OPEN ACCESS
Global Journal of Research in Business Management
Volume 02| Issue 03 | May-June | 2022
Journal homepage: https://gjrpublication.com/gjrbm/
Original Research Article

Value Innovation Strategy and Customer Satisfaction of Deposit Money Banks in Awka South, Anambra State

*Udodiugwu Michael Ikenna[1], Obiakor Ugochukwu Jude[2], Onyia Maxwel Kenechukwu[1], Ilonze Uju Gloria[1]

[1]Chukwuemeka Odumegwu Ojukwu University, Igbariam
[2]Federal Polytechnic, Oko

Submission Date: 29th May 2022 | Published Date: 30th June 2022

***Corresponding author:** Udodiugwu Michael Ikenna
Chukwuemeka Odumegwu Ojukwu University, Igbariam

Abstract

Successful innovation ensures that value is added to business for the purpose of sustaining operational activities, through creating of customer retention, customer loyalty, customer satisfaction and profit maximization. However, Innovation helps organizations stay ahead of the competition. The objective and hypotheses of the study was formulated to examine the relationship between value innovation and customer satisfaction of banks in Awka South, Anambra State of Nigeria. A population of 150 employees of operations department from 14 banks in Awka South was considered. The study adopted the descriptive survey research design method, with a simple random sampling technique, while data were analyzed and tested through the use of Descriptive statistics, frequency tables and spearman correlation contained in the IBM SPSS version 23. The findings of the study showed that there is a significant positive relationship between value innovation strategy and customer satisfaction. Base on the findings, the study concluded that value innovation indicators have a great influence on improving customer loyalty and retention in the banking sector.

Keywords: Value innovation, financial inclusion, Customer Retention, Customer Loyalty

Introduction

Innovation is a critical need for all organizations as it adds organizational value, sustains competitive advantage (Owen, Gregory & Heidi, 2021; Baregheh, Rowley, & Sambrook, 2009), and expands the growth opportunities. A need exists for organizations to innovate (McLaughlin, McLaughlin & Preziosi, 2004) as well as a principal source of wealth creation (de Waal, Maritz, & Shieh, 2010), and become value innovators (Owen et el ; Kim & Mauborgne, 1997). It is essential to involve personnel in innovation projects for both competitive advantage and their human perspective, as ideas and especially needs drive innovation, leading to creating value for its customers. Competitive businesses should pursue clear innovative strategies and value principles that reflect the firm's cultural values (Subbotina, 2015: Kim & Mauborgne, 1997).

Technology innovation has played a significant role in the growth and development of nations economy, it involvement in efficiently improving and increasing output in industries is quite overwhelming. Leavy (2018) posited that firms under this current dispensation of technological advancement are beginning to queue into the trending innovative areas so as to minimize the cost of operation, in order to maximize organizations profits, and attain it stated objectives while remaining in business.

Value innovation is the cornerstone of blue ocean strategy (BOS). The concept of blue ocean strategy is relatively new in the business world although its existence is not new. It was first published in 2015 by Kim and Mauborgne in their book titled "Blue Ocean Strategy". Blue ocean strategy is identified with value innovation which depicts the creation of high performance and high demand in an organization (Ebele et al, 2018). However, the authors of blue strategy did not lay much emphasis on competitive advantages as their benchmark; rather they used a strategic logic known as value innovation. (Gachora, et el 2020). The creation of blue ocean strategy occurs when companies achieve value innovation which creates value simultaneously for the company and customer (Papazov and Mihaylova, 2016). Mauborgne in the book titled "Blue Ocean Strategy". Blue ocean strategy is identified with value innovation.

According to Yang and Jang (2020), "Corporate sustainability will be of great benefit only when the business model includes a goal of sustainability". The improvements of a sustainability-oriented form of innovations are beyond technological changes in processes, operation practices, business models, and business systems (Kneipp, Gomes, Bichueti, Frizzo and Perlin, 2019).

According to Laura (2021), Nokia was once known for being remarkably adaptive and forward-thinking, and so its eventual demise was a surprising one. The company consistently invested in research and development and invented its first smartphone in 1996. But in the years that followed, Nokia failed to acknowledge the significance of software, including apps, and underestimated the rapid transition to smartphones. In 2007, Nokia was earning more than 50% of all profits in the mobile-phone industry but most of those profits were not coming from smartphones. By 2013, Nokia had just 3% of the global smartphone market and in August of the same year, it sold its handset business to Microsoft for $7.2 billion.

Poorna (2018), posited that Kodak was the most famous and revolutionary name in the world of photography and videography. The company was largely responsible for developing cameras that were portable, affordable, transportable, and ultimately accessible to the average household. However, Kodak failed to adapt to trending innovation following the invention of the digital camera in 1975. The company long maintained the belief that its customers would continue to appreciate and value a printed image over a digital one, but by the time they halted sales of traditional film cameras in 2004, it was too late to recover their losses.

1.2 Statement of the Problem

The financial sector provides an enabling environment for economic growth and development, productive activities, financial intermediation, capital formation and management of the payments system (CBN, 2017). The CBN (2018) half quarter report added that the extent to which financial sector would impact on the real sector of the economy would, however, depend on the nature and magnitude of the innovations in the financial sector, these innovations can be in terms of stability in key performance indicators of the market, which play a big role in the process of financial intermediation.

The Banking sector is one of the most vibrant and fastest to respond to new technologies in the global market, and the cost of sustaining this innovation can be very capital intensive (Mwende, 2016). Similarly, this can affect products and services, and also the cost of operation in the Banking sector. More so, Customers will feel the direct impact by paying an extra amount of money to acquire new products and services or to maintain an existing transaction with their banks (Gachora, Kinyua and Kirema, 2020).

