

CRITICAL SUCCESS FACTORS FOR NEW PRODUCTS PERFORMANCE IN NIGERIAN BANKS.

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Abstract

The competitiveness in the global market dynamism puts managers under pressure to keep up with the changing consumer taste, ensure customer satisfaction and increased profitability. This has made Nigerian banks change their mode of product delivery, making new product creation a key differentiating and success factor in surviving the changing times. Despite this, the study on product innovation largely excludes the banking sector. It is on this premise this study examines the critical success factors of new product innovation in the Nigerian banking sector. The study was underpinned with absorptive capital theory and dynamic capability theory. Using sequential- explanatory research design, the study adopted survey research design and case study to examine the three objectives of the study with a sample size of 391 for the quantitative phase and five for the qualitative phase. The quantitative data collected was subjected to exploratory and confirmatory analyses. Hierarchical multiple regression analysis was conducted to test the hypotheses formulated for the study and the results showed that market knowledge has a positive effect on new product performance. The findings also showed that factors such as innovation strategy and organizational ambidexterity do not have effect on new product performance. The study also found that moderating effect of market dynamism on the relationship between market knowledge and new product performance proved significant. However, the moderating effect of market dynamism on the relationship between factors (such as innovation strategy and organizational ambidexterity) and new product performance proved non-significant. After careful analysis of the transcribed data for the qualitative phase, the study found that market knowledge, product imitation, market needs and feedback from customers are the key factors important to new product performance. The study recommended that commercial banks should allocate more resources to obtaining market knowledge and using market knowledge for new product development.

Keywords: Product Innovation Strategy, New Product Performance, Organizational ambidexterity, Market Knowledge, Market Dynamism.