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Digital Strategy on Small and Medium Entreprises Performance in Port Harcourt Rivers State, Nigeria

[1]Vivien E. Wogwu, &
[2]Eloke, P. D.
[1&2]Department of Management, Faculty of Management Sciences University of Port Harcourt, Port Harcourt, Rivers State, Nigeria

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Corresponding Author:
Vivien E. Wogwu

Abstract

This study examined the relationship between digital strategies and the performance of small and medium-sized enterprises (SMEs) in Port Harcourt, Nigeria. Digital strategies were assessed through two key dimensions: digital technologies and value creation, while SMEs' performance was measured in terms of innovation and strategic planning. The study targeted an accessible population of 300 entrepreneurs, selected purposively at the researcher's convenience, and adopted a census study approach. Data was collected using structured questionnaires, and simple random sampling was employed to select participants. Out of the 300 distributed questionnaires, 240 were deemed valid for analysis. Spearman's Rank Order Correlation Coefficient was used to analyze the data, revealing a significant and positive relationship between digital strategies and SMEs' performance in Port Harcourt. The findings underscore the crucial role of digital strategies in enhancing innovation and strategic planning, ultimately improving business performance. The study concludes that SMEs must embrace digital transformation by investing in digital technologies and value creation initiatives to remain competitive. Based on these insights, the study recommends that SMEs prioritize digital investments to foster innovation and improve strategic planning. Additionally, entrepreneurs should implement value-driven digital strategies to enhance organizational efficiency and sustainability. Furthermore, SMEs should develop robust strategic planning processes that leverage digital tools to gain a competitive edge in the market. By adopting these measures, SMEs in Port Harcourt can significantly enhance their performance and long-term growth in an increasingly digitalized business landscape.

Background to the Study

Small and Medium Enterprises (SMEs) contribute greatly to economic development in many countries, so their performance and growth are of great concern to governments, policymakers, and financial institutions (Anshika et al., 2021). However, the Small Business Administration reports that 20% of small businesses fail in the first 2 years and 50% within 5 years. Small and medium businesses in Indonesia are sinking or being squeezed because their contribution to GDP (Gross Domestic Income) is very low compared to large businesses, the number of which is very small, but their contribution to GDP is very dominant, as shown by the structure of national business actors, which reaches 98% and the proportion of businesses that can control national business processes with horizontal and vertical integration practices. This state progressively reveals a hollow centre, limiting business's ability to create upstream-downstream links (Oktariswan et al., 2024).

Due to their limited accounting knowledge and educational background, Micro Small and Medium Enterprises (MSMEs) business actors often ignore SME performance issues, especially financial management and accounting correctness (Saraa et al., 2020). Besides bookkeeping issues, SMEs in Indonesia face small business margins, limited capital, managerial competence, small economic scale, marketing capabilities, and lack of financing, so government and stakeholders are supported. Improving MSMEs' performance through policies, initiatives, and empowerment is also crucial (Aritonang et al., 2023).

In recent years, the digital world has transformed corporate operations and client interactions. Digital technologies allow firms to innovate, increase efficiency, and boost performance. However, digital strategy adoption by Port Harcourt, Rivers State, Nigeria, SMEs remains a challenge. SMEs must implement digital strategies to survive and thrive in the digital era (Khan et al., 2020). SME owners in Port Harcourt, Rivers State, Nigeria, struggle with financing, infrastructure, and competitiveness (Ojeka et al., 2022). Digital methods can help SMEs overcome these issues and operate better (Alshahrani et al., 2020). Digital strategies leverage digital tools, platforms, and technology to achieve corporate goals. E-commerce, digital marketing, social media, and others are included. Digital initiatives may assist Port Harcourt SMEs boost market reach, customer engagement, operational efficiency, productivity, competitiveness, innovation, and access new markets and consumers. Several constraints prevent Port Harcourt SMEs from adopting digital initiatives. Limited knowledge and comprehension of digital technologies, limited infrastructure and technical support, high cost of digital tools and platforms, and lack of trained labour and training are some of SMEs' issues. Recently, digital techniques have been shown to improve SME performance (Khan et al., 2020; Alshahrani, 2020). Khan et al. (2020) discovered that digital marketing helps boost SMEs' brand recognition and consumer engagement. Alshahrani et al. (2020) observed that e-commerce adoption boosts SME sales and revenue. Studies in Nigeria have also said that SMEs must use digital methods to boost performance (Eke et al., 2022; Ojeka, 2022). Eke et al. (2022) revealed that digital

