Determinants of Marketing Innovations in Small and Medium-Sized Enterprises: An Empirical Study

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Citation: Vernyuy, S. F., & Buwah, N.N. (2026). Determinants of Marketing Innovations in Small and Medium-Sized Enterprises: An Empirical Study. *Business Perspective Review 8(1),* 34-54. https://doi.org/10.38157/bpr.v8i1.749.

Research Article

Abstract

Purpose: *This study aims to examine the effects of internal factors (organizational culture and leadership, resources and human capital, technological capabilities) and external pressures (shifts in Consumer Behavior, Competitive Intensity, Institutional and Regulatory Pressures) on marketing innovations in SMEs in Bamenda III, Cameroon*

Methods: *Based on Schein's Organizational Culture and Leadership Theory (1985), the resource-based view (RBV) of Barney (1991), and the Dynamic Capabilities Framework (Teece, 2007), the study used a quantitative design. A convenience sampling approach was used to select 133 SMEs, as it was justified on the grounds of its practicality, cost-effectiveness, and accessibility. Multiple correspondence analysis was used to construct indices for organizational culture and leadership, resources and human capital, technological capabilities, shifts in consumer behavior, competitive intensity, and institutional and regulatory factors. The ordinary least squares estimation technique was used to test the hypotheses of the study*

Results*: Organizational Culture and Leadership (OCL) had a negative and statistically significant effect on marketing innovation, whereas Technological Capabilities (TEC) had a negative but statistically insignificant effect. Resources and Human Capital (RHC) had a negative and significant effect on marketing innovations, and shifts in Consumer Behavior (SCB) exhibited a positive and statistically significant relationship with marketing innovation. that Competitive Intensity (CI) had a positive and statistically significant effect on marketing innovations, and Institutional and Regulatory Pressures (IRP) had a positive and highly significant effect on marketing innovation. A negative and statistically significant effect was observed for firms with 6–7 years of experience, suggesting that older SMEs may exhibit innovation fatigue or strategic inertia, relying on established routines rather than exploring new marketing approaches.*

Implications*: This study underscores the complex interplay between internal and external factors that influence marketing innovations among SMEs in Bamenda III, Northwest Cameroon. While external pressures like consumer shifts, competitive intensity, and regulatory environment encourage innovation, internal factors such as organizational culture, leadership, and resources can hinder it if not properly managed. For SMEs to remain competitive and sustainable, targeted policies must foster a supportive environment that enhances internal capabilities and leverages external market dynamics.*

Keywords: Organizational Culture, Human Capital, Technological Capabilities, Consumer Behavior, Competitive Intensity, SMES

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1. Introduction

In the contemporary global economy, small and medium-sized enterprises (SMEs) have emerged as pivotal agents of innovation, employment, and economic resilience. Across developed and developing economies, SMEs not only drive productivity but also help reduce income disparities and buffer economic shocks (Ale Ebrahim *et al.,* 2009). As the business environment grows increasingly complex, SMEs face mounting internal and external pressures that shape their ability to innovate, particularly in marketing strategies and practices (Sipos *et al.,* 2025; Su et al., 2023). Externally, the proliferation of digital technologies and the globalization of markets have heightened the urgency for SMEs to innovate in marketing. Technological advancements, such as cloud-based CRM systems and virtual collaborative platforms, have democratized access to sophisticated marketing tools, enabling even resource-constrained SMEs to engage customers more effectively (Ale Ebrahim *et al.,* 2009; Tereso & Bernardino, 2011). However, these opportunities come with new demands: SMEs must not only acquire technical skills but also navigate complex data privacy regulations, cybersecurity risks, and rapidly shifting digital marketing trends (Shojaifar & Järvinen, 2021).

Marketing innovation is a pivotal driver for competitive differentiation and sustained growth, particularly within the dynamic landscape of small and medium-sized enterprises. This is especially true given that SMEs often face significant resource constraints and operate in highly uncertain, competitive environments. Therefore, understanding the internal and external pressures influencing the adoption of marketing innovation among SMEs is crucial for both academic inquiry and practical strategy formulation (Dwivedi & Pawsey, 2022).

Globally, these pressures manifest through rapid technological change, evolving consumer preferences, regulatory shifts, and heightened competition. While large corporations may possess the resources to adapt readily, SMEs often operate with limited capital, human resources, and expertise, making their innovative responses to such pressures both critical and challenging (Tereso & Bernardino, 2011). The adoption of new marketing technologies, such as customer relationship management (CRM) systems or digital collaboration tools, is no longer a luxury but a necessity for survival and growth in a competitive marketplace (Yelmi *et al.,* 2021). A critical internal barrier to marketing innovation is the heterogeneity of SMEs themselves. As Shojaifar and Järvinen (2021) emphasize, SMEs exhibit diverse competencies, awareness levels, and resource endowments, negating the efficacy of one-size-fits-all solutions

The relevance of these dynamics is particularly pronounced in Africa, where SMEs constitute the backbone of national economies, account for most non-governmental employment, and play essential roles in poverty alleviation and economic diversification (Ale Ebrahim *et al*., 2010). African SMEs, however, are beset by a unique array of internal constraints such as managerial skill gaps, resource limitations, and technological inertia, as well as external challenges, including infrastructural deficits, policy uncertainties, and fluctuating market conditions. Within this context, SMEs' ability to innovate in marketing is both a marker of resilience and a determinant of sustainable growth (Oduro & Mensah-Williams, 2023). To overcome these challenges and ensure their continued contribution to economic growth, SMEs must strategically integrate innovative marketing concepts into their core business strategies, leveraging them to gather crucial market intelligence and identify new opportunities (Oduro & Mensah-Williams, 2023). Such strategic integration often necessitates a deep understanding of customer responsiveness and the sophisticated application of marketing and communication tools (Sipos *et al.,* 2025).

In Cameroon, particularly in the Northwest region and the city of Bamenda, SMEs form the backbone of the local economy, yet they face persistent challenges related to socio-economic instability, limited access to finance, and infrastructural deficits (Ngono *et al.,* 2019). Internally, many SMEs lack the technical expertise, managerial acumen, and financial resources necessary to initiate and sustain marketing

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innovations. These limitations are further exacerbated by a pervasive lack of awareness regarding affordable and effective solutions, such as open-source CRM systems or collaborative digital platforms (Tereso & Bernardino, 2011). Externally, Cameroonian SMEs face a rapidly changing marketplace, characterized by intensifying competition from domestic and international firms, evolving consumer expectations, and regulatory reforms aimed at fostering digital transformation. While these external pressures create incentives for innovation, they also introduce uncertainties and risks that can deter investment in new marketing approaches (Akumbom & Vukenkeng, 2024). For instance, regulatory ambiguities surrounding data protection and e-commerce can disincentivize SMEs from adopting digital marketing strategies, while infrastructural deficits limit the practical feasibility of such innovations (Mou *et al.,* 2022). Many SMEs in Bamenda III lack a clear strategic orientation. They often operate without a long-term vision or formal business plans, leading to ad hoc decision-making and limited growth prospects (Besse, 2018). There is a general lack of emphasis on innovation among SMEs in Bamenda III. There is a tendency to replicate existing business models and products rather than exploring new ideas and solutions (Nkemngu, 2015). Many SMEs in Bamenda struggle to understand and adapt to market demands. They often have limited customer focus, resulting in difficulties in identifying and satisfying customer needs (Akumbom & Vukenkeng, 2024)

