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Analysing Determinants of Business Growth in Indigenous Small-Scale Businesses: A Case Study of Manufacturing Food Processing in Ndola

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Abstract

This study investigates the determinants of business growth among indigenous small-scale businesses within Ndola's manufacturing food processing industry. Employing a descriptive research design, data was gathered from 50 indigenous small-scale businesses using a probability sampling method and structured questionnaires, with analysis conducted using Statistical Package for Social Sciences (SPSS). The objectives were to assess the effects of innovative capacity, entrepreneurial orientations, and market orientations on business growth and competitiveness. Regarding innovative capacity, the study found that enhancing it correlates with increased market share, improved product quality, and enhanced competitiveness, as perceived by respondents. The study revealed significant correlations between innovation, entrepreneurial orientation, and market orientation on business performance, with key statistics indicating: 100% of respondents reporting

improved operational efficiency due to new technologies, 56% reporting increased market share and profitability from innovation, 50% reporting high risk-taking, 58% affirming customer needs understanding contributed to competitive advantage, suggesting innovation, entrepreneurial strategies, and market responsiveness drive growth for indigenous small-scale businesses in Ndola. In conclusion, the findings suggest that innovation, entrepreneurial strategies, and market responsiveness are key drivers of growth for indigenous small-scale businesses in Ndola. However, the effectiveness of these strategies varied across firms, with some experiencing profitability declines and limited market expansion. These mixed outcomes highlight the importance of integrating innovative efforts with a balanced approach to risk management and market orientation to achieve sustained growth and competitiveness.

Keywords: Business Growth, Indigenous Small-Scale Businesses, Innovative Capacity, Entrepreneurial Orientations, and Market Orientations

1. Introduction

1.1 Background

Small businesses are vital to the economy and significantly reduce unemployment everywhere in the world, but particularly in third-world nations. Today, this industry is growing as a source of high-paying jobs and is increasingly acknowledged as the main strategy for attaining equitable and sustainable industrial expansion, diversity, and dispersion; this will enhance social and economic development. The sector creates money, accounts for a vast majority of global trade, and is widely seen as essential to a nation's ability to compete. Because it provides an excellent basis for the development of local technology and entrepreneurs, it emerges as a crucial path towards the economic development of various nations (Kitty, Jinnat, Fowles & Jonathan, 2012; Aylin, 2013).

Analyzing the determinants of business growth in indigenous small-scale businesses in Ndola, Zambia reveals a complex interaction of essential factors. Access to finance is a significant challenge, with about 75% of small businesses lacking adequate funding mechanisms due to limited access to formal financial institutions and high collateral requirements (Abdel, K.H., Rowena, B. & Robyn, D. (2010) [1]. In Ndola, the economic environment and market dynamics also play crucial roles. Favorable economic conditions, like a 2.2% GDP growth in 2024, and increased urbanization have positively impacted the

growth of local food processing businesses by boosting consumer demand for locally produced food (Ndola Economic Outlook, 2024).

However, access to finance remains a critical barrier, with 70% of businesses citing it as a major impediment despite government efforts like the Ndola Entrepreneurial Fund (Ndola Small Business Survey, 2024). Adoption of technology and innovation is essential for competitiveness, yet limited technical expertise, high costs, and inadequate infrastructure hinder progress (Bank of Zambia (2024). Infrastructure development is another significant factor, as inadequate transportation, unreliable power, and poor water facilities disrupt operations and increase costs (Chisala, C. (2008)^[8]. Moreover, government policies and the regulatory environment heavily influence business growth. Complex registration processes, stringent tax regulations, and inconsistent enforcement create challenges for sustainability. Frequent policy changes further add to the uncertainty, necessitating streamlined regulatory processes and consistent policy implementation to foster a conducive growth environment

