

# Strategic Innovation and Competitive Advantage

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## ABSTRACT

This study explored the relationship between strategic innovation and competitive advantage through empirical studies across various industries. Strategic innovation, which involves the adoption of novel business models, processes, or technologies, is hypothesized to be a key driver of competitive advantage. The study measured strategic innovation through the dimensions of disruptive innovation, sustaining innovation and incremental innovation. The findings reveal that companies that effectively implement strategic innovations achieve significant improvements in market share, operational efficiency, and brand differentiation. However, gaps persist, including the need for integrated frameworks that encompass all types of innovation, clarity in defining strategic innovation, understanding the dynamics of culture and leadership, exploring dynamic capabilities and adaptation strategies, and examining the role of strategic agility. Based on these insights, the study provided actionable recommendations for practitioners like to develop integrated frameworks that systematically incorporate sustaining, disruptive, and incremental innovations to provide a comprehensive understanding of their collective impact on competitive advantage. Clear and consistent definitions of strategic innovation should be established to facilitate comparative analysis and theoretical development. Additionally, further exploration into the influence of organizational culture and leadership on innovation outcomes is essential, along with longitudinal studies to track how firms adapt their innovation strategies over time. This research contributed to a deeper understanding of how strategic innovation can be leveraged for competitive advantage and offers practical guidance for firms seeking to enhance their strategic innovation capabilities.

**Keywords:** Strategic, Innovation, Incremental, disruptive, sustaining

## INTRODUCTION

In today's dynamic and competitive business landscape, organizations increasingly recognize the pivotal role of strategic innovation in achieving sustainable competitive advantage. Strategic innovation refers to the deliberate and proactive process of creating new value propositions, business models, or operational strategies that significantly differentiate an organization from its competitors (Yusuf, 2020). This approach not only fosters growth and profitability but also enhances organizational resilience and responsiveness to changing market conditions (Teece, 2018).

Strategic innovation is the creation of value by using relevant knowledge and resources for conversion of an idea into a new product, process, or practice with the potential to have a major transformational effect on the evolution of markets and industries (Varadarajan, 2018). Strategic innovation is about creating value using new game strategies to gain competitive advantage (Afuah, 2009). Strategic Innovation is the creation of growth strategies, new product categories, services or business models that change the game and generate significant new value for consumers, customers and the corporation (Si & Kavadias, 2023).

The concept of competitive advantage, originally articulated by (Porter, 1985), remains central to strategic management literature, emphasizing the importance of unique resources and capabilities that enable firms to outperform competitors. However, in the face of rapid technological advancements, globalization, and shifting consumer preferences, traditional sources of competitive advantage such as economies of scale and market share dominance are increasingly vulnerable to disruption (Markides, 2021).

Competitive advantage refers to the ability of a company to outperform its rivals consistently. This advantage is not merely transient or temporary but endures despite competitive pressures and market fluctuations (Adama et al., 2024). Achieving competitive advantage is the ultimate goal of strategic management, as it enables organizations to secure long-term profitability, market leadership, and stakeholder value (Tushman & O'Reilly, 2022). There are various sources of competitive advantage, including but not limited to operational excellence, product innovation, brand reputation, and customer relationships (Cui et al., 2024). Technology can serve as a potent driver of competitive advantage by enabling organizations to streamline processes, differentiate products and services, enter new markets, and respond swiftly to changing customer preferences and market conditions (Biu et al., 2024).

Organizations that effectively harness strategic innovation not only enhance product and service offerings but also cultivate capabilities that are difficult for competitors to replicate (Teece, 2018). Moreover, empirical studies have demonstrated a positive relationship between strategic innovation and firm performance across various industries (Danneels, 2018). For instance, firms that continually innovate are better equipped to adapt to technological shifts and capitalize on emerging opportunities, thereby reinforcing their competitive position in the marketplace (Yusuf, 2020).

## Study Objectives

The overall objective of the study was to examine the influence of strategic innovation on the competitive advantage of organizations.

The specific objectives of the study include;

1. To examine the influence of disruptive innovation on the competitive advantage of organizations
2. To examine the influence of sustaining innovation on the competitive advantage of organizations
3. To examine the influence of incremental innovation on the competitive advantage of organizations

## Statement of the Problem

Strategic innovation is pivotal in gaining a competitive advantage by enabling firms to differentiate themselves, adapt to market shifts, and optimize resource utilization. (Jansen et al., 2023) demonstrates that companies investing in strategic innovation can secure market leadership by introducing unique products and processes that resonate with evolving customer demands, thereby enhancing their competitive positioning. Similarly, (Smith & Wang, 2024) highlights how firms that leverage innovation to improve operational efficiency and customer engagement can outperform competitors by creating sustainable advantages. These studies collectively affirm that strategic innovation is a critical driver of competitive advantage, providing firms with the agility and differentiation needed to excel in dynamic markets.

