



## INNOVATIVE BEHAVIOUR AND OPPORTUNITY RECOGNITION IN FOOD AND BEVERAGES FIRMS, PORT HARCOURT.

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**ABSTRACT:** *The study examined innovative behaviour and opportunity recognition of food and beverages firms in Port Harcourt. The study used a correlational research methodology, and the population consisted of 25 food and beverage businesses in Rivers State. The study used a census survey with a managerial staff focus in addition to its population of 25 food and beverage companies. One hundred twenty-five (125) copies of the questionnaire were made available in total. The data collected for this study were analyzed through descriptive and inferential statistics. The Spearman Rank-Order Correlation Technique was employed to test the various hypotheses formulated with the aid of the Statistical Package for Social Sciences (SPSS). From the data generated and analysed, it was empirically discovered that a positive and significant relationship exists between Innovative Behaviour and Opportunity Recognition of food and beverages firms in Port Harcourt. Problem solving and creativity showed a strong positive relationship with opportunity recognition of food and beverages firms in Port Harcourt. The study concluded that engaging in innovative behaviour will achieve bumper success in many food and beverages firms. Following the conclusion above, the study therefore recommends that; Food and beverages firms in Port Harcourt should adopt problem solving approach to take advantage of market opportunities and improve sales and also food and beverages firms should be creative and innovative, especially through new product development, being first to market with new products.*

**KEYWORDS:** Innovative Behaviour, Problem Solving, Creativity and Opportunity Recognition.



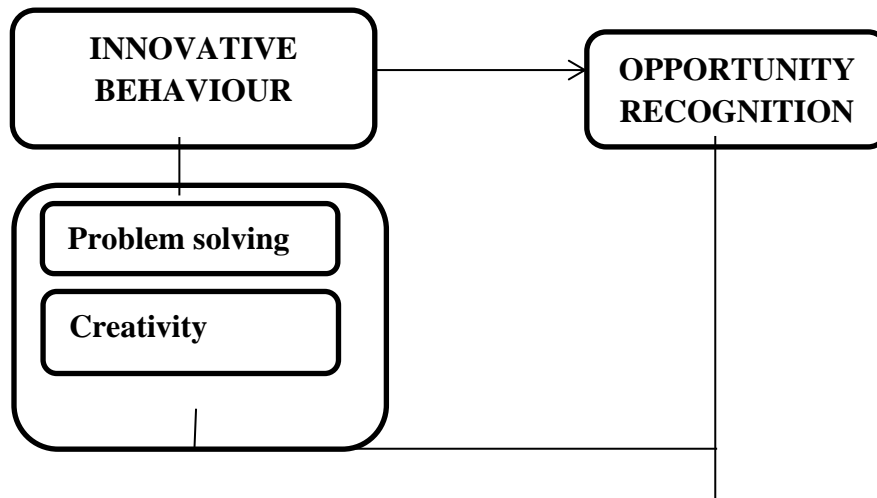
## INTRODUCTION

Nigeria's economy is mostly driven by businesses that produce food and beverages (Asikhia et al., 2022). Additionally, according to Obasi (2013), businesses producing food and beverages that are based in FMCGs are doing so in an atmosphere that is getting more chaotic and unsteady. Due to this, food and beverage (F&B) businesses all over the world were required to develop strategies for enhancing performance. In the food and beverage industry, this has sparked innovative behaviour. Innovative behaviour can lead to increase in productivity and business growth; an entrepreneur with innovative mindset is given to new venture creation and modification of good old ideas. Innovation and technology development is a longstanding matter of concern among organizational scholars since innovative organizations usually lead the race for competitive advantage (Sirmon, et., al., 2011).

All innovations begins with creative ideas, creativity is the starting point to innovation. However, creativity is necessary but not sufficient enough for innovation. Innovation is the implantation of creative inspiration. Every successful entrepreneur needs creative innovation to sustain business success. Innovative individuals create prototypes for innovations that enable ideas to be realized specifically with goods or services and become productive use and social day merchandising. According to previous studies, opportunity perception can be seen as an individual's corporate strategy that focuses on the perception and exploitation of individuals about potential business ideas and opportunities and finds resources to create innovative outcomes (Manev et al., 2005).

