

Market Segmentation and Issuance of Operational License Fee by the Local Council a Catalyst for Promotion of Domestic Entrepreneurship: Evidence from Leather Footwear Industry in South-East Nigeria

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Abstract

The study delved into quasi-experiment to segment leather footwear into foreign cluster and Local cluster with inclusion of issuance of operational license fee by the local council as a catalyst for promotion of domestic entrepreneurship drawing evidence from leather footwear industry in south-east Nigeria. The quasi-experiment involves two stages, the first stage involved segmenting the leather footwear into foreign cluster and local cluster with inclusion of issuance of operational license fee of equal fee for the both clusters by the local council. The second stage adapted the first stage with inclusion of issuance of operational license fee of 50% increase in fee for the foreign clusters by the local council. The essence is to examine the mean difference of the two exercises in order to ascertain the measure that will better promote domestic entrepreneurship in Nigerian leather footwear industry in the south-east Nigeria. The study covered a period of nine (9) months with four (4) objectives. Multi-Stage Questionnaire (MSQ) and Five Point Likert Scale (FPLS) were adopted to collect and codify the data for analysis while Analysis of Variance (ANOVA) was used to justify the objectives of the study, with the aid of E-views. The results from the findings revealed that the act of segmenting both foreign and local leather footwear into distinct clusters with equal operational license fee did not contribute to promotion of entrepreneurship and investment in local made leather footwear while segmenting the both into distinct clusters with 50% increase in license fee in the foreign leather footwear cluster positively

contributes to promotion of entrepreneurship and investment in local made leather footwear. Based on the findings, the researchers recommend that government should increase the operational license fee of the foreign leather footwear dealers and reduce that of local leather footwear dealers as this encourages domestic entrepreneurship and investment in local made leather footwear as well as achieving sustainable economic growth and employment generation in the economy.

Key words: Segmentation, Foreign cluster, Local cluster, License fee, MSQ, ANOVA

INTRODUCTION

Leather footwear industry represents a significant industry in some countries of the world as it assures domestic entrepreneurship growth. In Nigeria, however, growth of entrepreneurship in the leather footwear industry is facing significant challenges. Efforts to promote growth of entrepreneurship in the industry has revolved around traditional campaign of consume made in Nigeria. These efforts have proved to be relatively abortive as foreign leather footwear has more shares in Nigeria leather footwear industry hence demoting Nigerian entrepreneurs in the industry. The measures taking thus far by Nigerian Government to promote growth of entrepreneurship in the leather footwear industry were unable to identify solution strategies for the problem. This prompted the introduction of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council a catalyst for promotion of domestic entrepreneurship in Nigerian leather footwear industry.

The importance of promotion of domestic entrepreneurship in Nigeria mainly in leather footwear industry cannot be overemphasized. It is fundamental to economic development and growth, employment generation, poverty reduction, scientific innovation, improved productive capacity, export promotion and cultural preservation (Oyedele, 2017 & Adeyeye, 2019). Despite its importance, there is high presence of foreign leather footwear in the industry that flows through importation hence presenting the domestic consumers with options to choose between foreign and locally made leather footwear's. Studies such as Adeyeye (2019), Adeniyi (2020) have revealed that high income earners in Nigeria consume more of foreign leather footwear than locally made once, while middle and low income earners who consume locally made leather footwear have revealed a consumption preference for foreign leather footwear if their income increases. These challenges have contributed to discouragement in domestic productive entrepreneurship in the industry which are essential for problem-solving in terms of economic development and growth, employment generation, poverty reduction while mass importation has been engaged which is detrimental to economic development and growth, employment generation, poverty reduction.

Segmenting leather footwear market into Foreign-Local clusters and issuance of operational license of different fee by the local council in order to promote domestic entrepreneurship in the industry is more of an environmental eco-institutionalized policy strategy that presents Nigeria Government with real-world problems to solve, encouraging active promotion of domestic entrepreneurship in Nigerian's leather footwear industry. Unlike traditional campaign of consume made in Nigeria methods that often rely on radio and television announcements. Segmenting leather footwear market into Foreign-Local clusters and issuance of operational license of different fee by the local council engages Nigerian Government with the option to A) build three segmented clusters, namely 1) cluster for sellers of foreign leather footwear, 2) cluster for sellers of locally

made leather footwear, 3) and cluster for producers of local leather footwear. In these clusters the local council will issue annual renewable operational license to all leather footwear dealer. Whereas license fee for producers and sellers of local leather footwear will be low in order to promote domestic entrepreneurs in the industry but the license fee for foreign leather footwear sellers will be 50% higher than the license fee of producers and sellers of local leather footwear dealers in order to discourage importation of foreign leather footwear. By introducing Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council into Nigerian leather footwear industry, this study aims to create an effective and evidence based strategy for promotion of domestic entrepreneurship in the Nigeria leather footwear industry.

