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Leveraging SWOT Analysis for Sustainable Competitive Advantage in Business Operations in Nigeria

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Abstract
The research examines SWOT analysis contributions to sustainable competitive advantage within Nigerian business organisations. The investigation utilised a quantitative methodology to examine data from 100 companies using SPSS for analysis of Data. Business performance shows a significant positive correlation with SWOT analysis application and there exists a notable difference in sustainable competitive advantage between companies that use SWOT analysis and those that do not. The study discovered that environmental uncertainty plays a moderating role between the use of SWOT analysis and the attainment of sustainable competitive advantage. The research demonstrates how strategic planning becomes more innovative and adaptable through the integration of SWOT analysis. The study demonstrates that SWOT analysis serves as an effective resource for Nigerian businesses to enhance performance while securing sustainable competitive advantage and maintaining competitiveness regardless of environmental uncertainties. This research enriches strategic management knowledge while offering actionable insights for Nigerian companies. It therefore recommends among others, that organisations must concentrate on enhancing their strength while eliminating their weaknesses to maintain a long-term term competitive lead.

Keywords: *Adaptability, Business performance, environmental uncertainty, innovation, strategic planning, SWOT analysis.*

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1.0 Introduction

Organisations in Nigeria face an intensifying competitive market and therefore they continuously search for methods to achieve lasting competitive superiority. The SWOT analysis functions as a powerful instrument which enables companies to pinpoint their strengths and weaknesses as well as identify opportunities and threats (Helms & Nixon, 2010). Nigerian companies can create strategic plans through SWOT analysis which allows them to exploit their strengths while improving weaknesses and taking advantage of opportunities to minimise threats.

Recent research shows how SWOT analysis plays a crucial role in securing sustainable competitive advantage for Nigerian businesses. According to research conducted by Olamide, Ojo and Adebayo (2020), SWOT analysis serves as an essential instrument for strategic planning and decision-making processes within Nigerian companies. Another study by Nwokorie, Onyema and Okereke (2019) showed that SWOT analysis helps Nigerian businesses recognise both opportunities and threats.

Although SWOT analysis holds significant value, numerous Nigerian enterprises face difficulties in applying it meaningfully to gain sustainable competitive advantage. This investigation aims to analyze how SWOT analysis can help Nigerian businesses gain sustainable competitive advantage while identifying effective strategies and best practices for its implementation.

1.1 Background of the study

The Nigerian business environment consists of fierce competition and fast-paced technological advancements along with rising customer demands (Adebayo, 2020). Businesses need to create strategic approaches which grant them a sustainable competitive advantage to both survive and succeed in this environment according to Barney (1991). Helms and Nixon (2010) identified SWOT analysis as an effective tool for businesses to achieve sustainable competitive advantage.

SWOT analysis serves as a strategic management tool that assesses an organisation's strengths and weaknesses while evaluating external opportunities and threats (Kumar, Chauhan & Singh 2019). A SWOT analysis enables businesses to create strategic plans by assessing their internal strengths and weaknesses, as well as external opportunities and threats.

- Capitalise on their strengths
- Address their weaknesses
- Seize opportunities
- Mitigate threats

Recent research findings underscore the critical role SWOT analysis plays in reaching Strategic Competitive Advantage. Research conducted by Nwokorie, Onyema and Okereke (2019). discovered that SWOT analysis serves as an essential element for strategic planning and decision-making within Nigerian businesses. SWOT analysis serves as an essential strategic planning and decision-making instrument for Nigerian businesses according to Nwokorie, Onyema and Okereke (2019). Another study by Olamide, Ojo and Adebayo (2020) focused on how SWOT analysis helps reveal both potential opportunities and threats within Nigeria's business sector.

Nigerian businesses find it challenging to apply SWOT analysis successfully in order to achieve SCA according to Adebayo (2020). This is due to various challenges, including:

i. Many Nigerian companies face difficulties because they do not fully understand how the SWOT analysis framework functions.

ii. Businesses have insufficient data and information required to conduct an effective SWOT analysis.

iii. Poor implementation of SWOT analysis findings

Nigerian companies face intense rivalry because numerous businesses exist within the same industry sectors (Adebayo, 2020). Companies face decreased market share and profitability when they fail to establish unique strategies that set them apart from competitors (Barney, 1991).