Firms practicing innovative behaviour are able to respond to the needs of their customers (Sadikoglu & Zehir, 2010; Calantone et., al., 2002). Thus, only satisfied customers will again purchase the products and services from the firm whose innovative practices have satisfied their expectations and needs. Mojekeh et., al., (2019) posited that Nigeria food and beverages products suffer decline in brand value and consumer purchase intention due to international brand competition with Nigeria brand. This fact is affirmed by the Nigerian Food and Beverage Industry Outlook (2020) that most local food and beverage companies in Nigeria lack's ability to come up with innovative products that will compete with global brands. This has created lost opportunities within the sector. To this end, this paper examined the relationship between innovative behaviour and opportunity recognition in food and beverages firms, Port Harcourt.

## Conceptual Framework



**Source:** *Kim et., al., (2018); Miller, (1983).*

## Aim and Objectives of the Study

The main of this study was to investigate the relationship between Innovative Behaviour and Opportunity Recognition of food and beverages firms in Port Harcourt; specific objectives are as to:

- i. examine the relationship between problem solving and opportunity recognition of food and beverages firms in Port Harcourt.
- ii. investigate the relationship between creativity and opportunity recognition of food and beverages firms in Port Harcourt.

## Research Questions

The following research questions were formulated in order to address the objectives of the study:

- i. How does problem solving relate to opportunity recognition of food and beverages firms in Port Harcourt?
- ii. How does creativity relate to opportunity recognition of food and beverages firms in Port Harcourt?

## Research Hypotheses

H0<sub>1</sub>: There is no significant relationship between problem solving and opportunity recognition of food and beverages firms in Port Harcourt.

H0<sub>2</sub>: There is no significant relationship between creativity and opportunity recognition of food and beverages firms in Port Harcourt.



## **REVIEW OF RELATED LITERATURE**

### **Theoretical Review**

#### **This study is anchored on The Creative Theory of Entrepreneurship**

This theory is focused on the entrepreneur and the creation of the firm (Schumpeter, 1934; Shane, 2003). The theory is grounded on three major assumptions: opportunities are subjective; opportunities are not recognized, they are created, and entrepreneurs bear uncertainty. Opportunities are created through a series of decisions to exploit a potential opportunity. They are created by economic actors; they do not exist independently. Their existence holds the potential for profit generation. The theory assumes uncertainty, not risk. Under conditions of uncertainty, the attributes of an industry are either knowable, or are changing in ways difficult to predict. Opportunities must, therefore, be created and refined through a process of hypothesizing what the opportunity might be; testing the hypothesis, until it roughly correlates with what turns out to be objective opportunities in an industry (Alvarez, 2005). Alvarez (2005) observes that examples are to be found in many industries, for instance, the electronics or the motor vehicle industries – firms like Samsung or Toyota cannot ask customers for guidance on how to create new products. Any new products they develop will be beyond the experience or potential of customers. These firms must, therefore, go through a process of generating new products, trying them with customers, discover which of them are reasonably accepted or successful; refine them to improve marketability. Opportunities are discovered by analyzing market and industry structures – opportunity creation – through hypothesis testing and learning. Opportunities do not exist independent of the actions of the entrepreneur but are created by the entrepreneur. People are not different; there are only differences in entrepreneurial decision-making under entrepreneurial uncertainty conditions. The entrepreneur is not autonomous but the creator of the opportunity. Decision-making occurs in the absence of correct procedures for exploiting existing resources.

### **Concept of Innovative Behaviour**

Innovative behaviour is the process of developing new ventures involving a combination of actions including, identifying a venture opportunity, securing funding, building technology, and determining a legal form, among others (Baron, 2002). Similar to this, Reynolds (2007) stated that innovative behaviour is a set of behaviors that are found to be crucial to the establishment of a new firm, such as putting in place a productive process, establishing firm presence, and creating organizational and financial structures; this can be linked to potential entrepreneurial behavior. Endres and Woods (2010) claim that entrepreneurial behavior refers to the motives and methods that enable an entrepreneur to make decisions in their capacities as creators of lucrative opportunities and as exploiters of already-existing opportunities.

Katundu and Gabagambi (2014) submitted that innovative behaviour is the behaviour an individual portrays while engaging in the process of developing new ideas in which this process involves various units of actions that can be seen by others. The process of creating new businesses by an entrepreneur cannot be carried out in a vacuum.



