



Corporate Strategy and Performance of Selected Deposit Money Banks in Enugu Metropolis

Asogwa, Francis Ikwere¹ & Esther Maduagwu PhD²

^{1,2}Department of Business Administration, Enugu state University of Science and Technology

Abstract

This study examined corporate strategy and performance of selected deposit money banks in Enugu Metropolis. The objectives of the study were to ascertain the effect of vertical integration on efficiency of the selected deposit money banks in Enugu Metropolis, evaluate the effect of related diversification on customer patronage of the selected deposit money banks in Enugu State and identify the effect of international expansion on market share of the selected deposit money banks in Enugu State. The descriptive survey research design was adopted in the study. The population of the study was 212 while the sample size of 139 was adopted using the Taro Yamane's formula. The data were analysed using frequencies and percentages while the hypotheses were tested using the SPSS statistical tool. The findings included that vertical integration has significant positive effect on efficiency of deposit money banks in Enugu metropolis ($F(126) = 3368.32, p = 0.05$), related diversification has significant positive effect on customer patronage of selected deposit money banks in Enugu metropolis ($F(126) = 7235.33, p = 0.05$) and international expansion has significant positive effect on market share of the selected deposit money banks in Enugu metropolis ($F(126) = 4861.99, p = 0.05$). This study concluded that corporate strategy has significant positive effect on performance of deposit money banks in Enugu state and it was recommended that management of deposit money banks should adopt vertical integration by interacting personally with their customers, adopt related diversification by moving into a new industry the has related similarities with the existing firm and adopt international expansion by taking their business operations, products and services to other countries.

Keywords Selected Deposit Money Banks; Corporate Strategy; Enugu Metropolis; Vertical Integration; Custo Patronage

Citation Asogwa, F. I. & Maduagwu, E. (2023). Corporate Strategy and Performance of Selected Deposit Money Banks in Enugu Metropolis. *International Journal of Advanced Finance and Accounting*, 4(4), 1-15
<https://doi.org/10.5281/zenodo.8410345>



Introduction

Strategy is a serious, exciting and often bizarre game that managers play every day (Stacey, 2018). Enterprises often change overtime, and when they do, the strategies that worked so well in the early days no longer fits. Markets mature with time, competition intensifies, the quality of business alters and the value of resource shifts. Most of all, changes in the external environment make the previous strategy pursued by an organization obsolete. Thus, a new strategy becomes a requisite for continued success; indeed, it can lead to failure. Managers fail to think strategically and employ new superior strategies in the face of increased competition and environmental turbulence (Rowe 2014). Consequently, managers' greatest challenge become having a good strategy that will ensure continued success in the future and which gives the firm a sustainable competitive edge over its competitors.

Strategies are formulated at different levels of an organization-corporate, business and functional levels. Corporate level strategy occupies the highest level of strategic decision making and cover actions dealing with the objective of the firm, acquisition and allocation of resources and coordination of strategies for optimal performance. Corporate strategies describe a company's overall direction towards growth by managing business and product lines. These include stability, growth and retrenchment.

Enudu (2012) states that importance of adopting effective corporate strategy for managers and organizations cannot be over-emphasized. Research evidence has shown that firms that use formalized corporate strategy attain superior results than those that do not. Stoner (2013) posits that managers found that by defining the mission of their organisation in specific terms, they were able to give their organisation, direction and purpose. Organizations function better as a result and become more responsive to a changing environment. Corporate strategy, therefore, improves the functioning of organizations by enabling managers to prepare for and deal with the rapidly changing environment in which today's organizations operate.

No matter the size of the organization, there are some challenges involved in the formal corporate strategy. Schwartz (2015), states that the major challenge of corporate strategy is that, it requires a considerable investment in time, money and people. In some organizations, it may take years for the corporate strategy process to function smoothly. Sometimes organizations defer important decisions until newly established review and evaluation procedures are completed. This can result in lost opportunities. It is based on this background that this study examined effect of corporate strategy on organizational performance of deposit money banks in Enugu State.

Statement of the Problem

Ideally, every deposit money bank will like to adopt adequate corporate strategy because formalized corporate strategy improves the functioning of banks by enabling managers to prepare for and deal with the rapidly changing environment in which today's organizations operate.

Unfortunately, developing appropriate corporate strategy is not a simple and economical proposition. For financially weak companies, cost becomes a great hindrance. As future is uncertain and cannot be predicted accurately, the corporate strategy system based on hazy and uncertain estimates is not exact

The consequences of not adopting effective corporate strategy in the deposit money banks could lead to inability of the bank to deal with the rapidly changing environment leading to lack of efficiency of the banks. Lack of adequate corporate strategy could also lead to lack of business growth and market share. It is based on these anomalies that this study examined effect of corporate strategy on organizational performance of deposit money banks in Enugu State.