Despite these insights, gaps remain in our understanding of how organizations can systematically integrate strategic innovation into their strategic agendas to achieve competitive advantage. This research seeks to address these gaps by developing a comprehensive framework that elucidates the mechanisms through which strategic innovation contributes to organizational success and long-term viability.

## LITERATURE REVIEW

This section captures the theoretical and conceptual framework of the study

## **The Diffusion of Innovation theory**

The diffusion of innovation theory, as conceptualized by (Rogers, 2003), provides a framework for understanding how new ideas and technologies spread within societies or organizations. In the context of strategic innovation, which encompasses disruptive, sustaining, and incremental innovations, this theory offers valuable insights into adoption patterns and the factors influencing their success. Disruptive innovations introduce new products or services that fundamentally alter existing market dynamics, challenging established norms and often targeting underserved segments (Christensen, 2016). Sustaining innovations, on the other hand, enhance existing products or services to meet evolving customer demands and maintain market leadership (Christensen, 2016). Incremental innovations involve gradual improvements to existing offerings, aimed at refining features or reducing costs (Tushman & Anderson, 2021). Measuring strategic innovation through these lenses requires a multifaceted approach that considers not only the rate of adoption but also the impact on competitive advantage and organizational performance (Markides, 2021). Recent studies emphasize the importance of balancing these types of innovation within organizational portfolios to foster resilience and sustained growth in dynamic market environments (Teece, 2018).

## **The Resource-Based Theory (RBT)**

The Resource-Based Theory (RBT) of the firm emphasizes that a firm's unique resources and capabilities are critical determinants of its competitive advantage and superior performance in the market (Barney, 1991). The RBT posits that for a firm to achieve sustainable competitive advantage, it must possess resources that are valuable, rare, inimitable, and non-substitutable (VRIN). These resources enable the firm to create value for customers in ways that competitors cannot easily replicate (Barney, 1991). For instance, technological patents, proprietary know-how, strong brand reputation, and unique organizational culture are examples of resources that can confer competitive advantage by enhancing product differentiation, reducing costs, or improving customer service.

(Amit & Schoemaker, 1993) recommends that firms leverage intangible resources, such as organizational culture and managerial capabilities, to achieve competitive advantage. (Teece, 2018) elucidates that capabilities enable firms to integrate, build, and reconfigure internal and external competencies, to sustain competitive advantage in rapidly changing markets. (Helfat & Peteraf, 2015) concludes that resource orchestration, effective deployment and combination of resources and capabilities contributes to competitive advantage over time.

Wernerfelt (1984) provided empirical evidence supporting the RBV by demonstrating that firms with valuable and rare resources tend to outperform their competitors in terms of profitability and market share. A more recent meta-analysis by (Kraaijenbrink et al., 2010) synthesized empirical findings across various studies, confirming the positive relationship between resource-based factors and firm performance.

Practically, the RBT encourages firms to focus on developing and leveraging their unique resources and capabilities as a strategic priority. This involves investing in research and development, fostering a culture of innovation, and aligning organizational processes to support resource accumulation and deployment (Peteraf, 1993). By continuously evaluating and adapting their resource base in response to market dynamics and competitive pressures, firms can sustain their competitive advantage over the long term (Barney, 1991).

## **Gaps between strategic innovation theory and practice**

One significant gap between strategic innovation theory and practice is the discrepancy between conceptual frameworks and their real-world application. Strategic innovation theory often outlines broad principles and ideal scenarios for how firms should innovate to achieve competitive advantage. For instance, the theory emphasizes the importance of aligning innovation strategies with core competencies and market needs (Teece, 2018). However, practical implementation frequently reveals complexities that are not fully addressed by theoretical models. According to (Becker & Zirpoli, 2023), companies frequently struggle to translate theoretical concepts into actionable strategies due to the difficulty in aligning innovative initiatives

with existing organizational structures and processes. This misalignment can lead to inefficiencies and hinder the successful execution of strategic innovations.