When the prices of product and services is on the increase, the impact is felt directly on the buyers who may not be able to afford a large purchase, customers are been discomforted over the possibility of the unknown, and the competitors, also worry about the change of price in other organization (Ramli, Latan, and Solovida, 2019). Rhaiem and Amara (2021) posited that competitors worry about their rivals' better quality product; this problem is so complex because the competitors can interpret a company price cut off in many ways, they also thinks that other company may try to grab the large market share or boost their present sales or increase the demand of their product in the market. It is against this backdrop that this study was carried out to examine the influence of value innovation strategy on customer satisfaction of deposit money banks in Awka South, Anambra State.

1.3 Objective of the Study

The main objective of the study is to examine the relationship between value innovation strategy and customer satisfaction of banks in Awka South, Anambra State. The specific objectives are to:

1. Examine the extent of the relationship between Financial Inclusion Strategy and Customers retention of banks in Awka South, Anambra State.
2. Determine the degree of the relationship between Product Differentiation and Customer loyalty of banks in Awka South, Anambra State.

1.4 Research Questions

1. To what extent does financial inclusion strategy relates with Customers retention of banks in Awka South, Anambra State?
2. To what degree does Product differentiation relates with Customer loyalty of banks in Awka South, Anambra State?

1.5 Research Hypotheses

1. Ho1: There is no significant relationship between financial inclusion strategy and Customers retention of banks in Awka South, Anambra State.
2. Ho2: Product differentiation has no significant relationship with Customer loyalty of banks in Awka South, Anambra State.

Review of Related literature

2.1 Conceptual Review

2.1.1 Value Innovation

The concept of innovation extends from ideas/concepts to products, processes, and services. Innovative organizations can alleviate market risks, develop sustainable strategies, and position the organization to accomplish long term growth, align its organizational culture and create customer value (Kumar, 2014). Innovation is not just about new technology; it begins with a need, wants, or desire. People accept that need and resulting innovation differently depending upon how they define innovation.

Value innovation is a process in which a company introduces new technologies or upgrades that are designed to achieve product differentiation and low costs Kim, Mauborgne, Renée, Olenick, and Michael, 2022). Kim et el (2022), further posited that many value innovation businesses include technology but the technology is not what attracts customers: the value the technology delivers attracts buyers. Technology is oftentimes catalytic to value creation, the technology enables the creation of value, but the technology itself is not the value Usup, Made, Christantius, and Vivy, (2020).

Janice, (2019) defined Value innovation as a practice of choosing to do new things that create value for customers and your business without being constrained by what you've done in the past, or what others are doing today. It's also about finding the sweet spot of where you can shine in creating value. She further added that Value innovation is a strategic focus for driving high growth in a business.

Value innovation is the cornerstone of blue ocean strategy. It is called "value innovation" because instead of focusing on beating the competition, organizations focus on making the competition irrelevant by creating a leap in value for buyers and your company, thereby opening up a new and an uncontested market space. Value innovation places equal emphasis on value. (Chan and Renée, 2015). Value innovation is also said to be the approach that an organization can take to establish standards (Kim and Mauborgne, 1997), which are different from competitors, and offer customers a proposal that has the possibility of being an appreciated commodity (Vargo and Lusch, 2008).

Value Innovation is considered a perceived tool for organizations, like companies, small and medium scale, and large businesses, to produce and sustain the additional competitive edge and execute the overall strategy (Jibril and Mulyani, 2021). It can also be considered as a measurement tool for the business strategy to be completed. Value Innovation is an innovative operation that is carried out on the basis of corporate planning, geared towards maximizing income and sales by developing a value curve that stands out as the heart of the business (Christa, 2020). Value Innovation has the features and skills of complicated business resource, a distinct excellence and a single area of excellence to highlight, presented as a quantitative data (Kristiane, 2020).

2.1.2 Financial Inclusion Strategy

Financial inclusion has been shown to have several positive effects on poverty alleviation, private sector development, and financial sector stability (World Bank, 2014). Empirical studies from Ratna , Ihák, N'Diaye, Barajas, Mitra, Kyobe, Nian, and Reza (2015), have demonstrated that by reducing vulnerability to economic shocks, financial inclusion can be a key driver of poverty alleviation. Inclusive financial systems provide low-income adults with the tools to borrow, save, make payments, and manage risks, which in turn facilitate consumption smoothing and lessen the impacts of unexpected reductions in income that are common among those in the informal sector. World Bank (2016), depicted that the access to a range of appropriate and affordable financial products and services can also facilitate investments in human capital and boost job creation. Financial inclusion is an important tool for achieving macroeconomic stability in the economy and a veritable means of achieving sustainable economic growth (World Bank, 2015), and without inclusive financial systems, individuals must rely on their own limited savings to invest in education or become entrepreneurs and firms must rely solely on their earnings to pursue promising growth opportunities (Omar and Inaba, 2020).

2.1.3 Product Differentiation

Product differentiation refers to products (or services) in order to improve consumers' satisfaction and loyalty, and hence, profitability and performance (Olawale & Margret, 2021). According to Adninan and Abukari (2013), organizations differentiate their products to avoid ruinous price competition. Product differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition.

Product differentiation is a business strategy where firms attempt to gain competitive advantages by increasing the perceived value of their products or services relative to the firms' products or services. To implement these strategies, organizations need to have an accurate view about the current competitive situation to persuade costumers about the features of the sustainable products (Pondeville, Swaen and De Rongé, 2013).