1.2 Statement of the Problem

Indigenous small-scale businesses in Zambia face multifaceted challenges hindering their growth and sustainability. In 2022, Zambia's SMEs had 70% access to financial services, but only 38% were formally included, highlighting a heavy reliance on informal financial mechanisms (CECCAR, 2022)^[9]. This gap in formal financial access limits SMEs' growth and sustainability, posing a significant challenge to economic development. Additionally, inadequate infrastructure, including poor road networks and unreliable electricity supply, hampers distribution and production processes. Moreover, bureaucratic hurdles and corruption exacerbate the already complex business environment, deterring entrepreneurship Deressa, E. C. (2014)^[12]. Furthermore, statistics reveal that only 30% of Zambian small businesses survive beyond three years, highlighting the severity of the challenges. The lack of access to markets and limited technological adoption also contribute to the stagnation of indigenous enterprises Fundanga, M. C. & A. Mwaba (1996)^[13]. To address these issues, strategies such as microfinance initiatives tailored to small-scale entrepreneurs, infrastructure development projects, and anti-corruption measures are crucial. Additionally, fostering partnerships between the government, private sector, and international organizations can promote innovation and resource-sharing to bolster the growth of indigenous small-scale businesses in Zambia.

1.3 Objective

1.3.1 General objective

The general objective of the study is analysing determinants of business growth in indigenous small-scale businesses: A Case study of Ndola.

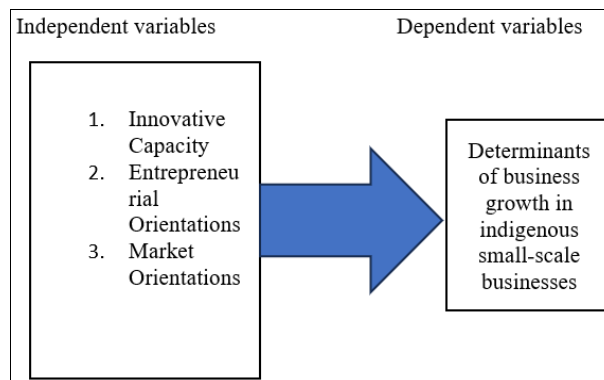
1.3.2 Specific objectives

1. To determine the effects of Innovative Capacity on Business Performance
2. To examine the Influence of Entrepreneurial Orientations on Business Growth
3. To Assess Market Orientations and their Influence on Business Competitiveness.

1.4 Research Questions

1. What are the effects of Innovative Capacity on Business Performance?
2. What is the Influence of Entrepreneurial Orientations on Business Growth?
3. How does Market Orientations Influence Business Competitiveness?

1.5 Conceptual Framework



The Conceptual Framework offers a valuable lens to understand how indigenous small-scale businesses in Zambia navigate market dynamics. It acts as a foundational guide for structuring research, offering a theoretical basis for analyzing the influence of innovative capacity, entrepreneurial orientation, and market orientation on business growth in indigenous small-scale businesses. Analyzing their market research approaches, customer engagement, and competitor monitoring can provide insights into their effectiveness in informing business decisions. The framework examines how businesses respond to customer needs, adapt to market changes, and leverage market orientation to foster customer loyalty and gain a competitive edge. By understanding their agility in adjusting business strategies and product lines, researchers can assess their resilience and capacity to sustain growth amidst dynamic market conditions.

2. Literature Review

This chapter explores existing literature from diverse sources to provide the researcher with insights into previous studies related to the research topic. By analyzing past research, the researcher can identify gaps in knowledge and areas that require further investigation.

2.1 Effects of Innovative Capacity on Business Performance

Empirical research underscores the universal significance of innovative capacity in enhancing business performance across diverse contexts. Ahmad and Qureshi (2019)^[2] examined Malaysian manufacturing, highlighting technological innovation's role in boosting productivity and competitiveness. This aligns with global trends where technological advancements are crucial for maintaining competitive advantage and fostering business growth (Saleh A.S. and Ndubisi N. O. 2006)^[20]. In Zambia, the Zambia Development Agency (ZDA, 2021)^[28] found a strong link between innovative capacity and business performance among indigenous enterprises. Companies investing in innovation saw significant revenue growth, profitability, and

market resilience. Sing D. S. M. and Hanafi N. B. (2020)^[24] emphasized that continuous innovation leads to greater market share. The research highlighted that firms incorporating environmentally friendly practices through innovation demonstrated enhanced long-term sustainability and financial performance. This indicates that innovative capacity extends beyond traditional business metrics and plays a pivotal role in fostering sustainable business practices