innovation boosts SMEs' market share and competitiveness. Further study is needed to understand Port Harcourt SMEs' unique difficulties and prospects. This research examines how digital initiatives affect Port Harcourt, Nigerian SMEs. The study will examine SMEs' digital strategy adoption, its drivers, and its effects on performance. This study will add to the understanding of digital strategies and SMEs' success, benefiting SMEs, policymakers, and researchers.

Problem Statement

It is now essential for SMEs to embrace digital strategies if they want to thrive in the modern digital era (Khan et al., 2020). Among the many difficulties encountered by small and medium-sized enterprises (SMEs) in Port Harcourt, Nigeria, are severe rivalry, poor infrastructure, and restricted access to capital (Ojeka et al., 2022). Despite these difficulties, SMEs can boost their performance with the use of digital initiatives (Alshahrani et al., 2020). In today's fast-paced digital world, the survival and expansion of SMEs in Port Harcourt, Nigeria are jeopardised due to their lack of digital strategy adoption (Ojeka et al., 2022). Many SMEs in Port Harcourt are still hesitant to adopt digital strategies, even though they offer numerous advantages, such as better customer engagement, higher brand visibility, more competitiveness, and more revenue (Khan et al., 2020; Alshahrani et al., 2020; Eke et al., 2022). The reasons behind this hesitation are multi-faceted and include things like low levels of digital literacy, outdated or non-existent infrastructure, restricted access to digital technology, a lack of funding, and an absence of qualified workers (Alshahrani et al., 2020; Ojeka et al., 2022).

SMEs play a crucial role in driving economic growth and development in Nigeria (Ojeka et al., 2022), therefore the restricted adoption of digital strategies has far-reaching effects. Eke et al. (2022) found that SMEs in Port Harcourt lost out on chances to innovate, create jobs, and be competitive because they didn't implement digital strategies. To be resilient and competitive in the post-pandemic age, SMEs must embrace digital strategies, and the COVID-19 pandemic has highlighted this need (Khan et al., 2020). The significance of digital strategies for the performance of SMEs has been emphasised in recent research (Khan et al., 2020; Alshahrani et al., 2020). For example, Khan et al. (2020) discovered that SMEs may increase their brand recognition and consumer engagement using digital marketing tactics. According to Alshahrani et al. (2020), SMEs may increase their sales and revenue by embracing e-commerce. So, to find out how SMEs in Port Harcourt may improve their performance and digital adoption, this study will look at what variables influence their adoption of digital strategies. Finding out how many SMEs in Port Harcourt have adopted digital strategies and how it affects their performance is what this study is all about.

Aim and Objectives of the Study

The main aim of this study is to establish the relationship between digital strategies and SMEs Performance in Port-Harcourt, Rivers State, Nigeria. The specific objectives are:

i. To establish the relationship between digital technologies and innovation SMEs in Port-Harcourt, Rivers State, Nigeria.

ii. To determine the relationship between digital technologies and strategic planning SMEs in Port-Harcourt, Rivers State, Nigeria.
iii. To ascertain the relationship between value creation and innovation SMEs in Port-Harcourt, Rivers State, Nigeria.
iv. To find out the relationship between value creation and strategic planning SMEs in Port-Harcourt, Rivers State, Nigeria.

Research Questions

The following research questions were asked

i. What is the relationship between digital technologies and innovation SMEs in Port-Harcourt, Rivers State, Nigeria?
ii. What is the relationship between digital technologies and strategic planning SMEs in Port-Harcourt, Rivers State, Nigeria?
iii. What is the relationship between value creation and innovation SMEs in Port-Harcourt, Rivers State, Nigeria?
iv. What is the relationship between value creation and strategic planning SMEs in Port-Harcourt, Rivers State, Nigeria?

Research Hypotheses

The following hypotheses were stated in a null form.

Ho_1: There is no significant relationship between digital technologies and innovation SMEs in Port-Harcourt, Rivers State, Nigeria.