According to Rahman et al (2018), product differentiation is a business strategy that seeks to build competitive advantage with its product or service by having it “different” from other available competitive products based on features, performance, or other factors not directly related to cost and price. According to Kavale et al. (2016) product differentiation can be group into three categories, first is when an organization focuses directly on product attributes, i.e. product features, product complexity, timing of product introduction, or location. The second is when an organization focuses on the relationship between itself and its customers through product customization, consumer marketing and product reputation. The third category is by focusing on the linkage within or between firms, or a firm linkage or product mix, distribution channels and service support.

2.1.4 Customer Satisfaction

Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities (Bhadrappa, 2021). Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services. The existence of many companies on the market is conditioned with a number of satisfied customers.

According to Grzegorz and Jolanta (2011), Customers are the key factor of the existence and company development on the market. It is obvious then, that firms, which want to face the competition, need to provide valuable and unique terms to their customers, that will satisfy their needs. This satisfaction includes not only the feelings associated with the purchasing process, but also the atmosphere before and after the execution of purchases.

2.1.5 Customer Loyalty

Loyalty is basically two-way and based on cooperation. In most cases, loyalty is attributed to people, companies and products. But when it comes to customer loyalty, the traditional definition is not valid. The theory of customer loyalty is relatively new in the sales and marketing literature (Mohsen. G and Vahid. Y, 2022). Customer Loyalty is a sincere commitment to repurchase or re-utilize a favored product or service in the future even in the presence of strong influence of marketing activities of competitors that may cause defection (Yim, Tse, and Chan, 2008).

All marketing processes and activities are aimed at building customer loyalty and providing customer value to nurture and maintain long-run relationships (Peng and Wang, 2006). A loyal customer may accept some awkward situation in the hope of a better future with a firm (Alrubaiee and Al-Nazer, 2010). Loyal customers show more re-buy and recommendation intentions than others (Kim et al., 2007).

According to Bowen and Shoemaker (2003) customer loyalty means the probability of a re-purchase, partnering relationships and recommendations to purchase the others. Loyal customers are committed, have positive feelings about brands and submit this positive state of mind to other (Rehman, Raza, Ilyas, Faisal, and Zia, M. H. 2020). Rehman et el (2020) opined that Attitudinal loyalty leads customers towards positive intentions, re-buying and recommendations to other members of the circle, attitudinal loyalty directs toward purchase intention and ultimately towards buying behavior and re-buying behavior that is behavioral loyalty and influenced by attitudinal.

2.1.6 Customer Retention

Since loyal customers are the most important assets of the company, in recent years, companies have been increasingly recognizing the importance of loyal customers and they have been giving attention to develop customer retention and loyalty programs. The fundamental purpose of customer retention efforts is to ensure to maintain relationships with value-adding customers. In recent years, companies have been increasingly recognizing the importance of loyal customers and they have been giving attention to develop customer retention and loyalty programs.

A customer retention strategy aims to retain valuable customers by reducing their defection rate; while a customer development strategy aims to increase the value of those retained customers to the company by making cross-selling and up-selling to them, and encouraging them for making word of mouth communication and customer referrals. Customer retention can be described as the process of building customer loyalty toward a particular brand, thus having customers to repurchase its products or services overtime (Danish et al., 2015).

Customer retention emphasizes repetitive patronage which is mainly associated with consumer's repurchase behavior and brand loyalty (Buttle, 2004) .In other words ,customer retention entails a long-lasting customer commitment toward a brand and maintaining such a relationship as a result of positive perceptions and past experiences (Booheneet et al., 2013; Mohamed and Borhan,2014).

2.1.7 Conceptual Framework

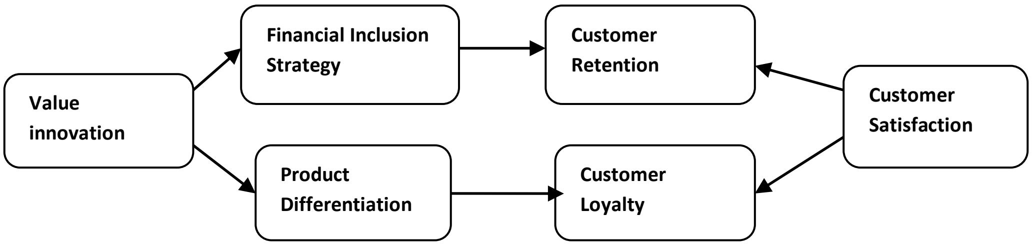

Figure-1

Theoretical Review

2.2 The Chocolate Model

The theoretical framework for the study was anchored on the Chocolate Model for innovation adoption and change. According to Dormant,(2011). The Chocolate Model focuses on innovation adoption and change which are related to an organization. It is structured around four elements: change, adopters, the change agent(s), and the organization, which was deduced as "CACAO", when made into an acronym for ease of recollection and use for planning. Unlike Rogers' Innovation Diffusion Theory, the Chocolate Model can be applied when planning for organizational change and innovation adoption. The process flows as follows:

i) First, analyze the change whether it is a new system or innovation (Dormant, 2011). This is similar to the first step of seeking knowledge that is in Rogers' (2003) adoption process.

ii) The second step is to analyze the adopters of the change.

iii) Third, identify the change agents. At this point, a plan is developed.

iv) The fourth and last step is to examine the organization where the change process is expected to occur as well as analyzing the larger context of the organizational change, how it impacts other aspects of the whole organization. Before implementing, the plan may be revised based on the outcomes of the organizational analysis (Dormant, 2011).