2.2 Influence of Entrepreneurial Orientations on Business Growth

Entrepreneurial orientations (EO) play a crucial role in shaping the growth trajectory of firms, and understanding their influence is vital for the business. Research by Hughes and Morgan (2007)^[14], Wiklund and Shepherd (2005)^[27] in the UK demonstrated that entrepreneurial orientations specifically innovation, being proactive, and risk-taking positively influence business growth. These findings align with broader studies, including Rauch *et al.*'s (2009) meta-analysis of 24 countries, underscoring the universal relevance of these orientations in enhancing business performance across diverse economic environments. Thus, entrepreneurial orientations are critical in fostering small scale businesses growth globally, transcending geographical and economic boundaries.

2.3 Market Orientations and their Influence on Business Competitiveness

Market orientation significantly impacts firm competitiveness globally by aligning business strategies with market demands and customer needs (Matanda *et al.*, 2013)^[16]. They serve as guiding principles that influence a firm's strategies and actions, especially in the pursuit of competitive advantage. In Zambia, where market conditions fluctuate due to various economic, social, and political factors, the ability of firms to swiftly adjust their strategies in response to these changes becomes crucial. A market-oriented stance equips companies with the flexibility needed to navigate uncertainties and capitalize on emerging opportunities, thereby amplifying their competitive edge. The research conducted by Chisenga and Tembo (2019)^[10] focused on small and medium enterprises (SMEs) in Zambia. The study discovered that SMEs exhibiting strong market orientation tended to achieve better competitive positioning and improved financial performance compared to their counterparts with lower market orientation scores. This demonstrates the significant influence of market orientation on the competitive advantage of SMEs operating within Zambia's business environment.

3. Methodology

3.1 Research Design

According to Kumar, C.R. (2010)^[15], the research design is the arrangement of conditions for the collection and analysis of data in a manner that aimed to combine relevance to the research purpose with economy in procedure. The nature of the above objective could be classified as one that falls within the realm of a descriptive research study. Descriptive research indicates characteristics which are inherent of a particular situation or individual as well as a group. It goes further by describing the frequency with which something happened. However, for this study the researcher used a quantitative approach to systematically measure the

relationships between innovative capacity, entrepreneurial orientation, and market orientation with key business outcomes. This approach ensures objective, data-driven conclusions that can inform strategic decision-making for business improvement.

3.2 Target population

The main population of this study consisted of indigenous small-scale businesses. This population was finite, as the number of study participants was known, rather than infinite, where the number of participants would have been unknown. The target population included 50 indigenous small-scale businesses.

3.3 Sampling procedure

"This research employed a quantitative approach, using a sample survey as described by Cooper, D.R., & Schindler, P.S. (2009)^[11]. A sample size of 50 indigenous small-scale businesses was determined and a probability sampling method was used to minimize bias. The researcher developed a source list, as none was available, and used it to select the sample. Probability sampling was chosen to ensure adequacy against bias, as recommended by the researcher for descriptive studies."

3.4 Sample size determination

The participants for the study were drawn from indigenous small scale businesses. However; the sample size was limited to 50 respondents.

3.5 Data collection

For this study, primary data was obtained through a structured questionnaire designed to meet the study's objectives. Questionnaires were chosen because they are straightforward and time-efficient for both the researcher and participants Kumar, C.R. (2010)^[15] the questionnaire had multiple sub-sections, including one for capturing participants' background information (e.g., gender, marital status, age, work experience, education level). Other sections contained open- and closed-ended questions to achieve the study's specific objectives. Closed-ended questions facilitated quantitative analysis, while open-ended questions provided qualitative insights. The researcher administered the questionnaires to ensure accurate responses and also conducted oral interviews.

3.6 Data analysis

As has already been mentioned, this research featured elements of a descriptive study and therefore data was analyzed descriptively. Questionnaires were the main instruments used for the collection of data in this study. The data collected was coded, tabulated and finally frequencies and percentages were derived. Statistical package for social sciences (SPSS) was the main computer program used; specifically descriptive statistics were the main area of concentration. Microsoft excel was used to derive visual aids such as graphs and charts for data presentation.

