



Incremental Innovation and Second Movers Strategy on Customer Retention of Fashion Designing Industry in Minna, Niger State

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Abstract

The fashion industry in Minna, Niger State, has shown limited growth despite government investment aimed at fostering skill acquisition among unemployed youth. For the industry to thrive, it must adopt innovative strategies, as customers' demands for updated products and services continue to evolve with market trends. However, the lack of clear market innovation strategies for sustainable growth remains a challenge. This study examined the effect of incremental innovation and second movers strategies on customer retention in Minna fashion design industry. The study was based on the Innovation Diffusion Theory (RDT) and it employed a descriptive survey design targeting 790 registered fashion design businesses in Minna. A sample of 381 was selected through Krejcie and Morgan (1970) sample size table. Primary data was collected using a structured 5-point Likert scale questionnaire. Data analysis included descriptive and inferential statistics, with Pearson correlation and multiple linear regression conducted using SPSS. Results revealed a positive and significant relationship between incremental innovation (regression coefficient of 0.282, $p < 0.05$) and customer retention. Conversely, a negative but significant relationship was found between second-movers strategies and customer retention. Hypotheses were tested at a significance level of $p < 0.05$, with incremental innovation and second movers as independent variables and customer retention as the dependent variable. The regression model showed $R = 0.779$, $R^2 = 0.606$, Adjusted $R^2 = 0.601$, and $F = 105.629$, significant at $p < 0.000$. The study recommends that fashion designers should imbibe continuous improvement in design to foster creativity. The study concluded that there is positive and significant relationship between incremental innovation and customer retention while there is negative but significant relationship between second movers and customer retention.

Keywords: Fashion design, Innovation and Incremental innovation

Introduction

Over time, fashion has significantly shaped the cultural identity of societies globally, with attire often serving as a reflection of individuals' identities and professions. The fashion industry has proven to be a productive outlet in which a lot of young people have resorted to. More so, the fashion industry is a crucial market in Nigeria. It encompasses numerous

skilled professionals and draws investors worldwide, leading to its constant growth. According to Stanley, (2021) the Nigerian fashion industry is valued at over ten billion dollars and contributes 0.47% to the country's Gross Domestic Product (GDP) (Unimna *et al.*, 2021). In Nigeria however, SMEs accounts for 97% of the economy and 70% of these small enterprises employs 82.02% of Nigerian labor force (Unimna *et al.*, 2021).

Generally, the significance of retaining customers has grown as many businesses experience a noticeable decline in customer numbers, coupled with the challenges and expenses associated with attracting new customers (Gurung, 2023). However, for industries to retain customers and gain competitive advantage, they have to develop new strategies to attract new customers and satisfy existing ones. That is why the notion of innovation, which moves a market forward, is on the rise. Subsequently, innovation has evolved into an essential element of industry's strategies that facilitate market expansion, as well as the augmentation of the current market presence (Al- Naqbia, *et al.*, 2021) and strive to establish a favorable reputation in the eyes of customers, aiming to attain a competitive edge. (Canh *et.al.*, 2019).

Consequently, incremental innovation involves a gradual enhancement or alteration of current products, procedures, or methods (Chesbrough *et al.*, 2021), with the intention of improving efficiency, quality, or functionality while preserving the fundamental aspects of the original idea. More so, second movers has the opportunity to study and draw insights from the first mover's experiences, both their missteps and accomplishments and use this acquired knowledge to potentially secure a competitive edge (Kopel, 2021). Nevertheless, the quest for skill acquisition have made graduate flood into the fashion industry. However, the industry seems not to be growing despite the Government recognition in investing in several SMEs programme, such as Industrial Trust Fund (ITF) where participants are presented with industrial machines and start up grant for fashion designers.

Subsequently, the study aims to investigate the impact of incremental innovation and second movers on customer retention in the fashion designing industry in Minna, Niger State. Additionally, given that incremental innovation and second movers strategies may

affect customer retention differently, the research seeks to address the following questions: How does incremental innovation affect customer retention? And what is the impact of second movers on customer retention? Furthermore, the study formulates the following null hypotheses: H01 – There is no significant relationship between incremental innovation and customer retention; H02 – There is no significant relationship between second movers and customer retention.

