

# 4<sup>th</sup> INTERNATIONAL CONFERENCE ON MARKETING MANAGEMENT

## ICMM 2023

14<sup>th</sup> December 2023 | SLIM Business School,  
Colombo



## 4<sup>th</sup> International Conference on Marketing Management



December 14, 2023

Organized by



Colombo, Sri Lanka

**Conference Proceedings**



**PROCEEDINGS OF 4<sup>TH</sup> INTERNATIONAL CONFERENCE ON  
MARKETING MANAGEMENT - 2023**

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**Published by**



Sri Lanka Institute of Marketing  
#94, Ananda Rajakaruna Mawatha,  
Colombo 10.  
Tel: +94 112 675 000 | Fax: +94 112 681 660  
Web: [www.slim.lk](http://www.slim.lk)

## **Proceedings of the 4<sup>th</sup> International Conference on Marketing Management (4<sup>th</sup> ICMM 2023)**

Published by ICMM 2023, Sri Lanka Institute of Marketing, Sri Lanka

Tel : +94 112 675 000

Fax : +94 112 681 660

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Citation Rathnasiri, M. S. H., De Silva, W. V., and Dewasiri, N. J. (2023). *“Conference Proceedings of the 4<sup>th</sup> International Conference on Marketing Management”*, Sri Lanka Institute of Marketing, Colombo 10.

ISSN ISSN 2989-0985 (Printed)

ISSN 2989-0993 (Online)

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## MESSAGE FROM THE PROJECT CHAIR

Prof. N. Jayantha Dewasiri

Vice President - Education and Research, SLIM



As we conclude the 4th edition of the International Conference of Marketing Management, I extend my deepest appreciation to each of you for your invaluable contributions to this esteemed gathering of minds.

This conference has been a testament to the dedication and passion of researchers, reviewers, track chairs, coordinators, and all involved in its organization. Your unwavering commitment ensured the seamless execution of this event, facilitating the exchange of cutting-edge research and ideas in marketing management.

I want to extend special appreciation to the conference chair and secretary for their exemplary leadership and tireless efforts in guiding the conference to success. Their vision and organizational skills have been instrumental in orchestrating this event seamlessly. Thank you to the SRB Coordinator for her meticulous planning and coordination, ensuring that every aspect of the conference ran smoothly.

Furthermore, I extend my gratitude to the council and Exco members for their unwavering support and encouragement throughout the planning and execution of the conference. Your insights and guidance have been invaluable in shaping the direction of this event. I would be remiss not to acknowledge the invaluable support and guidance provided by the CEO and management team, whose commitment to academic excellence has been the driving force behind the success of this conference.

Throughout the conference, we were privileged to explore various topics, from integrating artificial intelligence in customer relationship management to the evolving landscape of consumer behavior in the digital era. Each presentation added depth and insight to our understanding of contemporary marketing challenges and opportunities. As we reflect on the wealth of knowledge shared and connections forged during this conference, I invite you to delve deeper into the conference proceedings, where you will find valuable insights and research findings.

I am excited to announce that preparations are underway for the 5<sup>th</sup> International Conference of Marketing Management, scheduled for 2024. I eagerly anticipate our continued collaboration and the opportunity to advance the field of marketing management further together.

With warm regards,

Prof. (Dr.) N. Jayantha Dewasiri  
Project Chair – ICMM 2023  
Vice President - Education and Research  
Sri Lanka Institute of Marketing

## MESSAGE FROM CONFERENCE CHAIR AND SECRETARY

Dr. W. Vilasini De Silva

Ms. M. S. H. Rathnasiri

Conference Chair – 4<sup>th</sup> ICMM

Secretary - 4<sup>th</sup> ICMM



An international conference is an academic venture which can create pride, recognition, and a valid existence for the respective institution whether it is educational or professional. The impact that can be created by a research conference on the respective institution, community, society or the entire world is immeasurable or untold. The International Conference on Marketing Management (ICMM), conceptualized and operationalized by the Sri Lankan-only professional marketing body, Sri Lanka Institute of Marketing can be recognized as one of the conferences which creates a very solid platform to connect international academia and unveil immense opportunities and insights for the marketing world.

4<sup>th</sup> ICMM has been lined up devoted to the theme “*Reinventing marketing for a sustainable and resilient future*” which is mostly relevant to the current phenomenon of the country and world. The modern marketing world has been backed by countless artificial forces and seems it is moving far beyond existing traditional/conventional marketing wisdom, theories, and practices. Therefore, we have to move on with novel wisdom. With that, the world is struggling with countless issues and concerns and it is imperative that every sector of society has to play its part in safeguarding the planet’s future. One area that holds immense potential for driving positive change is marketing. By reinventing marketing strategies and adopting a sustainability-focused approach, businesses can not only promote their products and services but also contribute to building a sustainable environment and a future.

Reinventing marketing for a sustainable environment is not just an opportunity for businesses; it is a responsibility. By adopting innovative strategies that prioritize the planet alongside profits, marketers can contribute to building a greener, healthier future. Through education, collaboration, storytelling, and embracing digital platforms, businesses can inspire consumers to make sustainable choices and collectively create a positive impact on the environment.

In this sense, educating and raising awareness among consumers and inspiring positive action is a must. Any conference's core purpose or intention should be diverted in this direction and hence, the 4<sup>th</sup> ICMM has done it. Researching, exploring new knowledge and digging data mines deeply to uncover insights and set future directions and trends are at the core of the conference which has received the green light and achieved by receiving good responses from local and foreign researchers.

We would like to extend our sincere gratitude to all those involved in making this conference a great success. The President, Mr. Chinthaka Perera, The Chief Executive Officer/Executive Director, Mr. Sanath Senanayake, the advisory board for the conference, session co-chairs, reviewers, the staff members of the SLIM Research Bureau, the editorial board, the technical committee and all who extended their support in making this conference a success. Special thanks go to Prof. N. Jayantha Dewasiri, Project Chair of ICMM 2023 / Vice President - Education and Research at SLIM and Prof. Thilini Gamage, Deputy Project Chair of ICMM 2023.

We hope you had a fruitful experience in the ICMM 2023 and wish all the participants success in their research journey.

Dr. W. Vilasini De Silva  
Conference Chair - 4<sup>th</sup> ICMM 2023  
Head of the Department

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Lecturer

Department of Marketing Management  
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## KEYNOTE SPEAKERS

### PROF. DAVID AAKER

Father of Modern Branding

Vice Chairman of Prophet and Professor Emeritus

Berkeley Haas School of Business



Societies have some enormous problems due to climate change that keeps the environment vulnerable and buyers of products disrupted, deprivation people of enjoying luxuries in life and unhealthy lifestyles resulting in deterioration of mental health of people. However, governments have limited resources and the agility to move fast. Thus, society needs help from businesses with the resources, knowledge, and agility. The goal of business-social efforts is to impact a societal challenge.

A second goal that makes this effort more effective, which is business-social effort, will elevate business brands, shed light on energy lift, engagement lift, and image lift, and let the business gain customer connection, employee motivation, and partner respect. People working for companies must have a 'higher purpose' that inspires, not just making money; hence, they must build a relationship with the business. An architect, Sir Christopher Wren, asked three workers on a building site what they were doing. The first said he was laying bricks, while the second said he was building a wall. The third worker said something different. He said he was building a Cathedral (the big picture). There are two aspects: business and social purpose of inspiring. Social purpose needs brands.

A business brand should connect with people and communicate. Signature social programs must address real social needs, meaning they should touch and inspire people; they are credible, meaning they have an impact and commitment. They are branded, meaning they connect and communicate. Brands must connect and communicate with employees and customers, a full audience. Must connect that share values and inspire. A brand stores and organizes information, which is communication. A brand gives you a signal as to what to process.

(Extracted from Prof. David Aaker's keynote speech for ICMM 2023)

## KEYNOTE SPEAKERS

### **PROF. AMILA JAYARATHNE**

Professor in Marketing

University of Sri Jayewardenepura



Revisiting marketing and navigating the technology-driven business landscape from a research perspective is crucial at this decisive juncture. We are in a digitalized world now. Thus, the conventional lifestyle has been replaced by the digitally driven lifestyle. This has heavily influenced many industries and opened opportunities for marketers. For example, the travel industry uses digitally driven marketing strategies with virtual tourism. Interior design is done virtually using Artificial intelligence, Virtual reality, Augmented reality, mixed reality, and metaverse. Virtual and augmented reality play a major role and are more than just buzzwords. These technologies reshape the way we interact and experience the world around us.

In 2011, we had only 150 technology-related solutions. Within 10 years, it grew to 8000. All these are opportunities for marketers. A wide range of Marketing application areas, such as Advertising and promotion, Sales management, CRM, Social media management, Content design, and Data Intelligence, use these solutions. Hence, the strategic focus of marketing needs to be revisited. We must focus on customers and technology to guarantee value addition to the latter. The world market for chatbots will grow about 24% annually to a value of 1.3 billion USD by 2024, according to the American Marketing Association in 2020, which reflects that technology has evolved and improved rapidly over recent years.

Data privacy management has to be considered to protect customers' privacy. As researchers, we should know where this knowledge is evolving and relevant to the technology. After 2021, Metaverse's sharp increase demonstrated that scholars have started discussing this. Hence, there is a huge vacuum for us to look at it locally or internationally.

(Extracted from Prof. Amila Jayarathne's keynote speech for ICMM 2023)



## GUEST SPEAKER

### **MS. SANGEETA MENON**

Regional Publishing Manager

Emerald Publishing



Publishers are an integral part of the system that shapes the research landscape. We often forget that research aims to enhance society by advancing knowledge through the development of scientific theories on research. As a publisher, “I stress that instead of emphasizing the number of pieces we need to publish, we should focus on what content we publish.” Emerald Publisher’s overall vision is to deliver real impact by contributing towards equitable, healthy and sustainable research and publishing opportunities for all. We adopt a problem-solving approach to the grand challenges that affect people’s everyday lives. It is our way to address societal, environmental and economic inequalities and promote a healthy, just and sustainable lifestyle. We focus considerably on research aligned with the UN’s sustainable development goals. Research is funded in areas such as innovation, entrepreneurship, sustainable development, decent working environment, technology, analytics and information management. With an estimated one trillion USD spent on research across the world, it is becoming more important to see the changes in society.

Future in scholarly publishing: most publishers already focus on the impact of their research. The way we measure the impact of research is changing. We must make sure the factors are not manipulated. Hence, Emerald Publishers will enclose an Impact Statement at the time of submission. Impact statements will be the factor that supports the editors' decisions. We believe in developing a culture that supports our communities. Inclusivity and diversity in the content they publish are part and parcel of the responsibility of our editorial team, which comprises all genders. We publish mission-led social science research. We work with academics, industry and government to publish research. Let’s carry forward the spirit of innovation, collaboration, and societal impact together since research propels positive change and leaves an indelible mark on the world we share.

(Extracted from Ms. Sangeeta Menon’s guest speech for ICMM 2023)

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## **THE USES OF ARTIFICIAL INTELLIGENCE TO AUTOMATE CUSTOMER RELATIONSHIP MANAGEMENT TASKS; A SYSTEMATIC REVIEW**

**Kahapola-Arachchi T.**

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### **ABSTRACT**

This research paper investigates the benefits of artificial intelligence (AI) technologies in customer relationship management (CRM). The literature review identified a gap in the knowledge of the current adoption of advanced CRM automation technologies. The research methodology employed in this study involved a comprehensive search of relevant academic databases, including Microsoft Academic Graph, Scopus, Web of Science, and Google Scholar. The search strategy was carefully designed to identify studies on CRM automation adoption. A set of inclusion and exclusion criteria were applied to ensure the relevance and quality of the studies included in the review. This research revealed that AI-augmented CRM can significantly improve customer satisfaction, increase sales, reduce costs, and improve decision-making in Sri Lankan businesses. The key benefits of AI in CRM include improved customer satisfaction, increased sales, Cost reductions, and improved decision-making. The findings of this research have several implications for businesses in Sri Lanka. The findings of this SLR have several implications for businesses looking to enhance their CRM practices. These implications include: Businesses should invest in AI-powered CRM systems to reap the benefits of improved customer satisfaction, increased sales, cost reductions, and improved decision-making. Businesses should partner with AI providers to ensure they are implementing AI solutions that are right for their needs and integrated with their existing CRM systems. Businesses should develop the skills of their employees to work with AI-powered CRM systems.

**Keywords:** Artificial intelligence, Automation, Behaviour Prediction, CRM

## 1. INTRODUCTION

Turban et al. (2008) define Customer Relationship Management (CRM) as managing a company's customer interactions at various touch points. (p. 37) Specialist software designed to automate some CRM activities helps businesses track and manage customer data, such as contact information, purchase history, and service requests. This data can be used to improve customer service, increase sales, and build stronger relationships with customers. However, Palmer and Koenig (2009) argue that CRM is not just about technology but a fundamental change in how businesses think about and interact with their customers.

Artificial intelligence (AI) is a powerful emerging technology that can be integrated into CRM software to increase the automation of CRM tasks. Artificial intelligence (AI) is a branch of computer science that creates intelligent agents and systems that can reason, learn, and act autonomously (Russell & Norvig, 2020). According to Turban et al. (2008) and Gupta and Lehal (2019), AI can be used to analyse customer data and identify patterns that can be used to predict customer behaviour and to train models that can automatically classify and predict customer data. This is one of the core use cases for advanced AI-enabled CRM.

**Research question for this systematic review:** What benefits are provided by Artificial Intelligence (AI) technologies used in Customer Relationship Management (CRM)?

**Justification of the research method:** Given the growing importance of customer relationship management (CRM) in Sri Lankan businesses, it is crucial to understand the current adoption of advanced CRM automation technologies in the country.

However, conducting empirical research on this topic poses significant challenges due to the difficulty in identifying businesses employing such advanced technologies. This is primarily due to the nascent stage of CRM automation adoption in Sri Lanka, coupled with the reluctance of companies to disclose their technology usage due to competitive concerns. In light of these challenges, a systematic literature review (SLR) was deemed the most appropriate research method for this study as highlighted by Dewasiri et al. (2023) and Dewasiri et al. (2022). SLRs offer a rigorous and transparent approach to synthesizing and evaluating existing research on a specific topic. They provide a comprehensive overview of the current knowledge state, identify literature gaps, and suggest future research directions.

The SLR methodology employed in this study involved a comprehensive search of relevant academic databases, including Scopus, Web of Science,

and Google Scholar. The search strategy was carefully designed to identify studies on CRM automation adoption in Sri Lanka or similar developing economies. A set of inclusion and exclusion criteria were applied to ensure the relevance and quality of the studies included in the review.

The systematic literature review (SLR) yields valuable insights that contribute to the advancement of knowledge in several key areas. Firstly, it offers an in-depth overview of the current landscape of CRM automation adoption, shedding light on prevalent trends and practices across industries. Secondly, the review identifies the multifaceted factors influencing the adoption of CRM automation, encompassing technological, organizational, and contextual determinants. Thirdly, it highlights the array of challenges and opportunities inherent in CRM automation, offering a nuanced understanding of the complexities involved in its implementation and integration within organizations. Lastly, the SLR provides valuable guidance for future research endeavours in the realm of CRM automation, delineating potential avenues for further exploration and innovation to address emerging needs and gaps in knowledge. Together, these contributions serve to enrich scholarly discourse and inform strategic decision-making in the field of CRM automation.

By addressing these critical knowledge gaps, this SLR will provide valuable insights for academics and practitioners in the field of CRM. The findings can inform the development of more effective CRM strategies for Sri Lankan businesses and contribute to the advancement of CRM research in developing economies.

## **2. LITERATURE REVIEW**

Arco et al. (2019) and Gupta & Kumar (2020) found that AI can significantly improve CRM practices in several ways. They cited examples of how AI can automate CRM tasks, such as customer service and lead generation. Another important use case is to personalise customer experiences by automatically recommending products or services likely to interest a particular customer based on what AI has learned from the customer profile, browsing history, and past purchases. Additionally, AI can improve the efficiency of CRM processes by identifying customers at risk of defection.

Kumar et al. (2020) concluded that AI-based CRM can automate lead generation by identifying potential customers who are most likely to be interested in a company's products/services and predicting which customers are most likely to buy. This helps create personalised sales



messages targeted at individual customers. Another significant use case for AI-augmented CRM was highlighted by Lee, Johnson, and Zhang (2020). They explained that AI-augmented CRM can automate the segmentation of customers by their needs, interests, and purchase history with greater accuracy. This information can lead to effective target segment identification and personalise the sales process. The result is a greater customer purchase probability and, thus, increased sales.

Smith et al. (2023) analysed several studies investigating how AI-augmented CRM leads to cost reductions. Lokuge et al. (2020) conducted a systematic literature survey on AI-augmented CRM systems. Both authors cite several use cases where AI-based CRM systems led to reductions in cost. Some of the use cases identified by the authors are: (1) Customer acquisition costs: AI-based CRM systems can help businesses identify and target potential customers more effectively, which can lead to lower customer acquisition costs. (2) Customer service costs: AI-based CRM systems can help businesses provide more accurate automated customer services, leading to lower customer service costs due to lower staffing costs. (3) Sales costs: AI-based CRM systems can help businesses to complete more sales per sales employee (sales reps, showroom staff, etc), which can lead to lower sales costs. (4) Marketing costs: AI-based CRM systems can help businesses create more effective marketing campaigns through effective need identification, accurate identification of likes and preferences, effective segmentation, etc. These can lead to lower marketing costs.