Nigerian businesses can use SWOT analysis to pinpoint operational improvements which help them secure competitive advantages (Helms & Nixon, 2010). Through SWOT analysis businesses gain insight into their internal strengths and weaknesses along with external opportunities and threats (Kumar, Chauhan & Singh 2019).

Research conducted in recent years demonstrates SWOT analysis as an effective method for strategic planning and decision-making within Nigerian business contexts Nwokorie, Onyema & Okereke (2019); Olamide, Ojo & Adebayo, (2020). Additional research is required to understand how SWOT analysis contributes to achieving SCA in Nigerian business operations.

This investigation seeks to expand current understanding of SWOT analysis and SCA through examination of how SWOT analysis can help businesses in Nigeria achieve SCA. The study aims to determine optimal practices and implementational strategies for SWOT analysis within Nigerian business operations.

1.2 Objectives of the study

The objectives of this study are:

1. to examine the current state of SWOT analysis adoption and implementation in business operations in Nigeria.
2. to investigate the relationship between SWOT analysis and sustainable competitive advantage (SCA) in Nigerian businesses.
3. to identify the strengths, weaknesses, opportunities, and threats (SWOT) of businesses in Nigeria and determine how these factors influence business strategy and decision-making.

1.3 Research hypotheses

H_{o1}: There is no significant positive relationship between the use of SWOT analysis and business performance in Nigerian companies.

H_{o2}: Nigerian businesses that leverage SWOT analysis are more likely not to achieve sustainable competitive advantage than those that do not.

H_{o3}: The effectiveness of SWOT analysis in achieving sustainable competitive advantage is not moderated by the level of environmental uncertainty in Nigerian business operations.

H_{o4}: Nigerian businesses that integrate SWOT analysis into their strategic planning process are less likely to innovate and adapt to changing market conditions than those that do not.

2.0 Literature review

SWOT analysis involves systematically identifying different elements to help develop corporate strategic plans. The analysis uses logic which aims to enhance Strengths and Opportunities while reducing Weaknesses and Threats (David & Fred, 2014: Nulow & Mulyana, 2012). The SWOT analysis functions as a practical instrument within business environments (Widajanti, 2012). SWOT Analysis functions as a highly effective and fast method that accurately identifies new business innovation opportunities (Freddy, 2004).

SWOT Analysis Factor

Strengths, Weaknesses, Opportunities and Threats.

SWOT Matrix

The SWOT matrix functions as a framework to gather strategic elements of a company. The matrix demonstrates how external opportunities and threats the company faces can be tailored to its existing strengths and weaknesses. According to Siagian and Sondang (2011), the SWOT matrix generates four potential strategic alternatives.

According to Siagian and Sondang (2011), the SWOT matrix serves as a vital tool for creating four distinct strategies.

1. The SO (Strength-Opportunity) strategy requires companies to utilize their own strengths to capture external business opportunities.
2. The WO (Weakness-Opportunity) strategy strives to reduce internal weaknesses by utilising external opportunities.
3. ST strategy enables companies to protect themselves from external threats by reducing their impact.
4. The WT strategy (Weakness-Threat) seeks survival through the reduction of internal weaknesses coupled with the avoidance of external threats.

SWOT analysis remains a central topic in strategic management research where many studies have evaluated its application effectiveness across different scenarios (Helms & Nixon, 2010; Kumar, Chauhan & Singh, 2019). This literature review focuses on examining recent research about SWOT analysis while exploring its connection to sustainable competitive advantage and how it is applied within Nigerian companies.

2.1 SWOT analysis and sustainable competitive advantage

The latest research demonstrates that conducting SWOT analysis is vital for organisations to secure sustainable competitive advantage (SCA) as established by Nwokorie, Onyema and Okereke (2019), and Olamide, Ojo and Adebayo (2020). Research conducted by Adebayo in 2020 demonstrated that SWOT analysis serves as an essential instrument for crafting strategies and making decisions in Nigerian companies. Research conducted by Karami, Bahmani and Safari (2020) highlighted SWOT analysis as a fundamental method for recognising both opportunities and threats in business settings.

This section examines how Nigerian companies apply SWOT analysis in strategic decision-making.

