INNOVATION STRATEGIES AND MARKET ORIENTATION IN SELECTED NIGERIAN BANKS

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Abstract: *In an attempt at improving market orientation, management of organisations employ innovation strategies and practices that reflect this area of operation. Thus, this study investigated innovation strategies and market orientation in selected Nigerian banks. It specifically examined the effect of process, product, marketing and organisational innovation on market orientation among selected Nigerian banks. It is a field survey within a cross sectional time frame of 2021. A total of 399 management and senior staff of five deposit money banks with international affiliation constituted the sample size. Data was gotten from the primary source and generated through the administration of copies of questionnaire to respondents. Data was analysed using descriptive and inferential statistics. The outcomes of the study showed that process, marketing and organisational innovation have positive significant effect on market orientation among selected Nigerian banks. This study therefore recommends that deposit money banks should implement process, product, marketing and organisational innovation by putting in place the effective and efficient utilization of technologies in the areas of operations and service delivery. It also recommends that they cover wide areas of the market in terms of segmentation, market share, promotional activities, advertisement and other marketing areas so that they can attract new customers and new businesses so as to increase the demand and visibility of their products thus enhancing their customers' satisfaction. Also, the study recommends constant engagement in organisational innovation in a bid to meet the changing competitive nature of the banking industry and the set international standard to enhance their market orientation vis-à-vis their overall performance.*

Keywords: Innovation Strategies, Market Orientation, Process Innovation, Product Innovation, Marketing Innovation and Organisational Innovation.

JEL classification: M10, M30, L10, L19, L20, L21, L22

1. Introduction

Continuous performance is one of the major objectives of any organisation and through performance organisations can grow and progress (Gavrea, Ilies and Stegerean, 2011). Performance encompasses frequent activities done to ensure the establishment and achievement of organisational goals. It also evaluates the progress made towards the set

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goals and ensures that the necessary modifications to accomplish these goals more effectively and efficiently are done (Njagi and Kombo, 2014). In an attempt to improve performance, the managements of organisations have to employ innovation strategies and practices that reflect the area of operation. The need for innovation strategies towards the enhancement of its market orientation is that the business environment is highly competitive, complex in nature and there is economic instability all over the world (Cerulli, 2014). An effective innovation strategy correctly informs both the management and subordinates staff about the job they must do, market segments to be targeted in the achievement of the projected growth and the unmet needs that needs to be given attention in order to achieve a great performance (Pinoy, 2015).

The goal of innovation strategy is to ensure that organisations incorporate effective strategies to enhance improved performance. Innovation strategy enables top management to monitor the activities of their competitors, access customer market information, use organisational resources effectively and efficiently towards the growth of the organisation (Oke, Walumbwa, and Myers, 2012). Innovation strategy activities such as product innovation, market innovation, process innovation and organisational innovation could have implications for organisational performance (Verhees and Meulenberg, 2004). Therefore, bearing innovation strategy in mind, organisations will usually conduct their activities taking into cognizance internal and external contingencies, to better manage uncertainties as well as achieve better performance.

Major factors like globalization and the growing competitiveness in the market have compelled financial institutions to entrench innovativeness in their operations in order to gain a sustainable competitive advantage and improve their overall performance in terms of market orientation, financial standing, human resources among others (Muigai and Njeri, 2018). Financial institutions are currently not only competing based on their service offerings but also on the basis of physical products as it may be hard to distinguish between the products of the competing brands in a given product category. The ever increasing competition in the banking industry has caused the players in this industry to find alternate ways of surviving and performing well amidst the competition. Asikhia (2010) noted that many organisations in the banking and other related industry have continuously been reformed when it comes to market share, technology, competition and consumer demands. Innovation strategy in the banking industry can bring about swift transformation especially when it concerns new distribution channel systems, such as Internet and mobile banking services amongst others (Larsen, Markides and Gary, 2002). While these technological innovations possibly will have some resemblances, they meet diverse needs in the service delivery strategy of deposit banks (Mansury and Love, 2008). It is because such banks deal predominantly with services that needs the invention and innovation of products while improving existing ones, and are consequently required to stay relevant even as the business environment experiences volatile changes (Porter, 2008).

