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Entrepreneurial Innovation and SME Sales Growth in Computer Village Ikeja, Lagos, Nigeria: An Empirical Investigation

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Abstract

Small and Medium Enterprises (SMEs) play significant roles in employment generation, innovation, economic diversification, and sustainable economic development. However, increasing market competition, technological changes, changing consumer preferences, and economic instability have created serious operational challenges for SMEs, particularly in developing economies such as Nigeria. Many SMEs operating in technology-driven business environments continue to experience low sales growth despite the growing need for innovation-driven competitiveness. The inability of many SMEs to effectively adopt entrepreneurial innovation practices has further weakened their competitiveness and long-term sustainability. This study examined the effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria. The study adopted a survey research design using a quantitative and deductive research approach. Data were collected through the administration of a structured questionnaire to SME owners and low-level management staff operating within Computer Village Ikeja, Lagos State, Nigeria. The population of the study comprised 1,215 SME owners and employees, from which a sample size of 381 respondents was selected using simple random sampling technique. Data was analyzed using descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences (SPSS). Multiple regression analysis was employed to test the hypotheses at a 5% level of significance. The findings further revealed that entrepreneurial innovation has a combined significant effect on SME sales growth in Computer Village Ikeja, Lagos, Nigeria (Adj. $R^2 = 0.392$; $F = 61.868$; $p < 0.05$). The study concluded that entrepreneurial innovation significantly enhanced SME sales growth. The study therefore recommended that SME owners and managers should continuously invest in product innovation, process innovation, management innovation, and market innovation to strengthen competitiveness and improve sustainable business growth. The study also recommended that government agencies and policymakers should provide innovation-supportive policies, digital infrastructure, innovation training programmes, and financial support schemes capable of encouraging innovation adoption among SMEs in Nigeria.

Background to the Study

Small and Medium Enterprises (SMEs) are widely recognized as important drivers of economic growth, employment generation, innovation, poverty reduction, and industrial development across the world. SMEs contribute significantly to national productivity by stimulating entrepreneurial activities, promoting local production systems, and encouraging economic diversification. In developing economies particularly, SMEs play critical roles in improving household income, strengthening economic resilience, and supporting inclusive economic development. In Nigeria, SMEs constitute an essential component of the economy and contribute substantially to employment generation, customer acquisition, market expansion, innovation, and organizational sustainability. Technology-driven commercial clusters such as Computer Village Ikeja, Lagos, have further strengthened the relevance of SMEs within Nigeria's digital economy because the market accommodates numerous businesses involved in the sale, repair, distribution, and innovation of information and communication technology products and services. Despite the strategic importance of SMEs, many enterprises continue to experience serious operational and growth-related challenges. Rapid technological advancement, globalization, changing customer preferences, inflationary pressures, intense market competition, and economic instability have significantly altered the business environment for SMEs globally.

OECD (2024) reported sluggish sales growth among SMEs globally, while KeeVee (2024) observed that many SMEs struggle with customer attraction and retention challenges. EY's Future Consumer Index (2025) also revealed that many consumers perceive business offerings as inconsistent with their expectations and values, thereby weakening customer commitment and patronage. Similar challenges have been reported across North America, Europe, Asia, and Africa. The thesis revealed that SMEs in the United States experienced declining revenue and employment levels because of reduced consumer spending and economic uncertainty, while SMEs in countries such as Germany and France also recorded declining turnover and weakened profitability. In Asia, several Malaysian SMEs experienced declining revenues, while Singaporean SMEs recorded contractions in business activities and customer demand uncertainty. Across Africa, countries such as Ghana and Kenya equally experienced declining SME revenues, shrinking customer base, and weak customer loyalty due to poor competitiveness and economic instability. In Nigeria, PwC Nigeria (2024) reported that many SMEs experienced declining demand because of high product costs and weak consumer purchasing power, while the Nigerian Economic Summit Group (NESG, 2025) revealed that approximately 30% of registered MSMEs ceased operations between 2023 and 2024 due to unsustainable business conditions. Mustard Insights (2024) also reported that many businesses reduced workforce size and failed to achieve sales growth targets because of declining sales and weak customer demand.