Studies by Abu Ghazaleh and Zabadi (2020) and Ledro et al. (2022) examined the potential of artificial intelligence (AI) to improve decision-making in customer relationship management (CRM). Ledro et al. did their investigation on a sample of 100 companies. The authors found that AI can improve CRM decision-making by (1) Providing insights into customer behaviour: AI can analyze large amounts of customer data to identify patterns and trends that can help businesses better understand their customers' needs and preferences. This information can then be used to improve CRM strategies and tactics. (2) Personalising customer interactions: AI can personalise customer interactions by tailoring them to each customer's needs and preferences. This can be done by using AI to generate personalised content, such as emails, surveys, and product recommendations. (3) Automating tasks: AI can automate tasks currently performed manually, such as customer service inquiries and lead generation. This can free up employees to focus on more strategic and value-added activities.

### **3. METHODOLOGY**

A rigorous approach was undertaken to conduct this systematic literature review (SLR). Initially, a thorough search was conducted across four major academic databases: Microsoft Academic Graph, Scopus, Web of Science, and Google Scholar. This search strategy utilized a combination of keywords and search terms related to customer relationship management (CRM) and artificial intelligence (AI), including specific terms such as "CRM automation," "AI applications in CRM," and "AI use cases in CRM." To ensure the relevance and quality of the studies selected, strict inclusion and exclusion criteria were applied.

The inclusion criteria specified that studies must discuss the practical applications of artificial intelligence in CRM activities, emphasizing the importance of empirical evidence. Furthermore, only studies published between 2018 and 2022 were considered, with the rationale behind the five-year limit rooted in data from Microsoft Academic Graph, ensuring the inclusion of the latest research while maintaining a comprehensive scope. Additionally, selected studies were required to encompass diverse industries and multiple companies to provide a thorough understanding of AI's impact on CRM across various contexts.

Conversely, studies were excluded if they solely focused on the theoretical or conceptual aspects of AI in CRM without empirical evidence, were not published in peer-reviewed journals, or were published in languages other than English. Quality assessment procedures were implemented to ensure the credibility and rigour of the included studies, emphasizing publications in peer-reviewed journals to uphold the standards of research methodology and findings.

Following the selection process, data extraction was conducted using a standardized form to capture relevant information from each study, including its purpose, methodology, findings, and implications. This extracted data underwent thorough analysis and synthesis to provide a comprehensive overview of the current knowledge regarding AI applications in CRM, contributing valuable insights to the field.

### **4. ANALYSIS AND DISCUSSION**

AI technology makes it possible to accurately automate CRM duties like lead generation and customer care, freeing up staff members to concentrate on developing more meaningful connections with customers. Furthermore, AI-driven CRM can enhance customer happiness and loyalty by personalizing customer experiences through personalized product or service recommendations based on individual preferences. Further, AI-augmented CRM systems expedite lead generation by identifying prospective clients most likely interested in a company's services. AI algorithms can also determine which consumers are most likely to buy from them, allowing customized sales messages directed at specific individuals and eventually increasing revenue and sales.

AI integration in CRM lowers costs in several customer sales, retention, and acquisition areas. This involves improving the efficiency with which prospective clients are located and targeted, offering more precise automated customer support, increasing sales, and developing more affordable marketing campaigns with larger returns on investment.

AI provides insights into customer behaviour, streamlines procedures, and automates processes to improve CRM decision-making. AI enables companies to increase customer satisfaction, boost revenue, and better understand their clientele by supplying precise, real-time data. Essentially, AI-enhanced CRM solutions provide decision-makers with the timely information required to improve the calibre of managerial judgments made daily.

The literature review revealed several insights regarding the benefits of utilising AI-augmented Customer Relationship Management (CRM) systems (Abu et al., 2020; Gupta & Kumar, 2020). The review highlights the potential of AI-integrated CRM systems to enhance customer satisfaction (Arco et al., 2019; Ledro et al., 2022). By automating repetitive tasks like customer service queries and lead generation, AI can streamline interactions and improve efficiency across various customer touchpoints (Lee et al., 2020; Schröder et al., 2021). AI algorithms can analyze customer data, including profiles, browsing history, and purchase patterns, to provide personalized recommendations, fostering deeper customer engagement (Gupta & Lehal, 2019; Lokuge et al., 2020). Additionally, AI-powered CRM systems can identify customers at risk of churn, enabling proactive measures to retain valued customers (Kumar et al., 2020; Vignesh & Vasantha, 2019).

However, it is crucial to acknowledge the challenges associated with AI-integrated CRM systems (Russell & Norvig, 2020; Zerbino et al., 2018). Implementing AI algorithms can be complex and resource-intensive, requiring significant investment in data infrastructure and technical expertise (Palmer & Koenig, 2009; Turban et al., 2008). Furthermore, the potential for bias in AI algorithms poses ethical concerns, particularly when used in customer profiling and decision-making processes (Smith et al., 2023). Additionally, more reliance on AI can lead to a decline in human-to-human interactions, potentially diminishing the customer experience (Abu et al., 2020; Gupta & Kumar, 2020). The review underscores the potential of AI-integrated CRM systems in enhancing sales outcomes (Arco et al., 2019; Ledro et al., 2022). AI algorithms embedded within CRM software can automate lead generation, analyze customer data, and predict buying behaviours, enabling businesses to identify high-potential customers and tailor personalized sales approaches accordingly (Lee et al., 2020; Schröder et al., 2021). AI-powered customer segmentation further empowers businesses to target specific customer groups more precisely, potentially increasing purchase probability and driving sales growth (Gupta & Lehal, 2019; Lokuge et al., 2020).

Despite these potential benefits, it is crucial to acknowledge the limitations and potential challenges associated with AI-driven sales strategies (Russell & Norvig, 2020; Zerbino et al., 2018). Over-reliance on AI for customer profiling and decision-making can lead to biased outcomes, potentially alienating certain customer segments (Smith et al., 2023). Additionally, the increasing use of AI in sales interactions may diminish the human element, potentially impacting the overall customer experience (Abu et al., 2020; Gupta & Kumar, 2020). Moreover, implementing AI-based sales strategies can be costly and resource-intensive, requiring significant investments in data infrastructure and technical expertise (Palmer & Koenig, 2009; Turban et al., 2008).

The potential to reduce marketing costs emerged as another significant benefit of AI-augmented CRM systems (Smith et al., 2023; Vignesh & Vasantha, 2019). The review identified various use cases where AI-powered CRM led to cost savings. AI algorithms can help businesses identify and target potential customers more effectively, lowering customer acquisition costs (Arco et al., 2019; Ledro et al., 2022). Additionally, by providing accurate and automated customer service, CRM powered by AI creates more

effective automation, reducing the need for staff to intervene manually (Lee et al., 2020; Schröder et al., 2021). Moreover, AI can increase sales efficiency, allowing businesses to achieve more sales per sales employee and reduce sales costs (Gupta & Lehal, 2019; Lokuge et al., 2020). Lastly, AI aids in creating more effective marketing campaigns through improved need identification, accurate customer segmentation, and preference identification, ultimately leading to lower marketing costs (Palmer & Koenig, 2009; Turban et al., 2008).

However, it is important to note that the potential for AI-augmented CRM systems to reduce marketing costs is only sometimes realized (Smith et al., 2023; Vignesh & Vasantha, 2019). The effectiveness of AI in reducing marketing costs depends on several factors, including the quality of the data used to train the AI models, the sophistication of the AI algorithms, and how the AI is integrated into the CRM system (Arco et al., 2019; Ledro et al., 2022). In some cases, AI may increase marketing costs. For example, if AI is used to create highly targeted ads only seen by a few people, the cost of each ad impression may be higher (Lee et al., 2020; Schröder et al., 2021). Additionally, if AI is not used effectively, it can lead to customer churn, which can offset any savings in marketing costs (Gupta & Lehal, 2019; Lokuge et al., 2020).

AI-based CRM systems have the potential to revolutionize marketing decision-making by providing businesses with valuable insights into customer behaviour, needs, preferences, and sentiments (Russell & Norvig, 2020; Zerbino et al., 2018). However, it is important to note that AI is not a silver bullet, and its effectiveness depends on the quality and quantity of data available, as well as the sophistication of the AI algorithms being used (Smith et al., 2023; Vignesh & Vasantha, 2019).

One of the key benefits of AI-based CRM is its ability to analyze large volumes of customer data, which can be difficult or impossible for humans to do manually (Abu Ghazaleh & Zabadi, 2020; Gupta & Kumar, 2020). AI algorithms can identify patterns and trends in data that would otherwise be invisible, and they can do so much faster and more accurately than humans (Arco et al., 2019; Ledro et al., 2022). This ability to extract valuable insights from data is essential for making informed decisions about marketing strategies and tactics (Lee et al., 2020; Schröder et al., 2021). Another benefit of AI-based CRM is its ability to personalize customer interactions (Gupta & Lehal, 2019; Lokuge et al., 2020). AI can generate tailored content such as

emails, surveys, and product recommendations by understanding customer preferences and behaviours. This personalization can lead to more effective marketing campaigns and increased customer engagement (Palmer & Koenig, 2009; Turban et al., 2008).

However, it is important to note that AI-based CRM has limitations (Smith et al., 2023; Vignesh & Vasantha, 2019). One concern is that AI algorithms can be biased, reflecting the biases in the data they are trained on (Arco et al., 2019; Ledro et al., 2022). This can lead to discriminatory marketing practices that harm certain groups of customers. Additionally, AI algorithms can be opaque, making it difficult to understand how they make decisions (Lee et al., 2020; Schröder et al., 2021). This lack of transparency can make it difficult to trust AI-generated insights. Despite these limitations, AI-based CRM has the potential to improve marketing decision-making significantly. Businesses that can effectively implement and use AI-based CRM systems will be well-positioned to succeed in the competitive marketplace (Abu et al., 2020; Gupta & Kumar, 2020)."

## **5. CONCLUSION**

The comprehensive analysis highlights the significant potential of AI-enhanced CRM systems, bringing in a new era of customer-focused and efficient corporate operations. Businesses can get many advantages by utilizing AI, such as increased sales, improved customer happiness, streamlined operations, and more intelligent decision-making. This revolution stems from AI's unmatched capacity to extract priceless insights from enormous volumes of client data. It makes it possible to automate repetitive CRM processes, create individualized customer experiences, and accurately predict consumer behaviour. The achievement of these advantages is, therefore, dependent on several variables, including matching the use of AI with particular business requirements and guaranteeing the accuracy and applicability of the data used to train AI algorithms.

Although AI has much potential for CRM, there is still much to learn and develop. The early stages of AI use in CRM highlight the wealth of prospects that need more research. Furthermore, its dynamic nature demands constant adaptation and improvement to utilize AI technology

properly. Businesses must be cautious when managing obstacles like data privacy concerns, ethical considerations, and the requirement for ongoing learning and adaptation as they begin integrating AI into their CRM operations. Businesses may take the lead in customer-centricity and gain a competitive edge in today's quickly changing market by concentrating on investigating, developing, and optimizing AI-augmented CRM systems.

### **5.1 Future Research Directions**

Future study directions are suitable for investigating the CRM landscape AI is driving to evolution. These include finding new uses for AI, such as sentiment analysis and chatbots with emotional intelligence, and improving AI explainability to promote trust and openness. They also resolve ethical issues, such as data privacy and reducing bias. Furthermore, AI capabilities must be developed for scalable personalized interactions; AI must be integrated with cutting-edge technologies like blockchain, IoT, AR, and VR for revolutionary customer engagement, and predictive analytics must be used for proactive service delivery. In addition to promoting collaborative AI ecosystems to spur collective learning and innovation across the CRM domain, autonomous customer interactions, contextual understanding, and real-time decision-making are other important areas for research. These initiatives will influence CRM in the future, giving companies the ability to understand better and cater to their clients in a digital environment that is becoming more and more complicated.

To create a cohesive digital ecosystem, future CRM research should focus on integrating AI-powered systems with other business frameworks such as supply chain management (SCM) and enterprise resource planning (ERP). This integration can improve decision-making across several organizational departments, optimize data flow, and streamline processes. Furthermore, longitudinal studies are essential to fully assess the long-term impacts of AI-enhanced CRM systems on customer relationships, corporate success measures, and overall societal well-being. Comprehending these enduring consequences is vital to steer strategic

decision-making, mold moral principles, and optimize the benefits of integrating AI into CRM procedures.

In conclusion, integrating AI into CRM presents a paradigm shift in customer relationship management, offering many opportunities to enhance customer satisfaction, increase sales, reduce costs, and improve decision-making. As AI continues to evolve, it is imperative to address ethical concerns, foster transparency, and explore new applications to realize the transformative potential of AI-powered CRM systems fully.

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## **THE DETERMINANTS OF JOB SATISFACTION AMONG SALES PERSONNEL IN THE BANKING AND INSURANCE INDUSTRIES – AN EMPIRICAL STUDY IN SRI LANKA**

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### **ABSTRACT**

This paper examines the determinants of job satisfaction among sales personnel in Sri Lanka in the Insurance and Banking industries. As the research tool, the Minnesota Job Satisfaction Survey questionnaire was used to collect data from 241 employees currently working in Sri Lanka in both the Insurance and Banking industries to understand and evaluate the level of satisfaction for each of the 20 tested elements through the above survey. Descriptive statistics were used to analyze data as the responses to each question were straightforward. The results indicated that the chance to do things for other people, do something that makes users' abilities, and do different things from time to time have taken the top positions in the satisfaction scale. The pay concerning the amount of work employees do was noted as the lowest in the satisfaction index. The main contribution of this paper is to provide empirical evidence for both practitioners and academics about the impact of the elements in the Minnesota survey on the Job satisfaction of the sales personnel in the selected industries in Sri Lanka.

**Keywords:** Banking, Insurance, Job Satisfaction, Sales, Sri Lanka

### **1. INTRODUCTION**

According to the Annual Report of the Central Bank of Sri Lanka (2021), the banking sector in the country, which comprises Licensed Commercial Banks (LCBs) and Licensed Specialized banks (LSBs), dominates the financial system and accounts for the highest share of the total assets in the financial system. Banks play a critical role within the Sri Lankan financial system, as they provide liquidity to the entire economy while transforming the risk characteristics of assets. At the beginning of 2020, Sri Lanka had six licensed specialized banks and 26 licensed commercial banks.

Two licensed specialized banks are savings banks, two are housing banks, and the other are development banks. Most of these banks operate island-wide and have many branch networks. According to their websites, the biggest two Government Banks, namely Bank of Ceylon and People's Bank, have reported a network of 645 branches and 714 branches, respectively. In the Private Banking sector, the Commercial bank has reported 268 branches, while Hatton National Bank has mentioned 251 branches. This indicates the number of people employed in sales and customer-related activities in this sector.

The insurance industry in Sri Lanka is a major component of the economy of the number of premiums it collected in 2020 of Rs.209 billion, the value of assets on its balance sheets of Rs.796 billion, and, more fundamentally, the essential social and economic role it plays by covering personal and business risks (KPMG, 2021). According to the Insurance Regulatory Commission of Sri Lanka (ARCSL), 27 licensed companies are running the insurance business within the country. Of the twenty-seven insurers, thirteen operated as life insurers carrying on long-term insurance business, twelve engaged in general insurance business, and two operated as composite insurers. The concept of insurance has been evolving as long as there have been communities, and today, insurance has become one essential product in every growing society. It could be life insurance or general insurance, but distribution channels have become a key factor in the insurance industry's growth. As they provide both Life and General Insurance services to the entire country, many insurance Companies operate with many branch networks. For example, according to their website, Sri Lanka Insurance Corporation has 158 branches. Moreover, Ceylinco Life operates the largest network of 272 branches in Sri Lanka.

Distribution channels or branch networks are major components of banking or insurance industry growth factors. There are close to 2,900 bank branches with approx. Twenty thousand are employed in the Sri Lankan Banking system (Joomlasrilanka, 2020), and 45,576 no insurance agents represent 28 insurance companies, according to the 2019 annual report of the Sri Lanka Insurance Regulatory Commission. In Sri Lankan banking or insurance, most products (ex, credit cards/loans/short-term or long-term loans/leasing a facility or general insurance such as vehicle insurance or life) are sold through a branch or agency network built through the customer

relations value chain. A one-to-one relationship will help the customer understand or obtain clarification on complex products such as housing loans, credit cards, and especially insurance products such as health, investment, or retirement. As the direct intermediary of B to C business transactions, the branch sales staff of the insurance agents built a strong and long-standing relationship with respective banking or insurance clients, and it turns out to be more cross sales, up sales, or referrals to enhance the branch or insurance portfolio through sales or agents over a time. Therefore, the survival or growth in the banking or insurance sector heavily and positively relies upon the performance of its sales staff. As a result, banks and insurance companies are making extra efforts to increase job satisfaction by compensating their employees through large bundles of financial and welfare incentives while focusing on career paths, training and development, working culture, personal development, etc. In large, small, corporate, not-for-profit, or government organizations, competition exists for retaining skilled, talented employees (Masood et al.,2020). Also, replacing experienced, skilled, and talented employees takes much work. Once the organizations lose them, they may lose many valuable relationships and existing or future business. Hence, it is paramount to retain, develop, and groom its sales force in banking and insurance.

