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ABSTRACT

The advent of disruptive innovation has made deposit money banks in Nigeria adaptive in the competitive landscape. Banks with good competitive advantage tend to perform better than others. However, this is not the case with some banks who suffered decline in competitive advantage because of the activities of neo-banks and other banks. The study examined the effect of disruptive innovation on the competitive advantage of deposit money banks in Lagos, Nigeria. The study adopts the quantitative approach and uses the cross-sectional survey design to sample 508 management and non-management staff of six selected deposit money banks in Lagos, Nigeria. Data were analysed using multiple regression. Findings of the study shows that disruptive innovation dimensions have a significant impact on competitive advantage (Adj.R^2 = 0.27, F(4, 480) = 4.33, P < 0.05). The study concluded that disruptive innovation enhanced competitive advantage. It is therefore recommended that management of selected deposit money banks should adopt a culture of innovation in order to stay ahead of competitors, capture significant market share, and attain competitive advantage.

Keywords: *Business Model Innovation, Competitive Advantage, Deposit Money Banks, Disruptive Innovation, Innovation Capability*

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INTRODUCTION

The attainment of competitive advantage among deposit money banks in Nigeria has been seen to be crucial to the development and growth of the economy. Several efforts and measures have been developed and employed to align with current innovative trends to achieve competitive edge in the banking sector. However, new breeds in the other financial services sector called the fintech firms have evolved thereby disrupting the mode of banking in Nigeria, and as such banks who cannot adapt to this wave will be disadvantaged competitively. Therefore, the capacity for deposit money banks to employ the strategies of disruptive innovation could go a long way in helping these banks to compete effectively and efficiently.

Globally, research attention has increasingly focused on the competitive advantage issues facing deposit money banks (DMBs), particularly in the wake of economic uncertainties, regulatory changes, and technological disruptions (Cooper & Cannon, 2024; Khedir et al., 2024; Sev et al., 2022). A study by Mbizi et al. (2022) highlight issues such as declining competitive advantage, which has affected the ability to sustain profitability and market dominance (Wijaya & Wardana, 2024). In the United States, the competitive advantage of banks have shown signs of decline, with heightened competition from fintech companies, digital payment platforms, and non-bank financial institutions (El-Khoury et al., 2023). These fintech companies leverage innovation and agility to offer more convenient financial services, eroding the financial performance of traditional banks (Badawi et al., 2023; Gani et al., 2021).

The decline in competitive advantage among Deposit Money Banks (DMBs) in Ghana has significantly impacted their ability to maintain leadership in the financial sector (Mbilla et al., 2020). This decline is reflected in the banks' reduced capacity to attract and retain customers, as well as their diminishing market presence in the face of growing competition from non-traditional financial players like fintech firms. The decline in competitive advantage of Deposit Money Banks (DMBs) in Ghana is evident in their reduced ability to sustain market leadership and differentiate themselves from emerging competitors (Musah & Adutwumwaa, 2021). This decline manifests in diminished customer loyalty and reduced profitability. As customer expectations shift towards more innovative and digitized services, traditional banks struggle to keep pace with rapidly advancing technology and the changing financial landscape (Kwashie et al., 2022). Furthermore, the inability to adapt to these changes has led to a loss of relevance in a market increasingly dominated by more agile and tech-savvy financial service providers. Consequently, the competitive strength that once defined DMBs in Ghana is eroding, leaving them vulnerable in an evolving industry (Gyamerah et al., 2020).

In Nigeria, product and technology innovation are essential for maintaining competitive advantage (Guldmann & Huulgaard, 2020). However, the lack of adequate attention to these areas has resulted in a decline in competitiveness. As a result, many banks find themselves at a disadvantage, unable to meet the evolving demands of their customers and facing heightened competition from agile fintech firms (Breier et al., 2021; Clauss et al., 2022). Furthermore, Eklof et al. (2020) noted that banks struggle to maintain relevance in a competitive market, ultimately leading to reduced competitive advantage and weakened market positioning. This gap in disruptive innovation has led to a vicious cycle of competitive disadvantage and underperformance (Okoye et al., 2020). Thus, addressing these issues through a more strategic focus on innovation is essential for reversing these negative trends and enhancing competitive advantage.