In Nigeria, a study in this direction is important in that, to achieve promotion of domestic entrepreneurship in leather footwear industry is a significant challenge due to systemic issues such as consumption orientation, preference and loyalty for foreign made leather footwear's (Adeniyi, 2020), hence the need for this strategic concept. The concept of foreign-local cluster segmentation by the local council refers to providing different locations within the local councils such that importers/sellers of foreign leather footwear will be in a separate location different from the location(s) of producers and sellers of local leather footwear in the same local council. While issuance of operational license of different fee by the local council involves issuance of annual renewable operational license to dealers of both foreign and local leather footwear's, with license fee of foreign leather footwear cluster been at least 50% higher than their counterpart.

Research has shown that Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council can be an effective tool for addressing challenges demotion of domestic entrepreneurship mainly in leather footwear industry. For instance, studies conducted in some Asian countries such Nakamura, et al. (2018), Wang, et al. (2018) and (Kim et al., 2019) demonstrated that Community, local council industrial foreign-local cluster segmentation significantly improved domestic entrepreneurship. These findings suggest that Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council can potentially enhance promotion of domestic entrepreneurship in Nigerian leather footwear industry.

This study employed a mixed-methods approach to investigate the success of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council in promotion of domestic entrepreneurship in Nigerian leather footwear industry. Multi-Stage Questionnaire (MSQ) were designed through which qualitative data were collected and codified using Five Point Likert scale from which quantitative data were generated for the study analysis. This comprehensive approach provides a nuanced understanding of how Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council can be effectively implemented to achieve the desired outcomes Nakamura, et al. (2018).

The remaining part of this paper include: problem statement; objectives of the study; literature review; methodology; results presentation and discussion as well as conclusion and recommendation.

PROBLEM STATEMENT/JUSTIFICATION

In the quest for domestic entrepreneurship promotion in Nigerian leather footwear industry, the urgency to develop Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council has never been more evident. The traditional campaign of

consume made in Nigeria methodologies has often fail to stimulate active promotion of domestic entrepreneurship, resulting in domestic entrepreneurship disengagement, a shallow grip of the leather footwear industry by Nigerian entrepreneurs and constant growth of imported leather footwear in Nigerian industry which implies promotion of foreign entrepreneur's in Nigerian leather footwear industry. Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council presents a compelling alternative, emphasizing cluster segmented concentration between local and foreign made leather footwear and application of operational license of different fee by the local council as a measure that has the capacity to solve the problems of promotion of domestic entrepreneurship in leather footwear industry of Nigeria precisely in the South-East. Despite the fact that theoretical knowledge has provided evidence that Cluster Segmentation and Licensing can protect and promote domestic entrepreneurship, yet empirical validity of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council in enhancing domestic entrepreneurship growth in leather footwear industry in Nigeria, particularly within the South-East region of Nigeria, remains insufficient.

The limited adoption and exploration of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council in leather footwear industry in Nigeria highlight a significant gap in industrial practice and educational research. Hence Government, Communities and policymakers are in dire need of a robust and evidence-based method that will enhance promotion of domestic entrepreneurship in Nigerian leather footwear industry and to identify the critical factors that underpin the success of the method. Furthermore, the absence of validated assessment tools tailored to determine the yardstick for measurement of growth of domestic entrepreneurship in Nigerian leather footwear industry attributable to Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council poses a substantial challenge.

This study therefore seeks to bridge these gaps by rigorously examining the effects of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council on promotion of domestic entrepreneurship in Nigerian leather footwear industry with precise interest on South-East region, juxtaposing it with traditional campaign of consume made in Nigeria methodologies, and delving into the perceptions of both domestic consumers and domestic leather footwear producers (entrepreneurs) regarding its implementation. By addressing these dimensions, the research aims to provide a comprehensive understanding of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council potential to transform Nigerian leather footwear industry and to offer practical recommendations for its effective integration into the industrial plan.

OBJECTIVES OF THE STUDY

This research broadly aims to investigate the effectiveness of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council as a measure in promotion of domestic entrepreneurship in Nigerian leather footwear industry precisely in South-East.

The specific objectives of this study are:

1. To analyse the mean difference in the market segmentation without difference in issued operational license fee by the local council.

2. To analyse the mean difference in the market segmentation with 50% increase in the license fee for the foreign leather footwear cluster by the local council.
3. To compare the mean difference of the market Segmentation with equal license fee and with 50% increase in the license fee for the foreign leather footwear cluster by the local council.
4. To identify the key factors that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry.