Uncontrolled employee turnover can destroy banks' efficiency and profits in the banking sector. A well-trained human resource is a distinct competitive edge for the sustainable business performance of a bank (Gunawardhana & Damayanthi, 2019). Most of the sales personnel in the Banking sector in Sri Lanka are school leavers and are relatively young compared to the majority employed in some other industries. Even though banks are practicing some techniques to satisfy their employees, they switch to other financial institutions in the same industry due to their huge opportunities. Therefore, Sri Lankan banks have been unable to retain a pool of employees for a long time (Pushpasiri & Ratnayaka, 2018).

High turnover of insurance agents is a widespread problem faced by many insurance companies in Sri Lanka, leading to enormous problems within the industry. As a rapidly growing sector in the Sri Lankan financial market context, insurance brings new employment opportunities. Insurance companies are demanding quality human resources, and their retention plays a vital role in the development of the industry (Manodara & Hearth, 2015). The major challenge for insurance companies in Sri Lanka is the

retention of an employee; youthful, lively, and insightful employees are constantly prepared to switch over at whatever point they get disappointed for any reason in their employment (Luckmizankari, 2017). Given the above backdrop, the objective of this study is to examine the determinants of job satisfaction among the sales personnel in Sri Lanka in the Insurance and Banking industries based on the Minnesota Job Satisfaction model.

## **2. LITERATURE REVIEW**

### ***2.1. Sales force turnover***

High earning capacity directly tied to individual efforts has made sales an attractive profession that provides autonomy with unambiguous standards (Loveland et al., 2015). Therefore, it is important for organizations to clearly understand the reasons why salespeople leave organizations (Griffeth & Hom, 2001; DeConnick, 2011). A high cost is involved when the salespeople leave as the replacements take time and recruitment costs money. In addition, that creates a strong possibility of losing sales if the respective sales territories or customer bases are properly serviced once the replacement is recruited, trained, and put into work (Fournier et al., 2010). Further to the customer revenue loss, Sales force turnover affects the organizations as their investments in training and development, incentives, and customer relationship-building programs go to waste (Sunder et al., 2017). Salespeople are the single point of contact between the organization and the customer, and losing that link could destroy or hamper the most important relationship between the organization and the customer (Bendapudi & Leone, 2002). Even if a replacement is found, there is a time gap until the new salesperson builds up the relationship with customers and wins their trust to generate the same revenue for the organization (DeConinck & Johnson, 2009). Based on the above, organizations have realized that sales force turnover is a key consequence of cost prioritization, given that replacement remains a serious problem that can entail complications (Skiba et al., 2016). The cost of monetary value itself is substantial in terms of sales force turnover. The replacement cost of a salesperson is more than double that of a similar replacement in any other function (Richardson, 1999).

The running turnover rates have pushed many organizations into the dark as training costs are escalating, compensation for competent sales personnel is increasing, and qualified replacement pools are diminishing (Sager, 1990).

The studies have revealed that more than half of the attrition of sales personnel is voluntary (Adidam, 2009), while the sales profession has been identified as one of the most difficult jobs in which to find replacements (Rivera, 2007). Decades of research have examined the turnover issue (Futrell & Parasuraman, 1984), and recent research indicates the problem persists (Aggarwal et al., 2004). Research conducted in the Sri Lankan context has concluded that the survey results reveal that the Organizational Factors, followed by the Work-Related Factors, were the most influential variables for sales personnel to stay or quit the organization (Wimalana, 2017).

## **2.2. Relationship of job satisfaction on turnover intention**

Satisfaction with a job is a most delightful and optimistic emotional state resulting from the valuation of their experience (Locke, 1976). Turnover intention can be strongly predicted with job satisfaction (Martin, 2007). The high satisfaction of the employee with the job is negatively related to turnover (Koh & Goh, 1995; Loveday, 1996). An employee's positive or negative feeling about the job is job satisfaction (Spector, 2003). It is considered the end feeling of a person after performing a task. To the extent that a person's job fulfills his dominant needs and is consistent with his expectations and values, the job will be satisfying. (Kaur, Bandhanpreet, Mohindru and Pankaj., 2013). Generally, job satisfaction has been identified to be negatively related to turnover, i.e., higher job satisfaction, less turnover, and vice versa (Griffeth et al., 2000; Khatri et al., 2001; Tett & Meyer, 1993; Vong, 2003).

## **2.3. Antecedents to job satisfaction**

Many scholars have conducted many researches to explain the antecedents towards the job satisfaction. Employee remuneration, relationship with supervisor, functions of the job, and working conditions have been mentioned as causes for employee satisfaction by Griffeth et al. (2000).

## **3. METHODOLOGY**

When deciding which research strategy to adopt, one needs to identify the purpose of the study and the type and availability of the required information. Both research methods are interconnected and have been considered by scholars to complement each other. Quantitative research is generally "objective," although some may argue that it can be "subjective" as well (Dewasiri et al., 2022). Creswell (1994) defines quantitative research

as an inquiry into social or human problems based on testing a hypothesis or a theory composed of variables measured with numbers and analyzed with statistical procedures to determine whether the hypothesis or the theory holds. As the researchers decided to test the job satisfaction of sales personnel in the insurance and banking industry in Sri Lanka through the Minnesota Job Satisfaction Survey, the research method used in this study was quantitative.

The Minnesota Satisfaction Questionnaire (MSQ) was used to check the job satisfaction of sales personnel in the insurance and banking industry in Sri Lanka. That has been designed to measure an employee's satisfaction with his or her job. This is a widely used and well-accepted model for checking job satisfaction, as shown in the manual by the University of Minnesota (1967). Under this concept, various job functions have been well explained, and for this study, the recommended 20-question Likert scale method in 1977 was used. The MSQ provides more specific information on the aspects of a job that an individual finds rewarding than more general measures of job satisfaction. This form consists of 20 items, and factor analysis of the 20 items resulted in two factors--Intrinsic and Extrinsic Satisfaction. The selection was based on the normative data presented for the scales for sales from the six selected occupations found in the manual. Therefore, a five-point Likert scale ranging from 5: Very Happy to 1: Very Unhappy was used in this study. A questionnaire was prepared with the 20 questions in the selected Minnesota Job Satisfaction survey and other profiling variables deemed important to analyze the outcome in detail if necessary. Gender, marital status, age, and years of experience in the Banking and Insurance industry were measured. The questionnaire was sent to the personal email of the employees in Google Survey who are directly involved in the sales function in the Top 5 Banks and Top 5 Insurance Companies in the Country with the support of their respective HR Departments with the promise of sharing the overall outcome for them to identify and take remedial actions if necessary to reduce the turnover of their sales employees. The confidentiality of their feedback was guaranteed, and the responses were satisfactory, as 241 properly completed forms were received for analyses.

#### **4. DATA ANALYSES AND DISCUSSION**

Regression analysis was used to analyze data. Regression analysis is often used to model or analyze data. Most survey analysts use it to understand the relationship between the variables, which can be further utilized to predict



the precise outcome. The respondents' profiles revealed that most of them are males, married, over 30 years old, and have experience in the industry.

**Table 1:** Sample Profile

Age	N	Percentage
Below 25	26	10.80%
From 25 – 30	54	22.40%
From 30 – 35	49	20.30%
Above 35	112	46.50%
Gender		
Male	180	74.50%
Female	61	25.50%
Marital Status		
Single	80	33.20%
Married	27	11.20%
Married and have children	134	55.60%
Service in Banking or Insurance Industries		
Below 2 years	63	26.40%
From 2 years to 5 years	41	17.20%
From 5 years to 10 years	48	19.70%
Over 10 years	89	36.80%

**Source:** Authors' own

All 20 questions were analyzed by application of percentage for each answer based on the responses received for different categories in the Likert scale. By doing this, the researchers were able to gather information with regard to the differences in responses within the 20 questions in the survey.

**Table 2:** Survey Results

Indicator	1 Very happy %	2 Happy %	3 Neutr al %	4 Unhap py %	5 Very Unhappy %
1 Being able to keep busy all the time	24.9	46.1	18.3	10.4	0.3
2 The chance to work alone on the job	35.3	39.4	15.8	8.3	1.2
3 The chance to do different things from time to time	51	39.8	8	1	0.2
4 The chance to be somebody in the community	48.1	37.3	11.2	2	1.4
5 The way my boss handles his/her work	28.2	42.7	17.4	8.3	3.4
6 The competence of my	24.5	53.1	14.5	3	4.9

	supervisor on taking decisions					
7	Being able to do things that does not go against my conscience	22.4	49.8	19.5	5.3	3
8	The way my job provides for steady employment	29.5	52.7	11.6	4	2.2
9	The chance to do things for other people	55.2	39.8	4	1	0
10	The chance to tell people what to do	42.6	40.7	9.6	6.5	0.6
11	The chance to do something that makes use of my abilities	49.8	42.7	7	0.5	0
12	The way company policies are put into practice	27	43.6	23.7	3	2.7
13	My pay and amount of work I do	28.6	40.7	14.9	12.9	2.9
14	The chances of advancement in this job	30.7	43.6	7	18.7	0
15	The freedom to use my own judgment	32.8	48.5	9.1	7.9	1.7
16	The chance to use my own method in doing the job	40.7	41.5	8.5	8.3	1
17	The working conditions	32.4	47.3	15.8	3.5	1
18	The way my co-workers get along with each other	25.7	54.8	14.1	4.4	1
19	The praise I get for doing a good job	34	45.2	14.1	5.7	1
20	The feeling of accomplishment I get from the job	32.4	54.8	8	2.8	2

**Source:** Authors' own

The findings of the responses provide some interesting insights. Overall, the responses of the sales personnel in the sample who are in the Insurance and Banking sector in Sri Lanka have said that they are happy in all 20 aspects under which the Minnesota Job Satisfaction survey is conducted. In general, all answers depicted a picture of over 70% of the employees being happy or very happy for all 20 questions tested through the research. Therefore, the researchers decided to check the responses for each 20 points in the scale, looking at the aggregated points received for the 'Very Happy' and 'Happy' clusters covered under each element. The results of that study revealed the following information.

The responses of the sales personnel in the sample who are in the Insurance and Banking sector in Sri Lanka have said that they are happy in all 20 aspects under which the Minnesota Job Satisfaction survey is conducted. In general, all answers depicted a picture of over 70% of the employees being happy or very happy for all 20 questions tested through the research. Therefore, the researchers decided to check the responses for each 20 points on the scale by looking at the aggregated points received for the 'Very Happy'

and 'Happy' clusters covered under each element. The results of that study revealed the following information.

**Table 3:** Findings of the responses – Happy and Very Happy category

<b>Indicator</b>	<b>Very happy %</b>	<b>Happy%</b>	<b>Total %</b>
1 Being able to keep busy all the time	24.9	46.1	71%
2 The chance to work alone on the job	35.3	39.4	75%
3 The chance to do different things from time to time	51	39.8	91%
4 The chance to be somebody in the community	48.1	37.3	85%
5 The way my boss handles his/her work	28.2	42.7	71%
6 The competence of my supervisor on taking decisions	24.5	53.1	78%
7 Able to do things that does not go against my conscience	22.4	49.8	72%
8 The way my job provides for steady employment	29.5	52.7	82%
9 The chance to do things for other people	55.2	39.8	95%
10 The chance to tell people what to do	42.6	40.7	83%
11 The chance to do something using of my abilities	49.8	42.7	93%
12 The way company policies are put into practice	27	43.6	71%
13 My pay and amount of work I do	28.6	40.7	69%
14 The chances of advancement in this job	30.7	43.6	74%
15 The freedom to use my own judgment	32.8	48.5	81%
16 The chance to use my own method in doing the job	40.7	41.5	82%
17 The working conditions	32.4	47.3	80%
18 The way my co-workers get along with each other	25.7	54.8	81%
19 The praise I get for doing a good job	34	45.2	79%
20 The feeling of accomplishment I get from the job	32.4	54.8	87%

**Source:** Authors' own

The chance to do things for other people, do something that makes use of my abilities, and do different things from time to time have taken the top positions in the satisfaction scale with 95%, 93%, and 91%, respectively, where the respondents have answered happy and very happy. This could be a unique feature in the industries they are involved in, as both the banking and insurance industries provide their salespeople with the opportunity to

go out and explore many options with their potential customers. For each customer's banking and insurance needs, these sales professionals are equipped with many different solutions, and they can suggest the best option based on the customer's requirements and ability. Customer satisfaction can be why they feel comfortable and happy, culminating in the belief that they have a chance to do things for other people.

The next two points in the Top 5 elements under the job satisfaction survey include the feeling of accomplishment I get from the job at 87% and the chance to be somebody in society at 85%. When you analyze them, it can be easily understood how these two elements are directly linked to the Top 3 elements, as there is a strong relationship within all 5 elements. By doing something good for others using your abilities and doing different things from time to time, you derive the happiness of accomplishing a job well, which paves the way for you to become somebody in society.

When you look at the profile of these respondents, you find that 67% are above 30 years of age, 68% are married, and 57% have more than 5 years of experience in the banking or insurance industries. These are the 'Esteem' needs when a person reaches a higher level in the pyramid and seeks self-esteem, respect, status, and recognition (Maslow, 1943).

Although all 20 elements in the Minnesota survey have received over 69% under 'Happy' and 'Very Happy' status, the researchers are attempting to understand why there is a discrepancy amongst them, ranging from 69% to 95%. The Top 5 elements were discussed above, and now the attention is focused on the Bottom 5 elements. 'My pay and amount of work I do' has received the lowest marks of 69% under the 'happy' and 'very happy' scales. This means that although they are happy overall with all elements of their work, about all other elements tested under the survey, the respondents feel their remuneration needs to be considered by management in the banking and insurance industries. Agustiniingsih et al. (2016) have indicated that job satisfaction levels for individuals expecting to remain in their current post are not significantly affected by current payment inequities. However, for those who expect to move firms, the amount of payment inequity significantly positively affects their job satisfaction. Understanding whether this result has been influenced by those contemplating a change in their workplaces is significant.

'The way my boss handles his/her work' received only 71% of happy and

above status. As indicated earlier, most employees who responded were not very young or experienced. They are full of self-esteem needs. That may create a situation where they sometimes disagree with the instructions given by the respective line managers. Job satisfaction and the supervisor-subordinate relationship have a significant influence on organizational commitment, with job satisfaction contributing more to organizational commitment than the other exogenous variable (Babalola, 2016). According to Meyer and Allen (1991), those who have a higher organizational commitment stay with the organization. 'Being able to keep busy all the time' also received 71%, which indicates that the respondents have an impression that the respective organizations need to utilize their time properly. Perceived skill utilization has consistently been among the strongest predictors of job satisfaction (Morrison et al., 2005). This means that if the employees perceive that the organization is not getting the maximum of their skills, it could be interpreted as a waste of time staying in those organizations if they allow them to use only a limited set of skills.

The other element that has received 71% points from the respondents is how company policies are put into practice. Compared to many other elements tested with them, they are less happy with how the banking and insurance industry organizations in Sri Lanka execute the organization's policies regarding the practice. Shadur and Rodwell (1999) tested whether Organizational climate factors such as the shared perception of the informal and formal policies, practices, and procedures affected employee job satisfaction, and they suggested bureaucratic policies and practices may enhance job satisfaction. The feedback paints a picture of negativity, and indicates a loss of trust under the above point.

The last point discussed under the lowest satisfied points is 'Being able to do things that do not go against my conscience,' which has received 72% points above 'happy' and 'very happy' comments. This has a direct relationship with the point discussed above. As these sales employees are directly working with the customers, this shows that, at times, they feel that the company policies, rules, and regulations are different from what they believe is right. If this is related to Organizational Justice, we need to understand that, as Dailey and Kirk (1992) stated, perceptions of organizational justice affect job satisfaction and turnover intention. Essentially, employees desire consistency between their ethical value system and the ethical climate of their organization (Schwepker, 1999). Assuming that employees generally

strive to be individually ethical, dissonance results if they perceive little top management support for ethical behavior, an unfavorable ethical climate, and little association between ethical behavior and career success. This dissonance will, in turn, reduce job satisfaction (Koh & Boo, 2001).

## 5. CONCLUSION AND CONTRIBUTIONS

This study found that the Insurance and Banking Industry sales personnel in Sri Lanka are happy on all 20 elements tested under the Minnesota Job Satisfaction survey, as the range of 'happy' and 'Very Happy' marks combined ranged from 69% to 95%. As the range was too wide, the Top 5 and Bottom 5 elements were analyzed to understand whether there was a relationship among the respective points. The Top 5 points displayed a close relationship with each point as one point led towards the other. It could have been summarized as doing something good for others using the employee's abilities and doing different things from time to time; the employee derived the happiness of accomplishing a job well, which paved the way for the employee to become somebody in society. These elements were understood as the unique features of the respective industries. Therefore, as long as these industry practices do not change, sales personnel will enjoy the same in the future.

