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Market Orientation and Corporate Performance of Insurance Firms in Nigeria

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Abstract

The study examined the effect of market orientation on corporate performance of insurance firms in Nigeria. The specific objectives of the study include determining how the various indices of market orientation like customer orientation, competitor orientation and inter functional coordination have influenced the corporate performance of these insurance firms. This study adopted a survey research methodology to examine the market orientation strategies of insurance firms in an attempt to attain their desired performance potential. The hypotheses in the study were tested using Spearman's Rank correlation coefficient (r), multiple regression and partial correlation analyses to determine the strength of relationships and effects of dependent/independent and moderating variables respectively. Fifty two respondents of the insurance firms indicated that there was a positive relationship between market orientation and corporate performance in the insurance industry. The result also revealed that age of the firm and market information system has weakly moderate the relationship. The research findings show that the insurance firms that engage in market orientation recorded progress while those that have not applied this strategy experience low performance. We conclude that only the combination of customer focus, competitor focus and inter functional coordination can drive performance. This study, therefore, is of the view that insurance firms operating in Nigeria should emphasize market orientation if their objectives are to enhance their corporate performance.

Keywords: market orientation, corporate performance, customer orientation, competitor orientation, inter functional coordination, market information system

1. Introduction

Potentially, Nigeria has the biggest insurance market in Africa but weaknesses in the industry meant that most of the large insurance businesses were underwritten by foreign companies. Now the domestic industry is poised not only to penetrate deeper in the domestic market but to expand to other regions of the continent.

Despite Nigeria's growing population, it is still lagging seriously behind in the world global market ranking. Nigeria, curiously occupies the sixth position in Africa and 65th in the global insurance market with human development index (HDI) of 0.453 and GDP per capita of $1,050. Her insurance density per capita is USD 4.3 ,0.70% as premium share of GDP and 6% insurance penetration index, (Sigma, 2005, UNDP, 2003), (Tajudeen, 2009; Thomas , 2010).

The Insurance Act (2003), which came with reforms was designed to transform the industry, increase the capitalization of insurance companies, classify the business of insurance into life insurance and general insurance business and make provisions for better supervision and control of the industry in Nigeria (Ighomirenghian, 2010). Ighomirenghian (2010) saw the challenges facing the Nigerian insurance sector as poorly developed distribution channels as a result of brokers interference , poor public perception, unwillingness to pay claims as and when due ,lack of requisite skill to participate in highly specialized transactions especially in high value risk segments such as marine, aviation, oil and gas; inability to attract and retain skilled talent, inability to adjust to new information and communication technology, low investment and asset management capabilities, and poor regulatory oversight.

By the end of 2007 most of the reforms as mentioned in Insurance Act 2003 were implemented ,which ranged from privatization of the insurance firms, the emergence of the regulatory body National Insurance Commission (NAICOM), stringent laws to guide against sharp practices , merging of the insurance firms to become mega companies and the latest re-capitalization of the insurance firms. The 104 insurance companies and four re-insurance companies were reduced to 49 underwriting and two re-insurers. As a result of these exercises, their capital base increased to approximately USD38.3bn. These were meant to enhance the performance of insurance firms in Nigeria.

What translates into performance is the ability of the insurance firms to exhibit excellent practices to achieve competitive advantage, which must be seen by their customers as benefits by delivering superior value, which enhances repeat patronage and sales growth (Hooley et al, 2005).

For the insurance industry to achieve high performance market orientation must be vigorously pursued as a tool among other strategies.

Narver and Slater (1990) assert that a business that increases its market orientation will improve its market performance. This proclamation has been issued continuously by both Marketing academicians and Marketing Managers for more than 30 years (see e.g Kotler, 1984; Levitt 1960; Webster 1994). But to date not much has been done on relating Market orientation and corporate performance with respect to insurance business in Nigeria. Narver and Slater (1990) reviewed major conceptual literature on both sustainable competitive Advantage (SCA) and market orientation to identify the principal common threads (e.g Aaker 1988; Anderson 1982; Day 1994; Kotler 1977, 1984; Levitt 1960, 1980; Ohmae 1972; Peters and Waterman 1982; Porter 1980) and that market orientation consists of three behavoural components, Customer orientation, Competitor orientation and Inter functional coordination.

