DIGITAL TRANSFORMATION STRATEGIES AND INTERNATIONAL BUSINESS EXPANSION OF CONSUMER GOODS FIRMS IN NIGERIA

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Abstract

The fast development of digital technologies has shifted the strategic landscape of modern companies and made the management strategy a key factor of international business growth. This study examines how management strategy impacts internationalized business expansion (IBE) with reference to three aspects: team structure and development, process optimization, and results measurement and Key Performance Indicators. The research design was quantitative and explanatory, where 156 respondents at management level in consumer goods companies in Lagos, Nigeria were used to collect data. The analysis of the connection between the management strategy dimensions and the International Business Expansion was done with the help of Structural Equation Modelling (SEM). These findings indicate that process optimization ($b = 0.278$, $CR = 3.779$, $p < 0.001$), results measurement and KPIs ($b = 0.285$, $cr = 3.285$, $p = 0.001$) have a strong positive impact on international expansion, whereas team structure and development ($b = 0.407$, $cr = 1.539$ $p = 0.124$) does not have a significant impact. The results of the covariance and correlation demonstrate high interrelationships between the dimensions of management strategies, indicating that they are integrated. The findings suggest that strategic execution, through efficient processes and performance tracking, is more critical for international growth than structural arrangements alone. The study contributes to the literature by emphasizing management's pivotal role in translating digital capabilities into cross-border expansion and provides practical guidance for managers in emerging markets seeking to optimize team structures, processes, and performance measurement systems.

Keywords: management strategy, international business expansion, digital transformation, process optimisation, performance measurement, team development

1.0 Introduction

Digital technologies have developed rapidly and have consequently transformed organisational strategies to a large extent especially concerning global expansion. Although digital transformation is widely recognised as one of the critical competitive drivers, it is only effective when the management strategy and not technology adoption is pursued (Correani et al., 2021). In companies that are expanding their business internationally, management strategy identifies digital initiatives with cross-border growth plans via dimensions, including team structure

and team development, results measurement, key performance indicators (KPIs), and process optimization, which are overall organizational capabilities as far as internationalization is concerned (Brunetti et al., 2020; Bader et al., 2022). Digital transformation has also changed the historic internationalization routes by allowing the easy entry into markets, coordination of activities that are far and responsiveness to the market shifts which occur globally (Meyer et al., 2023; Feliciano-Cestero et al., 2023). Nonetheless, current literature takes much of the view of technological perspective or firm level perspective of performance and has little empirical emphasis on the management strategy as a multi-dimensional construct, especially in emerging economies. The study fills this gap by discussing the role of strategic managerial capabilities in the internationalized business expansion in a digital transformation environment.

Against this background, the key aim of the current research is to investigate how the management strategy, in the form of team structure and development, results measurement, KPIs, and process optimisation, affects internationalised business expansion. In particular, the study will examine the impact of management strategy on the expansion of internationalised businesses and the specific objectives are: to investigate how team structure and development influence expansion of internationalised business of consumer goods firms in Nigeria, to determine the impact of results measurement and KPIs on internationalised business expansion of consumer goods firms in Nigeria and to consider the influence of process optimisation on internationalised business expansion of consumer goods firms in Nigeria.

The study is divided into four (4) sections. Section I covers introduction, while section II reviews relevant literature on the study. Section III is on the methodology and empirical results, while section IV concludes the study and proffers recommendations.

2.0 Review of Relevant Literature

The strategy of management is a vital basis of organisational success during the digital transformation era, especially to firms who seek expansion of business internationally (Grijalba et al., 2025; Henry and Chukwuekem, 2024). It helps managers to align the digital initiative to the organisational resources, capabilities and strategic goals to improve its competitiveness and global market penetration (Mikalef and Parmiggiani, 2022). Digital transformation offers better tools and analytics that promote international operations, but the success of such tools is heavily influenced by the ability of the managers and strategic vision in overcoming complex global conditions (Brunetti et al., 2020; Kraus et al., 2022; Rubio-Andre et al., 2024). Therefore, technology adoption is not the sole factor that provokes international expansion, but also association of the management to make strategic use of digital resources in cross-border operations.