Ho_2: There is no significant relationship between digital technologies and strategic planning SMEs in Port-Harcourt, Rivers State, Nigeria.

Ho_3: There is no significant relationship between value creation and innovation SMEs in Port-Harcourt, Rivers State, Nigeria.

Ho_4: There is no significant relationship between value creation and strategic planning SMEs in Port-Harcourt, Rivers State, Nigeria.

Conceptual Framework

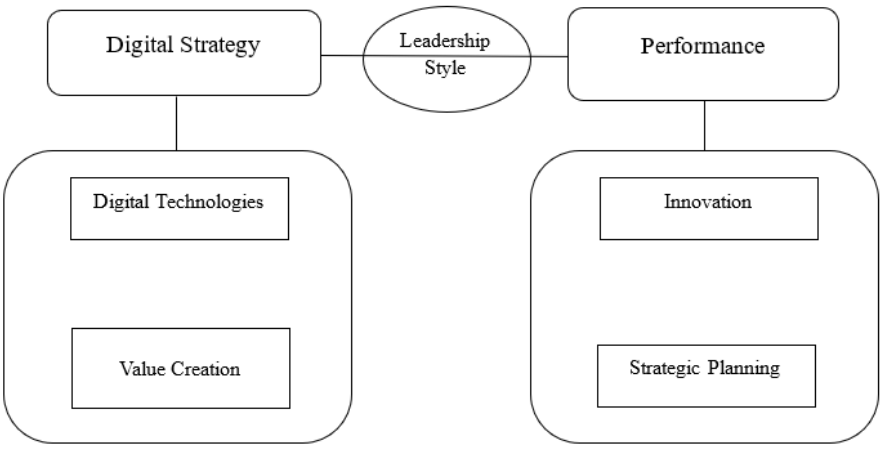

Figure 1: Conceptual framework of digital strategy on SME performance in Port Harcourt, Rivers State, Nigeria.
Source: Conceptualized by the Researchers 2025), while the dimensions of digital strategy was adopted from Hamida (2023), while the measures of SMEs performance was obtained from Rodrigues et al. (2021).

Theoretical Framework: Technology Acceptance Model (TAM)
The Technology Acceptance Model (TAM) provides a theoretical foundation for understanding how individuals and businesses adopt and use technology. Developed by Davis (2021), TAM identifies key factors influencing users' attitudes and intentions toward technology adoption. The model includes four core constructs: Perceived Usefulness (PU), Perceived Ease of Use (PEU), Attitude Towards Using Technology (ATUT), and Behavioral Intention to Use (BI). PU reflects users' belief that technology enhances performance, while PEU represents the perceived effort required to use the technology. ATUT captures individuals' positive or negative attitudes toward technology, whereas BI reflects their willingness to adopt and utilize it. According to Davis (2021), both PU and PEU influence ATUT and BI, with PU and PEU also having a direct impact on BI.

Over time, TAM has evolved, incorporating additional variables to improve its explanatory power. TAM2 introduced social influence and cognitive instrumental processes, while TAM3 further expanded the model by including trust and subjective satisfaction. The model has been widely applied in various technological contexts, including e-commerce, mobile commerce, cloud computing, and social media. While TAM is recognized for its simplicity, empirical validity, and adaptability, it has been criticized for oversimplifying adoption processes, neglecting contextual factors, and overlooking non-technical influences.

In the context of this study, TAM is highly relevant for examining the impact of digital strategies on SMEs' performance in Port Harcourt, Rivers State, Nigeria. Digital strategy

adoption among SMEs is influenced by PU how well digital technologies improve business performance and PEU how easily entrepreneurs can integrate these technologies into their operations. ATUT and BI further shape SMEs' willingness to invest in and utilize digital tools. Given that SMEs often face challenges in digital adoption due to resource constraints, technological complexity, and market competition, understanding these behavioral drivers is crucial. Moreover, as digital strategies encompass technological advancements and value creation efforts, TAM helps explain how SME owners perceive, accept, and leverage these innovations to enhance innovation, strategic planning, and overall business performance. By applying TAM to this research, the study underscores the importance of perceived usefulness and ease of use in driving digital strategy adoption, ultimately leading to improved SME performance. This framework provides a robust basis for evaluating how SMEs in Port Harcourt can leverage digital technologies to enhance competitiveness, innovation, and strategic planning.