The situation with the Bottom 5 elements was different. The lowest index was noticed regarding the salary they receive in both industries regarding their work. Management needs to understand how these remuneration packages vary from the other similar sales jobs in the Sri Lankan markets. 'The way my boss handles his/her work' and 'Being able to keep busy all the time' were the other two elements with the lowest satisfaction marks. As most respondents had 5 years of experience, the management in both industries needs to look at these two points carefully. With seniority, frustration could be set in if the employee does not see a proper career path. That could lead to a leader-member conflict. The same reason could occur with the seniors who feel that the organization does not get the maximum from their capabilities. Many research studies have explained the relationship among these variables; therefore, management attention is required to safeguard the sales personnel within the organization. The way company policies are put into practice and being able to do things that do not go against employees' conscience were the other two elements found at the bottom 5. These two elements have a relationship as they address the organization's ethical climate. Most of the time, this could only be a

perception, as sales personnel frequently empathize with their customers and fight for them within the organization. Therefore, management must ensure that sales personnel understand the reason behind organizational decisions, as they can unknowingly damage the organization's image when they communicate with outsiders.

### ***5.1. Limitations and suggestions for future research***

The researchers conducted this using only one of the tools available. Although the Minnesota Job Satisfaction Survey has been tested widely for reliability and validity in many cultures, the value of many other tools must be supported for the same purpose. The research objective was to identify the antecedents of sales force turnover finally. Therefore, it cannot be predetermined that Job Satisfaction is the only contributing factor. That limitation must be overcome for future studies on the same subject. Many research studies indicate employee turnover negatively affects organizational commitment (Meyer & Allen, 1997). Therefore, it is suggested that future research on the same include Organizational Commitment in addition to Job Satisfaction.

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## **ATTITUDE OF INDIAN MILLENNIAL'S TOWARDS INSTAGRAM ADVERTISEMENTS**

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### **ABSTRACT**

This research paper investigates millennials' attitudes toward Instagram advertisements, examining factors such as credibility, entertainment, personalization, influencer attractiveness, and irritation. It also explores how these factors impact millennials' attitudes towards brands and their purchase intentions. Data collected from 164 millennials through questionnaires was analyzed using multiple regression analysis, revealing the factors' positive impact on millennials' attitudes toward Instagram ads. By elucidating the factors influencing millennials' attitudes towards ads on this popular social media platform, the study offers actionable insights for marketers aiming to craft more effective and engaging advertising campaigns tailored to this key demographic segment.

**Keywords:** Instagram advertisement, influencer attractiveness, millennial generation, purchase intention, social media.

### **1. INTRODUCTION**

The development of technology and its widespread adoption among people have increased the time they spend online (Dewasiri et al., 2022). The advancement in digital technology has changed the brand to do digital marketing, shifting from traditional marketing to social media marketing. *Social media* is a virtual network through which individuals establish and maintain their social connections through the virtual network (Ellison et al., 2007). Nowadays, Instagram is one of the most popular social media platforms (Evans et al., 2017; Walgamage & Rathnasiri, 2023). Since Instagram launched, it has grown significantly and has become the most

popular social media platform. In March 2023, 180 million people were active Instagram users in India, out of which 21.67% are millennials. Because of its huge popularity, various brands have started using Instagram as a marketing strategy.

Instagram has become the most popular social media platform among the various social media, betting on image-based online life (Robertson, 2019). The millennial generation is the majority of Instagram users. The millennial generation is the internet generation, which brings constant connectivity, social media, unlimited entertainment, and a new level of communication (Dimock, 2019). They are the savvier in the advertisement. Traditional advertisement and celebrity endorsement methods have become needed to be updated. The markets have been changing, and to survive in the market, digital adoption is a must. Research Problem: There is various research done on social media; however, to my knowledge, there has been no research done on Indian millennial's attitudes or behavioral intentions toward Instagram advertisements. The objectives of this research paper were to Examine the factors that impact the attitude of millennials toward Instagram advertisements. Does the attitude of the millennial towards Instagram advertisements impact the attitude towards the brand? Is the Purchase intention of millennials impacted by their attitude toward the brand?

## **2. LITERATURE REVIEW**

### **2.1. Social Media**

Social media is one of the influential factors that assess the individual's purchase decision. Social media is informal communication between the communicator and receiver regarding a service, brand, or product (Woo et al., 2015). Various studies have discussed social media as a factor that impacts the customer when selecting services or products. Social media is considered one of the sources of information for interested people (Varadarajan et al., 2022). Social media has become part of our lives. According to Kaplan & Haenlein (2010) social media is "a group of Internet-based applications that build on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user-generated content."

## **2.2. Purchase intention**

Some visual characteristics can influence the consumer's intention to purchase a product or service (Goodrich, 2011). Social media advertising positively impacted consumer purchase intention (Duffet, 2015). To predict the consumer's behavior, it is necessary to know the attitudes, internal factors, and assessments that generate the purchase intent (Fishbein & Ajzen, 1977). Online purchase intention is the degree to which a consumer is willing to buy a product through the online store. (Pena-Garcia, Gill-Saura, Rodriguez-Orejuela, & Siqueira-Junior, 2020).

## **2.3. Credibility**

Credibility is defined as the extent to which the consumer perceives the claims made about the brand in the ad to be believable and truthful (Mackenzie & Lutz, 1989). Credibility is an important factor influencing consumer behavior and attitude (Lafferty & Goldsmith, 1999). The credibility of advertising is related to consumer perception of truth and trust, which directly affects the effectiveness of advertising (Arya & Kerti, 2020).

H<sub>1</sub>: Credibility has a positive impact on attitude towards Advertisement

## **2.4. Irritation**

Irritation is an advertisement that results in intolerance, discomfort, and unpleasant content (Aaker & Bruzzone, 1985). Whenever advertisement gave disturbing, attacking, manipulative message, consumers have the perception that the advertisement is irritating or undesirable (Ducoffe, 1996).

H<sub>2</sub>: Irritation has a positive impact on attitude towards Advertisement

## **2.4. Entertainment**

The entertainment value of advertising involves the experience of consumer pleasure when exposed to the advertisement (Korgaonkar et al., 2001). Consumers prefer to see entertaining advertisements (Alwitt & Berger, 1993). Online messages that are enriched with entertaining content achieve a more positive assessment by the recipient (Raney et al., 2003).

H<sub>3</sub>: Entertainment has a positive impact on attitude towards Advertisement

### **2.5. Personalization**

Personalization is one of the main factors that influence consumers, especially females,' attitudes towards advertisements (Pikl, 2020). Because of this reason, marketers should never leave personalization while working on advertising design (Xu, 2006). Kotler (2009) defined personalization as "the ability of a company to recognize and treat its customers as individuals through personal messaging, targeted banner ads, special offers on bills, or other personal transactions."

H<sub>4</sub>: Personalization has a positive impact on attitude towards Advertisement

### **2.6. Influencers attractiveness**

In the social media context, an influencer is a person who gets paid by the company to show and describe their products and services on social media and encourage people to buy them. Instagram is the most common social media platform that influencers use. Influencers have many characteristics that influence or have an impact on the behavior of customers.

H<sub>5</sub>: Influencer attractiveness has a positive impact on attitude towards Advertisement

### **2.7. Attitude towards the advertisement**

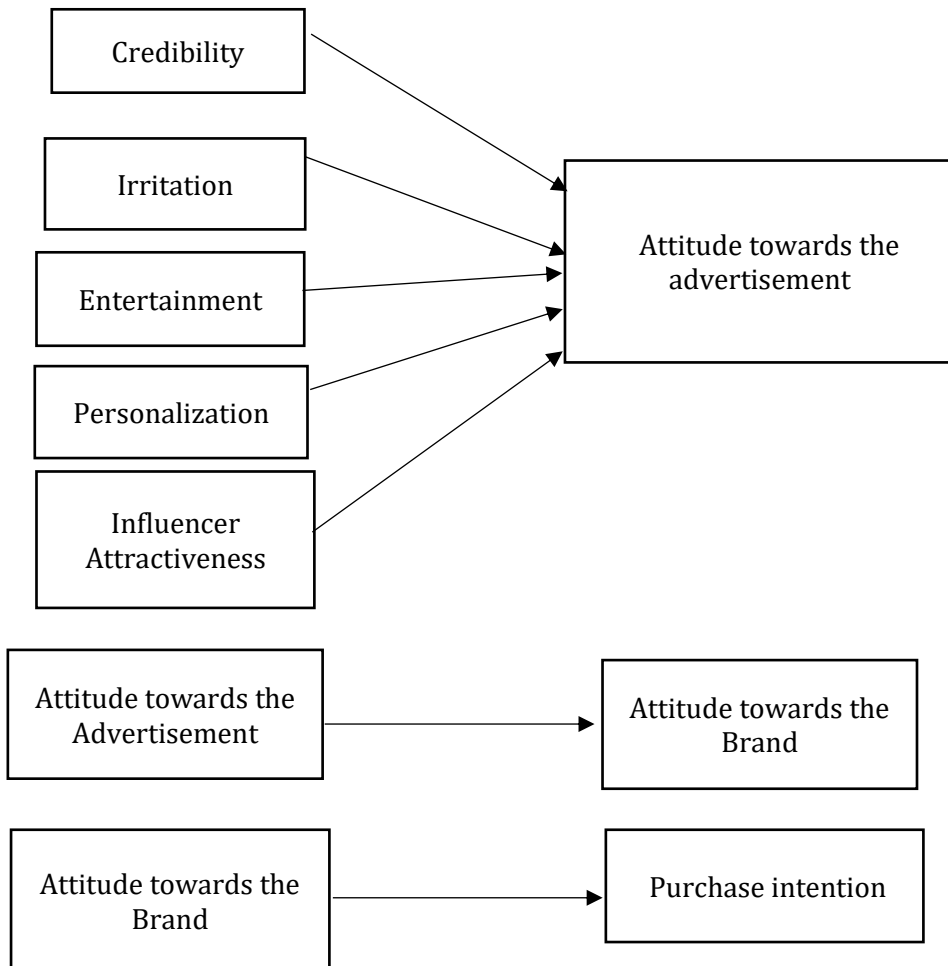
According to (Lutz, 1985), an attitude towards the ad is a predisposition to respond favorably or unfavorably to a particular advertising stimulus during a particular exposure or occasion. Shavitt et al. (1998) stated that the propensity to dislike advertising might change as the consumer feels more entertained by the advertisement.

H<sub>6</sub>: attitude towards advertisement has a positive impact on attitude towards brand

### **2.8. Attitude towards the brand**

To be successful, brands were adopting different methods to generate their sales. They adopt different strategies to reach their final goal, usually a customer end purchase (Brandi, 2019). Brands increase its loyalty, which results in higher purchase intention of customers (Shukla, 2010).

H<sub>7</sub>: Attitude towards the brand has a positive impact on purchase intention.



**Figure1:** Conceptual Framework

### 3. METHODOLOGY

This study used descriptive research. It will clarify the attitude of the millennials toward Instagram advertisements and how the various factors impact their attitude towards Instagram advertisements. Data were collected by using a simple random sampling technique, as the study includes dependent and independent variables. Data were collected from 165 millennials randomly within a one-month period. Data was collected through a Google Forms questionnaire. The data were collected by using 5 points Likert Scale consisting of (1) strongly agree, (2) agree, (3) neutral, (4) Disagree, (5) strongly disagree. The measurement items are based on the literature review and previous studies used to measure the attitude toward Instagram advertisements.

#### 4. DATA ANALYSIS AND RESULTS

Data was analyzed using SPSS. Multiple regressions were performed for the study. In this study, attitude towards advertisements, attitude towards brands, and purchase intention of the millennial generation are the dependent variables, and other variables are the independent variables. Firstly, we computed the mean value of each variable to make the analysis easy.

**Table 1:** Model summary of credibility

Model Summary				
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.488a	.239	.233	.54515

**Source:** Authors' own

Table 1 shows the movable 1mmary of simple linear regression analysis of mediating variable credibility and dependent variable, the attitude towards the millennial generation's advertisement. In the table, the explanatory variable accounted for about 23.9 percent of the variation in the regression model.

**Table2:** Coefficient of credibility

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (constant)	1.200	.114		10.492	.000
Credibilit y	.420	.062	.488	6.810	.000

**Source:** Authors' own

Table 2 shows the coefficient of simple linear regression between the credibility and attitude towards the advertisement of the millennial generation. The findings reveal that the independent variable credibility is the important variable that impacts the attitude towards the ad of the millennial generation with a statistical significance level of 0.000. 1 percent increase in changes in credibility has a positive relation to the rise in the attitude towards the advertisement of millennials by 42 percent while holding the other variables constant.



**Table 3:** Model summary of Irritation

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.592 a	.351	.347	.50333

**Source:** Authors' own

Table 3 shows the model summary of simple linear regression analysis of mediating variable irritation and the dependent variable of attitude towards the advertisement of the millennial generation. In the table, the explanatory variable accounted for about 35.1 percent of the variation in the regression model.

**Table 4:** Coefficient of Irritation

Coefficient sa					
Model		Unstandardized Coefficients B	Standardized Coefficients Std. Error	t	Sig.
1	(Constant)	.754	.136	5.529	.000
	Irritation	.602	.067	8.944	.000

**Source:** Authors' own

Table 4 shows the coefficient of simple linear regression between the irritation and attitude towards the advertisement of millennial generation. The findings reveal that the independent variable irritation is the important variable that have impact on the attitude towards the advertisement of the millennial generation with the statistical significance level 0.000. 1 percent increase changes in the credibility has a positive relation of increase in the attitude towards the advertisement of millennials by 60.2 percent, while holding the other variables constant.

Table 5 shows the model summary of simple linear regression analysis of mediating variable entertainment and the dependent variable of attitude towards the advertisement of the millennial generation. In the table, the explanatory variable accounted for about 23.3 percent of the variation in the regression model.

**Table 5:** Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.483 <sup>a</sup>	0.233	0.228	0.54701

**Source:** Authors' own

Table 6 shows the coefficient of the simple linear regression between entertainment and attitude toward the advertisement of the millennial generation. In Table 6, the analysis reveals that the independent variable, entertainment, is the important variable that impacts the attitude towards the advertisement of the millennial generation with a statistical significance level of 0.000. One percent increase in changes in entertainment use has a positive relation to the rise in the attitude towards the advertisement of millennials by 34.8 percent while holding the other variables constant.

**Table 6:** coefficient of entertainment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.113	0.128		8.705	0.000
	entertainment	0.348	0.052	0.483	6.712	0.000

**Source:** Authors' own

Table 7 shows the model summary of simple linear regression analysis of mediating variable personalization and the dependent variable of attitude towards the advertisement of the millennial generation. In the table, the explanatory variable accounted for about 22.4 percent of the variation in the regression model.

**Table 7:** Model summary of personalization

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.473a	.224	.219	.55030

**Source:** Authors' own

Table 8 shows the coefficient of simple linear regression between personalization and attitude towards advertisement for the millennial generation. In Table 8, the analysis reveals that the independent variable personalization is the important variable that has an impact on the attitude towards the advertisement of the millennial generation with a statistical significance level of 0.000. One percent increase in changes in personalization has a positive relation to the rise in the attitude towards the advertisement of millennials by 50 percent while holding the other variables constant.

**Table 8:** Coefficient of personalization

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.026	0.144		7.142	0.000
1 Personalization	0.50	0.076	0.473	6.538	0.000

**Source:** Authors' own

Table 9 shows the model summary of simple linear regression analysis of mediating variable influencer attractiveness and dependent variable attitude towards the advertisement of the millennial generation. In the table, the explanatory variable accounted for about 16.7 percent of the variation in the regression model.

**Table 9:** Model summary of influencer attractiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.408a	0.167	0.161	0.57033

**Source:** Authors' own

Table 10 shows the coefficient of the simple linear regression between influencer attractiveness and attitude toward the advertisement of the millennial generation. In Table 10, the analysis reveals that the independent variable, influencer attractiveness, is the important variable that has an impact on the attitude towards the advertisement of the millennial generation with a statistical significance level of 0.000. One percent increase in changes in influencer attractiveness has a positive relation to the rise in the attitude towards the advertisement of millennials by 32.3 percent while holding the other variables constant.

**Table 10:** Coefficient of influencer attractiveness

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.221	0.136		8.949	0.000
1 Influencer attractiveness	0.323	0.059	0.408	5.439	0.000

**Source:** Authors' own

Table 11 shows the model summary of simple linear regression analysis of mediating variable features and the dependent variable of attitude towards the brand of the millennial generation. In the table, the explanatory variable accounted for about 22.4 percent of the variation in the regression model.

**Table 11:** Attitude towards the brand

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.473a	0.224	0.219	0.5503

**Source:** Authors' own

Table 12 shows the coefficient of simple linear regression between the attitude towards the brand and attitude towards the advertisement of the millennial generation. The analysis reveals that the independent variable attitude towards advertisement is the important variable that has an impact on the attitude towards the brand of the millennial generation with a statistical significance level of 0.000. One percent increase in change in the attitude towards the advertisement has a positive relation to the rise in the attitude towards the brand of millennials by 50 percent while holding the other variables constant.

**Table 12:** Coefficient of attitude towards the brand

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.026	0.144		7.142	0.000
	Attitude towards the brand	0.5	0.076	0.473	6.538	0.000

**Source:** Authors' own

Table 13 shows the model summary of simple linear regression analysis of mediating variable attitude towards the brand and dependent variable of purchase intention of the millennial generation. In the table, the explanatory variable accounted for about 28.2 percent of the variation in the regression model.