These persistent challenges have increased the importance of entrepreneurial innovation as a strategic mechanism for improving SME competitiveness and sustainability. Entrepreneurial innovation involves the introduction of improved products, innovative operational systems, modern managerial practices, and market-oriented strategies capable of enhancing organizational performance and customer outcomes. Entrepreneurial innovation enables SMEs to respond effectively to changing market conditions, satisfy evolving customer expectations, and improve organizational adaptability within dynamic business environments. The thesis emphasized that SMEs adopting innovative strategies such as product improvement, process enhancement, dynamic pricing, and digital adaptation are better positioned to improve customer satisfaction, expand market presence, and strengthen competitiveness. Akpa et al. (2024) further argued that innovative practices improve operational efficiency, attract and retain customers, and enhance organizational sustainability among SMEs. Consequently, entrepreneurial innovation has increasingly become indispensable for sustainable sales growth and organizational survival among SMEs.

Entrepreneurial innovation is multidimensional and comprises product innovation, process innovation, management innovation, and market innovation. Product innovation improves the quality and uniqueness of products and services, while process innovation enhances operational efficiency and service delivery systems. Management innovation strengthens organizational coordination and decision-making processes, whereas market innovation improves customer engagement, customer retention, and market penetration strategies. These innovation dimensions collectively influence customer loyalty, customer acquisition, customer base expansion, customer patronage, and overall SME sales growth. However, many SMEs still fail to prioritize entrepreneurial innovation because of financial limitations, weak technological capability, poor managerial orientation, and inadequate innovation culture. The thesis revealed that the inability of SMEs to adopt entrepreneurial innovation has contributed significantly to declining customer loyalty, shrinking customer base, weak customer acquisition, poor customer patronage, and low sales growth. Consequently, entrepreneurial innovation remains essential for improving SME competitiveness and organizational sustainability within dynamic and technology-driven markets. It is against this backdrop that this study investigates the effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria.

Statement of the Problem

The performance of SMEs has continued to attract significant scholarly and policy attention because of their contributions to employment generation, innovation, and economic development. Despite these contributions, many SMEs continue to experience declining sales growth, reduced customer loyalty, shrinking customer base, poor customer patronage, and weak organizational competitiveness, particularly within dynamic and technology-driven business environments such as Computer Village Ikeja, Lagos, Nigeria. The study revealed that many SMEs still struggle with low sales growth outcomes despite increasing market opportunities and technological advancement. One of the major problems confronting SMEs is declining customer loyalty. Although innovation has been recognized as an important driver of competitiveness and customer satisfaction, many SMEs still experience customer dissatisfaction, customer switching behaviour, and weakened customer commitment. Nguyen et al. (2024) observed that organizations that fail to deliver additional value beyond their core offerings often experience weakened customer loyalty and increased customer migration to competing brands. Similarly, Awuku et al. (2023) reported that many newly introduced products fail because they do not adequately align with customer expectations and market realities. The lack of innovation culture among SMEs therefore limits their ability to respond effectively to changing customer preferences and market dynamics, thereby weakening customer loyalty and organizational sustainability.

Weak customer acquisition and shrinking customer base also remain persistent challenges among SMEs. Many SMEs continue to struggle with attracting and retaining new customers because of inadequate innovation capability, poor technological adaptation, and weak market responsiveness. Akingbade and Famodun (2024) found that SMEs with low innovativeness and weak proactive orientation often face serious difficulties in achieving competitive advantage and customer acquisition. Similarly, Akpa et al. (2024) argued that limited entrepreneurial innovation negatively affects profitability, competitiveness, and customer attraction among SMEs. The study further revealed that many SMEs still depend on traditional operational methods and outdated business systems that reduce efficiency and limit customer acquisition opportunities. In addition, modern consumers increasingly demand innovative products, personalized services, digital convenience, and superior customer experiences, yet many SMEs continue to rely on obsolete business models that fail to satisfy evolving customer expectations. Kljajić and Kovačević (2023) observed that businesses lacking innovation often lose market relevance because consumers increasingly migrate toward more innovative competitors. Consequently, several SMEs experience declining market share and shrinking customer base due to weak innovation adoption and inadequate customer-oriented business strategies.

