sample size was determined using the Krejcie and Morgan (1970) formula for sample size determination. As a result, 165 questionnaires were distributed to managers and supervisors at the ten firms chosen. In this study, a simple random sampling technique was used. This method was chosen because it provides a true representation of the entire population and reduces the possibility of researcher bias in the sample case selection. Business model innovation (independent variable) was measured using Value Creation Innovation and Value proposition Innovation. 5 items were used in Value Creation Innovation (e.g. our employees constantly receive training in order to develop new competences.) and 5 items were used in measuring Value proposition Innovation (e. g. our products or services are very innovative in relation to our competitors). Competitive advantage (dependent variable) was measured using differentiation and Organizational Responsiveness. Differentiation was measured using 5 items (e.g. customers find our quality of service exceptionally different from that of competitors) and 5 items was used in measuring Organizational Responsiveness (e.g. my organization is quick in responding to change). Items were rated on a 4-point Likert scale, with 1 indicating strong disagreement, 2 indicating disagreement, 3 indicating agreement, and 4 indicating strong agreement. Statistical Package for Social Sciences (SPSS) version 21 aided the analyses of the bivariate hypotheses using the Spearman Rank Order Correlation Coefficient statistical tool.

4.0 Result

A total of 165 questionnaires were distributed to respondent, however, only 159 (96%) copies were returned and used for the study. The hypotheses test was undertaken at a 95% confidence interval implying a 0.05 level of significance. The decision rule is set at a critical region of $p > 0.05$ for acceptance of the null hypothesis and $p < 0.05$ for rejection of the null hypothesis.

Table 1: Value Creation Innovation and Differentiation

Correlations				
			Value Creation Innovation	Differentiation
Spearman's rho	Value Creation Innovation	Correlation Coefficient	1.000	.745**
		Sig. (2-tailed)	.	.000
		N	159	159
	Differentiation	Correlation Coefficient	.745**	1.000
		Sig. (2-tailed)	.000	.
		N	159	159
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: SPSS Output, 2023

Ho_1: There is no significant relationship between Value Creation Innovation and Differentiation of manufacturing firms in Rivers State.

The result of the analysis in Table 1 shows a significant level $p< 0.05$ (0.000< 0.05), rho = 0.745 between Value Creation Innovation and Differentiation. This means that there is a significant relationship between Value Creation Innovation and Differentiation. The null hypothesis is rejected, and we restate that *there is a significant relationship Value Creation Innovation and Differentiation.*

Table 2: Value Creation Innovation and organizational responsiveness

Correlations				
			Value Creation Innovation	Organizational Responsiveness
Spearman's rho	Value Creation Innovation	Correlation Coefficient	1.000	.710**
		Sig. (2-tailed)	.	.000
		N	159	159
	Differentiation	Correlation Coefficient	.710**	1.000
		Sig. (2-tailed)	.000	.
		N	159	159
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: SPSS Output, 2023

Ho_2: There is no significant relationship between Value Creation Innovation and organizational Responsiveness of manufacturing firms in Rivers State.

The result of the analysis in Table 1 shows a significant level $p< 0.05$ (0.000< 0.05), rho = 0.710 between Value Creation Innovation and organizational responsiveness. This means that there is a significant relationship between Value Creation Innovation and Differentiation. The null hypothesis is rejected, and we restate that *there is a significant relationship Value Creation Innovation and organizational responsiveness.*

Table 3: Value Proposition Innovation and Differentiation

Correlations				
			Value Proposition Innovation	Differentiation
Spearman's rho	Value Proposition innovation	Correlation Coefficient	1.000	.727**
		Sig. (2-tailed)	.	.000
		N	159	159
	Differentiation	Correlation Coefficient	.727**	1.000
		Sig. (2-tailed)	.000	.
		N	159	159
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: SPSS Output, 2023

Ho_3: There is no significant relationship between ValueProposition Innovation and Differentiation of manufacturing firms in Rivers State.

The result of the analysis in Table 1 shows a significant level $p< 0.05$ (0.000< 0.05), rho = 0.727 between Value Innovation and Differentiation.This means that there is a significant relationship between Value Proposition Innovation and Differentiation. The null hypothesis is rejected, and we restate that *there is a significant relationship Value Proposition Innovation and Differentiation.*

Table 4: Value Proposition Innovation and organizational responsiveness

Correlations				
			Value Proposition Innovation	Organizational Responsiveness
Spearman's rho	Value Proposition Innovation	Correlation Coefficient	1.000	.714**
		Sig. (2-tailed)	.	.000
		N	159	159
	Differentiation	Correlation Coefficient	.714**	1.000
		Sig. (2-tailed)	.000	.
		N	159	159
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: SPSS Output, 2023

Ho_4: There is no significant relationship between ValueProposition Innovation and organizational Responsiveness of manufacturing firms in Rivers State.

