RELATIONSHIP BETWEEN INNOVATION AND PRODUCT DESIGN IN SMALL AND MEDIUM ENTERPRISES (SME’s) IN NIGERIA

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Innovation and product design are two fields with strong looks.

Scholars usually overlook the relationship between innovation and product design (Buchanan, 2001; Campbell and Collins, 2001; Cooper, 2000).

Freeman (1982) was the first to emphasize the role of design in innovation.
Although scholars have now begin to refer to the practical relationship between product design and innovation (Freeman, 1982) and to emphasize the role of design in the innovation process (OECD), 1992,
Many scholars have demonstrated the significant role that Small and Medium Scale Enterprises (SMEs) have played in providing innovation through product design.
The compactiveness and relative simplicity of SMEs, together with their closeness to the final users of products put them in a strategic position to indulge product tinkering (innovation) in their bid to satisfy the peculiar needs of their small customer base.
In view of the above, this research aims to examine the relationship between product design and innovation within the context of the operating environment of SMEs in Nigeria.

Emphasis will be placed on how SMEs leverage their competence in product design to attract their products acceptance at local and international market thereby contributing to the overall growth of the Nigerian economy.
STATEMENT OF THE PROBLEM

- Small Scale businesses are the catalysts for economic growth and development.
- but also crucially serve as a sustainable source of employment to million of people.
These and other roles may be the reasons why thousands of Small Scale businesses are yearly initiated in Nigeria but unfortunately only a fraction of these survive beyond the first year of operation.

Why is this so? Even those that survive, they hardly scale to international market for acceptability.
This study posit that the **high mortality rate among new small business start up** in Nigeria is not unconnected with the fact that their product offerings fail to reflect changes in market preference and product design.

It is in line with this that, the study seeks to examine the relationship innovation and product design in SMEs in Nigeria.
The main aim of this study is to examine the relationship between product design and innovation in Small and Medium Enterprises (SMEs) operating in Nigeria. Other specific objectives are to:

- examine “product design” as the core function of innovation in Nigerian Small and Medium Enterprise (SMEs).
- assess whether product design and innovation are the main drivers of growth and development of Small and Medium Enterprises (SMEs).
● identify the challenges facing Small and Medium Enterprises (SMEs) in using product design and innovation as strategic growth tool.

● Suggest strategies for overcoming the challenges bedevilling product design and innovation in SMEs.
RESEARCH HYPOTHESES

- Ho: There is no significant relationship between innovation and product design in Nigerian SMEs.
SIGNIFICANCE OF THE STUDY

- The significance of this study primarily lies in revealing to entrepreneurs and policy makers the vital relationship that subsist between product design and innovation in Small and Medium Enterprise (SMEs) and
- how the relationship properly cultivated lies at the core of Small and Medium Enterprise (SMEs) growth and development.
It will also help the SMEs organizations to see the importance of product design and innovation as a means of improving their product to gain customers satisfaction, confidence and loyalty.
SCOPE OF THE STUDY

The scope of the study is on the relationship between innovation and product design with particular reference to SMEs from 1999- to date.
LITERATURE REVIEW

- The importance of SMEs to economic development in Nigeria as been well documented (Etuk, 1985; Nwoye, 1991)
- financial, technical and managerial challenges facing SMEs in Nigeria (Emeni and Okafor, 2008; Olutunla and Obamuji, 2008; Mutlu and Er, 2003).
• Schumpeter (1934) classifies innovation in two major categories

• Cooper (2000) examines product innovation in terms of “newness” of the product in two dimensions, ‘new to the company’ products, and new to the market product
METHODOLOGY

- Random sampling technique will be used to select respondents.
- The data required for this study will be both primary and secondary data.
- The questionnaire will be distributed randomly to the staff in the SMEs companies for the study.
METHOD OF DATA ANALYSIS

- Descriptive tools such as tables and percentages will be used. A chi-square test ($x^2$) will be employed to test the validity of the hypothesis and then draw meaningful conclusion.
CONCLUSION

- The study will reveal the extent of relationship between innovation and product design in SMEs in Nigeria as it play a central role in the Nigerian economy by trying to bring out new and better product as a primary means of growing the economy.