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## Analysis of Business Model Innovation among Indigenous Vegetable Producers in Southwestern Nigeria

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### Abstract

The study characterised the business models, assessed the financial outcomes and examined the effect of the socioeconomic variables on the net returns of business models existing among indigenous vegetable producers in Southwestern Nigeria. This is with a view to enhancing the competitive advantage of the business model the producers. Primary data was elicited from 320 respondents with the aid of pre-tested structured questionnaire, focus group discussion and key informant interview. The data were analysed using discourse analysis, descriptive statistics, budgetary analysis and multiple regression analysis.

The study identified that the multimarket, the cartel, buyer-driven and the auctioneer business models operated in the study area. The multimarket model was characterised by the servicing of four different market segments. The cartel model leveraged social capital and ethnic bond to establish a strong entry barrier. The auctioneer model operated by selling vegetables in-situ. The buyer-driven model faced an imposition of farm gate marketing. The summary statistics revealed that the producers executing these models were about 50 years of age, had up to 9 years of formal education, had at least 6 persons in their family, travelled up to 10 kilometres to the nearest market, and allocated 0.2 hectares of land to vegetable production out of about 0.8 hectares available for cultivation. The financial ratios showed that the cartel business model was the most successful having the highest rate of return (12.64), followed by the multimarket business model (6.97). Returns from the business models were influenced by total farm land available for cultivation, years of formal education, household size, distance to the nearest market, primary occupation, and indigeneity. The study concludes that the optimum utilisation of tangible and intangible resources such as land, market and indigeneity would enhance the performance of the business models.

**Keywords:** Business models, competitive advantage, indigenous vegetables, socioeconomics