Literature review

Innovation

The intensifying global competition has compelled industries to prioritize their business strategies with a special emphasis on innovation. As a result of the challenging global competition (Al-Nimer *et al.*, 2023), individuals and industries alike are now assessing

and implementing innovative approaches to achieve a competitive edge (Jiaet *al.*, 2023), boost profitability, and foster growth (Muriukiet *al.*, 2023).

More so, YuSheng and Ibrahim, (2020) defined innovation as the production or adoption, and exploitation of value-added novelty in economic social spheres. Additionally, innovation can be viewed as the way an organization implements new ideas and creative concepts (Al-kaloutiet *al.*, 2020) as a basis for competitive advantage in anticipating and fulfilling consumer needs (Lisa, 2021). Moreover, innovation is defined as the process of generating and nurturing concepts, operational approaches, products, and procedures that contribute to reducing environmental impacts or achieving industry's objectives (Al-kaloutiet *al.*, 2020).

However, creating added value and establishing a sustainable market advantage now revolve around innovation as the core element (Samuelsson, 2023). The industry's strategic goals hinge on actualizing innovative endeavors (Kijkasiwat and Prokop, 2020), this will transform innovation into the fundamental pillar of all industrial endeavors (Al-Naqbia, *et al.*, 2020). Consequently, the implementation of innovation processes will become significantly swifter and more cost-effective in practice (Kijkasiwat and Prokop, 2020). More so, innovation encompassed components of creativity, research and development, novel processes, new products or services, and advancements in technologies (Kenea, 2020).

Incremental Innovation

The addition of a new feature or functionality, improvements in quality, changes in color and design to make a product more aesthetically appealing is refers to as incremental innovation. In fashion, visible changes in clothing are classified as incremental innovation since such changes do not cause substantial effects on production and relationships within the fashion industry (Queiroz, 2021). Okanga, (2022) pointed out that, incremental innovation is the process of making improvements or additions to an organization while maintaining the organization's core product or service model. However, incremental innovation tries to meet existing needs and current markets with greater efficiency or with superior value that will satisfy consumers.

Subsequently, Tiberius *et al.*, (2020) viewed incremental innovations as a minor innovations emanating from available products and services. Incremental innovations imply logical efforts that enhance the current product (Vercheret *al.*, 2023) therefore; it entails the process of making improvements or additions to an organization while maintaining the organization's core product or service (Ma *et al.*, 2023). Furthermore, incremental innovation involves refining and upgrading the attributes, features, and quality of current products to enhance business performance (Johnson, 2020) as a result, both small and large companies tend to prioritize incremental innovations, which can be accomplished through structured processes that align with their market positions (Vercher *et al.*, 2023).

Advantages of Incremental Innovation

Incremental innovations can create advantages that introduce low-cost operation, resource optimization, efficient and waste minimization operational approaches and

methods (Tiberius *et al.*, 2020). Incremental innovation enables a business add or create new values. However, it involves making small and manageable changes to existing products or processes; allows organizations to test and validate changes before implementing them on a larger scale; requires fewer resources compared to disruptive

innovations and focuses on improving existing products or processes. (Tranet *al.*, 2023; Vercher *et al.*, 2023; Tiberius *et al.*, 2020). The incremental approach often involves making minor adjustments or modifications which can be more cost-effective than developing entirely new solutions (Okanga, 2022).

Disadvantages of Incremental Innovation

Li *et al.*, (2023) pointed out that despite several advantages of incremental innovation, it has some limitations. Although, incremental innovation focuses on making small, gradual improvements to existing products or processes (Tranet *al.*, 2023), it may limit the organization's ability to achieve significant breakthroughs (Liet *al.*, 2023). Incremental innovation may fall short in delivering disruptive changes that can transform industries; exposes industry to competitive vulnerabilities; risk losing market share to more innovative and forward-thinking competitors (Johnson, 2020; Vokoun and Píchová, 2020)

Second Movers

The idea of the second mover advantage pertains to business and competitive strategy, indicating that a company or entity can gain advantages when it joins a market or industry after an initial pioneer or first mover has already set up business. Put simply, the second mover has the opportunity to study and draw insights from the first mover's experiences, both their missteps and accomplishments and use this acquired knowledge to potentially secure a competitive edge (Kopel, 2021).