The researcher is of the view that the reason for this low performance of the insurance firms is their not being market oriented, not driven by the market demand, unable to adopt market information system and no plan on how to meet the needs of the market. The inability to offer any significant contribution to market needs may have led to poor growth. The insurance companies' operations of market orientation have not approached the philosophical meaning of providing customer satisfaction as the ultimate goal of marketing.

The failure to develop a market orientation in any business setting may adversely affect business performance, (Narver and Slater, 1990). Although at present, the insurance firms in Nigeria are yet to achieve their potential in terms of unsatisfactory level of corporate performance. This suggests that market orientation may not be well managed in the organizations.

2. Theoretical Framework

The conceptual framework of this study shows the various studied variables, their dimensions and measures. The predictor variable is market orientation (input) while the criterion variable is corporate performance (output).This kind of predictor variable in turn accounted for the following competencies; (i) customer focus (ii) Competitor focus (iii) Inter functional coordination.

Corporate performance the criterion variable could be measured according to previous researchers in terms of sales volume, profit and market share. These constructs for the study are not subjectively designed by the present researcher but adopted from models presented by previous researchers like Lado and Maydeu-Olivares (2000), Aaby and Slater (1989), Ibeh (2004), Onah (2000) and Nkamnebe (2004). Some of these previous researchers used these constructs for studies in their different environments while some used theirs in different sectors of the Nigerian economy, but the present researcher used them to study both the Nigerian situation and the insurance sector specifically, so as to add to the existing knowledge in the field under study.

Additionally, the contextual variables (moderating variables) include; market information system and age of the firm.

2.1 The Marketing Concept

The marketing concept originated in the western developed countries following the industrial revolution. Over a period of many decades the concept of marketing has changed, evolved and passed through two distinct stages, production and sales orientations. At the end of the 1940s, production efficiencies were regarded as essential for achieving and maintaining a successful and prosperous business activity but in the 1950s researchers began to argue that marketers should pay more attention to the customers' needs and wants (Svensson, 2001).

The fundamental principle is often referred to as the "marketing concept", which replaces the product (emphasizing product quality), production (emphasizing product availability), and selling (emphasizing sales volume) oriented philosophies. Mckitterick (1957) as found in Nwokah (2005) asserted that marketing concept is a customer oriented, integrated and profit oriented philosophy of business. According to McNamara (1972), the marketing concept is a philosophy of business management; based upon a company-wide acceptance of the need for customer orientation, profit orientation, and recognition of the important role of marketing in communicating the needs of the market to all major corporate departments. Kotler (1998) also supported the work of Barksdale and Darden (1971) and McNamara (1972) stating that , the key to achieving organizational goals consist in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors.

According to Kotler (1998), the marketing concept rests on four pillars; (1) target market, (2) customer needs, (3) integrated marketing, and (4) profit through customer satisfaction. In this connection, Marketing concept is the most effective means of attaining and sustaining a competitive advantage and of accomplishing company objectives that initiate the planning and coordinating of all activities for satisfying customer needs and wants. Considering the above discussion, the marketing concept can be defined as a consumer orientation represented by the ability to recognize targeted customers' generic wants, needs, and preferences and satisfy them by continuously creating and delivering superior value backed by an organization-wide integrated effort of all functional areas within the organization in order to achieve long-term corporate goals and objectives. There will be need to relate the review to insurance industry, considering what aspect of marketing concept is being practised. Market orientation perspectives include the decision-making perspective (Shapiro, 1998), market intelligence perspective (Kohli and Jaworski, 1990), culturally based behavioural perspective (Narver and Slater, 1990), strategic perspective (Ruekert, 1992) and customer oriented perspective (Deshpande et al., 1993).

2.2 Market Orientation—The Culturally Based Behavioural Perspective

Narver and Slater (1990) defined market orientation as the organizational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and thus, continuous superior performance for the business. According to them, market orientation consists of three behavioural components.

These are (1) customer orientation, (2) competitor orientation, and (3) Inter-functional coordination. Since 1990 further studies have been undertaken to develop a greater understanding of these components (Slater and Narver 1994; 1995).