The Chocolate Model aligns well with Technology Acceptance Model (TAM) in that change characteristics are similar. As in TAM, adopters look at the relative advantage of the innovation or change (Dormant, 2011) which is referred to as the "perceived usefulness" in TAM (Straub, 2009). Adopters also look at the simplicity and compatibility the innovation represents the "perceived ease of use" in TAM (Dormant, 2011; Straub, 2009). Two elements not discussed in TAM but called out in the Chocolate Model are the adaptability of the innovation to the specific needs of the adopters and the social impact of the change – what the change will mean for the social structure and climate of the organization (Dormant, 2011).

2.3 Empirical Review

Gachora and Kirema (2020), carried out a research on the Influence of Value Innovation Strategy on the Financial Performance of Manufacturing Firms in Kenya, their objective of the study was to establish the influence of value innovation on the performance of manufacturing firms in Kenya. The study found out that reducing factors like production time and wastages positively affect performance of manufacturing firms, and also that creating factors like new products and new manufacturing processes that are not offered by the industry positively influence the performance of manufacturing firms.

This study did not carry out an empirical analysis to ascertain the level at which value innovation impacted on other sectors of the economy in Kenya, specific objectives for the study were not itemized, and it did not also explore the conceptual and theoretical framework for the study.

Mohammed , Ammar , Daing and Mohd (2021), carried out a systematic literature review on the Approach of Value Innovation towards Superior Performance, Competitive Advantage, and Sustainable Growth, their methodology included a systematic literature review methodology which included Experimental, empirical, qualitative, quantitative, and case studies; content analysis. The study revealed that the majority of reviewed articles focused on the implementation stage of value innovation of investigating competition breakthrough techniques, finding the blue ocean, and creating a new market space via analytical case study approaches. The results from the study also indicated two potential gaps in the value innovation area, which were the easiness of imitability and lack of sustainability, despite the numerous perspectives that attempted to bridge such gaps.

Usup, Made, Christantius and Vivy (2020), carried out a study on the Role of Value Innovation Capabilities in the Influence of Market Orientation and Social Capital to Improving the Performance of Central Kalimantan Bank in Indonesia. The objective of the study was to improve banking performance by collaborating between consumer needs, value innovation and social capital as a trigger for excellent change in Bank Kal-Teng. It was found that external factors originating from market orientation and social capital significantly improved business performance. The study recommends that In order for national banking in the country to have credibility, it requires knowledge and capability of market orientation and social capital. Thus, changes in the business environment related to customer needs and the relationships inherent in social capital can be an input to encourage product excellence that is highlighted as the core of a fundamental business strategy through value innovation capabilities.

3.1 Methodology

The study adopted the descriptive survey research design method. A population of 150 employees working in the operations departments of the Fourteen (14) deposit money banks was selected for the study, using the simple random sampling technique. Banks selected for the study included, Access Bank Plc, Ecobank Nigeria Plc, Fidelity Bank Plc, First Bank Nigeria Limited, First City Monument Bank Plc, Guaranty Trust Bank Plc, Heritage Banking Company Ltd, Polaris Bank Ltd, Stanbic IBTC Bank Ltd, Sterling Bank Plc, Union Bank of Nigeria Plc, United Bank For Africa Plc, Unity Bank Plc and Zenith Bank Plc.

Structured questionnaire were used for the collection of data. However, the questionnaire was divided into two sections vis A and B. Section A contained demographic data of the respondents, while Section B contained data relating to the research questions. The measurement construct for Value Innovation (financial inclusion strategy and product differentiation) were raised from the extant literature of (Kim, Mauborgne, Renée, Olenick, and Michael, 2022; Chan and Renée, 2015), while the measurement construct for Customer Satisfaction (customer retention and customer loyalty) were gotten from (Bhadrappa, 2021; Mohsen. G, and Vahid. Y, 2022; Rehman et el (2020).

The questions were constructed in a likert-style scale pattern ranging from 5-strongly agree to 1-strongly disagree, While the questionnaire was validated by a research expert, while the reliability was checked by Crombach Alpha test. The coefficient of the reliability text was considered acceptable at a value that ranges between 70-90 (0.70-0.90), which shows that the instrument was highly reliable according to Pallant, J. (2001) and Nunnally and Bernstein, (1994), benchmark for testing reliability of a research instrument.

Data were analyzed using descriptive statistics (frequencies and tables), and also hypotheses were tested using Spearman Correlation contained in the statistical package for social sciences (IBM SPSS, Version 23).

4.1 Data Presentation and Analysis

From the questionnaire issued to the respondents of the 14 banks in Awka South under study, data were collated, gathered, analyzed and interpreted. The descriptive statistic was used to analyze the research questions, while the spearman correlation was used to interpret and testing of the hypotheses. The interpretation and analyses which started up with the research questions and afterwards hypotheses are therefore presented below.

4.2 Presentation and Interpretation of Research Questions 1 & 2

1. To what extent does financial inclusion strategy relates with Customers retention of banks in Awka South, Anambra State?