The ability of SMEs in Bamenda to innovate, particularly in marketing, is increasingly shaped by a complex interplay of external and internal pressures. Externally, SMEs face market competition, technological change, policy uncertainty, and the acute effects of ongoing regional instability, while internally, resource, managerial competence, and knowledge constraints further constrain their innovation capacity. Despite the importance of marketing innovation for survival and growth, there remains a significant gap in understanding how these combined pressures affect the innovation trajectory of SMEs in crisis-affected contexts such as the city of Bamenda, Cameroon. Consequently, the central problem confronting Cameroonian SMEs is not merely the existence of internal or external pressures in isolation, but rather the complex interaction between them. This interplay creates a persistent innovation gap, in which available technologies and strategies are underutilized, and the potential for marketing-driven growth remains unrealized. Addressing this problem requires a nuanced understanding of SME heterogeneity, context-specific barriers, and the design of integrative interventions that simultaneously build internal capacity and enhance external enabling conditions. This study aims to address this gap by examining the effects of external and internal pressures on marketing innovations in SMEs in Bamenda III, Cameroon, drawing on relevant literature and empirical insights from analogous SME environments.

Therefore, the purpose of this study is to respond to the following research questions:

a. How do Internal factors (Organizational culture and leadership, Technological capabilities, Resources, and human capital) affect marketing innovation in Small and medium-sized enterprises in Bamenda III?
b. In what ways do external factors (shifts in consumer behavior, Technological change, Competitive Intensity, Institutional and regulatory pressures) affect marketing innovation in Small and Medium-sized Enterprises in Bamenda III?

2. Literature Review and Development of Hypotheses

This section provides an overview of research on internal and external pressures, marketing innovations, and hypothesis formulation. The section concludes with a presentation of the study's research framework.

2.1. Internal Factors (Firm-Specific Elements) Affecting Marketing Innovation

Marketing innovation in Small and Medium-sized Enterprises (SMEs) is driven by various internal factors that enable firms to develop and implement new marketing strategies, products, and services. Marketing innovation can be defined as the process of introducing new or improved marketing practices, products, or services that create new market space or improve existing ones (Draganidis & Mentzas, 2006).

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According to Drucker (1954), marketing innovation is essential for SMEs to survive and grow in a rapidly changing business environment. Internal drivers of marketing innovation include organizational capabilities, such as market orientation (Jaworski & Kohli, 1993), entrepreneurial orientation (Lumpkin & Lichtenstein, 2004), and innovation culture (Schein, 1985).

Key elements of internal drivers of marketing innovation in SMEs include technological capabilities (Zahra & George, 2002), human capital (Chen *et al.,* 2010), and organizational learning (Argote & Epple, 1990). Firms with strong technological capabilities, such as IT and e-commerce skills, are more likely to develop and implement innovative marketing strategies (Hult *et al.,* 2004). Human capital, including marketing employees' skills and knowledge, also plays a crucial role in driving marketing innovation (Kim & Nam, 2010). Organizational learning, which enables firms to absorb and utilize new knowledge and information, is also essential for marketing innovation (March 1991). Furthermore, marketing innovation is also driven by the firm's innovation culture, which includes factors such as innovation leadership, innovation climate, and innovation rewards (Schein, 1985).

The conceptualization of internal determinants has evolved from a focus on static resources and hierarchical structures to encompassing dynamic capabilities, knowledge flows, and collaborative networks (Ale Ebrahim *et al.,* 2009; Gassmann & Keupp, 2007). The literature emphasizes that the innovation process in SMEs is not uniform; rather, it is shaped by the interaction of company size, sector, management style, and environmental contingencies (Ale Ebrahim *et al.,* 2009; O'Regan & Ghobadian, 2004). Moreover, the adoption of innovations, especially in marketing, relies not only on tangible resources but also on knowledge sharing, technological readiness, and the ability to leverage collaborative networks (Ale Ebrahim *et al.,* 2009; Blomqvist *et al.,* 2004).

2.2. External Drivers Affecting Marketing Innovation

External drivers of marketing innovation in SMEs are environmental factors and pressures that prompt firms to develop and adopt new marketing strategies, practices, or offerings. These drivers include market dynamics, customer preferences, competitive pressure, technological advancements, and regulatory changes (Rogers, 2003; Chaston *et al.,* 2000). External market conditions, such as shifts in consumer behavior or emerging market opportunities, compel SMEs to innovate to remain competitive and relevant (Damanpour & Schneider, 2006). Additionally, external technological developments, including digital platforms and e-commerce, provide new tools and channels for marketing innovation (Tidd & Bessant, 2018). Regulatory environments and policy changes can also act as catalysts, prompting SMEs to innovate their marketing approaches to comply or capitalize on new legal frameworks (Baregheh *et al.,* 2009).

Key elements of external drivers include customer demands, competitive intensity, technological change, and institutional pressures. Customer preferences and expectations continually evolve, requiring SMEs to adapt their marketing approaches to meet new needs and preferences (Kotler & Keller, 2016). Competitive pressure, especially from larger firms or new entrants, incentivizes SMEs to differentiate themselves through innovative marketing practices (Porter, 1985). Technological change, particularly the rise of digital and social media platforms, offers new avenues for outreach and engagement, thus driving marketing innovation (Chaffey & Ellis-Chadwick, 2019). Lastly, institutional and regulatory pressures, such as compliance requirements or industry standards, can also serve as external stimuli for marketing innovation, encouraging SMEs to develop new marketing strategies to align with external expectations (Nambisan *et al.,* 2017).

2.3. Marketing Innovation

Marketing innovation in SMEs is defined as the implementation of new or significantly improved marketing methods, strategies, or practices aimed at enhancing a firm's market presence, customer engagement, and competitive advantage (OECD, 2005). It encompasses activities such as innovative advertising, branding,

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pricing, distribution channels, and customer relationship management, which enable SMEs to differentiate themselves and adapt to changing market conditions (Drucker, 1985). Schumpeter (1934) emphasized that marketing innovations are critical components of economic development, as they can create new markets and disrupt existing ones through novel approaches to reaching and serving customers. The key elements of marketing innovation include developing unique marketing strategies, adopting digital and social media channels, personalizing offerings, and introducing new pricing or delivery models (Rogers, 2003). Types of marketing innovations range from incremental changes, such as improved promotional tactics, to radical innovations, including entirely new business models or digital platforms that redefine customer interactions (Tidd & Bessant, 2014).

Various scholars conceptualize marketing innovation differently. Schumpeter (1934) viewed marketing innovation as a strategic activity that fosters competitive advantage by introducing novel marketing practices. Rogers (2003) framed it within the diffusion of innovations theory, emphasizing the roles of organizational capacity and external networks in the adoption of new marketing techniques. Zaltman *et al.* (1973) highlighted the importance of organizational learning and strategic flexibility for the successful adoption of marketing innovation. Indicators of marketing innovation success include increased sales, market share, brand recognition, and customer loyalty, as well as the adoption of new marketing channels and campaigns (OECD, 2005). Overall, marketing innovation in SMEs is considered vital for adapting to rapid market changes and achieving sustainable growth through the continuous renewal of marketing practices (Schumpeter, 1934; Rogers, 2003).

