

Niche Marketing and Value-Based Differentiation in the Footwear Industrial Sub-Sector in Nigeria

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ABSTRACT: *This study empirically examines the relationship between niche marketing and value differentiation in the footwear sub-sector of the shoe and leather industry in Nigeria. A cross-sectional survey method was adopted for the study and cluster sampling technique was applied to draw the sample from the population of footwear retailer outlets in Ogun State. A structured questionnaire was administered on 235 respondents who were randomly selected. Cronbach coefficient of 0.79 showed a high degree of reliability of the research instrument. Using regression as an analytical tool, the result of the first hypothesis revealed that there is significant relationship between niche marketing and value differentiation in Nigeria's footwear industry ($R^2 = 0.961$; $F = 14.866$; $p = 0.000$). Similarly, the result of the second hypothesis showed that product characteristics is significantly related to value differentiation in Nigeria's footwear industry ($R^2 = 0.801$; $F = 9.369$; $p = 0.000$). The result of the third hypothesis also indicated a positive relationship between market characteristics and value differentiation in Nigeria's footwear industry. Also, the fourth hypothesis showed that there is significant relationship between company characteristics and value differentiation in Nigeria's footwear industry. The study concludes that niche marketing is an important strategy for the achievement of value differentiation aimed at stimulating consumers' purchase decisions especially in the retailing outlets of footwear sub-sector in Nigeria.*

Key Words: *Niche Marketing, Product Characteristics, Market Characteristics, Company Characteristics, Value Differentiation, Competition, Market Segment*

I. Introduction

Nigeria's population of over 160 million people constitutes a huge domestic market for the footwear sub-sector of the shoe and leather industry, besides the vast opportunities for export open to the industry's operators. This obviously presents wide opening for the industry's operators in Nigeria to harness the opportunity of differences in customers' tastes, preferences, and attitudes. In marketing context, it suggests a wide spectrum of market segments which need to be served creatively. The industry, however, is currently dominated by less educated retailers who, intuitively, try various tactics to run their businesses. This is unlike the footwear industries in the developed nations such as Italy, France and Germany where the firms confidently apply various marketing strategies as deemed necessary. The Italian footwear market, Europe's footwear market leader, has grown over the years with a large market value of 4646 million us dollars as at 2012, while within the same period, German and French footwear markets grew with values reaching 13.3 billion and 11.2 billion dollars, respectively (Pirolo, Giustiniano & Nenni, 2013). The aggregate market performance statistics of Nigeria's footwear sub-sector, however, could not be captured by the researcher due to paucity of related scholar work. It is expected that where appropriate segmentation strategies are adopted in Nigeria's footwear industry, better results could be achieved.

Niche marketing, as an element of strategic marketing, is essentially one means through which organisations could attract new customers and match customers to their offerings. As a strategy, Niche marketing helps business to find new perfect niche or customer group referred to as segment in order to survive and prosper in the midst of competition (Nagashima, 2007); and it has become a commonly acceptable marketing strategy for contemporary business practice (Jarvis and Goodman, 2003). Niche marketing addresses the need and value of smaller part of the bigger markets with the focus of maximising market opportunities through the use of product, market or company-based characteristics, which businesses translate into value differentiation for profitability, customer satisfaction and competitive advantage. In another context, business could use the strategy to expand their customer base by defining an untapped group of customers and creating unique value that meet their expectations through well-developed separate marketing effort and programme (Howard, 2008).

Value differentiation has been considered as the process by which firms isolate, match and exploit heterogeneity in consumer preferences and product attributes (Goodhue and Rausser, 2003). This phenomenon is not arrived at by mere application of marketing strategy. It is a conscious match between derivable choice of value differentiation and market strategy. In this view, Diez (2007) developed some basic sources of value differentiation that could be driven through niche marketing strategy. The sources are grouped into some general categories namely product characteristics, market characteristics and company characteristics. This posits that application of niche marketing as a strategy is mostly placed on clear but distinct values extracted from the hidden parts of firm's product, market and its whole brand.

This study, therefore, focuses on the use of niche marketing for strategic purpose of value differentiation in small businesses such as retailers in footwear industry in the Nigerian market in order to determine how niche marketing relates to value differentiation in the sector.