**Table 13:** Model summary for purchase intention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.531a	0.282	0.277	0.52942

**Source:** Authors' own

Table 14 shows the coefficient of simple linear regression between the attitude towards the brand and the purchase intention of the millennial generation. In Table 14, the analysis reveals that the independent variable attitude towards the brand is the important variable that has an impact on the millennial generation's purchase intention with a statistical significance level of 0.000. A one percent increase in the attitude toward the brand has a positive effect.

**Table 14:** Coefficient of purchase intention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.85	0.147		5.798	0.000
	Purchase intention	0.529	0.069	0.531	7.622	0.000

**Source:** Authors' own

## 5. DISCUSSION OF THE FINDINGS

The study systematically explores the intricate dynamics shaping the attitudes of the millennial generation towards Instagram advertisements, meticulously dissecting the influence of various factors. Beginning with credibility, the research reveals a discernible positive impact on millennials' attitudes toward ads, a finding that resonates with the conclusions drawn by Gaber et al. (2019), lending robust support to the significance of credibility in shaping advertising perceptions. Conversely, the emergence of irritation as a positively influencing factor in attitudes diverges from conventional wisdom, challenging prior research findings and highlighting the nuanced nature of millennial attitudes towards advertising stimuli.

Furthermore, the study sheds light on the pivotal role of entertainment in influencing millennials' attitudes toward ads, echoing the findings of Gaber et al. (2019) and underscoring the compelling allure of entertaining content in capturing and retaining millennial attention. Similarly, the exploration of personalization as a factor reveals its positive impact on millennials' ad attitudes, contradicting earlier research and emphasizing the importance of tailored and personalized advertising experiences in resonating with this demographic.

In addition, the study delves into the realm of influencer attractiveness, unveiling its significant influence on millennials' attitudes toward ads, a phenomenon corroborated by Abraham et al. (2022) and Yuan & Lou

(2019). The recognition and recall potential of influencers in promoting products and services underscore the growing importance of influencer marketing in contemporary advertising strategies, particularly when targeting millennial consumers.

Moreover, the research illuminates the ripple effect of millennials' positive attitudes toward Instagram ads on their attitudes toward brands, aligning with the findings of Gaber et al. (2019) and Muehling and Mccann (1993). This symbiotic relationship between ad attitudes and brand perceptions highlights the pivotal role of Instagram as a platform for brand engagement and affinity-building among millennials.

Lastly, the study uncovers the pivotal link between millennials' attitudes toward brands and their purchase intentions, echoing the findings of Lee et al. (2017) and underlining the critical importance of fostering positive brand perceptions to drive consumer purchasing behavior. Together, these findings offer invaluable insights for marketers seeking to craft tailored and impactful advertising strategies that resonate with the discerning preferences and behaviors of the millennial demographic on Instagram.

## **6. CONCLUSION AND CONTRIBUTION**

The research explores the millennial generation's attitudes towards Instagram advertisements, focusing on five key factors: credibility, irritation, entertainment, influencer attractiveness, and personalization. Findings indicate that credibility positively influences millennials' attitudes toward ads, aligning with previous research by Gaber et al. (2019). Conversely, while irritation impacts attitudes positively, it contradicts earlier findings. Entertainment and influencer attractiveness both correlate positively with millennials' attitudes toward ads, echoing previous research. Personalization also positively impacts attitudes, although differing from Gaber, Wright, & Kooli's (2019) results.

Moreover, the study investigates how these attitudes toward ads affect millennials' perceptions of brands and subsequently, their purchase intentions. Results demonstrate that positive attitudes toward Instagram ads also affect brand attitudes positively, which in turn influence purchase intentions. Given Instagram's popularity among millennials, the study's focus on this platform yields insightful conclusions. Understanding these factors can inform marketing strategies tailored to the millennial mindset, facilitating effective engagement with this demographic and enhancing brand influence and sales. While prior research has explored Instagram ad

perceptions, this study uniquely addresses millennials' attitudes, offering valuable insights for marketers seeking to optimize their strategies in reaching this demographic, who constitute a significant portion of social media users.

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# POPULAR OR INFLUENCIAL? EXPLORING THE DETERMINANTS RESPONSIBLE FOR THE PARADIGM SHIFT FROM CELEBRITY ENDORSEMENTS TO INFLUENCERS' MARKETING

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## ABSTRACT

This paper explores the evolution of marketing dynamics from traditional celebrity endorsements to influencer marketing in social media. It identifies key determinants driving this paradigm shift and conducts a SWOC (strengths, weaknesses, opportunities, and challenges) analysis of social media influencers. Drawing from secondary data collected from five online databases spanning 2005 to 2022, the study highlights influencers' credibility, authenticity, and relatable lifestyles as strengths, alongside challenges such as identification difficulties and influencer fraud. Opportunities include technological advancements and customized content, while challenges encompass influencers' image and convincing them to collaborate. Major determinants identified include unique personality traits, authenticity, and loyal followership. Finally, the paper integrates these findings to propose effective influencer marketing strategies for social media.

**Keywords:** Influencers' Marketing, Social Media Influencers, Social Media Marketing, Online Opinion Leaders, E-word-of-mouth.

## 1. INTRODUCTION

The proliferation of the internet and the growth of social media platforms has empowered the online community to share their opinions, amplifying peer recommendations (De-Veirman et al., 2017). The interactive nature of social media has led to interactive marketing, where consumers and

companies exist together and collaborate to develop organic content for promotion and valuable information sources for social media users (Morton, 2020). When this co-created content becomes part of customers' daily posts and activities on social media and the content developers become the trusted tastemakers for other social media users, then such content developers are termed as social media influencers (De Veirman et al., 2017; Jin et al., 2021; Lee & Eastin, 2021). More than 75 percent of marketers today rely on social media influencers to market their products (Augure, 2020; De Veirman et al., 2017). These influencers are growing rapidly, engulfing the role of celebrities to such an extent that they are now termed online celebrities.

Influencers' marketing is an outcome of social media marketing and electronic word-of-mouth. Social media marketing strategically uses online social platforms to promote products and brands. Today, these social media platforms offer interactive features, allowing people to share their views, comments, and likes with others. This has increased online word-of-mouth (De Veirman et al., 2017). This unique combination of social media and e-WOM has given rise to influencers. Influencers are leaders with social networks whom people trust and follow on social media and who can influence people's opinions., 2021; Morton, 2020). Influencer marketing involves identifying these opinion leaders and developing strategies to promote the brand, its products, and services through these social media influencers. This promotion may be done directly or subtly through their authentic social media handles. (Morton, 2020). The Word-of-mouth Marketing Association (WOMMA) defines influencers' marketing as 'identifying key communities and opinion leaders who are likely to talk about products and have the ability to influence the opinions of others.' It is a combination of native advertising and product placement strategy. The company's products and brands are featured in the influencers' content, leading to high consumer involvement and a positive brand image (Knoll et al., 2017; Lee & Eastin, 2021). Influencers aim to maximize the diffusion of information and develop a positive image of the brand (De Veirman et al., 2017; Weimann, 1994; Keller & Berry, 2003).

## **2. REVIEW OF LITERATURE**

Influencer marketing has been introduced previously. The previous literature has highlighted the idea of opinion leadership, which worked offline. Opinion leaders are defined as those individuals who have the ability

and power to influence and shape the attitudes, motivations, and behaviors of others (Freberg et al., 2011; Lee & Eastin, 2021; Valente & Pumpuang, 2006). They use a word-of-mouth marketing strategy to share their views. This concept of opinion leadership is apt to explain the phenomenon where people nowadays share their opinions and views through content on their social media handles, giving new names to online opinion leaders, i.e., social media influencers. The role and characteristics of opinion leaders are similar to those of influencers except for their offline presence (De-Veirman et al., 2017; Xiao et al., 2018).

This concept of social media influencers gained popularity from viral marketing strategies. The literature on viral marketing has highlighted the use of online celebrities whose opinion is valued and influence social media users (Freberg et al., 2011; Xiao et al., 2018). This influential online community may use any mode to express their opinions on social media, such as tweets, posts, blogs, videos, vlogs, etc. Numerous studies have highlighted the collaborations between brands and social media persons who have significant reach and can impact the attitudes and behaviors of others to promote the products and services (Jin et al., 2021).

Besides this, several studies have highlighted the characteristics of social media influencers that differentiate them from celebrities (Actors, athletes, singers, etc.). For instance, previous literature highlighted that influencers have less audience reach than celebrities (Morton, 2020). Another set of studies has highlighted that social media influencers have loyal fanbases on social media with which they have consistent communication. People follow these influencers because the content they share online through posts, blogs, vlogs, etc., may relate to their personal life or a particular domain of interest (De Veirman et al., 2017; Djafarova & Rushworth, 2017; Morton, 2020). Researchers have highlighted that influencers are considered reliable and trustworthy as people relate themselves to the lives of these influencers (De Veirman et al., 2017; Freberg et al., 2011; Lee & Eastin, 2021; Morton, 2020; Xiao et al., 2018). Therefore, it is evident from the literature itself that social media influencers are far different from celebrities.

### ***Rationale of the study***

Influencers marketing is a recent phenomenon. Research in this area was highlighted in the late 1990s and early 2000s. The existing studies on influencers' marketing highlight the characteristics that make social media

users influencers. Alternatively, the literature sheds light on those characteristics of social media influencers that persuade people to follow them. Besides this, few studies exist on influencing the power of these social media influencers that generate positive attitudes, opinions, and favorable purchase intentions. However, scant literature still explores the determinants responsible for the paradigm shift from celebrity endorsements to influencers' marketing. So, the current study attempts to answer this domain.

Also, the domain of influencers' marketing has been extensively researched in the last decade, exploring the strengths and opportunities for social media influencers. However, very few studies have explored their weaknesses and challenges. Thus, considering the relevance of this domain, the present study will identify all the determinants that create opportunities and challenges in influencers' marketing. The study will analyze these opportunities and challenges faced in light of the strengths and weaknesses of social media-based influencer marketing through the SWOC Matrix. An attempt will be made to provide strategies for strategically using identified determinants to make influencers' marketing successful. Therefore, the current study is aimed to address this gap. The study will attempt to answer the following research questions.:

- How can a SWOC analysis be administered on social media influencers' marketing?
- Secondly, what are the determinants responsible for the growth of social media influencers over celebrity endorsements?
- Thirdly, how can these determinants be combined with the SWOC matrix to give direction and strategies to make effective use of social media influencers in the present times?

### **3. RESEARCH METHODOLOGY**

Before conducting research, reviewing the existing literature is key to better understanding the state of the research in the area, which involves discerning patterns in the development of the field. Since research in influencers' marketing is relatively recent and the area itself is dynamic, this review's scope was limited from 2005 to 2021. Besides this, social media-based influencer marketing is an interdisciplinary area. Therefore, the keyword-based search was conducted on five databases relevant to social sciences. These included Proquest, EBSCO host, Emerald Library, Elsevier

Science Direct, and Wiley. Simultaneously, a keyword search was done on Google Scholar. The keywords used were 'Influencers Marketing,' 'Social Media Influencers,' 'Social Media Marketing,' 'Online Opinion Leaders,' 'e-word-of-mouth,' etc. Specific attention was given to not including the types of influencers while searching as they represent a specific segment, which limits the generalization of determinants to all social media influencers. Upon initial search, 65 publications were found relevant to the topic.

In the next stage, the publications were reviewed to find those articles studying the determinants of influencers' marketing and those describing the characteristics of social media influencers. After precise reviewing, 15 publications were selected for in-depth analysis. These selected publications included only those papers that met the criteria of (a) studying the factors/determinants influencing influencer marketing, (b) specifically applied to social media influencers, and (c) emphasizing conceptual models. These articles were critically analyzed in detail, and the broad categories of determinants were identified to develop a conceptual model relevant to social media-based influencers' marketing. The methodology adopted while reviewing was critical in light of changes in word of mouth, social media influencer's role, and technology. This critical review aimed to identify the Strengths, weaknesses, opportunities, and threats to drive a comprehensive SWOC matrix along with strategies for making influencers' marketing effective.

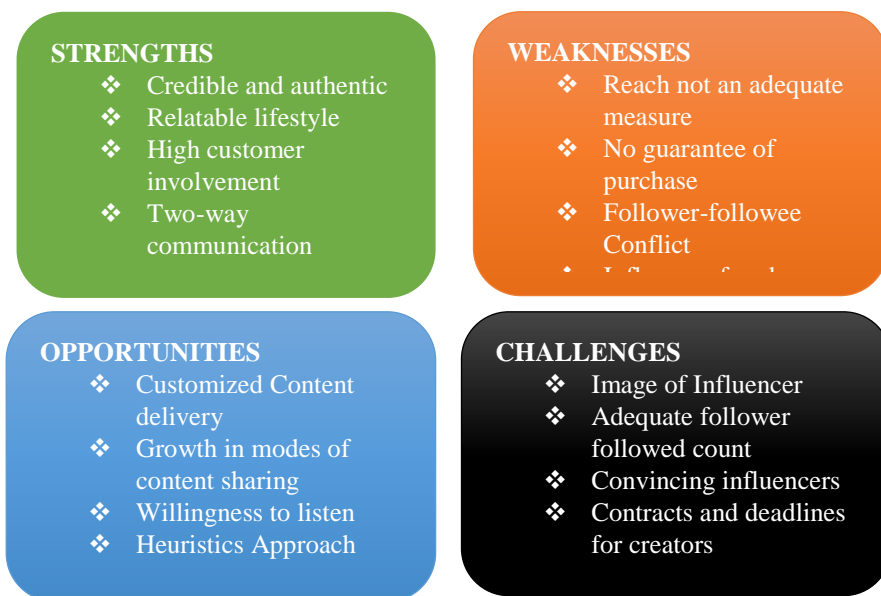
#### **4. DATA ANALYSIS AND DISCUSSION**

We used a SWOC analysis in conducting this study. A SWOC analysis is a strategic planning tool used to evaluate a situation by identifying its strengths, weaknesses, opportunities, and challenges (Marilyn & Nixon, 2010). The purpose of this analysis is to enhance the areas of strength and address weaknesses in order to achieve the desired outcome. The SWOC analysis was conducted using secondary data from journals, research studies, academic publications, and scholarly articles to investigate the second research question. Figure 1 provides a comprehensive representation of the components of the SWOC analysis.

##### *Strengths*

Previous research has revealed that social media influencers are perceived as credible sources of information as compared to paid advertisements by celebrities. The reason is that the brand promoted by them is seamlessly

woven into the content of daily posts that they share on social media (Abidin, 2016; Chia et al., 2021; De Veirman et al., 2017; Lee & Eastin, 2021), even when they remain do not project themselves on the created content (Jin et al., 2021). Apart from this, research also highlights the objective perspective of these influencers, i.e., being original, real, and unique, thereby making them an authentic source of information sharing (Jin et al., 2021; Wang, 1999). Lack of subjectivity and biases strengthens brand image (Schlegel et al., 2011; Grayson & Martinec, 2004; Lee & Eastin, 2021). Moreover, these influencers are accessible, believable, and relatable in terms of lifestyle and living, which makes influencers' influencing power stronger (Abidin, 2016; De Veirman et al., 2017; Jin et al., 2021). Besides, another strength of these influencers is that they can generate two-way communication traffic, which helps to achieve high customer involvement. This leads to lower resistance toward message (Breves et al., 2019; de Vries, Gensler, and Leeflang, 2012; De Veirman et al., 2017; Lee & Eastin, 2021; Chia et al., 2021). The intended outcome is positive attitudes, purchase intention, and purchase are reached (Chia et al., 2021; Vrontis et al., 2021).



**Figure 1:** A comprehensive representation of SWOC analysis

**Source:** Authors' own

*Weaknesses*



Undoubtedly, influencer marketing is one of the mainstream strategies for promoting brands. Still, it has certain weaknesses. For instance, the message passed through social media influencers reaches the intended audience. However, the message's reach through an influencer should be one of many criteria for a successful marketing campaign. To make this strategy effective, one must identify a credible, authentic, and reliable influencer, which is very difficult to identify. Besides this, regulations in this domain have led to fake followers, fake accounts, etc., making it difficult for companies to find genuine influencers (Vrontis et al., 2021).

Moreover, as part of the general public, influencers also follow certain influencers. Therefore, an issue arises when the influencer promotes a brand and follows another influencer who promotes competitors' brands. Moreover, calculating this follower-followee and its impact on follower's perception is yet to be tested (Cresci et al., 2015; De Veirman et al., 2017; Siegler, 2009).

### *Opportunities*

The growth in social media platforms is offering numerous opportunities for influencer marketing. For instance, promoting brands through live-streaming, delivering shoppable posts, and swipe-in features on online platforms increases the chances of instant purchase decisions (Lee & Eastin, 2021; Wang, 2021). Research has highlighted that such developments have led to an 11 percent increase in purchase instances as compared to other forms of digital marketing (Lee & Eastin, 2021; Wang, 2021). Moreover, due to online social media users, people use a heuristic approach when choosing a social media influencer. This means they prioritize peripheral cues such as number of followers (Jin et al., 2021; Vrontis et al., 2021).

