

Exploring the Impact of Product Innovation and Marketing Strategies on Organizational Performance in Nigerian Financial Institutions: A Case Study of First Bank PLC and United Bank for Africa

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Abstract

This study examines the effect of product innovation and marketing strategies on organizational performance in financial institutions, using First Bank Plc and United Bank for Africa (UBA) as case studies. The primary objective is to investigate how strategic marketing efforts serve as a tool to stimulate overall organizational performance. The research employed a descriptive survey design and targeted a population of 300 staff across both banks. A total of 170 respondents were selected using a quota sampling technique, of which 150 completed and returned the questionnaire. Data were presented using frequency tables and percentages to highlight key trends and respondent characteristics. Pearson's correlation coefficient was used to test the hypothesis and determine the relationship between marketing strategy variables and performance indicators. Results from the analysis reveal a significant relationship between geographic expansion strategies and sales performance. The findings suggest that while traditional marketing platforms are losing influence, strategic innovation and brand repositioning are becoming more critical for sustaining competitiveness in the financial sector.

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Background to the Study

The dynamic nature of the global financial sector has compelled institutions to consistently adopt innovative strategies to sustain performance. In Nigeria, banks are increasingly integrating product innovation and dynamic marketing strategies to enhance competitiveness and expand their market reach. This study explores how such strategies impact organizational performance in two of Nigeria's leading banks: First Bank Plc and United Bank for Africa (UBA).

Literature Review

Product innovation refers to the introduction of new or significantly improved financial products and services that meet evolving customer needs. According to Kotler and Keller (2016), innovation drives value creation and long-term customer retention. Marketing strategy, particularly geographic expansion and brand differentiation, has also been identified as critical to achieving sustainable competitive advantage (Porter, 1985). Brand image plays a key role in shaping customer perception, trust, and loyalty. Financial institutions that align marketing strategies with evolving market dynamics tend to perform better across sales, customer acquisition, and retention metrics (Aaker, 1996). Despite the growing role of digital marketing, many Nigerian financial institutions still rely heavily on traditional marketing platforms, often limiting their agility and reach.

Methodology

This study adopted a descriptive survey design. The population consisted of 300 staff members from First Bank Plc and UBA. A quota sampling technique was used to select 170 respondents, ensuring representation across different departments. A total of 150 valid questionnaires were retrieved and analyzed. Data were presented in frequency tables and percentages for clarity. Pearson's correlation coefficient was used to test the relationship between strategic marketing variables (such as geographic expansion and product innovation) and organizational performance.

Results and Discussion

The Pearson correlation analysis revealed a statistically significant positive relationship between geographic expansion strategy and sales performance ($r = 0.468$, $p < 0.01$). Respondents agreed that innovative product offerings and strategic branch expansion contributed to revenue growth and customer satisfaction.

Furthermore, the study found that traditional marketing platforms have become less effective in influencing purchasing decisions. Respondents emphasized the need for a shift towards data-driven digital marketing and more personalized customer engagement strategies. These insights support the argument by Kotler and Keller (2016) that organizations must integrate innovation with marketing to maintain relevance in rapidly changing markets.

Conclusion and Recommendations

The findings indicate that strategic product innovation and marketing significantly enhance organizational performance in Nigerian financial institutions. In particular, geographic expansion and innovative service offerings have direct impacts on sales growth and market competitiveness.

The following recommendations are proposed:

- i. Banks should invest in data analytics to guide product development and customer segmentation.
- ii. A hybrid marketing strategy combining traditional and digital tools should be adopted for broader market reach.
- iii. Brand positioning should be aligned with changing customer expectations to sustain loyalty.
- iv. Continuous innovation should be institutionalized to remain competitive in a volatile financial environment.

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