1.2 Statement of the Problem

The huge market for footwear in Nigeria, considering the nation's population of over 160 million, has not generated optimal performance within the industry in terms of customer satisfaction which translates into high sales turnover, market share, profitability, and sustainability. Rather, it has been observed that customers' tastes, preferences, and attitude have become skewed in favour of foreign-branded footwear (Okpara (2006), cited in Dania (2014). This situation has caused over dependence on imported leather footwear products from industrialized economies (Zainawa, 2006) cited in (Ebong, Udoh and Obafemi (2014). Apparently, the operators within the industry do not seem to be adequately creative in meeting the needs and wants of the customers.

The business operating environment in Nigeria is also constantly changing thereby strongly impacting on the footwear firms' performance in terms of market share, increase in sales, profitability and achievement of other corporate goals (Uzoma & Chukwu, 2014). Consequently, the sub-optimal performance of many of the firms in the footwear industry has resulted in numerous business closures, bankruptcy, and losses of jobs.

Globally, the operators of small businesses in the footwear industry focus more on competitive trends than in creating better value in terms of unique needs of the market (World Footwear Congress, 2015). The footwear marketers have failed to give adequate and proper attention to the rapidly changing consumer needs and expectations, consider less the important need to differentiate values in the competitive market environment. Rather, they engage more on lines of competitive attacks to win and dominate markets (World Footwear Congress, 2015). They have also failed to factor into the industry's strategic framework possible future demand some growing unique market segments such as increased changes in feminine footwear. The process of global urbanisation has been predicted to rise from 51.1% to 60% and its substantial contribution to demand of consumer goods such as footwear. The footwear manufacturers and retailers in Nigeria have not taken advantage of the role of internet, new online shopping channels and social media as open opportunities to creating and differentiating values.

Many of the operators fail to foresee the possibility of different consumer or product types emerging with trends from where niches can be identified for value differentiation. Above all, footwear manufacturers and retailers are much more preoccupied with technical changes of their brands with no clear focus on the changes of the wider market. The justification for this business approach is because of their level of concentration on their production scope rather than market value and consumption. The culture of strategy formulation and application is not widespread in the industry in Nigeria, perhaps, due to the fear of failure for taking such strategic risk that comes with some associated costs.

1.3 Objectives of the study

The central objective of this study is to determine how niche marketing relates to value differentiation in the footwear industrial sub-sector in Nigeria. The specific objectives derived from the central objective are meant to:

- i. find out how product characteristics relates to value differentiation in Nigeria's footwear industry
- ii. investigate how market characteristics relates to value differentiation in Nigeria's footwear industry
- iii. examine how company characteristics relates to value differentiation in Nigeria's footwear industry

1.4 Hypotheses Formulation

Ho₁ There is no significant relationship between niche marketing and value differentiation in Nigeria's footwear industry

Ho₂ There is no significant relationship between product characteristics and value differentiation in Nigeria's footwear industry.

Ho₃ There is no significant relationship between market characteristics and value differentiation in Nigeria's footwear industry.

Ho₄ There is no significant relationship between company characteristics and value differentiation in Nigeria's footwear industry.

II. Literature Review

According to Isoraite (2009), niche marketing is a marketing strategy developed in form of targeted marketing plan on a specific market segment that has high potential to match with the offered value in terms of brand or product or service. It is considered as a subset of strategic marketing which centres on identifying market value, providing for it, communicating it and delivering it to others. Niche marketing is applied by the firms to create a niche, which is the subset or segment of the market on which a specific product is focused. The market niche involves defining the product features aimed at satisfying specific market need and demographic intended to be served. As a strategy, niche marketing is aimed at being a big fish in a small pond. It has to do with concentrating a firm's marketing efforts on a small but specific market segment which is created from a larger market to serve specific needs, wants or value. Hammer (2012) asserts that niche marketing strategy has been applied to variety of customers, products and services over the last couple of decades such as food products (Tregar, 2003; Suryanata, 2000; Tamagnini & Treagear, 1998); wine and beer (Jarvis & Goodman, 2005; Saperstein, 1994), and across all forms of business sectors. It has been established that quite a number of industries, firms and brands have been in existence, developing and improving based on the application of niche marketing as a strategy for advancing value creation and differentiation in order to stay ahead of competition.