Objectives of the Study

The broad objective of the study is to examine corporate strategy and performance of selected deposit money banks in Enugu Metropolis. Specifically, the study sought to:

1. Ascertain the effect of vertical integration on efficiency of the selected deposit money banks in Enugu Metropolis.
2. Evaluate the effect of related diversification on customer patronage of the selected deposit money banks in Enugu State.
3. Identify the effect of international expansion on market share of the selected deposit money banks in Enugu State.

Research Questions

1. What is the effect of vertical integration on efficiency of the selected deposit money banks in Enugu state?
2. What is the effect of related diversification on customer patronage of the selected deposit money banks in Enugu State?
3. What is the effect of international expansion on market share of the selected deposit money banks in Enugu State?

Statement of the Hypotheses

Based on the research questions, the following null hypotheses were formulated

1. Vertical integration does not have a significant positive effect on efficiency of deposit money banks in Enugu state
2. Related diversification does not have a significant positive effect on customer patronage of selected deposit money banks in Enugu state.
3. International expansion does not have significant positive effect on market share of the selected deposit money banks in Enugu State

Significance of the Study

Many people will benefit from this paper among them are the management and shareholders of deposit money banks, the general public and for future academic study on this topic

Management and Shareholders of deposit money banks: Management and shareholders of deposit money banks will benefit because they will be more enlightened on the importance of having effective corporate strategy.

General Public: The general public will benefit because they can have a rest of mind that the money lodged in various banks are safe.

Students: Students will benefit from this study because the findings of this study will help them understand and throw more light on the concept of corporate strategy.

Researchers: The paper will serve as a spring board for further research on this topic.

Scope of the Study

This study covered effect of corporate strategy on performance of selected deposit money banks in Enugu metropolis. The independent variables covered by the study include vertical integration, related diversification and international expansion while the dependent variables covered include efficiency, customer patronage and market share. The geographic scope is the regional office of Zenith bank at Okpara Avenue, the regional office of First bank at Okpara Avenue and the regional office of United Bank for Africa (UBA) at Okpara Avenue.

Literature Review

Conceptual Review

Strategy

Mintzberg (1994) indicates that strategy is a plan, a pattern, a position, a perspective, a ploy, or a maneuver intended to outwit a competitor. Bryson (2018) defines strategy as a pattern of purposes, policies, programmes, actions, decisions, or resource allocations that define what an organization is, what it does, and why it does it. The strategy of a business organization is a comprehensive master plan stating how the organization will achieve its mission and objectives. Aremu (2019) submits that strategy is needed to focus effort and promote coordination of activities. Without strategy an organization becomes bunch of individuals, hence strategy is required to ensure collective actions and concentration of efforts toward achieving organizational plans and objectives.

Corporate Strategy

A corporate strategy is a long-term plan that outlines clear goals for a company. While the objective of each goal may differ, the ultimate purpose of a corporate strategy is to improve the company. A company's corporate strategy may be to focus on sales, growth or leadership. For example, a business might implement a corporate strategy to expand its sales to different markets or consumers. It may also use corporate strategy to prioritize resources. Another purpose of corporate strategy is to create company value and to motivate employees to work toward that value or set of goals. Corporate strategy includes the commitments, decisions and actions required for a firm to achieve strategic competitiveness and earn above average returns.

Components of Corporate Strategy

Vertical Integration

Vertical integration is a strategy that allows a company to streamline its operations by taking direct ownership of various stages of its production process rather than relying on external contractors or suppliers. A company may achieve vertical integration by acquiring or establishing its own suppliers, manufacturers, distributors, or retail locations rather than outsourcing them. Vertical integration can help a company reduce costs and improve efficiency.

Related Diversification

Related diversification occurs when a firm moves into a new industry that has important similarities with the firm's existing industry or industries. Prahalad & Hamel (2020) posit that some firms that engage in related diversification aim to develop and exploit a core competency to become more successful. A core competency is a skill set that is difficult for competitors to imitate, can be leveraged in different businesses, and contributes to the benefits enjoyed by customers within each business.

International Expansion

Mullins (2022) opines that international expansion is a growth strategy that involves taking business operations, products, and services from a home market into target markets abroad. It's also referred to as "global expansion," "overseas expansion," and "foreign expansion. International business expansion can also be defined as the process of a company increasing its sales, assets, and/or operations in a foreign market. An international expansion strategy comprises market entry strategy including crucial choices in regard to primary markets of focus, determination of target customer and channel strategy, resource allocation, product and service value offerings, brand positioning, and creation of an operating model.