Literature Review

Digital Strategies

Proksch et al. (2024) call it a business strategy that uses powerful, easily accessible technology to generate unique, integrated firm capabilities to adapt to changing market conditions. This notion goes beyond IT strategy, which supports a business plan functionally. Digital strategies boost firms in the digital age (Proksch et al., 2024). Proksch et al. (2024) recommend quality, cost, and innovation. Digitalization supports our innovation agenda. Innovative startups are flexible and risk-taking. New firms typically find digital technology potential. New enterprises digitalize due to increasing use of digital technology in goods and customer demand for digital services (Puksch et al. 2024). New business opportunities from digital technology enable organisations digitalize and boost efficiency. Traditional enterprises use digital Proksch et al. (2024) to gain from developments.

Digital Technologies

Digital devices, systems, and platforms generate, store, and share data (Bharadwaj et al., 2020). Recently, digital technologies have become essential for SME productivity and quality. These technologies boost SME economies in innovative ways. Three primary aspects of digital technology's impact on SMEs are investigated. Digital technology increases firm owners' salaries, reduces regional inequality, and enhances the economy. Digital technology sustains SMEs (Rijswijk et al., 2021). Digital technology enhances resource interconnection, information exchange, and optimization, decreasing constraints and promoting high-quality development (Gao et al., 2022; Lin & Li, 2023 Data analytics and cloud computing provide smart operations, scientific management, and accurate technical support (Jiang et al., 2022; Yang, 2020). Digital technology modernises, optimizes, and minimises supply-side risks in SME manufacturing chains (Hong et al., 2023; Zscheischler, 2022).

Value Creation

Companies gain market share and profitability by offering consumers useful products and services. Quality, creativity, and customer service are included. Recent study shows that value-creating organisations prioritise customer service and distinctive goods that match consumer requirements. Zhang and Li (2023) praised customer-focused companies. With digital technology and data analytics, companies may innovate and add value by forecasting market trends (Chen et al., 2023). Modern value creation goes beyond pricing. It involves consumer satisfaction, corporate efficiency, environmental impact reduction, and staff well-being. Businesses must benefit shareholders, consumers, workers, communities, and the environment (Smith & Johnson, 2020). Global business is embracing CSR and sustainable development.

SMEs Performance

SMEs thrive on growth, competition, and strategic goals (Kotler, 2022). To define a small-scale enterprise, assess its size, components, and advantages to residents, especially at the grassroots level. Nigerian small businesses employ millions due to poverty and unemployment. Small firms account about 60% of Nigerian businesses. SME definitions differ from social science concerns (Ojuye & Edith, 2023). Most SME owners cannot afford excellent management (Rajaram, 2021). SME operators manage independently (Ojo, 2020), enhancing business performance (Ihua, 2020). Solo or partnership-owned SMEs are safer (Keasey & Watson, 2023). Ojuye & Edith (2023) suggest small business owners may be accountable for profits. Akande (2024) says operators' personality and talents help SMEs. Economic obligations promote nationalism (Ojuye & Edith, 2023). SMEs fuel country growth and competitiveness (Ojuye & Edith, 2023).

Innovation

Innovative products, services, processes, and business models improve efficiency, effectiveness, and competitiveness (Kotler, 2022). Businesses innovate by producing valuable, unique goods, services, and processes. Fast-changing markets require this knowledge for development and competitiveness. Recent research argues firms should encourage innovation and experimentation. Martinez and Johnson (2023) discovered that dedicated innovation teams and supportive leadership accelerate market share and revenue. AI and ML boost organisational innovation through creativity and problem-solving (Lee et al., 2023). SME innovation is needed to match consumer expectations and compete. Creative food, service, and engagement maintain customers. Smith & Nguyen (2023) found that mobile ordering and automated kitchens boost SME efficiency and customer satisfaction. Sustainable packaging and plant-based meals are rising as consumers care more about the environment. Patel and Brown (2023) found green innovations boost SME brand loyalty and market appeal. SMEs compete in shifting marketplaces with innovation.

