

**The Impact of Marketing Culture on Marketing  
Effectiveness, Technical Efficiency and Business  
Performance: An Empirical Study of Commercial  
Banking Sector in Sri Lanka**

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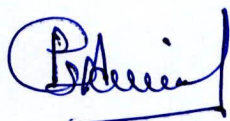
This is a MSc dissertation submitted to the MSc unit of the University of Sri Jayewardenepura, as a partial fulfilment of the requirements for the MSc in Management Programme - specialized in Marketing Management

Under the title of *“The Impact of Marketing Culture on Marketing Effectiveness, Technical Efficiency and Business Performances: An Empirical Study of Commercial Banking Sector in Sri Lanka”*

On 29<sup>th</sup> September 2008

## **Candidate's Declaration**

The work described in this thesis was carried out by me under the supervision of Dr. B. N. F. Warnakulasooriya and a report on this not been submitted in whole or in part to any university or any other institute for another degree/diploma

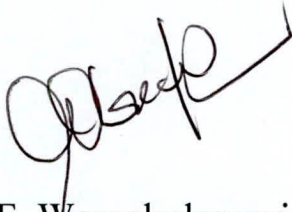


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## Certification

I certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the university for the purpose of evaluation



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## Content

## Page

### Chapter 1 : Introduction

1.1	Background of the Study	01
1.1.1	Services	01
1.1.2	Significance of Services	02
1.1.3	Service Sector	05
1.1.4	Financial Services	06
1.1.5	Sri Lankan Commercial Banking Sector	07
1.2	Problem Statement	16
1.3	Purpose of the Study	17
1.4	Research Objectives	17
1.5	Research Questions	18

### Chapter 2: Literature Review

2.1	Culture	19
2.1.1	Types of Organizational Culture	20
2.1.2	Importance of Organizational Culture	22
2.2	Marketing Culture	23
2.2.1	Market Oriented Culture Vs Marketing Culture	24
2.2.2	Marketing Culture and Market Orientation	25
2.2.3	Importance of Marketing Culture in Service Firms	25
2.3	Marketing Effectiveness	26
2.3.1	Importance of Marketing Effectiveness in Banking/Financial Service Sector	28
2.4	Business Performance	28
2.5	Technical Efficiency	31
2.6	Development of Hypotheses	33

2.6.1	Marketing Culture and Marketing Effectiveness	33
2.6.2.	Marketing Culture and Technical Efficiency	35
2.6.3.	Marketing Culture and Business Performances	36
2.6.4	Marketing Effectiveness and Business Performances	37
2.6.5	Marketing Effectiveness and Technical Efficiency	39
2.6.6	Technical Efficiency and Business Performances	40
2.6.7	Impact of Compounding Variables	41
2.7	Theoretical Framework/ Conceptual Framework	46
2.7.1	Summary of Hypotheses	47
 <b>Chapter 3: Methodology</b>		
3.1	Introduction	48
3.2	Research Design	48
3.2.1	Purpose of the Study	48
3.2.2	Type of the Study	49
3.2.3	Nature of the Study	49
3.2.4	Study Setting	49
3.2.5	Time of the Study (Time Horizon)	50
3.2.6	Data Sources	50
3.2.7	Sampling Plan	51
3.2.8	Research Instrument	52
3.3	Operationalization of the Construct	53
3.3.1	Marketing culture (MC)	53
3.3.2	Marketing effectiveness (ME)	59
3.3.3	Business Performance (BP)	65
3.3.4	Compounding Variables	68
3.3.5	Technical Efficiency (TE)	70
3.4	Hypothesis Testing	73
3.5	Decision Criteria	77

3.6	Validation of Measurement Properties	77
3.6.1	Unidimensionality	78
3.6.2	Reliability	78
3.6.3	Content Validity	79
3.6.4	Convergent Validity	80
<b>Chapter 4: Data Presentation and Analysis</b>		<b>82</b>
4.1.	Introduction	82
4.2	Data Presentation	82
4.3	Analysis and Hypothesis Testing	84
4.3.1.	Univariate Analysis for Normality Test	84
4.3.1.1	Frequency Distribution Analysis / Normality Test for Marketing Culture	85
4.3.1.2	Frequency Distribution Analysis / Normality Test for Marketing Effectiveness	86
4.3.1.3	Frequency Distribution Analysis / Normality Test for Financial Performance	87
4.3.1.3.1	Sales Growth	88
4.3.1.3.2	Market Share	89
4.3.1.3.3	Profitability	90
4.3.1.4	Frequency Distribution Analysis / Normality Test for Qualitative Performance	93
4.3.1.4.1	Employee Commitment	93
4.3.1.4.2	Esprit de Corp	95
4.3.1.4.3	Service Quality	96
4.3.1.4.4	New Product Success	97
4.3.1.4.5	Competitiveness	99
4.3.1.5	Frequency Distribution Analysis / Normality Test for Compounding Variables	100
4.3.1.5.1	Buyer Power	100