2. To what degree does Product differentiation relates with Customer loyalty of banks in Awka South, Anambra State?

Table 4. 1
Descriptive Statistics

Operations Department		Statistic	Bootstrap[a] Bias	Std. Error	95% Confidence Interval Lower	Upper
Fund Transfer Unit Teller Unit Customer Service Unit	N	150	0	0	150	150
	Mean	1.7826	-.0037	.1660	1.4783	2.1293
	Std. Deviation	.79524	-.02216	.07337	.61935	.90235
	Variance	.632	-.029	.112	.384	.814
Individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance.	N	150	0	0	150	150
	Mean	2.1739130	-.0043913	.2235698	1.7391304	2.6510693
	Std. Deviation	1.11404969	-.04064901	.17189543	.70592013	.80295366
	Variance	1.241	-.059	.366	.498	1.968
Financial inclusion aims to bring in digital financial solutions for the economically underprivileged people who serve as banks customers.	N	150	0	0	150	150
	Minimum	1.00				
	Maximum	5.00				
	Mean	1.7391	-.0031	.2220	1.3478	2.2174
	Std. Deviation	1.05388	-.06085	.24432	.79921	.75546
	Variance	1.111	-.065	.481	.249	2.118
Accounts with minimum common facilities such as no minimum deposit balance and withdrawal of cash at bank branch and ATMs, receipt/ credit of money through electronic payment channels, facility of providing ATM card are all initiatives of financial inc	N	150	0	0	150	150
	Mean	1.3043	-.0039	.1103	1.0870	1.5217
	Std. Deviation	.55880	-.02851	.11331	.68810	.73048
	Variance	.312	-.018	.116	.083	.534
Rewards or discounts to customers and first-timers can encourage them to buy again, and retain patronage with your bank.	N	23	0	0	23	23
	Mean	1.3913	.0002	.1156	1.1739	1.6522
	Std. Deviation	.58303	-.01729	.08912	.72174	.73048
	Variance	.340	-.012	.101	.178	.534
Valid N (listwise)	N	23	0	0	23	23

Table 4.1 represents the first research question which tried to examine the extent to which financial inclusion strategy relates with Customers retention of banks in Awka South, Anambra State. The descriptive details indicates a positive standard deviation of its upper limits at a value more progressive of a total sum of .80295366 which ranged (.80295366, .75546, .73048 and .73048) which indicates a value above .50. The response further shows that financial inclusion strategy is more appreciated in the banking industry, in that it impact is much felt and leading to an improved performance and thereby aiding customer retention.

Table 4.2
Descriptive Statistics

Operations Department		Statistic	Std. Error	Bootstrap[a] Bias	Bootstrap[a] Std. Error	95% Confidence Interval Lower	95% Confidence Interval Upper
Fund Transfer Unit Teller Unit Customer Service Unit	**N**	150		0	**0**	150	**150**
	Mean	1.7826		-.0021	**.1631**	1.4783	**2.0870**
	Std. Deviation	.79524		-.02273	**.07941**	.58977	**.90453**
	Variance	.632		-.029	**.121**	.348	**.818**
	Kurtosis	-1.254	**.935**	.213	**.539**	-1.809	**.194**
Product differentiation is fundamentally a marketing strategy that encourages consumer to choose one brand or product over another in a crowded field of competitors	**N**	150		0	**0**	150	**150**
	Mean	1.8696		.0046	**.2392**	1.4783	**2.3913**
	Std. Deviation	1.14035		-.04423	**.27249**	.50687	**.95518**
	Variance	1.300		-.025	**.572**	.257	**2.419**
	Kurtosis	3.588	**.935**	-.446	**3.074**	-2.113	**9.611**
Product Differentiation identifies the qualities that set one product apart from other similar products and uses those differences to drive consumer choice.	**N**	150		0	**0**	150	**150**
	Mean	1.5652		-.0013	**.1723**	1.2609	**1.9130**
	Std. Deviation	.84348		-.03884	**.16222**	.48698	**.70514**
	Variance	.711		-.038	**.260**	.237	**1.221**
	Kurtosis	1.885	**.935**	-.470	**2.159**	-1.508	**6.970**
Customers have an extent of emotional ties to the product and services of banks that they are loyal to.	**N**	150		0	**0**	150	**150**
	Mean	1.7826		.0143	**.2387**	1.3478	**2.2609**
	Std. Deviation	1.16605		-.03926	**.22256**	.64728	**.81393**
	Variance	1.360		-.041	**.482**	.419	**2.292**
	Kurtosis	1.797	**.935**	-.010	**2.418**	-1.277	**8.169**
Customers will cling to their banks operational procedures hence they enjoy to a large extent certain benefits that improves their wellbeing. Strongly Agree	**N**	150		0	**0**	150	**150**
	Mean	1.4783		-.0002	**.1004**	1.2609	**1.6957**
	Std. Deviation	.51075		-.01070	**.01643**	.44898	**.91075**
	Variance	.261		-.011	**.016**	.202	**.261**
	Kurtosis	-2.190	**.935**	.237	**.405**	-2.190	**-.709**
Valid N (listwise)	**N**	**150**		**0**	**0**	**150**	**150**

Source: Field Survey (IBM SPSS Version 23- as analyzed in 2022).

Table 4.2 represents the second research question which was established to determine the degree to which Product differentiation relates with Customer loyalty of banks in Awka South, Anambra State. The descriptive details indicates a positive standard deviation of its upper limits at a value more progressive of a total sum of .90453 (.95518, .70514, .81393. and .91075), which indicates a value above .50. The response further shows that product differentiation is more appreciated in the banking industry, in that it impact is much felt and leading to an improved performance and thereby aiding customer loyalty.

4.3 Test of Hypotheses I and 2

Ho1: There is no significant relationship between financial inclusion strategy and Customers retention of banks in Awka South, Anambra State.

Table 3
Spearman Correlations

Control Variables					Customer Retention	Customer Retention
Financial Inclusion strategy	Spearman Correlation---------P-value				.-980	.-980
	Significance (2-tailed)				.	.081
	df				0	20
	Bootstrap[a]	Bias			.000	-.058
		Std. Error			.000	.300
		95% Confidence Interval	Lower		1.000	-.484
			Upper		1.000	.720
Financial inclusion Strategy	Spearman Correlation---------Z-value				.-870	.-870
	Significance (2-tailed)				.081	.
	df				20	0
	Bootstrap[a]	Bias			-.058	.000
		Std. Error			.300	.000
		95% Confidence Interval	Lower		-.484	1.000
			Upper		.720	1.000

a. Correlation is significant at the 0.05 level (2-tailed).