2.4. Development of Hypotheses

2.4.1. Organizational culture and leadership, and Marketing innovation

A culture of innovation is vital for SMEs to succeed in digital marketing, fostering creativity, risk-taking, and adaptability (Foster, 2021; Lou, 2025). Empirical studies consistently demonstrate that organizational culture and leadership significantly influence firms' marketing innovations. A supportive culture characterized by openness, risk-taking, and flexibility fosters creativity and the adoption of innovative marketing practices (Schein, 2010; Hamel & Prahalad, 1994). Leadership plays a crucial role in shaping strategic vision and encouraging innovation-oriented behaviors, thereby enhancing the likelihood of successful implementation of marketing innovation (Jung, Chow, & Wu, 2003; Chen, 2007). Research indicates that transformational leadership positively impacts the development and diffusion of marketing innovations, especially in SMEs (Zhou, 2012). Overall, a culture that values innovation combined with visionary leadership is essential for fostering marketing innovations and sustaining competitive advantage (Cameron & Quinn, 2011; Auh & Menguc, 2005). Internal dynamic capabilities, such as resource reconfiguration and partnership formation, enable SMEs to navigate regulatory and technological shifts (Foster, 2021; Lou, 2025). Drawing from these insights, a plausible hypothesis emerges:

H1: Organizational culture and leadership significantly influence marketing innovations in Small and Medium-sized Enterprises in Bamenda III

2.4.2. Technological capabilities and Marketing innovation

The role of technological capabilities as a driver of marketing innovations is well-supported by the literature (Zahra & George, 2002; Hult *et al.,* 2004). According to the resource-based view (RBV), firms with strong technological capabilities are more likely to develop and implement innovative marketing strategies (Wernerfelt, 1984; Barney, 1991). Specifically, technological capabilities, such as IT and e-commerce skills, enable firms to sense and respond to market opportunities, thereby facilitating marketing innovation (Chen *et al.,* 2010; Kim & Nam, 2010). Furthermore, technological capabilities can also facilitate the effective implementation of marketing innovations by enabling the creation of new products, services, and experiences (Jaworski & Kohli, 1993). Overall, technological capabilities play a crucial role in driving

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marketing innovation by enabling firms to develop and implement innovative marketing strategies (Hult *et al.,* 2004). The study, therefore, hypothesizes that:
H2: Technological capabilities significantly influence marketing innovations in Small and Medium-sized Enterprises in Bamenda III

2.4.3. Resources, human capital, and Marketing innovation

Internal firm factors such as resources, knowledge, and human capital are crucial for driving marketing innovation in SMEs, with the resource-based view emphasizing that unique and valuable assets provide a competitive edge (Cruz & Cheng, 2021; Çöltekin *et al.,* 2023). Effective knowledge management and the strategic utilization of organizational data enable SMEs to develop innovative marketing strategies, while skilled employees amplify this potential through their expertise and creative capacity (Cruz & Cheng, 2021; Çöltekin *et al.,* 2023). The synergy between resources and human capital enhances innovation outcomes, as combining technical assets with skilled personnel leads to more sophisticated solutions (Melacci *et al.,* 2024). Additionally, continuous investment in resource development fosters ongoing learning and adaptation, underpinning sustained innovation (Çöltekin *et al.,* 2023). Accessibility and sharing of resources further facilitate collaboration and collective innovation within the SME landscape, highlighting the importance of knowledge spillovers for competitive advantage. Overall, proactive development and integration of internal assets, coupled with a skilled workforce, are essential for SMEs to foster and sustain marketing innovation. The study, therefore, hypothesizes that:
H3: Resources and human capital significantly enhance marketing innovations in Small and Medium-sized Enterprises in Bamenda III

2.4.4. Shifts in consumer behavior or emerging market opportunities and marketing innovations

Shifts in consumer behavior and emerging market opportunities are critical external drivers of marketing innovation, prompting firms to adapt their strategies to meet evolving needs and capitalize on new market segments (Rogers, 2003; Chaston *et al.,* 2000). These changes often arise from technological advancements and social trends, compelling SMEs to innovate their marketing strategies to achieve differentiation and relevance (Kotler & Keller, 2016). Theoretically, the Dynamic Capabilities Framework suggests that organizations must sense and seize these external opportunities through innovation to sustain competitive advantage (Teece, 2007). Consequently, market-driven innovations enable SMEs to respond proactively to consumer and market shifts, fostering growth and resilience (Damanpour & Schneider, 2006). The study further hypothesizes that:
H4: Shifts in consumer behavior or emerging market opportunities significantly affect marketing innovation in Small and Medium-sized Enterprises in Bamenda III

2.4.5. Competitive Intensity and Marketing Innovation

Competitive intensity is a vital external driver of marketing innovation, compelling firms to differentiate themselves and enhance market positioning (Porter, 1985; Damanpour & Schneider, 2006). Research consistently highlights that competition plays a crucial role in driving innovation within SMEs, especially given their limited resources compared to larger firms (Yü *et al*., 2022; Tsitsiklis & Xu, 2012). Competitive pressures often trigger adaptive responses, such as innovative marketing and inventory strategies, to manage demand volatility and differentiate in crowded markets (Yü et al., 2022). Oligopoly theory suggests that increasing rivalry compels firms to optimize their marketing strategies, such as personalized targeting and dynamic pricing, to remain competitive (Tsitsiklis & Xu, 2012). High levels of competition pressure SMEs to adopt innovative marketing strategies to gain a competitive edge and respond to rivals' actions (Chaston *et al.,* 2000). The Resource-Based View (RBV) further suggests that firms leverage external pressures to

develop unique marketing capabilities, fostering sustainable advantage through innovation (Barney, 1991). Consequently, increased competitive forces stimulate continuous marketing innovation as firms seek to maintain relevance and market share (Rogers, 2003). Overall, competition acts as both a catalyst and a constraint, motivating SMEs to develop agile, tech-driven marketing practices to sustain competitive advantage (Tsitsiklis & Xu, 2012; Hossain *et al.,* 2022; Wang *et al.,* 2024). The study, therefore, hypothesizes that:

H5: Competitive Intensity significantly affects marketing innovation in Small and Medium-sized Enterprises in Bamenda III

2.4.6. Institutional and Regulatory Pressures and Marketing Innovations

Institutional and regulatory pressures, including compliance requirements and industry standards, significantly drive marketing innovation by compelling firms to adapt their strategies to meet external expectations (DiMaggio & Powell, 1983; Oliver, 1991). The influence of government and policy, particularly with respect to intellectual property rights (IPR) and regulation, is a critical external factor shaping marketing innovation in SMEs (Foster, 2021; Hjelm, 2001). Judicial activism, such as China's expanding data rights jurisprudence, demonstrates how regulatory environments are actively shaped and can either facilitate or constrain SME innovation (Lou, 2025). These pressures often push organizations to develop innovative marketing practices to ensure legitimacy and avoid sanctions (Zucker, 1987). Institutional Theory suggests that organizations conform to industry norms and regulations to gain social acceptance and competitive legitimacy (Scott, 2008). Consequently, regulatory and institutional demands act as external catalysts for marketing innovation, fostering adaptation and competitive advantage (Meyer & Rowan, 1977). Lastly, the study hypothesizes that:

H6: Institutional and regulatory pressures significantly influence marketing innovation in Small and Medium-sized Enterprises in Bamenda.