The argument remains that market orientation will give the required profitability which in turn will enhance performance

2.2.1 Customer Focus

Customer orientation is the sufficient understanding of one's target buyers to be able to create superior value for them continuously (Levitt, 1980). Because the marketing concept encourages a business to be forward looking, a customer-focused business is likely to be more interested in long-term business success as opposed to short-term profits. Firms emphasizing customer-focused intelligence gathering activities at the expense of competitor information may be classified as "customer preoccupied". Because the marketing concept promotes putting the interests of customers first, many researchers (Narver and Slater, 1990, Levitt, 1980, Kenosi et. al. 2011) considered customer-focus to be the most fundamental aspect of corporate culture (Deshpande, Farley and Webster 1994, Lawton and Parasuraman 1980).

2.2.2 Competitor Focus

Competitor orientation means that a seller understands the short-term strength and weaknesses and long-term capabilities and strategies of both the key current and the key potential competitors (Aaker 1988, Day and Wensley 1993; Porter 1980). Competitor-focused firms seek to identify their own strengths and weaknesses and to keep pace with or stay ahead of the rest of the field. Because such competitors may frequently alter their strategic emphasis, a close monitoring of competitors is difficult yet important in a hostile environment (Porter, 1980). Firms characterized as "strategically integrated" assign equal emphasis to the collection, dissemination, and use of both customer and competitor intelligence.

Borrowing from the famous warfare analogy proposed by Ries and Trout (1986), firms with a predominant emphasis on competitors in their external market analyses have been labeled "marketing warriors". According to Slater and Narver (1994), a competitor-focus entails gathering intelligence on three main questions; (1) who are the competitors? (2) What technologies do they offer? And (3) do they represent an attractive alternative from the perspective of the target customers? Using target rivals as a frame of reference, competitor-focused firms seek to identify their own strengths and weaknesses and to keep pace or stay ahead of the rest of the field (Han, Kim, and Srivastava 1998).

2.2.3 Inter Functional Coordination

Inter functional coordination is the coordinated utilization of company resources in creating superior value for target customers (Porter 1980, Narver and Slater, 1990). Inter functional coordination is based on the customer and competitor information and comprises the business's coordinated efforts, typically involving more than the marketing departments to create superior value for the buyers.

2.3 Corporate Performance

The worry in the industry is that the people's negative attitude is yet to be changed in the sector. The performance of the insurance companies can be verified through market share, sales volume and profitability. The volume of consumers can still be extended to their loyalty to the products. George (2008) in predicting corporate performance from organizational culture investigated the relationships of culture, strength and two substantive cultural values with corporate performance. Omar (2007) assesses consumers' attitudes towards life insurance patronage in Nigeria and found out that there is lack of trust and confidence in the insurance companies. It was observed that lack of knowledge about life insurance products resulted to the poor patronage of the insurance services. Insurance is understood by most people to be critical to a well-functioning **economy**.

While reviewing the performance of the insurance industry, Dorfman (1980) observes that even though the life insurance industry engages in **product innovation**, the market for life insurance appears to have a serious weakness in that not many new improvements have been forthcoming in recent years. Kuhlemeyer and Allen (1999) find out that consumer satisfaction with life insurance products is largely accounted for by the trust they repose in the sales agents in contrast to those who purchase direct from the insurance companies. The survey population who purchased from sales agents were more satisfied with the insurance companies. This apparently justifies the view that insurance is sold rather than bought.

Firm performance measurement has been described in terms of the extent to which a firm's economic and strategic objectives are achieved in the market place. Since essentially all firms regularly set and refine strategic (e.g Market share, brand awareness) and economic (e.g profits, sales, return on investment) goals for their pursuits, high performance is likely to be a function of the degree to which the firm has achieved its goals.

The business growth or performance in this contest is valued using market share, sales volume and profitability (Narver and Slater, 1990).

2.3.1 Market Share

Kalu (1998) defined market share as the percentage measure of the share obtained by an individual company from the total market available. Market share can refer to entire industries, narrow segments or a particular geographic area and also can apply to the past, present or future time periods. In this study market share will be represented by the percentage share of each firm's market against the total market share. Market share is the portion percentage of sales of a particular product or services in a given region that are controlled by a company. Market share is used by businesses to determine the strength in a sector as compared to other company in the same sector. It also allows you to accurately assess your business from year to year. Managing market share therefore, is a very important aspect of managing a business.