In every growing market economy businesses are open to the changing environment in terms of market competition among others such as political, economic, technology and so on. The important role of strategic marketing in a growing market is to provide basis for business and marketing strategy development upon which it is adapted to its competitive environment (Nagashima, 2007). The art of adapting business to changes in its market environment is the essential condition for growth and success in the face of such changes which includes increased level of competition. Firms may develop marketing effort which is centred on the adaptation to market changes with a focus on developing appropriate market strategy. Holmes and Hooper (2000) observe that when such market strategy is developed it is driven by value proposition defined in terms of offering given to specific target market segment, to achieve competitive. The firm's competence in terms of employed market strategy is dependent on its understanding of the important knowledge possessed of the target market segment and application on appropriate product or market-based characteristics to creating new value against competition. In the given context, Krene (2008) argued that marketing strategy should be competitive in order to bring about value need in market segments, and then differentiate it from competitors. Since market segments will differ in their needs, the product or market-based strategy of the firm should be adjusted alongside value expectations in such target markets segments, different from competitors

Isoraite (2009) buttressed that in the era of information age, market competition analysis assumes the role in anticipating long-term development of market strategy which relates to the application marketing management. It should be emphasised that companies operating in the contemporary market economy can only improve on their performance by constantly analysing the internal and external environment, competitor's actions, new consumer needs and trends for continuous development and improvement of marketing strategies and value creation (Virvilaite, Saladiene, & Skindaras (2009). There are several of such marketing strategies that can create such value differentiation purposes in different market segments, parts of which is niche marketing.

Value differentiation has been considered as the process by which firms isolate, match and exploit heterogeneity in consumer preferences and product attributes (Goodhue and Rausser, 2003). This phenomenon is not arrived at by mere application of marketing strategy. It is a conscious match between derivable choice of value differentiation and product or market-based strategy. In this view, Diez (2007) developed some basic sources of value differentiation that could be driven through niche marketing strategy. The sources are grouped into some general categories namely product characteristics, market characteristics and company characteristics.

Leveraging a product characteristic to creating value differentiation enables firms to develop new innovation to create new value in their offerings and achieve cutting-edge competitive advantage. For instance, Duracell battery is produced using alkaline ultra and Duracell plus batteries have product characteristics to boost longer staying power which is better than its competitors. The resultant effect on its market share is positively tremendous in terms of the value that buyers attach to the product against other competing batteries in the world market (Diez, 2007). He emphasised that companies do not always focus on a single feature to set them apart from their competitors, but on several specifications such as shape, design, colour, size, technology, elegance, comfort, convenience among others. All of these are combination of tangible and intangible values that can be espoused when market niches are created and determined in business. Market characteristics relate to different tastes, expectations, lifestyles, culture among others which consumers of specific market segment may consider as important values while making purchases. The ability of firms to adapt niche marketing strategy to differentiate values based on market characteristics will impact positively or negatively on market performance in terms of sales and profitability and customer satisfaction. Firm's characteristics for value differentiation could be based on the firm's reputation, design, staff, its interiors and exteriors among others. However, it should be emphasised that companies need to support its marketing with different sources of value differentiation strategy to differentiate them from competitors.

Theoretical Review

The theories and models considered to support this study are strategic behavioural model, social exchange theory and structural whole theory. The theoretical bases for establishing the relationship between the two major variables of niche marketing and value differentiation could be limited to strategic behavioural model (Hagedorn, 1993; Porter, 1985) and exchange theory (Alrod, 1984; Blan, 1964) and structural whole theory. The choice of these theories can be situated in their interrelationship in terms of how each one affirms the importance of the other. That is the significance of firm's strategy in creating the essence of exchange of value in the open context of market segment. According to Fichman (2000), the Strategic behaviour model places emphasis on the strategic fit between the firm's goal with clear direction of business rationale and choice of market strategy. The position of this theory is established in how a firm engages in matching process of the unique needs of the market and their strategic capability. The logic drawn in this theory is that of differentiation of market segment need which requires unique value creation. The social exchange theory, in another vein, looks at the firm's judgement in the application of strategy to maximizing utility. The inference can be drawn that firms are involved in value creation and appropriation in other to maximize value exchange (Barney, 1991) which is expressed in terms of customer satisfaction. Social exchange theory which is developed by George Homery and Peter Blau is understood in terms of its proposition that exchange relates to equivalent value that occurs between firms and their markets. The theory further espouses that there is voluntary actions of firms, in terms of competitive actions, which is motivated by the returns they expect such as profitability and customer satisfaction. Where the choice of strategy is considered by a firm, it follows that exchange of benefits occurs. Such benefits may relate to value differentiation, sales, market share profitability and customer satisfaction (Eugene, 2011). The structural whole theory looks at the network of relations that defines a market, and consumers and competitors in the same market (Burt and Talmud, 2012). The theory captures that competition is largely created by brands or producers of products and services of the same classes seeking the same classes of transactions. The inference is drawn from co-variation in terms of market prosperity and social structure of a market side- by- side other markets. Burt and Talmud (2012) posit that the structural equivalence of the boundaries of the market are used to make distinctions for targeting and comparing to create values.