2.5. Conceptual Framework

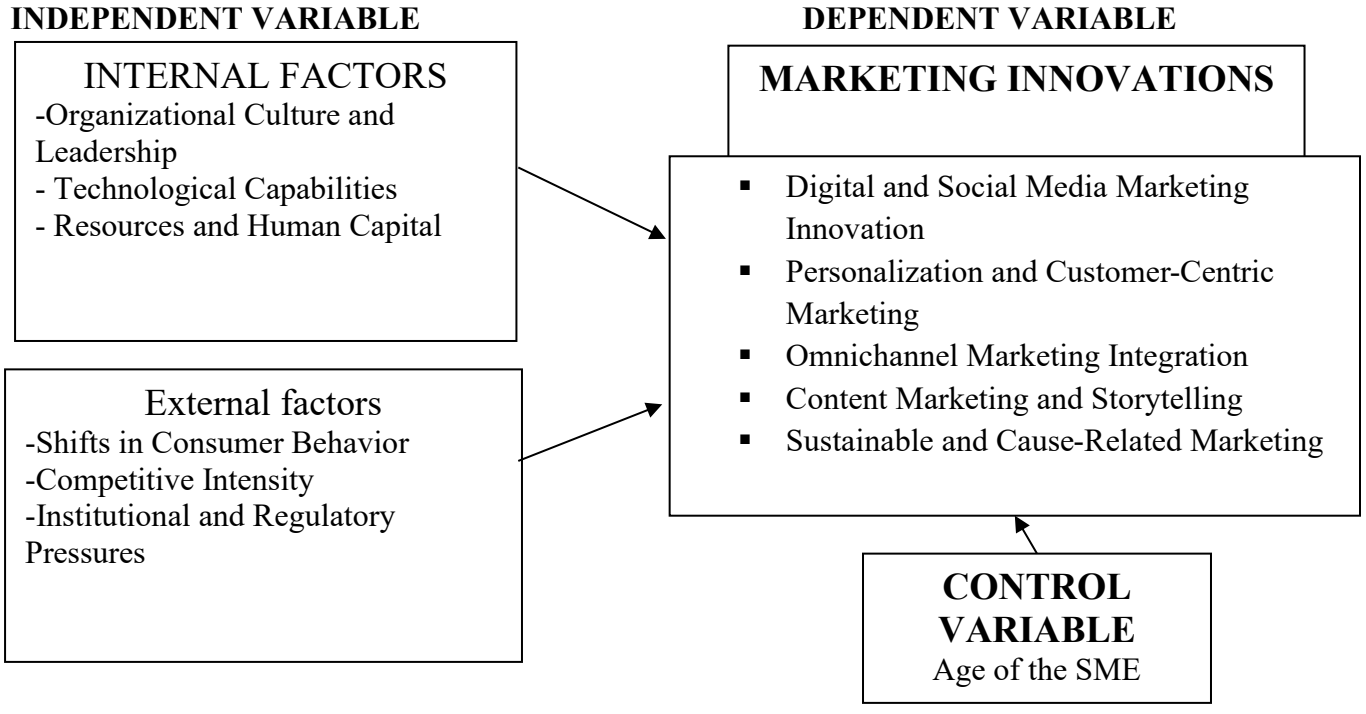

Fig. 1: Research Framework

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3. Methodology

The study is conducted in Bamenda III Municipality, located in the Mezam Division of the Northwest region of Cameroon. Bamenda II is one of the three municipal subdivisions of the Bamenda City Council area and serves as a major commercial and residential hub in the region. The municipality hosts a large concentration of Small and Medium-sized Enterprises (SMEs) operating in diverse sectors, including retail and wholesale trade, food processing, hospitality, tailoring, transportation services, agro-based activities, and other informal and semi-formal businesses. Bamenda III Municipality is characterized by a dense population, vibrant market activities, and a heterogeneous consumer base with varying demographic, geographic, psychographic, and behavioral characteristics. The choice of Bamenda III as the area of study is justified by the high presence of SMEs and the observable variations in their marketing performance. Studying SMEs in this municipality provides a realistic context for assessing how market segmentation strategies are applied in practice and how they affect marketing performance indicators, including sales growth, customer retention, market share, and brand awareness.

To depict a particular state of affairs and describe the impact of internal and external factors on marketing innovations in SMEs, the study employed surveys and a causal research design. Data for this study were obtained with the help of a semi-structured questionnaire. The population of this study comprised all small and medium-sized enterprises in the Bamenda III Municipality. A convenience sampling approach was used and justified on the grounds of its practicality, cost-effectiveness, and accessibility. The research procedure was guided by the quantitative study, which was founded on three key theories: The Resource-Based View (RBV) which suggests that firms leverage external pressures and internal to develop unique marketing capabilities, fostering sustainable advantage through innovation (Barney, 1991), the Dynamic Capabilities Framework which suggests that organizations must sense and seize these external and internal opportunities through innovation to sustain competitive advantage (Teece, 2007) and The Diffusion of Innovations theory posits that technological advancements accelerate the adoption of novel marketing practices as firms seek competitive advantage (Rogers, 2003).

Organizational culture and leadership, as internal factors, were captured by how leadership encourages open communication and the exchange of ideas among all employees, promotes risk-taking and tolerates failure, and actively supports and rewards creative thinking and innovative effort. Technological capabilities as an internal determinant were captured through access to advanced technological tools, employees' skills and proficiency in using current technologies, and the extent of technology integration into the SME's daily operations. The last internal factor, resources and human capital, was captured as sufficient financial resources to support innovative projects and initiatives, the level of the organization's investment in developing employees' skills and knowledge, and the effectiveness of the SME in allocating human resources. On the other hand, shifts in consumer behavior as an external determinant were captured by an increasing preference for digital channels in purchasing decisions, rising demand for personalized experiences, heightened consumer awareness of sustainability and ethical practices, and a shift towards convenience-oriented shopping behaviors. Competitive intensity on its part was measured by the intensity of competition from both local and external businesses, the degree of market saturation in Bamenda III, and the level of price competition among SMEs in Bamenda III. Lastly, institutional and regulatory pressures were measured in terms of the level at which Government policies and regulations significantly impact the operations of the SME, the SME's level of compliance with industry standards and regulations, and the extent to which the SME actively monitors and adapts to external regulatory requirements

The concept of marketing innovation encompasses digital and social media marketing, personalization and customer-centric marketing, content marketing and storytelling, omnichannel marketing integration, and sustainable and cause-related marketing.

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As shown in equation 1 below, this study is based on key internal drivers of marketing innovation in SMEs, including technological capabilities (Zahra & George, 2002), human capital (Chen et al., 2010), and organizational culture and leadership (Schein, 1985). We define the econometric model for this investigation based on the authors' proposal, including political instability as a control variable. The model has the following specifications.

$$\boldsymbol{MI = \beta_0 + \beta_1 OCL + \beta_2 TC + \beta_3 RHC + \beta_4 PI + \varepsilon} \text{.....1}$$

Note: MI = Market innovation of SMEs; β0: constant, $\beta_{1-}\beta_{3:}$ The regression coefficient for independent variable proxies; OCL: organizational culture and leadership; TC: technological capabilities; RCH: resources and human capital; $\boldsymbol{\varepsilon}$: The error term.