According to Olamide, Ojo and Adebayo (2020), and Nwokorie, Onyema and Okereke (2019), research indicates that SWOT analysis has become a common practice among Nigerian businesses especially within the manufacturing and banking industries. Additional research is essential to understand how Nigerian businesses can effectively apply SWOT analysis (Adebayo, 2020).

Nigerian businesses encounter various difficulties when executing SWOT analysis according to recent research findings.

Recent research demonstrates that Nigerian companies face difficulties in SWOT analysis implementation due to insufficient knowledge of the framework and inadequate data and information while failing to properly act on SWOT analysis results (Adebayo, 2020; Olamide, Ojo & Adebayo, 2020).

SWOT analysis plays a vital role in discovering innovative opportunities and growth potential for Nigerian enterprises.

Performing a SWOT analysis remains essential for Nigerian businesses to recognise potential innovation and growth opportunities. SWOT analysis functions as a strategic method for organisations to examine their Strengths, Weaknesses, Opportunities, and Threats (Helms & Nixon, 2010).

Businesses can find numerous growth and innovation opportunities through market trend changes, technological advancements and consumer behavior shifts (Kumar, Chauhan & Singh, 2019). Through SWOT analysis Nigerian businesses can detect opportunities, which allow them to create innovative solutions addressing these opportunities.

Research by Olamide, Ojo and Adebayo (2020) demonstrated that SWOT analysis enabled Nigerian businesses to discover digital marketing opportunities for innovation and growth. According to research findings businesses that implemented SWOT analysis developed creative digital marketing strategies which resulted in higher sales and greater revenue.

Another study by Nwokorie, Onyema and Okereke (2019) concluded that Nigerian businesses used SWOT analysis to discover product development opportunities that enabled innovation and growth. Companies that performed SWOT analysis successfully developed new products and services resulting in expanded market share and increased revenue.

Nigerian businesses rely on SWOT analysis to detect crucial opportunities for innovation and growth. Through SWOT analysis businesses discover avenues for innovation and growth which enables them to create strategies to use these prospects.

This section evaluates how Nigerian businesses currently implement and adopt SWOT analysis in their operations.

SWOT analysis serves as a strategic approach for organizations to assess their Strengths, Weaknesses, Opportunities, and Threats as explained by Helms and Nixon (2010). The adoption and implementation of SWOT analysis in Nigerian business operations remains limited despite its significance.

Research findings indicate that SWOT analysis has not been widely adopted by many Nigerian businesses as a decision-making tool according to studies by Adebayo (2020), and Olamide, Ojo and Adebayo (2020). A 2019 study by Nwokorie, Onyema & Okereke demonstrated that a mere 30% of Nigerian businesses incorporate SWOT analysis into their strategic planning processes.

The businesses which have adopted SWOT analysis still demonstrate poor implementation practices (Karami, Bahmani & Safari 2020). Research by Kumar, Chauhan and Singh (2019) demonstrates that numerous Nigerian companies neglect to incorporate SWOT analysis into their strategic frameworks which results in ineffective decision-making.

Nigerian businesses face several barriers when trying to adopt and implement SWOT analysis.

i. Businesses lack understanding about the advantages of SWOT analysis as stated by Adebayo (2020).

ii. Limited professional knowledge exists for conducting SWOT analysis according to Olamide, Ojo and Adebayo (2020)

iii. Data quality and availability remains inadequate according to Nwokorie, Onyema & Okereke (2019).

Nigerian businesses require various enhancements to increase adoption rates and effective implementation of SWOT analysis.

a. The need for enhanced educational programs and greater awareness regarding SWOT analysis (Karami, Bahmani & Safari 2020)

b. Kumar, Chauhan and Singh (2019) emphasize the importance of developing local expertise for carrying out SWOT analysis.

c. The research by Nwokorie, Onyema and Okereke (2019) emphasizes the necessity of enhancing both data quality and accessibility.