Poor customer patronage and low sales growth further compound the challenges confronting SMEs. Many organizations fail to adopt innovative marketing systems, customer experience optimization strategies, digital technologies, and product differentiation approaches necessary for attracting repeat patronage. Ferreira et al. (2024) observed that businesses that fail to innovate often provide products and services that no longer satisfy changing consumer preferences, while Adeniyi et al. (2024) argued that weak investment in customer-focused innovation and poor utilization of digital platforms reduce the ability of SMEs to attract wider customer demographics. Similarly, Odunayo and Adeniran (2021) emphasized the importance of product innovation in improving sales growth and business expansion, whereas Olawore et al. (2024) noted that poor sales growth among SMEs is increasingly associated with weak adoption of entrepreneurial innovation practices such as product diversification, process improvement, and digital transformation. Although several studies have examined entrepreneurial innovation and organizational performance, limited empirical attention has been given to innovation-driven customer outcomes such as customer loyalty, customer acquisition, customer base, and customer patronage as dimensions of SME sales growth within technology-driven SME clusters such as Computer Village Ikeja, Lagos, Nigeria. It is against this backdrop that this study empirically investigates the effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria, with emphasis on customer loyalty, customer acquisition, customer base, customer patronage, and overall organizational growth.

Objective of the Study

The objective of this study was to examine the effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria.

Research Hypothesis

H_0: Entrepreneurial innovation has no significant effect on SME sales growth in Computer Village Ikeja, Lagos, Nigeria.

Literature Review

In this section, the review of all research variables was conceptually, empirically and theoretically done for both dependent and independent variables as well as the conceptual model.

Entrepreneurial Innovation

Entrepreneurial innovation has been conceptualized differently by scholars depending on organizational context and research focus. According to Agbaeze et al. (2021), entrepreneurial innovation refers to the systematic coordination of complex operational activities aimed at solving societal problems while generating profit. Entrepreneurial innovation also involves the introduction of new products, improved operational systems, innovative managerial techniques, and creative market approaches capable of enhancing organizational effectiveness and competitiveness. The importance of entrepreneurial innovation among SMEs has increased significantly because consumers increasingly demand quality products, digital convenience, personalized services, and innovative customer experiences. The thesis emphasized that SMEs that fail to adopt entrepreneurial innovation often experience declining sales growth, weak customer loyalty, shrinking customer base, poor customer patronage, and reduced organizational competitiveness. Consequently, entrepreneurial innovation serves as a strategic mechanism for improving organizational adaptability, customer satisfaction, and sustainable business growth.

Entrepreneurial innovation is multidimensional and includes product innovation, process innovation, management innovation, and market innovation. Product innovation focuses on the development and improvement of products and services to satisfy customer needs. Process innovation involves improvements in operational systems, technologies, and service delivery mechanisms aimed at improving efficiency and reducing operational costs. Management innovation emphasizes the adoption of innovative managerial practices, organizational structures, and decision-making systems, while market innovation focuses on innovative marketing strategies, customer engagement systems, and market expansion approaches.

Product innovation enables organizations to differentiate themselves from competitors by improving product quality, functionality, and customer value. According to Chukwuma and Ike-Elechi (2021), product innovation refers to the process of introducing new products into the market or improving existing products in terms of quality, appearance, and consistency. Studies such as Winarti et al. (2021), Haryani et al. (2023), and Odunayo and Adeniran (2021) established that product innovation positively influences customer satisfaction, customer loyalty, and sales growth.

Process innovation focuses on improving operational procedures, production systems, and service delivery mechanisms. Jasin et al. (2024) defined process innovation as the introduction of new elements into organizational operations such as technologies, mechanisms, equipment, and production systems used in delivering products and services. Process innovation improves organizational efficiency, customer service quality, productivity, and competitiveness. Makinde et al. (2021) further established that process innovation significantly enhances customer acquisition and retention among organizations.

Management innovation refers to the implementation of new managerial systems, organizational structures, administrative processes, and decision-making techniques aimed at improving organizational effectiveness. Önalan et al. (2022) defined management innovation as the introduction of new procedures, techniques, and organizational systems designed to achieve organizational goals. Management innovation enhances organizational flexibility, employee involvement, strategic responsiveness, and internal coordination. Market innovation involves the adoption of innovative marketing methods, customer engagement strategies, promotional systems, and market expansion techniques aimed at improving customer attraction and organizational competitiveness. Sprong et al. (2021) defined market innovation as deliberate actions resulting in new or modified market approaches and structures. Market innovation strengthens customer relationships, improves organizational visibility, and enhances customer patronage through digital marketing, online customer service systems, and personalized marketing strategies.