3.7 Triangulation

Triangulation was a technique used for analyzing the results from multiple-method research designs. It was most often used as a form of cross-checking to validate the results from different kinds of methods, such as the collection of demographics and other information. This study involved a

case study method, used a structured questionnaire or interview guide in an interview, employed a sample, and utilized a probability sampling technique to arrive at the sample. Data was coded and thematically analyzed. The collection of data by the researcher identified the complexities related to the context of the study. The surveys were supplemented by the interviews and focus groups. Each research method exposed one aspect of reality. This multi-method, multidisciplinary collaborative research was insightful.

4. Presentation and Interpretation of Findings

4.1 Background information

Table 4.1.1: Marital status

	Frequency	Percent
Married	40	90%
Single	10	10%
Total	50	100%

The study asked participants to specify their marital status, revealing that 90% were married, while 10% identified as single.

Table 4.1.2: Gender

	Frequency	Percent
Female	20	40%
Male	30	60%
Total	50	100%

The study asked respondents to specify their gender, with 60% identifying as male and 40% as female.

Table 4.1.3: Level of education

	Frequency	Percent
Degree	10	20%
Diploma	16	32%
Masters	12	24%
Secondary	12	24%
Total	50	100%

The study gathered information on respondents' educational levels, revealing that 32% held a diploma, 24% had a master's degree, 20% possessed a bachelor's degree, and 24% had completed secondary education.

Table 4.1.4: Age

	Frequency	Percent
25 - 35 year	20	40%
36 - 45year	10	20%
46 - 55year	12	24%
Above 55year	8	16%
Total	50	100%

The study sought to determine the respondents' age distribution, with 40% falling within the 20 to 35-year range, 8% being above 55 years, 10% between 36 to 45 years, and 12% ranging from 46 to 55 years.

Table 4.1.5: Position in the business

	Frequency	Percent
Employee	13	26%
Manager	17	34%
Owner	20	40%
Total	50	100%

The study asked respondents to specify their roles within the business, with 40% identifying as owners, 34% as managers, and 26% as employees.

Table 4.1.6: Annual revenue of the business (in Kwacha)

	Frequency	Percent
K100000	16	32%
K150000	14	28%
K50000	20	40%
Total	50	100%

The study asked respondents to report their business's annual revenue in Kwacha, with 40% indicating K50,000, 32% reporting K100,000, and 28% stating K150,000.

Table 4.1.7: Source of start-up capital

	Frequency	Percent
Bank loan	20	40%
Family/friends	8	16%
Microfinance	11	22%
Personal savings	11	22%
Total	50	100%

The study enquired about respondents' source of startup capital, with 40% stating bank loans, 22% relying on microfinance, another 22% using personal savings and 16% receiving support family and friends.

4.2 To determine the effects of Innovative Capacity on Business Performance

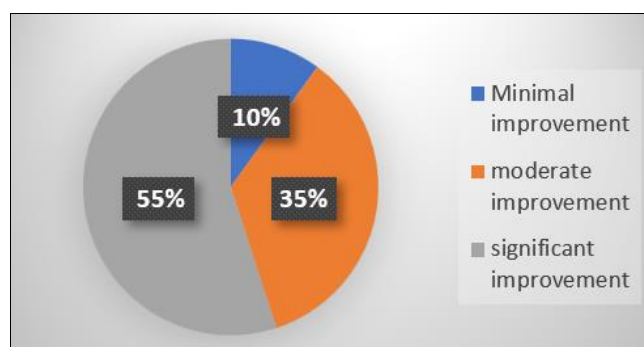


Fig 4.2.1: How would you rate the impact of your company's innovation efforts on overall productivity?

The study asked respondents to assess the impact of their company's innovation efforts on overall productivity. A majority of 55% reported a significant improvement, 35% noted a moderate improvement, while 10% indicated only a minimal improvement.