In these terms, the management strategy works with three major dimensions: team structure and development, results measurement and key performance indicators (KPIs), and process

optimisation. Good teams are organised and expert enough to improve coordination, diffusion of knowledge and innovation, which facilitates international operations (Agustian et al., 2023; Bader et al, 2022). The ability to make decisions based on data, alignment to strategic priorities, and responsiveness to changing global markets is made possible through effective performance measurement and KPIs, whereas the optimal process increases efficiency, subsequent flexibility, and operational dependability across borders (Gianluca et al., 2024; Correani et al., 2020). These dimensions in combination indicate that it is not digital tools, but strategic managerial behaviours**3.0 Methodology**

This study was conducted to determine how digital transformation strategies impacted consumer goods firms in Nigeria and the methodology of the study entails the research design, population, determination of sample size, sampling method and method of analysis.

3.1 Materials and Methods

3.2 Study Area and Research Design

The research design adopted for this study is a quantitative explanatory research design to investigate the role played by the management strategy on internationalised business expansion (IBE) in a digital transformation setting. The design was appropriate to examine hypothesised causal relations between team structure and development, key performance indicators (KPIs), results measurement, and process optimisation and IBE. The cross-sectional survey method was chosen to gather data of the chosen firms at one moment in time. Lagos State, Nigeria, where the study was carried out, is a developing economy, which is becoming more digitalised and involved in international markets. The population was 428 employees working at the managerial level of the chosen firms and a sample of 203 employees was identified with the help of Conchran formula. Valid responses obtained after valid and consistent questionnaire were screened to get 156 questionnaires used for the analysis. A sample of 156 respondents was selected using purposive sampling and this was sufficient to run a structural equation modelling (SEM) and hypotheses tests. A structured questionnaire which was based on validated scales in previous research was used in data collection. The instrument comprised of demographic questions and the measures of the study variables that were rated on a seven-point Likert scale (strongly disagree, 1, strongly agree, 7). Primary data was the main source of the research, with secondary sources serving to assist in the development of instruments, as well as, theoretical base.

3.3 Model Specification

The causal correlational connection between management strategy and business internationalisation expansion was stipulated as:

IBE=f(TSD, RMK, PO)

The econometric version of the model can be written in the following form:

$IBE == \beta_0 + \beta_1(TSD) + \varepsilon$ ---------- (i)

$IBE = \beta_0 + \beta_2(MRK) + \varepsilon$ ----------(ii)

$IBE = \beta_0 + \beta_2(PO) + \varepsilon$ ----------(iii)

$IBE = \beta_0 + \beta_1(TSD) + \beta_2(MRK) + \beta_3(PO) + \varepsilon$ ----------(iv)

Where: β_0 is the intercept, β_1 - β_3 the regression coefficient and ε is the error term.

Apriori Expectation β_0; β_1; β_2 and $\beta_3 > 0$ ----------(v)

IBE International Business Expansion

TSD Team Structure and Development

RMK Measuring Results and KPIs

PO Process Optimization

Procedure for Data Analysis

The collected data was filtered based on completeness and consistency and questionnaires with missing or contradicting data were filtered off to retain data quality. Descriptive statistics such as the means, standard deviations and frequency distribution were used to summarise the characteristics of the respondents and the general view of the data. The measurement model was also tested to identify construct reliability and validity. Internal consistency reliability was tested with Composite Reliability (CR), which is a stronger estimate in a structural equation modelling scenario than Cronbach alpha (Yu et al., 2021). All constructs were found to have CR values of above the recommended 0.70. The convergent validity was quantified with average variance extracted (AVE) under which all the constructs of the research possess values above the minimum acceptable 0.50, which implies that they are sufficient on account of the variance as denoted by them.

The structural model was subsequently tested to test the relationship that had been hypothesized. The individual effect of the management strategy constructs was tested using Structural Equation Modelling (AMOS-SEM). Path coefficients (b), t-values, and p-values were also tested to determine how strong, directional, and significant the relationships were; the R^2 values were used to determine the explanatory power of the models. The results were interpreted in line with research objectives and hypotheses that enable providing an empirical background to the discussion, conclusions, and recommendations which are reasonable (Guenther et al., 2025).

3.4 Empirical Results

A mixed-method approach was used for the distribution of the questionnaires, which included both physical administration and the sharing of a Google Forms link upon request. A total of 203 questionnaires were distributed to the target respondents. Out of this number, 180 questionnaires were returned, resulting in a response rate of 87.80%. However, after screening the returned questionnaires, 24 were found to be incomplete or improperly filled out. Consequently, these were discarded, leaving 156 valid questionnaires for the final analysis, which constitutes a valid response rate of 76.10% from the initially distributed total.