Organisations need to comprehend their processes of innovation to be able to thrive in a challenging business environment. McAdam (2000) noted that for an innovation strategy to be effective, it must integrate all areas of an organisation and possess the ability to affect every department and process in that organisation. Innovation may be transformational, far-reaching or incrementally dependent on the nature and the resultant effect the change has on the performance of the organisation. In a competitive business environment, competing organisation strive to be the bench racer instead of benchmarking in innovation strategy so as to enhance their performance. Innovation strategy when appropriately applied towards the achievement of an increasing and high organisational performance in any business will vary from organisation to organisation. Larsen, Markides and Gary (2002) asserted that strategic innovation centres on adapting over time the strategy on a corporate level, pinpointing untapped positions in the industry ahead of other rival organisations. Hence, this study investigates the impact of innovation strategies on market orientation in Nigeria with emphasis on Deposit Money Banks (DMBs).

1.2 Statement of the Research Problem

Volatile uncertainties have affected the orientation of organisations towards innovation and its activities leading to innovation not being implemented. This leads to reduction in organisational returns on investment, equity and the general overall performance (Abdi, 2014). Innovation comes with its challenges and uncertainties and many organisations, especially those in the banking sector perceive that their approach towards innovation for increased performances have not yielded the desired returns expected (Siam, 2006; Sana, Mohammad, Hassan, and Momina, 2011). The impacts of these innovation strategies like product, process, marketing and organisational strategies are absent in most organisations such as banks and other financial institutions. They have streamlined their strategy to conventional approaches and procedures, hence they are not being able to perform optimally and enhance their organisational performance (Larsen, Markides and Gary, 2002). Despite the implication of innovation strategies (like process, product, marketing and organisational strategies) in translating the organisational performance in these banks, the impact is yet to be understood because of the vague understanding of the aim of innovation and its' strategies. Hence, its impact on the performance of an organisation remains a key ingredient of research.

However, most prior studies on innovation strategies and market orientation were confined to developed countries, while few of these extant studies were from developing countries like Nigeria. For instance, Obenjo (2016) investigated the effect of innovation strategies on the performance of firms listed in the NSE, Ejabefio and Nwaeke (2018) examined corporate entrepreneurship initiative and organisational performance of deposit money banks in Port Harcourt, Akpoviroro, Akinbola and Akinrinola (2019) examined process innovation on organisational performance and Ukpabio., Oyebisi and Siyanbola (2019) examined the role played by innovation in Small and Medium Enterprises (SMEs) operations sustainability in the manufacturing sector of Chinhoyi. Their results were inconsistent and inconclusive thereby creating a knowledge gap. Consequently, extant studies from Nigeria failed to introduce variables like process and organisational innovations as variables about performance among selected deposit money banks in Lagos. This is a gap in knowledge this study fills.

1.3 Objectives of the Study

This study broadly investigated the effect of innovative strategies on market orientation in selected Nigerian banks, while it specifically looked at the objectives below:

i). determine the effect of process innovation on market orientation in selected Nigerian banks;

ii). ascertain the relationship between product innovation and market orientation in selected Nigerian banks;

iii). evaluate how market innovation affects the market orientation in selected Nigerian banks; and,

iv). examine the extent to which organisational innovation impacts the market orientation in selected Nigerian banks.

1.4 Research Hypotheses

The hypotheses are stated in the null form as follows:

i). Process innovation has no significant effect on the market orientation in selected Nigerian banks.

ii). Product innovation has no significant relationship on the market orientation in selected Nigerian banks.
iii). Market innovation has no significant effect on the market orientation in selected Nigerian banks.
iv). Organisational innovation has no significant impact on the market orientation in selected Nigerian banks.