4.3.1.5.2	Seller Power	102
4.3.1.5.3	Competitor Intensity	103
4.3.1.5.4	Entry Barriers	104
4.3.1.5.5	Market Growth	106
4.3.1.5.6	Relative Size	107
4.3.1.5.7	Relative Cost	108
4.3.1.5.8	The Rate of Technological Change	110
4.4	Analysis	111
4.4.1	The Degree of Marketing Culture (MC), Marketing Effectiveness (ME) , Technical Efficiency (TE) and Business Performance (BP)	118
4.4.2	Variance in MC and ME in commercial banks	118
4.4.3	Association among marketing culture, marketing effectiveness, technical efficiency and business performance	119
4.4.3.1	Marketing Culture and Marketing Effectiveness	119
4.4.3.2	Marketing Culture and Technical Efficiency	120
4.4.3.3	Marketing Culture and Business Performance	122
4.4.3.4	Marketing Effectiveness and Business Performance	124
4.4.3.5	Marketing Effectiveness and Technical Efficiency	126
4.4.3.6	Technical Efficiency and Business Performance	127
4.4.4	Impact of Marketing Culture on Marketing Effectiveness, Business Performance and Technical Efficiency	129
4.4.5	Impact of Compounding Variables on the Relationship between Marketing Culture and Business Performance	136
	<b>Chapter 5: Conclusion and Recommendations</b>	<b>139</b>
5.1	Conclusion	139
5.2	Recommendations	141
5.3	Direction for future research	144
	Reference	
	Appendix	



## **List of Tables**

- Table 1.1: National Output in Sri Lanka (1950-2007)
- Table 1.2: Selected Financial-Sector Indicators (1977-1987)
- Table 2.1: Types of Cultures
- Table 2.2 : Measurement Indicators – Business Performance
- Table 2.3 : Compounding Variables/ Extraneous Variables
- Table 3.1 – Sample of the Research
- Table 3.2: conceptual definition and respective variables of dimension in MC
- Table 3.3 – Dimensions and Indicators of Marketing Culture
- Table 3.4 – Conceptual definitions and respective variables of the dimensions of Marketing Effectiveness
- Table 3.5 – Dimensions and Indicators of Marketing Effectiveness
- Table – 3.6: Conceptual Definitions of Non-Financial Measures
- Table – 3.7 Dimensions and Indicators of Business Performance
- Table 3.8 – Items of compounding variables and their measurement scales
- Table 3.9 (a): Decision Criteria for MC
- Table 3.9 (b) : Decision Criteria for ME
- Table 3.10 : Reliability Statistics
- Table 3.11 (a) : Results of Paired Samples Correlations for Marketing Culture
- Table 3.11 (b) : Results of Paired Samples Correlations for Marketing Effectiveness
- Table 4.1: Frequency Table for All the Variables
- Table 4.2 : Statistics of the Distribution of Marketing Culture
- Table 4.3 : Statistics of the Distribution of Marketing Effectiveness
- Table 4.4 : Statistics of the Distribution of Sales Growth
- Table 4.5 : Statistics of the Distribution of Market Share
- Table 4.6 : Statistics of the Distribution of Profitability

Table 4.7 : Statistics of the Distribution of Total Financial Performance

Table 4.08 : Statistics of the Distribution of Employee Commitment

Table 4.09 : Statistics of the Distribution of Esprit de Corp

Table 4.10 : Statistics of the Distribution of Service Quality

Table 4.11 : Statistics of the Distribution of New Product Success

Table 4.12 : Statistics of the Distribution of Competitiveness

Table 4.13 : Statistics of the Distribution of Buyer Power

Table 4.14 : Statistics of the Distribution of Seller Power

Table 4.15 : Statistics of the Distribution of Competitor Intensity

Table 4.16 : Statistics of the Distribution of Entry Barriers

Table 4.17 : Statistics of the Distribution of market growth

Table 4.18 : Statistics of the Distribution of Relative Size

Table 4.19: Statistics of the Distribution of Relative Cost

Table 4.20: Statistics of the Distribution of the Rate of Technological Change

Table 4.21: Total mean value of marketing culture, marketing effectiveness, business performance (both qualitative and quantitative) and technical efficiency.

