

THE NIGERIAN FASHION INDUSTRY: TECHNOLOGICAL INNOVATION AND MARKET EXPANSION

Mercy Ejovwokeoghene OGBARI

mercy.ogbari@covenantuniversity.edu.ng

Ogheneofejiro J. EDEWOR

ogheneofejiro.edewor@covenantuniversity.edu.ng

Centre for Business Management, Innovation and Entrepreneurship Research (BMIER)

Department of Business Management, Covenant University, Ota, Ogun State, Nigeria

George Uzoma K. CHIMA

guk20042002@yahoo.com

Legacy Associated Consults Ltd Apapa, Lagos State, Nigeria.

Gwen N. NWOSU

gwen.nwosu@stu.cu.edu.ng

Department of Business Management, Covenant University, Ota, Ogun State, Nigeria

ABSTRACT

The global fashion sector is worth more than \$2.5 trillion, with the share of Africa projected to be less than one per cent. technological innovations in the Nigerian fashion industry can enhance, distinguish and differentiate the products offered to create additional value as well as satisfy customers. The study examined technological innovation and market expansion of small scale enterprises in Etiosa L.G.A Lagos State. Data was analysed using regression analysis. The results gotten from this study shows that technological innovations have significant effects on market expansion of SMEs in the fashion industry in Lagos State. In conclusion the researcher provided recommendations in line with enhancing new market and innovative procedures for market expansion of fashionpreneurs.

1.0 Introduction

Nigeria's creative industry is attracting unparalleled recognition as a way out to the country's plummeting oil wealth even as the economy seeks a proxy to thrive (Nwankwo, 2018). Inquisitions on the components of national production has been rampant given its overreliance on importation. Nevertheless, the creative industry has been distinguished to be reliable with likelihood of legitimately benefiting Nigerians. An aspect of this industry deals with fashion which has captivated foreign communities as well as private enterprise

engagement (Ajani, 2012). Given that concise data is lacking about Nigeria's market size, the footwear and clothing market in sub-Saharan Africa is projected at \$31 billion whereas that of international wears is worth \$3 trillion (Anita, 2018). Nigeria presently, Nigeria organises six fashion week functions on a yearly basis. In addition, the speed of evolvement of these events alongside their standards indicates the enhancement of fashion (Anikweze, 2012). Also, Nigerian designers are attending foreign fashion shows with unique designs across Johannesburg, New York and Milan among others.

Within ten years, Nigeria's fashion industry has risen in grandeur, drawing international recognition. National Bureau of Statistics (NBS) attests that the footwear, clothings and textile industry has grown from 2010 by an average of 17 percent due to higher demand and partially triggered by remarkable programs which continuously push Nigeria into the consciousness of worldwide fashion. Activities like Lagos Fashion Week, alongside their intriguing yearly runway events and incubator-approach for grooming brands, has championed this move. Despite all of this, and for good reason, many fashion critics tend to question the industry's rate of market growth. The global fashion sector is worth more than \$2.5 trillion, with the share of Africa projected to be less than 1 per cent of that amount. Elsewhere, the apparel industry in Sub-Saharan Africa is valued at \$31 billion, where Nigeria contributes \$4.7 billion (15 percent), which is far less than South Africa's \$14.4 billion despite Nigeria having nearly quadruple of her population.

In addition, the limited market size cannot be connected to the preference for international fashion of Nigerians. A Mckinsey survey discovered that just 11 percent of participants saw foreign labels as trendier than their domestic counterparts. Although such research gives grounds for a booming indigenous sector, an apparent discrepancy is evident with real-life: it imports around 60 percent of apparels traded on Jumia, which is Nigeria's biggest online store. If the Nigerian government decides to provide textiles and the fashion industry in general with a more suitable environment to flourish, such act can foster rebuilding the previously blossoming businesses nationally. Nigeria was endowed with fairly thriving textile segments decades ago, however, as in many other regions, the oil boom caused development to die down. The sector came to a full stop followed by the Chinese invasion.

Technological innovation in the fashion industry can enhance market expansion through offering items to broader dimension of the current *market* or penetrating a fresh geographic, psychological and demographic area. While entrepreneurs' creativity in the fashion industry is not in question, the ability of small-scale fashion entrepreneurs in the local industry in Nigeria to tap into the global market is still a challenge. The inability to wholly publicise their skilfulness is in question. The challenges of amplifying manufacturing and disbursement serve as roadblocks to industrial progression.

Consequently, Wang (2019) examined the linkage between technological innovativeness and organisational output for medium and small ventures while Liu and Jiang (2016) assessed the impact of technologically creative capacities on product improvement. Nevertheless, most works have not given cognisance to the essence of technological innovation in fostering market expansion especially as it relates to the fashion industry.

This study seeks evaluate technological innovation and market expansion in the Nigerian fashion industry.

