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

By

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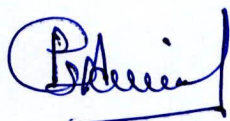
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This is a MSc dissertation submitted to the MSc unit of the University of Sri Jayewardenepura, as a partial fulfilment of the requirements for the MSc in Management Programme - specialized in

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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
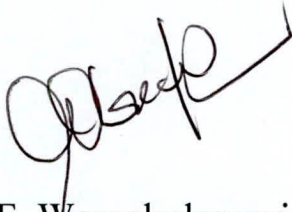
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Certification

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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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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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.