

**EFFECT OF MARKET ORIENTATION ON SMES'
PERFORMANCE: RELEVANCE TO AGRO-EXPORT
ENTREPRENEURSHIP**

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Sri Lanka

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Thesis/Dissertation submitted in partial fulfilment of the requirements for
the degree

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DECLARATION

I declare that this is my own work and this thesis/dissertation does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any other University or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text. I retain the right to use this content in whole or part in future works (such as articles or books).

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.....

D. Andrahennady

The above candidate has carried out research for the Master's Dissertation under my supervision. I confirm that the declaration made above by the student is true and correct.

Signature of the Supervisor:

Date:

.....

.....

Prof. Anuradha Waidyasekara

DEDICATION

This thesis is dedicated to the people who have inspired me and still represent a great deal to me. Above all, I would like to dedicate this specifically to my learning supervisor who helped me along the way as well as my fellow students who helped me stay on track in finishing my studies.

In addition, I am dedicating this effort to my colleagues who have encouraged and supported me throughout this endeavour as well as my biological parents, who have been an amazing source of encouragement till my research was finished

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ABSTRACT

This study explores the effect of market orientation on the performance of Small and Medium Enterprises (SMEs) engaged in Agro-export entrepreneurship in Sri Lanka. The research focuses on three key dimensions of market orientation such as customer orientation, competitor orientation and inter functional coordination. The primary aim is to evaluate how these variables influence SME performance in the Agro-export sector which plays a significant role in the region's economic development. A quantitative research design adopted, and data collected through a structured questionnaire from a sample of 50 Managing directors and Executive level employees selected using convenience sampling from 20 Agro-export SMEs. Data analysis conducted using the Statistical Package for the Social Sciences (SPSS) applying descriptive statistics, correlation analysis, reliability and validity tests and multiple linear regression.

The findings reveal that all three dimensions of market orientation have a significant and positive impact on SME performance. Inter functional coordination showed the strongest effect, followed by competitor orientation and customer orientation. The study concludes that market orientation is a critical strategic approach for enhancing SME performance in Agro-export activities. It recommends that SMEs improve customer focus, competitive awareness, and internal coordination. Despite its valuable findings, this study has several limitations, including the small sample size, convenience sampling, and reliance on a cross-sectional design. These constraints may affect the generalizability of the results. Future research should expand to larger samples, apply random sampling, and consider longitudinal or qualitative approaches for deeper insights. The study is particularly important for SME managers, policy makers and industry stakeholders as it highlights strategic market orientation practices that can enhance Agro export performance in developing regions.

Key words: Customer Orientation, Competitor Orientation and Inter-functional Coordination, Market Orientation, SME performance

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ABBREVIATIONS

Abbreviation	Description
SPSS	Statistical Package for the Social Science
ANOVA	Analysis of Variance
KMO	Kaiser-Meyer-Olkin
SME	Small and Medium Enterprises
MO	Market Orientation
ROI	Return on Investment

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