Strategic Planning

Strategy distributes resources for company goals (Porter, 2020). It aligns vision, purpose, and goals for long-term success. Strategic planning includes environmental analysis,

goal-setting, strategy design, resource allocation, and implementation (Kaplan & Norton, 2020). Vision, objectives, tactics, and resources important. Strategic planning helps companies set goals, appraise their environment, and plan (Taroum & Masaud, 2024). Strategy is examined because companies must define goals and manage resources. Effective strategic planning incorporates internal and external service quality. Hasanah, Priyambodo (2021; Ghonim, 2022). Al-Muhrami et al., 2021; Annarelli, 2021; Pandey, 2020) evaluate market trends, consumer expectations, competitive pressures, technology, and organisational skills. SMEs may draw from strategic planning's past to improve service quality. Strategy impacts service quality and corporate performance. Education and service know that good service increases consumer loyalty (Taroum & Masaud, 2024). A competitive, uncertain market requires excellent airline service (Gupta et al., 2020). Higher education students choose programs and universities, therefore service quality and happiness matter more (Taroum & Masaud, 2024). Schools must assess students' service quality evaluations, which influence their choices (Taroum & Masaud, 2024).

Empirical Review

Dimoso and Utonga (2024) conducted a comprehensive study on the ways in which SMEs employ digital technologies. How digital technology impact developing nations A focus of the systematic review was the efficiency of SMEs. In order to locate relevant papers published between 2017 and 2023, the study team utilised a systematic search approach to scan online databases. Small and medium-sized enterprises (SMEs) may excel in operational, financial, market, and customer relationship metrics by embracing digital technologies. The significance of empowering SMEs to adopt digital technology through the provision of suitable legislation, education, and support systems is highlighted by these results. Both practitioners and policymakers should take this into consideration.

Studying the effects of RC (relational capability), VC (value creation), and MKC (market knowledge competency) on SMEs' productivity and efficiency was the goal of Aryanto and Setiawan's (2018) research. The purpose of this essay was to examine the impact of relational skills on company success in an effort to close a knowledge gap. We surveyed 305 small and medium-sized enterprises (SMEs) in Central Java, Indonesia, that deal in the export of furniture. After Confirmatory Factor Analysis (CFA) validated the test, the hypothesis model was tested using Structural Equation Modelling (SEM) analysis, which investigated both direct and indirect effects. Relational abilities were positively and statistically significantly correlated with value creation, but they were only adequate in regard to corporate success. A company's ability to execute and increase its value is greatly influenced by its expertise in understanding the market. The prosperity of the firm was boosted by value creation.

In their 2016 study, Holienka et al. looked at how SMEs in Slovakia fared when it came to intellectual capital performance and value creation. With regard to SMEs in Slovakia, this research set out to verify these assumptions. To find out how IP relates to value

creation for businesses, they analysed financial data from VAICTM and then used the ROCE statistic, which is the most important value creation proxy in this context. Furthermore, they take into consideration the impact of leverage and company size on this correlation. Based on their 2011 financial records, our research analysed 3,311 SMEs in Slovakia across 10 different industries. The CRIBIS Universal Register serves as the starting point for all company data. We set out to construct these regression models that account for industry-specific factors in order to determine the extent to which intellectual capital performance explains the variation in the value generation of businesses. Intellectual capital performance significantly outperforms the control factors in explaining the creation of value, with the exception of one industry. Both large and small businesses in Slovakia rely on intellectual capital to drive value creation, the data show.

A study conducted by Astuti et al. (2020) investigated how digital technology mediates the relationship between SMEs' performance and the traits associated with innovation adoption. The study polled small and medium-sized enterprises (SMEs) in Indonesia's East Java Province's industrial sector using a quantitative approach. The most significant aspects determining the adoption of digital technology for innovation, according to the research, are innovative persuasion, organisational preparedness, company characteristics, and strategic direction. Use of digital technology for innovation is highly associated with the success of small and medium-sized organisations (SMEs).