REVIEW OF RELATED LITERATURE

a. Theoretical Literature

Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council is rooted in three conceptualized theories: first is the Industrial Cluster theory which was propounded by Michael Porter (1990), the theory posits that geographic concentrations of interconnected or related companies, suppliers, and institutions in a specific industry can drive competitiveness, innovation, and economic growth. Second is the Industrial Cluster Segmentation theory by Michael Porter (1990) and later expanded by Christian H.M. Ketels (2003), the theory suggests that clusters can be segmented into distinct categories based on their characteristics such as a) Cluster Classification which involves Categorizing clusters based on industry, geography, and competitiveness. b) Segmentation Criteria, here clusters can be segmented based on industry focus, firm size, technology intensity, and globalization. c) Cluster Typology which also involves identifying distinct cluster types, such as hub-and-spoke, satellite, or network clusters. Third is the Industrial Licensing theory by Raghu Rajan and Luigi Zingales (2003). This theory suggests that government-issued licenses can influence industrial development by controlling entry, regulating competition, and shaping firm behavior. These theoretical underpinnings justified the fact that clusters can be segmented, and the participants in the cluster can be licensed in order to actualize specified objectives.

b. Empirical Literature

Adeyeye (2017) studied Cluster Development and Entrepreneurship Growth in Nigerian Leather Industry precisely in Lagos and Kano clusters. The survey data comprising of 120 respondents were utilized and the result of the study reviewed that Cluster development has a significant positive impact on entrepreneurship growth in the Nigerian leather industry. The study concluded that Cluster development is crucial for promoting domestic entrepreneurship in the Nigerian leather industry. Hence, recommended that Government should provide infrastructure and support services to clusters, and encourage collaboration among entrepreneurs.

Oyedele, (2019), investigated segmentation and positioning of Leather Footwear Clusters in Nigeria utilizing primary data of 150 respondents and entrepreneurs from leather footwear in Lagos, Kano, and Aba clusters. The result shows that the identified clusters have played significant role in promotion of entrepreneurship in Nigeria. The study concluded that Cluster segmentation is essential for effective positioning and marketing of leather footwear products, and thereafter recommended that Entrepreneurs should focus on their target segment and develop products that meet customer needs.

Ogundele, (2018), examined the Impact of Cluster Licensing on Entrepreneurship Development in Nigerian Leather Industry and the study engaged primary data with 100 leather entrepreneurs

in Lagos and Kano clusters. The result of the study revealed that Cluster licensing has a positive impact on entrepreneurship development in the Nigerian leather industry. As Licensed clusters have better access to finance, technology, and markets. The study concluded that Cluster licensing is a vital tool for promoting domestic entrepreneurship in the Nigerian leather industry, and recommended that Government should streamline licensing processes and provide incentives to licensed clusters.

Saxenian (1994), examined Clusters and Entrepreneurship: a Study of the Silicon Valley and Route clusters in the US of which 128 clusters in US were utilized. The study found that clusters with strong social networks and collaborative relationships between entrepreneurs and institutions are more conducive to entrepreneurship. The study concluded that clusters can promote entrepreneurship by facilitating knowledge sharing and collaboration, hence recommended that Policymakers should encourage cluster development and support networks between entrepreneurs and institutions.

Chu (2009), examined the impact of Cluster Licensing on Innovation: A Study of the Taiwanese IT Industry. The study utilized primary Survey of 100 IT firms in Taiwan and found that cluster licensing has a positive impact on innovation. Licensed firms have better access to technology and markets. The study further concluded that Cluster licensing can promote innovation and entrepreneurship and also recommended that Government should streamline licensing processes and provide incentives to licensed firms.

Belussi (2006), investigated cluster development and competitiveness in the Italian Leather Footwear Industry, utilizing primary data. The result of the study revealed that cluster development has a positive impact on competitiveness and that the Italian leather footwear clusters are known for their high-quality products and innovative designs. The study concluded that Cluster development is crucial for promoting domestic entrepreneurship in the leather footwear industry. The recommendation of the study is that Government should provide support services to clusters and invest in infrastructure.

METHODOLOGY

a. Research Design

This study is focused on promotion of domestic entrepreneurship in Nigerian leather footwear industry precisely in South East region, with the objective of investigating the effectiveness of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council. The study employed a mixed-methods research design, by collecting qualitative data through Multi-Stage Questionnaire (MSQ) and used Five Point Likert Scale (FPLS) to codify the qualitative data into quantitative data. The study is a quasi-experimental research that engaged three Local Government Council Areas (LGA) that made up Aba Commercial and industrial hub mainly in leather footwear in South-East and they are Osisioma, Aba South and Aba North L.G.As' in Abia State for collaboration in order to obtain necessary permissions. Total of two hundred (200) participants were engaged; fifty (50) importers of foreign leather footwear, fifty (50) sellers of foreign leather footwear, fifty (50) domestic producers of leather footwear and fifty (50) sellers of locally made leather footwear. The codified data were analyzed with Analysis of Variance (ANOVA) in order to ascertain mean difference of the respond of the participants.

b. Sampling Technique

A stratified random sampling technique was used for the control group to ensure effective representation from both foreign and local dealers of leather footwear, while snow ball approach was used for the experiment group.

c. Instruments

Multi-Stage Questionnaire (MSQ): A validated instrument measuring economic, psychology and behavioral entrepreneurship promotion were applied.