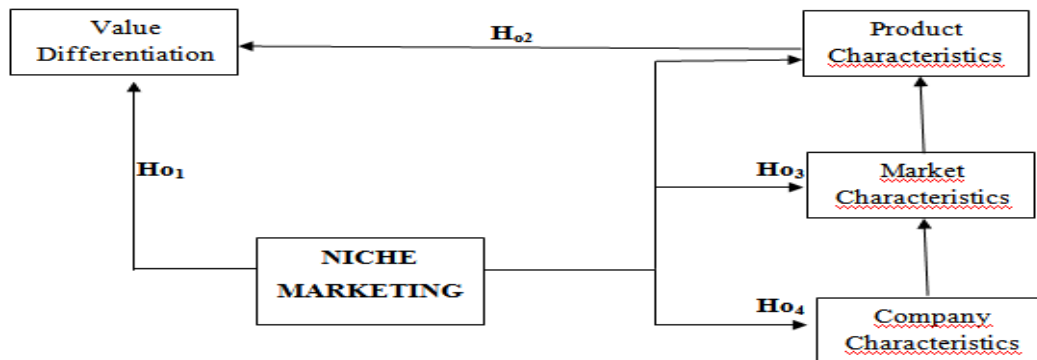
Empirical Review

From the empirical perspective, few scholarly articles found few companies to be working on the Niche targeting strategies with closer understanding of customers' needs for differentiating values. The limited empirical evidence on issues of niche marketing and value differentiation present some challenges relating to review and analysis outcomes of previous academic works in the footwear industry. It is observed that the overall participation of firms in the footwear industry is relatively low in Nigeria compared to global production and marketing elsewhere. Empirical indicators show that unlike Nigeria, Italian footwear market has grown over the years with large market value of 4646 million us dollars as at 2012 (Pirolo, Giustiniano & Nenni, 2013). This value represents quite a substantial percentage of global footwear production and marketing. In further comparison, German and French have grown with values reaching 13.3 billion and 11.2 billion dollars as at 2012 respectively. In spite of the growth rate of the industry in the global context, Italian which is considered the leading European footwear country industry is forecast to grow in value by 0.6% in the year 2017 (Datamonitor, 2013). This percentage increase is taken to be abysmally low in view of the time frame opportunity for the industry to improve in performance. Given the global position of the industry, the indicator reveals the turbulent times lying ahead in which competition plays more mitigating role.

Uzoma and Chukwu (2014) found in their study of the shoe and leather industry in Nigeria, that the nation's competitive environment has a negative but significant impact on the performance of the firms. Nigeria, being more of an importing country in the industry, is experiencing some difficulties in terms of high competition as we have more retailers entering coupled with a local manufacturers who are geographically dispersed. It therefore, seems that Nigeria is an emerging market in terms of production and marketing of footwear, particularly in the most possible organised form. The Nigerian footwear market has a low level of producing firms as consumers prefer to buy foreign or imported foot wears (Okpara (2006) cited in (Dania (2014)).The review and analysis of previous scholarly works suggest that this study focuses on retailing market structure in the Nigeria markets of the industry. It is imperative to understand how the operating outlets whose business context rely more on importation of the foreign footwear designs for re-sell through value differentiation. The centre piece is to establish how the retailers identify their direct competitors and use niche marketing to differ from them towards achieving the marketing objectives. In view of a growing competition in the retailing structure of the footwear industry in Nigeria firms need to become more strategic in marketing of products and services. The empirical evidence is able to support simply keep growing. According to Burt and Talmud (2012) competition as a measurement for extent to which participating firms who are members of a defined market population will occur at the expense of others within the population. To a large extent, the study discovered that competitors rely on the same market to survive, however, the ability of one firm to outweigh, the other will

depend on much more on the adoption and application of customer or market value is achievable when benefits to the market is associated with the market strategy adopted to serve the market (Slater and Narver, 2000).