2.3.2 Sales Volume

Sales volume is the quantity or number of goods sold or services sold in the normal operations of a company in a specific period. Sales volume is one of the indices used to measure performance. Businessdictionary.com, (2002) stated that Sales Volume is influenced by many factors, such as features, price and availability as well as competitor's actions. Sales volume is generated by increasing brand awareness and brand preferences. Kotler & Keller, (2008) is of the view that sales volume is the output or total quantity of products, sold by the manufacturer at any period of time.

2.3.3 Profitability

This is a measure of value to show if the company is doing well or not. It is the excess of total income over total expenses during a giving period of time. Profitability is one of the indices used to measure corporate performance. The task of any business is to deliver customer value at a profit, (Kotler et al, 2007).Profitability is ability of a firm to generate net income on a consistent basis. It is often measured by price to earnings ratio (businessdictionary.com, 2010). Profit is financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity.

However, managers are now paying more attention to profit not just sales, profit and profitability appraisal, will touch virtually every aspect of marketing and is the thread which runs right through the corporate and marketing planning organisation.

2.4 Contexrual Factors

Contextual factors refers to factors that determines the thriving of the criterion and the predatory variables in a particular setting**.**

2.4.1 Age

The age of existence of the company is very relevant in determining how the firm has fared over a period of time. (David S.E., 1987) posited that the variability of firm growth, and the probability that a firm will fail decrease with firm age.

2.4.2 Market Information System

Market information System is the process of obtaining customer opinions, careful analysis and subsequent interpretation of the forces that impose themselves on customer needs and preferences (Kohli and Jaworski (1990) and Ellis (2006). Kohli and Jaworski (1990) argue that the vital point is that marketing information system does not stop at obtaining customer opinions, but also involves careful analysis and subsequent interpretation of the forces that impose themselves on customer needs and preferences. It is a set of procedures and practices employed in gathering, analyzing and assessing information about a firm's market environment comprised of competitors, customers, suppliers, distribution intermediaries, and sales personnel. Timely market information provides basis for monitoring and estimating emerging market trends. Jobber (2007) posits that it is a system in which marketing data is formally gathered, stored, analyzed and distributed to managers in accordance with their informational needs on a regular basis. Kotler, et al (2007) looked at it more broadly as people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.

The ingredients for good MIS are consistency, completeness, and orderliness. Marketing plans should be implemented on the basis of information obtained from the intelligence network.

3. Methodology

The study used the construct as developed by Narver and Slater (1990).

3.1 Approach and Methodology

Actually, cross sectional survey was used and it relied on a sample of elements from the population of interest which are measured at a single point in time. The essence of a representative sample according to Ahiauzu (2007) is so that the result of the study can be generalized.

Thus, variables in this work are market orientation and corporate performance. Market orientation is the independent variable (cause) and the corporate performance is the dependent variable (effect).

Thus, the study population of this work will constitute all the 49 insurance firms in Nigeria. Insurance firms are chosen because they are supposed to be a high contributor to Nigeria Gross Domestic product.

Therefore, the sample frame of this study will constitute the 30 out of the Forty nine (49) insurance firms that scaled through the 2007 capitalization process. The 30 insurance firms are the firms quoted in Nigerian Stock Exchange as gazetted in 2010. This selection of the sample size of 30 firms is done using convenience sampling technique or method.

3.2 Data Collection Technique

Data was collected from the senior manager/CEO and the head of marketing on information pertaining to the construct (under study). It is assumed that such senior managers have the best vantage point for viewing the entire organization, and thus provide the most accurate responses. Sixty (60) insurance personnel form the sample units which were selected using simple random sampling technique.

4. Results

The relationship between Market Orientation and Corporate Performance indicates that the correlation coefficient (r) = 0.830. This shows that a strong relationship exists between Market Orientation and Corporate Performance. The sign of the correlation coefficient is positive, that is an indication that, an increase in Market Orientation is accompanied with an increase in Corporate Performance.

Hypotheses testing

4.1 Relationship between Customer Focus and the Profitability of Insurance Firms

HA_1: "There is a positive relationship between customer focus and the Profitability of insurance firms".