The table above shows a Spearman Correlation Coefficient conducted to examine the extent of the relationship that exists between financial inclusion strategy and Customer Retention. The results of the test of hypothesis reveal that P-value from the calculated Correlation of (.-980) < .05. As the rule was established that if the calculated P-value from the table is less than .05. Therefore, the null hypothesis is rejected. Hence, there is a significant relationship between Financial Inclusion Strategy and Customer Retention of Banks in Awka South, Anambra State. More so, the Z-value is .-870, indicating that there is a strong positive relationship between Financial Inclusion Strategy and Customer Retention of Banks in Awka South, Anambra State. This indicates that inclusion of value innovation very beneficial to achieve customer satisfaction of banks in Awka South, Anambra State, and also it is very vital for sustainable customer retention in this era of global dynamism of business environment.

Ho2: Product differentiation has no significant relationship with Customer loyalty of banks in Awka South, Anambra State.

Table 4
Spearman Correlations

Control Variables					Customer Loyalty	Customers Loyalty
Product differentiation	Spearman Correlation--------P-value				-.567	-.567
	Significance (1-tailed)				.	.115
	df				0	20
	Bootstrap[a]	Bias			.000	.005
		Std. Error			.000	.166
		95% Confidence Interval	Lower		1.000	-.566
			Upper		1.000	.110
Product Differentiation	Spearman Correlation--------Z-value				-.267	-.267
	Significance (1-tailed)				.115	.
	df				20	0
	Bootstrap[a]	Bias			.005	.000
		Std. Error			.166	.000
		95% Confidence Interval	Lower		-.566	1.000
			Upper		.110	1.000

b. **Correlation is significant at the 0.05 level (2-tailed).**

The table above shows a Spearman Correlation Coefficient conducted to examine the degree of the relationship that exists between Product differentiation and Customer.

4.4 Discussion of findings

Based on the statistical result of hypotheses, it was revealed that there is a positive and significant relationship between value innovation and customer satisfaction of banks in Awka South, Anambra State, Nigeria. This indicates that the inclusion of value innovation strategies by banks in Awka South, Anambra State of Nigeria will create an avenue where customers will appreciate the services and products of their banks, and trusting the competence of innovative strategies to augur well for their benefits and satisfaction in the long run. However, the findings as established in the study correlates with the findings of Forooz, Samira, Farzaneh, Nazanin, & Mahboobeh, (2013) that Loyal customers are indeed crucial to business survival, and also that many companies use defensive marketing strategies to increase their market share and profitability by maximizing Customer retention.

The finding of the study also reveals that there exist a high degree of relationship between product differentiation and customer loyalty; thus, a differentiated product can increase brand loyalty and even survive a higher price point. However, if a product is perceived to be better in some way than its competitors, consumers will consider it worth the higher price. Using a differentiation strategy means that a firm is competing based on uniqueness rather than price and is seeking to attract a broad market, and a firm following a differentiation strategy attempts to convince customers to pay a premium price for its good or services by providing unique and desirable features (Wheelen, 2021).

5.1 Conclusion

Based on the findings of this study, it was concluded that banks inclusion of value innovation strategies will help to create customers satisfaction, and ensure that they survive the unpredictable economic environment, hence the components of value innovation is properly adopted in the same bank settings.

5.2 Recommendations

1. The study recommends that for banks to achieve Customer retention the financial inclusion strategy should be adopted, this will help to sustain the operational activities of banks, and also pave way for the acceptance of innovative measures by customers through;

   Open communication with customers and its employees to ascertain their individual perceptions of the intended or existing innovation in the banks.

   Risk-taking culture having in mind that not every innovation may work out and risk-taking doesn't come naturally to everyone.

   Empowerment of customers and employees through awareness campaign, training and development to keep them abreast of the available innovations, and its usefulness in organizations. Agile decision-making.

2. The study also recommends that venturing into product differentiation strategy will ensure that banks customers are attached to its products and services, thereby ensuring their loyalty.

References

1. Adinan, B. S. & Abukari, M. (2013). The Effect of Product Differentiation on Profitability in the Petroleum Industry of Ghana. European Journal of Business and Innovation Research, 1(4), 49-65.
2. Badania, S. (2011). Research and Development Solutions. Retrieved from: Http://www. Rdsolutions.Pl/Wp-Content Uploads /2010 /08/ Badanie Satysfakcji_Klientow.Pdf.
3. Baregheh, A., Rowley, J., & Sambrook, S. (2009). Towards a Multidisciplinary Definition of Innovation. Management Decision, 47(8), 1323-1339.
4. Bhadrappa, H. (2021). Customer Satisfaction at M/S Sindol Bajaj Bidar. Iconic Research and Engineering Journals. Volume 4 Issue 12 | ISSN: 2456-8880.
5. Bhadrappa, H. (2021). Study of Banking Services Provided By Banks in India, International Research Journal of Humanities and Interdisciplinary Studies (www.irjhis.com), Volume: 2, Issue: 6, Year: June 2021, Page No: 06-12, Available at: http://irjhis.com/paper/IRJHIS2106002.pdf.
6. Boohene, R., Agyapong, G. K. , & Gonu, E. (2013).Factors influencing the retention of customers of Ghana commercial bank within the Agona Swedru Municipality, International Journal of Marketing Studies, 5(4), 82-95. doi.org/10.5539/ijms.v5n4p82.
7. Buttle,F.(2004). Customer relationship management: concepts and tools. Elsevier, Oxford University Press.
8. Central Bank of Nigeria. (2017). The Nigerian financial system at a glance Retrieved from https://www.cbn.gov.ng/Out/2017/CCD/THE%20Nigeria.