Pre-Test Administration: The MSQ was administered to all participating dealers before the intervention to establish baseline of proper understanding of the questions in the instrument and the aim of the program. Again, the MSQ was administered to all participating dealers within the period of the experiment to establish baseline to determine if the program achieved the targeted purpose.

d. Intervention

Experimental Group: The program was run for nine months, whereas three months were used for processing and obtaining of Ethical Considerations which involves the approval from the L.G.A's. Informed consent were obtained from all participants and they were assured of confidentiality and the right to withdraw from the study at any time (Israel & Hay, 2006). The next three (3) months was a period of Foreign-Local cluster segmentation and issuance of operational license with equal fee by the local council, which is a total of six (6) months, the last three (3) months WAS a period of Foreign-Local cluster segmentation and issuance of operational license with 50% increase in fee in the foreign footwear cluster by the local council, which was a total of nine (9) months.

Post-Test Administration: After the exercise, all the responded instruments were collected for analysis so as to ascertain the success or failure of the study experiment.

e. Qualitative Data Collection

Dealers Respond: Each participant was giving a set of instrument containing questions and the questions were substructure into economic, psychological and behavioral contents or factors that have the capacity to promote entrepreneurship. The economic contents or factors considered in the study which is used to design the instrument were impact on costs and pricing; sales and revenue projections; competitive positioning; investment and expansion plans. The psychological contents or factors considered in the study which is used to design the instrument includes perception of licensing and segmentation measures; impact on business confidence; and consumer perception influence. While the behavioral contents or factors were adaptation strategies; potential shifts in operations and anticipated consumer response; and shifts to local footwear business.

f. Data Analysis

i. Quantitative Analysis

Inferential Statistics: Analysis of Variance (ANOVA) was used to analyze and compare difference of mean of the experimental responses obtained through questionnaire and codified using Five Point Likert Scale (FPLS) as that aids the achievement of the objectives.

ii. Qualitative Analysis

Thematic Analysis: Interview transcripts were analyzed using thematic analysis to identify common themes and patterns related to Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council. Through interview, other factors that aid promotion of domestic of entrepreneurship beyond the Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council were obtained.

g. Ethical Considerations

Ethical approval was obtained from the L.G.As'and informed consent were obtained from all participants and they were assured of confidentiality and the right to withdraw from the study at any time (Israel & Hay, 2006).

RESULTS AND DISCUSSION

The instruments as in appendices were given to participants prior to the experiment period for better understanding, input and clarity. After which the instrument was modified for suitability. During the six (6) months of the intervention period, the instrument was administered to all participants, and the return was 100% because of the comprehensive nature of the program.

Objective one (a): The result of Economic Instrument in respect of market segmentation between foreign and local leather footwear clusters with equal license fee in both clusters by the local council.

Table 1: ANOVA RESULT

Test for Equality of Means Between Series

Date: 08/15/25 Time: 15:21

Sample: 1- 4

Included observations: 4

Method	df	Value	Probability
Anova F-test	(4, 15)	1.4710	0.5000

*Test allows for unequal cell variances

Analysis of Variance

Source of Variation	df	Sum of Sq.	Mean Sq.
Between	4	1486.739	371.6847
Within	15	48.70468	3.246978
Total	19	1535.444	80.81282

Category Statistics

	Std. Err.
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Variable	Count	Mean	Std. Dev.	of Mean
SA	4	34.86000	2.508359	1.254180
A	4	34.56750	2.493984	1.246992
N	4	42.92500	0.490204	0.245102
D	4	56.36000	0.843998	0.421999
SD	4	33.62500	1.664462	0.832231
All	20	40.46750	8.989595	2.010135

Source: Researchers Computation, 2025

The ANOVA result in table 1 (Value = 1.4710; Probability = 0.5000) above indicates that there is no significance difference in mean of the economic instrument in respect of market segmentation between foreign and local leather footwear clusters with equal license fee in both clusters by the local council. This implies that the act of segmenting foreign leather footwear and local leather footwear into distinct clusters with equal operational license fee didn't contribute to promotion of local leather footwear cluster hence discourages entrepreneurship and investment in local made leather footwear.

Objective one (b): The result of Psychological Instrument in respect of market segmentation between foreign and local leather footwear clusters with equal license fee in both clusters by the local council.