Table 4.22 : Mean Values of Constructs by Categories

Table 4.23 (a) : Results of One-Sample Test : MC

Table 4.23 (b) : Results of One-Sample Test : MC

Table 4.23(c) : Results of One-Sample Test : ME

Table 4.23(d) : Results of One-Sample Test : ME

Table 4.24 (a): Results of One Way ANOVA test for Marketing Culture

Table 4.24 (b): Results of One Way ANOVA test for Marketing Effectiveness

Table 4.25 (a): Correlations of MC and ME

Table 4.26: Correlations of MC and TE

Table 4.27 : Correlations of MC and BP

Table 4.28 (a): Correlations of ME and BP

Table 4.28 (b): Correlations of ME and BP

Table 4.29 : Correlations of ME and TE

Table 4.30 : Correlations of TE and BP

Table 4.31 (a) Dimension of MC on ME - ANOVA(b)  
Table 4.31 (b) Coefficients(a)  
Table 4.32(a) Dimensions of MC on TE - ANOVA(b)  
Table 4.32 (b) Coefficients(a)  
Table 4.33 (a) Dimensions of MC on BP (Financial Performance) - ANOVA(b)  
Table 4.33 © Coefficients(a)  
Table 4.34 (a) Dimensions of MC on BP ( Non-financial Performance) - ANOVA(b)  
Table 4.34 (b) Coefficients(a)  
Table 4.35 (a) MC and Compounding Variables on BP (financial Performance) - ANOVA(b)  
Table 4.35 (b) Coefficients(a)  
Table 4.36 (a) MC and Compounding Variables on BP ( Non-financial Performance) - ANOVA(b)  
Table 4.36 (b) Coefficients(a)

## **List of Figures**

- Figure 1.1: Interactive model of an Economy
- Figure 1.2 : Classification of service firms
- Figure -1.3 : Market Share (from Deposits) of Selected Commercial Banks
- Figure -1.4: Market Share ( from loans and advanced) of Selected Commercial Banks
- Figure -1.5 : Market Share (from Assets) of Selected Commercial Banks
- Figure 2.1 : Conceptual Framework
- Figure 4.1 : Histogram of the Marketing Culture
- Figure 4.2 : Histogram of the Marketing Effectiveness
- Figure 4.3: Histogram of Sales Growth
- Figure 4.4: Histogram of Market Share
- Figure 4.5 : Histogram of Profitability
- Figure 4.6 : Histogram of Overall Financial Performance
- Figure 4.7 : Histogram of Employee Commitment
- Figure 4.8 : Histogram of Esprit de Corp
- Figure 4.9 : Histogram of Service Quality
- Figure 4.10: Histogram of New Product Success
- Figure 4.11: Histogram of Competitiveness
- Figure 4.12: Histogram of Buyer Power
- Figure 4.13: Histogram of Seller Power
- Figure 4.14: Histogram of Competitor Intensity
- Figure 4.15: Histogram of Entry Barriers
- Figure 4.16: Histogram of Market Growth
- Figure 4.17: Histogram of Relative Size
- Figure 4.18: Histogram of Relative Cost
- Figure 4.19: Histogram of the Rate of Technological Change

## List of Abbreviation

ATM = Automated Teller Machines

BP = Business Performance

BP = Buyer Power

CI = Competitive Intensity

CP = Customer Philosophy

DEA = Data Envelopment Analysis

EB = Entry Barriers

GDP = Gross Domestic Production

IC = Internal Communication

IMO = Integrated Marketing Organization

IN = Innovativeness

IR = Interpersonal Relationship

MC = Marketing Culture

ME = Marketing Effectiveness

MG = Market Growth

MI = Adequate Marketing Information

OE = Operational Efficiency

OR = Organization

RC = Relative Cost

RS = Relative Size

SBU = Strategic Business Unit

SFA = Stochastic Frontier Analysis

SO = Strategic Orientation

SP = Seller Power

SQ = Service Quality

ST = Selling Task

TC = Technical Change

TE = Technical Efficiency

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**The Impact of Marketing Culture on Marketing Effectiveness, Technical Efficiency and Business Performances: An Empirical Study of Commercial Banking Sector in Sri Lanka**

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**ABSTRACT**

The importance of a firm's marketing culture and marketing effectiveness has received considerable interest in the past few years from both researchers and practitioners. Literature reveals that Marketing Culture and Marketing Effectiveness contribute for the enhancement of Business Performance and Technical Efficiency of any industry. However, Existing literature in Sri Lanka has paid little attention to study the impact of Marketing Culture on Marketing Effectiveness, Technical Efficiency and Business Performance. Therefore, the objective of this study is to examine the *Impact of Marketing Culture (MC) on Marketing Effectiveness (ME), Technical Efficiency (TE) and Business Performances (BP)*. As the commercial banking sector in Sri Lanka has been identified as a path to development the current study was conducted for commercial banking sector in Sri Lanka. Research design is explanatory. Unit of analysis is commercial banks. Nine local commercial banks out of twelve banks were selected for the study. Branch level managers were selected as proxies. MC and ME were assessed through a measurement arrive at priory. The finding discloses that MC has a positive impact on ME, TE and BP in commercial banks and that the degree of impact of MC varies across the banks. Interpersonal communication, service quality and organization respectively showed a significant impact on financial performance of

commercial banks. However, only service quality and interpersonal communication respectively and significantly influence the non-financial performance of commercial banks in Sri Lanka. Further, it found out that marketing culture, buyer power, seller power, competitor intensity, entry barriers, relative cost and the rate of technological change showed a significant impact of financial performance. Thus, it disclosed that marketing culture, buyer power, competitor intensity, entry barriers, and relative size significantly influenced the relationship with non-financial performance. Finally, national and firm level policy recommendations were made to enhance the BP and TE through MC and ME.