The correlation coefficient (r) = 0.600 shows that a strong relationship exists between Customer Focus and Profitability. The sign of the correlation coefficient is positive; indicating that when Customer Focus increases, Profitability also increases. This is in line with the stated alternative hypothesis 1 (There is a positive relationship between customer orientation and the profitability of insurance firms) therefore the researcher accepts the alternative hypothesis and rejects the null. The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Customer Focus and Profitability

4.2 Relationship between Customer Focus and Sales Volume of Insurance Firms

HA_2: "There is a positive relationship between customer focus and Sales Volume of insurance firms".

The correlation coefficient (r) = 0.843 shows that a strong relationship exists between Customer Focus and Sales Volume. The correlation coefficient is positively signed; this indicates that when Customer Focus increases, Sales Volume also increases. This is in line with the stated alternative hypothesis 2 (There is a positive relationship between customer orientation and the sales volume of insurance firms) therefore the researcher accepts the alternative hypothesis and rejects the null. The sig./probability value (PV) = 0.000, this value is also less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Customer Focus and Sales Volume

4.3 Relationship between Customer Focus and Market Share of Insurance Firms

HA_3: "There is a positive relationship between customer focus and market share of insurance firms".

The relationship between Customer Focus and Market Share indicates that the correlation coefficient (r) = 0.672. This shows that a strong relationship exists between Customer Focus and Market Share. The sign of the correlation coefficient is positive; this means that, increase Customer Focus is associated with increase in Market Share. The researcher therefore accepts the alternative hypothesis(r is positive, PV < 0.05) The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Customer Focus and Market Share.

4.4 Relationship between Competitor Focus and Profitability of Insurance Firms

HA_4: "There is a positive relationship between competitor Focus and profitability of insurance firms".

The correlation coefficient (r) = 0.513 shows that a moderate relationship exists between Competitor Focus and Profitability. The correlation coefficient is positively signed; i.e. when Competitor Focus increases, Profitability also increases. This is in line with the stated alternative hypothesis 4 (There is a positive relationship between competitor focus and the profitability of insurance firms) therefore the researcher accepts the alternative hypothesis and rejects the null. The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Customer Focus and Profitability

4.5 Relationship between Competitor Focus and Company's Sales Volume of Insurance Firms

$HA_{5:}$ "There is a positive relationship between competitor Focus and company's Sales Volume of insurance firms".

The relationship between Competitor Focus and Sales Volume indicates that the correlation coefficient (r) = 0.620. This shows that a strong relationship exists between Competitor Focus and Sales Volume. The sign of the correlation coefficient is positive; this indicates that, increase Competitor Focus is associated with increase in Sales Volume. The researcher therefore accepts the alternative hypothesis (r is positive, PV < 0.05). The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Competitor Focus and Sales Volume.

4.6 Relationship between Competitor Focus and Company's Market Share of Insurance Firms

$A_{6:}$ "There is a positive relationship between competitor Focus and company's market share of insurance firms".

The relationship between Competitor Focus and Market Share indicates that the correlation coefficient (r) = 0.489. This shows that a moderate relationship exists between Competitor Focus and Market Share. The sign of the correlation coefficient is however positive; this shows that, increase Competitor Focus is associated with increase in Market Share. The researcher therefore accepts the alternative hypothesis(r is positive, PV < 0.05). The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Competitor Focus and Market Share.

4.7 Relationship between Inter-Functional Coordination and Profitability of Insurance Firms

HA_7: "There is a positive relationship between Inter-Functional coordination and Profitability of insurance firms".

The correlation coefficient (r) = 0.325 shows that a moderate relationship exists between Inter-functional Coordination and Profitability. The correlation coefficient is positively signed; this implies that when Inter-functional Coordination increases, Profitability also increases. This is in line with the stated alternative hypothesis 7 (There is a positive relationship between Inter-functional Coordination and the profitability of insurance firms) therefore the researcher accepts the alternative hypothesis and rejects the null.The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Inter-functional Coordination and Profitability.

4.8 Relationship between Inter-Functional Coordination and Sales Volume of Insurance Firms

HA_8: "There is a positive relationship between Inter-Functional coordination and Sales Volume of insurance firms".