2.2 Conceptual Framework



Researcher’s Idea (2015)

III. Methodology

A cross – sectional survey design was used to investigate how value differentiation can be created through niche marketing in the footwear outlets located in Ogun State, Nigeria. Survey research design was used because of the nature of the respondents. A face-to-face survey was conducted with sample of 47 footwear retailers’ outlets ranging from small to medium sizes. However, five (5) executives were selected from each retailer’s outlet to participate in the administration of a structured questionnaire guide. Thus, a total sample size 235 respondents was randomly selected from the clustered area of Abeokuta business districts (that is, 5 executives from each of the footwear retailers multiply by 47 footwear outlets giving a total of 235 respondents). The questionnaire guide was designed to address questions relating to value differentiation, niche marketing, market segment, market value, market competition and market strategy. The Cronbach coefficient alpha reliability test was done and the results showed high degree of reliability of the instrument with 0.79. A total of 235 executives of selected footwear outlets participated in the survey from which relevant primary data were collected for analysis using SPSS 17 Inc.

3.2 Model Specification

In developing models for statistical relationships the variables were grouped into dependent, independent and sub variables such as follows:

Dependent variable – value differentiation (VD)

Independent variable – niche marketing (NM)

Sub independent variables are as follows

Product Characteristics – (PC)

Market Characteristics – (MC)

Company Characteristics – (CC)

Given the above

$Y=f(X)$

Where,

$Y=$ Value Differentiation (VD)

$X=$ Niche Marketing (NM)

$X=(x_1 x_2 x_3)$

Dimensions of X includes

$x_1 =$ Product Characteristics

$x_2 =$ Market Characteristics

$x_3 =$ Company Characteristics

It implies that

$Y = f(X x_1 x_2 x_3)$

Given the above, the following equation models can be specified

$H_{o1} = Y =f(X)$

$Y =\alpha + \beta_0 X_0 +e_0..... (eq_1)$

$H_{o2} = Y =f(x_2)$

$Y = \alpha + \beta_2 x_2 + e_2..... (eq_2)$

$$H_{o3} = Y = f(x_3)$$

$$Y = \alpha + \beta_3 x_3 + e_3 \dots \dots \dots (eq_3)$$

$$H_{o4} = Y = f(x_4)$$

$$Y = \alpha + \beta_4 x_4 + e_4 \dots \dots \dots (eq_4)$$

3.3 Table 1: Criteria for developing Question Guide conducted on the Respondents

| Criteria | Items Evaluation |
|---|---|
| Understanding of competitive market in the industry | <ul style="list-style-type: none"> - Do they know their competitors? - How many of them? - What are the objective? (If any) - Who are their customers? - How do they react to them and their plans? - What is their sales here/and market share? |
| Orientation towards niche marketing strategy | <ul style="list-style-type: none"> - Do they have goals and objectives set? - Market orientation, is it key in business? - What market strategy do they understand most? - Can they cope with the cost of market strategy? - Have they ever used market strategy? |
| Product - Market grid evaluation | <ul style="list-style-type: none"> - Do they know who buys or intends to buy? - When, where, why and how their customers buy. - Do they have idea of what creates product value for their customers? - Do they know their target market segment and how they respond to their product-based values? - Do they know what constitute market-based values ? - Do they make use of market characteristics to determine market values ? - Do such product or market based characteristics create differetiation in the competitive market ? |
| Use of niche marketing strategy | <ul style="list-style-type: none"> - Do they analyse their market often? - Do they seldom make important decisions concerning market they serve? - How do they make use of product characteristics to server markets ? - How do they make critical use of market-based characteristics to server different markets ? - How do they make critical use of company-based characteristics to server markets |
| Value Differentiation Options and indices | <ul style="list-style-type: none"> - Do they know if their brand is the first in the category to claim this differentiating idea? - Do they acknowledge if their outlets would be able to deliver on that competitive advantage over a long period of time? - Do they know whether their differentiation idea would translate into a meaningful benefit for the consumer? - Is their value proposition relevant and differentiated? - Do they know what sustainable earnings would the business generate from using niche marketing ? |
| | |

Researcher's Idea (2015)

IV. Data Presentation and Analysis

A total number of 235 executives from footwear retailers were interviewed using questionnaire guide in the clustered area of Abeokuta business districts. The researcher adopted cluster sampling to divide the population into separate groups of footwear retailers. Then, sample of clustered groups was selected from the total population. The researcher conducted his analysis on data from the sampled clusters. All the hypotheses were tested and analyzed using simple linear regression analysis.