## **Problem Solving**

Success in companies and personal careers has been shown to be significantly influenced by one's capacity for problem-solving (Kim et al., 2018). Organizations and schools have investigated the factors that influence improvement using decades' worth of study data. The term problem-solving skills has been defined in a number of earlier research, and they are crucial for fostering innovation and long-term growth and development in the knowledge- and technology-based industries (Kim et al., 2018).

## **Creativity**

Thinking and producing are the two processes that make up creativity. The ability to explore entirely new and uncharted territory leads to an increase in an organization's productivity, which is why creativity is crucial for beginning and maintaining a firm (Sokolova, 2015). New businesses must allow its staff the freedom to be creative if they want to foster it. For instance, Google, a multibillion dollar search engine firm, promotes innovation by putting in place various communication channels like Google cafes, which are intended to promote interactions between staff members from different teams (He, 2013).

## **Concept of Opportunity Recognition**

Recognizing high opportunities can significantly improve profit, growth, and / or competitive positioning. And this new opportunity leads to innovation. From a conceptual point of view, research is continuing on the question of 'what is opportunity' and 'where is opportunity' (Gartner & Carter, 2003; Venkataraman & Sarasvathy, 2001). Opportunity recognition is defined in many ways, but opportunity is defined as a perceived means of generating economic value (ie, profit) that has not been exploited previously and is not currently exploited by others. If opportunity is defined in this way, opportunity recognition can be defined as a cognitive process (or process) that concludes that an individual has identified an opportunity (Baron & Ensley, 2006). Opportunity recognition is an early step in transforming value into a business concept that creates value and generates revenue and distinguishes it from the aggressive stages of detailed assessment and development of recognized opportunities and potential economic value. The focus of the new venture business is also an innovative opportunity to create new opportunities rather than merely expanding or repeating existing business models (Gaglio & Katz, 2001).

## **Empirical Review**

Kim et., al., (2018) carried out a study on the role of problem solving ability on innovative behavior and opportunity recognition in university students. This study was conducted on 203 students who took entrepreneurship education courses at Korean universities. The results of this study showed that problem solving ability positively influenced innovation behavior and opportunity perception. Innovation behavior was identified as a key parameter that partially mediated the relationship between problem solving ability and innovation behavior. The implication of this study is to prove the relationship between individual 's problem - solving ability considering the characteristics of education in Korea and the opportunity through innovative behavior and various learning strategies to help entrepreneurship education to design better courses for the future It has important implications for strategic pedagogy that can enhance behavioral elements in development.



Weinzimmer, et al (2011) empirically examined the relationship between creativity and firm-level performance. Their study adopted the quantitative research approach and the descriptive survey research design. The researchers collected their data from managers and employees of engineering firms in Sweden using questionnaire. After analyzing the data collected using descriptive statistics such as mean and standard deviation, percentage and frequency tables and influential statistic like the regression analysis, the researchers found out that employee creativity has a significant positive relationship with profitability of engineering firms. The study found a significant relationship between employee creativity and firm growth. The study concluded that employee creativity is a significant predictor of firm-level performance. The relationship between creativity and firm-level performance were found to be moderated by action orientation.

Boso et al (2017) carried out a study to determine how organizational creativity drive market performance. The researchers employed the survey research design and used a structured questionnaire to collect data from 92 managers in 26 software companies in United States. After analyzing the data collected using percentage and frequency analysis, mean, standard deviation, bar chart, pie chart, and the SPSS version 23.0, the researchers discovered that organizational creativity has a significant positive relationship with market performance. The study also reported that firm resources significantly moderate the relationship between organizational creativity and market performance of software companies.

## METHODOLOGY

This study used a correlational research methodology, and the population consisted of 25 food and beverage businesses in Rivers State that were gotten through the website [directory.org.ng](http://directory.org.ng). The study used a census survey with a managerial staff focus in addition to its population of 25 food and beverage companies. Five (5) copies of the questionnaire were given to each firm. One hundred twenty-five (125) copies of the questionnaire were made available in total. Statistical Package for Social Sciences (SPSS) version 23 was used to determine the instrument's reliability using the Cronbach's alpha test, and the results showed that it was 0.78 percent more reliable than the industry standard of 0.7 percent. The data collected for this study were analyzed through descriptive and inferential statistics. The Spearman Rank-Order Correlation Technique was employed to test the various hypotheses formulated with the aid of the Statistical Package for Social Sciences (SPSS) version 23.0.

