

**ANALYSIS OF PRODUCT DIFFERENTIATION INTENTION
AND FIRM INNOVATIVE PERFORMANCE
(WITH REFERENCE TO SRI LANKAN BANKING INDUSTRY)**

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ABSTRACT

The primary purpose of the research were the identified relationship between product differentiation intention and firm innovative performance and the identified current degree of product differentiation intention and the in banking industry in Sri Lanka. Third objective is the identified the whether there is a difference of product differentiation intention between private and public banks in operation in Sri Lanka.

The result was tested on 13 operating banks in Sri Lanka which are licensed in central bank. It consist 09 private banks and 04 public banks. Data are collected through the primary data source and secondary data source in 2 year commencing from year 2011-2012. Questionnaire are used as data collecting tool.

Collected data analyzed by using the descriptive techniques, correlation analysis and Mann Whitney U test in optimizing the above objectives of the research. Descriptive analysis used to find current degree of product differentiation intention and correlation used to find relationship between product differentiation intention and firm innovative performance. Finally, Mann Whitney U test used to find difference between private and public banks.

Empirical evidence showed that unique product feature intention is highly applied factor in banking industry and other factors also. Product differentiation intention is making significantly correlate on firm innovative performance. Finally finding showed that there

is no difference in product differentiation intention and firm innovative performance in private and public banks operating in Sri Lanka.

Key words: Product differentiation, Innovations, Banking Industry