2. Literature Review

2.1. Concept of Innovation Strategy

Innovation strategy gives a distinct direction, concentrating the efforts of the whole institution on a common goal (Nmadu, 2005). Drucker (2003) sees innovation as a specific tool for entrepreneurs. It is how the entrepreneurs take advantage of change for an innovative business or service. Innovation can be presented as a discipline, which is cultivatable or practical. Betz (1997) assumes that the introduction of a novel or enhanced product, process, or service to the market place is innovation.
Innovation strategy refers to the development of new services and products, growth strategies or models of business that change the orientation of business and produce significant new value for customers and the corporation itself (Walumbwa, 2012). Innovation strategy challenges a company to look for new possibilities to engage in activities beyond the existing borders of the business (Drucker, 2012). Aliber (2007) describes innovation strategy as the creative direction of a company to end up with a range of aims, procedures and ways to fully make use of and advance the new, creative potential of the business enterprise.
Innovation strategy originates from unexpected occurrences, incongruities, industry market changes and process needs (Drucker, 2001). Moeller (2006) believes that demographic change is the cause of strategic innovation across the world. Markides (1999) argues that new needs which arise as a result of changes in consumer preferences, evident in competitors' efforts in mopping up the neglected segments, act as an insightful source for strategic innovation. Innovation strategy serves as a guide for organisations planning how and why to innovate before attempting to make an innovation. It is made up of financial requirements and areas related to growth regarding new goods or services; it is the overall standard that provides a set of filters through which the notions of strategic roles and new products or services have to pass, thus defining the strategic purpose of new products or services (Dougherty, 1992).

2.1.1. Process Innovation

This is the practice of re-engineering and improving the internal operations of a business process (Cheng and Chiu, 2008). This process involves many functional aspects of an organisation, including technical design, research and development, manufacturing, management and commercial activities (Freeman, 2002). In the views of Oke and Burke (2007), process innovation is most related to the creation of, or improvement in techniques, and the development of process or system.
In production terms, process innovation can be referred to new or improved techniques, tools, devices, and knowledge in the manufacture of a product (Gopalakrishnan and Damanpour, 2007). Process innovation constitutes the sequence of activities right from the conceptualisation of an initiative through to the implementation stage and finally the evaluation stage. Cumming (2008) notes that process innovation is a team-based approach that includes elements like facilitated workshop sessions, part information exchange, part exploration, part mediation, part creative invention and part improved theatre. These

sessions kindle cross-functional teams to see past the noticeable answers and to discover and speculate about the future with its endless, foreseeable and unforeseeable possibilities.

2.1.2. Product Innovation

Kotler (2011) defined a product as anything that can be introduced to a market for use, acquisition, consumption, or attention and can satisfy a want or a need. Thus, a product may be tangible (goods) or intangible (service or a set of ideas). In the context of the present study, products refer to various services that banks offer to their customers. The creation and subsequent introduction of a good or service that is either new or an improvement on previous goods or services is therefore seen as product innovation (Azaze and Haji, 2005). Gopalakrishnan and Damanpour (2005) also defined product innovation as the creation of a novel product from new materials (totally new product) or the alteration of existing products to enhance customer satisfaction (customized and enhanced version of existing products). To cope with the competitive pressures of the market, the changing tastes and preferences of customers, short product life cycles, technological advancement (or contrarily technological obsolescence), varying demand patterns, and specialized requirements of customers, innovations in firm’s product offerings are required of the firm.

Product innovations focus on marketplaces and are primarily customer-oriented. In banking, product innovation requires that financial institutions understand customer needs, changes in demographics and using the information gained, devise new ways to be introduced to bank markets (Wan, Ong and Lee, 2005; Wang and Ahmed, 2004). With innovation, the quality of products could be improved upon, which results in the betterment of the performance of an organisation and ultimately to its competitive advantage (Gunday, Ulusoy, Kilic and Alpkan, 2011).

Product innovation in banks is achieved by the introduction of better and newer ways of offering credit facilities, taking deposit, ensuring insurance, facilitating lease and hire purchase, rendering banking derivatives and other financial products such as e-banking, investment and retail banking, soft loans facilities amongst others. To respond better to changes in market demand or to maximise the profit capability of the institution, they may introduce these products. However, considering the evolution of bank products, Watkins (2007) categorized these products into three groups namely, core products, formal products, and augmented products. Core products define the business, for example, a bank's core products include current account, savings account, term deposit, fixed deposit, term loan, credit card, overdraft, and so on. A formal product is a combination of two or more core products and usually has strong marketing content as it caters to some specific customer needs. Formal products refer to customized products as per customers' requirements which are used to boost the banking business. Augmented products are produced by further modification of the formal product. The main advantage of an augmented product arises from its strong marketing content because an augmented product is made out of a formal product which itself has a strong marketing content. All these forms of products have constituted banking operations.