9. Central Bank of Nigeria. (2018). First Half 2018, Economic Report.
10. Central Bank of Nigeria. (2021). "List of Licensed Commercial Banks, As of January 2021".Abuja: Central Bank of Nigeria. Retrieved 26 February 2021.
11. Chan, K.W. and Reneé, M. (2015). Red Oceans Traps—The Mental Models That Undermine Market-Creating Strategies. Harvard Business Review Press, Boston.
12. Danish, R. Q, Ahmad, F., Ateeq, A., Ali, H. Y., & Humayon, A. A. (2015). Factors affecting customer retention in telecom sector of Pakistan. American Journal of Marketing Research, 1(2), 28-36.
13. De Waal, A., Maritz, A., & Shieh, C. (2010). Managing Innovation: A typology of theories practiced-based applications for New Zealand firms, International Journal of Innovation Organization. 3(2), 35-57.
14. Dormant, D. (2011). The Chocolate Model of Change. San Bernadino, CA
15. Ebele, O. C., Chigozie, M. P. and Eberechukwu, O. E. (2018). Applicability of blue ocean strategy among selected manufacturing firms in south-east, Nigeria. Scholars Journal of Economics, Business and Management, 5(10): 916-27.
16. Forooz, P. Samira, D Farzaneh, G. Nazanin, S. & Mahboobeh, A. (2013). The Impact Of Product Innovation On Customer Satisfaction And Customer Loyalty. Kuwait Chapter of Arabian Journal of Business and Management Review Vol. 2, No.5; Jan. 2013. https://www.arabianjbmr.com/pdfs/KD_VOL_2_5/13.pdf.
17. Gachora. S, W, Kinyua. J, M & Kirema. N, M (2020) The Influence of Value Innovation Strategy on the Financial Performance of Manufacturing Firms in Kenya, The Journal of Social Sciences Research, ISSN(e): 2411-9458, ISSN(p): 2413-6670, Vol. 6, Issue. 12, pp: 995-1000, 2020.
18. Grzegorz, B. & Jolanta, W. (2011). Customer Satisfaction; Meaning and Methods of Measuring. Marketing and Logistic problems in the Management of Organization (pp.23-41). Chapter II: Publisher: Bielsko-Biała: Wydawnictwo Naukowe.
19. Jibril, M. I. & Mulyani, K. (2021). The Value Innovation Capabilities to Create Powerful Business Strategy: A Case Study on The High Business Performance of An Investment Business in Covid 19 Pandemic, Proceedings of the International Conference on Industrial Engineering and Operations Management Sao Paulo, Brazil, April 5 - 8, 2021
20. Karabulut, A. T, (2015). Effects of Innovation Strategy on Firm Performance: A Study Conducted on Manufacturing Firms in Turkey. Procedia – Journal of Social and Behavioral Sciences. 2015;195:1338-1347. DOI 10.1016/j.sbspro.2015.06.314.
21. Kavale, S. Mugambi, F., & Namusonge, G. (2016). The effects of product differentiation on corporate growth in selected micro-finance banks in kenya, International Journal for Research in Business, Management and Accounting, 2(6), 13- 28.
22. Kneipp, J. M. Gomes, C.M., Bichueti, R.S., Frizzo, K., & Perlin, A.P.(2019). Sustainable innovation practices and their relationship with the performance of industrial companies. Rev. Gestão 2019, 26, 94–111.
23. Kim, W. C. & Maubourge, R. (1997). Value innovation. Havard Business Review.
24. Kim, W. C. & Maubourge., R. (2015). Blue ocean strategy: How to create uncontested market space and make the competition irrelevant. Harvard Business Review Press: Boston. Harvard Business School Publishing Corporation.
25. KIM, W. C. Mauborgne, Renée, Olenick, & Michael (2022). Searching for Value: Value Innovation vs. Technology Innovation – Mini Cases & Exercises. https://www.blueoceanstrategy.com/teaching-materials/searching-for-value-value-innovation-vs-technology-innovation/
26. Kumar, V. (2014). Understanding Cultural Differences in Innovation: A Conceptual Framework and Future Research Directions. Journal of International Marketing, 22(3), 1–29.
27. Janice, F. (2019). What is Value Innovation? https://www.linkedin.com/pulse/what-value-innovation-janice-francisco. https://hbr.org/2004/07/value-innovation-the-strategic-logic-of-high-growth retrieved 2019-09-28.
28. Laura, R. (2021). 7 Companies That Failed to Adapt to Disruption and Paid the Ultimate Price**.** https://www.thomasnet.com/insights/7-companies-that-failed-to-adapt-to-disruption-and-paid-the-ultimate-price/
29. Leavy, B. (2018). Value innovation and how to successfully incubate “blue ocean” initiatives. Strategy and Leadership.
30. Mohsen. G, & Vahid. Y, (2022). Customer loyalty and Electronic Loyalty**,** 5th International conference on Information Technology, computer and Telecommunication Technology of Iran, ICT Research Institute (Iran Telecom Research Center), Tehran, Iran.
31. Olawale. O, B & Margret. N, K, (2021). Strategic Leadership Dimensions and Product Differentiation of Quoted Insurance Companies in Nigeria, International Journal of Operational Research in Management, Social Sciences & Education | IJORMSSE p-ISSN: 2536-6521 | e-ISSN: 2536-653X Volume 7 Number 1 May, 2021.
32. Omar, M. A., & Inaba, K. (2020). Does financial inclusion reduce poverty and income inequality in developing countries?A panel data analysis. Journal of Economic Structures,9(37),1-25.Available in line at https://doi.org/10.1186/s40008-020-00214-4.
33. Owen O. R, Gregory C. M & Heidi M. M, (2021). Innovation and Value: Customer Perception, Application, and Concept, Journal of Management and Public Policy 12(1):4-16, DOI:10.47914/jmpp.2020.v12i1.001.
34. Papazov, E. and Mihaylova, L. (2016). Using key “blue ocean” tools for strategy rethinking of a sme: A case from the Bulgarian knitwear industry. Journal Economics and Business, 29(1): 104-10.