Sales Growth

Sales growth represents one of the most important indicators of organizational performance, market competitiveness, and business sustainability. It reflects the ability of an organization to increase revenue, attract and retain customers, improve market share, and strengthen long-term organizational performance. In highly competitive environments, sales growth demonstrates the effectiveness of organizational strategies, innovation capability, and customer-oriented business practices. The paper conceptualized sales growth as the amount of revenue generated from sales activities and the level of market acceptance of products and services offered by organizations. Similarly, Valencia and Dermawan (2024) described sales growth as an increase in organizational revenue over a specified period resulting from improved market demand and business expansion. Ganotakis et al. (2023) further viewed sales growth as the ability of firms to increase turnover through innovation and technological adaptation.

Sales growth among SMEs is strongly influenced by customer-oriented outcomes such as customer loyalty, customer acquisition, customer base expansion, and customer patronage. Customer loyalty refers to customers' commitment to repeatedly patronize organizational products and services despite competing alternatives within the market. The thesis defined customer loyalty as customers' commitment to continue purchasing or patronizing specific products or services over time. Studies such as Ayinaddis (2023), Hidayati and Zainurrafiqi (2024), and Haryani et al. (2023) established that innovation capability positively influences customer loyalty and customer satisfaction.

Entrepreneurial Innovation and Sales Growth

Studies have been carried out on entrepreneurial innovation dimensions and sales growth, with mixed findings. Oyerinde et al. (2023) revealed that all the measurements of technological innovation measurement (I.e., marketing innovation, entrepreneur innovativeness and business environment) have a positive significant relationship with SME sales growth. Kotagiri (2025) in their study, suggest that understanding local market nuances and adapting global best practices are essential to developing robust entrepreneurial strategies that ensure long-term success in emerging markets. Furthermore, Okeke et al. (2020) indicated that new products/services introduction significantly increases sales growth. The study concluded that Entrepreneurial Innovation significantly affects SME growth. Peace et al. (2025) in their study found that market expansion had significant positive effect on SMEs revenue growth and that cost reduction had significant positive effect on SMEs profitability.

Elezaj and Livoreka (2022) confirmed that organizational innovations, product/process innovations and marketing innovations have a positive impact on increasing the level of sales. In the same vein, Van Binh et al. (2022) found the important role of innovation in the sales growth of enterprises. Gkypal and Roper (2024) reported on innovation and sales growth intentions and suggest that past innovation performance and growth shape future solopreneur intentions through an adaptive learning process given the level of perceived ESE for each future objective Christian and Ifekanandu (2024) concluded that value innovation strategies such as ideation and value creation significantly relate to sales growth. Furthermore, Odunayo and Adeniran (2021) found a significant positive cause-and-effect relationship between sales growth and product innovation. Zevor (2020) found there was a strong positive and significant correlation between successful product innovation and sales performance. Awomailo et al. (2024) revealed there is a positive and significant relationship between incremental creativity, business process creativity and business growth. In addition, the study found there is a direct and significant relationship between architectural creativity and business growth. Modular creativity and business growth are therefore positively and significantly correlated. Harsanto et al. (2024) found sustainability innovation significantly enhances firm competitiveness, which in turn positively impacts sales growth.

Theoretical Framework

This study is anchored primarily on the Diffusion of Innovation Theory propounded by Everett Rogers. Rogers originally proposed this theory in 1995. The theory explains how innovations are introduced, communicated, adopted, and spread among individuals, organizations, and social systems over time. The theory posits that innovation adoption occurs gradually depending on how organizations and individuals perceive the usefulness, compatibility, complexity, observability, and trialability of an innovation. According to the theory, the diffusion process occurs through five major stages namely knowledge, persuasion, decision, implementation, and confirmation. Organizations first become aware of an innovation, evaluate its benefits and suitability, decide whether to adopt it, implement the innovation within operational systems, and subsequently assess its effectiveness based on organizational outcomes and customer responses. The theory also categorizes adopters into innovators, early adopters, early majority, late majority, and laggards depending on their willingness and speed of adopting innovation.