3.5 Descriptive Statistics

Table 1 shows the descriptive statistics of the observed variables. The findings

show that the consumer goods companies in Nigeria are characterized by the overall high degree of involvement in the management strategy practice in their digital transformation efforts. Process optimization was followed by results measurement and key performance indicators (KPIs) (M = 6.11, SD = 1.09 and M = 6.02, SD = 1.15). Team structure and development were the highest and the lowest mean scores, that is M = 5.50, SD = 2.24, respectively. These results imply that companies are more concerned with efficiency in the execution and performance monitoring than the architectural set-ups.

Table 1: Descriptive Statistics of Management Strategy Dimensions

Construct	Mean	Std. Deviation
Team Structure & Development (TSD)	5.50	2.24
Process Optimisation (PO)	6.11	1.09
Results Measurement & KPIs (RM & KPIs)	6.02	1.15

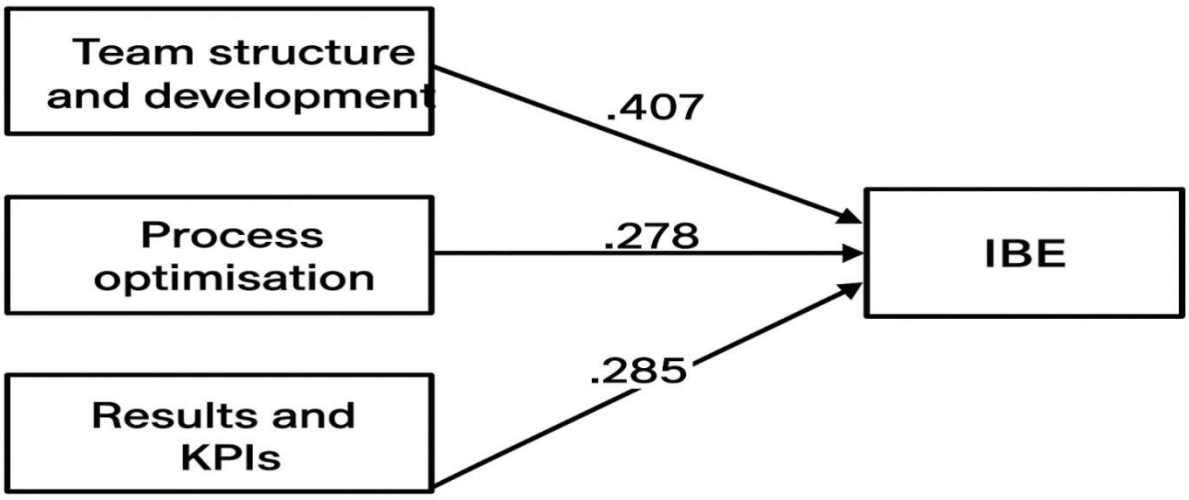
Source: Field Survey, 2025 (SPSS Output)

Correlation Analysis

Table 2 (correlation matrix) indicates that there are positive relationships between the management strategy dimensions and internationalised business expansion (IBE). The closest relationship has been noted between process optimisation and results measurement and KPIs (r = 0.939) meaning a very strong relationship exists between the effectiveness of the execution and the performance monitoring. Positive relationships were observed between internationalisedbusiness expansion and process optimisation (r = 0.390) and results measurement and KPIs (r = 0.335). However, with team structure and development, the relationship was weak (r = 0.137). These findings confirm the theoretical anticipation of interrelationships between dimensions of management strategies and the reason why pathways of covariance should be included in structural mode

Relationship	Correlation (r)
TSD ↔ PO	0.640
PO ↔ RM & KPIs	0.939
TSD ↔ RM & KPIs	0.677
IBE ↔ TSD	0.137
IBE ↔ PO	0.390
IBE ↔ RM & KPIs	0.335

Table 2: Correlation Matrix



Source: Field Survey, 2025 (SPSS Output)

Figure 1: The structural model

Source: Field Survey: 2025 AMOS Output

To test how management strategy dimensions influence the internationalised business expansion, maximum likelihood estimation in AMOS was used to estimate the structural model. Table 3 shows the results of the structural path analysis

Table 3: Structural Path Estimates – Management Strategy → IBE

Path	Standardised Coefficient (β)	C.R.	p-value	R^2	Decision
TSD → IBE	0.407	1.539	0.124	0.509	Not Significant
PO → IBE	0.278	3.779	0.000		Significant
RM & KPIs → IBE	0.285	3.285	0.001		Significant

Source: Field Survey, 2025 (AMOS Output)

The findings reveal that the effect of process optimisation on the internationalised business expansion is positive and statistically significant (b = 0.278, t =3.779, p < 0.001). On the same note, results measurement and KPIs have a positive and substantial impact on IBE (b = 0.285, t = 3.285, p = 0.001). The results indicate that companies that have effective processes and have developed strong performance measurement systems, have higher chances of succeeding in international expansion. Despite the fact that the team structure and development had the highest standardised coefficient (t = 1.539, p = 0.124), the influence was not statistically significant (b = 0.407),

which means that the team-related strategies do not directly influence international expansion.