Organizational Performance

Organizational performance refers to the ability of organizations to achieve set objectives such as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz & Donnell, 2013). Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebans & Euske, 2016). Performance remains a crucial aspect

of the organization and at the heart of strategic management. Performance indicators differ from one organization to another; or industry to industry depending on their application.

Components of Organizational Performance

Efficiency

Efficiency is the often-measurable ability to avoid wasting materials, energy, efforts, money, and time in doing something or in producing a desired result. In a more general sense, it is the ability to do things well, successfully, and without waste (Stone, 2019). In more mathematical or scientific terms, it signifies the level of performance that uses the least amount of inputs to achieve the highest amount of output. It often specifically comprises the capability of a specific application of effort to produce a specific outcome with a minimum amount or quantity of waste, expense, or unnecessary effort. Efficiency refers to very different inputs and outputs in different fields and industries. In 2019, the European Commission said: "Resource efficiency means using the Earth's limited resources in a sustainable manner while minimizing impacts on the environment. It allows us to create more with less and to deliver greater value with less input.

Customer Patronage

Customer patronage is the act of repeat buying by consumer. Consumers patronize organizations products/services at one time or the other based on its service quality or perceived service qualities (Adiele, 2015). The extent to which a customer will patronize the services of a bank depends on how the customer perceives the banks physical environment (services cape) and how the customer also thinks and feels that the condition of the service environment is consistent with his / her personality. Banks in the 21st century often compete for customers in order to increase their market share.

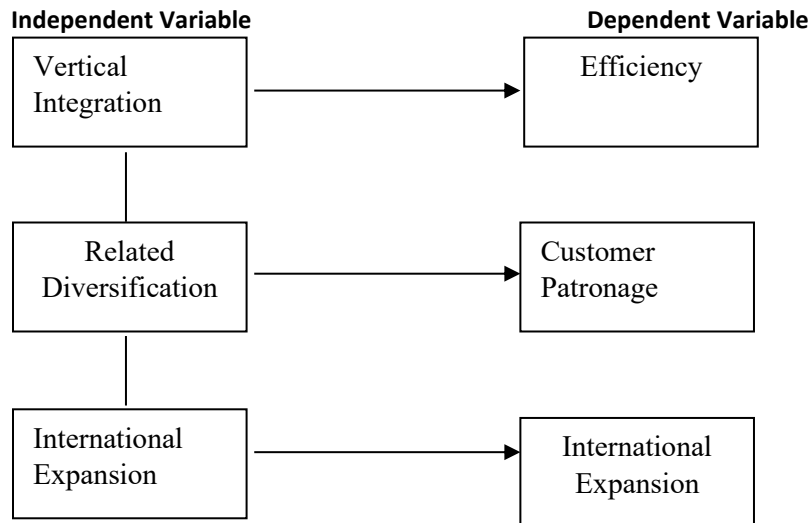
Market Share

Market share is the percentage of a market (defined in terms of either units or revenue) accounted for by a specific entity. Increasing market share is one of the most important objectives of business. The main advantage of using market share as a measure of business performance is that it is less dependent upon macro environmental variables, such as the state of the economy or charges in tax policy. Market share is said to be a key indicator of market competitiveness that is, how well a firm is doing against its competitors.

Conceptual Framework

This schematic diagram shows the relationship between the independent and the dependent variables. In this study, vertical integration, related diversification and international expansion were the independent variables, while efficiency, customer patronage and market share were the dependent variables. The relationship is presented in Figure 1.

Figure 1: The Relationship between the Independent and Dependent Variables



Source: Author's Compilation, 2023

Theoretical Review

The HAX Model

The HAX model was developed by HAX in 1990, and is held to be a rational model which lets the activities flow sequentially as the strategy is developed. This model was derived from an organization's hierarchical levels which contribute to defining its strategy (Ofori and Atiogbe2012). The model, in the view of Ofori and Atiogbe, exhibits the three levels of strategy that an organization has, whatever its structure: the corporate level, business level, and functional level. The corporate level deals with determining the organization's overall mission and the linkage between the business units and the resource allocation, bearing in mind the strategic priorities.