The Diffusion of Innovation Theory is highly relevant to this study because entrepreneurial innovation adoption among SMEs significantly determines organizational competitiveness, customer satisfaction, and sales growth. SMEs operating in dynamic markets such as Computer Village Ikeja Lagos must continuously adopt innovative products, operational systems, managerial practices, and market strategies to remain competitive and satisfy changing customer expectations. The paper revealed that many SMEs still depend on outdated operational methods, traditional marketing practices, and obsolete business systems that reduce competitiveness and limit organizational growth. The theory therefore explains why some SMEs successfully achieve customer loyalty, customer acquisition, customer base expansion, customer patronage, and sales growth through innovation adoption, while others continue to experience declining performance because of resistance to innovation and poor technological adaptation.

The theory further supports the relationship between entrepreneurial innovation and customer-oriented organizational outcomes. Customers are increasingly attracted to organizations that adopt innovative products, efficient operational systems, quality service delivery, and modern customer engagement strategies. Consequently, SMEs that rapidly adopt entrepreneurial innovation are often more capable of improving customer experience, strengthening customer relationships, and expanding market participation. The multidimensional nature of entrepreneurial innovation is also consistent with the assumptions of the Diffusion of Innovation Theory. Product innovation, process innovation, management innovation, and market innovation represent different forms of innovation adoption capable of improving organizational adaptability, competitiveness, and customer satisfaction. Through effective innovation diffusion, SMEs can improve operational efficiency, strengthen customer acquisition, improve customer retention, and achieve sustainable sales growth.

Although the Diffusion of Innovation Theory has been criticized for assuming that innovation adoption follows similar patterns across organizations and societies, the theory remains highly relevant because it provides a comprehensive explanation of how entrepreneurial innovation influences organizational growth and customer outcomes.

The theory also recognizes that organizational behaviour, communication systems, and environmental conditions significantly influence adoption and business performance. Therefore, the Diffusion of Innovation Theory provides a suitable theoretical foundation for explaining the relationship between entrepreneurial innovation and SME sales growth in Computer Village Ikeja, Lagos, Nigeria.

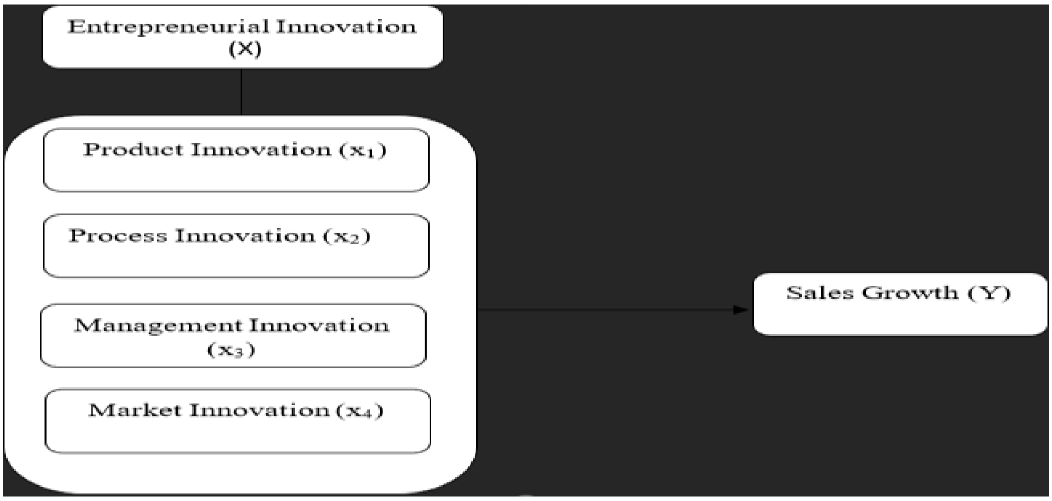

Figure 1: Conceptual Framework
Source: Researchers' Conceptual Model (2026)

Methodology

Research Design

This study adopted a survey research design using a quantitative and deductive research approach. The survey research design was considered appropriate because it enabled the collection of quantitative data from many respondents regarding entrepreneurial innovation and SME sales growth in Computer Village Ikeja, Lagos, Nigeria. The design also allowed the researcher to examine the relationship between entrepreneurial innovation dimensions and customer-oriented sales growth outcomes using statistical analysis. The quantitative research approach was adopted because it provides objective measurement of variables and facilitates the use of statistical techniques in testing hypotheses and determining the significance of relationships among variables. The deductive approach was equally appropriate because the study developed hypotheses from existing theories and empirical literature and subsequently tested them using empirical data collected from respondents. The study relied on primary data obtained directly from SME owners and low-level management staff through the administration of structured questionnaires. The questionnaire method was considered suitable because it enabled the collection of standardized information regarding respondents' perceptions of entrepreneurial innovation practices and SME sales growth indicators.