2.1.3. Marketing Innovation

Johne (1999) posits that market innovation deals with the market mix and market selection to meet a customer's buying preference. Marketing innovation is the ability to re-engineer existing markets model and industries in ways that it creates new value for customers, undermines competitors, and produces new wealth for all stakeholders of the organisation (Hanvanach, Droge and Calatone, 2003). Marketing innovation can be seen as the significant change in innovation that stems from the revelation of something novel (Garcia and Calantone, 2002). The logic behind marketing innovation accentuates increasing sales growth by shifting consumer demand from elastic to more inelastic market segments via the

delivery of superior value (actual or perceived) to the customers (Hurley and Hult, 1998). Moreira, Silva, Simões and Sousa (2012) defined marketing innovation as an advancement which is the capacity of a firm to invents or creates new product that will lead to their market sustainability and strong presence. Naidoo (2010) revealed that marketing innovation is defined as the improvements in product design, approximating situations, advancements, and the chance of survival in the market. Clemmer (1998) also posited that marketing innovation should be seen as an integral key for the success of an organisation in the business environment, particularly in the strategic planning of its' future growth and also, for developing new products and services.
The Organisation for Economic Co-operation and Development (OECD, 2005) defined marketing innovation as the utilisation of a new marketing technique to a product or service that accounts for significant alterations to any of the following elements: product (design or packaging), placement, promotion and price which is an established criteria and definition in line with the widely accepted marketing mix of 4P - Product, Price, Promotion, and Place (McCarthy and Perreault, 1993). The distinguishing feature of a marketing innovation compared to other changes in a firm's marketing strategy is the implementation of a marketing strategy not previously and currently used by the firm or other firms. It must be a whole or part of a new marketing concept or strategy that represents a momentous departure from the firm's existing marketing methods (OECD, 2005).
Market innovation is concerned with improving the mix of target markets and educate on how the chosen markets are best served (Kotler, 2011). Its' purpose is to identify better potential markets, and new ways to serve target markets.

2.1.4. Organisational Innovation

Organisational innovation can be generally defined as the changes, modifications and alterations in the firm's structure or management's strategies that are intended to advance the firm's use of knowledge, the quality of goods and services, and the efficiency of workflows. It is the implementation of new methods in the business practices of an organisation, its workplace organisation or external relations (Hamel, 2009). It also means the implementation of a new organisational method in the undertakings of business practices, workplace organisation or external relations.
Gunday and Dutton (2011) notes that organisational innovations are intensely linked with all administrative efforts to renew organisational routines, procedures, mechanisms, systems, etcetera and to renew teamwork, sharing of information, coordination, collaboration, learning and innovation. Innovation in the corporate work environment involves the application of new procedures for distributing responsibilities and ensuring decision making among employees for the clear division of work within and between organisational activities and organisational units, as well as new concepts for the structuring of activities (Salter, 2006). In a general sense, it refers to the creation or adoption of an idea or behaviour that is new to the organisation (Damanpour, 1991). It is the development and implementation of new ideas by people who over time engage in transactions with others within an institutional order (Greenhalgh, 2005).

2.2. Concept of Market Orientation

Market orientation as a non-financial performance is the methodical organisation of marketing resources and processes to accomplish quantifiable gain as a result of investment in an enterprise with efficiency while maintaining quality in customer experience (Kotler, 2011). Marketing orientation is a central facet of the marketing operations function within marketing departments and involves the use of pricing strategies, market penetration strategy and market skimming. Market orientation involves the set of activities through which a firm by coincidence or plan develops resources and uses them to deliver services or

products in a way that its users find value while meeting the financial and other objectives despite the constraints imposed by key stakeholders.
Market orientation gives an organisation some property that is unique or at least distinctive and the means for renewing its competitive advantage as the environment changes (Haberberg and Rieple, 2008). Market orientation also involves the process of setting a considerable price, which will be affordable for the customer, thus there may be a need for price reduction to gain acceptance and thus create speed for the product in the market. The interest in the assumed relationship between market orientation and performance ostensibly has remained steadfast for its apparent strategic importance (Kotler, 2011). The popular notion has been that proper execution of the market orientation brings about superior performance (Damanpour, 1991).