The correlation coefficient (r) = 0.512 shows that a moderate relationship exists between Inter-functional Coordination and Sales Volume. The correlation coefficient is positively signed; this implies that when Inter-functional Coordination increases, Sales Volume also increases. This is in line with the stated alternative hypothesis 8 (There is a positive relationship between Inter-functional Coordination and the Sales Volume of insurance firms) therefore the researcher accepts the alternative hypothesis and rejects the null. The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Inter-functional Coordination and Sales Volume.

4.9 Relationship between Inter-Functional Coordination and Market Share of Insurance Firms

HA_9: "There is a positive relationship between Inter-Functional coordination and Market Share of insurance firms".

The correlation coefficient (r) = 0.510 shows that a moderate relationship exists between Inter-functional Coordination and Market Share. The correlation coefficient is positively signed; this implies that when Inter-functional Coordination increases, Market Share also increases. This is in line with the stated alternative hypothesis 9 (There is a positive relationship between Inter-functional Coordination and the Market Share of insurance firms) therefore the researcher accepts the alternative hypothesis and rejects the null. The sig./probability value (PV) = 0.000, this value is less than 0.05 therefore the researcher concludes that a significant positive relationship exists between Inter-functional Coordination and Market Share

4.10 The Moderating Effect of Age of the Organisation on the Relationship between Market Orientation and Corporate Performance

HA_{10}: "Age moderate the relationship between market orientation and corporate performance of insurance firms".

There is a positive and significant though weak correlation exist between Age of the firm and Market Orientation (r = 0.149, PV = 0.293 < 0.05) There is also a weak correlation between Age of the firm and Corporate Performance (r) = 0.273, PV = 0.000 < 0.05. We are aware that a strong correlation exist between Market Orientation and Corporate performance (r) = 0.840. However, when Age is controlled, the measure of relationship between Market Orientation and Corporate performance (r) became 0.840. Since the difference between the zero order correlation and the controlled correlation (0.840 - 0.840) 0.000 < 0.01, the researcher rejects the alternative hypothesis and conclude that age of the firm does not significantly impact on the relationship between Market Orientation and Corporate performance

4.11 The Moderating Effect of Marketing Information System on the Relationship between Market Orientation and Corporate Performance

HA_{11}: "Market information system moderates the relationship between market orientation and corporate performance of the insurance firms".

The test revealed that there is a moderate, positive and significant correlation between Market Information System of the firm and Market Orientation (r = 0.481, PV = 0.000 < 0.05) There is also a strong correlation between Market Information System and Corporate Performance (r = 0.565, PV = 0.000 < 0.05) It is equally obvious that a strong correlation exist between Market Orientation and Corporate performance (r) = 0.840. However, when Market Information System is controlled, the measure of relationship between Market Orientation and Corporate performance (r) became 0.786. Since the difference between the zero order correlation and the controlled correlation (0.840 - 0.786) 0.054 > 0.01, the researcher accepts the alternative hypothesis and conclude that Market Information System of the organisation poorly impact on the relationship between Market Orientation and Corporate performance.