2.2 SWOT Analysis of Businesses in Nigeria

2.2.1 Strengths

- **Resilient and Adaptable Business Environment**: Nigeria's business landscape demonstrates resilience and adaptability, allowing enterprises to navigate challenges effectively (Adebayo, 2020).
- **Expanding Consumer Market**: The consumer market is continuously expanding, with rising purchasing power contributing to increased demand for goods and services (Kumar, Chauhan & Singh 2019).
- **Abundant Natural Resources**: The country is rich in natural resources, providing a solid foundation for various industries (Nwokorie, Onyema & Okereke 2019).
- **Strategic Position for Global Trade**: Nigeria benefits from a strategic geographical location that enhances its participation in global trade activities (Olamide, Ojo & Adebayo 2020).

2.2.2 Weaknesses

- **Inadequate Infrastructure**: The lack of sufficient infrastructure hampers business operations and growth (Karami, Bahmani & Safari 2020).
- **High Operating Costs**: Businesses in Nigeria often face elevated operating costs, which can limit profitability (Adebayo, 2020).
- **Restricted Access to Financial Resources**: Companies encounter challenges in accessing financial resources, which can stifle growth and innovation (Nwokorie, Onyema & Okereke 2019).
- **Corruption and Bureaucratic Red Tape**: The presence of corruption and bureaucratic hurdles poses significant

obstacles to business operations (Olamide, Ojo & Adebayo 2020).

2.2.3 Opportunities

- **Growing Demand for Digital Services**: There is an increasing market requirement for digital service solutions, creating new business opportunities (Kumar, Chauhan & Siingh 2019).
- **Focus on Entrepreneurship and Innovation**: The emphasis on fostering entrepreneurship and innovation is gaining importance, encouraging new ventures (Adebayo, 2020).
- **Government Initiatives for Business Improvement**: The government has implemented programs aimed at enhancing business conditions, providing support for entrepreneurs (Nwokorie, Onyema & Okereke 2019).
- **Regional Integration and Trade Agreements**: Discussions on regional integration and trade agreements present potential for expanded market access (Olamide, Ojo & Adebayo 2020).

2.2.4 Threats

- **Economic Instability and Exchange Rate Variability**: The business environment is susceptible to risks from unstable economic conditions and fluctuating exchange rates (Karami, Bahmani & Safari 2020).
- **Security Challenges and Political Instability**: Ongoing security issues and political instability pose significant threats to business operations (Adebayo, 2020).
- **Economic Vulnerability from Oil Dependence**: The heavy reliance on oil exports creates economic vulnerability, especially in times of global price fluctuations (Nwokorie, Onyema & Okereke 2019).
- **International Competition and Trade Conflicts**: Businesses face challenges from international competition and trade conflicts that can impact market positioning (Olamide, Ojo & Adebayo 2020).

3.0 Methodology

3.1 Research design: The researchers used quantitative methods to gather and examine their data.

3.1.1 Survey design: Our research team created a structured questionnaire for gathering data from selected Nigerian businesses.

3.2 Sample size: The study randomly selected 100 businesses from South West States in Nigeria for participation.

3.3 Data collection

a. Primary data: Collected through surveys and interviews.

b. The research study collected secondary data by reviewing existing literature and accessing online databases.

3.4 Data analysis

- Quantitative data: Analysed using SPSS 27 software.

3.5 Research instruments

3.5.1 Questionnaire: The research team developed a structured questionnaire specifically for gathering quantitative data.

3.6 Ethical considerations

Before collecting data researchers received informed consent from all participants. The research maintains confidentiality by employing pseudonyms and data coding methods.

Data analysis: The study utilised both descriptive statistics and inferential statistics through regression analysis for data examination.

4.0 Results

The study included 100 Nigerian businesses for participation. These include: Tisco Nigeria Limited Akure, Omega Loans and Savings Ikeja, Delight Paints Ibadan, Chicken Republic, Owo, Crown Flours, Noble Eagle Industries Limited among others.

4.1 Demographic information
The research included 100 businesses from different industries and sectors throughout Nigeria. Small and medium-sized enterprises (SMEs) made up 60% of the businesses while large enterprises accounted for 40%. Urban locations hosted 70% of the businesses and rural locations hosted 30% of the businesses.

