

**THE MARKET ORIENTATION AND SERVICE INNOVATION:  
EXAMINING THE LINKAGES TO ORGANIZATION  
PERFORMANCE (SPECIAL REFERENCE TO HOTEL  
INDUSTRY OF PUTTALAM DISTRICT)**



By

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## ABSTRACT

This study is attempt to find out whether service innovation mediates the relationship between market orientation and organizational performance of selected hotels in Puttalam district. Here, market orientation is functioned as the independent variable and organizational performance is functioned as the dependent variable. Service innovation is functioned as mediator between those two variables. This study eliminates the empirical knowledge gap in Puttalam district regarding this topic.

Using a structured questionnaire, data were collected from 300 managerial level employees of the selected hotels in Puttalam district. Collected data were analyzed by using descriptive statistic, correlation, regression and mediating analysis.

According to the descriptive analysis, there are high levels of market orientation, service innovation and organizational performance of the hotels in Puttalam district. Based on the findings of the study, this research concludes that there is a strong positive relationship among market orientation, service innovation and organizational performance. Finding confirmed that market orientation have positive impact on organizational performance and service innovation. Further, results showed that there is a strong positive correlation between service innovation and organizational performance. Service innovation has been found to cast a partial mediating effect on the relationship between market orientation and organizational performance. The findings of this study are useful in further enlarging and enriching applications of these concepts in practices.

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

## TABLE OF CONTENTS

ACKNOWLEDGEMENT.....	i
ABSTRACT.....	ii
TABLE OF CONTENTS .....	iii
LIST OF TABLES .....	vi
LIST OF FIGURES .....	viii
ABBREVIATIONS.....	ix
<b>CHAPTER - 1: INTRODUCTION</b>	
1.1 Background of the Study .....	1
1.2 Research Problem.....	3
1.3 Research Questions .....	4
1.4 Research Objectives .....	5
1.5 Significance of the Study .....	5
1.6 Scope of the Study.....	6
1.7 The Organizations of the Chapters.....	7
1.8 Chapter Summary.....	7
<b>CHAPTER - 2: LITERATURE REVIEW</b>	
2.1 Introduction .....	8
2.2 Concept of Market Orientation .....	8
2.3 Concept of Service Innovation.....	10
2.4 Concept of Organizational Performance .....	11
2.5 Relationship between Market Orientation and Service Innovation .....	12
2.6 Relationship between Market Orientation and Organizational Performance.....	12
2.7 Relationship between Service Innovation and organizational Performance .....	13
2.8. Impact of Market Orientation on Organizational Performance .....	14
2.9 Impact of Market Orientation on Service Innovation .....	14

2.11 Mediating effect of Service Innovation on the Relationship between Market Orientation and Organizational Performance.....	16
2.12 Chapter Summary.....	16

**CHAPTER - 3: CONCEPTUALIZATION AND OPERATIONALIZATION**

3.1 Introduction.....	17
3.2 Conceptualization.....	17
3.3 Variables Relevant to the Conceptual Model.....	18
3.4 Operationalization.....	21
3.5 Chapter Summary.....	24

**CHAPTER - 4: RESEARCH METHODOLOGY**

4.1 Introduction.....	25
4.2 Study Setting and Research Design.....	25
4.3.Sampling Plan.....	27
4.4 Method of Data Collection.....	28
4.5 Reliability Test.....	30
4.6 Method of Data Presentation.....	31
4.7 Method of Data Analysis and Data Evaluation.....	31
4.8 Mediation Analysis.....	35
4.9 Chapter Summary.....	36

**CHAPTER - 5: DATA PRESENTATION AND ANALYSIS**

5.1 Introduction.....	37
5.2 Analysis of Reliability.....	38
5.3 Data Presentation.....	40
5.4 Chapter Summary.....	62

**CHAPTER - 6: FINDINGS AND DISCUSSION**

6.1 Introduction.....	63
6.2 Discussion of Personal Information.....	63

6.3 Discussion of Research Information .....65  
6.4 Chapter Summary.....70

**CHAPTER - 7: CONCLUSIONS AND RECOMMENDATIONS**

7.1 Introduction .....72  
7.2 Conclusion.....72  
7.3 Implications of the Study .....74  
7.4 Recommendations of the Study .....75  
7.5 Limitations of the Study .....76  
7.6 Future Research Directions .....76  
7.7 Chapter Summary.....77

**LIST OF REFERENCES.....78**

**APPENDIX - 1.....82**

**APPENDIX - 2.....88**

## LIST OF TABLES

Table 3.1: Operationalization.....	22
Table 4.1: Sampling Distribution.....	28
Table 4.2: Survey Instrument.....	29
Table 4.3: Scale for Statement in the Questionnaire.....	30
Table 4.4: Decision Criteria for Reliability Analysis .....	31
Table 4.5: Decision Criteria for Univariate Analysis .....	32
Table 4.6: Decision Criteria for Correlation Analysis .....	33
Table 4.7: Decision Criteria for Hypothesis Testing .....	34
Table 4.8: Four Step Approach of Mediation Analysis .....	36
Table 5.1: Reliability of Market Orientation .....	38
Table 5.2: Reliability of Service Innovation.....	39
Table 5.3: Reliability of the Organizational Performance .....	39
Table 5.4: Overall Reliability of all Indicators .....	39
Table 5.5: Job Position of the Respondents .....	40
Table 5.6: Gender of the Respondents.....	41
Table 5.7: Age of the Respondents.....	41
Table 5.8: Civil Status of the Respondents.....	42
Table 5.9: Educational Level of the Respondents .....	42
Table 5.10: Experience of the Respondents.....	43
Table 5.11: Descriptive Statistic of Market Orientation.....	44
Table 5.12: Descriptive Statistic of Service Innovation .....	44
Table 5.13: Descriptive Statistic of Organizational Performance .....	45
Table 5.14: Correlation among MO, SI and OP .....	46
Table 5.15: Testing Hypothesis - 1 .....	47
Table 5.16: Testing Hypothesis - 2 .....	48
Table 5.17: Testing Hypothesis - 3.....	48
Table 5.18: Correlation among Dimensions of MO, SI and OP.....	49
Table 5.19: Correlation among Dimensions of SI, MO and OP.....	49
Table 5.20: Correlation among Dimensions of OP, MO and SI.....	50
Table 5.21: Model Summery Of Regression Model - I .....	51
Table 5.22: ANOVA of Regression Model - I.....	51
Table 5.23: Coefficients of Regression Model - I.....	52

Table 5.24: Testing Hypothesis - 4 .....	52
Table 5.25: Model Summery of Regression Model-II.....	53
Table 5.26: ANOVA of Regression Model - II .....	53
Table 5.27: Coefficients of Regression Model-II .....	53
Table 5.28: Model Summary of Regression Model-III .....	54
Table 5.29: Model Summary of Regression Model-III .....	54
Table 5.30: ANOVA of Regression Model - III .....	55
Table 5.31: Coefficients of Regression Model-III.....	55
Table 5.32: Testing Hypothesis - 6.....	56
Table 5.33: Model Summery of Regression Model - IV .....	57
Table 5.34: Table 5.34: ANOVA of Regression Model-IV.....	57
Table 5.35: Coefficients of Regression Model -IV.....	58
Table 5.36: Regression Predicting MO with OP .....	60
Table 5.37: Regression Predicting MO with SI .....	60
Table 5.38: Regression Predicting SI with MO and OP .....	60

## LIST OF FIGURES

Figure 3.1 Conceptual Framework .....	18
Figure 5.1 Mediation Analysis.....	59