The Holistic Model

The holistic strategic planning model is proposed by Thomas Plant (2009) and has four parts, namely: 1. Develop strategic vision. 2. Develop and prioritize the strategic and operational objectives aligned with the vision. 3. Develop departmental business plans aligned with the strategic plan and 4. Measure and report results. Successful strategic planning approaches according to the holistic strategic planning model require all the components to be reviewed in the process as an integrated system in a comprehensive and holistic strategic planning framework based on developing a strategic vision involving internal and external audiences. This involvement helps to bridge the gap between intentions and action and also helps to implement strategic plans which will attain the desired initiatives, goals and objectives.

Empirical Review

The empirical review is conducted in line with the objectives of the Study

Effect of Vertical Integration on Efficiency

In a research study conducted by Modebe (2018) in Enugu State on the effect of vertical integration on efficiency of the manufacturing industry, a population of two hundred and forty-five (245) employees was studied using the survey method of research and questionnaire as the major instrument of data collection. The simple regression method was adopted in the analysis and it was found that vertical integration has a significant and positive effect on efficiency of the manufacturing industry.

Furthermore, Barney (2018) conducted a similar study in the United Kingdom on the relationship between vertical integration and efficiency of the hospitality industry. In the study, a population of 346 workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The Pearson Product moment correlation coefficient was used to analyse the data and it was found that vertical integration has a positive relationship with efficiency of the hospitality industry.

Akinyele (2019) carried out a study in Lagos State on the effect of vertical integration on efficiency of the Brewery industry. In the study, a population 268 workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The Chi-square statistical tool was used in the analysis. It was found that vertical integration has a positive and significant effect on efficiency of the brewery industry.

Effect of Related Diversification on Customer Patronage

In a related study conducted by Thompson (2019) in Canada on the extent related diversification affects customer patronage of the banking industry. In the study a population of 298 workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The analysis of variance (ANOVA) was used to analyze the data and it was found that related diversification has a positive and significant effect on customer patronage of the construction industry.

In a study carried out by Ovie (2020), in Edo State on the effect of related diversification on customer patronage of the beverage industry. A population of two hundred and fifty (250) employees was studied using the survey method of research and the questionnaire as the major instrument of data collection. The regression method was used in the analysis and it was found that product related diversification has a significant and positive effect on customer patronage of the beverage industry.

Furthermore, Tracey (2020) conducted a similar study in South Wales, Australia on the effect of related diversification on customer patronage of the pharmaceutical industry. In the study a population of 209 workers was studied using the survey method of research and questionnaire as the major instrument of data collection, multiple regression was used to analyze the data and it was found that related diversification has a significant and positive effect on customer patronage of the pharmaceutical industry.

Effect of International Expansion on Market Share

Afolabi (2021) conducted a study in Ogun state on the effect of international expansion on market share of the manufacturing industry, in the study a population of 234 workers was studied using the survey method of research and questionnaire as the major instrument of data collection. The Chi-Square statistical tool was used in the analysis of data and it was found that international expansion has a significant and positive effect on market share of the manufacturing industry.

Finally, Touna (2021) carried out a study in Czech and Slovak republic on the effect of international expansion on market share of small and medium scale industry. In the study a population of 378 workers was studied using the

survey method of research and questionnaire as the major instrument of data collection. The E-view was used in the analysis and it was found that international expansion has a significant and positive effect on market share of small and medium scale industry.

Gap in the Review of Related Literature

Many studies have been conducted on the effect of corporate strategy on organizational performance of deposit money banks. However, there is a lack of literature on the variables used in this study: vertical integration, related diversification and international expansion. Furthermore, the study adopted the descriptive survey research design while other researchers that have carried out similar studies used the experimental method. Hence, the study covered the gap.

Methodology

Research Design

This study made use of descriptive survey research design. Ogotu (2012) posits that a descriptive survey research method is probably the best method available to social scientists who are interested in collecting original data for purposes of describing a population which is too large to observe directly. Survey was used because it can be used to investigate problems in realistic setting.

Area of the Study

The area of the study is the regional office of Zenith bank at Okpara Avenue, regional office of First bank at Okpara Avenue and regional office of UBA at Okpara Avenue all in Enugu state.

Sources of Data

Data for this study were obtained from the primary and secondary sources of data

Primary Source: The primary source includes the questionnaire, interview and observation.

Secondary Source: Secondary sources of data are those sources of data, which are not the original material of the researcher. They include textbooks, journals, internet materials, seminar papers among others.

Population of the Study

Creswell (2009) posits that population is the total collection of elements about which we wish to make inferences. Target population is that population to which the researcher wants to generalize the results of the study. The target population is the members of staff of the three selected deposit money banks in Enugu State. The breakdown of the population is as follows.