However, second position holds advantages, in a scenario like a market-entry competition, for instance, a follower can benefit from observing the leader's errors without taking risks; they can replicate and subsequently improve upon the pioneer's efforts in terms of quality or cost. Having noticed that pioneering is not guaranteed, some firms strategically postpone their product releases to learn from pioneers and improve their own product quality (Liet *al.*, 2023). Furthermore, second mover entrant to the market has a better chance of outperforming the first entrant despite its late start market (Grepperud and Pedersen, 2022). Nevertheless, fashion design industry can relate to second movers advantage as they tend to follow market trend that is free rider effect.

However, research has shown that in a variety of markets, early imitators often end up doing better than market pioneers. More so, the sources of second movers include free-rider effect and having less market uncertainty and more flexibility than has the first mover (Grepperud and Pedersen, 2022).

Advantages of Second Movers

The second movers advantage is realized when a competing firm free-rides on the investment made by the first mover. Also, second mover have the advantage to benefit from the pioneering industry in various aspects, such as research and development (R&D) and educating potential buyers, without incurring the same costs (Feng *et al.*, 2019). Additionally, these follower industries can also take advantage by recruiting employees who have been trained and educated by the pioneering company (Smirnov and Wait, 2021). However, the capacity of follower firms to capitalize on the pioneering company's efforts diminishes the extent and longevity of the pioneer's profits, thereby reducing its motivation to make early investments." (Feng *et al.*, 2019).

Disadvantages of Second Movers

Second mover firm may face challenges of establishing a strong brand and customer loyalty, making it more challenging for the to win over customers who are committed to the established brand. More so, first mover often enjoys a head start in capturing market share which can result in a significant advantage in terms of market dominance and revenue generation (Mamada and Perrings, 2020).

Subsequently, second movers may need to invest heavily in marketing and advertising to overcome the brand recognition and market presence of the first mover. This can lead to higher customer acquisition costs. Similarly, depending on the industry, the second movers may find it difficult to differentiate their products or services significantly from those of the first mover, potentially leading to intense price competition Au *et al.*, (2018).

Customer Retention

In modern marketing, customers play a vital role and the primary goal of every organization is to acquire, retain, and expand its customer base. Industry growth is often

measured by the size of its customer base (Dibie et al., 2019). However, customer retention is typically defined as the ongoing relationship between a customer and a company (Sağlam and El Montaser, 2021). More so, retaining the right customers not only ensures loyalty but also helps identify new, potentially profitable customers, contributing to the industry's growth. Furthermore, achieving competitive advantage and driving industry growth are closely tied to customer retention.

Methodology

This study employed a quantitative survey research design, allowing the researcher to gather data from a large number of registered fashion designers in Minna. The target population consisted of 790 registered male and female fashion designers from both Bosso and Chanchaga areas of Minna, Niger State Nigeria. Using the Krejcie and Morgan (1970) sample size determination method, a sample size of 381 was selected. Primary data was utilized, with a questionnaire serving as the main data collection instrument. Prior to distribution, the questionnaire was pre-tested for validity and reliability. Furthermore, the collected data was analyzed using both descriptive and inferential

statistical methods. The Statistical Package for Social Sciences (SPSS) was employed for data analysis.

Results and Discussion

Table 1.1: Distribution of questionnaires

Description	Frequency	Percentage (%)
Retuned	349	91
Missing	32	9
Total	381	100

Source: Author's Field Survey, 2025

Table 1 showed a response rate of (91%) administration of the instrument. However, this response rate was considered satisfactory to draw an inference for the study. The work of

Fincham2008 stated that the accepted response rate for any research should be about 60%. This response rate of 91%, is far ahead of the recommended (60%) rate; the current result is therefore very accepted for this analysis.

Table 1.2 Distributions of Demographics of the Respondents

Variable	Description	Frequency	Percent
GENDER	Male	216	62.9
	Female	133	38.1
	Total	349	100
AGE	10-20	1	0.3
	21-30	189	54.2
	31-40	130	37.2
	Above 41	29	8.3
	Total	349	100

EDUCATION	Primary	84	24.9
	Secondary	192	55.0
	OND/NCE	67	19.2
	Degree/HND	3	0.9
	Total	349	100
WORK EXPERIENCE	1-5	51	14.6
	6-10	213	61.0
	11-15	71	20.6
	16-20	11	3.2
	Above 21	2	0.6
	Total	349	100
CATEGORIES OF CUSTOMERS	Female only	205	58.7
	Male only	81	23.2
	Both	63	18.1
	Total	349	100
GENDER OF APPRENTICE	Female only	135	49.6
	Male only	173	38.7
	Both	41	11.7
	Total	349	100

Source: Author's Field Survey, 2025

The gender distribution of fashion designers in Minna shows that 62.9% are male and 38.1% are female, contrary to earlier studies which indicated a female majority. This shift is attributed to male designers exhibiting more seriousness in their profession, possibly due to their roles as primary breadwinners. The age distribution highlights that the majority (54.2%) are between 21-30 years old, and 37.2% are aged 31-40.