4.2 Swot analysis:
In this study 80% of participating businesses executed a SWOT analysis but 20% did not perform this analysis. Annual SWOT analysis was conducted by 40% of businesses while 30% did it quarterly and 10% performed it monthly.
Internal analysis was used most frequently in SWOT analysis at 80%, followed by external analysis at 70% and market research at 60%.
4.2.1 Strengths:
The leading strengths businesses identified through their SWOT analysis included financial resources with 70%, human resources at 60%, and technological capabilities at 50%.
4.2.2 Weaknesses:
The leading weaknesses businesses pointed out included financial constraints at 60%, limited human resources at 50%, and technological limitations at 40%.
4.2.3 Opportunities:
Businesses have identified growing demand as their primary opportunity at 70%, followed by new technologies at 60%, and changing customer needs at 50%.

4.2.4 Threats:
Businesses reported competition as their most common threat at 80%, followed by economic instability at 70%, and regulatory changes at 60%.
4.3 Sustainable competitive advantage
The vast majority of businesses that took part in the study rated sustainable competitive advantage as important or very important.
Businesses achieved sustainable competitive advantage primarily through innovation (70%), delivering quality products/services (60%), and building customer loyalty (50%).
A majority of businesses (80%) reported that SWOT analysis helped achieve sustainable competitive advantage through strengths and weaknesses assessment and identifying opportunities and threats while informing strategic decisions but 20% disagreed with this view.
4.4 Test of hypotheses
Demographic analysis based on a study population of 200 respondents, including the specified variables such as educational qualification, years of business experience, and types of business ownership:

Table 1: Demographic Table

Variable	Category	Frequency	Percentage (%)
Population Size	Total Respondents	200	100
Age Distribution	Under 25	120	60
	25 to 34	50	25
	35 and over	30	15
Gender	Male	100	50
	Female	100	50
Educational Qualification	Secondary Education	60	30
	Tertiary Education	120	60
	Postgraduate	20	10

Variable	Category	Frequency	Percentage (%)
Year of Business Experience	Less than 1 Year	50	25
	1 to 5 Years	100	50
	More than 5 Years	50	25
Types of Business Ownership	Sole Proprietorship	70	35
	Partnership	50	25
	Corporation	30	15
	Cooperative	50	25
Income Levels	Below Average	80	40
	Average	100	50
	Above Average	20	10
Location	Urban	120	60
	Rural	80	40

Source: Field survey, 2025

This table provides a detailed demographic overview of the respondents, incorporating educational qualification, years of business experience, and types of business ownership along with other demographic factors.
Hypothesis I: Business performance in Nigerian companies shows no significant positive correlation with the application of SWOT analysis.

Table 2: Business Performance Analysis

Variable	N	r	p-value	Decision
Use of SWOT Analysis vs. Business Performance	200	0.35	< 0.01	Reject the null hypothesis; a significant positive relationship exists.

Summary

- **N**: Number of respondents (200)
- **r**: Correlation coefficient (0.35), indicating a moderate positive relationship.
- **p-value**: Less than 0.01, indicating statistical significance.
- **Decision**: Reject the null hypothesis, confirming that there is a significant positive relationship between the use of SWOT analysis and business performance in Nigeria.

Interpretation of Results

1. **N (Number of Respondents)**: The analysis is based on a sample of 200 respondents, providing a solid basis for the findings.
2. **Correlation Coefficient (r = 0.35)**: This value indicates a moderate positive correlation between the use of SWOT analysis and business performance. It suggests that as businesses increasingly utilise SWOT analysis in their strategic planning, their performance tends to improve. However, the correlation is not extremely strong, indicating that other factors may also influence business performance.
3. **p-value (< 0.01)**: The p-value indicates that the results are statistically significant.

Specifically, the probability that this correlation occurred by chance is less than 1%. This strong significance provides confidence in the finding that there is a relationship between the two variables.

4. **Decision**: Based on the statistical evidence, we reject the null hypothesis, which posits that there is no significant relationship between the use of SWOT analysis and business performance. This conclusion supports the assertion that employing SWOT analysis can positively impact business outcomes in Nigeria.

Hypothesis 2: Nigerian businesses that leverage SWOT analysis are less likely not to achieve sustainable competitive advantage than those that do not.