Methodology

The cross-sectional survey design was employed in this study. The target population of this study consisted of entrepreneurs operating within Port Harcourt Metropolis. This included manufacturers, traders, service providers and farmers. However, the accessible population of 350 was purposively at the researcher's convenience. A simple random sampling technique was used for the study, while the census study was used to determine the sample size of 300. The digital strategies (digital technologies and value creation) measure's ten statement items were taken from Hamida (2023), while the green business scale's ten statement items (innovation and strategic planning) were taken from (Rodrigues et al. 2021). Out of a total of 300 surveys, 64 were returned unanswered, and 86 had incorrect information, therefore having a total of 200 surveys fit to be analyzed. By utilizing Cronbach's Alpha, an indicator of reliability that surpasses the standard of 0.7, the dependability of the statement items was established. At the 0.05 level of significance, the hypotheses were tested using the Spearman's Rank Order Correlation Coefficient.

Table 1: Demographic Analysis

Category	Group	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	153	63.8	63.8	63.8
	Female	87	36.2	36.2	100.0
	Total	**240**	**100.0**	**100.0**	
Age Group	20 – 30 years	30	15.2	15.2	15.2
	31 – 40 years	85	42.4	42.4	57.6
	41 – 50 years	61	30.3	30.3	87.9
	51 years and above	24	12.1	12.1	100.0
	Total	**200**	**100.0**	**100.0**	
Marital Status	Single	60	30.3	30.3	30.3
	Married	140	69.7	69.7	100.0
	Total	**200**	**100.0**	**100.0**	
Educational Qualification	SSLC	49	24.2	24.2	24.2
	Diploma/NCE	30	15.2	15.2	39.4
	HND/B.Sc.	97	48.5	48.5	87.9
	PGD/Masters	24	12.1	12.1	100.0
	Total	**200**	**100.0**	**100.0**	

A total of 133 men (66.7%) and 67 females (33.3%) filled out the survey, according to the table. A respondent's age was also requested; the age range for this question was 20-30 years to 51 and above. Among the participants, 85 (42.4%) were in the 31- 40 age bracket, while 61 (30.3%) were in the 41-50 age bracket, making up the bulk of the workforce. Those between the ages of 20 and 30 accounted for 30 respondents (15.2%), those aged 51 and up for 24 (12.1%), and so on. The majority of respondents are married (69.7%), while thirty-three percent are single, according to the distribution based on marital status. The greatest degree of education that respondents might indicate could be anything from an SSLC to a PGD/Masters. A breakdown of their replies was provided in Table 4.5. 48.5% have a bachelor's degree or higher, 30.2% have a diploma or NCE, 97.5% have an honours degree, and 12.1% have a postgraduate degree.

Test of Hypotheses

Table 2: Relationship between Digital Technologies and Innovation

Correlations

			Digital Technologies	Innovation
Spearman's rho	Digital Technologies	Correlation Coefficient	1.000	.895**
		Sig. (2-tailed)	.	.000
		N	200	200
	Innovation	Correlation Coefficient	.895**	1.000
		Sig. (2-tailed)	.000	.
		N	200	200

**. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output, 2025

The Spearman's correlation analysis reveals a strong positive relationship between Digital Technologies and Innovation (coefficient = 0.895, $p < 0.001$). This indicates that as adoption or positive perceptions of digital technologies increase, innovation levels also rise significantly. The high significance ($p = 0.000$) confirms the reliability of this association. With N = 200, the results are robust, suggesting that digital technologies are closely linked to fostering innovation in the studied context. The bidirectional nature of the correlation (same coefficient for both variables) implies a mutual reinforcement between the two factors.

Table 3: Relationship between Value Creation and Innovation

Correlations

			Value Creation	Innovation
Spearman's rho	Value Creation	Correlation Coefficient	1.000	.776**
		Sig. (2-tailed)	.	.000
		N	200	200
	Innovation	Correlation Coefficient	.776**	1.000
		Sig. (2-tailed)	.000	.
		N	200	200

**. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output, 2025

The Spearman's rho correlation analysis reveals a strong positive relationship between Value Creation and Innovation (correlation coefficient = 0.776, $p < 0.001$). This indicates that as perceptions of Value Creation increase, so do those of Innovation, and vice versa. The significance level ($p = 0.000$) confirms this association is statistically significant at the 0.05 level. With N = 200, the results are robust, suggesting that organizations fostering Value Creation are likely to also excel in Innovation. The bidirectional nature of the correlation (same coefficient in both directions) underscores their interdependence in driving organizational success.