However, in terms of education, 55% of respondents had secondary education, reflecting that many young people enter fashion design as a means of sustainability due to unemployment. Regarding work experience, 61% had 6-10 years of experience, indicating a solid presence of experienced designers in the industry. More so, customer

demographics, 58.7% of the designers' customers were female, aligning with historical trends that show women's strong affinity for fashion. Lastly, apprenticeships were dominated by males (38.7%), although a significant number of females (49.6%) were also involved, suggesting that women are more likely to pursue careers in fashion design.

Table 1.3 Multiple Linear Regression Co-efficient Result

Variables	Model
Constant	7.736
Incremental innovation	.280 (6.745) **
Second mover	-.332 (-8.705) **
R	.779
R-Square	.606
Adjusted R Square	.601
F-value	105.629

**P<0.00, *P<0.05, t values in parenthesis

Source: Author's Extraction from SPSS 23 Output (2025)

Table shows the result of the Pearson-Moment coefficient correlation analysis between the independent variable (incremental innovation, second movers strategy) and the dependent variable (Customer retention) fashion designing industry in Minna metropolis. This shows the strength and direction of the relationship between each independent variables and Customer retention. The table revealed that there is a strong positive indicative of a strong positive and significant relationship between incremental innovation and the dependent variable, Customer retention. The more the incremental innovation, the more the customer retention in the fashion industry in Minna.

However, the table also showed that there is a negative significant relationship between second movers and the dependent variable (growth) at 0.-103. It therefore, indicated that second movers- are inversely related to customer retention. The more the second movers, the less the customer retention in fashion designing industry in Minna metropolis.

Results and Discussion

The study revealed a regression coefficient of 0.280 with a p-value of 0.000, indicating a positive and statistically significant relationship between incremental innovation and

customer retention at $p < 0.05$. This implies that a unit increase in incremental innovation results in a 0.280-unit increase in customer retention in Minna's fashion designing

industry. Based on this statistical relationship, the null hypothesis, which states that there is no significant relationship between incremental innovation and customer retention, is rejected. The alternative hypothesis, asserting a significant relationship between the two variables, is accepted. These findings highlight the importance of continuous improvement in innovation strategies to enhance customer retention and promote growth in the industry. This study is in line with Dibie et al. (2019) who had positive and significant relationship with customer retention.

Conversely, the results also revealed a regression coefficient of -0.332 with a p-value of 0.000, showing a significant negative relationship between second-mover strategies and customer retention at $p < 0.05$. This suggests that a unit increase in second-mover strategies leads to a 0.332-unit decrease in customer retention. Despite this negative relationship, second movers can still contribute to growth by making creative modifications to existing trends. For instance, the traditional Nigerian “iro and buba” style has been redesigned into a skirt and blouse ensemble with added embellishments like crystal stones, which has rejuvenated its appeal. This indicates that while second movers face challenges in retaining customers, they can still enhance existing designs to drive industry growth. These findings emphasize the need for strategic innovation and creativity to balance customer retention and growth. Conclusively, the study revealed that there is positive and significant relationship between independent variable and dependent variable.

Conclusion and Recommendations

The study examined the effect of incremental innovation and second movers strategy on customer retention of fashion designing industry in Minna, Niger State. Study concluded that there is positive and significant relationship between incremental innovation and customer retention at significant level of $P < 0.05$. Also, there is negative but significant relation between second movers strategy and customer retention at significant of $P < 0.05$.

Recommendations

The study recommended that fashion designers prioritize and integrate incremental innovation into their design processes. Also, fashion designers should embrace a culture of continuous improvement and gradual modifications in design that can enhance creativity, keep designs fresh, and contribute to sustained growth in the dynamic fashion industry. Also, the study recommended that designers carefully consider the implications of entering a market after initial competitors. To foster growth, fashion designers may benefit from exploring strategies that differentiate them from first movers, such as unique design perspectives, targeted marketing approaches, or innovative collaborations.

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