Table 1: Population of the Selected Deposit Money Banks

<i>S/NO</i>	<i>BANKS</i>	<i>NUMBER OF WORKERS</i>
1	Zenith Bank Plc, Okpara, Ave	85
2	First Bank plc, Okpara Avenue	65
3	UBA Okpara Avenue	62
	Total	212

Source: Field Survey 2023.

Therefore, the population of the study is 212.

Sample Size Determination

To get the sample size, the research adopted the Taro Yamane's formula. Yamane (1964) posits that the sample size of a definite population is given by:

$n = \frac{N}{1+N(e)^2}$ Where n = Sample size, N = Population of the study, l = Mathematical constant

e = Error limit. In the study the population is 212, the error limit is 5% (0.05). Substituting in the above formula we have

$$n = \frac{212}{1+212(0.05)^2} \quad n = \frac{212}{1+212 \times 0.0025} \quad n = \frac{212}{1+0.53} \quad n = \frac{212}{1.53} = 138.56$$

Approximately equal to 139, Therefore, the sample size is 139

To get the sample size of the different branches of Zenith Bank, the study adopted the Kumar's formula. Kumar (1976) posits that the proportional allocation formula is given by.

$$n = \frac{n(Nh)}{N}$$

Where nh = Sample size for each branch, n = Total sample size Nh= population of each branch, N = Total population. Therefore, for Zenith Bank Okpara Avenue, we have

$$nh = \frac{139 \times 85}{212} = 55.73, \text{ Approximately} = 56, \text{ For First bank, Okpara Avenue, we have}$$

$$nh = \frac{139 \times 65}{212} = 42.32 \quad \text{Approximately} = 42$$

$$\text{For UBA Okpara Avenue, we have, } nh = \frac{139 \times 62}{212} = 40.65 \text{ Approximately} = 41$$

To confirm, $56 + 42 + 41 = 139$

Instruments of Data Collection

The instrument for data collection was questionnaire. The researcher made use of structure questionnaire with five likert scale system. The questionnaire was divided into two sections, section A discussed the bio-data of the respondents while section B dealt with questions designed along the research questions.

Validity of the Instrument

Validity of the instrument, means the extent to which the research instrument measures what it is supposed to measure or accomplishes what it is supposed to accomplish. The study made use of expert (face) validity where the supervisor scrutinized the questionnaire items to confirm that they are related to the research questions.

Reliability of the Instrument

Reliability refers to the consistency of scores obtained by the same individuals when presented with the same test on different sets of equivalent items, or under other variable examining conditions (Ikeagwu, 1998). The researcher made use test re-tests method. This is to ascertain the consistency in the first and second responses.

Method of Data Analysis

The researcher analyzed the data using frequencies and percentages while the z-test was used to test the hypotheses.

Results

Data Presentation

Table 2: Distribution and Return of Questionnaire

<i>Bank</i>	<i>Number of Questionnaire Distributed</i>	<i>Number of Questionnaire Returned</i>	<i>Number of Questionnaire Lost</i>	<i>% of Questionnaire</i>	<i>Valid</i>
<i>Zenith</i>	56	51	5	37	
<i>First Bank</i>	42	38	4	27	
<i>UBA</i>	41	37	4	27	
Total	139	126	13	91	

Source: Field Survey, 2023.

Table 2 shows that out of a total of 56 copies of questionnaire distributed to the workers of Zenith bank. 5 copies were lost, while 51 copies representing 37% of the total copies were returned. Out of a total of 42 copies of questionnaire distributed to the workers of First bank, 4 copies were lost while 38 copies representing 27% of the total copies were returned. Out of 41 copies of questionnaire distributed to the workers of UBA, 4 copies were lost while 37 copies representing 27% of the total copies were returned. Therefore, the total number of valid questionnaire is 126 copies representing 91% of the total copies of questionnaire distributed.

Data Relating to Research Questions

Effect of vertical integration on efficiency of the selected deposit money banks in Enugu metropolis?

Table 3: Mean rating of the effect of vertical integration on efficiency of the selected deposit money banks in Enugu metropolis

<i>S/N</i>	<i>ITEMS</i>	<i>SA (5)</i>	<i>A (4)</i>	<i>U (3)</i>	<i>D (2)</i>	<i>SD (1)</i>	<i>Total</i>	<i>Mean</i>
1	Improves efficiency	42 (33%)	32 (25%)	28 (22%)	13 (10%)	11 (9%)	126	3.64
2	Reduces cost	44 (35%)	35 (28%)	19 (15%)	17 (13%)	11 (9%)	126	3.67
3	Direct ownership of various stages of operation	39 (36%)	41 (27%)	24 (24%)	14 (7%)	8 (6%)	126	3.71