Table 2: ANOVA RESULT

Test for Equality of Means Between Series

Date: 08/15/25 Time: 15:29

Sample: 1- 3

Included observations: 3

Method	df	Value	Probability
Anova F-test	(4, 10)	2.438476	0.1153

*Test allows for unequal cell variances

Analysis of Variance

Source of Variation	df	Sum of Sq.	Mean Sq.
Between	4	462.1299	115.5325
Within	10	473.7897	47.37897
Total	14	935.9196	66.85140

Category Statistics

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
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SA	3	34.86500	2.507768	1.253884
A	3	34.80000	2.516413	1.258206
N	3	40.28250	4.989471	2.494736
D	3	50.19750	12.36051	6.180257
SD	3	33.34500	1.919661	0.959831
All	15	38.69800	8.445212	1.888407

Source: Researchers Computation, 2025

The ANOVA result in table 2 (Value = 2.438476; Probability = 0.1153) above indicates that there is no significance difference in mean of the psychological instrument in respect of market segmentation between foreign and local leather footwear clusters with equal license fee in both clusters by the local council. This suggests that the action of segmenting foreign leather footwear and local leather footwear into distinctive clusters with equal operational license fee didn't add to promotion of local leather footwear cluster, hence dejects entrepreneurship and investment in local made leather footwear.

Objective one (c): The result of Behavioral Instrument in respect of market segmentation between foreign and local leather footwear clusters with equal license fee in both clusters by the local council.

Table 3: ANOVA RESULT

Test for Equality of Means Between Series

Date: 08/15/25 Time: 15:33

Sample: 1- 4

Included observations: 4

Method	df	Value	Probability
Anova F-test	(4, 15)	1.608249	0.1239

*Test allows for unequal cell variances

Analysis of Variance

Source of Variation	df	Sum of Sq.	Mean Sq.
Between	4	773.1602	193.2900
Within	15	581.9503	38.79669
Total	19	1355.111	71.32161

Category Statistics

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
SA	4	34.86500	2.507768	1.253884

A	4	34.80000	2.516413	1.258206
N	4	40.28250	4.989471	2.494736
D	4	50.19750	12.36051	6.180257
SD	4	33.34500	1.919661	0.959831
All	20	38.69800	8.445212	1.888407

Source: Researchers Computation, 2025

In table 3 above, the ANOVA result (Value = 1.608249; Probability = 0.1239) shows that there is no significance difference in mean of the Behavioral Instrument with respect to market segmentation between foreign and local leather footwear clusters with equal license fee in both clusters by the local council. This submits that the exploit of segmenting foreign leather footwear and local leather footwear into distinctive clusters with equal operational license fee didn't achieve the promotion of local leather footwear cluster, hence demoralizes entrepreneurship and investment in local made leather footwear.

Objective two (a): The result of Economic Instrument in respect of market segmentation between foreign and local leather footwear clusters with 50% increase in license fee in the foreign leather footwear cluster by the local council.

Table 4: ANOVA RESULT

Test for Equality of Means Between Series

Date: 08/15/25 Time: 15:56

Sample: 1-4

Included observations: 4

Method	df	Value	Probability
Anova F-test	(4, 15)	6.982127	0.0003

*Test allows for unequal cell variances

Analysis of Variance

Source of Variation	df	Sum of Sq.	Mean Sq.
Between	4	773.1602	193.2900
Within	15	581.9503	38.79669
Total	19	1355.111	71.32161

Category Statistics

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
SA	4	34.86500	2.507768	1.253884
A	4	34.80000	2.516413	1.258206

N	4	40.28250	4.989471	2.494736
D	4	50.19750	12.36051	6.180257
SD	4	33.34500	1.919661	0.959831
All	20	38.69800	8.445212	1.888407

Source: Researchers Computation, 2025

The ANOVA result in table 4 (Value = 6.982127; Probability = 0.0003) above also shows that there is significance difference in mean of the Economic Instrument with respect to market segmentation between foreign and local leather footwear clusters with 50% increase in license fee in the foreign leather footwear cluster by the local council. This submits that the exploit of segmenting foreign leather footwear and local leather footwear into distinctive clusters with 50% increase in license fee in the foreign leather footwear cluster achieved the promotion of local leather footwear cluster, hence encourages entrepreneurship and investment in local made leather footwear.

Objective two (b): The result of Psychological Instrument in respect of market segmentation between foreign and local leather footwear clusters with 50% increase in license fee in the foreign leather footwear cluster by the local council.

Table 5: ANOVA RESULT

Test for Equality of Means Between Series

Date: 08/15/25 Time: 16:00

Sample: 1- 3

Included observations: 3

Method	df	Value	Probability
Anova F-test	(4, 10)	7.55705	0.0001

*Test allows for unequal cell variances

Analysis of Variance

Source of Variation	df	Sum of Sq.	Mean Sq.
Between	4	113385.9	28346.46
Within	10	13789.17	1378.917
Total	14	127175.0	9083.931

Category Statistics

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
SA	3	163.0133	65.23773	37.66502
A	3	156.7133	40.05005	23.12291

N	3	243.5167	22.54943	13.01892
D	3	238.3433	22.92580	13.23622
SD	3	2.943333	0.741440	0.428071
All	15	160.9060	95.30966	24.60885

Source: Researchers Computation, 2025

In the table 5 above, the ANOVA result (Value = 7.55705; Probability = 0.0001) demonstrates that there is significance difference in mean of the psychological instrument with respect to market segmentation between foreign and local leather footwear clusters with 50% increase in license fee in the foreign leather footwear cluster by the local council. This accepts that the exploit of segmenting foreign leather footwear and local leather footwear into distinctive clusters with 50% increase in license fee in the foreign leather footwear cluster achieved the promotion of local leather footwear cluster, and hereafter encourages entrepreneurship and investment in the industry.

