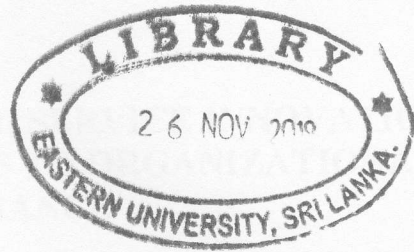


**MARKET ORIENTATION AND SERVICE INNOVATION
EXAMINING THE LINKAGES TO ORGANIZATIONAL
PERFORMANCE**

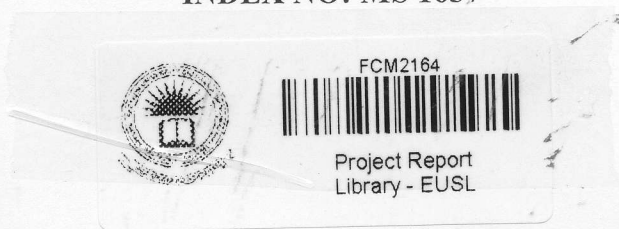


By

**WARNAKULA WEERAKONDARACHCHIGE LAKSHAN CHATHURANGA
FERNANDO**

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**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

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ABSTRACT

The main objective of this study is to examining the mediating role of service innovation (SI) in the relationship between market orientation (MO) and organizational performance (OP) in insurance branches in NWP. In this study enable to get a comprehensive knowledge on SI also that highlights the SI and the link between MO and the OP of insurance sector in NWP.

In Sri Lanka context, there still remains a void with respect to the distinctive impact of the dimensions of MO on types of SI. Market orientation is important for organizations in competing against one another in the worldwide global market. Apart from market orientation organizations nowadays cannot run away from service quality that requires enhancement from time to time to maintain existing market or to capture new business. In fact, both market orientation and service quality are related to the performance of organizations. But a component-wise analysis of market orientation in relation to service innovation and organization performance is majorly lacking. Hence, there is an empirical knowledge gap exists with regard to insurance sector so this study conducts to fulfill this empirical knowledge gap.

The objectives of this research study were to explore the level of MO, SI and OP in insurance sector. To identify what is the relationship between MO, SI and OP. To identify what is the impact of variables one another and to analyze does the SI mediate the relationship between MO and OP in insurance sector.

Conceptual model is developed based on the existing literature. Primary data that has been used for the study were obtained from 290 managerial personnel who are working in branches selected insurance companies in NWP. The collected data has been analyzed by using correlation analysis, regression analysis and mediation analysis.

The findings shows that there is a strong positive relationship between dimensions of MO with SI and OP also concluded that SI plays mediating role. This study contributes to MO and OP research which goes beyond previous meta-analyses in several important ways. The results have important implications for service managers as well as policy makers.

Keywords: *Market Orientation, Service Innovation, Organizational Performance*

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