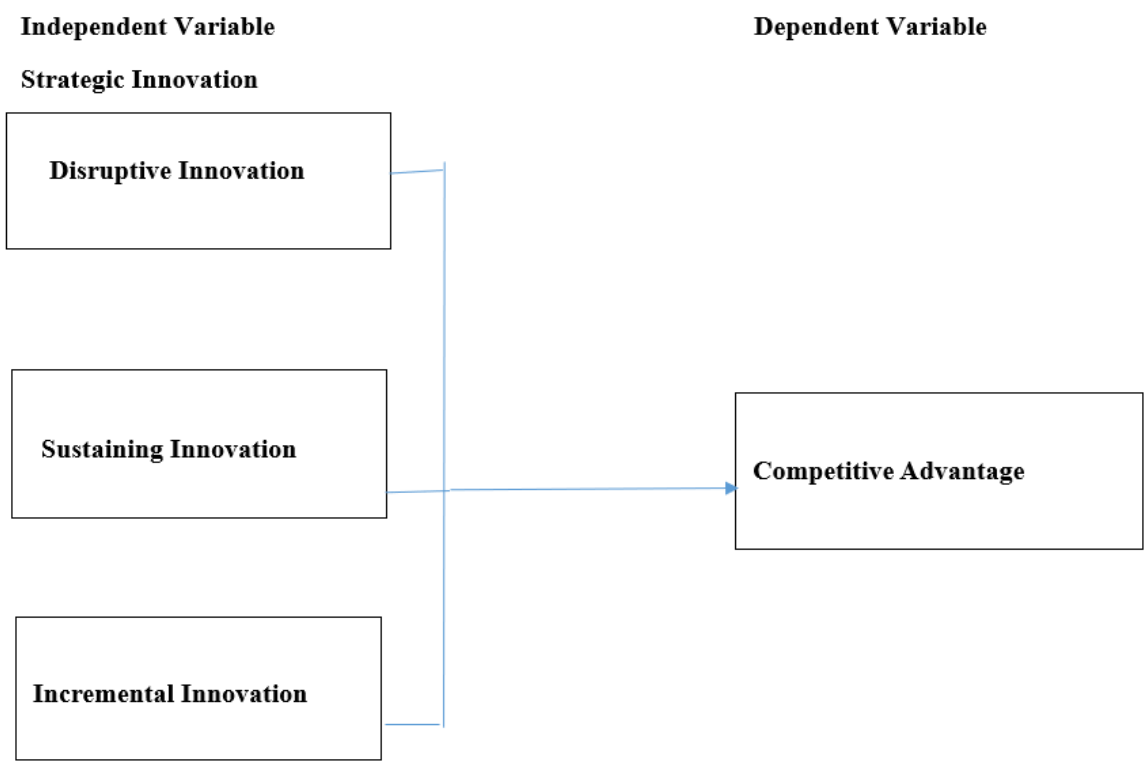
Another notable gap is in the measurement and evaluation of innovation outcomes. Strategic innovation theory often provides a framework for understanding the potential benefits of innovation but offers limited guidance on how to measure these benefits effectively in practice. According to a study by (Elert & Henrekson, 2022), firms face significant challenges in quantifying the impact of their strategic innovations, particularly in terms of long-term outcomes and intangible benefits. The lack of standardized metrics and evaluation tools results in difficulties in assessing the effectiveness of innovation strategies and in making data-driven decisions about future investments.

Strategic innovation theory often underestimates the organizational and cultural barriers that companies face when implementing innovative strategies. Theoretical models may suggest that fostering a culture of innovation and investing in new technologies are sufficient for achieving strategic goals. However, in practice, organizations frequently encounter resistance to change, entrenched mindsets, and a lack of alignment between innovation initiatives and corporate culture (O'Reilly & Tushman, 2023). (Birkinshaw & Gibson, 2024) highlights that overcoming these barriers requires more than just theoretical understanding; it necessitates substantial efforts in organizational change management and leadership. The complexities of these barriers often lead to challenges in translating strategic innovation theory into successful practice.

Strategic innovation theory frequently assumes a controlled environment in which companies can implement innovations with predictable outcomes. However, in practice, external factors such as regulatory changes, economic fluctuations, and competitive dynamics can significantly impact the effectiveness of innovation strategies. (Chauhan, 2024) reveals that firms must navigate a volatile external environment that is not always accounted for in theoretical models. These external influences can complicate the execution of innovation strategies, necessitating a more flexible and adaptive approach than what is often prescribed by theoretical frameworks.

These gaps underscore the need for a more integrated approach that combines theoretical insights with practical realities. By addressing these discrepancies, organizations can better navigate the complexities of strategic innovation and enhance their ability to achieve sustainable competitive advantage.