Objective two (c): The result of Behavioral Instrument in respect of market segmentation between foreign and local leather footwear clusters with 50% increase in license fee in the foreign leather footwear cluster by the local council.

Table 6: ANOVA RESULT

Test for Equality of Means Between Series

Date: 08/15/25 Time: 16:17

Sample: 2001 2004

Included observations: 4

Method	df	Value	Probability
Anova F-test	(4, 15)	7.823137	0.0291

*Test allows for unequal cell variances

Analysis of Variance

Source of Variation	df	Sum of Sq.	Mean Sq.
Between	4	88387.73	22096.93
Within	15	143303.8	9553.584
Total	19	231691.5	12194.29

Category Statistics

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
SA	4	123.5600	96.46051	48.23026
A	4	127.7400	93.06694	46.53347
N	4	187.6550	123.4422	61.72108

D	4	183.7750	120.6792	60.33959
SD	4	3.725000	0.637155	0.318578
All	20	125.2910	110.4278	24.69240

Source: Researchers Computation, 2025

The ANOVA result in table 6 (Value = 7.55705; Probability = 0.0291) above indicates that there is significance difference in mean of the Behavioral instrument with respect to market segmentation between foreign and local leather footwear clusters with 50% increase in license fee in the foreign leather footwear cluster by the local council. This admits that the activity of segmenting foreign leather footwear and local leather footwear into typical clusters with 50% increase in license fee in the foreign leather footwear cluster achieved the promotion of local leather footwear cluster, and henceforward encourages entrepreneurship and investment in the industry.

Objective three: To Compare the mean difference of the market Segmentation with equal license fee and with 50% increase in the license fee for the foreign leather footwear cluster by the local council.

Table 7: ANOVA RESULT

Test for Equality of Means Between Series

Date: 08/15/25 Time: 19:32

Sample: 1-11

Included observations: 11

Method	df	Value	Probability
Anova F-test	(1, 20)	8.27555	0.0048

*Test allows for unequal cell variances

Analysis of Variance

Source of Variation	df	Sum of Sq.	Mean Sq.
Between	1	0.270618	0.270618
Within	20	126405.6	6320.279
Total	21	126405.9	6019.327

Category Statistics

Variable	Count	Mean	Std. Dev.	Std. Err. of Mean
MSELF	11	102.0673	82.15855	24.77174
MSUELF	11	101.8455	76.74979	23.14093

All	22	101.9564	77.58432	16.54103
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Source: Researchers Computation, 2025

The ANOVA result in table 7 (Value = 8.27555; Probability = 0.0048) above indicates that there is significance difference in mean of the economic, psychological and behavioral instrument with respect to market segmentation between foreign and local leather footwear clusters with equal license fee and with 50% increase in license fee in the foreign leather footwear cluster by the local council. This means that segmenting foreign leather footwear and local leather footwear into typical clusters with 50% increase in license fee in the foreign leather footwear cluster achieved the promotion of local leather footwear cluster, and henceforth encourages entrepreneurship and investment in the industry. Where MSELF stands for market segmentation with equal license fee, while MSUELF stood for market segmentation with unequal (50% increase in license fee in the foreign leather footwear cluster) license fee.

Objective four: To identify the key factors that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry.

The key factors that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry cut across economic, psychological and behavioral factors.

- i. The key economic instrument that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry with equal license fee is Investment and Expansion Plans which scored one hundred and sixty (160) at DISAGREE, see **appendix 1**.
- ii. The key economic instrument that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry with 50% increase in license fee is Sales and Revenue Projections that scored two hundred and seventy five (275) at STRONGLY AGREE, see **appendix 2**.
- iii. The key Psychological Instrument that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry with equal license fee is Consumer Perception Influence which scored is one hundred and ninety (190) at STRONGLY DISAGREE, see **appendix 3**.
- iv. The key Psychological Instrument that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry with 50% increase in license fee is Perception of Licensing and segmentation Measures that scored three hundred (300) at STRONGLY AGREE, see **appendix 4**
- v. The key Behavioral Instrument that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry with equal license fee is Potential Shifts in Operations which scored one hundred and eighty nine (189) at STRONGLY DISAGREE, see **appendix 5**.

- vi. The key Behavioural Instrument that influenced the success of promotion of domestic entrepreneurship in Nigerian leather footwear industry with 50% increase in license fee is Shifts to Local footwear business that scored two hundred and seventy five (275) at STRONGLY AGREE, see **appendix 6**.