Equally, based external pressures such as shifts in consumer behavior or emerging market opportunities, (Damanpour & Schneider, 2006) technological developments (Tidd & Bessant, 2018) as well as regulatory environments and policy changes (Baregheh et al., 2009) which also act as catalysts, prompting SMEs to innovate their marketing approaches, we define the econometric model for this investigation as follows:

$$\boldsymbol{MI = \beta_0 + \beta_1 SCB + \beta_2 CI + \beta_3 RIPC + \beta_4 PI + \varepsilon} \text{.....2}$$

Note: MI = Market innovation of SMEs; β0: constant, $\beta_{1-}\beta_{3:}$ The regression coefficient for independent variable proxies; SCB: shifts in consumer behavior or emerging market opportunities; CI: competitive intensity; RIPC: regulatory environments and policy changes; PI: political instability $\boldsymbol{\varepsilon}$: The error term.

The use of the Likert scale enabled the researchers to quantify subjective perceptions into analyzable data, providing both descriptive and inferential insights into how the identified factors affect growth and development in the bar industry. Using multiple correspondence analyses, indices were constructed for each construct. Data for this study were collected using a structured questionnaire. The treated data were analyzed using both descriptive and inferential statistics (ordinary least squares). Cronbach's α was used to assess the internal consistency of the 75 responses across the model's three variables. The internal consistency of the model's constructs was assessed using the reliability test. As indicated in the Appendix, Cronbach's Alpha was used to achieve this, with an acceptable threshold of at least 0.7. Given that the Cronbach Alpha coefficient values ranged from 0.7085 to 0.7837, there was no violation of the participants' internal consistency for any of the variables. These were higher than the 0.60 cutoff point suggested by Chua (2006).

As a result, the study's instrument and constructs were reliable and valid. Multicollinearity was assessed using the variance inflation factor (VIF). Pairwise correlation was used to identify the strength and direction of relationships between internal and external determinants and marketing innovations in SMEs. It helps determine which factors are significantly associated, providing insights into potential influences. This analysis simplifies complex data by highlighting key interdependencies. Multiple correspondence analysis was used to construct indices for organizational culture and leadership, resources and human capital, technological capabilities, shifts in consumer behavior, competitive intensity, and institutional and regulatory factors. Both descriptive and inferential statistics (ordinary least squares) were used to analyze the treated data.

5. Results

The gender distribution of respondents shows a clear dominance of males in the study. Out of the 133 respondents surveyed, 87 were male, representing 65.4%, while 46 were female, accounting for 34.6%. This indicates that the sample is male-dominated, suggesting that males are more represented in the population under study. Such a distribution may reflect gender patterns within the sector or context being investigated and should be considered when generalizing the findings.

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Table 1: Demographic Characteristics

Description	Elements	Frequency	Percent
Distribution of respondents by gender	Male	87	65.4
	Female	46	34.6
	Total	133	100.0
Distribution of respondents by age	[20-30]	41	30.8
	[30-40]	27	20.3
	[40-50]	14	10.5
	[50-60]	43	32.3
	[60-above]	8	6.0
	Total	133	100.0
Distribution of respondents by educational attainment	Secondary	14	10.5
	Higher Education	119	89.5
	Total	133	100.0
Distribution of respondents by experience	1-3 years	7	5.3
	4-6 years	16	12.0
	7-10 years	33	24.8
	More than 10 years	77	57.9
	Total	133	100.0

Table 2: Scale Reliability Test

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
a1	133	+	0.6740	0.6480	.5394268	0.9666
a2	133	+	0.7322	0.6994	.5206235	0.9665
a3	133	+	0.6029	0.5665	.5378125	0.9673
a4	133	+	0.7137	0.6876	.5334264	0.9663
b1	133	+	0.7895	0.7741	.5386466	0.9659
b2	133	+	0.7645	0.7430	.5314983	0.9659
b3	133	+	0.7809	0.7557	.5210961	0.9658
b4	133	+	0.8480	0.8292	.5149571	0.9651
c1	133	+	0.8395	0.8232	.5246761	0.9652
c2	133	+	0.8552	0.8393	.5205609	0.9651
c3	133	+	0.7403	0.7144	.5289411	0.9661
c4	133	+	0.7242	0.6927	.524137	0.9664
d1	133	+	0.6772	0.6515	.5393917	0.9666
d2	133	+	0.7492	0.7181	.5191211	0.9663
d3	133	+	0.6084	0.5717	.5368558	0.9673
d4	133	+	0.7104	0.6833	.5327313	0.9663
e1	133	+	0.8016	0.7869	.5376889	0.9658
e2	133	+	0.7664	0.7451	.5315772	0.9659
e3	133	+	0.7934	0.7697	.5209131	0.9657
f1	133	+	0.8612	0.8440	.5141097	0.9650
f2	133	+	0.8417	0.8256	.524337	0.9652
f3	133	+	0.8580	0.8424	.5201451	0.9650
p1	133	+	0.8778	0.8705	.5430897	0.9659
p2	133	+	0.5631	0.5343	.5484393	0.9673
p3	133	+	0.6914	0.6714	.5448498	0.9666
p4	133	+	0.7005	0.6811	.5446368	0.9665
Test scale					.5305265	0.9673

With respect to age distribution, the respondents are spread across different age groups, indicating a diverse age structure. The highest proportion falls within the 50–60 years age bracket, with 43 respondents (32.3%),

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followed closely by those aged 20–30 years, who constitute 41 respondents (30.8%). Respondents aged 30–40 years represent 20.3%, while those aged 40–50 years account for 10.5%. The least represented group is respondents aged 60 years and above, with 6.0%. This distribution suggests a mixture of relatively young and older participants, with a stronger representation of mature and economically active individuals.

Regarding educational attainment, the results indicate a very high level of education among respondents. A total of 119 respondents (89.5%) have attained higher education, while only 14 respondents (10.5%) have secondary education. This implies that most respondents are well educated, which may enhance their understanding of the issues under investigation and improve the reliability of their responses.

Regarding work experience, the findings indicate that most respondents have extensive experience. A substantial majority, 77 respondents (57.9%), have more than 10 years of experience, while 33 respondents (24.8%) have between 7 and 10 years of experience. Respondents with 4–6 years of experience account for 12.0%, and those with 1–3 years represent only 5.3%. This indicates that the sample is largely composed of seasoned individuals with considerable experience, suggesting that the responses are informed by long-term practical exposure.

The overall reliability analysis shows that the instrument used in the study is highly consistent and reliable. The average inter-item covariance is 0.5305, indicating a moderate and stable relationship among the items. More importantly, the overall Cronbach's alpha is 0.9673, which is exceptionally high, suggesting excellent internal consistency. This means that all items on the scale work well together to measure the intended construct and that responses are reliable for drawing meaningful conclusions.

Table 3: Summary of Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
MIN	133	.238	.311	0	1
OCL	133	.078	.221	0	1
TEC	133	.397	.325	0	1
RHC	133	.111	.243	0	1
SCB	133	.082	.221	0	1
CI	133	.324	.344	0	1
IRP	133	.19	.262	0	1
male	133	.654	.477	0	1
female	133	.346	.477	0	1
secedu	133	.105	.308	0	1
teredu	133	.895	.308	0	1
less1yr	133	.053	.224	0	1
b1to3yrs	133	.12	.327	0	1
b4to6yr	133	.248	.434	0	1
b6to7yrs	133	.579	.496	0	1

With respect to the core explanatory variables, Technological Capabilities (TEC) has the highest mean (0.397), indicating that approximately 39.7% of sampled units exhibit notable technological capabilities. This indicates that technology-related factors are more prevalent in the study context than other strategic or environmental variables. Competitive Intensity (CI) has a mean of 0.324, indicating that approximately one-third of respondents operate in highly competitive environments. Marketing Innovation (MIN) has a mean of 0.238, indicating that fewer than one-quarter of observations engage in innovative marketing practices.