Population of the Study

The population of this study comprised SME owners and low-level management staff operating within Computer Village Ikeja, Lagos State, Nigeria. Computer Village was selected because it represents one of the largest technology-driven commercial clusters in Nigeria and houses numerous SMEs engaged in the sale, repair, distribution, and innovation of information and communication technology products and services. According to the thesis, the total population of the study consisted of 1,215 SME owners and employees operating within Computer Village Ikeja, Lagos, Nigeria. The population was considered appropriate because the selected respondents possessed relevant operational knowledge and practical experience regarding entrepreneurial innovation and organizational growth within SMEs.

Sample Size and Sampling Technique

The sample size for this study was determined using the Krejcie and Morgan sample size determination formula. Based on the population size of 1,215 respondents, a sample size of 381 respondents was selected for the study. The selected sample size was considered adequate because it ensured appropriate representation of the study population and improved the reliability of the findings. The study adopted simple random sampling techniques in selecting respondents from the target population. The simple random sampling technique was appropriate because it provided equal opportunity for all respondents within the population to participate in the study, thereby reducing sampling bias and improving representativeness. Structured questionnaires were distributed to SME owners and low-level management staff within Computer Village Ikeja. The questionnaire consisted of closed-ended questions measured on a five-point Likert scale ranging from strongly disagree to strongly agree. The questionnaire items were designed to measure entrepreneurial innovation dimensions and SME sales growth indicators such as customer loyalty, customer acquisition, customer base, and customer patronage.

Data Presentation, Analysis and Interpretation

Response Rate

A total number of 381 copies of questionnaire were administered to SMEs in Computer village Ikeja, Lagos, Nigeria. A total of three hundred and seventy-nine (379), which represented 99.5% of the total copies of the questionnaire administered, were returned and found usable for the analysis. Table 1 presents result of the response rate.

Table 1: Response Rate

Category	**Frequency**	**Percentage**
Completed usable copies of questionnaire	379	99.5
Unreturned/incomplete copies of questionnaire	2	0.5
Total	**381**	**100**

Source: Field Survey, 2026

Method of Data Analysis

The data collected for the study were analyzed using both descriptive and inferential statistical techniques with the aid of the Statistical Package for Social Sciences (SPSS).

Descriptive statistics such as frequency distribution, percentages, mean, and standard deviation were used to summarize respondents' demographic characteristics and questionnaire responses. Inferential statistics were employed to test the formulated hypothesis and examine the effect of entrepreneurial innovation on SME sales growth. Specifically, multiple regression analysis was used to determine the significance and strength of the relationship between entrepreneurial innovation dimensions and customer-oriented sales growth indicators. The decision rule for hypothesis testing was based on a 5% level of significance.

Restatement of Research Objective and Research Question

Objective: Examinee the effect of examined the effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria.

Research Question: What is the effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria?

To actualize the above, respondents were asked to evaluate various statements related to different components of the entrepreneurial innovation strategies. The descriptive statistics for the entrepreneurial innovation strategies components were presented in Tables 1 to 4 which cannot be presented due to limited number of pages required, followed with an analysis and interpretation. Additionally, the descriptive statistics for sales growth was presented on a separate Tables accordingly followed by their interpretations. These points formed the weights for calculating the score for each item.

Restatement of Research Hypothesis

H_0: Entrepreneurial innovation has no significant effect on SME sales growth in Computer Village Ikeja, Lagos, Nigeria.

Hypotheses Testing

Entrepreneurial Innovation and SME Sales Growth

The hypothesis examined the overall effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria.