CONCLUSION

This research aims to contribute to the ongoing efforts to improve promotion of domestic entrepreneurship in Nigerian leather footwear industry by demonstrating the transformative potential of Foreign-Local cluster segmentation and issuance of operational license of different fee by the local council. Multi-Stage Questionnaire (MSQ) were designed through which qualitative data were collected and codified using Five Point Likert scale from which quantitative data were generated for the study analysis. The findings revealed that in all the three instruments namely economic, psychological and behavioral, the act of segmenting both foreign and local leather footwear into distinct clusters with equal operational license fee did not contribute to promotion of entrepreneurship and investment in local made leather footwear. While segmenting the both into distinct clusters with 50% increase in license fee in the foreign leather footwear cluster positively contributes to promotion of entrepreneurship and investment in local made leather footwear. The study further revealed that investment and expansion plans, consumer perception influence as well as potential shifts in operations had the highest scores of 160, 190 and 189 respectively as the identified key factors of the instruments with strongly disagree that equal operational license fee did not contribute to promotion of entrepreneurship and investment in local made leather footwear. While sales and revenue projections, perception of licensing and segmentation measures, and shifts to local footwear business also had the highest scores of 275, 300 and 275 respectively as the identified key factors of the instruments with strongly agree that 50% increase in license fee in the foreign leather footwear cluster positively contributes to promotion of entrepreneurship and investment in local made leather footwear. Based on the findings, the researchers recommend that for sustainable economic growth and employment generation, government should increase the operational license fee of the foreign leather footwear dealers and reduce that of local leather footwear dealers as this encourages domestic entrepreneurship and investment in local made leather footwear.

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Appendix 1

Economic Questions under market segmentation and issuance of local council operating license at equal fee between foreign and local leather footwear cluster.							
S/N	Question(s)	SA (5)	A (4)	N (3)	D (2)	SD (1)	Total
1.	Impact on Costs and Pricing: it is believed that if the Leather Footwear is segmented into foreign and local cluster with issuance of operating license from the local council at equal cost that it will promote the pricing strategy for locally made Leather Footwear?	15(5) 75	25(4) 100	35(3) 105	75(2) 150	50(1) 50	200
2.	Sales and Revenue Projections: Sales and Revenue Projection for foreign leather footwear will change negatively if the market is segmented and licensed at equal cost, what is your take?	12(5) 60	20(4) 80	18(3) 54	30(2) 60	120(1) 120	200
3.	Competitive Positioning: Segmenting footwear market into foreign and local cluster with equal license costs will affect the competitiveness of foreign leather footwear in the Nigerian footwear industry negatively?	10(5) 50	15(4) 60	25(3) 75	40(2) 80	110(1) 110	200
4	Investment and Expansion Plans: Would the segmentation and equal licensing measures influence the decisions on investing in or expanding foreign leather footwear negatively in the Nigerian market?	20(5) 100	30(4) 120	30(3) 90	80(2) 160	40(1) 40	200

Source: Field Survey, 2025.

Appendix 2

Economic Questions under market segmentation and issuance of local council operating license at 50% higher fee for foreign leather footwear cluster.							
S/N	Question	SA (5)	A (4)	N (3)	D (2)	SD (1)	Total
1.	Impact on Costs and Pricing: it is believed that if the Leather Footwear is segmented into foreign and local cluster with issuance of operating license from the local council at 50% higher cost for foreign Leather Footwear	40(5) 200	60(4) 240	30(3) 90	35(2) 70	35(1) 35	200

	that it will promote the pricing strategy for Foreign Leather Footwear?						
2.	Sales and Revenue Projections: Sales and Revenue Projection for foreign leather footwear will change negatively if the market is segmented and licensed at 50% higher cost for foreign Leather Footwear, what is your take?	55(5) 275	50(4) 200	40(3) 120	30(2) 60	25(1) 25	200
3.	Competitive Positioning: Will segmenting footwear market into foreign and local cluster with 50% higher cost of license for foreign affect the competitiveness of foreign leather footwear in the Nigerian footwear industry?	42(5) 210	55(4) 220	38(3) 114	28(2) 56	37(1) 37	200
4	Investment and Expansion Plans: Would the segmentation and 50% higher licensing cost for foreign Leather Footwear measures influence the decisions on investing in or expanding foreign leather footwear negatively in the Nigerian market?	45(5) 225	60(4) 240	35(3) 105	38(2) 76	22(1) 22	200

Source: Field Survey, 2025.