In contrast, Organizational Culture and Leadership (OCL), Shifts in Consumer Behavior (SCB), and Resources and Human Capital (RHC) exhibit relatively low mean values of 0.078, 0.082, and 0.111, respectively. This suggests that these internal and market-related dynamics are less pronounced within the sampled units. Institutional and Regulatory Pressures (IRP) shows a moderate mean of 0.190, indicating that regulatory and institutional constraints affect a noticeable but still minority proportion of the respondents. Across these variables, standard deviations ranging from approximately 0.22 to 0.34 are consistent with binary data and indicate moderate heterogeneity across observations.

Regarding demographic characteristics, the gender distribution is male dominated, with males accounting

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for 65.4% of respondents and females 34.6%. The relatively high standard deviation for both gender variables (0.477) indicates a reasonable spread, though with a clear imbalance toward male participation. This gender structure may have implications for interpreting behavioral or strategic outcomes in the analysis.

Educational attainment is highly skewed toward higher levels of education. Respondents with tertiary education (teredu) constitute 89.5% of the sample, while only 10.5% have secondary education (secedu). This suggests that the study population is largely composed of well-educated individuals, which may influence their capacity to adopt technology, respond to competitive pressures, or implement innovative practices.

Finally, the distribution of experience reveals that most respondents have substantial tenure. A majority (57.9%) fall within the 6–7 years category, followed by 24.8% with 4–6 years of experience. Very few respondents have less than 1 year (5.3%) or between 1 and 3 years (12%) of experience. This concentration of experienced participants implies that the findings largely reflect the perceptions and practices of seasoned actors rather than those of newcomers, potentially enhancing the reliability of responses regarding strategic and organizational factors.

Table 4: Pair-wise Correlations Matrix

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) MIN	1.000									
(2) OCL	0.551	1.000								
(3) TEC	0.525	0.444	1.000							
(4) RHC	0.547	0.847	0.392	1.000						
(5) SCB	0.553	1.000	0.444	0.846	1.000					
(6) CI	0.578	0.450	0.884	0.363	0.453	1.000				
(7) IRP	0.472	0.711	0.247	0.960	0.711	0.195	1.000			
(8) b1to3yrs	0.018	-0.118	0.068	-0.157	-0.124	0.055	-0.155	1.000		
(9) b4to6yr	0.219	-0.167	0.309	-0.210	-0.165	0.352	-0.303	-0.212	1.000	
(10) b6to7yrs	-0.466	-0.221	-0.514	-0.104	-0.218	-0.554	0.037	-0.434	-0.674	1.000

Focusing on Marketing Innovation (MIN), the results show moderately strong positive correlations with all major organizational and environmental variables. MIN is positively associated with Organizational Culture and Leadership (OCL) (0.551), Technological Capabilities (TEC) (0.525), Resources and Human Capital (RHC) (0.547), Shifts in Consumer Behavior (SCB) (0.553), Competitive Intensity (CI) (0.578), and Institutional and Regulatory Pressures (IRP) (0.472). These relationships suggest that firms exhibiting stronger leadership, better technology, richer human resources, heightened market awareness, and more intense competition are more likely to engage in marketing innovation.

Strong interrelationships are observed among the internal capability variables. OCL is very highly correlated with RHC (0.847) and perfectly correlated with SCB (1.000), while RHC also shows a very strong correlation with IRP (0.960) and SCB (0.846). These high coefficients indicate a close alignment between leadership structures, human capital endowments, regulatory exposure, and responsiveness to consumer behavior. While theoretically plausible, such strong associations may indicate multicollinearity, which should be addressed in multivariate regression analyses using diagnostics such as variance inflation factors (VIFs).

Technological and market pressures also display notable linkages. TEC is strongly correlated with CI ($r = 0.884$), implying that firms operating in more competitive environments tend to develop stronger technological capabilities. Similarly, CI shows moderate positive correlations with OCL (0.450), SCB (0.453), and MIN (0.578), supporting the view that competition catalyzes strategic adaptation and innovation. In contrast, IRP exhibits weaker correlations with TEC (0.247) and CI (0.195), suggesting that

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regulatory pressures may operate through organizational and human capital channels rather than directly through technology or competition.

Regarding experience-related control variables, the correlations with the core constructs are generally weak or negative, indicating limited direct association. The 1–3 year experience category (b1to3yrs) shows near-zero or weak negative correlations with most strategic variables, implying minimal influence on innovation or capabilities. The 4–6 years category (b4to6yr) exhibits modest positive correlations with TEC (0.309) and CI (0.352), suggesting that mid-level experience may enhance technological engagement and competitiveness. In contrast, the 6–7 years category (b6to7yrs) is negatively correlated with MIN (-0.466), TEC (-0.514), and CI (-0.554), indicating that more experienced actors may rely less on innovation and technology-driven responses, possibly due to entrenched routines or strategic inertia.

Table 5: Estimate of the determinants of marketing innovations in SMES in Bamenda III

VARIABLES	MIN
OCL	-8.330*
	(4.747)
TEC	-0.000345
	(0.134)
RHC	-1.701**
	(0.656)
SCB	8.256*
	(4.641)
CI	0.328**
	(0.133)
IRP	1.570***
	(0.456)
b1to3yrs	-0.858
	(0.613)
b4to6yr	-0.778
	(0.606)
b6to7yrs	-1.008*
	(0.590)
Constant	0.878
	(0.598)
Observations	133
R-squared	0.575
Adj R-squared	0.5443
F(9, 123)	18.52
Prob > F	0.0000

Robust Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

The table above shows that Organizational Culture and Leadership (OCL) has a negative coefficient of –8.330, indicating an inverse relationship between organizational culture and leadership and marketing innovation among SMEs in Bamenda III. This implies that improvements or changes in existing leadership and cultural practices tend to reduce the level of marketing innovation. A unit increase in organizational culture and leadership will reduce marketing innovation by 8.33 units, holding all else constant. However, this effect is statistically significant at the 10% level, as the p-value is less than 0.10.

The coefficient of Technological Capabilities (TEC) is negative (–0.000345), indicating a negligible negative effect of technological capabilities on marketing innovation among SMEs in Bamenda III. This implies that an increase in technological capabilities does not yield meaningful change in marketing innovation. Moreover, this relationship is not statistically significant, as the p-value exceeds conventional significance levels, indicating that technological capabilities do not have a direct effect on marketing innovation in the study area.

Furthermore, Resources and Human Capital (RHC) has a negative coefficient of –1.701, indicating an inverse effect of resources and human capital on marketing innovation among SMEs in Bamenda III. A unit

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increase in resources and human capital will reduce marketing innovation by 1.701 units, ceteris paribus. This finding is statistically significant at the 5% level, as the p-value is less than 0.05.

In contrast, Shifts in Consumer Behaviour (SCB) exhibits a positive coefficient of 8.256, indicating a direct positive effect of changes in consumer behaviour on marketing innovation. This suggests that SMEs respond to evolving customer preferences by adopting more innovative marketing practices. A unit increase in shifts in consumer behaviour will lead to an increase in marketing innovation by 8.256 units, all else being equal. This effect is statistically significant at the 10% level, as the probability value is less than 0.10.