2.3. Underpinning Theory for the Study and Empirical Review

This study is anchored on the knowledge-based theory. The knowledge-based theory of the organisation sees knowledge as the most strategically significant resource of the organisation. Knowledge-based resources are usually hard to copy and socially intricate. Hence, strategic innovation is well-rooted in the knowledge-based theory of organisation (Grant, 1996). It is widely accepted that the ability of an organisation to innovate is linked to the abundance of accessible knowledge within an organisation (Subramaniam and Youndt, 2005).
This study reviewed the works of other researchers on innovation strategy including their findings and conclusions but there are little or no studies done on the relationship between innovation strategy and market orientation and this shows the identified gaps left by these previous studies that was filled by this research. Nwokah, Ugoji and Ofoegbu (2009) examined product development and corporate performance in the Nigerian brewing industry. It was revealed that a positive and significant relationship exists between product quality, product lines/product mix and profitability, sales volume and customer loyalty and recommended that high product quality should be maintained and that new market segments and appropriate products should be continuously developed accordingly. Also, Maurice (2013) investigated the relationship between organisational performance and product development by innovation. The findings show that the impact of product development on organisational performance was higher in Nigeria when consumers perceive product innovation as stronger, more favourable and more unique. Creativity/quality of the innovation process exerts a positive influence on product development and organisational performance as it recommended that creative/quality innovations should be maintained continuously to develop appropriate product continually. Karabulut (2015) explored the effects of innovation strategy on firm performance in the manufacturing sector in Istanbul, Turkey. Factor analyses and multiple regression analyses were conducted on the data compiled by questionnaires. It concluded that innovation strategy in Turkish manufacturing firms led to improved financial performance, customer performance, internal business processes performance and learning and growth performance. Ejabefio and Nwaeke (2018) examined corporate entrepreneurship initiative and organisational performance of deposit money banks in Port Harcourt and recommended that the deposit money banks should try and renew their strategies regularly for better performance and that an innovative spirit should be imbibed by the management of the banks while the banking culture should be reviewed regularly to meet up with international standards of banking.

3. Methodology

The survey research design was used since the objective of the study was to investigate and understand the traits and mechanisms of the relationship between the innovation strategies and the market orientation of five selected deposit money banks in Nigeria namely Zenith Bank, Eco Bank, Guaranty Bank, United Bank for Africa, and Access Bank because they were ranked among the top five (5) systematically important Nigerian banks and with international affiliation/authorisation in 2014 (Oleka and Mgbodile, 2014). The choice of selecting Nigerian banks in Lagos State is borne out of the fact that Lagos State is one of the major business engines of Nigeria and it is also the state where the head offices and core departments of these banks are situated. The selected employees are staff from head offices that work in various departments, namely: Corporate Strategy, Human Resources, Business Process re-engineering, Strategic Management and e-Channels and they were examined since they form the core operational departments in the banks. The reason for the choice of these departments is because the various departments play key roles in innovation and strategy development in the banking environment. A total of six hundred and sixty-five (665) employees constituted the population of the study, obtained from the human resources department as depicted in Table 1. A total of three hundred and ninety-nine (399) employees formed the sample size of the study which was achieved via purposive prediction of number of more than half of the population. Therefore, Table 2 illustrates the allocation of sample size according to the proportion of individual banks.

Table 1: Study Population Proportion

S/N	**Banks**	**Number of Staff in Selected Departments at the Head Office of the Selected Banks**					**Total No.**
		Corporate Strategy	**Human Resource**	**Business Process re-engineering**	**Strategic Manage ment**	**e-Channel s**	**N**
1	Zenith Bank	30	30	15	15	35	122
2	Eco Bank	25	35	15	15	40	163
3	GT Bank	20	35	30	20	35	107
4	UBA	30	35	25	30	30	152
5	Access Bank	25	20	20	15	40	121
	TOTAL						**665**

Source: Human Resources Department Database of the Banks, 2021

Table 2: Proportionate Distribution of sample among the selected banks using the formula

S/N	**BANK**	**N**
	Zenith Bank	73
	Eco bank	97
	GT Bank	64
	UBA	92
	Access Bank	73
	Total	399