Studies have been conducted on disruptive innovation and competitive advantage across various industries (Miguel et al., 2022; Setyawati et al., 2019; Nkemkiafu et al., 2019; Bizubac & Hoermann, 2021; Chemma, 2021), exploring the role of innovation in maintaining organisations’ competitive edge in the face of market changes and disruptive forces. While much of the existing literatures focus on sectors like manufacturing, there is limited research on how disruptive innovation influences the competitive advantage of deposit money banks, particularly within Lagos State, Nigeria. The decline in competitive advantage among deposit money banks (DMBs) in Nigeria is becoming increasingly evident as they struggle to keep pace with technological advancements and evolving customer expectations (Kolapo et al., 2021). Despite being central players in Nigeria's financial market, Asa et al. (2021) observed that many of these banks face growing competition from fintech startups, which leverage disruptive technologies to offer more agile and user-friendly financial services. The inability of traditional banks to adapt quickly to these changes has eroded their competitive positioning (Ezeh & Nkamnebe, 2020). This study therefore examine the effect of disruptive innovation on competitive advantage of DMBs in Lagos State, Nigerian.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Competitive Advantage

Competitive advantage is an organisation's ability to create the willingness among buyers to pay much more than it costs to produce the product or services (Farida & Setiawan, 2022). It is also defined as the ability of a firm to attract and serve relatively more customers than its competitors while at the same time achieving its strategic objectives (Nnaemeka et al., 2021). Similarly, competitive advantage is the ability gained through attributes and resources to perform at a higher level than others in the same industry or market (Afolabi & Laseinde, 2019). Tuan et al. (2022) defined competitive advantage as a set of unique corporate characteristics, products, and services the market recognizes as important and superior to its competitors. To increase the firm's performance, the organisation needs to compete with other organisations to win the consumers or the majority of them. Companies have a competitive advantage when developing or owning features that enable them to outperform their competitors (Nnaemeka et al., 2021). Companies have a competitive advantage over their peers if they can generate more economic value, and a sustainable competitive advantage that will last for a long time (Owhorji, 2023). Enterprises gain competitive advantage by performing these strategically essential activities cheaper or better than their competitor (Cherunilam, 2021).

Kerdpitak and Jermisittiparsert (2020) defined competitive advantage as a kind of distinction that gives the organisation something of positive progress and distinction over others in the same sector or the same industry, and this does not mean continuity for a specific period but rather the continuation to an indefinite period and the goal of the organisation is to continue and repeat the performance. However, if the organisation does not have any distinction over its peers, it will become endangered on the long run as it will not have any competitive advantage. Some believe that competitive advantage depends on exploiting resources by adopting rapid movement strategies through rapid learning and dealing with the rapid and lasting changes in the organisation's environment (Tuan et al., 2022).

Competitive advantage explains the core strategy or unique resources by which organisation sources and utilises the same to achieve better results than the competitors in the marketplace (Liem et al., 2019). Eyanuku (2021) explains that organisations competing in a given target market differ in their objectives and resources at any point in time. Some are strapped for funds; some are old and established, others are new and fresh, some strive for rapid market share growth, while others strive for long-term profits. It was further stated that many firms occupy different competitive position in the target market (Miguel et al., 2022). Achieving competitive advantage is due to several important factors, one of which is the use of technology and innovation in its various forms. It helps the organisation analyse accurately and quickly communicate and link it with the outside world it influences and deals with (Setyawati et al., 2019). From the point of view of Skordoulis (2020), the basic idea of competitive advantage is based on the ability of the organisation to fulfil the desires and needs that the customer seeks to obtain, or in another way, the value that he tries and hopes to extract from the product, and this is what gives a competitive advantage to that organisation over the others. This thus makes the customer returns to transact with this organisation again and subsequently. Others believe that a competitive advantage can be defined as the organisation's ability to work out strategies and create mechanisms to reach better positions than organisations working in the same sector, exercising the same actions and making them ahead (Skordoulis et al., 2020). Some explain competitive advantage as a type of competence that the organisation performs to distinguish from other organisations, which leads to providing a new addition to customers in a way that leads to a difference from others or competing organisations in the same sector, and this leads to access to excellence in these markets (Baierle et al., 2020; Liem et al., 2019; Miguel et al., 2022; Nkemkiafu., 2019).