Similarly, Competitive Intensity (CI) has a positive coefficient of 0.328, indicating a direct effect of competition on marketing innovation among SMEs in Bamenda III. This means that increased competitive pressure encourages firms to adopt innovative marketing strategies. A unit increase in competitive intensity will increase marketing innovation by 0.328 units, holding other factors constant. This result is statistically significant at the 5% level, as the p-value is less than 0.05.

In addition, Institutional and Regulatory Pressures (IRP) show a positive coefficient of 1.570, indicating a direct and positive relationship between regulatory pressures and marketing innovation. This implies that increased institutional and regulatory demands push SMEs to innovate in their marketing activities, either to comply with regulations or to gain legitimacy. A unit increase in institutional and regulatory pressures will increase marketing innovation by 1.57 units, ceteris paribus. This finding is highly statistically significant at the 1% level, as the probability value is less than 0.01.

With respect to firm experience, the coefficient of 1–3 years of experience (b1to3yrs) is negative (–0.858), indicating an inverse relationship with marketing innovation; however, this effect is not statistically significant, suggesting that early-stage experience does not significantly influence marketing innovation. Similarly, firms with 4–6 years of experience (b4to6yr) also show a negative but statistically insignificant effect on marketing innovation. However, firms with 6–7 years of experience (b6to7yrs) have a negative coefficient of –1.008, indicating that increased experience at this level reduces marketing innovation. A unit increase in this experience category will reduce marketing innovation by 1.008 units, all else being equal. This effect is statistically significant at the 10% level, as the probability value is less than 0.10, suggesting possible innovation fatigue or reliance on established routines among older SMEs.

Overall, the regression model is statistically robust, as indicated by an R-squared of 0.575, which explains approximately 57.5% of the variation in marketing innovation among SMEs in Bamenda III. The adjusted R-squared of 0.544 further confirms the explanatory strength of the model. The F-statistic (18.52) with a p-value of 0.0000 indicates that the model is jointly significant, implying that the explanatory variables collectively have a significant effect on marketing innovation among SMEs in Bamenda III.

Table 6: Variance Inflation Factor (VIF) Test for Multicollinearity

Variable	VIF	1/VIF
OCL	8.02	0.000303
SCB	6.35	0.000319
b6to7yrs	5.52	0.003914
b4to6yr	5.13	0.004842
b1to3yrs	4.60	0.008361
RHC	3.89	0.013176
IRP	3.83	0.023346
CI	1.22	0.160785
TEC	1.13	0.177528
Mean VIF	4.41	

The VIF results indicate no major multicollinearity. While a common rule of thumb is to consider VIF values above 10 indicative of problematic multicollinearity, some scholars advocate more conservative

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thresholds. For instance, Vittinghoff et al. (2005) suggest that VIF values exceeding 10 may indicate multicollinearity issues. Menard (2001) recommends that VIF values above 5 warrant concern, and values above 10 indicate severe multicollinearity. Johnston et al. (2018) propose a lower threshold, indicating that VIF values of 2.5 or higher may reflect considerable collinearity. In this case, a mean VIF of 4.41 falls within the range considered acceptable by some researchers.

Table 7: Breusch-Pagan/Cook-Weisberg Test for Heteroskedasticity

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of MIN
chi2(1) = 0.04
Prob > chi2 = 0.8432

Finally, we conclude the section by assessing the presence of heteroskedasticity in our model. To achieve this, we employ the Breusch-Pagan and Cook-Weisberg test of heteroskedasticity. From the result presented above, the null hypothesis of constant variance is rejected, showing that our estimated model does not suffer from a heteroscedasticity problem. Several authors have discussed the use of heteroscedasticity in Ordinary Least Squares (OLS) regression and have suggested rejection thresholds for detecting it. White (1980) proposes a test for heteroscedasticity and suggests a rejection threshold of 5%. Greene (2000) discussed the consequences of heteroscedasticity and suggested a rejection threshold of 10%. Kennedy (2003) discussed the various tests for heteroscedasticity and suggested a rejection threshold of 5%.

5. Discussion

Contrary to the dominant theoretical and empirical literature, the results reveal that Organizational Culture and Leadership (OCL) exert a negative and statistically significant effect on marketing innovation among SMEs in Bamenda III. Existing studies emphasize that an innovation-oriented culture characterized by openness, flexibility, and risk-taking, combined with transformational leadership, enhances marketing innovation (Schein, 2010; Cameron & Quinn, 2011; Zhou, 2012). However, the negative coefficient obtained in this study suggests that prevailing organizational cultures and leadership styles within SMEs in Bamenda III may be bureaucratic, centralized, or risk-averse, thereby constraining innovative marketing practices. This finding aligns with contextual realities in many developing-economy SMEs, where leadership is often owner-centered and resistant to change, limiting creativity and experimentation (Hamel & Prahalad, 1994; Auh & Menguc, 2005). Rather than fostering innovation, leadership structures may prioritize operational stability and short-term survival. Consequently, H1 is not supported empirically, highlighting a divergence between normative theory and local SME practice. This suggests that leadership quality alone is insufficient; rather, the nature of leadership and cultural orientation is critical for stimulating marketing innovation.

The regression results indicate that Technological Capabilities (TEC) have a negative but statistically insignificant effect on marketing innovation. This finding deviates from the Resource-Based View (RBV), which posits that technological assets enable firms to sense and respond to market opportunities through innovative marketing strategies (Barney, 1991; Zahra & George, 2002; Hult et al., 2004). A plausible explanation is that SMEs in Bamenda III may possess basic or underutilized technologies without the complementary capabilities, such as strategic orientation, skills, or integration into marketing processes, necessary to translate technology into innovation outcomes (Jaworski & Kohli, 1993; Kim & Nam, 2010). This supports arguments that technology adoption alone does not guarantee innovation unless aligned with organizational strategy and human competencies (Chen et al., 2010). Consequently, H2 is rejected, suggesting that technological capabilities in isolation do not significantly influence marketing innovation in the study context.

The results further show that Resources and Human Capital (RHC) have a negative and statistically significant effect on marketing innovation, contradicting the resource-based and human capital perspectives

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advanced in the literature (Cruz & Cheng, 2021; Çöltekin et al., 2023). Theoretically, skilled employees and access to resources should enhance creativity and facilitate the development of innovative marketing strategies (Melacci et al., 2024). However, the observed negative effect suggests that resources and human capital in SMEs in Bamenda III may be inefficiently deployed or poorly coordinated, resulting in rigidity rather than innovation. This finding resonates with the notion that resources can become liabilities when not strategically managed, especially in environments characterized by limited absorptive capacity and weak incentive systems. Therefore, H3 is empirically contradicted, reinforcing the argument that resource quality and utilization, rather than mere availability, determine innovation outcomes.

Consistent with theoretical expectations, shifts in Consumer Behavior (SCB) exhibit a positive and statistically significant relationship with marketing innovation. This finding strongly supports the Dynamic Capabilities Framework, which argues that firms must continuously sense and respond to changes in consumer preferences to sustain competitive advantage (Teece, 2007). Empirically, this result aligns with prior studies emphasizing that evolving customer needs and emerging market opportunities compel SMEs to adopt innovative marketing practices to maintain relevance and achieve differentiation (Kotler & Keller, 2016; Damanpour & Schneider, 2006). SMEs in Bamenda III appear to be market-responsive, adjusting their marketing strategies in response to changing consumer tastes. As such, H4 is supported, underscoring the primacy of demand-side pressures in driving marketing innovation.