Moreover, this is also an easy method for companies to choose target influencers for floating content. Apart from this, the development of ad-blocking software, etc., has also made other methods of reaching online users irrelevant. Moreover, people are willing to listen to the content shared by influencers, thereby making influencers the best strategic option (De Veirman et al., 2017; Jin et al., 2021).

### *Challenges*

Influencers' marketing, though, looks like an easy approach to target the online community. However, it has numerous challenges as well. For instance, the first and foremost task is difficulty identifying and choosing the right influencer (Momtaz et al., 2011; Pophal, 2016; De Veirman et al., 2017). The influencer's image may transfer to the image of the brand (Elliott & Wattanasuwan, 1998; Reed et al., 2012). Therefore, choosing the right influencer is a challenge. Another difficult task in the case of macro influencers is to convince an influencer to choose and use the product and share views with the public, as its credibility is also at stake, especially when the product is new (De Veirman et al., 2017; Momtaz et al., 2011; Pophal, 2016). Besides this, authenticity, from a psychological perspective, has several invisible dimensions. For instance, in the case of the follower-follower ratio, a stark difference in follower-follower count also indicates a false account or an account solely made for collaborations, thereby decreasing the credibility of the influencer even with interesting content (De Veirman et al., 2017; Vrontis et al., 2021). Apart from this, when content is promoted through expert influencers, the importance of delivering valid arguments for choosing the product is greater. Therefore, products related to hedonic needs find challenges in this scenario (Chaiken et al., 1994; Xiao et al., 2018; Shroff et al., 2024). Besides, influencers have their own content, which embeds the company's message. Therefore, setting targets, deadlines, and contracts with them is also challenging.

### ***Determinants Responsible for the Growth of Influencers' Marketing over Celebrity Endorsement***

Several determinants have led to the growth of influencers' marketing. Some of these are discussed below:

***Unique Personality Traits:*** Prior literature has identified personality traits that convert an ordinary social media user into an influencer. These are their charisma, creativity, cheerfulness, humor, extroversion, spontaneity, genuineness, self-confidence, eloquence, etc (De Veirman et al., 2017; Jin et al., 2021; Morton, 2020) Moreover, beyond physical attributes, other aspects such as perceived familiarity, similarity, and likeability also plays a fundamental role in choosing an entrepreneur (De Veirman et al., 2017; McGuire, 1985; Ohanian, 1991).

***Highly Authentic:*** Social media influencers are authentic in terms of their objective, sensitive, and unbiased opinions (Wang, 1999; Schlegel et al., 2011). They are original, real, and unique and do not copy anyone (Grayson & Martinec, 2004). As perceived by their followers, this authenticity is measured by their sincerity, truthful endorsements, visibility, expertise, and uniqueness (Breves et al., 2019; De Veirman et al., 2019). This is reflected in lower resistance towards the message (Breves et al., 2019; Chia et al., 2021; De Veirman et al., 2017; De Vries, Gensler, and Leeflang, 2012; Lee & Eastin, 2021).

***Easy to choose popular channel:*** Compared to celebrity endorsement, where measuring the popularity to choose the right celebrity is quite difficult, influencers' effectiveness can easily be predicted from the number of followers, reflecting their network size and serving as an indication of their popularity. This popularity is not only in numbers but also in positive product outcomes (De Veirman et al., 2017; Jin et al., 2021).

***Customization as per nature of the product:*** Compared to celebrity endorsement, where a single celebrity promotes every type of product, influencer marketing can be done as per the nature of the product. Products of high value and requiring more cognition can be promoted through domain-specific influencers (De Veirman et al., 2017; Jin et al., 2021). This also helps avoid losing the product's exclusivity in customers' minds (Hellofs & Jacobson, 1999).

***Loyal Followership:*** The popularity of social media influencers is measured through followership only. Also, these followers are loyal fans of the influencers who love to watch their content (Vrontis et al., 2021). This allows influencers to convince people more easily to buy the product. However, in the case of celebrity endorsement, this followership cannot be regarded as loyal (Hwang, 2015; Yoganarasimhan, 2012), though that number may be quite large (Cha et al., 2010; Romero et al., 2011).

***Better Marketing Communication:*** Compared to celebrity endorsement, influencer marketing offers two-way communication where people can share their product experiences through social media platforms,

comment sections, etc. These influencers can connect with consumers through interactive platform technologies such as live streaming, short videos, and images that can work two-way (De Veirman et al., 2017; Freberg et al., 2011; Goldsmith & Clark, 2008).

***Technology advancements:*** The advancement of technology is the major contributor to the rapid growth of social media influencers. Technological options such as livestreaming, shoppable posts, swipe in features offer social media influencers a variety of methods to ensure immediate purchase decisions (Garcia-de-Frutos & Ramon, 2021; Influencers' Marketing Hub, 2020; Lee & Eastin, 2021; Wang, 2021).

***Expertise:*** Celebrities need to be more experts in recommended brands or products. However, social media influencers portray themselves as experts in a particular domain, posting highly appealing content for a particular set of customers (De Veirman et al., 2019; Khamis et al., 2017). Such influencers whose status is derived from knowledge in a specific domain can denote passion, credibility, and diligence (Leigh et al., 2006). This leads to more emphasis on recommendations by these influencers (Lee & Eastin, 2021; Moulard et al., 2015).

***Relatable Lifestyle:*** Social media influencers are simply those online content creators whose content is appreciated by others. This means they are perceived as common, down-to-earth, approachable, and reliable (Duffy, 2017; Jin et al., 2021). Moreover, these influencers share glimpses of their personal life on social media through which people live a similar lifestyle (Abidin, 2015; De Veirman et al., 2019; Gannon & Prothero, 2018; Schouten et al., 2019). They follow comparable lifestyles, share concerns, and possess tastes that align with their identities. This connection between the influencer and the consumer's genuine self creates resonance and fosters the perception of authenticity (Lee & Eastin, 2021).

***Blurred front stage and backstage distinctions:*** In the case of celebrity endorsement, what comes in front of customers is quite different from the actual life of celebrities. Therefore, this makes the celebrity community inauthentic. However, in the case of influencers, the difference between the front and back stages is almost nil (Marwick, 2013; Vrontis et al.,

2021). This makes influencers credible and authentic sources (De Veirman et al., 2017; Lee & Eastin, 2021).

***Brands become part of their daily life:*** The social media influencers try to fuse the brands in their daily content to give meaning to the brand. They buy, use, and review the products independently, which is impossible with celebrity endorsements (Lee & Eastin, 2021; Vrontis et al., 2021). In contrast to celebrity endorsements that primarily emphasize narrating the brand's story, influencers' marketing involves brands becoming integrated into the story of the social media influencer. Instead of solely focusing on promoting the brand, the brand's presence becomes intertwined with the personal narrative and experiences of the social media influencers (De Veirman et al., 2017; Lee & Eastin, 2021).

***Self-connection:*** Previous research has demonstrated that consumers strive to enhance their self-image through identification with social media influencers. For instance, Correa et al. (2020) revealed that consumers' self-connection or identification with an SMI enhances engagement, further eliciting intention to use influencers-endorsed brands (Lee & Eastin, 2021). This can be depicted as follows (Ki et al., 2020; Kowalczyk & Pounders, 2016).

### ***Strategies for Effective Use of Influencers' Marketing***

In light of the strengths and weaknesses discussed above, it is evident that influencer marketing is a strategic tool that influences the behavior of the online community. In this context, companies need to develop effective strategies to make influencers' marketing a strategic weapon. Here are a few strategies suggested to the companies in this regard.

- As the SWOC analysis suggests, the measurability of outcomes is generally difficult through social media influencers. Companies can use them as a source of awareness and brand builders to develop a favorable image instead of focusing on favorable sale outcomes from them. Moreover, the willingness to listen to social media influencers also prompts similar opportunities.

- As SWOC highlights, people associate a company's image with the image of social media influencers. Therefore, influencer marketing is one of the best options for new companies, which is unknown to customers as it does not carry any image in the minds of customers. These companies can develop the product's desired image by strategically selecting influencers whose public image has unique traits that fit with the desired brand image.
- The SWOC also highlights that the influencers can develop two-way communication, leading to high involvement. Therefore, the products that require high customer involvement can be best promoted through viral marketing. As the customers are willing to listen to their influencers, conveying a lengthy and technical message becomes easy.
- As the growth in technology has expanded the platforms for social media users. This has led to multiple social platforms catering to diverse segments of social media users. Consequently, social media influencers also differ on different platforms. In such a challenging situation, companies must make targeted influencer marketing campaigns by aligning them with their operating platforms and recent technological updates.

Also, while choosing the right social media influencer, the companies need to identify a strategic fit between the number of followers and the perception of the number of followers, as the major challenge highlighted in SWOC analysis.

## **5. CONCLUSION**

To conclude, influencer marketing is one of the emerging techniques for online marketing that can be strategically used to exploit market opportunities. No doubt, celebrity endorsement is still used by several companies. However, with the advancement of technology, influencers are still proving more useful. They are credible and expert, have a loyal fan base, relatable lifestyle, and loyal followership. Therefore, nowadays, they are replacing the role of celebrities. Apart from this, the current advancements in technology, increase in the modes of content sharing, etc., are offering

lucrative options for the growth of influencers' marketing. No doubt, celebrity endorsement is a proven effective strategy. However, the definition of this celebrity is also expanding, engulfing the social media influencers and emphasizing the characteristics of influencers' marketing. Therefore, the social media influencers are also covering the role of celebrities. The effective use of these influencers can prove beneficial for companies. The suggested strategies can be quite helpful in this regard.

### ***Future Directions***

The current study presents only the analysis of existing to determine those factors responsible for the paradigm shift from celebrity endorsement to influencers' marketing. However, the practical evidence in this context is still missing. Also, the existing literature does not identify which identified determinants are more influential in explaining this paradigm shift. Therefore, future studies can be done to answer this research question. Besides this, the scales for comparing celebrities and influencers are yet to be developed and tested. Future research can develop a model for the identified determinants as well. Also, the impact of influencers' marketing on purchase intentions, brand image, etc., needs to be tested in light of changing technology and modes of knowledge sharing.

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## **A REVIEW OF CONTRIBUTION OF GREEN MARKETING TO FULFILL CORPORATE SOCIAL RESPONSIBILITY**

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### **ABSTRACT**

Consumers' concern regarding sustainability and their high preference for environmentally friendly products has prompted companies to follow and integrate green marketing into their CSR strategies. The study aimed to perform theoretical studies on how green marketing is implemented as an initiative to fulfill corporate social responsibility (CSR), assess the strategy implemented by selected private sectorial companies in Sri Lanka, and develop a conceptual framework to apply green marketing strategies. Using the archival method enabled the researcher to build a conceptual framework based on the knowledge gained via the literature review. Content analysis was used to determine green marketing practices from selected private sectorial companies in Sri Lanka. A literature survey revealed that green product development, internal processes, and green philanthropy are prioritized as green marketing strategies to achieve green CSR. This article highlights the significance of prioritization of green CSR over philanthropic CSR, and further studies can be conducted on the impact of green CSR on a company's performance.

**Keywords:** Corporate Social responsibility, Green CSR, Green marketing, Green Philanthropy, Sustainable organization

### **1. INTRODUCTION**

Sri Lanka is a developing country on the verge of industrialization, with manufacturing, service, and industrial sectors constantly expanding. More and more industries and manufacturing companies are emerging

nationwide, facilitating the country's economic development. Development inevitably comes with an environmental cost. Air, land, and water pollution has reached unprecedented heights in Sri Lanka, and manufacturing companies nationwide have substantial accountability for this environmental pollution. The corporate sector in Sri Lanka has always been a driving force in the country's economic development. Most companies have integrated Corporate social responsibility (CSR) as an integral part of their business for numerous reasons, including positive perception regarding the company in the eyes of the public, gaining the loyalty of employees, enhancing sales volumes, and achieving efficiency in business operations (Banyte et al., 2010). CSR is the commitment of a business to act ethically while achieving business goals and contributing to the economic and social development of its employees, their families, and overall society (Metaxas & Tsavdaridou, 2014).

Conventional CSR initiatives include philanthropic activities such as donating to charities and providing funds for benevolent causes, but CSR is a wide concept beyond that (Tilakasiri, 2013). Consumers' growing concern regarding sustainability and their high preference for environmentally friendly products have prompted companies to follow green marketing strategies and integrate green marketing into their CSR strategies (Chowdhury & Dasani, 2021).

*Green marketing* is defined as the efforts of companies to innovate in products, production processes, and packaging modifications to minimize the environmental impact and fulfill the company's environmental responsibility (Yan et al., 2014). Thus, green marketing strategies can be implemented to reduce environmental pollution caused by companies through reducing carbon emissions and waste management and ensuring environmentally friendly products and production processes with minimal environmental cost. So, it is decisive for companies to focus on environmental sustainability as a mechanism to adhere to CSR rather than limiting it to philanthropic activities.

Numerous studies have been conducted on consumer preference, perception, and attitudes toward green purchase decisions and segmentation (Peiris et al., 2024; Rathnasiri et al., 2024). However, few

studies have been conducted on green marketing strategies implemented by firms in the Sri Lankan context. Most of the research articles on green marketing practices are limited to a specific industry; hence, this research article addresses the literature gap by reviewing green marketing practices followed by local firms and broadly categorizing the green marketing practices so that any firm in Sri Lanka can get a broad perspective on how to initiate green marketing practices in one's firm to achieve green CSR.

The objectives of the study are to perform theoretical studies on how green marketing is implemented as an initiative to fulfill corporate social responsibility, to assess green marketing strategies implemented by selected private sector companies in Sri Lanka, and to develop a conceptual framework to apply green marketing strategies to achieve green CSR in a company.

## **2. METHODOLOGY**

To achieve the objectives of the research, a systematic and comparative analysis of the literature was conducted by selecting the research studies focused on Green Marketing using the archival method (Tranfield et al., 2003). The archival method was employed to collect data, enabling the research structure and creating a credible knowledge base on Green Marketing. Using the archival method enables the researcher to build a conceptual framework based on the knowledge gained via the literature review (Thevanes & Weerasinghe, 2019). Content analysis was used in the research to determine green marketing practices followed by selected private sectorial companies in Sri Lanka. The top ten corporate citizens of 2020 selected by the Ceylon Chamber of Commerce were selected via purposive sampling. Green marketing practices implemented by the companies were assessed by their annual reports, websites, CSR reports, and articles. Numerous studies on CSR have been conducted using content analysis methodology. The research analyzed the CSR strategies of companies by the contents of their CSR reports and websites (Fafaliou et al., 2006; Giannarakis & Theotokas, 2011).

## **3. LITERATURE REVIEW**

In the past, a company's success was mostly determined by the quality and utility of its products. These elements are still relevant today, but

globalization has transformed the economic reality. Companies are now assessed not just on their products' quality but also on their image. As a result, corporate social responsibility is becoming increasingly important (Bieńkiewicz, 2008).

Consumers increasingly prefer environmentally friendly, safe, and "clean" goods that do not cause environmental pollution. Changes in consumer attitudes toward environmental conservation, ecology, community involvement in environmental protection, and purchasing habits compelled firms to seek out new activities incorporating the environmental dimension to the firm's corporate social responsibility. Businesses have changed their conduct drastically in an attempt to answer society's "new" concerns on environmental protection. Some firms have embraced environmental management systems and waste reduction, incorporating environmental concerns into their operations.

Thus, the concept of Green Marketing was introduced to cater to the needs of green consumers and to build environmentally conscious sustainable organizations. Green marketing encompasses a wide variety of actions, including product modification, manufacturing process improvements, packaging changes, and advertising modifications (Jay, 1994). Green marketing encompasses any efforts aimed at generating and facilitating any transactions intended to meet human needs or desires in a way that has the least possible negative impact on the natural environment (Polonsky, 1994).

### ***3.1. Green product development as a green marketing strategy***

Global warming, climatic changes, environmental pollution, and the greenhouse effect are occurring exponentially due to human activities. This is directly related to industries and manufacturing sectors emerging worldwide at the fastest pace (Yakup & Sevil, 2011). This has led to a growing concern among consumers regarding environmental conservation and protection. Hence, consumer demand for eco-friendly and green products is heightening. Owing to the environmental consciousness of consumers, firms are following green marketing strategies and introducing eco-friendly products to earn profits sustainably and enhance their reputation in the public over the years (Rashad, 2014).

Developing efficient green products is one prominent aspect of green marketing strategy. A green product is developed by assessing environmental hazards caused by the product and its production process. The product is developed to minimize its environmental impact in its life cycle while satisfying the consumer's particular needs and expectations of environmental sustainability (Tsai et al., 2012). Environmental-conscious consumers demand eco-friendly products and refrain from consuming harmful products while rejecting products and production processes that harm the environment and biodiversity (Boztepe, 2012).

Green products have attributes such as being originally and organically grown, containing natural ingredients, a minimum hazard to the environment, having recyclable, refillable, reusable, or biodegradable packaging, and being cruelty-free and free of toxic chemicals (Lakmal et al., 2015; Swarnika & Rathnasiri, 2022). Examples of green products developed by financial institutions, development of loan schemes and financial solutions for firms in the green development sector, for firms producing eco-friendly green products, for individuals to improve their energy consumption by installation of solar systems, for consumers to purchase eco-friendly products and investments in companies producing green products (Lymeropoulos et al., 2012).