2.0 Literature Review

The modern definition of the term ‘Innovation’ means a new concept, idea and reasoning exhibited through unique approaches or platforms (Bhaskaran, 2017). Innovation is also popularly regarded as implementing improved solutions that satisfy new, unarticulated necessities or current market contingencies. Such innovative acts take place through the provision of better effective commodities, procedures, utilities, business models or technological ventures which are accessible to government agencies, communities and marketplaces.

Given the increased technological usage, the global occupational space is changing as companies and enterprises are getting highly competitive. A better or new commodity or procedure, whose technological features are substantially different from the past, is technological innovation (Yu & Peng, 2013). The successful realization of a new ideology to a firm that creates it (in trade or management) is technological innovation. Although inventions, technologies and research are different from innovations, they can be based on any one (Antonio, Lau, Yam & Tang, 2010). Innovation in technology presents technological work through technology forums. Technological innovation encourages reflection of considerably improved business values by addressing technology-based dimensions of utilities or commodities (Chen, Yang, Hu, Meyer, & Bhattacharya, 2009). Innovation also can help companies to minimize costs. Innovation can help a small manufacturer can use automation to lower their dependence on humans for certain processes in production (Liu, Baskaran, & Li, 2009). In this way, the organization will reduce personnel expenses including wages, benefits and sales. Innovations in technology better reflect the market viewpoint of increasing consumer performance when coping with product or service technical aspects (Lahovnik & Breznik, 2014). The quality of product or service comes from the synthesis, incorporation and interaction of different technologies. New items, procedures and related major technical advancements in such aspects are technological advances (Yam et al. 2010). Technology-oriented innovation greatly influences organised populations by disrupting markets, altering the comparative relevance of inputs, affecting the capability for organizational learning and transforming the basis for competition (Zandhessami, Parvinchi & Molaei, 2012).

Market expansion entails selling commodities to a larger segment of an established geographical, demographic and psychographic sector (Irina, Kostyra, & Hinz, 2015). Market expansion is an approach for corporate advancement. Firms adopt a tactic for expanding coverage when their success peaks in existing channels (Austin, Davila & Jones, 2017). Success depends on confirming already existing markets have been fulfilled. Then, businesses need to find other easily reachable markets (Achrol & Kotler, 2012). Expanding the firm’s market is a tactic that usually occurs when growth peaks in existent markets. Organizations looking into new markets need to take stock of their skills and assets (Brun,

Fabrien & Line, 2014). These could include new or existing products with an attractiveness in untapped areas

2.1 Theoretical Framework

Diffusion of Innovation Theory

Innovation diffusion is a theory which aims to shed light on why, how and the speed at which novel technologies and ideologies are spreading (Parston, McQueen, Patel, Keown, Fontana, & Kuwari, 2015). The theory was popularized by a professor of communication studies named Everett Rogers, in his book titled 'Diffusion of Innovations' which had its first publication in 1962, and its fifth version in 2003. Rogers insists that diffusion embodies the mechanism by which the participants of a social system communicate an innovation over time. The origins of innovation theory's dissemination are diverse and cover diverse fields. Rogers suggests that five vital elements will affect the dissemination of fresh ideas:

Innovators: Characterized by those who want to experience innovative products first.

Early Adopters: These people are comfortable with adapting and taking on novel thoughts.

Early Majority: Includes persons undertake novel innovations ahead of regular individuals. Nonetheless, proof is required that this innovative medium functions prior to adopting it.

Late Majority: Encompasses individuals who are doubtful and reluctant for change such that adopting innovation only happens after general acceptance by many others.

Laggards: This covers highly customary and conserved persons who are always the last to embrace new technological changes and are the most difficult set to attract or convince.

That process is heavily dependent on human capital. To sustain itself, the innovation has to be widely adopted. There's a point within the adoption rate when innovation hits its critical point. Adopter classifications are innovative, early adopters, early majority, late majority and laggard. Diffusion is manifested differently and greatly depends on the category of adopters and process of innovation-related choices. The adopter categorization criterion entails innovative ability, which is the magnitude by which a person takes on a unique ideology.

Adopting a new fashion product, service, or concept in the sense of this study is not an instant trend. It's important to know that in a social setting, it doesn't happen equally to all individuals. Consumers who accept innovativeness earlier exhibit unique attributes, according to studies than those who later adopts an innovation (Greve & Siedel, 2015). For companies in the fashion industry, therefore, it is important to grasp the features of each segment, which will either facilitate or hinder the embracement of an innovation (Dearing, Beacom, Chamberlain, Meng, & Berta, 2017). Where marketing, process or technical advancement definitions emerge in view of the possibility of attracting consumers to innovation depending on developing novel fashionable items, the distribution method or technical inputs in terms of production speed (Douglas, 2016).