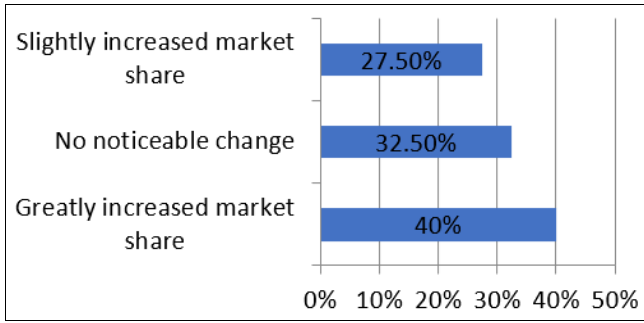


Fig 4.2.2: How much of your company's market share has increased in the last three years as a result of new products or services?

The study asked respondents to specify the extent to which their company's market share had grown over the past three years due to the introduction of new products or services. A majority of 40% reported a significant increase in market share, 32.5% observed no noticeable change, while 27.5% experienced a slight increase.

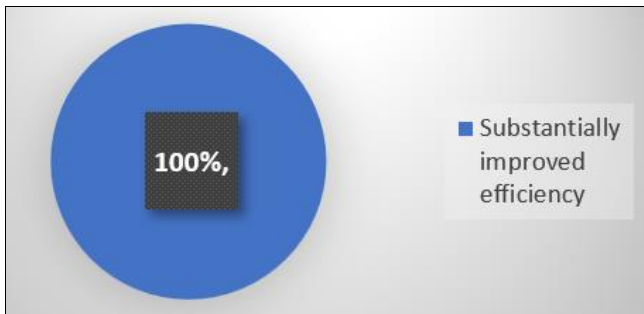


Fig 4.2.3: How has the introduction of new technologies in your company affected operational efficiency?

The study asked respondents to assess the impact of new technologies on their company's operational efficiency. An overwhelming 100% of respondents reported a substantial improvement in efficiency as a result of technological adoption.

Table 4.2.4: What effect has your company's innovation strategy had on profitability in the last two years?

	Frequency	Percent
Decline in profitability	12	24%
Large increase in profitability	28	56%
Small increase in profitability	10	20%
Total	50	100%

The study asked respondents to evaluate the impact of their company's innovation strategy on profitability over the past two years. A majority of 56% reported a significant increase in profitability, while 24% experienced a decline, and 20% observed a slight increase in profitability.

Table 4.2.5: The amount of money the company invests in new products and services?

	Frequency	Percent
K100000	12	24%
K150000	10	20%
K200000	28	56%
Total	50	100%

The study asked respondents to specify the amount of money their company allocated to investments in new products and services. A majority of 56% reported an investment of K200000, while 24% indicated K100000 and 20% stated an investment of K150000.

4.3 To examine the Influence of Entrepreneurial Orientations on Business Growth

Table 4.3.1: How proactive is your business in identifying new opportunities in the market?

	Frequency	Percent
Highly Proactive	28	56%
Moderately proactive	11	22%
Slightly proactive	11	22%
Total	50	100%

The study requested respondents to indicate how proactive their business is in identifying new opportunities in the market. 56% the majority respondents indicated highly proactive, 22% of the respondents stated moderately proactive and another 22% indicated slightly proactive.

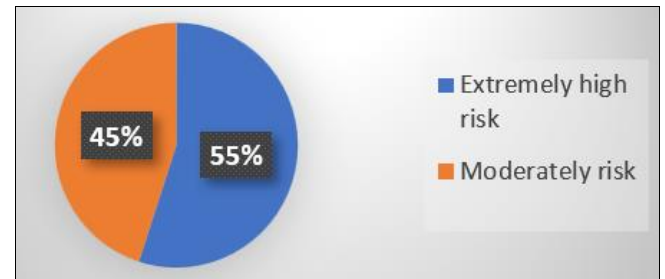


Fig 4.3.2: How willing is the company to take risks in pursuit of opportunities?

The study sought to determine respondents' views on their company's willingness to take risks in pursuing opportunities. A majority of 55% indicated an extremely high risk tolerance, while 45% described their company as moderately risk-taking.