### Data Presentation and Analysis

Quest. Issued	Quest. Retrieved	Useful
125	109	98

**Source:** *Survey Data, 2024.*

This revealed that out of the 125 copies of questionnaire issued, 109 copies were retrieved and 98 copies were useful after proper examination of the filed copies.



## Bivariate Analysis

### Hypothesis one

H<sub>01</sub>: There is no significant relationship between problem solving and opportunity recognition of food and beverages firms in Port Harcourt.

			problem solving	opportunity recognition
Spearman (rho)	problem solving	Correlation Coefficient	1.000	.588**
		Sig. (2 tailed)	.	.001
		N	98	98
	opportunity recognition	Correlation Coefficient	.588**	1.000
		Sig. (2 tailed)	.001	.
		N	98	98

\*\*Correlation is significant at 0.01 levels (2 tailed)

**Source:** SPSS Result, 2024.

The result of the bivariate analysis carried out between problem solving and opportunity recognition of food and beverages firms in Port Harcourt. The result indicates that problem solving is significantly and positively correlated to opportunity recognition ( $\rho = .588^{**}$ ) and this correlation is significant at 0.01 level as indicated by the symbol \*\*. Consequently, the null hypothesis (H<sub>01</sub>) is rejected and the alternate hypothesis is accepted. This means that we then accept that there is moderate positive and significant relationship between problem solving and opportunity recognition of food and beverages firms in Port Harcourt.

### Hypothesis two

H<sub>02</sub>: There is no significant relationship between creativity and opportunity recognition of food and beverages firms in Port Harcourt.

			creativity	opportunity recognition
Spearman (rho)	Creativity	Correlation Coefficient	1.000	.644**
		Sig. (2 tailed)	.	.001
		N	98	98
	opportunity recognition	Correlation Coefficient	.644**	1.000
		Sig. (2 tailed)	.001	.
		N	98	98

\*\*Correlation is significant at 0.01 levels (2 tailed)

**Source:** SPSS Result, 2024.



The result of bivariate analysis carried out between creativity and opportunity recognition of food and beverages firms in Port Harcourt. The result indicates that creativity has a very strong positive correlation with opportunity recognition ( $\rho = .644^{**}$ ) and the symbol  $^{**}$  signifies that this correlation is significant at 0.01 level. As a result of this, we then reject the null hypothesis ( $H_{02}$ ) and accept the alternate hypothesis which states that there is strong positive and significant relationship between creativity and opportunity recognition of food and beverages firms in Port Harcourt.

## **SUMMARY OF FINDINGS**

- There is a significant relationship between problem solving and opportunity recognition of food and beverages firms in Port Harcourt.
- There is a significant relationship between creativity and opportunity recognition of food and beverages firms in Port Harcourt.

## **DISCUSSION OF FINDINGS**

Problem solving showed a strong positive relationship with opportunity recognition of food and beverages firms in Port Harcourt. The result of the finding is in line with the study of Jonassen, (2004) and Inkinen, (2015) who stated that problem solving ability has been recognized as a key element of innovative behavior in responding to rapid changes with the ability to find various alternatives and predict outcomes from these alternatives to maximize positive results, minimize negative consequences, and select solutions to problems.

Creativity showed a strong positive relationship with opportunity recognition of food and beverages firms in Port Harcourt. The result of the finding is in line with the study of Sokolova (2015) who stated that the reason why creativity is important for starting and running a business is that it helps explore completely new and unknown territories that results in the increase of production of that organization.

## **CONCLUSION**

From the data generated and analysed, it was empirically discovered that a positive and significant relationship exists between Innovative Behaviour and Opportunity Recognition of food and beverages firms in Port Harcourt. Problem solving and creativity showed a strong positive relationship with opportunity recognition of food and beverages firms in Port Harcourt. The study concluded that engaging in innovative behaviour will achieve bumper success in many food and beverages firms.





## RECOMMENDATIONS

Following the conclusion above, the study therefore recommends that;

- i. Food and beverages firms in Port Harcourt should adopt problem solving approach to take advantage of market opportunities and improve sales.
- ii. Again, food and beverages firms should be creative and innovative, especially through new product development, being first to market with new products.

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