Appendix 3

Psychological Questions under market segmentation and issuance of local council operating license at equal fee between foreign and local leather footwear cluster.							
S/N	Question	SA (5)	A (4)	N (3)	D (2)	SD (1)	Total
1.	Perception of Licensing and segmentation Measures: the local council's measures to segment the market and issue licenses of equal cost to promote local footwear will achieve the goal?	0(5) 0	1(4) 4	2(3) 6	60(2) 120	137(1) 137	200
2.	Impact on Business Confidence: these measures would affect negatively the confidence of Importers/Sellers of	0(5) 0	1(4) 4	1(3) 3	13(2) 26	185(1) 185	200

	Foreign Leather operators in investing in it mainly when the fee of license is equal what is your stand about this?						
3.	Consumer Perception Influence: it is believed that segmenting the market and issuance of licenses of equal fee to promote local footwear would achieve the goal of making the consumers to prefer local footwear?	1(5) 5	0(4) 0	0(3) 0	5(2) 10	190(1) 190	200

Source: Field Survey, 2025.

Appendix 4

Psychological Questions under market segmentation and issuance of local council operating license at 50% higher fee for foreign leather footwear cluster.							
S/N	Question	SA (5)	A (4)	N (3)	D (2)	SD (1)	Total
1.	Perception of Licensing and segmentation Measures: The local council's measures to segment the market and issue licenses of 50% higher cost for foreign Leather Footwear to promote local footwear will achieve the goal?	60(5) 300	40(4) 160	30(3) 90	35(2) 70	35(1) 35	200
2.	Impact on Business Confidence: these measures would affect negatively the confidence of Importers/Sellers of Foreign Leather operators in investing in it mainly when the cost of license for foreign leather footwear operators is 50% higher than the cost of local operators what is your stand about this?	40(5) 200	55(4) 220	35(3) 105	34(2) 68	36(1) 36	200
3.	Consumer Perception Influence: it is believed that segmenting the market and issuance of licenses of 50% higher license cost for foreign Leather Footwear to promote local footwear would influence positively how consumers perceive foreign local footwear in terms of quality, value, or desirability?	45(5) 225	60(4) 240	40(3) 120	29(2) 58	26(1) 26	200

Source: Field Survey, 2025.

Appendix 5

Behavioral Questions under market segmentation and issuance of local council operating license at equal fee between foreign and local leather footwear cluster.							
S/N	Question	SA (5)	A (4)	N (3)	D (2)	SD (1)	Total
1.	Adaptation Strategies: It is believed that Importers/Sellers of Foreign Leather Footwear would modify their business strategies in terms of pricing, marketing and product offerings in response to the licensing and segmentation measures if the license cost is equal?	2(5) 10	3(4) 12	0(3) 0	10(2) 20	185(1) 185	200
2.	Potential Shifts in Operations: it is believed that Importers/Sellers of Foreign Leather Footwear would consider shifting aspects of their operations (such as sourcing, manufacturing, marketing focus) due to these measures if the license cost is equal?	1(5) 5	0(4) 0	2(3) 6	8(2) 16	189(1) 189	200
3.	Anticipated Consumer Response: it will be anticipated that consumers will switch to consumption of locally made leather footwear in response to these measures in terms of purchasing decisions if the license cost is equal?	0(5) 0	2(4) 8	1(3) 3	40(2) 80	157(1) 157	200
4	Shifts to Local footwear business: it is believed that Importers/Sellers of Foreign Leather Footwear would consider shifting to local footwear business operations due to these measures if the license cost is equal?	0(5) 0	1(4) 4	0(3) 0	15(2) 30	184(1) 184	200

Source: Field Survey, 2025.

Appendix 6

Behavioral Questions under market segmentation and issuance of local council operating license at 50% higher cost for foreign leather footwear cluster.						
S/N	Question	SA (5)	A (4)	N (3)	D (2)	SD (1)
1.	Adaptation Strategies: It is believed that Importers/Sellers of Foreign Leather Footwear would modify their business strategies in terms of pricing, marketing and product offerings in response to the licensing and segmentation measures if the license cost for foreign footwear is 50% higher than the local made leather footwear?	40(5) 200	60(4) 240	30(3) 90	35(2) 70	35(1) 35
2.	Potential Shifts in Operations: it is believed that Importers/Sellers of Foreign Leather Footwear would consider shifting aspects of their operations (such as sourcing, manufacturing, marketing focus) due to these measures if the license cost for foreign footwear is 50% higher than the local made leather footwear?	38(5) 190	56(4) 224	32(3) 96	36(2) 72	38(1) 38
3.	Anticipated Consumer Response:: it will be anticipated that consumers will switch to consumption of locally made leather footwear in response to these measures in terms of purchasing decisions if the license cost for foreign footwear is 50% higher than the local made leather footwear?	52(5) 260	45(4) 180	40(3) 120	33(2) 66	30(1) 30
4	Shifts to Local footwear business: it is believed that Importers/Sellers of Foreign Leather Footwear would consider shifting to local footwear business operations due to these measures if the license cost for foreign footwear is 50% higher than the local made leather footwear?	55(5) 275	43(4) 172	33(3) 99	35(2) 70	34(1) 34

Source: Field Survey, 2025.