Source: Field Survey, 2023

Average Mean of Table = 3.68

Table 3 shows that 42 respondents strongly agree that the effect of vertical integration on efficiency of the selected deposit money banks in Enugu metropolis is that it improves the efficiency of the banks, 32 respondents agree, 28 respondents were undecided, 13 respondents disagree while 11 respondents strongly disagreed with a mean of 3.64

Table 3 shows that 44 respondents strongly agree that the effect of vertical integration on efficiency of the selected deposit money banks in Enugu metropolis is that it reduces manufacturing costs, 32 respondents agree, 19 respondents were undecided, 17 respondents disagree while 11 respondents strongly disagree with a mean of 3.67

Table 3 shows that 39 respondents strongly agree that the effect of vertical integration on efficiency of the selected deposit money banks in Enugu metropolis is that it leads to direct ownership of various stages of production, 41 respondents agreed, 24 respondents were undecided, 14 respondents disagreed while 8 respondents strongly disagreed with a mean of 3.71. The average mean of table is 3.68

What is the effect of related diversification on customer patronage of the selected deposit money banks in Enugu metropolis?

Table 4: Mean rating of the effect of related diversification on customer patronage of the selected deposit money banks in Enugu metropolis

<i>S/N</i>	<i>ITEMS</i>	<i>SA (5)</i>	<i>A (4)</i>	<i>U (3)</i>	<i>D (2)</i>	<i>SD (1)</i>	<i>Total</i>	<i>Mean</i>
1	Potential to create new products	46 (36%)	39 (31%)	16 (13%)	13 (10%)	12 (10%)	126	3.74
2	Leveraging on core competencies	43 (34%)	37 (29%)	22 (17%)	14 (11%)	10 (8%)	126	3.71
3	Share resources across areas	40 (32%)	39 (29%)	25 (14%)	12 (14%)	10 (11%)	126	3.69

Grand Mean of Table = 3.71

Table 4 shows that 46 respondents strongly agree that the effect of related diversification on customer patronage of the selected deposit money banks in Enugu metropolis is the potential; to share new product, 39 respondents agree, 16 respondents were undecided, 13 respondents disagree while 12 respondents strongly disagreed with a mean of 3.74

Table 4 shows that 43 respondents strongly agree that the effect of related diversification on customer patronage of the selected deposit money banks in Enugu metropolis is that it leverages on core competencies, 37 respondents agree, 22 respondents were undecided, 14 respondents disagree while 10 respondents strongly disagree with a mean of 3.71

Table 4 shows that 40 respondents strongly agree that effect of related diversification on customer patronage of the selected deposit money banks in Enugu metropolis is that it leads to sharing of resources across areas, 39 respondents agreed, 25 respondents were undecided, 25 respondents disagreed while 10 respondents strongly disagreed with a mean of 3.69.

What is the effect of international expansion on market share of the selected deposit money banks in Enugu metropolis?

Table 5: Mean rating of the effect of international expansion on market share of the selected deposit money banks in Enugu metropolis

<i>S/N</i>	<i>ITEMS</i>	<i>SA (5)</i>	<i>A (4)</i>	<i>U (3)</i>	<i>D (2)</i>	<i>SD (1)</i>	<i>Total</i>	<i>Mean</i>
1	Access to new talent	48 (38%)	38 (30%)	25 (20%)	8 (6%)	7 (6%)	126	3.89
2	Access to new market	43 (34%)	32 (25%)	22 (17%)	15 (12%)	14 (11%)	126	3.60
3	Staying ahead of competition	41 (33%)	37 (29%)	23 (18%)	12 (10%)	13 (10%)	126	3.64

Source: Field Survey, 2023

Average Mean of Table = 3.71

Table 5 shows that 48 respondents strongly agree that effect of international expansion on market share of the selected deposit money banks in Enugu metropolis, is that it gives rise to access to new talent. 38 respondents agree, 25 respondents were undecided, 8 respondents disagree while 7 respondents strongly disagreed with a mean of 3.89.

Table 5 shows that 43 respondents strongly agree that the effect of international expansion on market share of the selected deposit money banks in Enugu metropolis is that it leads to access to new market, 32 respondents agree, 22 respondents were undecided, 15 respondents disagree while 14 respondents strongly disagree with a mean of 3.60.

Table 5 shows that 62 respondents strongly agree that the effect of international expansion on market share of the selected deposit money banks in Enugu metropolis is that it gives the bank the opportunity of staying ahead of competition, 37 respondents agreed, 23 respondents were undecided, 12 respondents disagreed while 13 respondents strongly disagreed with a mean of 3.64.