Adopting The green concept in the construction industry is now widely popular to ensure the co-existence of nature with economic development. The Sri Lankan government has taken several significant initiatives to uplift the local green construction industry (Karunasena & Thalpage, 2016). Heritage Kandalama in Sri Lanka is known to be the first LEED-certified green hotel in the world and a pioneer in introducing green product development to the country's hotel and tourism sector (Seneviratne, 2014).

Consumers are willing to purchase eco-friendly products at a premium price to satisfy their needs while fulfilling their environmental and social responsibility (Paco et al., 2014, Swarnika & Rathnasiri, 2022). Thus, the environmental consciousness of consumers has encouraged firms to invest in green research and development to produce innovative, eco-friendly products. Firms have contributed to the environment with numerous innovative green products such as eco-friendly paints, hybrid automobiles, organic harvest, innovations in packaging such as reusable, refillable, biodegradable packaging, and the usage of paper in packing to reduce the



usage of plastic (Ajike et al., 2015). As per the literature review, this article establishes that green product development is a key aspect of green marketing. Hence, this article develops a proposition.

*Proposition one:* Green product development is prioritized as a green marketing strategy to achieve green CSR

### ***3.2. Green internal processes as a green marketing strategy***

Green internal processes in a company are another key aspect of green marketing (Scholtens, 2009; Evangelinos et al., 2009). A firm's Green internal processes include the selection of green suppliers, environmental resource management, and green research and development (D'Souza et al., 2015).

Environmental processes are integrated into the production operations of a company via the ISO certification process (Sarkis & Cordeiro, 2001), pollution control and prevention (Klassen & Whybark, 1999), life cycle analysis (Kainuma & Tawara, 2006), and redesign of the production process to ensure environmental sustainability. Another research revealed that environmental certifications were utilized through the firm's internal processes to ensure environmental sustainability and environmental management systems, setting a target to reduce greenhouse gas energy (Seroka-Stolka, 2016). Any firm that wants to obtain ISO 14001 certification must enhance and improve its eco-friendliness (Chiarini, 2014).

Green supplier selection is the internal process of firms planning green procurement. Environmentally conscious firms have incorporated their environmental concern on the procurement process (Handfield et al., 2002). Firms in the logistics sector tend to pressure the suppliers to minimize their impact on natural resources and intend to work with environmentally conscious suppliers. Some logistic companies strictly follow green purchasing policies in their procurement process. To cope with the pressure from green consumers, American multi-dollar logistic companies have requested their suppliers to obtain environmental certification of ISO 14001 (Seroka-Stolka, 2016). Effective communication among green firms and suppliers is mandatory to reduce environmental impact (Lippman, 1999).

Environmental resource management in a green firm effectively and efficiently manages resources while minimizing waste and pollution (Ball, 2002). Building up competencies among the employees in managing

environmental issues through education and training sessions can positively affect employees' motivation to adopt the green processes of the firm (Lin & Ho, 2010). Several private sectorial companies have integrated their environmental concerns into their construction operations to fulfill their social and environmental responsibility by minimizing waste, emissions, and pollution (Karunasena & Thalpage, 2016). In order to reduce emissions of delivery vehicles delivering in off-peak-off-peak hours to avoid congestion and bulk deliveries, planning priorly are some strategies followed by firms to ensure an environmentally friendly distribution process (Lakmal et al., 2015). A pioneering company that exports furniture to reduce transportation costs and fuel consumption uses flat packaging, where customers must assemble the product at home (The Vanes & Weerasinghe, 2019).

Research conducted on green banking has broadly categorized green marketing into two: in-house green banking and green banking practiced by bankers in their specific areas. As internal green practices, the researcher has pointed out paperless banking, usage of solar power, usage of the 3R (Recycle, reduce, reuse) concept in the utilization of bank's resources, saving energy via using energy-efficient air conditioners, usage of LED lights, safety disposal of electronic waste and green oath by employees to protect the environment by all means (Silva, 2019). Another research revealed that financial institutions adopted green internal processes, minimum waste of resources, saving energy and water, using energy-efficient equipment, and educational and training programs for employees to protect the environment (Lymperopoulos et al., 2012).

Green firms prioritize green research and development to innovate in green product development. Thus, firms can create more green offerings for green consumers. Novel digital marketing trends such as social media marketing, search engine optimization, pay-per-click, social media boosting, and email marketing instead of conventional marketing such as billboards, posters, leaflets, and brochures have reduced polythene, plastic, and paper usage immensely. As per the literature review, this article proposes that green internal processes are a key aspect of green marketing.

*Preposition Two:* Green internal processes are prioritized as a green marketing strategy to achieve green CSR

### ***3.3. Green philanthropy as a green marketing strategy***

Green philanthropy is a charity aiming to solve environmental problems. Environmental charities are contributing to tackling environmental issues and bringing these issues to light. Green philanthropy is efficacious in bringing policymakers, business pioneers, and the general public to a platform to address environmental problems through innovative solutions. For example, a company with the support of local communities in Indonesia has implemented a reforestation program and reinstated the bio-diversity of the locality (Quesnelle, 2011).

Public awareness and educational programs on environmental issues are important to ingrain environmental consciousness to the mindsets of the public. Conducting Go Green campaigns with the integration of governmental ministries, NGOs, and private sectorial companies has encouraged the public to participate actively in these green initiatives. In Malaysia, a Go Green campaign, "No plastic bag day "was launched, encouraging consumers to use biodegradable bags for shopping (Golnaz et al., 2015). Banks have organized several green philanthropic activities such as tree planting campaigns, reforestation, and marine conservation programs to fulfill their social and environmental responsibility (Silva, 2019). Based on the literature review, the article suggests that green philanthropy is a key aspect of green marketing.

*Preposition three:* Green philanthropy is prioritized as a green marketing strategy to achieve green CSR

### ***3.4. Practical application of Green marketing strategies in Sri Lankan Context***

Ceylon Chamber of Commerce (CCC) is one of the independent business chambers in Sri Lanka focused on enhancing the country's CSR initiatives of public and private sectorial companies. CCC advocates environmentally friendly business practices. Since 2004, CCC has been conducting an annual award ceremony to select the best Corporate citizens among public and private sectorial companies to glorify their untiring efforts to fulfill environmental and social responsibility (Tilakasiri, 2013).

At this moment, the green marketing strategies followed by the top ten corporate citizens of 2020 are broadly categorized under green product development, internal processes, and green philanthropy.

### 3.4.1. *Green Product Development*

In response to the pressing need for environmental sustainability, financial institutions are increasingly spearheading initiatives in green product development. These efforts encompass various facets of fostering eco-friendly practices and promoting social responsibility across sectors. One significant avenue is providing financial support for renewable energy projects, exemplified by schemes facilitating the installation of solar energy systems through personal loan offerings. These institutions play a pivotal role in advancing the transition toward a low-carbon economy by incentivizing clean energy adoption. Moreover, financial backing for startups engaged in eco-friendly and socially sustainable businesses underscores a commitment to fostering environmentally conscious entrepreneurship. By prioritizing ventures with minimal environmental impact, such as those employing waste management practices and adhering to stringent emissions standards, these institutions contribute to cultivating a greener business ecosystem.

Furthermore, incorporating Environmental, Social, and Governance (ESG) concerns into lending activities represents a strategic approach to ensuring responsible financing practices. By aligning investment decisions with ESG criteria, financial institutions mitigate environmental risks and generate positive societal impacts. This holistic approach to investment underscores a commitment to sustainable development and positions financial institutions as key stakeholders in driving positive change. Additionally, support for organic agriculture and promoting sustainable farming practices exemplify efforts to foster environmental stewardship throughout the supply chain. Financial institutions promote sustainable agricultural practices by incentivizing growers to adopt soil health enhancement techniques and prioritize waste management.

Collaboration with governmental and international organizations further amplifies the impact of green product development initiatives. By partnering with stakeholders at various levels, financial institutions leverage collective expertise and resources to advance sustainability goals on a broader scale. Initiatives such as Leadership in Energy and Environmental Design (LEED) certified hotels exemplify integrating economic development with environmental and social sustainability. By championing eco-friendly building practices and operational standards, these establishments serve as

beacons of sustainability within the hospitality industry, showcasing the feasibility and benefits of environmentally conscious business practices.

Lastly, efforts to adopt eco-friendly packaging solutions reflect a commitment to minimizing environmental impact across product lifecycles. Initiatives such as introducing recyclable materials and the phased-out use of single-use plastics in favor of biodegradable alternatives underscore a proactive approach to reducing waste and promoting circular economy principles. By embracing innovation in packaging design and materials sourcing, financial institutions are committed to addressing pressing environmental challenges while fostering consumer awareness and engagement in sustainability efforts. Green product development initiatives within financial institutions represent a multifaceted approach to promoting environmental sustainability and social responsibility, driving positive change across industries and communities.

#### *3.4.2. Green Internal Processes*

Efforts towards green internal processes within organizations entail a multifaceted approach to environmental stewardship and sustainability. One pivotal aspect involves meticulously tracking and monitoring water usage, accompanied by strategic measures to reduce consumption. This includes implementing wastewater treatment systems for reuse or safe disposal, embracing rainwater harvesting techniques, and prioritizing dry cleaning before wet cleaning to facilitate water reuse. Awareness campaigns and innovative technologies further augment these efforts, while initiatives such as reverse osmosis plants and water recirculation mechanisms underscore a commitment to maximizing water efficiency across operations.

Similarly, a concerted focus on monitoring and evaluating energy needs drives initiatives to reduce energy consumption. Leveraging renewable energy sources, implementing submetering systems, and transitioning to LED lighting exemplify strategies to curb electricity usage. Additionally, innovations such as solar thermal heaters and natural ventilation techniques contribute to minimizing energy consumption while advancing sustainable practices within facilities (Jayarathne et al., 2021). Concurrently, organizations increasingly pledge to reduce their carbon footprint and attain certification as carbon-neutral entities, underscoring a dedication to mitigating environmental impact.

Monitoring and evaluating fuel consumption are also central to sustainable operations, with initiatives targeting efficient driving practices, vehicle maintenance, and route optimization. Training lorry drivers on fuel-efficient driving techniques, optimizing distribution networks, and promoting environmentally friendly batteries exemplify strategies to reduce fuel consumption and emissions. Furthermore, transitioning from diesel-consuming incinerators to shredders for plastic waste management reflects a commitment to innovative solutions for environmental sustainability.

Solid waste management and reduction efforts encompass a comprehensive approach to minimizing plastic and paper usage while maximizing recycling and responsible disposal practices. Embracing the 7R concept (reduce, reuse, recycle, recover, rethink, resilient, and regulate), implementing waste quantification and segregation measures, and instituting bans on plastic usage for promotional activities are integral to waste reduction initiatives. Additionally, organizations actively engage with external parties involved in production processes, promote sustainable agricultural practices among suppliers and farmers, and screen suppliers based on environmental and social criteria to foster a holistic approach to sustainability throughout the supply chain. Efforts to improve soil quality through tree-planting initiatives further underscore a commitment to environmental stewardship and long-term sustainability. Through these concerted efforts, organizations strive to minimize their environmental footprint and contribute to a greener, more sustainable future.

#### *3.4.3. Green Philanthropy:*

Green philanthropy initiatives encompass a diverse array of endeavors aimed at fostering environmental awareness and conservation efforts. Central to these endeavors are waste management awareness programs targeting the public and school children, coupled with donations of waste management units to schools to facilitate proper waste collection and segregation. Additionally, initiatives focusing on marine conservation, including marine sanctuary establishment, marine turtle conservation, and mangrove restoration programs, underscore a commitment to preserving vital ecosystems. Collaborations with governmental institutions further bolster conservation efforts, particularly through reforestation programs to restore and protect natural habitats.

In addition to these tangible conservation efforts, green philanthropy initiatives prioritize education and awareness-raising activities. This includes organizing school awareness programs to cultivate environmentally conscious leaders among future generations. Social media campaigns advocating for tree planting and biodiversity conservation serve to engage and mobilize the broader public in environmental stewardship. Furthermore, publications highlighting the rich biodiversity and heritage conservation efforts of Sri Lanka contribute to raising awareness and fostering appreciation for the country's natural treasures.

Overall, green philanthropy initiatives represent a holistic approach to environmental conservation, combining tangible action with education and advocacy to safeguard the planet for future generations. Through these efforts, organizations and individuals create a more sustainable and resilient future for all.

#### **4. DISCUSSION**

The study provides insight into applying green marketing as an organizational approach to fulfilling corporate social responsibility (CSR) in Sri Lanka. The research focused on three key aspects of green marketing strategies: product development, internal processes, and green philanthropy.

***Green Product Development:*** The literature review highlights the need to design eco-friendly products to fulfill the growing demand of environmentally concerned consumers. Examples from Sri Lanka's best corporate citizens show a dedication to sustainability through financial support for green initiatives, cooperation with groups advocating environmental responsibility, and developing products with low environmental effects. The emphasis on product attributes like recyclability and organic components corresponds to global consumer desires.

***Green Internal Processes:*** The study emphasizes the importance of adopting green practices into internal processes to achieve environmental sustainability. The firms selected in Sri Lanka are concerned with water and energy conservation, waste reduction, and effective resource management. This is consistent with the increased importance placed on ISO certifications, pollution management, and life cycle analysis to guarantee that businesses

satisfy environmental requirements. The examples offered highlight the need to implement eco-friendly practices across various industries, ranging from manufacturing to banking.

**Green Philanthropy:** The study identifies green philanthropy as an approach to addressing environmental challenges and raising awareness. Initiatives such as reforestation projects, waste management awareness campaigns, and marine conservation efforts performed by Sri Lanka's top corporate citizens reflect a comprehensive approach to CSR. Green philanthropy directly helps resolve environmental issues, involves the public, and fosters a sense of environmental responsibility.

The study's conceptual framework is a comprehensive guide for companies to incorporate green marketing strategies into their CSR operations. The framework provides a road map for sustainable business operations by emphasizing the interconnection of green product development, internal processes, and green philanthropy. The graphic representation in Figure 1 shows how these components work together to achieve the ultimate aim of Green CSR.



**Figure 1.** Conceptual Framework

**Source:** Authors' own

## 5. CONCLUSION

In conclusion, this research illuminates the utilization of green marketing as a critical approach to corporate social responsibility (CSR) in Sri Lanka. A thorough investigation of green product development, green internal processes, and green philanthropy demonstrates a deliberate effort by leading corporate citizens to integrate business operations with



environmental sustainability. The examples offered highlight the adoption of environmentally friendly solutions in a variety of sectors, indicating a global movement toward greener consumer preferences. The suggested conceptual framework captures the linked nature of these methods, serving as a systematic guide for businesses looking to include green marketing in their CSR operations. As firms increasingly understand the value of environmental stewardship, the study highlights the potential for green marketing not just to solve environmental issues but also to improve corporate performance.

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## **STUDY ON THE FACTORS AFFECTING BUYER PREFERENCE IN PURCHASING NUTMEG AND MACE FROM A SELECTED SPICES EXPORTING COMPANY IN SRI LANKA**

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### **ABSTRACT**

This research was conducted to determine the factors influencing buyers' preference towards purchasing Nutmeg and Mace from a Spices exporting company in Sri Lanka. The initial concept for the research was to identify the factors affecting repeat orders. The Author also identified a potential market for Sri Lankan Nutmeg and Mace in the global Spice market. Research objectives were implemented to learn the factors affecting buyers' preference in purchasing Nutmeg and Mace. The literature was thoroughly referred to study these factors, and product quality, price, perception, and product availability were studied. After that, methodical choices for the research were selected. This research was conducted based on 30 responses from the company's buyers. The results indicated that they had purchased Nutmeg and Mace from other Sri Lankan companies. Based on the data analysis, the Author identified that product availability and perception had a positive relationship with buyers' preference for purchasing Nutmeg and Mace, which was the primary objective of the research. The findings of this research uncover key challenges and suggest solutions to unlock opportunities for Sri Lankan exporters to explain their market share in existing markets and successfully enter new international markets.

***Keywords:*** *Buyers' Preference, Mace, Nutmeg, Product Quality, Price, Product Availability, Perception, Spices*

## 1. INTRODUCTION

As per the statistics of the Sri Lanka Export Development Board, the Sri Lankan spices industry contributes to an export turnover of approximately USD 500Mn and has a growth rate of 6% to 8% P.a. while being the Ninth most important exporter of spices in the world. The Spices Industry in Sri Lanka primarily operates as a provider of raw materials for value addition abroad. Sri Lanka serves around 5% of the global demand for nutmeg, exporting mainly to India, UAE, the USA, Germany, and Pakistan. The country also serves around 7% of Mace's global demand, exporting mainly to India, Germany, and the UK.

Nutmeg and Mace are known as “කළුරට කජු රුක” in Sri Lanka, and these products have the potential to generate more profits for the company well to the country in terms of export revenue as new markets are approaching Sri Lanka to fulfill their requirements.