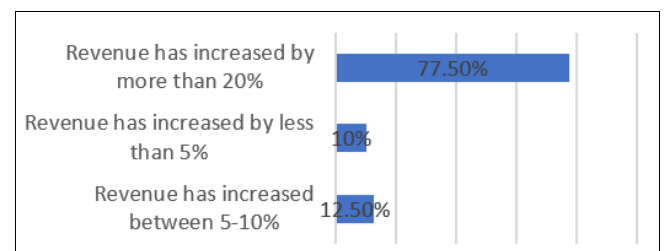


Fig 4.3.3: How has your company's proactive pursuit of new business opportunities affected revenue growth over the past three years?

The study sought respondents' insights on how their company's proactive approach to new business opportunities influenced revenue growth over the past three years. A majority of 77.5% reported a revenue increase exceeding 20%, while 12.5% indicated growth between 5% and 10%, and 10% noted a revenue rise of less than 5%.

Table 4.3.4: To what extent are employees encouraged to take initiative and make decisions independently within the company?

	Frequency	Percent
Highly centralized decision-making	27	54%
Moderately centralized decision-making	13	26%
Moderately decentralized decision-making	10	20%
Total	50	100%

The study sought respondents' perspectives on the level of autonomy employees have in decision-making within their company. A majority of 54% indicated that decision-making is highly centralized, while 26% reported a moderately centralized approach, and 20% stated that decision-making is moderately decentralized.

Table 4.3.5: How would you rate your company's emphasis on innovation as a driver for growth?

	Frequency	Percent
High	23	46%
Moderate	10	20%
Very high	8	16%
Very low	9	18%
Total	50	100%

The study asked respondents to assess the extent to which their company prioritizes innovation as a key factor for growth. A majority of 46% rated their company's emphasis on innovation as high, 20% considered it moderate, 18% perceived it as very low, and 16% rated it as very high.

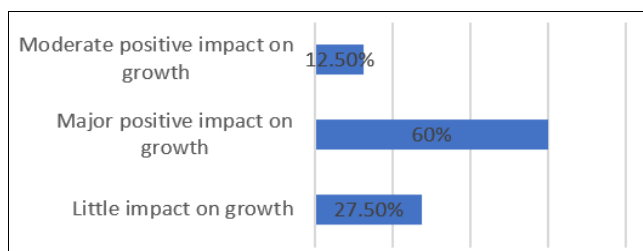


Fig 4.3.6: How has your company's entrepreneurial autonomy (allowing employees to act independently) impacted business growth?

The study asked respondents to evaluate the impact of their company's entrepreneurial autonomy, which allows employees to act independently, on business growth. A majority of 60% reported a significant positive impact, 27.5% indicated minimal impact, while 12.5% observed a moderate positive effect on growth.

4.4 To assess Market Orientations and its influence on business competitiveness.

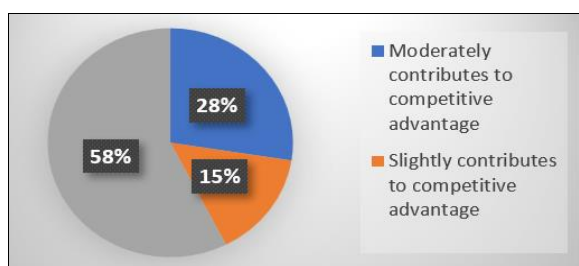


Fig 4.4.1: How would you rate your company's focus on understanding customer needs as a driver of competitive advantage?

The study asked respondents to assess the extent to which their company's focus on understanding customer needs enhances competitive advantage. A majority of 58% stated that it strongly contributes to their competitiveness, 28% indicated a moderate contribution, while 15% reported a slight impact on their competitive edge.

Table 4.4.2: How much has your company's sales revenue grown in response to adapting to changing market demands?

	Frequency	Percent
30 - 40% increase	10	20%
Less than 10% increases	10	20%
More than 50% increase	30	60%
Total	50	100%

The study asked respondents to report the extent of their company's sales revenue growth resulting from adapting to changing market demands. A majority of 60% indicated an increase of more than 50%, while 20% reported growth between 30% and 40%, and another 20% noted an increase of less than 10%.