The findings indicate that Competitive Intensity (CI) has a positive and statistically significant effect on marketing innovation, corroborating Porter's (1985) competitive strategy framework and subsequent empirical studies (Chaston et al., 2000; Yü et al., 2022). Heightened competition appears to pressure SMEs to differentiate themselves through innovative marketing approaches. This result is consistent with oligopoly and RBV arguments that competition acts as a catalyst for innovation by forcing firms to develop unique capabilities to survive (Tsitsiklis & Xu, 2012; Barney, 1991). In Bamenda III, competitive pressures appear to outweigh internal constraints, prompting SMEs to experiment with new marketing tactics. Consequently, H5 is empirically validated, confirming competition as a key external driver of marketing innovation.

The regression results show that Institutional and Regulatory Pressures (IRP) have a positive and highly significant effect on marketing innovation. This finding strongly aligns with Institutional Theory, which posits that organizations innovate to gain legitimacy, comply with regulations, and conform to industry norms (DiMaggio & Powell, 1983; Scott, 2008). In the context of Bamenda III, regulatory requirements, formalization pressures, and compliance standards appear to stimulate SMEs to adopt innovative marketing practices as adaptive responses. This supports prior evidence that institutional constraints can function as enablers of innovation rather than barriers (Oliver, 1991; Foster, 2021; Lou, 2025). Thus, H6 is strongly supported, highlighting the constructive role of regulatory environments in shaping SME marketing behavior. The negative and statistically significant effect observed for firms with 6–7 years of experience suggests that older SMEs may exhibit innovation fatigue or strategic inertia, relying on established routines rather than exploring new marketing approaches. This aligns with organizational life-cycle theories, which argue that firms become less innovative as they mature unless they pursue deliberate renewal strategies (Rogers, 2003).

6. Implications for Policy and Conclusion

To foster a more conducive environment for marketing innovation among SMEs, policymakers should focus on capacity-building initiatives that address internal challenges. Given that Organizational Culture and Leadership (OCL) negatively impact innovation, policies should promote leadership development programs that encourage adaptive and innovative mindsets. Additionally, support for restructuring organizational culture to become more open and flexible can help SMEs overcome internal inertia. Since

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Resources and Human Capital (RHC) also negatively influence innovation, targeted training programs and affordable access to skilled personnel and resources should be prioritized to enhance SMEs' capabilities to adopt innovative marketing strategies. External factors such as shifts in Consumer Behavior (SCB), Competitive Intensity (CI), and Institutional and Regulatory Pressures (IRP) positively influence marketing innovation. Therefore, policies should aim to create a dynamic regulatory environment that encourages competition and innovation. Streamlining regulatory procedures, offering tax incentives or subsidies for innovative marketing practices, and establishing platforms for knowledge sharing can help SMEs respond effectively to external market changes. Supporting SMEs in understanding and adapting to consumer trends and competitive pressures will further stimulate innovative marketing approaches and improve their competitiveness. The significant negative effect of firm age (6–7 years) on innovation indicates a need to sustain innovation efforts beyond the early growth phase. Policymakers should promote ongoing innovation through incentives for continuous learning, such as innovation grants, mentorship programs, and industry clusters that facilitate knowledge exchange among mature SMEs. Establishing networks or forums where older SMEs can share best practices and overcome strategic inertia will help maintain their innovative momentum and prevent complacency.

This study underscores the complex interplay of internal and external factors influencing marketing innovations in SMEs in Bamenda III, Northwest Cameroon. While external pressures like consumer shifts, competitive intensity, and regulatory environment encourage innovation, internal factors such as organizational culture, leadership, and resources can hinder it if not properly managed. For SMEs to remain competitive and sustainable, targeted policies must foster a supportive environment that enhances internal capabilities and leverages external market dynamics. Continuous innovation, especially among more established firms, requires deliberate efforts to overcome inertia and foster a culture of adaptability. Ultimately, a strategic focus on both internal capacity development and external market engagement will be key to advancing marketing innovations and promoting economic growth in the region.

7. Limitations and Directions for Future Research

The study's limitations include its focus on a specific geographic region, Bamenda III in Northwest Cameroon, which may limit the generalizability of the findings to other regions or countries with different economic, cultural, or regulatory environments. Additionally, the cross-sectional design limits the ability to infer causality between determinants and marketing innovation. Future research could explore longitudinal studies to assess changes over time and include qualitative approaches to gain deeper insights into internal organizational dynamics. Expanding the scope to include larger, diverse regions and sectors would also enhance understanding of the broader applicability of these determinants.

Author Contributions: Fidelis Vernyuy Sigimi conceived the idea, reviewed the literature, analyzed the data, and prepared the first draft. Buwah Nuela Neba conducted the econometric analysis, supervised it, and ultimately edited the paper. All authors approved the final version of the manuscript.

Conflicts of Interest: The authors declare no conflict of interest.

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Appendix
Appendix 1: Questionnaire

Section B: internal factors

Organizational Culture and Leadership	**SA (5)**	**A (4)**	**N (3)**	**D (2)**	**SD (1)**
Our leadership encourages open communication and the exchange of ideas among all employees					
The organizational culture in our SME promotes risk-taking and tolerates failure					
Leadership in our organization actively supports and rewards creative thinking and innovative effort					
Our SME values continuous learning and adaptability.					
Technological Capabilities					
Our SME has access to advanced technological tools					
The organization continuously invests in new technologies					
Employees in our SME are skilled and proficient in using current technologies					
Our SME effectively integrates technology into daily operations to enhance					
Resources and Human Capital					
Our SME has sufficient financial resources to support innovative projects and initiatives					
The organization invests in developing the skills and knowledge of its employees					
The organization recruits talented and innovative individuals					
Our SME effectively allocates human resources					

Section C: External Factors

Shifts in Consumer Behavior	**SA (5)**	**A (4)**	**N (3)**	**D (2)**	**SD (1)**
Consumers in Bamenda III increasingly prefer digital channels for their purchasing decisions					
Consumers in Bamenda III are increasingly demanding personalized experiences					
The SME is experiencing growing consumer awareness of sustainability and ethical practices among Consumers in Bamenda III					
Consumers in Bamenda III are shifting towards convenience-oriented shopping behaviors					

Competitive Intensity					
SMEs in Bamenda III frequently face intense competition from both local and external businesses					
The market in Bamenda III is highly saturated					
The level of pricing competition among SMEs in Bamenda III is very high					
Institutional and Regulatory Pressures					
Government policies and regulations significantly impact the operations of our SME					
Compliance with industry standards and regulations is a major concern for the SME					
The SME actively monitors and adapts to external regulatory requirements to remain compliant and competitive.					

Section C: Marketing Innovation

Items	**SA (5)**	**A (4)**	**N (3)**	**D (2)**	**SD (1)**
Our SME has been leveraging new social media platforms, influencer collaborations, and innovative content formats (like live videos, stories, or short-form videos) to reach target audiences more effectively					
We use data analytics and AI tools to deliver personalized marketing messages, offers, and experiences tailored to individual customer preferences and behaviors.					
We develop unique, engaging content and brand stories through blogs, videos, podcasts, and other formats to build brand loyalty and differentiate from competitors					
We create seamless customer experiences across multiple channels—online store, social media, physical stores, mobile apps—through innovative integration and coordination					
We incorporate environmental and social responsibility into marketing strategies, aligning brand values with social causes, and communicating sustainability efforts to attract conscious consumers					