According to Yuleva (2019), competitive advantage is the characteristics or properties owned by the product or brand, which give them some superiority over the immediate closest competitors. Handoyo et al, (2023) identified two trends regarding the conceptual depiction of competitive advantage. The first stream is performance, high relative profitability, above-average returns, profit-cost gap, excellent financial performance, economic benefits, positive margins above opportunity cost, and cross-spread. Competitive advantage can be defined in terms of its source or determinants, such as unique characteristics of individual product markets, cost leadership, differentiation, location, technology, product features, and a unique set of corporate resources and features. Competitive advantage is that attributes that allow a company to outperform its competitors.

Competitive advantage is a factor that enables a company to produce services and goods better or cheaper than its competitors, which can result in higher sales and profit margins (Van der Hoek et al., 2018). Price advantage means offering customers higher value at the same price and lower cost than competitors. Acquiring and maintaining a low-cost advantage in today's situation can often only be achieved by large companies, as cost leadership needs to be achieved globally. The second type of competitive advantage is related to the differentiation of a company's products by its unique features or higher efficiency. This is a situation where the company's products meet user needs and solve consumer problems better than competitors' products (Yuleva, 2019).

The researcher defines competitive advantage as the capability developed and exhibited by an organisation to meet customers' expectations and win more market share in a way that competitors have yet to figure out, either through its unique product design, marketing model or business model which are all perceived to deliver superior product and service offerings.

Disruptive Innovation

The theory of disruptive innovation was first put together by Christensen in his book, the Innovator's dilemma where it was originally emphasized in terms of disruptive technology which defined disruptive innovation as resting on two critical concepts of new market discovery vide the provision of low-end products that existing incumbents are not offering; and also, the introduction of inferior technology that appeals to new users or customers that were not cared for before. Disruptive innovations do not catch on with mainstream customers until quality rises up to their standard (Christensen & Dillon, 2020). Other researchers have attempted to describe disruptive innovation as a process, wherein it starts as a small-scale experiment in a test-and-learn environment where the innovator or the organisation would want to be sure and certain of the model of the business rather than the product in itself (Mookerjee & Rao, 2021; Hopp et al., 2018). Al Mansoori and Bakri (2023) posited that disruptive innovation requires disrupting leadership who must be aware of the changing landscape, explore and be willing to experiment, else the organisation they lead risks being disrupted.

Mookerjee and Rao (2021) opined that an innovation that is disruptive to one organisation could be sustaining to another; and also that not all disruptive innovation succeeds. Chemma (2021) looked at disruptive innovation in terms of technology innovation when new technology is deployed to capture new markets; business model innovation in which an organisation may be offering similar product to competitions, but could leverage feature changes or offer door-step-delivery to gain an edge; and last product innovation, wherein a company developed total new product that attracts new market or customers hitherto not catered for previously.

Disruptive innovation as a process can significantly change the way consumers, industries, or businesses operate; and it also sweeps away the systems or habits it replaces because it has attributes that can be recognized as superior (Al Mansoori & Bakri, 2022). Ryoo (2021) defines disruptive innovation as advances that will change lives, businesses, and the global economy. Christensen (2020) stated that disruptive Innovation describes the process in which a product or service supported by technology enablers initially takes root in simple applications at the low end of the market, usually by becoming cheaper and more accessible, and then moves steadily upwards, until it is eventually able to displace established competitors.

The researcher describes disruptive innovation as a concept that encapsulates the breaking of new frontiers in products and services through technological, process and business model advancements that gradually render existing products obsolete, enabling companies to achieve better efficiency and all-round optimization.

Hypothesis Development

Discussions on disruptive innovation reveal a generally positive trend but with important caveats. Studies such as those by Ryoo (2021), Yu et al. (2023), Koroth et al. (2019), Bizubac and Hoermann (2021), and Jović et al. (2020) demonstrate that disruptive innovation significantly enhances competitive advantage. Ryoo (2021), Yu et al. (2023), Koroth et al. (2019), Bizubac and Hoermann (2021), and Jović et al. (2020) all found a significant relationship between technology innovation and competitive advantage. These studies collectively highlight that technology innovation plays a crucial role in enhancing a firm's competitive edge. They emphasize that various technological advancements can positively impact a company's ability to outperform its competitors. Similarly, Mabrouk (2019) examined the dynamics of financial innovation in banking, focusing on both product innovations (e.g., telephone banking, SMS banking) and process innovations (e.g., magnetic stripe cards, ATM machines). The study found that technology innovation significantly contributes to creating competitive advantages in the banking sector thereby underscoring the importance of adopting and leveraging various financial innovations to enhance performance and gain a competitive edge.