Table 4: Relationship between Digital Technologies and Strategic Planning

Correlations

			Digital Technologies	Strategic Planning
Spearman's rho	Digital Technologies	Correlation Coefficient	1.000	.828**
		Sig. (2-tailed)	.	.000
		N	200	200
	Strategic Planning	Correlation Coefficient	.828**	1.000
		Sig. (2-tailed)	.000	.
		N	200	200

**. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output, 2025

The Spearman's correlation analysis reveals a strong positive relationship between Digital Technologies and Strategic Planning ($r = 0.828$, $p < 0.001$). This indicates that as respondents' agreement with digital technologies increases, their agreement with strategic planning also tends to rise significantly. The correlation is statistically significant at the 0.05 level, confirming a meaningful association. Both variables were measured on 200 samples, ensuring reliability. The symmetrical coefficients (same for both directions) and low p-value (0.000) further strengthen the validity of this finding, suggesting that digital adoption closely aligns with strategic planning.

Table 5: Relationship between Value Creation and Strategic Planning

Correlations

			Value Creation	Strategic Planning
Spearman's rho	Value Creation	Correlation Coefficient	1.000	.798**
		Sig. (2-tailed)	.	.000
		N	200	200
	Strategic Planning	Correlation Coefficient	.798**	1.000
		Sig. (2-tailed)	.000	.
		N	200	200

**. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output, 2025

The Spearman's correlation analysis reveals a strong positive relationship between Value Creation and Strategic Planning ($\rho = 0.798$, $p < 0.001$). The correlation is statistically significant at the 0.05 level, indicating that higher perceived value creation aligns closely with effective strategic planning. The sample size ($N = 200$) ensures reliability. This suggests organizations excelling in strategic planning tend to perform better in creating value, and vice versa. The symmetrical nature of the correlation matrix (both variables show identical strength) reinforces their interdependence. The near-perfect significance ($p = 0.000$) confirms this link is not due to chance.

Discussion of Findings

The significant relationship between digital technologies and innovation supports Astuti et al. (2020), who found that digital adoption drives SME innovation through factors like organizational readiness and strategic direction. Similarly, Dimoso and Utonga (2024) emphasized that digital tools enhance operational and market efficiency, enabling SMEs to innovate. The rejection of H_{01} confirms that Port-Harcourt SMEs leverage digital technologies (e.g., automation, data analytics) to foster innovative processes, products, and business models. The link between digital technologies and strategic planning mirrors global trends where SMEs use digital tools (e.g., AI, cloud computing) for data-driven decision-making. This aligns with Dimoso and Utonga's (2024) assertion that digital adoption improves strategic agility. Port-Harcourt SMEs likely employ digital platforms to analyze market trends, optimize resources, and align long-term goals a critical factor in competitive markets.

The positive relationship between value creation and innovation resonates with Aryanto and Setiawan (2018), who found that relational capabilities and market knowledge drive value creation, indirectly boosting innovation. Holienka et al. (2016) further highlighted intellectual capital as a key value-creation lever. For Port-Harcourt SMEs, innovation (e.g., new services, processes) likely stems from value-creation strategies like customer-centric approaches or resource optimization. The strong correlation between value creation and strategic planning echoes Aryanto and Setiawan's (2018) findings that strategic relational capabilities enhance business performance. Holienka et al. (2016) also tied intellectual capital to value creation, which strategic planning amplifies. In Port-Harcourt, SMEs likely integrate value-creation metrics (e.g., customer satisfaction, cost efficiency) into strategic frameworks to sustain growth.

Conclusion

The study examined the impact of digital strategies on SMEs' performance in Port Harcourt, with a focus on digital technology, value creation, innovation, strategic planning. The findings revealed significant relationships between digital technologies and innovation, value creation and innovation, digital technology and strategic planning, and value creation and strategic planning.

Recommendations

In view of the research and the impact of digital strategies on SMEs performance in Port Harcourt, the study recommends that:

i. SMEs should invest in leading-edge digital tools and platforms to enhance innovation and improve efficiency in their operations.
ii. Businesses should align their digital strategies with overall strategic goals to drive long-term success and adapt to market demands.
iii. SMEs should develop innovative products and services by leveraging digital technologies to meet evolving customer needs and maintain a competitive edge.
iv. Establish a supportive digital culture and strengthen IT capabilities to maximize the impact of digital strategies on operational and strategic outcomes.

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