Table 1. Summary of decisions reached on test of hypotheses

Hypothesis	Items	R	P-Value	Result/Explanation
Ha_1	"There is a positive relationship between customer focus and the Profitability of insurance firms"	0.600**	.000	Accept Ha_1 Customer focus positively, strongly and significantly influences profitability.
Ha_2	"There is a positive relationship between customer focus and Sales Volume of insurance firms"	0.843**	.000	Accept Ha_2 Customer focus positively, strongly and significantly influences sales volume.
Ha_3	" There is a positive relationship between customer focus and market share of insurance firms"	0.672**	.000	Accept Ha_3 Customer focus positively, strongly and significantly influences market share.
Ha_4	"There is a positive relationship between competitor Focus and profitability of insurance firms"	0.513**	.000	Accept Ha_4 Competitor focus positively and significantly influences profitability.
Ha_5	"There is a positive relationship between competitor Focus and Sales Volume of insurance firms"	0.620**	.000	Accept Ha_5 Competitor focus positively, strongly and significantly influences sales volume.
Ha_6	"There is a positive relationship between competitor Focus and market share of insurance firms"	0.489**	.000	Accept Ha_6 Competitor focus moderately, positively influences market share.
Ha_7	"There is a positive relationship between Inter-Functional coordination and Profitability"	0.325**	.019	Accept Ha_7 Inter functional coordination weakly, positively and significantly influences profitability.
Ha_8	"There is a positive relationship between Inter-Functional coordination and Sales Volume"	0.512**	.000	Accept Ha_8 Inter functional coordination positively and significantly influences sales volume.
Ha_9	"There is a positive relationship between Inter-Functional coordination and Market Share of insurance firms.	0.510**	.000	Accept Ha_9 Inter functional coordination positively and significantly influences market share.
Ha_{10}	$HA_{10;}$ "Age has a moderating effect on the relationship between market orientation and corporate performance"	Zero order r= 0.840 Ctrol r = 0.840	.000	Reject Ha_{10} Age does not moderate market orientation and corporate performance
Ha_{11}	"Market information system has a moderating effect on the relationship between market orientation and corporate performance of the insurance firms	Z-order r= 0.840 Ctrol r = 0.786	.000	Accept Ha_{11} Market information system does moderate market orientation and corporate performance.

Source: Field survey data 2012.

5. Discussions

5.1 Strong Positive Relationship between Customer Orientation and Corporate Perfpormance

Customer orientation is clearly the strongest determinant of corporate performance. The relationships between customer orientation and the three different measures of corporate performance were tested in hypotheses 1, 2 and 3, the results of each of which showed very strong positive relationship with the dependent variable involved in each case. In other words, customer orientation exhibited significant influence on Profitability, Sales volume and Market share. The dominant influence of customer orientation on corporate performance is further buttressed by the outcome of the multiple regression to which we subjected our data. The output from SPSS window17.0

analysis of each of the three multiple regression models indicated that customer orientation is indeed a strong determinant of corporate performance. In addition, both β and t values were remarkable at a very impressive level of significance.

5.2 Significant Positive Relationship between Competitor Orientation and Corporate Performance

The results of the analysis of this multiple regression model do not show a strong relationship between profitability (the dependent variable) and competitor orientation. However, a slightly different result was obtained from the analysis of the simple regression model (hypothesis 5) which tested the relationship between these variables. There was a relationship though significant at 0.05 levels. The relationship between competitor orientation and market share was seen to be moderately positive (hypothesis 6). The effect of competitor orientation on corporate performance is more evident when sales volume is the dependent variable as in hypothesis 5. Results of analyses of both forms of regression models (simple and multiple) point to a significant relationship between sales volume and competitor orientation.Like customer orientation, competitor orientation, ironically, received very little attention in the insurance industry within the period under review. But in reality, competitor orientation ranks next to customer orientation in the degree of influence on corporate performance.

5.3 Moderate Positive Relationship between Interfunctional Coordination and Corporate Performance

The influence of inter functional coordination on corporate performance was tested in hypotheses 7, 8 and 9. As we have observed earlier, the analysis of each pointed to weak relationship between inter functional coordination and the three dependent variables of corporate performance. Equally worthy of note is the fact that inter functional coordination generally brings about changes in customer orientation which in turn necessitates changes in firms practices. The study found that companies in the innovative growth paradigm generate long-term returns to shareholders by focusing on sustaining their engines. The growth engine, according to the study, could be a stream of market orientation leveraged by the innovative growth paradigm to drive growth in profitability and sales volume. The researcher observed that the insurance firms are not doing much internally to satisfy their customers and this was the reason for poor influence of inter functional coordination on profitability, sales volume and market share.

5.4 No Significant Effect of Age and Market Information System on Determinants of Market Orientation and Corporate Performance

One of the research concerns seeks to determine the extent to which the contextual factors and the extent they affect the relationship between market orientation and corporate performance. Our analyses revealed no significant relationship as age and market information system moderates market orientation and corporate performance. This is a clear indication that age and market information system has no significant influence on the relationship between market orientation and corporate performance. Research has shown that the age of a firm has no part to play in terms of consistence in use of any strategy to achieve any strategic goal or objective in the market place. Age may equally stand as a reflection of live in the businesses but the poor relationship is an indication that the insured are not much bordered about the age of the firm but satisfaction or utmost good faith. Inspite of the above argument most firms collapsed or emerged to form a fresh firm and as such age of a firm did not matter.Market Information system was seen to have moderate relationship between market orientation and corporate performance. This is an indication that the independent variables are not significantly impacted by market information system to be able to enhance performance. The insurance firms are yet to understand the relevance of market information system as it relates to performance, inspite of this they are backward in the use of modern technology. Conclusively, the result on the age of the firm has nullified the earlier assumption of the researcher that age moderates the relationship between market orientation and corporate performance and market information system moderates poorly the same relationship.

