



**Uva Wellassa
University**

**PRODUCT DIVERSIFICATION AND FIRM
PERFORMANCE**

(With special reference to listed Sri Lankan diversified holdings)

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III. ABSTRACT

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Product diversification defined as strategy for company growth by starting up or acquiring businesses outside the company's current products and markets. Successful firms with single business are rare to find in the world context as well as in the Sri Lankan context. Product diversification can open up opportunities and benefits to an organization in several ways while it can back fire the organization too.

This study conducted with the aim of find out the impact of the degree of product diversification on the firm performance with special reference to diversified holdings which are listed under the Colombo stock exchange. All the 16 diversified holdings companies which are listed under the Colombo stock exchange have been analyzed without limiting this study to a sample. For the data analysis purposes SPSS and Minitab was used. Findings reveal that there is a positive relationship between product diversification and performance of diversified holdings companies of Sri Lanka.

Key words – diversification, product diversification, listed diversified holdings, firm performance, and balance score card.