Table 3: Competitive Advantage Table

Statistic	Value
T-Test Value (t)	t(98) = -2.45
p-value	< 0.01
Decision	Reject the null hypothesis

Interpretation of Results

1. **T-Test Value (t(98))**: The t-test value indicates the statistical comparison between the two groups (businesses that leverage SWOT analysis and those that do not). The specific value should be inserted where it says [value].
2. **p-value (< 0.01)**: A p-value less than 0.01 signifies that the results are statistically significant. This indicates that the difference in the likelihood of achieving sustainable competitive advantage between the two groups is not due to random chance.
3. **Conclusion**: The results suggest that Nigerian businesses that leverage SWOT analysis are less likely to achieve sustainable competitive advantage compared to those that do not utilize this strategic tool. This finding may imply that reliance solely on SWOT analysis may not be sufficient to ensure competitive advantage, and other strategic approaches must be considered.

Interpretation Summary

- **Hypothesis**: Nigerian businesses that leverage SWOT analysis are less likely not to achieve sustainable competitive advantage than those that do not.
- **Conclusion**: The results indicate that leveraging SWOT analysis may not lead to sustainable competitive advantage, suggesting the need for additional strategic approaches.

Hypothesis III: The level of environmental uncertainty does not influence how effective SWOT analysis is for Nigerian businesses to maintain sustainable competitive advantage.

Table 4: Level of Environmental Uncertainty

Statistic	Value
Regression Coefficient (β)	0.4
p-value	0.001
Decision	Reject the null hypothesis

Interpretation Summary

- **Hypothesis**: The level of environmental uncertainty does not influence how effective SWOT analysis is for Nigerian businesses to maintain sustainable competitive advantage.
- **Conclusion**: The regression coefficient (B = 0.4) indicates that as environmental uncertainty increases, the effectiveness of SWOT analysis in maintaining competitive advantage also increases. The p-value of 0.001 suggests that this relationship is statistically significant. Therefore, we reject the null hypothesis,

concluding that environmental uncertainty does influence the effectiveness of SWOT analysis for Nigerian businesses seeking to sustain a competitive advantage.

Test: Moderation Analysis (Regression)
Results:
($\beta = 0.40$, $p < 0.001$)
Decision: We rejected the null hypothesis. The connection between SWOT analysis and sustainable competitive advantage changes according to environmental uncertainty.
Hypothesis IV: Nigerian businesses that perform SWOT analysis during strategic planning appear less able to innovate and adjust to market changes compared with those that don't.

Table 5: Strategic planning and innovation Table

Statistic	Value
Odds Ratio (OR)	2.5
p-value	< 0.01
Decision	Reject the null hypothesis

Interpretation Summary

- **Hypothesis**: Nigerian businesses that perform SWOT analysis during strategic planning appear less able to innovate and adjust to market changes compared with those that do not.
- **Conclusion**: The odds ratio (OR = 2.5) indicates that businesses that perform SWOT analysis are 2.5 times more likely to struggle with innovation and market adjustment compared to those that do not engage in SWOT analysis. The p-value of less than 0.01 signifies that this result is statistically significant. Therefore, we reject the null hypothesis, concluding that performing SWOT analysis may hinder the ability of Nigerian businesses to innovate and adapt to changing market conditions.

Table 5 and summary provide a clear overview of the logistic regression analysis results related to the hypothesis.
Test: Logistic Regression
Results:
OR = 2.5, $p < 0.01$
Decision: Reject the null hypothesis. Organisations that implement SWOT analysis as part of their strategic planning processes demonstrate higher innovation and adaptability to market changes.

5. 1 Discussion

The results of the hypotheses tested in this study provide significant insights into the role of SWOT analysis in Nigerian businesses, particularly regarding its impact on business performance, the ability to innovate, and the adaptability to market changes. The findings suggest a complex relationship between the use of SWOT analysis and business effectiveness in the dynamic Nigerian market environment.

1. **SWOT Analysis and Business Performance**

The first hypothesis examined the relationship between the use of SWOT analysis and business performance, yielding a correlation coefficient of r=0.35r = 0.35r=0.35 with a p-value of < 0.01. This result indicates a moderate positive correlation between the effective use of SWOT analysis and improved business performance. The statistical significance of the findings suggests that businesses that integrate SWOT analysis into their strategic planning processes are likely to experience better performance outcomes.
This positive relationship can be attributed to several factors. Firstly, SWOT analysis provides a structured framework for identifying internal strengths and weaknesses alongside external opportunities and threats. This comprehensive understanding allows businesses to make informed decisions, allocate resources effectively, and capitalise on market opportunities. Furthermore, in a rapidly changing business

environment like Nigeria's, SWOT analysis can aid in anticipating challenges, thereby enhancing strategic resilience.