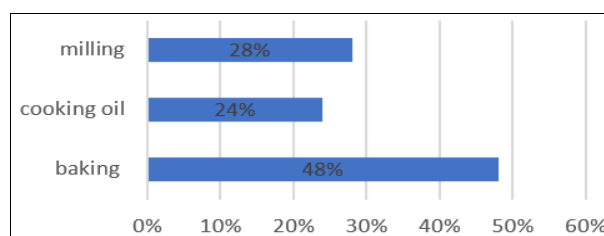


Fig 4.4.3: What type of food processing are you involved in?

The study asked respondents to specify the type of food processing they are engaged in. A majority of 48% indicated involvement in baking, while 28% reported participation in milling, and 24% stated they were engaged in cooking oil production.

Table 4.4.4: On average, how frequently do market-oriented firms conduct market research and analysis?

	Frequency	Percent
Annually	22	44%
Monthly	12	24%
Quarterly	16	32%
Total	50	100%

The study asked respondents how often market-oriented firms conduct market research and analysis. A majority of 44% reported conducting it annually, 32% said quarterly, and 24% indicated doing it monthly.

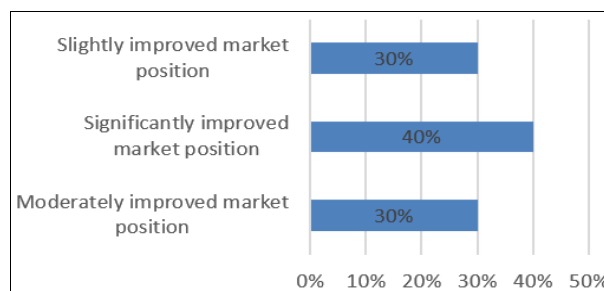


Fig 4.4.5: To what extent has gathering and utilizing competitor intelligence improved your company's market position over the past two years

The study asked respondents to indicate how much gathering and using competitor intelligence had enhanced their company's market position in the past two years. 40% of the majority respondents stated it significantly improved their market position, 30% reported a slight improvement, and 30% noted a moderate improvement.

4.5 Discussion of the findings

This study shows that innovation significantly impacts business productivity, market share growth, and operational efficiency in indigenous small-scale businesses in Ndola district. 55% of respondents rated their company's innovation efforts as having improved productivity, while 35% reported moderate improvements. This supports the notion that innovation enhances productivity across various sectors, particularly through new business models and technology adoption Sitharam S. and M. Hoque (2016) [22]. The study shows that the adoption of new technology has significantly improved operational efficiency, with 100% of respondents reporting significant benefits. This is particularly beneficial for small-scale businesses in emerging markets, where resource constraints often limit growth opportunities. Additionally, 40% of respondents experienced significant increases in market share due to new products or services introduced over the past three years. However, 32.5% of respondents reported no noticeable changes, 27.5% saw slight increases in market share. This variability in outcomes could be attributed to several factors, including differences in the level of innovation investments, market conditions, and the competitive landscape. The study also found that 56% of respondents rated their businesses highly proactive in identifying new market opportunities, with 22% moderately proactive and another 22% slightly proactive. The study found that 55% of firms exhibited high-risk tolerance, with 45% having moderate levels. This risk-taking inclination leads to higher growth in untested markets and innovative products. However, the effectiveness of risk-taking strategies depends on firms' ability to assess potential downsides and manage uncertainty. This willingness to engage in risk is supported by Wilson, J. (2010) [25], who argue that firms with a strong inclination to take calculated risks often achieve higher levels of growth because they venture into untested markets or invest in innovative products. Additionally, 77.5% of firms experienced revenue increase of over 20% due to proactive market pursuits. The study highlights that proactive and risk-taking behaviors, when strategically combined, can significantly boost revenue performance, although 10% of respondents reported revenue growth below 5%, suggesting that entrepreneurial strategies do not guarantee success. Factors such as resource limitations, market conditions and execution quality play a pivotal role in translating entrepreneurial orientation into financial gains. Market share growth, driven by entrepreneurial orientation, was reported by 50% of respondents as exceeding 50% over the past five years, indicating the effectiveness of such strategies in market expansion. However, 32% of businesses experienced less than 5% market share growth, and 18% reported a 5-10% increase, showing that entrepreneurial outcomes vary across different firms. Factors such as firm size, resource availability, and industry characteristics can moderate the impact of entrepreneurial orientation on growth metrics World Bank (2015), leading to varying