Source: Researcher’s Data, 2021

It is a field survey covering a cross-sectional time frame of 2021 as we examined how banks faced their challenges before, during and after the outbreak of the coronavirus (COVID 19) amid the lockdown and partial operation. This study adopted the convenience sampling technique because only staffs at the time of the survey were administered copies of the questionnaire. This sampling procedure employed ensures easy and proper administration

of the questionnaire, and more importantly, to enabling the researcher to maximise the limited time and financial resources devoted for this survey.
The research instrument used to collect primary data is a structured adapted questionnaire and it had three main parts: section one collected demographic characteristics of the respondents; section two had questions on variables of innovation strategy which emphasized the sub-variables such as product innovation, process innovation, market innovation and organisational innovation, while section three presents questions on market orientation. The questionnaire contains close-ended questions and has various sections. The research instrument for the study made use of a five-point Likert Scale with Strongly Disagree (SD =1); Disagree (D =2); Undecided (UD =3); Agree (A=4); and Strongly Agree (SA =5).

3.1. Validity and Reliability of the Research Instrument

The validity of the research instrument was established through content validity as the research instrument was given to senior colleagues and lecturers with proven expertise in the field. The research instrument's reliability was conducted via a preliminary survey. The research instrument was administered to sixty-seven employees that make more than 10 per cent of the sample size. This was to identify any ambiguities on questions that may not be easily understood or is poorly constructed. From the responses, remarks and comments received, the whole questionnaire subsequently was then refined and upgraded to take care of the detected inadequacies. This made the questions easier to answer and more response-friendly. The Cronbach's Alpha was used to test the reliability and consistency of the instrument and a summary of the reliability statistics coefficient is presented in Table 3.

Table 3: Summary of Cronbach's Alpha Reliability Coefficients

Variables	Cronbach's Alpha	Items
Product Innovation	0.831	4
Process Innovation	0.792	4
Marketing Innovation	0.861	4
Organisational Innovation	0.890	4
Overall Average Alpha for the instrument (α)	**0.844**	**16**

Source: Researchers' Computation, 2021.

The data collected was analysed through the use of descriptive and inferential statistics. All data were coded and the test analyses were done at 5 per cent level of significance using the Statistical Package for the Social Sciences (SPSS) version 22.0.

Model Specification

In this study, our model was specified with market orientation (MO) as the dependent variable and the independent variable was proxied with product innovation (PI); process innovation (PRI); market innovation (MI) and organisational innovation (OI). The model was functionally specified in the equation below as:

$$MO = f(PI, PRI, MI, OI) \quad (1)$$

Econometrically, the model equation is stated as:

$$MO = \beta 0+\beta_1 PI+\beta_2 PRI+\beta_3 MI+\beta_4 OI+e \quad (2)$$

Where: β_0 = Constant; β_1 to β_4 = Coefficients of the independent variables; MO = Market Orientation; PI = Process Innovation; PRI = Product Innovation; MI = Marketing Innovation; OI = Organisational Innovation; and e = error term.

With our Apriori expectation stated as:

$\beta_1>0$, $\beta_2>0$, $\beta_3>0$ and $\beta_4>0$ (3)

The Apriori expectation signifies that a unit increase in product innovation, process innovation, marketing innovation and organisational innovation will bring about an increase in market orientation.

4. Discussion of Findings

Table 4 presents the results of the inter-correlation among the variables. In Table 2, all the correlation statistics values are positive, indicating that these variables move in the same direction as marketing orientation. It was observed that PI, PRI, MI, and MI variables in relation to marketing orientation did not exhibit multi-collinearity since none of the variables have correlations in excess of 0.8 as suggested by Dwivedi (2008).

Table 4: Mean, Standard Deviation and Pearson's Correlation Coefficient for All Variables

Variables	**Mean**	**Std. Dev.**	**MO**	**PI**	**PRI**	**MI**	**OI**
MO	4.031	1.013	1.0000				
PI	3.913	1.161	0.4428	1.0000			
PRI	4.076	0.232	0.3459	0.2335	1.0000		
MI	4.105	1.037	0.5144	0.3902	0.5952	1.0000	
OI	4.468	0.995	0.6657	0.4421	0.1053	0.4958	1.0000