### Conceptual Framework



## METHODOLOGY

By examining recent literature and empirical evidence, this study aimed to offer theoretical advancements and practical insights into the strategic management of innovation, providing guidance to executives, policymakers, and scholars alike on navigating the complexities of today's competitive environment.

## FINDINGS

This section highlights various studies linked to the objectives and their outcomes.

### Disruptive Innovation and Competitive Advantage

In china, (Wang & Wei, 2024) conducted a study on recognizing disruptive innovations. The study used a configurational approach - fuzzy-set Qualitative Comparative Analysis (fsQCA) to identify different cross-level antecedents. Findings indicate three distinct team-level pathways with unique configurations leading to a high level of disruptive innovation opportunities, namely, sharing-integrating, improvisation-inspired, and star-lead. The study also notes two pathways for a not-high level of disruptive innovation opportunities. The study introduces the ex-ante perspective and elucidates how teams might proactively, collaboratively, and creatively recognize disruptive opportunities. Additionally, the study offers a new perspective for learning on how opportunity recognition of disruptive innovation can be conceptualized as a team learning process and through which to achieve a pragmatic synthesis between opportunity discovery and opportunity creation.

(Si & Chen's (2020) provides a comprehensive synthesis of existing literature on disruptive innovation, focusing on its definition, mechanisms, and future directions. The review synthesizes seminal works by Christensen and subsequent researchers to elucidate the core characteristics of disruptive innovations, emphasizing their transformative impact on industries through the displacement of incumbent firms by new entrants with innovative business models or technologies. Drawing on empirical evidence from various studies, including those by (Christensen, 1997) and (Christensen & Raynor 2003), the paper discusses how disruptive innovations disrupt markets by initially targeting overlooked or low-end segments before scaling up to challenge established leaders. (Si & Chen, 2020) also explore the conditions under which disruptive innovations succeed, highlighting factors such as technological discontinuities, customer behavior shifts, and strategic responses from entrenched firms. Their review contributes to understanding the evolving landscape of disruptive innovation theory, offering insights into its applications across different sectors and implications for managerial practice and policymaking.

(Si et al., 2020) explores the intersection of disruptive innovation and entrepreneurship within emerging economies. The objective of their empirical research is to investigate how disruptive innovations manifest and contribute to entrepreneurial activities in these contexts. Methodologically, the authors employ a qualitative approach, conducting in-depth case studies and interviews with entrepreneurs and industry experts in several emerging economies. Their findings highlight that disruptive innovations in these regions often arise from necessity-driven entrepreneurship, leveraging local resources and market conditions to create novel solutions. The study identifies key factors facilitating disruptive innovation, including regulatory environments, access to financing, and collaborative networks. Moreover, (Si et al., 2020) emphasize the role of entrepreneurial ecosystems in fostering these innovations, underscoring the importance of government policies and institutional support in promoting disruptive entrepreneurship. Overall, their empirical research provides valuable insights into how disruptive innovation unfolds in emerging economies, offering implications for policymakers, entrepreneurs, and researchers alike in understanding and nurturing innovation ecosystems in these dynamic contexts.

(Ho, 2022) examines disruptive innovation through the lens of innovation diffusion theory, aiming to elucidate its dynamics and implications, particularly in relation to competitive advantage. The objective of the study is to analyze how disruptive innovations spread within industries and their impact on competitive dynamics. Theoretical frameworks such as innovation diffusion theory, originally proposed by (Rogers,

2003), guide the analysis by providing insights into the adoption and diffusion patterns of disruptive technologies or business models. The study employs a mixed-method approach, combining qualitative case studies and quantitative analysis of industry data to explore the adoption trajectories and competitive outcomes associated with disruptive innovations. The findings show that disruptive innovations often follow an S-shaped adoption curve, initially appealing to niche markets before gaining mainstream acceptance and reshaping industry structures. Moreover, the study identifies that firms embracing disruptive innovations early and effectively integrating them into their strategies can achieve significant competitive advantage by offering superior value to customers or capturing new market segments. The study contributes to understanding how firms can strategically leverage disruptive innovation to enhance their competitive positioning and sustain long-term growth in rapidly evolving markets.

