ROLE OF SERVICE INNOVATION IN THE EFFECTS OF KNOWLEDGE CREATION ON MARKETING PERFORMANCE OF RESTAURANTS INDUSTRY IN RATHNAPURA DISTRICT

By

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ABSTRACT

The purpose of this study is to investigate how service innovation mediates the relationship between knowledge creation and marketing performance in the restaurant industry. The study takes a quantitative research approach. Data were collected from 312 respondents in restaurants in Rathnapura district, Sri Lanka. The primary data is the main source of information used in this study. Data was collected through a well-structured online and physical questionnaire. Other information was collected through web sites, books, articles, journals, and desk research. The convenience sampling technique is used as a sampling method. The questionnaire consisted of five-point Likert scale questions to analyze the relationship between the variables.

The information obtained from the structured questionnaire was analyzed using SPSS 22.0. Consequently, the data were analyzed using descriptive statistics, univariate analysis, bivariate analysis, simple and multiple regression analysis, and mediation analysis. The results of the study indicate that there is a strong positive relationship between knowledge creation, service innovation, and marketing performance. Moreover, service innovation has a positive and significant effect on marketing performance. Furthermore, the study findings revealed that service innovation mediates the relationship between knowledge creation and the marketing performance of restaurants. Based on the results, it was recommended that management invest in the creation of knowledge, as this will drive innovation in the organization and subsequently lead to higher marketing performance.

The result indicated that a restaurant can achieve a higher level of marketing performance by using service innovation. because service innovation positively impacts knowledge creation and marketing performance.

Key words: *Knowledge Creation, Marketing Performance, Service Innovation*

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