The structural model explained 50.9 per cent of the variance in internationalisedbusiness expansion (R^2 = 0.509), meaning that the combination of management strategy dimensions with team structure and development, process optimisation, and results measurement and KPIs explain the results of international growth of firms to a significant degree. This implies that performance and performance-driven managerial practices are the determinants of international expansion in digitally transforming companies.

In general, the results indicate that management strategy has a substantial impact on the internationalised business growth, process optimisation and results measurement and KPIs are the most robust, not to mention the strongest predictors. The strong relationships between management strategy dimensions also suggest that the practices are a coordinated system of strategies. Nevertheless, execution-oriented strategies seem to have a more direct influence on the international expansion than the mere structural arrangements on digitally transforming firms.

3.6 Discussion of Findings

The study has analysed how the management strategy influences business expansion through internationalisation (IBE) with three main dimensions, including team structure and development (TSD), process optimisation (PO) and results measurement and KPIs (RM & KPIs). The results indicate that IBE is a dependent variable on the management strategy, but individual dimensions differ in strength.

Process optimisation was found to be the best predictor of international business expansion ($b = 0.278$, $p < 0.001$), which is to confirm the importance of streamlined workflows, digital integration, and operational efficiency as the best enablers of international business expansion. This is in line with the research done in the past that emphasises the role of agile and optimised processes in making organisations more responsive and minimising the risks involved in international operations (Teixeira et al., 2024; Liao et al., 2025; Rubio-Andres et al., 2024).

The positive and significant impact on IBE was also observed in results measurement and KPIs ($b = 0.285$, $p = 0.001$), meaning that companies that monitor the performance systematically and align digital efforts with strategic goals are more likely to succeed in international expansion. This observation is in line with the existing literature that highlights the importance of KPIs and real-time analytics in facilitating strategic decision making and accountability in international operations (Calderon-Monge & Ribeiro-Soriano, 2024; Mikalef and Parmiggiani, 2022).

Although it had a positive correlation with IBE ($b = 0.407$), team structure and development was insignificant ($p = 0.124$). This implies that structured team courses and capacity-building programs, as useful as they are, can be indirect

factors in the international growth of digitally transforming companies. This finding aligns with the existing studies suggesting that structural arrangements can have an indirect impact, which elevates the results only in the event of being integrated with productive processes and performance control (Giovanni et al., 2024; Correani et al., 2020).

The covariance and correlation tests also indicate that there are high interrelationships between the dimensions of management strategies, especially between process optimisation and results measurement (r = 0.939) and that the mannerism in which managerial practices are integrated to achieve internationalisation. These results indicate that management strategy is an integrated system, in which execution-oriented aspects are more directly associated with expansion performance than structural arrangements per se.

4.0 Conclusion and Recommendations

This study concludes that management strategy plays a critical role in facilitating international business growth among digitally transforming firms, particularly in emerging market contexts. Among the three dimensions examined, process optimisation emerged as the most influential factor, highlighting the importance of streamlined workflows and the digitalisation of cross-border operations. The results measurement and key performance indicators (KPIs) were also significantly contributing aspects, which indicates the importance of data-based decision-making and strategic performance alignment. Even though the effect of team structure and development was positive but not significant, the result implies that the organisational design and the capacity-building can have an impact indirectly via execution-oriented processes. On the whole, the findings show that it is the strategic use of managerial practices that can make successful international expansion rather than the implementation of digital technologies.

Based on these finding, the managers and policymakers are encouraged to focus on the optimisation of organisational processes by automating, using digital tools, and re-engineering operations in order to improve international responsiveness and coordination. The establishment of strong performance measurement systems through the design of KPIs based on the internationalisation goals and implementation of digital dashboards to monitor performance in real time and make decisions should also be developed by firms. Although team structure alone might not necessarily be a motivator of expansion, it should be combined with the execution processes in terms of developing appropriate skills and effective delegation. The integration of team development, process optimisation, and performance measurement is, therefore, a holistic approach that is necessary in maximising international expansion outcomes. In emerging markets like Nigeria, managers have to consider institutional, infrastructural, and competitive limitations further to make sure that digital competences are efficiently mediated by context-specific

managerial approaches on their way to sustainable internationalisation.

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