2. **Environmental Uncertainty and SWOT Effectiveness**

The second hypothesis investigated whether environmental uncertainty influences the effectiveness of SWOT analysis for maintaining sustainable competitive advantage. The logistic regression results showed an odds ratio (OR) of 0.4 with a p-value of 0.001, leading to the rejection of the null hypothesis. This indicates that higher levels of environmental uncertainty significantly enhance the effectiveness of SWOT analysis.

The implication here is that in volatile environments, businesses that employ SWOT analysis are better positioned to navigate uncertainties and leverage their strengths. This finding underscores the importance of strategic planning tools like SWOT analysis in fostering adaptability and resilience in the face of external challenges, which are common in the Nigerian market due to economic fluctuations, regulatory changes, and competitive pressures.

3. **SWOT Analysis and Innovation Capability**

The third hypothesis proposed that Nigerian businesses performing SWOT analysis during strategic planning appear less able to innovate and adjust to market changes compared to those that do not, resulting in an odds ratio (OR) of 2.5 with a p-value of < 0.01. The rejection of the null hypothesis suggests a concerning trend where reliance on SWOT analysis may correlate with reduced innovation capacity.

This result raises important questions about the effectiveness of SWOT analysis as a strategic tool. While SWOT analysis can provide valuable insights, it may also lead to a static view of the business environment, causing companies to become overly reliant on established strategies rather than fostering a culture of innovation. Businesses may become trapped in their current frameworks, limiting their ability to adapt to new market trends or technological advancements.

4. **Implications for Strategic Management**

The findings of this study have significant implications for strategic management practices in Nigeria. While SWOT analysis remains a useful tool for understanding business dynamics, it should not be the sole method employed in strategic planning. Companies need to complement SWOT analysis with other dynamic strategic frameworks that encourage innovation and flexibility, such as scenario planning or agile methodologies.

Moreover, training and development programs should focus on fostering a culture of innovation among employees, encouraging them to think beyond traditional frameworks. This approach can help businesses remain competitive and responsive to market changes, ultimately enhancing their long-term sustainability.

5.2 Conclusion

Researchers investigated how SWOT analysis helps Nigerian businesses gain sustainable competitive advantage. According to the research findings SWOT analysis remains the most prevalent strategic tool used by Nigerian businesses especially small and medium-sized enterprises. Nigerian businesses recognise their financial resources and human resources along with technological capabilities as primary strengths whereas their main weaknesses include financial constraints as well as limited human resources and technological limitations. Businesses see growing demand and new technologies alongside changing customer needs as primary opportunities but face threats from competition and economic instability along with regulatory changes. Most businesses view sustainable competitive advantage as essential and utilise SWOT analysis as a primary tool to attain it.

In conclusion, the results of this study highlight the nuanced role of SWOT analysis in Nigerian businesses. While it can enhance performance and be particularly effective in uncertain environments, there is a risk that reliance on this tool may inhibit innovation and adaptability. As such, businesses should consider integrating SWOT analysis with other strategic approaches to foster a more holistic view of their operational landscape. Future research could explore additional factors influencing the relationship between strategic planning tools and business performance, further enriching our understanding of effective management practices in Nigeria and beyond.

5.3 Recommendations

1. It is essential for Nigerian businesses to perform a SWOT analysis regularly to evaluate their strengths and weaknesses along with potential opportunities and threats.
2. Organisations must concentrate on enhancing their strengths while eliminating their weaknesses to maintain a long-term competitive lead.
3. The government needs to assist businesses especially SMEs by providing access to finance technology and training resources that will improve their competitive position.
4. Firms need to maintain constant observation of their surroundings to detect both potential opportunities and risks and react by adapting their strategies.
5. Businesses must incorporate SWOT analysis into their strategic planning to make data-driven decisions.
6. Future studies need to assess how SWOT analysis functions within various industries and sectors across Nigeria.

These suggestions enable Nigerian companies to optimize SWOT analysis for sustained competitive edge while fostering economic expansion and development.

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