

THE EFFECTS OF MARKET ORIENTATION AND INNOVATION ON THE PERFORMANCE OF NEW INSURANCE PRODUCTS IN NIGERIA: A MODERATING ROLE OF INTER-FUNCTIONAL COORDINATION.

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ABSTRACT

As a result of low insurance penetration per capita, the contribution of the industry to Nigeria's GDP has always been found to be less than one per cent. This study opined those developing products that meet customers' needs and wants will reverse this trend and therefore designed a model where the elements of market orientation and innovation with the moderating roles of the elements of inter-functional coordination were examined to gain insights into their impacts on the performance of new insurance products in Nigeria. A mixed-method design was used. Quantitative primary data were randomly collected from a sample of 282 and analyzed using SPSS v.22 and Amos v.23. Case study data were collected from one firm chosen through balloting from 67 companies. Four top executives of the firm were interviewed using interview guide followed by content analysis. The quantitative results affirmed two of the proposed hypotheses while two were rejected. It showed a significant positive relationship between innovation and new insurance product performance and that inter-functional coordination enhances the positive relationship between innovation and new insurance product performance. Qualitative findings indicated successful new insurance products performance where a firm practices market orientation and innovation. The study established that the absorptive capacity rate in an insurance firm and the amount of knowledge available to its workforce will affect the performance of its new products. Practitioners are to encourage knowledge acquisition and free information flow in their firms. The study provides insights for future researchers in the field of new products development.

Keywords: Insurance, Market orientation. Innovation, Inter-functional coordination, Absorptive capacity theory. Knowledge based view.