

Internet-mediated Market Orientation towards Customer Perceived Value: Empirical Evidence from Hotel Industry in Sri Lanka

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Abstract

Market orientation (MO) has long been stressed as an essential concept in the marketing discipline. Despite the emerging role of the Internet as a crucial topic in the marketing discipline, the nature of MO on the Internet remains an area of ambiguity. Drawing upon the MO theory and the consumption-values theory, this paper proposes a framework which addresses the mechanism underlying the relationship between MO and customer perceived value (CPV) on the Internet with a use of a mediator variable called information-based value creation (IVC). Adopting the pragmatism research paradigm and mixed method research design, face-to-face questionnaire survey is used as the main research strategy. Semi-structured interviews are initially used to validate the measurement scales and at the end, to help explain the quantitative findings. Data stemmed from 116 manager- customer dyads are used to assess the proposed framework in hotel industry in Sri Lanka using the Partial Least Squares path modeling. The results indicate that the proposed framework explains 96.6% of the variance in IVC and 92.2% of the variance in CPV, providing strong evidence of its explanatory power. Moreover, the results demonstrate that IVC has a complementary mediating effect on the relationship between MO and CPV indicating that besides influencing CPV indirectly via IVC, MO also impacts CPV directly on the Internet. The significance of this study stems from theory and methodological triangulation. The findings may help hotels to deliver superior value to their customers through proper integration of the Internet into MO process.

Keyword: *Market Orientation, Customer Perceived Value, Information-based Value Creation, Internet*