Test of Hypotheses

Test of hypothesis One

H₀₁: Vertical integration does not have significant positive effect on efficiency of deposit money banks in Enugu metropolis

Table 6a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.941(a)	.885	.885	.37687

a Predictors: (Constant)

Table 6b: ANOVA(b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	478.418	1	478.418	3368.322	.000(a)
	Residual	62.069	125	.142		
	Total	540.487	126			

Dependent Variable: Efficiency

Independent Variable: Vertical integration

Coefficient of Multiple Determinants {r²}

The R² {R-Squared} which measures the overall goodness of fit of the entire regression, shows the value as .885 and adjusted to .885. This means that R² accounts for 88.5 percent approximately 89 percent. This indicates that the independents variables account for about 89 percent of the variation in the dependent variable. Which shows goodness of fit? From the result, F-calculated (3368.322) is greater than the f-tabulated (2.7858), that is F-cal> F-tab. Hence, we reject the null hypothesis (H₀) and accept Alternative hypothesis which means that the overall estimate has a good fit which also implies that our independents variables are simultaneously significant. We now conclude from the analysis that vertical integration has significant positive effect on efficiency of deposit money banks in Enugu metropolis.

Test of hypothesis Two

H₀₁: Related Diversification does not have a significant positive effect on customer patronage of selected deposit money banks in Enugu metropolis.

Table 7a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971(a)	.943	.943	.27734

a Predictors: (Constant)

Table 7b: ANOVA(b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	556.541	1	556.541	7235.331	.000(a)
	Residual	33.614	125	.077		
	Total	590.155	126			

Dependent Variable: Customer Patronage
 Independent Variable: Related Diversification

Coefficient of Multiple Determinants {r²}

The R² {R-Squared} which measures the overall goodness of fit of the entire regression, shows the value as .943 and adjusted to .943. This means that R² accounts for 94.3 percent approximately 89 percent. This indicates that the independents variables accounts for about 89 percent of the variation in the dependent variable. Which shows goodness of fit? From the result, F-calculated (7235.331 is greater than the F-tabulated (2.7858), that is F-cal> F-tab. Hence, we reject the null hypothesis (H₀) and accept Alternative hypothesis which means that the overall estimate had a good fit which also implies that the independents variables are simultaneously significant. We now conclude from the analysis that. related diversification has significant positive effect on customer patronage of selected deposit money banks in Enugu metropolis.

Test of Hypothesis Three

H₀: International expansion does not have significant positive effect on market share of the selected deposit money banks in Enugu metropolis

Table 8a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.958(a)	.918	.917	.33215

a Predictors: (Constant)

Table 8b: ANOVA(b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	536.403	1	536.403	4861.999	.000(a)
	Residual	48.212	437	.110		
	Total	584.615	438			

Dependent Variable: Market Share
 Independent Variable: International expansion

Coefficient of Multiple Determinants {r²}

The R² {R-Squared} which measures the overall goodness of fit of the entire regression, shows the value as .918 and adjusted to .918. This means that R² accounts for 91.8 percent approximately 89 percent. This indicates that the independents variables accounts for about 89 percent of the variation in the dependent variable. Which shows goodness of fit? From the result, F-calculated (4861.999) is greater than the F-tabulated (2.7858), that is F-cal> F-tab. Hence, we reject the null hypothesis (H₀) and accept Alternative hypothesis which means that the overall estimate had a good fit which also implies that our independents variables are simultaneously significant. We now conclude from the analysis that international expansion has significant positive effect on market share of the selected deposit money banks in Enugu metropolis

Discussion of Findings

Effect of vertical integration on Efficiency

Vertical integration has significant positive effect on efficiency of deposit money banks in Enugu metropolis. The evidence is shown in the calculated value (3368.322) which is greater than the critical value (2.7858). In the empirical review conducted by Modebe (2018) on the effect of vertical integration on efficiency of manufacturing firms, although both studies were conducted using different analytical method and different locations, it was found that vertical integration on has significant positive effect on efficiency of deposit money banks in Enugu metropolis.

Effect of Related Diversification on customer patronage

Related Diversification has significant positive effect on customer patronage of selected deposit money banks in Enugu metropolis. The evidence is shown in the calculated value (7235.331) which is greater than the critical value (2.7858) In the empirical review conducted by Thompson (2019) on the effect of related diversification on customer patronage of the brewery industry and it was discovered that related diversification has significant positive effect on customer patronage of selected deposit money banks in Enugu metropolis.