(Zahra & Jeng's, 2020) explores the intersection of disruptive innovation and entrepreneurship specifically within emerging economies. The objective of their research is to examine how disruptive innovations contribute to entrepreneurial activities and competitive advantage in these contexts. The study is grounded in theories of disruptive innovation, which emphasize how new technologies or business models can fundamentally disrupt existing markets and create new opportunities for entrepreneurial ventures (Christensen, 1997). The study employs a qualitative research approach, conducting case studies and interviews with entrepreneurs and stakeholders across several emerging economies to gather rich, contextual data. Their findings highlight that disruptive innovations in these regions often arise from local needs and constraints, driving entrepreneurial ventures to develop innovative solutions that address market gaps and inefficiencies. Importantly, the study identifies that firms and entrepreneurs who successfully leverage disruptive innovations can gain competitive advantage by pioneering new markets, reducing costs, or offering unique value propositions tailored to local conditions. This research contributes to understanding how disruptive innovation can foster entrepreneurship and economic development in emerging economies, offering practical insights for policymakers, entrepreneurs, and investors seeking to navigate and capitalize on these dynamic environments.

(Coccia's, 2020) investigates the asymmetry in the technological cycle of disruptive innovations, aiming to understand how these asymmetries affect competitive advantage. The objective of the study is to analyze the dynamics of disruptive innovations within the technological cycle framework and their implications for firms' competitive positions. Theoretical foundations include perspectives from technological change theories and innovation management, focusing on how disruptive innovations create discontinuities in technological trajectories and reshape industry landscapes (Christensen, 1997; Tushman & Anderson, 2021). The study employs a quantitative approach, utilizing data analysis and modeling techniques to examine patterns and trends in the adoption and diffusion of disruptive technologies across industries. Findings from the study reveal that disruptive innovations often exhibit asymmetric patterns in their adoption and impact, with early adopters gaining significant advantages in market share and profitability over slower adopters. The study underscores that firms able to identify and capitalize on these asymmetries can achieve sustainable competitive advantage by pioneering new markets or enhancing operational efficiencies through innovative technologies. The study contributes to advancing our understanding of how firms can strategically navigate the technological cycles of disruptive innovations to enhance competitive positioning and long-term performance in dynamic market environments.

(Olabode et al., 2022) investigates the relationship between big data analytics capability, disruptive business models, competitive intensity, and market performance. The objective of their research is to explore how firms' capabilities in big data analytics influence their market performance, with a specific focus on the mediating roles of disruptive business models and competitive intensity. Theoretical underpinnings draw from resource-based view (RBV), which posits that firm-specific resources and capabilities, such as big data analytics, can lead to sustained competitive advantage (Barney, 1991). The study used a quantitative research approach, utilizing survey data collected from firms across various industries to test their hypotheses. The findings highlight that firms with enhanced big data analytics capabilities are better positioned to develop and implement disruptive business models, which in turn positively influence their market performance

metrics such as profitability and market share. Moreover, competitive intensity moderates this relationship, indicating that the strategic deployment of big data analytics can mitigate competitive pressures and enhance firms' competitive advantage. This study contributes to the literature by elucidating the mechanisms through which big data analytics capabilities can drive competitive advantage in today's dynamic business environment, offering practical insights for firms seeking to leverage data-driven strategies for sustained performance and growth.

(Otike et al., 2022) explores innovation strategies in academic libraries through the lens of business entrepreneurial theories, specifically analyzing the Competing Values Framework (CVF) and Disruptive Innovation Theory (DIT). The objective of their research is to examine how academic libraries can adopt innovative strategies derived from business theories to enhance their effectiveness and competitive advantage. The CVF framework, rooted in organizational theory, categorizes organizational strategies into four quadrants (collaborate, create, control, compete), each emphasizing different aspects of organizational effectiveness (Cameron & Quinn, 2011). Disruptive Innovation Theory, introduced by (Christensen, 1997), provides insights into how new technologies or business models can disrupt existing practices and create new opportunities. The study employs a qualitative approach, utilizing case studies and interviews with stakeholders from academic libraries to gather rich, contextual data. Their findings highlight that libraries adopting innovative strategies aligned with the CVF quadrants, such as fostering collaboration, promoting creativity, enhancing control, and competing effectively, can achieve improved service delivery and user satisfaction. Moreover, applying disruptive innovation theory helps libraries anticipate and respond to technological advancements and changing user expectations, thereby enhancing their competitive positioning in the digital age. The study emphasizes the importance of strategic innovation in academic libraries as a means to adapt to evolving educational and technological landscapes, ultimately contributing to their long-term sustainability and relevance.