35. Peng, L. Y., & Wang, Q. (2006). Impact of relationship marketing tactics (RMTs) on switchers and stayers in a competitive service industry. Journal of Marketing Management, 22(1-2), 25-59.
36. Poorna, P. (2018). Performance Marketing Automation Expert. linkedin.com/pulse/why-did-nokia-kodak-failed-marketing-myopia-culprit-poorna-potluri.
37. Pondeville, S., Swaen, V., & De Rongé, Y. (2013). Environmental management control systems: The role of contextual and strategic factors. Management Accounting Research, 24(4), 317332.
38. Rahman, N. R. A., Othman, M. Z. F., Yajid, M. S. A, Rahman, S. F. A., Yaakob, A. M., Masri, R., Ramli, S., & Ibrahim, Z. (2018). Impact of strategic leadership on organizational performance, strategic orientation and operational strategy. Management Science Letters, 8(12), 1387-1398.
39. McLaughlin, H., McLaughlin, G., & Presiosi, R.C. (2004). The relationship of learning orientation to organizational performance. Journal of Business and Economics Research, 2(4), 9-16.
40. Mohammed, A. H, Ammar, A. A , Daing, N, & Mohd, R, D (2021). The Approach of Value Innovation towards Superior Performance, Competitive Advantage, and Sustainable Growth: A Systematic Literature Review. Journal of Sustainability 2021, 13, 10131. https://doi.org.
41. Mwemde, J, (2016). Effect of Blue Ocean Strategies on Competitive Advantage of Micro-finance Institutions in Kenya, Doctoral Dissertation, University of Nairobi. Kenya.
42. Nunnally, J.C. and Bernstein, I.R. (1994), Psychometric theory, Ed. ke-3, McGraw-Hill, New York.
43. Pallant, J. (2001). SPSS survival manual - A step by step guide to data analysis using SPSS for windows (version 10), Buckingham Open University Press.
44. Ramli N. A, Latan. H & Solovida G. T (2019). Determinants of capital structure and firm financial performance—a PLS-SEM approach: evidence from Malaysia and Indonesia. Q Rev Econ Finance 71:148–160.
45. Ratna S., M. C, Ihák, P. N, Diaye, A. Barajas, S. Mitra, A. Kyobe, Y. Nian Mooi, S. & Reza Yousefi (2015). Financial Inclusion: Can It Meet Multiple Macroeconomic Goals? IMF, Washington D.C.
46. Rehman, Z., Raza, A., Ilyas, S., Faisal, M. M., & Zia, M. H. (2020). an empirical investigation of customer loyalty as a mediator between the relationship of customer relationship management and word of mouth. Paradigms, SI (1), 27-31.
47. Rhaiem, K, Amara N (2021). Learning from innovation failures: a systematic review of the literature and research agenda. Rev Manag Sci 15(2):189–234.
48. Rogers, E. M. (2003). Diffusion of innovations, 5th ed. New York: Free Press.
49. Slovin, E. (1960). Slovin's Formula for Sampling Technique. https :// prudencexd. weebly. com/.
50. Subbotina, N. (2015). Innovation in cultural sector - definition and typology. Zarzadzanie w Kulturze, 16(4), 379-IX. doi: http : // dx. doi. Org / 10. 4467 / 20843976ZK.15.025.3782 Success, Boca Raton: CRC Press.
51. Straub, E. T. (2009). Understanding technology adoption: Theory and future directions for informal learning. Review of Educational Research, 79(2), 625-649.
52. Usup, R. C, Made, I. W, Christantius, D & Vivy, K (2020). The Role of Value Innovation Capabilities in the Influence of Market Orientation and Social Capital to Improving the Performance of Central Kalimantan Bank in Indonesia, Journal of Open Innovation Technology Market and Complexity 6(4):140DOI:10.3390/joitmc6040140.
53. Vargo, S.L. and Lusch, R.F. (2008). "Service-dominant logic: continuing the evolution", Journal of the Academy of Marketing Science, Vol. 36 No. 1, pp. 1-10.
54. Wheelen, T. L. (2021). Strategic Management and Business Policy: Toward Global Sustainability 13th (thirteenth) edition Text Only. Prentice Hall.
55. World Bank (2014). Global Financial Development Report 2014: Financial Inclusion. Washington, DC.
56. World Bank, (2015) How to measure financial inclusion. Understanding poverty/ financial inclusion. Worldbank.org
57. World Bank (2016). World Development Indicators. Washington, DC.
58. Yang, S.J.; Jang, S.(2020) How Does Corporate Sustainability Increase Financial Performance for Small-and Medium-Sized Fashion Companies: Roles of Organizational Values and Business Model Innovation. Journal of Sustainability 2020 12, 10322.
59. Yim, C. K., Tse, D. K., & Chan, K. W. (2008). Strengthening customer loyalty through intimacy and passion: Roles of customer–firm affection and customer–staff relationships in services. Journal of marketing research, 45(6), 741-756