Research by Nader (2011), Chiu and Yang (2019), and Siriram et al. (2023) introduce more nuanced perspectives. Nader (2011) analyzed the profitability of commercial banks in Saudi Arabia and found that the number of point-of-sale terminals did not improve profitability. This study found that specific disruptive innovations did not influence financial gains or competitive advantage, highlighting the potential limitations of certain disruptive innovation investments. Also, Chiu and Yang (2019) investigated the impact of service innovation and information technology adoption on competitive advantage and found that environmental factors diminished the positive significance of innovation. Their study indicates that while innovation can potentially enhance competitive advantage, external environmental conditions may limit its effectiveness. Siriram et al. (2023) explored the impact of the timing of disruptive innovation on competitive advantage. They found that the timing of innovation is critical in determining whether a firm will benefit from competitive advantages. This study highlights that the effect of disruptive innovation on competitive advantage may not always be significant if the timing is not optimal. Thus, it is hypothesized that;

Innovation Capability Business Model Innovation Product Innovation Technology Innovation

$H_0$1: Disruptive innovation has no significant effect on competitive advantage

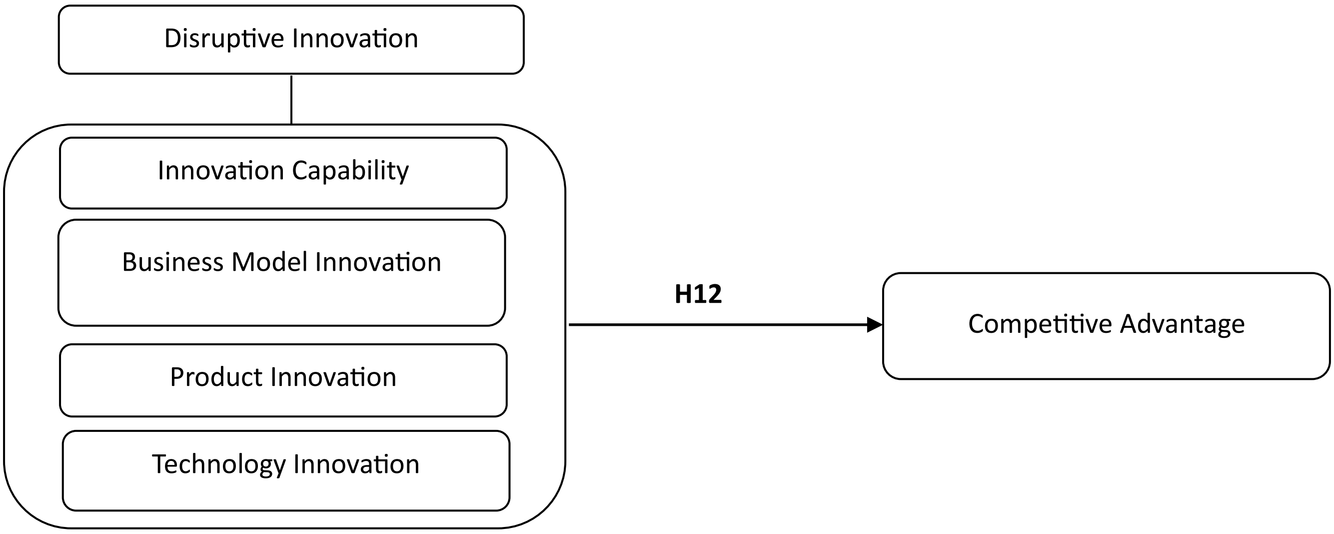

Figure 1: Conceptual Model

Theoretical Review

Diffusion of Innovation Theory

This theory was postulated by Rogers in 1995. Diffusion occurs progressively within a market (a system of users) when information and opinions about a new technology are shared among potential users through various communication channels. In this way, users acquire personal knowledge about new technology (Rogers, 1995). The Diffusion of Innovation (DOI) Theory seeks to explain how, why, and at what rate new ideas and technologies spread through cultures. This theory has become one of the most widely applied models in various fields, including communication, marketing, sociology, public health, and technology adoption.