degrees of success among Ndola's small businesses. The study highlights the importance of customer needs and market responsiveness in driving competitive advantage and sales growth, with 58% of respondents noting customer focus as a key factor this aligns with Musune (2015) and Matanda (2013) [16], who emphasize the positive impact of market orientation on business performance. Adapting to change also showed a significant impact on revenue growth, 60% of respondents reported a 50% increase in sales revenue, demonstrating the importance of adapting to market demands. Overall, the findings indicate that entrepreneurial orientation encompassing proactivity, risk-taking and autonomy plays a crucial role in driving business growth in indigenous small-scale businesses. However, the variability in outcomes suggest that entrepreneurial strategies must be carefully tailored to the firm's context. Studies emphasize the importance of a holistic approach that integrates entrepreneurial orientation with strategic management practices to optimize growth Sekaran, U. and Bougie, R. (2015) [23].

The involvement of indigenous businesses in specific types of food processing, including baking (48%), milling (28%), and cooking oil production (24%), reflects the local economic context and consumer needs. The food processing industry in Zambia has shown significant growth potential, driven by increasing demand for processed foods and value-added agricultural products. However, maintaining competitiveness requires strategic market orientation and customer feedback. The study shows that market-oriented firms in Ndola conduct market research at varying frequencies, with 44% annually, 32% quarterly, and 24% monthly. Frequent market research is crucial for staying competitive and identifying emerging trends (Mwarari and Ngugi, 2013) [18]. Additionally, 45% of respondents saw significant improvements in quality due to customer feedback, emphasizing its role in product enhancement and customer satisfaction, though there's potential for better integration of feedback into quality management practices. The study reveals that 54% of respondents believe long-term customer relationships significantly improve differentiation, supporting the relationship marketing paradigm. Additionally, 40% reported major improvement in market position due to competitor intelligence, while 30% reported moderate and small improvements. Competitor intelligence aids strategic planning, particularly for small-scale businesses with limited resources, aligning with the Resource-Based View (RBV) theory in creating competitive advantage (Barney, 1991) [6]. The study highlights that while 40% of respondents saw major improvements in market position through competitor intelligence, varying results reflect differences in managerial capabilities and resource availability. Effective use of competitor intelligence depends on analyzing and applying data, as collecting it without interpretation may lead to missed opportunities and poor strategic decisions. To enhance strategic planning, small-scale businesses in Ndola should integrate structured competitor analysis, using frameworks like SWOT and Porter's Five Forces. This systematic approach helps identify strengths, weaknesses, and market trends, enabling proactive strategy adjustments. Regular reviews and competitor insights can drive innovation and foster continuous improvement (Bell *et al*, 2016 and Porter M. E. 2008 [19]).

5. Conclusion

The study reveals a strong correlation between innovative capacity, entrepreneurial orientations, and market orientations with business performance, growth, and competitiveness. Innovation leads to significant productivity, operational efficiency, and profitability. However, the results also highlight variability in outcomes, such as profitability, where a notable proportion experienced a decline, indicating that innovation's impact is not uniformly positive. Additionally, the study highlights the importance of entrepreneurial orientation in identifying market opportunities and tolerant risk, leading to increased revenue and market expansion. In examining market orientations understanding customer needs and adapting to market demands are crucial for competitive advantage. The study found that firms with active market research and customer feedback experience increased sales revenue. However, not all firms prioritize regular market analysis, potentially impacting their competitive strategies. The findings suggest a balanced approach combining innovation, market responsiveness, and strategic risk-taking for optimal growth and competitiveness. The challenges of limited access to finance, competition, and market access present significant barriers to growth. Policymakers, financial institutions, and business development organizations must collaborate for affordable financing, technical training, and market opportunities.

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