Source: Researchers' computation based on the field survey 2021 using SPSS 22.0

Table 4 also shows the means of the four constructs use to define innovation strategies: process innovation, product innovation, marketing innovation, and organisational innovation. The table reveals that the Nigerian banking sector emphasized more on organisational innovation (mean = 4.468; standard deviation = 0.995) followed by marketing innovation (mean = 4.105; standard deviation = 1.037), and the lowest components of innovation strategies is process strategy (mean = 3.913; standard deviation = 1.161). The average score for the four innovation strategies constructs was equal to 4.1405. Given that the scale used a 5-point scale (1=strongly disagree, 5=strongly agree), it can be established that Nigerian banking sectors is highly dedicated to innovation strategies above the average mean. Table 2 also shows the mean of the marketing orientation of Nigerian banking sectors. The table reveals that Nigerian banking sectors has a high marketing orientation with a mean of = 4.031. Given that the scale used a 5-point scale it can be established that Nigerian banking industry has a marketing orientation above the average mean of 3.

Table 5: Regression Analysis Using Ordinary Least Square Estimation Technique

Model	**Unstandardized Coefficients**		**t-Statistics**	**Probability Value**	**Hypotheses**
	B	**Standard Error**			
(Constant)	1.972	0.185	10.681	0.000	Significant
PI	0.448	0.042	10.621	0.000	Significant
PRI	0.045	0.019	2.347	0.002	Significant
MI	0.164	0.083	2.338	0.009	Significant
OI	0.181	0.072	2.531	0.012	Significant
R=0.748[a]; R Square=0.730; Adjusted R Square=0.693; Standard Error of the Estimate=0.52971; F-Stat=40.056; Durbin-Watson=1.930					

Source: Researchers' computation based on the field survey 2021 using SPSS 22.0

Table 5 shows the regression method results using the Ordinary Least Squares estimation technique. The correlation coefficient of 0.748 (75 per cent), implied that independent variables are highly correlated with bank performance. The coefficient of determination ($R^2 = 0.730$), showed that the independent variables explained 73 per cent of the systematic variations in the market orientation (MO). Also, the adjusted coefficient of determination (R^2=0.693) indicated that over 69 per cent of the changes were explained after adjusting the degree of freedom by the independent variables, while the remaining 31 per cent were explained by the error term. The overall test (F-statistic) (goodness-of-fit measure) of the model indicated a value of 40.056 units and a significant level of 1 per cent, compared with standard error of regression with a minimal value of 0.5297, implied that the overall result is statistically significant. The Durbin-Watson statistic with the value of 1.930 showed an absence of serial correlation in the result.

4.1. Discussion of Hypotheses

In Table 5, process innovation had a positive coefficient value of 0.448 with market orientation (MO). This suggests that a unit increase in process innovation would bring about an increase in bank market orientation by 45 per cent. This revealed that the outcome is in line with our apriori expectation such that a unit increase in process innovation could bring about an increase in bank market orientation (MO). The result of the hypothesis tested showed that process innovation has a significant effect on the market orientation (MO) of selected deposit money banks in Lagos, Nigeria. By implication, process innovation is a strong factor as far as innovation strategy is concerned on bank performance. The finding is consistent with extant studies of Hashi and Stojčić (2013) and Obenjo (2016) who revealed that process innovation as one of the strategies has a positive relationship with the performance of firms in NSE. Also, Karabulut (2015) showed that process innovation strategy can lead firms to improve performance.
Similarly, product innovation (PRI) showed a positive coefficient value of 0.045 with market orientation (MO). This implies that a unit increase in product innovation would bring about an increase in market orientation (MO) by 5 per cent. The result of the hypothesis tested indicated that product innovation (PRI) has a significant effect on the market orientation (MO) of selected deposit money banks in Lagos, Nigeria. The finding is in tandem with prior studies of Obenjo (2016) who indicated that product innovation has a positive association with the performance of firms. Also, Karabulut (2015) showed that product innovation strategy significantly influence on growth performance. In the same vein, Maurice (2013) noted that product innovation has a higher influence on organisational performance in Nigeria especially when consumers perceive product innovation as stronger, more favourable and more unique. Furthermore, Hashi and Stojčić (2013) and Nwokah, Ugoji and Ofoegbu (2009) indicated a positive relationship between product innovation and productivity at the firm level in terms of profitability, sales volume and customer loyalty.
The result of the hypothesis tested showed that market innovation has a significant impact on market orientation. Also, marketing innovation (MI) indicated a positive coefficient value of 0.164 with market orientation. This implies that a unit increase in marketing innovation would bring about an increase in bank market orientation by 16 per cent. The finding is corroborated with extant studies of Adeyeye (2014) who found that marketing innovation capability has a significant impact on organisational performance. Karabulut (2015) indicated that market innovation strategy could lead to improving their customer performance and growth performance as well. Hashi and Stojčić (2013) and Obenjo (2016) demonstrated that market innovation as a strategy was found to have a positive correlation with firms' performance.
Also, Organisational Innovation (OI) had a positive coefficient value of 0.181 with market orientation (MO), This is in line with our Apriori expectation such that a unit increase in