Knowledge is the first step of Rogers' five stage process of adoption. The other four steps are: persuasion, decision (to adopt or to reject new technology), implementation and confirmation. Accepting this framework, non-adoption can be explained as the final outcome of an individual process of adoption that failed (Rogers et al., 2014). Rogers argues that a great number of conditions (e.g. personal limitations of the potential user) and/or external obstacles (e.g. ineffective communication channels) may inhibit the success of the adoption process (MacVaugh & Schiavone, 2010).

The underlying assumptions to the theory are that there must be innovation which is the presence of a new idea, process or object that is perceived as new by individuals of group of people. Also, there must be communication through which information would be spread from one person to another or from one group to the another. Rogers therefore emphasised the importance of networks and mass communication as channels to shape innovation diffusion. Time is very key part of the assumption as the period it takes for individuals to embrace or reject a new idea or innovation. Another assumption is that innovation spread within a social system that has a social structure, norms and values that can support or prevent the diffusion of a new idea. The last assumption that there is a diffusion process referred to as the innovation-decision process which is the five stages an individual go through to embrace or decline an innovation; and these are knowledge, persuasion, decision, implementation and confirmation (Lyu et al., 2020; Rogers et al., 2014).

According to this theory, the rate of diffusion is affected by an innovation's relative advantage, complexity, compatibility, trialability and observability (Al-Rahmi et al., 2019). Rogers (1995) defines relative advantage as 'the degree to which an innovation is seen as being superior to its predecessor'. Complexity, which is comparable to technology acceptance model's (TAM) perceived ease of use construct, is 'the degree to which an innovation is seen by the potential adopter as being relatively difficult to use and understand'. Compatibility refers to 'the degree to which an innovation is seen to be compatible with existing values, beliefs, experiences and needs of adopters. Trialability is the 'degree to which an idea can be experimented on a limited basis'. Finally, observability is the 'degree to which the results of an innovation are visible' (Rogers, 1995).

The diffusion of innovation theory has been widely supported by many researchers and utilized in many fields, gaining substantial acceptance due to its versatility and applicability (Bhimani et al., 2019; Min et al., 2021; Pantano & Vannucci, 2019). Many fields like Marketing and Business, Public health, sociology and rural development, and communication studies, have applied the theory in the use of adoption of vaccines, spread of information about agricultural innovation to farmers (Al-Rahmi et al., 2019; Farajnezhad et al., 2021).

Despite its widespread use, the DOI theory has equally faced a number of criticisms, among which are diffusion of innovation assumption that the theory is inherently beneficial and desirable, thus overlooking where it may have impacts that are negative or out of alignment with social or cultural needs. This makes the theory to also get criticised for cultural bias. It also places overwhelming emphasis on individual decision making, overlooking institutional decision or policy barrier.

In an organisational context, when considering adoption and diffusion of technology, two concepts are significant: the radicalness of the innovation and its disruptiveness. Radicalness is generally regarded as the extent to which an innovation involves new technology that differs from what is existing (Lyu et al., 2020; Nasirov et al., 2022): disruptiveness of innovations refers to the extent that a customer segment (not mainstream) values the innovation such that it disrupts mainstream markets. In terms of innovation, radicalness relates to a technology dimension: disruptiveness to a market dimension (Bhimani et al., 2019). This theory is relevant to the study as it provides a framework for understanding how innovations are communicated over a period of time among diverse members of the society, how individuals decide to adopt or reject an innovation and how the innovation spreads within the social system and the society at large (Akani & Tony-Obiosa, 2020; Opara, D. N. (2022).

METHODS

This study adopted quantitative research method, utilising the deductive aspect of the method. The cross-sectional survey research design by way of collecting primary data using adapted questionnaires. The study maintained a positivist ideology of research. Lagos is chosen for this study. Lagos state is considered the home of all major banks in Nigeria and it is where the headquarters of all the deposit money banks are located and situated. This position is corroborated by Thomas (2015) and Shonubi (2020). Six DMBs were selected representing two each from international, national and regional categorisations. The six deposit money banks selected for this work were Access Bank, Zenith Bank, Sterling Bank, Wema bank, Providus bank and SunTrust Bank which are considered to be innovative banks (Cudjoe et al., 2015; Ajayi et al., 2017; Uford, 2018).