4.2 Table 2: Regression Analysis of the Hypotheses

| HYPOTHESES | TOOLS | F-Value | R | R ² | Std. Error of the Estimate | df | P value | Decision |
|---|---------------------|---------|------|----------------|----------------------------|----|---------|--------------------------|
| Ho ₁ : There is no significant relationship between niche marketing and value differentiation in Nigeria's footwear industry | Regression Analysis | 14.886 | .961 | .923 | .9407444 | 1 | .000 | Ho ₁ Rejected |
| Ho ₂ : There is no significant relationship between product characteristics and value differentiation. | Regression Analysis | 9.369 | .895 | .801 | .9338094 | 1 | .000 | Ho ₂ Rejected |
| Ho ₃ : There is no significant relationship between market characteristics and value differentiation. | Regression Analysis | 18.453 | .842 | .709 | .8449852 | 1 | .000 | Ho ₃ Rejected |
| Ho ₄ : There is no direct positive relationship between company characteristics and value differentiation. | Regression Analysis | 23.629 | .801 | .641 | .9989995 | 1 | .000 | Ho ₄ Rejected |

Source: SPSS Output (2016)

Ho₁: There is no significant relationship between niche marketing and value differentiation in Nigeria's footwear industry.

Hypothesis one revealed how much of the variance in the dependent variable is explained by dependent variable (value differentiation) is explained by the model, which is niche marketing. The R² columns are expressed in percentage. This means that the R² value of 0.923 implies that approximately 92.3% of the variation in (niche marketing) is explained by (value differentiation).

With an F-value of 14.886 and a significance level 0.000, this shows that there is a significant strong relationship between value differentiation and niche marketing; therefore, the null hypothesis (H₀₁) is rejected.

Ho₂: There is no significant relationship between product characteristics and value differentiation in Nigeria's footwear industry.

Similarly, hypothesis two shows how much of the variance in the dependent variable (value differentiation) is explained by the model, which is niche marketing. The R² columns are expressed in percentage. This means that the R² value of 0.801 implies that approximately 80.1% of the variation in (product characteristics) is explained by (value differentiation).

With F-value of 9.369 and a significance level 0.000, this shows that there is a significant strong relationship between value differentiation and product characteristics; therefore, the null hypothesis (H₀₂) is rejected.

Ho₃: There is no significant relationship between market characteristics and value differentiation in Nigeria's footwear industry.

The analysis also shows how much of the variance in the dependent variable is explained by the model. R² was 0.709 implying that approximately 70.9% of the variation in market characteristics is explained by value differentiation; F-value is 18.453 and a p=0.00. This indicates that there is a significant relationship between market characteristics and value differentiation in Nigeria's footwear industry. Therefore, the null hypothesis (H₀₂) rejected and the alternate hypothesis accepted.

Ho₄ - There is no significant relationship between company characteristics and value differentiation in Nigeria's footwear industry.

The result also shows how much of the variance in the dependent variable is explained by the model, which is company characteristics and value differentiation. R²= 0.641, F= 23.629, and p=0.00; indicate that there is a significant relationship between company characteristics and value differentiation in Nigeria's footwear industry. This relationship is positive. Therefore, the null hypothesis (H₀₃) was rejected and the alternate hypothesis accepted.

V. Discussion of Results

The outcome of this study which proves that there exist a significant relationship between value differentiation and niche marketing confirms the position of Krene (2008) where it was argued that the competitive market situation should lead to value that differentiate a brand of product from others. In similar context, strategic behavior model as a critical theory established that firms matching process should link the value requirement of the market with their strategic capability which in the whole emphasizes the impact of value differentiation as the essential basis for adopting market-based strategy such as niche marketing.

In terms of the significant relationship that exist between market characteristics and value differentiation, social exchange theory has buttressed on the firms judgment in the application of market-based strategy which is motivated by competitive action, in the direction of achieving certain degree of market exchange. Eugene (2011) supported the position of this theory by emphasizing that exchange of benefits occurs in the market place as a result of choice of strategy considered by a firm. In the same vein, structural hole theory captures that competition is naturally created by brands and has made market a bitter battleground for them to strive for survival. Market-based strategy can be applied to create structural equivalence of the market and make use of distinction for targeting value creation and differentiation (Burt and Talmud, 2012). The study of Slater and Narver (2000) previously discovered that competitors rely on the same market within which they operate to develop strategy for survival. It therefore follows that ability of a firm to outweigh competition will depend on how potent its can consistently make use of market characteristics to develop appropriate strategy and create new unique value in the competitive market place. Fichman (2000) equally emphasized that the significance of firm's market-based strategy is to create the essence of exchange of value between specific market segment and the firm's offering. While firms engage in using market based factors to creating niches, new faces of markets are created with new values towards maximizing exchange.