organisational innovation could bring about an increase in MO by 18 per cent. The result of the hypothesis tested showed that organisational innovation has a significant impact on the market orientation in selected Nigerian banks. By implication, organisational innovation is a critical factor as far as innovation strategy is concerned on bank performance. This present study revealed that organisational innovation strategies positively and significantly affects the overall financial performance of banks as supported by the finding of the extant studies of Muriuki and Kiiru (2019) which was done in the Kenyan banking industry and related organisations. Also, Karabulut (2015) showed that organisational innovation strategy leads to enhancement of organisational performance. Furthermore, Hashi and Stojčić (2013) findings confirmed the positive relationship between organisational innovation and organisational performance.

4.2. Summary of Hypotheses Tested

Process innovation has a significant effect on the market orientation in selected Nigerian banks. It would bring about an increase in banks' market orientation and is necessary to be adopted in the innovation strategy of the bank and can help and improve performance. This finding is consistent with extant studies of Hashi and Stojčić (2013) and Obenjo (2016) and Karabulut (2015). Product innovation has a significant effect on the market orientation in selected Nigerian banks. Product innovation as part of the innovation strategy of the bank can improve the overall performance of the bank especially when consumers perceive its' innovation in products as stronger, more favourable and more unique than that of the competition. This finding is in tandem with prior studies of Obenjo (2016), Karabulut (2015), Maurice (2013), Hashi and Stojčić (2013) and Nwokah, Ugoji and Ofoegbu (2009). Market innovation has a significant impact on market orientation. This finding is corroborated with extant studies of Adeyeye (2014), Karabulut (2015), Hashi and Stojčić (2013) and Obenjo (2016). Organisational Innovation (OI) has a significant impact on market orientation. This finding is supported by the extant studies of Muriuki and Kiiru (2019), Karabulut (2015) and Hashi and Stojčić (2013).

5. Conclusion

This study examined innovation strategy as it affects the market orientation of deposit money banks in Lagos State. From the research carried out, it has been revealed that all the sub-independent variables of innovation strategies have significant effect on market orientation selected Nigerian banks This study identified that innovation strategy could enhance the market orientation in selected Nigerian banks as the knowledge-based theory suggested that innovation strategy should involve knowledge management and be used to improve the market orientation of organisations because strategy in form of process, product, market and organisational innovation have a relationship and influence on the market orientation of the organisation. Therefore, this study concluded that innovation strategy has a positive relationship on the market orientation in selected Nigerian banks.

5.1. Recommendations

Based on our findings, the following recommendations were made:
i). Banks should implement key decisions made in terms of process innovation so as to attract customers while putting in place the effective and efficient utilization of technologies in the areas of operations and service delivery;
ii). Banks should focus on product innovation strategy that can enhance customers' satisfaction, increase demand and visibility of its products and organisational performance;
iii). Banks should ensure that their marketing innovation strategy covers wide areas of the market in terms of segmentation, market share, promotional activities, advertisement and

other marketing areas that are capable of attracting new business and customers so as to enhance performance.
iv). Banks should carry out organisational innovation strategy from time to time to meet the changing competitive nature of the banking industry and international standard.

5.2. For Future and Further Studies

Based on the above recommendations, we put forward the following suggestions for further studies and replicability in other countries:
i). Other researchers should purposively select firms that have data on innovation strategy and market orientation and carry out analysis by using and employing time series and regression methods.
ii). They should also examine innovation strategy and market orientation in other industries since this study focused on banks.
iii). Innovation strategy can be broadened by the addition of more variables as proxies and re-examined while this can be tested against other indices of performance.
iv). The subject matter we researched here can also be reexamined in different countries/economies of research interest and peculiar time periods to check the reliability of results presented in this study.

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