The target population is the management and non-management staff of the six selected deposit money banks in Lagos, Nigeria. The sample size is 508 determined using the Taro Yamane formula. The initial calculation gave 391. However, to compensate for non- response probability, 30% of the sample was added to it to increase the sample base as adopted by Ajetunmobi (2024). Hence, the 508 sample size.

A structured and adapted questionnaire was used for data collection. To determine the reliability of the instrument, a pilot study which was carried out using Fidelity Bank. The reliability for each of these variables was determined using Cronbach alpha coefficient and composite reliability and the values exceed the benchmark of 0.7.

Table 1: Reliability

Construct	Number of Items	Number of Items Retained	Cronbach's alpha	Composite Reliability	Comment
Disruptive Innovation					
Innovation Capability	5	5	0.913	0.9896	Reliable
Business Model Innovation	5	5	0.910	0.9914	Reliable
Product Innovation	5	5	0.911	0.9916	Reliable
Technology Innovation	5	5	0.937	0.9950	Reliable
Competitive Advantage	5	5	0.887	0.9522	Reliable

Source: Author's Computation (2025).

Data Analysis

The study used regression analysis. The assumption of regression analysis which are normality, multicollinearity, linearity, and homogeneity of variance were tested and assumptions met. The multiple analysis results is displayed on the table below.

Table 2: Summary of the Multiple Regression analysis result for the effect of disruptive innovation on competitive advantage.

N	Model	B	T	Sig	R	Adj. R^2	F (4,480)	ANOVA (Sig.)
	(Constant)	19.645	11.715	.000				
	Innovation Capability	.017	.369	.712				
	Business Model Innovation	.011	.265	.791				
	Product Innovation	.120	2.746	.006	.187[a]	.027	4.330	0.000b
	Technology Innovation	.091	2.024	.044				
485								

Predictors: (Constant), Innovation Capability, Business Model Innovation, Product Innovation, Technology Innovation

Dependent Variable: Competitive Advantage

Source: Researcher's Findings, 2025

Interpretation

The table shows the multiple regression analysis results for the effect of disruptive innovation on competitive advantage. The results showed that product innovation (β = 0.120, t = 2.746, p<0.05) and technology innovation (β = 0.091 t = 2.024, p<0.05) have positive and significant effect on competitive advantage of the selected deposit money banks in Lagos State, Nigeria. Innovation capability (β = 0.017, t = 0.369, p>0.05), and business model innovation (β = 0.011, t = 0.265, p>0.05) had positive but insignificant effect on competitive advantage. This implies that disruptive innovation (product innovation and technology innovation) is important factors in the deposit money banks when the focus is on improving competitive advantage of the banks. The R value of 0.187 indicates that disruptive innovation has a weak positive relationship with competitive advantage of the deposit money banks in Lagos State, Nigeria. The coefficient of multiple determination $AdjR^2 = 0.027$ indicates that about 2.7% of variations that occurs in competitive advantage can be accounted for by disruptive innovation while the remaining 97.3% changes can be accounted for by other variables not captured in the model. The predictive and prescriptive multiple regression models are thus expressed:

$CA = 19.645 + 0.017IC + 0.011BMI + 0.120PI + 0.091TI + U_i$ --- Eqn(vii) (Predictive Model)

$CA = 19.645 + 0.120PI + 0.091TI + U_i$ ---- Eqn(viii) (Prescriptive Model)

Where:

CA – Competitive advantage
IC – Innovation Capability
BMI – Business Model Innovation
PI – Product Innovation
TI- Technology Innovation

The regression model shows that holding disruptive innovation to a constant zero, competitive advantage would still be positive 19.645. In the predictive model, it is observed that of all the sub-variables of disruptive innovation, product innovation and technology innovation had positive significant effect on competitive advantage. This implies that the management of the deposit money banks should not downplay on product innovation and technology innovation when it comes to improving competitive advantage, and hence included in the prescriptive model. Innovation capability and business model innovation, had positive but insignificant effect on competitive advantage. Hence, they were not included in the prescriptive model, as they had no effect on competitive advantage. The F-statistics (df = 4, 480) = 4.330 at p = 0.000 ($p<0.05$) indicates that the overall model is significant in predicting the effect of disruptive innovation on competitive advantage. Product innovation capability (β = 0.120) showed higher effect on competitive advantage in the deposit money banks. Therefore, the null hypothesis (H_{04}) which states that disruptive innovation has no significant effect on competitive advantage, was rejected.