Effect of International Expansion on Market Share

International expansion has significant positive effect on market share of the selected deposit money banks in Enugu State. The evidence is shown in the calculated value (4861.999) which is greater than the critical value (2.7858). In the empirical review conducted by Afolabi (2021) on the effect of international expansion on market share of the manufacturing industry and it was discovered that international expansion has significant positive effect on market share of the selected deposit money banks in Enugu State.

Summary of Findings

1. Vertical integration has significant positive effect on efficiency of deposit money banks in Enugu metropolis (F (126) =3368.32, p= 0.05).
2. Related diversification has significant positive effect on customer patronage of selected deposit money banks in Enugu metropolis (F (126) =7235.33, p =0.05).
3. International expansion has significant positive effect on market share of the selected deposit money banks in Enugu metropolis (F (126) =4861.99, p =0.05).

Conclusion

This study concluded that corporate strategy has significant positive effect on performance of deposit money banks in Enugu state. The importance of adopting effective corporate strategy for managers and organizations cannot be over-emphasized. Research evidence has shown that firms that use formalized corporate strategy attain superior results than those that do not. Managers found that by defining the mission of their organisation in specific terms, they were able to give their organisation, direction and purpose. Organizations function better as a result and become more responsive to a changing environment.

Recommendation

The study recommends that management of deposit money banks should:

1. Adopt vertical integration by interacting personally with their customers
2. Adopt related diversification by moving into a new industry the has related similarities with the existing firm
3. Adopt international expansion by taking their business operations, products and services to other countries.

Contribution to Knowledge

The study made some contributions to knowledge. This included:

1. **Location:** Based on the researcher's knowledge, many studies on this topic have not been conducted in the Eastern part of Nigeria but this study was conducted in Enugu metropolis, South East Nigeria.
2. **Variables:** The following constructs were adopted, vertical integration, related diversification and international expansion This could be compared with studies conducted by other researchers where they used growth strategy and stability strategy.
3. **Analytical Tool:** The researcher adopted the SPSS in the analysis. Other researchers that have carried out similar studies used the z-test, chi-square and Pearson product moment correlation.

References

- Adiele, E. (2019). Corporate strategy in turbulent environments: Key roles of the corporate level. *IESE Research Papers D/623, IESE Business School*.
- Doise, M. L. (2008). An integration of corporate culture and strategy: The interrelationships and impact on firm performance. *University of Arkansas, ProQuest, UMI Dissertations Publishing*.
- Ferguson, K. L., & Reio Jr, T. G. (2010). Human resource management systems and firm performance. *The Journal of Management Development, 29*(5), 471-494.
- Ghalayini, A. M., Noble, J. S., & Crowe, T. J. (1997). An integrated dynamic performance measurement system for improving manufacturing competitiveness. *International Journal of Production Economics, 48*, 207-225. [http://dx.doi.org/10.1016/S0925-5273\(96\)00093-X](http://dx.doi.org/10.1016/S0925-5273(96)00093-X)
- González-Benito, J., & González-Benito, O. (2005). Environmental Proactivity and Business Performance: An Empirical Analysis. *Omega, 33*, 801-818.
- Heelen, T. L., & Hunger, J. D. (2012). *Strategic Management and Business Policy: Concepts, 13th ed.* Pearson/Prentice Hall.
- Hoskisson, R. E., & Hitt, M. A. (2012). *Understanding Business Strategy*, 3rd edition, South-Western College.
- Hubbard, G., & Beamish, P. (2011). *Strategic Management - Thinking, Analysis, Action*. Pearson Australia, 4th Edition.
- Lee, J. J. (2008). Corporate Strategic Action Portfolios And Firm Performance In The US Telecom Industry (1984-2004). *University of Pittsburgh, ProQuest, UMI Dissertations Publishing*.
- Mashiri, E., & Sebele, F. (2014). Diversification as a Corporate Strategy and Its Effect on Firm Performance: A Study of Zimbabwean Listed Conglomerates in the Food and Beverages Sector. *International Journal of Economics and Finance, 6*(5), 182-195.
- Rowe, D. (2021). Cisco's corporate development portfolio: a blend of building, borrowing and buying. *Strategy & Leadership, 41*(2), 27-30.
- Snedegar, S. T. (2009). The Amalgamation Of Capabilities And Strategies As Determinants Of Firm Performance: U.S. Telecommunications Industry. *Capella University, ProQuest, UMI Dissertations Publishing*.
- Vorhies, D. W., & Morgan, N. A. (2005). Benchmarking Marketing Capabilities for Sustainable Competitive Advantage. *Journal of Marketing*. <http://dx.doi.org/10.1509/jmkg.69.1.80.55505>