The result of the analysis in Table 1 shows a significant level $p< 0.05$ (0.000< 0.05), rho = 0.714 between Value Innovation and organizational responsiveness. This means that there is a significant relationship between Value Proposition Innovation and Differentiation. The null hypothesis is rejected, and we restate that *there is a significant relationship ValueProposition Innovation and organizational responsiveness*

5.0 Discussion of Findings

Value Creation Innovation and Differentiation

The bivariate hypotheses between value creation innovation and differentiation reveal a remarkable relationship between the two variables. The spearman correlation coefficient reveal that the p-value of 0.000 was less than 0.05 (p=0.000<0.05) which implies that value creation innovation has a significant relationship with differentiation. Thus the null hypothesis was rejected and the alternate hypothesis was accepted. The result of the correlation coefficient (r) is 0.745. This thus shows that value creation innovation accounts for up to 74.5% level of differentiation. Therefore increasing team value creation innovation will enable the differentiation to increase. The first objective of the study which sought to examine if team value creation innovation relates with differentiation was achieved. This finding agrees with that ofAnwar (2018) whose results indicate that value creation innovation has a significant positive impact on competitive advantage through product differentiation.

Value Creation Innovation and organizational responsiveness

The bivariate hypotheses between value creation innovation and organizational responsiveness reveal a remarkable relationship between the two variables. The spearman correlation coefficient reveal that the p-value of 0.000 was less than 0.05 (p=0.000<0.05) which implies that value creation innovation has a significant relationship with organizational responsiveness**.** Thus the null hypothesis was rejected and the alternate hypothesis was accepted. The result of the correlation coefficient (r) is 0.710. This thus shows that value creation innovation accounts for up to 71.0% level of organizational responsiveness. Therefore increasing team value creation innovation will enable the organizational

responsiveness to increase. The second objective of the study which sought to examine if team value creation innovation relates with organizational responsiveness was achieved. This result is consistent with the hypothesis of Pehrsson (2019) that creative problem solving and quick reaction times have a direct and beneficial effect on the effectiveness of overseas operations. The effectiveness of innovation decreases as institutional obstacles rise, whereas the favourable correlation between ownership and responsiveness rises.

Value Proposition Innovation and Differentiation

The bivariate hypotheses between value innovation and differentiation reveal a remarkable relationship between the two variables. The spearman correlation coefficient reveal that the p-value of 0.000 was less than 0.05 ($p=0.000<0.05$) which implies that value innovation has a significant relationship with differentiation. Thus the null hypothesis was rejected and the alternate hypothesis was accepted. The result of the correlation coefficient (r) is 0.727. This thus shows that value innovation accounts for up to 72.7% level of differentiation. Therefore increasing team value innovation will enable the differentiation to increase. The third objective of the study which sought to examine if team value innovation relates with differentiation was achieved. This finding agrees with that of Dymitrowski and Mielcarek (2021) that value proposition innovation captures the target group and makes the product offerings distinctive.

Value proposition Innovation and organizational responsiveness

The bivariate hypotheses between value innovation and organizational responsiveness reveal a remarkable relationship between the two variables. The spearman correlation coefficient reveal that the p-value of 0.000 was less than 0.05 ($p=0.000<0.05$) which implies that value innovation has a significant relationship with organizational responsiveness**.** Thus the null hypothesis was rejected and the alternate hypothesis was accepted. The result of the correlation coefficient (r) is 0.714. This thus shows that value innovation accounts for up to 71.4% level of organizational responsiveness. Therefore increasing team value innovation will enable the organizational responsiveness to increase. The fourth objective of the study which sought to examine if team value innovation relates with organizational responsiveness was achieved. This finding agrees with that of Demil & Lecocq (2010). They claim that a company's success may be attributed to its value proposition, which works by providing the client with a solution to a pressing issue. Frow and Payne (2011) argue that enterprises might aim to align their processes with those of their customers by explaining the value proposition, how it should be utilised, and how it can be used in conjunction with other value propositions through direct engagement.

6.0 Conclusion and Recommendations

Achieving and sustaining a competitive advantage is very vital in enhancing the fortune and success of organization. The ability of organization to ensure an innovative process at increasing value generation will enhance their competitive advantage of manufacturing firms. Furthermore, value creation innovation help organization to provide some element of perceived superior differences in their product or services which could thus help enhance their competitiveness in the industry. In conclusion, enhancing business model innovation through value creation innovation and value innovation will in speedily improve the competitive advantage of manufacturing firms. Drawing from the findings and conclusion, the following recommendations are proffered;

i. The management of the manufacturing firms should constantly train their employees in order to develop new competence as such will help improve their competitive advantage in the industry.
ii. The employees in the manufacturing firms should constantly update their skills and knowledge as such will enable them create some element of perceived differences in their product or services and thus enhance their fortune on the industry.
iii. The management of manufacturing firms need to regularly utilize new technical opportunities in order to extend their product and service portfolio as such will enhance their competitive advantage.
iv. Manufacturing firms should ensure value proposition by introducing some innovation in the product or services as such will enhance their competitive stand in the industry.

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