3.0 Methodology

The research population comprises every fashion designer in Lagos State which is the hub of small-scale fashion designers in Lagos. Consequently, the sample population is unknown. The sample size was reached using Bissits (2014) who stated that a sample size of 100 participants is acceptable for undetermined population. A sample size of 120 small scale fashion entrepreneurs in Lagos State was used. Questionnaires was used for data collection and out of 120 distributed, 102 were returned and filled correctly. Descriptive, inferential and linear regression analysis was used to analyse data gathered.

4.0 Data Presentation and Analysis

4.1 Frequency Distribution of Demographic Characteristics of Respondents

This table elaborates on the demographic characteristics of the participants who made up this study.

	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	41	40.2	40.2
	Female	61	59.8	59.8
	Total	102	100.0	100.0
Age	15 - 20 Years	14	13.7	13.7
	21 - 25 Years	52	51.0	64.7
	Above 25 Years	36	35.3	100.0
	Total	102	100.0	100.0
Marital Status	Single	68	66.7	66.7
	Married	34	33.3	100.0
	Total	102	100.0	100.0

Source: Field Survey, 2022

Table 4.2.0: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	.258	.250	.42883

a. Predictors: (Constant), Technology innovation

Source: Field Survey, 2022

Table 4.2 summarises the model and reflects the extent to which disparities in the outcome variable (market expansion) is justified by the regressor (technology innovation). R-squared is .258, meaning that technology innovation accounts for 25.8% of variations in market expansion. The estimated standard error stands at .42883, representing the error term. This means that a unit change in technology innovation affects market expansion.

Table 4.2.1: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.379	1	6.379	34.688	.000 ^b
	Residual	18.389	100	.184		
	Total	24.768	101			
a. Dependent Variable: Market expansion						
b. Predictors: (Constant), Technology innovation						

Source: Field Survey, 2022

Table 4.2.1 mirrors the ANOVA table which checks statistical significance of the null hypothesis. F-value of 34.688 indicates a poor fit. Nonetheless, the relationship between technology innovation and market expansion is statistically significant ($p < .05$). This indicates that engaging technology innovation engenders market expansion, thereby leading to rejection of the null and acceptance of the alternate hypothesis which connotes that technology innovation impacts on market expansion.

Table 4.2.2: Coefficients

Coefficients ^a								
Model	B	Unstandardized Coefficients	Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		
		Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	1.383	.448		3.086	.003	.494	2.272

TECH_INV	.605	.103	.507	5.890	.000	.401	.809
a. Dependent Variable: Market expansion							

Source: Field Survey, 2022

Table 4.2.2 displays the simple model which expresses the dimension to which technology innovation affects market expansion. The beta co-efficient relating to engagement of technology innovation is .507, indicating an appreciable explanation of the outcome variable. So, it can be inferred that technology innovation significantly contributes to changes in market expansion ($p < .05$).

5.0 Discussion of Findings

The findings indicate that technological innovation affect market expansion of firms in the Nigerian fashion industry. This aligns with the study of Musimiire et.al, (2012) which found that technological innovation enables a company to retain market coverage and clientele, particularly in technologically oriented industries with market saturation and losing clients to competitors who easily mimic these goods.

Innovation diffusion theory strives to shed light on the mechanisms, pace and reasons why recent technology and ideologies are spreading (Parston, et.al, 2015). In this study, for companies in the fashion industry, it is important to comprehend the attributes of each segment, which would either aid or hinder the enactment of an innovation (Dearing, et.al, 2017). Where technological innovations emerge in view of the possibility of attracting consumers to innovation as contingent upon establishing novel fashion products, the distribution method or technical inputs in terms of production speed (Douglas, 2016).

6.0 Recommendation and Managerial Implication

This research has efficiently evidenced the effect of technology innovation on business performance of selected SMEs in the fashion industry in Lagos State. In line with discoveries made, SMEs in the Nigerian fashion industry should endeavour to implement technological product innovations or processes in application that are brought to market to foster market expansion.

key stakeholders and policy implementers within Nigeria should create an enabling environment to foster the advancement of smaller fashion-based establishments through technology innovation. Also, small scale fashion entrepreneurs should implement technological innovation to foster market expansion and growth.

7.0 Conclusion

The study asserts that technological innovation impacts on market expansion of fashion firms. The sector can be revived by investing in technological innovation which will propel fashion companies better comprehend and represent their target audience. If managed strategically, the sector has an incredible chance for growth. Moreover, if the industry is

committed in a purposeful and sustainable way, it will exhibit a remarkable ability to strengthen many persons and move Nigeria's economy forward over a longer period.

8.0 Ethical Considerations

The researchers ensured that respondents are aware of this project's context and are carried along with the most recent method and scheme of participation. However, each respondent and participant will be able to remain anonymous and their responses will be handled confidentially.

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