Table 2: Summary of multiple regression analysis of the effect of Entrepreneurial Innovation on Sales Growth of SMEs in Computer Village, Ikeja, Lagos, Nigeria

N	Model	B	T	Sig	R	Adj. R^2	F (4,374)	ANOVA (Sig.)
379	(Constant)	1.246	10.701	.000	.631[a]	.392	61.868	.000[b]
	Product Innovation	.152	4.042	.000				
	Process Innovation	.154	3.046	.002				
	Management Innovation	.119	2.758	.006				
	Market Innovation	.159	3.994	.000				
	Predictors: (Constant), Market Innovation, Product Innovation, Management Innovation, Process Innovation							
	Dependent Variable: Sales Growth							

Source: Authors' computation, 2026 underlying data from Field Survey

The regression result revealed that entrepreneurial innovation has a combined significant effect on SME sales growth in Computer Village Ikeja, Lagos, Nigeria. The adjusted coefficient of determination (Adj. R^2) was 0.392, indicating that entrepreneurial innovation explained approximately 39.2% of the variation in SME sales growth. The F-statistic value of 61.868 with a probability value less than 0.05 confirmed the overall significance of the model. The study therefore rejected the null hypothesis and accepted the alternative hypothesis. The finding implies that entrepreneurial innovation significantly improves SME sales growth through enhanced customer loyalty, customer acquisition, customer base expansion, customer patronage, operational efficiency, and organizational competitiveness.

Overall, the results established that entrepreneurial innovation remains a major determinant of sustainable business growth and competitiveness among SMEs operating in Computer Village Ikeja, Lagos, Nigeria.

Discussion of Findings

The overall finding of the study revealed that entrepreneurial innovation has a significant effect on SME sales growth in Computer Village Ikeja, Lagos, Nigeria. The finding suggests that entrepreneurial innovation improves organizational competitiveness, customer satisfaction, operational efficiency, market responsiveness, and sustainable business performance. The finding agrees with the studies of Oyerinde et al. (2023), Elezaj and Livoreka (2022), Odunayo and Adeniran (2021), Harsanto et al. (2024). Zevor (2020) found there was a strong positive and significant correlation between successful product innovation and sales performance. Awomailo et al. (2024) established that entrepreneurial innovation significantly influences sales growth and organizational performance.

The findings of this study also support the Diffusion of Innovation Theory underpinning the study. The theory explains that organizations that rapidly adopt innovation are more likely to improve competitiveness, customer satisfaction, and organizational performance compared to organizations resistant to innovation adoption. The findings therefore validate the assumptions of the theory by demonstrating that SMEs that adopt product innovation, process innovation, management innovation, and market innovation achieve stronger customer-oriented growth outcomes and sustainable sales growth. The study further confirms that entrepreneurial innovation remains a strategic requirement for SMEs operating in technology-driven business environments such as Computer Village Ikeja, Lagos, Nigeria. SMEs that fail to adopt innovation practices may continue to experience declining customer loyalty, weak customer acquisition, shrinking customer base, poor customer patronage, and low sales growth due to changing customer expectations and increasing market competition. Consequently, entrepreneurial innovation is indispensable for sustainable organizational growth and long-term business survival among SMEs.

Conclusion

This study examined the effect of entrepreneurial innovation on SME sales growth in Computer Village Ikeja, Lagos, Nigeria. The study established that entrepreneurial innovation has a significant effect on SME sales growth. The findings demonstrated that product innovation, process innovation, management innovation, and market innovation collectively improve customer satisfaction, operational efficiency, customer attraction, and organizational sustainability within highly competitive and technology-driven business environments. The study therefore concludes that entrepreneurial innovation remains indispensable for SMEs seeking sustainable sales growth and long-term business survival in Nigeria. SMEs that fail to adopt innovation practices may continue to experience low sales growth because of changing customer expectations and increasing market competition. Consequently, entrepreneurial innovation remains a strategic requirement for improving organizational adaptability, competitiveness, and sustainable business performance among SMEs.

Recommendations

Based on the findings of this study, the following recommendations are made:

1. SME owners and managers should continuously invest in product improvement, service quality enhancement, and innovative customer engagement strategies to strengthen customer loyalty. Management should adopt customer feedback systems, loyalty reward programs, and digital customer relationship management tools to ensure that customer needs are consistently met and long-term relationships are sustained which give way to enhanced sales growth.
2. SMEs should adopt innovative marketing strategies such as digital marketing, social media engagement, personalized customer targeting, and the use of emerging technologies to attract new customers. SME operators should also explore partnerships, market expansion strategies, and technological innovations that improve product visibility and brand awareness.

3. SME owners and policymakers should prioritize entrepreneurial innovation by providing access to innovation funding, training, and technological support programs that enhance business growth. SMEs should also integrate innovation into their long-term strategic planning by investing in research and development, staff training, and adoption of modern business technologies to sustain sales growth and competitiveness.

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