

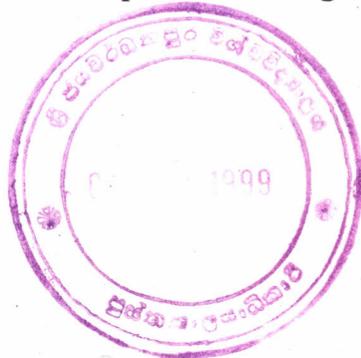
3000

149982
99/11/04

**MARKETING ORIENTATION AND BUSINESS
PERFORMANCE OF SMALL SCALE INDUSTRIAL RUBBER
SECTOR IN SRI LANKA**

By

**D. S. Rohini Samarasinghe
B.Sc. (B.Admin.) Sp.(USJP)
PG Diploma in Mktg (USJP)**



A research paper submitted to the Department of Business Administration, University of Sri Jayewardenepura in fulfillment of the requirements of M.Sc. in Business Administration research degree.

Nugegoda - Sri Lanka

1995

149982

CR

පාඨ
ම:ප:ප

ABSTRACT

Marketing orientation, if interpreted as the marketing concept, could reflect along a variety of dimensions such as orientation towards customer focus, market focus, marketing mix focus and strategy focus. With its significance in the field of marketing, literature on marketing orientation has consistently supported the notion that paying a substantial level of attention to marketing orientation will result in an increased performance of a business.

Accordingly, the present study addresses the gap in the literature by promoting the research objective of establishing a predictive positive relationship of market orientation with business performance of the small scale rubber products manufacturing industries. The industrial rubber products sector of Sri Lanka provides a very less researched area in the field of marketing, and the issue regarding its attributed market orientation has never been probed before.

Marketing orientation in conjunction with other commonly associated constructs such as marketing awareness, environmental forces, and entrepreneurial characteristics was incorporated in a conceptual model that related all variables to business performance. In accordance with the framework, direct effects of marketing orientation, marketing awareness, competition, technology, government support, and entrepreneurial characteristics were hypothesized to have influence on business performance.

An adequate sample of 70 small scale rubber products manufacturing industries was selected from a population of 89. A questionnaire was administered to collect data, with a follow-up interview with the entrepreneurs. Data was evaluated using descriptive analysis as well as multivariate analysis. Multiple regression model with stepwise regression has provided significant statistical supports for the acceptance of having market orientation and marketing awareness closely associated with the business performance of the industrial rubber products sector.

Accordingly, the study has empirically established that there are positive relationships of marketing orientation and marketing awareness with business performance. The best predictor of business performance of industrial rubber products has been the marketing awareness. Marketing orientation has become a less significant predictor while variables of environment forces, and entrepreneurial characteristics as predictors of business performance have been rejected.

The findings have directly and indirectly generated many managerial implications, and also provided many research implications to be considered in a future work.

CONTENTS

	Page
List of Illustrations	i
List of Tables	ii
Abbreviations	iv
Acknowledgements	vi
Abstract	vii
INTRODUCTION	1
CHAPTER 1: THE SMALL SCALE INDUSTRIAL RUBBER PRODUCTS MANUFACTURING SECTOR AS THE PROBLEM AREA	6
1.1 An Overview	6
1.2 A Brief Review of Small Scale Enterprises in Sri Lanka	10
1.3 A Brief Review of the Rubber Product Manufacturing Sector	13
1.3.1 The Structure of the Rubber Industry	15
1.3.2 The Product	16
1.4 Industrial Rubber Products Sector	18
1.4.1 The Specific Problematic Area	20
1.4.2 Opportunities and Threats Facing the SCIRPM	22
1.5 The Present Problem	27
1.5.1 How the Problem is Dealt with at Present	31
1.6 Significance of the Study	32
1.7 Research Objectives	36
1.8 Specific Research Questions	37

CHAPTER 2: LITERATURE REVIEW	41
2.1 Marketing and Marketing Orientation	41
2.2 The concept of Marketing orientation as the Major Independent Variable	50
2.3 Market Orientation and Its Related Concepts	63
2.3.1 Marketing Awareness	63
2.3.2 Entrepreneurial Characteristics	64
2.3.3 Environmental Forces	66
2.4 Business Performance as the Dependent Variable	68
2.5 Marketing Orientation and Business Performance	71
CHAPTER 3: THE CONCEPTUAL FRAMEWORK AND THE HYPOTHESES	73
3.1 The conceptual Framework of Marketing Orientation	73
3.2 The Hypotheses	78
3.2.1 Market Orientation and Business Performance	78
3.2.2 Market Orientation and Its Dimensions	79
3.2.3 Marketing Awareness and Business performance	83
3.2.4 Entrepreneurship and Business Performance	84
3.2.5 Environmental Forces and Business Performance	85

CHAPTER 4: METHODOLOGY AND EVALUATION	88
4.1 Methodology: An Overview	88
4.1.1 The Sample	89
4.1.2 Data Collection	90
4.1.3 Measures	91
4.1.3.1 Marketing Orientation (CAV)	91
4.1.3.2 Awareness of Marketing (BAV)	96
4.1.3.3 Entrepreneurial Characteristics (DAV)	97
4.1.3.4 Environmental Forces (F1,F2,F3)	98
4.1.3.5 Business Performance (AAV)	99
4.2 Data Evaluation	101
4.2.1 Percentage, Mean and Variance	101
4.2.2 Correlation Analysis	103
4.2.3 Regression Analysis	104
4.3 Hypotheses Testing	107
4.3.1 Coefficient of Determination (R^2)	110
4.3.2 Stepwise Regression	111
4.4 Summary	112
CHAPTER 5: THE SURVEY AND DATA	
5.1 Sample Industry profile	114
5.2 Failure Of Business - An Analysis	115

5.3	Nature of the Sample	117
5.4	Description of Business Objectives	118
5.5	Data Relation to the Selection of the Product	121
5.6	Market Segmentation and Product Offering	123
5.7	Data Relating to Business Performance	125
5.8	Data Relating to marketing Awareness	126
5.9	Data relating to Manufacturers' marketing Orientation	128
5.10	Entrepreneurship	130
5.11	Environmental Forces	130
5.12	Summery	132
	CHAPTER 6: RESULTS AND DATA ANALYSIS	134
6.1	Analysis based on Percentage, Mean and Variance	134
6.1.1	Overall Business Performance	134
6.1.2	Market Orientation	137
6.1.3	Summary of the Single Measure Analysis	143
6.2	Other Findings	143
6.2.1	Entrepreneurial Characteristics	144
6.2.2	Environmental Forces	146
6.3	The Correlation Analysis	147
6.3.1	Correlation of Independent Variables with Performance	147

6.3.2 Correlation among Independent Variables	150
6.3.3 Other Correlation Values	151
6.3.4 Summary of the major findings of Correlation Analysis	153
6.4 Multiple Regression Analysis	154
6.4.1 Hypotheses Testing	154
6.4.2 Summary of the Results of Regression Analysis	160
CHAPTER 7: DISCUSSION OF THE FINDINGS	163
7.1 General Discussion Based on the Descriptive Analysis of Marketing Orientation of SCIRPM	163
7.2 Discussion Based on Correlation and Regression Analysis	166
7.2.1 The Relationship Between Marketing Orientation and Performance	166
7.2.2 Effects of Awareness of Marketing on Business Performance	170
7.2.3 Effects of Entrepreneurship on Business Performance	171
7.2.4 Effects of Environmental Forces on Business Performance	172
7.3 General Business Attitudes of SCIRPM Sector	175
7.4 Summery	179
CHAPTER 8: CONCLUSIONS	180
8.1 Managerial Implications	186