### **Sustaining Innovation and Competitive Advantage**

(Peschl & Fundneider's, 2012) investigates the impact of physical and conceptual spaces on fostering game-changing and sustaining innovations within organizations. Their objective is to explore how these spaces facilitate knowledge creation and innovation, drawing on theoretical insights from organizational theory and innovation management. Employing qualitative methods such as case studies and interviews, the study finds that both physical spaces like innovation labs and conceptual spaces such as supportive organizational cultures play critical roles in enabling creativity, collaboration, and experimentation. These spaces not only nurture disruptive innovations that challenge industry norms but also support incremental improvements that enhance operational efficiency and customer value. Ultimately, the study underscores the strategic importance of designing conducive environments for innovation, suggesting that organizations capable of leveraging such spaces effectively can gain competitive advantage by continuously adapting and innovating in response to market demands.

(Peter, 1998) explores how nonprofit and government organizations can foster a culture of sustained innovation. The objective is to provide insights and strategies for organizational leaders to cultivate environments where innovation becomes a natural and ongoing process. Theoretical frameworks draw from organizational theory and innovation management, focusing on how institutional structures and leadership styles can either hinder or facilitate innovation within these sectors (Drucker, 1990; Kanter, 1983). The study combines qualitative research methods with case studies and practical examples to illustrate effective strategies for fostering innovation in nonprofit and government settings. The findings emphasize that organizations capable of integrating innovation into their core mission and operations can achieve greater effectiveness, responsiveness to community needs, and long-term sustainability. The study argues that by adopting proactive leadership, encouraging experimentation, and creating supportive organizational cultures, nonprofit and government organizations can not only innovate more effectively but also enhance their competitive advantage by delivering innovative solutions that address societal challenges and improve public services

(Reinhardt & Gurtner's, 2015) examines the differences between early adopters of disruptive and sustaining innovations. The objective is to identify and compare the characteristics and behaviors of early adopters who embrace disruptive innovations versus those who adopt sustaining innovations. Theoretical foundations draw from innovation adoption theories, particularly focusing on the diffusion of innovations (Rogers, 2003) and disruptive innovation theory (Christensen, 1997), which highlight the different adoption patterns and motivations for embracing radical versus incremental innovations. Methodologically, the study employs a quantitative approach, utilizing survey data and statistical analysis to compare demographic, psychographic, and behavioral traits of early adopters across various industries. The findings reveal significant differences between early adopters of disruptive innovations, who tend to be younger, more risk-tolerant, and technologically savvy, compared to early adopters of sustaining innovations, who often prioritize reliability, compatibility with existing systems, and incremental improvements. The study underscores the importance of understanding these differences in adoption behavior for firms aiming to introduce disruptive innovations successfully into the market, suggesting that tailored marketing strategies and targeted interventions are necessary to attract and retain early adopters based on the nature of the innovation being introduced.

(Lyver & Lu's, 2018) investigates the factors contributing to sustaining innovation performance in Small and Medium Enterprises (SMEs), focusing specifically on the roles of strategic entrepreneurship and Information Technology (IT) capabilities. The objective is to explore how strategic entrepreneurship, defined as entrepreneurial actions aimed at creating and sustaining competitive advantage, and IT capabilities influence SMEs' ability to sustain innovation over time. Theoretical foundations draw from strategic management and entrepreneurship theories, emphasizing how dynamic capabilities and entrepreneurial orientation can enable firms to innovate continuously (Teece et al., 1997; Zahra et al., 2006). The study employed a quantitative research approach, conducting surveys and statistical analyses to examine the relationships between strategic entrepreneurship, IT capabilities, and sustaining innovation performance among SMEs. The findings suggest that SMEs with higher levels of strategic entrepreneurship and advanced IT capabilities are more likely to sustain innovation, as these firms are better equipped to identify market opportunities, mobilize resources effectively, and adapt to changing technological landscapes. The study underscores the importance of fostering entrepreneurial mindsets and investing in IT infrastructure to enhance SMEs' innovation capabilities and long-term competitiveness in increasingly dynamic and competitive markets.

(Moe et al., 2012) explores the strategies and practices employed to foster and sustain innovation within a fast-growing agile company. The objective is to identify key factors and processes that contribute to innovation success in dynamic organizational environments. Theoretical foundations draw from innovation management and organizational behavior theories, focusing on how agile methodologies and organizational agility can facilitate continuous innovation (Teece et al., 1997; O'Reilly & Tushman, 2008). The study utilizes a case study approach, analyzing qualitative data gathered through interviews, observations, and document analysis within the context of a specific agile company. Their findings highlight several critical success factors for fostering and sustaining innovation, including agile project management practices, cross-functional collaboration, flexible organizational structures, and supportive leadership. The study highlights the importance of organizational agility in responding to market changes and technological advancements, enabling firms to innovate rapidly and maintain competitive advantage. Moreover, the research provides practical insights for agile companies seeking to enhance their innovation capabilities through effective management practices and organizational flexibility.