Discussion of Findings

The finding revealed that disruptive innovation dimension of innovation capability, business model innovation, product innovation and technological innovation have significant effect on the competitive advantage of deposit money banks in Lagos State, Nigeria. This finding support empirical studies by Ryoo (2021), Yu et al. (2023), Koroth et al. (2019), Bizubac and Hoermann (2021), and Jović et al. (2020) who all found a significant relationship between technology innovation, an element of disruptive innovation and competitive advantage. Similarly, Mabrouk (2019) found that technology innovation significantly contributes to creating competitive advantages.

The study conflicts with the conclusion by Chiu and Yang (2019); and Siriram and Plessis (2024) and introduces more nuanced perspectives. They both found that specific disruptive innovations did not influence financial gains or competitive advantage. Chiu and Yang (2019) indicates that while innovation can potentially enhance competitive advantage, external environmental conditions may limit its effectiveness. Siriram and Plessis (2024) found that the effect of disruptive innovation on competitive advantage may not always be significant if the timing is not optimal.

The findings of this study support the theoretical assumptions of the diffusion of innovation theory. The Diffusion of Innovation theory explains how innovations spread through a social system, and understanding this process is crucial for businesses aiming for a competitive advantage by strategically timing and implementing innovations to gain market leadership and differentiate themselves from competitors (Takahashi et al., 2024). Furthermore, the theory can be used to understand how to manage innovation, including disruptive, sustaining, and incremental innovations, to foster resilience and sustained growth in dynamic market environments (Wanyama et al., 2024). In conclusion, the study's findings reveal that the disruptive innovation dimensions used in this research have a significant and positive impact on the competitive advantage of deposit money banks in Lagos State, Nigeria. These findings are consistent with previous research and support the diffusion of innovation theory for gaining competitive advantage. As a result, this study provides useful information for managers and policymakers looking to gain a competitive advantage, as well as demonstrating how disruptive innovations are critical to enhancing the Nigerian banking sector's competitiveness.

Implication of the Study

The study outcome has several implications. First, the conceptual model which explains beyond the relationship to the effect of disruptive innovation dimensions on competitive advantage in deposit money banks in Lagos State, Nigeria is part of the researcher's contributions to knowledge. The study showed how disruptive innovation (main independent variable) and the sub-variables which are innovation capability, business model innovation, product innovation and technology innovation influence competitive advantage. Again, the study contributed to knowledge by giving definitions to the concepts of disruptive innovations (and its dimensions) and competitive advantage. Secondly, it expanded theoretical knowledge on the relationship between the disruptive innovation and the competitive advantage of selected deposit money banks in Lagos State, Nigeria. The study built on the foundations of diffusion of innovation theory in the context of the disruptive innovation and the competitive advantage of selected deposit money banks in Lagos State, Nigeria. Thirdly, the empirical approach adopted by this study is an important contribution to knowledge. The results obtained from the analysis of the hypothesis of this study have added value to the body of knowledge. The study established that disruptive innovation dimensions have a positive and significant effect on competitive advantage. This finding aligns with past study.

CONCLUSION AND RECOMMENDATION

The findings revealed that disruptive innovation dimensions affected competitive advantage of selected deposit money banks in Lagos State, Nigeria. Based on the finding, the study recommended that management of selected deposit money banks should adopt a culture of innovation that allows companies to stay ahead of competitors and capture significant market share and attain competitive advantage via disruptive innovation by creating new markets and offering unique value propositions.

Limitation and Suggestion for Further Studies

The study is without limitations which forms the basis for future studies. The study only examined four specific dimensions of disruptive innovation namely: innovation capability, business model capability, product innovation and technology innovation. Other dimensions of disruptive innovations that are not covered within the context of this study may be considered for future studies. Further research should also include deposit money banks from beyond the borders of Nigeria, enabling international comparative analyses. The study used cross sectional survey designs in the financial sector. Therefore, longitudinal research on different sectors could enhance this study and is recommended to show the extent of acceptance and utilization of disruptive innovation by organisations.

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