In view of the outcomes of this study; it shows that niche marketing is an essential marketing strategy for firms to achieve value differentiation that provide better performance than competitors. Niche marketing strategy is useful especially for small business organisations that have limited budgets as it helps them to direct their marketing strategy towards selecting niches. They engage in careful analysis of the product, market and company characteristics to determine unfocused and non- competitive areas of marketing practices. The firms' clear objective clear of maximizing effectiveness in the competitive marketplace is constantly achieved by proactively proffering solutions to varying degrees of lead problems of different segments through value differentiation.

Summary and Conclusion

This study was basically designed to establish the relationship between niche marketing and value differentiation in the footwear industry in Nigeria. We examined niche marketing as strategy based on the generic problem of the industry market which is competition.

We further developed a perspective of niche marketing as acceptable marketing strategy for contemporary business practice (Jarvis and Goodman, 2003). We considered niche marketing a strategy firms can use to advance value creation as differentiation in order to outweigh competition.

According to Goodhue and Rausser (2003) value differentiation as a critical factor in this study was considered as a process by which firms isolate, exploit heterogeneity in consumer preferences and product attributes. However, we discussed some important product-based, market-based and company-based characteristics through which firms can create and differentiate value.

The empirical study involves face-to-face survey with 47 footwear retail outlets and 235 respondents. The researcher discovered that variables of measurements in the study are essentially of great significance to the industry (footwear) understudied. The variables put under measurements which include niche marketing, value differentiation, product characteristics, market characteristics and company characteristics have shown significant relationships from the outcomes of the hypotheses testing. For clear analysis, the study tested on the relationships between the two broad variables of dependent and independent.

The independent variable of niche marketing was operationalised in terms of product characteristics, market characteristics and company characteristics and dependent variable in terms of value differentiation. The results of the regression analysis showed that there is a strong relationship between niche marketing and value differentiation in footwear industry, specifically, in Nigeria. The result of this study aligns with the outcome of few studies previously done by scholars including Goodhue and Rausser, 2003; Virvilate et al., 2009.

In conclusion, the result of this which established significant relationship between niche marketing and value differentiation will be of great value for managerial practice in the retailing outlets of footwear industry in Nigeria. The study has demonstrated the impact of niche marketing as a strategy to solving the recurring market problems. It has also shown that niche marketing deals with finding new but right ways of strategy development that closes gaps between unmet need requirements, associated values and different segments of the market. It is attractive a marketing strategy for creating new business and patronage towards increasing sales volume and profitability that ensure survive and growth of businesses. It is therefore significant for retailers of footwear industry in Nigeria to understand the perspective of niche marketing, first and foremost as a key marketing strategy for operating more successfully in the competitive market.

It has been discovered that the rate at which changes in the market structure will influence needs, wants and expectations in the footwear industry market is high. Thus, niche marketing as strategy should be used to focus more on value differentiation as the basis for achieving higher level of marketing objective

In conclusion, the outcome has provided the basis upon which future research could be drawn and presents some useful approaches for firms operating in the industry to increase their capability for value creation and differentiation amidst competition

VI. Limitation and further research direction

The methodology adopted in this study which basically relates to research design could have been more adequately justified. The use of face-to-face survey left to the researcher with no other choice because of certain common identifiable characteristic of the respondents. Most respondents were not well educated to read through a structured questionnaire and provide appropriate responses without the researcher's input

This study could be improved upon in future time where the define target respondents have gained better formal education to understand how participate effectively in a formal study of this importance, particularly in terms of respondents' independence in questionnaire administration. Moreover, other areas of critical measurements such as customer satisfaction, market share, market performance and competitive advantage could be explored as dependent variables to extend the study beyond value differentiation in future study.

VII. Contribution to Knowledge

The findings have established that there is a functional relationship between niche marketing and value differentiation in footwear retailing and marketing in Abeokuta business district of Ogun state Nigeria. It is expected that outcome of the study adds value to the pool of existing knowledge in field of niche marketing and value differentiation, and specifically, in the footwear retailing industry in Ogun State and Nigeria as a whole.

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