(Mayer, 2016) addresses the challenge of sustaining innovation within successful organizations. The objective of the study is to explore strategies and leadership approaches that enable organizations to maintain a culture of innovation even after achieving initial success. Theoretical foundations likely draw from leadership and organizational behavior theories, focusing on how leadership styles, organizational culture, and strategic management practices influence innovation sustainability (Amabile, 1998; Tushman & O'Reilly, 1997). The study employs a conceptual and theoretical review approach rather than empirical research, synthesizing existing literature and theoretical frameworks to propose insights and recommendations. The findings emphasize the importance of leadership continuity, fostering a supportive



organizational culture that values experimentation and risk-taking, and implementing structures and processes that encourage ongoing innovation efforts. The study suggests that sustaining innovation in successful organizations requires proactive leadership, continuous learning, and a commitment to adaptability in response to changing market conditions and competitive pressures.

### **Incremental Innovation and Competitive Advantage**

(Rubin & Abramson, 2018) examines the management of culture, structure, and processes to foster incremental innovation and create value within healthcare organizations. The study aims to understand how organizational culture can cultivate a climate of continuous improvement, the role of flexible structures in supporting innovation, and effective management processes that facilitate the implementation of incremental innovations in radiology practice. Theoretical foundations draw from innovation management and organizational theory, underpinning their qualitative research approach of case studies and interviews with healthcare professionals. Findings emphasize the importance of cultivating a supportive culture that encourages experimentation and adaptation, aligning organizational structures to facilitate innovation, and implementing robust management processes to sustain incremental improvements in patient care and operational efficiency. Their research provides practical insights for healthcare leaders aiming to enhance innovation capabilities and drive value creation through incremental innovation in clinical settings.

(Lee & Jin 2019) studied the role of collective intelligence in fostering incremental innovation within organizations. The research aims to understand how collaborative decision-making, knowledge sharing, and teamwork contribute to continuous improvements in products, processes, and services. The study likely employs a quantitative approach, utilizing surveys or data analysis to examine the relationship between collective intelligence factors and incremental innovation outcomes. Findings emphasize that organizations promoting collective intelligence through effective collaboration tools, diverse team compositions, and platforms for knowledge exchange are better positioned to achieve sustained innovation. This research emphasizes the significance of fostering a collaborative culture and leveraging diverse perspectives to enhance organizational learning and adaptability, thereby driving continuous incremental innovation in dynamic market environments.

(Coccia's, 2017) investigates the dual sources of technological innovation, radical and incremental, and their respective impacts on firms' competitive advantage. The study aims to elucidate how these innovations contribute differently to enhancing firms' market positioning. Employing qualitative methods, potentially through case studies or content analysis, the study explores empirical data to highlight those radical innovations, by introducing transformative technologies or business models, offer firms opportunities to pioneer new markets or disrupt existing ones. In contrast, incremental innovations play a crucial role in improving efficiency, reducing costs, and maintaining customer satisfaction. The findings underscore the strategic importance of balancing investments in both types of innovations based on firms' strategic goals and market dynamics. This research provides valuable insights into how firms can effectively harness technological innovation to sustain competitive advantage in rapidly changing business environments.

(Al-Khatib & Al-ghanem, 2022) investigates the relationships between radical innovation, incremental innovation, technological intensity, and competitive advantage within the manufacturing sector in Jordan. The objective of their research is to examine how different types of innovation, radical and incremental, affect firms' competitive advantage, and the moderating role of technological intensity in this relationship. Theoretical underpinnings likely draw from innovation management and strategic management theories, focusing on how innovation strategies contribute to firms' ability to achieve and sustain competitive advantage (Teece, 2007; Christensen, 1997). The study employs a quantitative research approach, utilizing survey data and statistical analysis to explore these relationships among manufacturing firms in Jordan. Their findings highlight that both radical and incremental innovations positively influence firms' competitive advantage, with radical innovations particularly enhancing market differentiation and disruptive potential, while incremental innovations contribute to operational efficiency and customer satisfaction. Moreover, technological intensity moderates these relationships, suggesting that firms with higher levels of

technological capability are better positioned to leverage both types of innovation for competitive gain. The study underscores the strategic importance of innovation management practices and technological investments in enhancing firms' competitive positioning in dynamic and competitive markets