6. Conclusion

Olson and Slater (2002) concluded in their study, "in a turbulent environment, learning and responsiveness are essential to achieving and sustaining competitive advantage". Firms in Insurance industry are apparently conscious of this strategic truism and are indeed striving to respond innovatively to challenges of a turbulent environment occasioned (amongst other factors) by a tough legal regime created by the National insurance commission (NAICOM). However, much of the emphasis and efforts made by this industry in this regard are channeled to competitor orientation and little of inter functional coordination and customer orientation. Ironically, our study revealed that the later are stronger and more direct determinants of financial performance than the former-the competitor orientation.

Our expositional analysis also revealed varying patterns and strengths of relationship between each form of market orientation and three different measures of corporate performance that were employed. The basic conclusions we draw from our findings in this study can be summerised thus;

1) Wide oscillations in financial profitability ratios are a warning sign of corporate collapse in insurance industry and an indication of a necessity for a turnaround strategy.
2) Corporate performance could be enhanced through market orientation.
3) Customer Orientation is better and more direct determinant of corporate performance than competitor orientation and inter functional coordination.
4) Market orientation programmes are generally more successful when channeled through the inter functional coordination domain than through competitor orientation domain.
5) The poor performance of the insurance industry could be attributed to the heavy emphasis they generally place on competitor orientation at the expense of the customer orientation.

It is evident that there is a growing decline in the financial performance of the insurance industry. Firms in this industry are either witnessing a downward trend in profitability ratios or recording unhealthy fluctuations in these ratios. Our findings from analysis of the financial records of firms that have collapsed in this industry lead us to conclude that there is eminent call for a turnaround strategy which is the adoption of market orientation.

Fundamentally, we can assert that the path to higher corporate performance and therefore the strategic platform for a turnaround strategy essentially lies in the miry and complex terrain of market orientation. This complexity subsists largely on the fact that change, as noted by Jones et al (2004), is both an institutional journey and a very personal one. The radical alterations that market orientation introduces into the firm go down to touch the firm members personally. The result is the observed high failure rate of market orientation programmes occasioned by resistance.

7. Recommendations

The objective of this study was to empirically determine the relationship between "Market Orientation and Corporate performance of insurance firms in Nigeria" so as to prescribe a policy guide for corporate excellence based on the findings and conclusions, we proffer the following recommendations.

1) The insurance firms should pay more attention to customer focus as optimal patronage will enhance their potential.
2) The insurance firms should strive to promptly pay claims to their customers as this will erase the failure of utmost good faith in the industry.
3) The policy of ex-gratia which says that a customer should be shown consideration in terms of default in business agreement should be sustained.
4) The insurance firms should uphold satisfaction of customers and brokers as they are the hallmark of their business.
5) Nigeria Insurance managers have to consider their underlying business philosophy and become more customer and competitor oriented at the corporate level, in branches as well as across the different functional departments.
6) The three components of the market orientation can be used to develop appropriate training programmes that can improve the staff understanding of the activities involved in developing market orientation.

8. Suggestions for Further Research

The findings of this study cannot be generalised for all business environment, further research will attempt to extend this to other business sectors of Nigeria economy.

- This study investigated wholly the variables of Market orientation, therefore, further research should be restricted to each of the variables-Customer focus, Competitor focus and Inter functional coordination for further clarification.
- Our study only considered the customers in customer focus, it should be extended to agents and Brokers for a thorough work on customer focus.
- Our scope and sample implied a constraint; as such similar study should be extended to a larger sample, especially non insurance users, more customers, and junior workers of insurance firms.

- Corporate performance indices can be extended to non financial indices like patronage, satisfaction and service quality.

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