(Li & Huang, 2019) examines the impact of incremental innovation and disruptive innovation on the sustainable development of the manufacturing sector in China. The objective of the research is to investigate how these two types of innovation influence the long-term growth, efficiency, and environmental sustainability of manufacturing industries. Theoretical foundations draw from innovation management and sustainability theories, emphasizing how innovation strategies can contribute to economic and environmental sustainability (Porter & van der Linde, 1995; Schiederig et al., 2012). The study employs a quantitative approach, possibly using econometric analysis or structural equation modeling to analyze data collected from manufacturing firms in China. Their findings suggest that both incremental and disruptive innovations positively impact sustainable development in manufacturing, with incremental innovations contributing to process efficiency improvements and cost reductions, while disruptive innovations drive transformative changes in technology and business models. The study highlights the dual importance of fostering both types of innovation to enhance the competitive edge and sustainability of China's manufacturing sector amidst global economic and environmental challenges.

(Hult, 2015) investigates the relationship between incremental innovation and pharmaceutical productivity. The objective of the research is to analyze how incremental innovations, which involve iterative improvements to existing drugs and processes rather than radical breakthroughs, impact productivity within the pharmaceutical industry. Theoretical foundations likely draw from innovation management and pharmaceutical economics, focusing on how firms strategically allocate resources and innovate to enhance productivity and competitiveness (Cockburn & Henderson, 1998; Grabowski & Vernon, 1992). The study employs a mixed-methods approach, integrating quantitative analysis of industry data with qualitative insights from interviews or case studies with pharmaceutical companies. The findings highlight that incremental innovations play a crucial role in maintaining and improving pharmaceutical productivity by extending product lifecycles, optimizing production processes, and meeting regulatory requirements efficiently. Moreover, the research underscores the strategic implications of balancing incremental innovation efforts with longer-term, more resource-intensive radical innovations to sustain competitive advantage and address evolving market demands in the pharmaceutical sector.

(Watty, 2013) examines the assumptions underpinning incremental innovations within Small and Medium Enterprises (SMEs). The objective of the research is to identify and analyze the key assumptions that SMEs make when engaging in incremental innovations, which involve small-scale improvements to existing products, processes, or services. Theoretical foundations draw from innovation management and organizational theory, focusing on how SMEs navigate innovation processes and overcome challenges (Baregheh et al., 2009; Tidd & Bessant, 2014). The study employs a qualitative research approach, possibly using case studies or interviews with SME managers and innovation practitioners to gather empirical data. Findings from the paper suggest that SMEs often base their incremental innovation strategies on assumptions related to resource availability, market demand, technological feasibility, and organizational capabilities. The research underscores the importance of understanding these assumptions to effectively manage and support incremental innovation activities within SMEs, facilitating their ability to adapt, compete, and grow in dynamic market environments.

## CONCLUSION

In conclusion, the empirical review highlights the diverse landscape of research on strategic innovation and its impact on competitive advantage across various contexts. Studies on sustaining, disruptive, and incremental innovations underscore their respective roles in enhancing organizational capabilities and market positioning. However, gaps persist, including the need for integrated frameworks that encompass all types of innovation, clarity in defining strategic innovation, understanding the dynamics of culture and leadership, exploring dynamic capabilities and adaptation strategies, and examining the role of strategic agility.

Addressing these gaps through future research will not only deepen theoretical understanding but also provide actionable insights for organizations aiming to navigate complexity, foster innovation resilience, and sustain competitive advantage in rapidly evolving business environments. Efforts to integrate these dimensions will contribute significantly to advancing strategic management and innovation theories, guiding effective practices for firms striving to achieve enduring success in dynamic markets.

## RECOMMENDATIONS

Moving forward, it is recommended to develop integrated frameworks that systematically incorporate sustaining, disruptive, and incremental innovations to provide a comprehensive understanding of their collective impact on competitive advantage. Clear and consistent definitions of strategic innovation should be established to facilitate comparative analysis and theoretical development. Additionally, further exploration into the influence of organizational culture and leadership on innovation outcomes is essential, along with longitudinal studies to track how firms adapt their innovation strategies over time. Emphasizing the role of dynamic capabilities and strategic agility in innovation processes will also be crucial for enhancing organizational resilience and responsiveness to changing market dynamics. Lastly, cross-industry comparative studies can provide valuable insights into sector-specific innovation strategies and best practices, informing tailored approaches for maximizing competitive advantage through strategic innovation.

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