According to the statistics of the Sri Lanka Export Development Board, most Nutmeg and Mace exports were to India, followed by China and Bangladesh in 2020, 2021, and 2022. The exports to China gradually increased, while exports to European countries decreased. The exports to UAE decreased in 2020 compared to 2019 but gradually improved in 2022. The Trade Map-International Trade Statistics for 2013 to 2017 show that Sri Lankan Nutmeg and Mace exporters had a substantial and diversified market share in the international market. However, Sri Lankan Nutmeg and Mace exporters have lost their market share in markets like the USA, Vietnam, and Egypt during the last five years. Sri Lankan Nutmeg and Mace are being exported only to a few countries, i.e., India, UAE, Pakistan, UK, Germany, China, etc. There is a potential and opportunity for these two products to penetrate the European and American markets. Given the preceding, this research could provide insights to the company and the industry so that it can make timely decisions based on the findings.

The company observed no repeat orders from the buyers who purchased Nutmeg and Mace in 2021, even though six new buyers purchased Nutmeg and Mace in 2022. This factor indicates that other buyers may also not make any repeat purchases. The company has observed that even though the quantity of Nutmeg and Mace exports has increased, there are no repeat purchases from buyers who purchased during the first year. Additionally, buyers who purchased from the company in 2021 now purchase from other Sri Lankan companies or countries like Grenada, Indonesia, and Bangladesh.

This trend indicates a problem with the company's product, preventing repeat purchases. Based on the Nutmeg and Mace performance of the company, it is evident that this issue could persist and result in a lack of repeat purchases in the coming years. The company must identify the factors affecting buyers' preferences when purchasing Nutmeg and Mace to address this issue.

This research aims to provide valuable insights for the company to enhance its export performance based on the findings obtained. The primary objective is identifying the factors influencing buyers' preferences when purchasing Nutmeg and Mace from the company. Additionally, secondary objectives include determining the significant impact of these factors and identifying which factor holds the greatest influence on buyers' preferences. Recommendations will be proposed to aid the company in retaining existing buyers and attracting new ones who will make repeat purchases consistently. Furthermore, suggestions will be provided on how Sri Lankan exporters, including the company, can increase their export quantities. The research will equip the company with actionable insights to refine its export strategies and strengthen its market position in the Nutmeg and Mace industry by addressing these objectives.

## **2. LITERATURE REVIEW**

### ***Buyers` preference***

Dimelu & Odo (2013) observed that people prefer organic spices and vegetables over conventional ones as part of their healthy diet, such that many convenience food manufacturing companies have started using organic herbs and vegetables in their food to add value and make product differentiation from their competitors.

Loyalty is a biased response toward a brand or product expressed over time and is defined by the purchase pattern of a decision-making unit, which may be an individual, a household, or a firm (Mellens, Dekimpe, and Steenkamp, 1996). Jacoby and Chestnut (1978) argued that commitment is an essential element of loyalty and distinguishes between loyalty and repeat buying due to inertia.

Consumer perception is like a force that pushes a person to purchase a particular product for a longer period; in theoretical terms, a repeat purchase.

### ***Product Quality***

As per Brunnsø, Fjord, & Grunert (2002, p 275-285), the expectation of quality ultimately affects dietary patterns, food preparation, and current and future purchase decisions. The results of the study by Keningham, Aksoy, Perkins-Munn & Vavra (2005) also identified a close relationship between the quality of a food product and the reason for its purchase. Natalie Fahey (2017) presents products that become successful because of the low price, but after some time, people start considering the quality of the particular brand. If a specific brand's quality state is not satisfactory, people begin to stop buying it.

### ***Price***

Isakson (2014) queries the role of financialization in the contemporary food crisis and analyzes its impacts on the distribution of power and wealth within and along the generalized agro-food supply chain. It reveals four key insights: (1) the line between finance and food provisioning has become increasingly blurred in recent decades, with financial actors taking a growing interest in food and agriculture and agro-food enterprises becoming increasingly involved in financial activities; (2) financialization has reinforced the position of food retailers as the dominant actors within the agro-food system, though they are largely subject to the dictates of finance capital and face renewed competition from financialized commodity traders; (3) financialization has intensified the exploitation of food workers, increasing their workload while pushing down their real wages and heightening the precarity of their positions, and (4) small-scale farmers have been especially hard hit by financialization, as their livelihoods have become even more uncertain due to increasing volatility in agricultural markets, they have become weaker vis-à-vis other actors in the agro-food supply chain, and they face growing competition for their farmland.

### ***Product Availability***

Tet al (2020) stated that Nutmeg from Indonesia has an advantage in the market due to its distinctive aroma and high oil yield. Indonesia serves the most Nutmeg requirement in the world, which is 60% of the world's needs.

As per the discussions with a few company buyers, they tend to purchase from Grenada and Indonesia based on the availability of Nutmeg and Mace in these countries compared to other importing countries.



### ***Perception***

It has become a paradox that the main actors of the agro-food sector, as well as their stakeholders, act independently and without prior knowledge of customer behavior, whose analysis of the customer's perception of any product constitutes an advantage for the customer, the actors involved and the territory on which the product was designed to be valorized (Fan and al., 2019; Rodríguez Bermúdez and al., 2020).

At the same time, consumer perception can be analyzed by focusing on several variables affecting both activities and actions closely related to the purchasing process, as well as the analysis of any preventive action taken by the respective environment, to gain a deep understanding of the behavior (Henchion and al., 2017, Groening and al., 2018, Ripoll and al., 2018). Wu (1999) also points out that purchasing behavior is a consequent decision-making process that includes how to perceive the information, motivation, what to buy, how to buy, and when to buy before purchasing. Furthermore, consumers will evaluate their satisfaction after purchasing. With different purchasing ways, consumers have diverse intentions (Yu, 2007). Based on research by Ly and C.S (2006), the main conclusions in buying intention are listed below: the country's image, the knowledge of the product, and the relationship with the product significantly impact purchase intention. The findings of this study sufficiently describe the relationship between the dependent and the independent variables the researcher had selected to carry out the research.

### **HYPOTHESES OF THE STUDY**

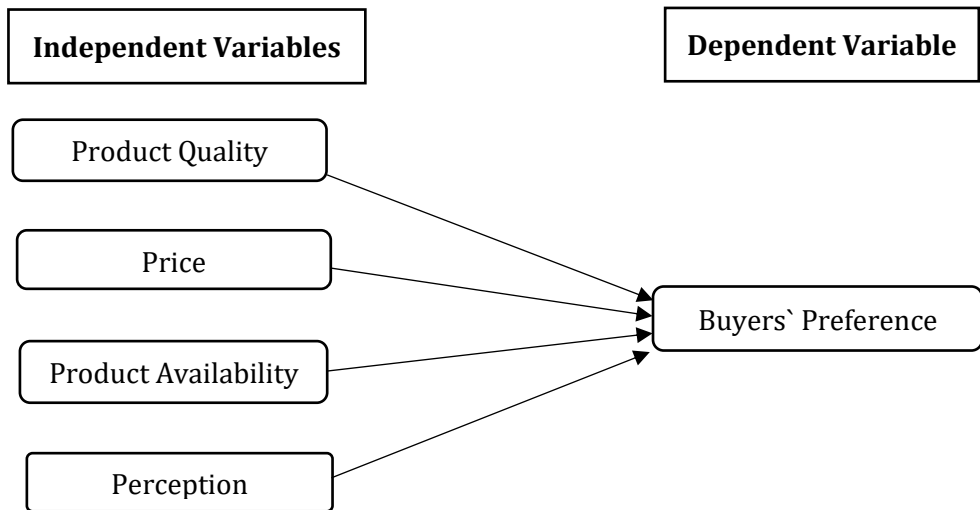
The researchers adopted the following hypotheses based on the literature review and the conceptual framework.

H<sub>1</sub> - There is a positive relationship between product quality and the buyer's preference in purchasing Nutmeg and Mace from the company.

H<sub>2</sub> - There is a positive relationship between the prices and the buyer's preference in purchasing Nutmeg and Mace from the company.

H<sub>3</sub> - There is a positive relationship between product availability and the buyer's preference in purchasing Nutmeg and Mace from the company.

H<sub>4</sub> - There is a positive relationship between the perception and the buyer's preference in purchasing Nutmeg and Mace from the company.

**CONCEPTUAL FRAMEWORK****Figure 1:** Conceptual Framework*Source: Authors' own*

The four independent variables of Product Quality, Price, Product Availability, and Perception are used to determine whether these factors impact Buyers` Preferences. These variables are categorized as indicators to explain the variables systematically and are dependent on other measurement factors. The more important indication of this operationalization is that these variables could be changed due to the experimental operations on independent variables.

**3. METHODOLOGY**

The researchers employed a mono-method design using quantitative data analysis. From the target population of 50 buyers of this selected Organization, using the Non-Probability Convenience Sampling Technique according to the sample rule of Knejcic and Morgan (1970), which incorporates a 95% Confidence level, 5% Confidence Interval, and 50% Variance, researchers arrived at 30 as the sample size. The main data collection method was obtained through both Primary and Secondary data. Questionnaires were distributed among the respondents for primary data, and Likert scale questions covered independent and dependent variables. Additionally, in-person interviews with the few main buyers of this Organization with open-ended questions were conducted. Secondary data

for this research was collected through Company records, the Company website, Online Scholarly Journal Articles, Research papers, Trade Statistics, and industry-related websites. The researchers employed a statistical Package for Social Sciences (SPSS) to analyze the data obtained through quantitative methods and record the data obtained methodically. Pearson Correlation analysis was used to test the hypotheses, and other data collected were analyzed through Descriptive Analysis, Reliability Statistics, Test of Normality, Model Summary, ANOVA, and regression analysis. The responses from open-ended questions and interviews were analyzed and interpreted thematically.

#### 4. DATA ANALYSIS AND RESULTS

As per the Cronbach Alpha test conducted to test the dependent and independent variables of the research, the results show the value as .751 in the table below, which is considered reliable.

**Table 1:** Reliability Statistics

Cronbach's Alpha	N of Items
.751	20

**Source:** Author's own

With the results of the ANOVA analysis as stated in Table 2, the  $F$ -test value is 19.544, which sig. Value of 0.000. This value indicates that the probability of these results occurring by chance was less than 0.05, and the overall model is statistically significant. Therefore, the dependent variable, i.e., buyers' preference, and the independent variables, i.e., product quality, price, product availability, and perception, have a significant relationship between the variables.

**Table 2:** ANOVA Test

	Sum of Squares	Df	Mean Square	F	Sig
Between People	45.593	29	1.572		
Within People	145.260	19	7.645	19.544	.000
Between Items					
Residual	215.540	551	.391		
Total	360.800	570	.633		
Total	406.393	599	.678		
Grand Mean = 1.74					

**Source:** Author's own

The researcher tests the normality of model variables under a 5% significance level using the Shapiro-Wilk test since the sample size is below 50. The results of the normality and the relevant histogram are explained below for the Dependent and Independent Variables.

**Table 3:** Test of Normality

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Buyers Preference	.200	30	.004	.933	30	.060
Product Quality	.203	30	.003	.862	30	.001
Price	.242	30	.000	.831	30	.000
Product Availability	.357	30	.000	.786	30	.000
Perception	.235	30	.000	.883	30	.003

a. Lilliefors Significance Correction

*Source: Author's own*

The model summary in Table 4 indicates an R square value of 0.370, which is 37%. It shows almost 37% explanatory power of the independent variables, i.e., product quality, price, product availability, and price, over the independent variable, i.e., buyers' preference. Given the above, it shows that there is almost a 63% variance that is not explained through the conceptual model, which indicates that there is a possibility of having other independent variables affecting buyers' preference in purchasing Nutmeg and Mace.

**Table 4:** Model Summary

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.608 <sup>a</sup>	<b>.370</b>	.269	2.133

*Source: Author's own*

The regression analysis is the method used to test hypotheses and measure the strength of the cause-and-effect relationship between variables of this conceptual model. Table 5 represent the findings of the regression analysis.

**Table 5:** Coefficients of the model

Model		Unstandardized		Standardize		Collinearity	
		B	Std. Error	Beta	T	Sig.	Statistics
1	(Constant)	1.176	.516		2.280	.031	
	Product Quality	.007	.314	.005	.022	.983	.471 2.124

Price	-.382	.313	-.244	-1.221	.233	.630	1.587
Product Availability	.649	.267	.450	2.431	.023	.735	1.360
Perception	.302	.217	.299	1.395	.175	.547	1.827

a. Dependent Variable: Buyers Preference

**Source:** Author's own

The analysis of the independent variable of Product Quality yielded a B Value of 0.007 and a significance of 0.983 ( $P= 0.000 < 0.05$ ), indicating that Product Quality is statistically insignificant at the 0.05 level. Consequently, the null hypothesis ( $H_1$ ) has been accepted, suggesting a negative relationship between product quality and buyer's preference in purchasing Nutmeg and Mace from the company. In contrast, the alternative hypothesis has been rejected. Similarly, examining the independent variable of Price resulted in a B Value of -0.382 and a significance of 0.233 ( $P= 0.000 < 0.05$ ), indicating that Price is statistically insignificant at the 0.05 level. As a result, the null hypothesis ( $H_2$ ), positing a negative relationship between prices and buyer's preference, has been accepted. However, the analysis of Price as an independent variable yielded a B Value of 0.649 and a significance of 0.023 ( $P= 0.000 < 0.05$ ), indicating statistical significance at the 0.05 level. Consequently, the null hypothesis ( $H_3$ ) suggesting a negative relationship between product availability and buyer preference has been rejected in favor of the alternative hypothesis. Similarly, for the perception independent variable, the B Value of 0.302 and a significance of 0.175 ( $P= 0.000 < 0.05$ ) indicate statistical significance at the 0.05 level, leading to the rejection of the null hypothesis ( $H_4$ ) in favor of the alternative hypothesis.

## 5. CONCLUSIONS

Researcher conclude that there is a negative relationship between the product quality and the buyers' preference in purchasing Nutmeg and Mace from the company where the impact is negative (Pearson Correlation value = 0.243) and there is a negative relationship between the price and the buyers' preference in purchasing Nutmeg and Mace from the company (Pearson Correlation value = -0.015). There is a positive relationship between the product availability and the buyers' preference for purchasing Nutmeg and Mace from the company (Pearson Correlation value = 0.544), and there is a positive relationship between the perception and the buyers' preference in purchasing Nutmeg and Mace from the company (Pearson Correlation value = 0.400)

The strongest and the most impacted factor could be identified as product availability, which indicates a significant positive impact, and the next strongest and impacted factor could be identified as the perception of buyers' preference for purchasing Nutmeg and Mace from the company. At the same time, product quality and price do not impact buyers' preference in purchasing Nutmeg and Mace from the company in this research.

### **RECOMMENDATIONS**

As corrective measures, the researcher suggests that the management take strategic actions to address issues related to product availability to buyers. This includes exploring alternative solutions for storing materials to fulfill orders when materials are scarce. It is important to consider moisture issues to avoid losses. The company should also inform buyers if they need more time to fulfill orders and maintain a positive engagement. To retain existing buyers and find new buyers, the company should interact more with buyers by providing market information, prices, and quality products. The level of service given to them is very important as they always prefer to work with companies who maintain a cordial relationship with them. To increase export quantities in potential international markets, the researcher recommends that Sri Lankan companies should participate in international exhibitions such as the International Pepper Community in India, International Pepper Community, Prodexpo, and Worldfood Exhibitions in Russia, Anuga Exhibition in Germany, and Sial Exhibition in France to enhance the possibilities for Sri Lankan exporters to increase their export quantities in potential international markets. These exhibitions provide opportunities to meet potential buyers and market their products.

### **MANAGERIAL IMPLICATIONS**

This study will benefit the Marketing Department as the findings could be used to identify the factors affecting buyers' preference in purchasing Nutmeg and Mace from the company. Further, as per the model summary, it shows 63% variance by the research conceptual model, and it indicates that other factors could influence buyers' preference in purchasing Nutmeg and Mace. Therefore, future research is important to find other possible independent variables to the dependent variable.

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## EXPLORING UNIVERSITY STUDENTS' PERCEPTION TOWARDS ORGANIC FOOD: A QUALITATIVE ANALYSIS

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### ABSTRACT

The main objective of this research is to get insight into the antecedents influencing university students' perception of organic food products. To ascertain the many antecedents that encourage or discourage organic food purchase. Using the convenience sampling approach, 25 university students were chosen as the sample, and the text of the in-depth interview data was analyzed using qualitative content analysis. The results indicate that students' perceptions of buying organic food are positively influenced by factors related to health, availability, promotion, and education in the demographics. It has been discovered that the high cost and limited supply of organic food are the main barriers to purchasing organic food. This study suggests that retailers should make products available because demand is present in the market, but the product is only sometimes available. They should create efficient marketing plans and tactics to affect consumers positively. By making these products easily accessible, they can persuade customers to purchase organic products. By investigating the factors influencing consumers' propensity to buy organic food in the Indian setting, this study offers insightful information into consumer behavior about organic food.

**Keywords:** *Organic food, University students, Health conscious, Knowledge, Availability, India.*

### 1. INTRODUCTION

Indian consumers' growing health consciousness is a key market driver for organic foods. Consumers' food quality and nutrient content are receiving more attention today, which has increased the demand for organic goods. Food produced using organic agricultural methods, excluding synthetic



fertilizers, pesticides, genetically modified organisms (GMOs), antibiotics, and growth hormones, is referred to as organic food. Since it does not include hazardous chemicals or artificial additions, it is considered healthier and more nutrient-rich than food farmed normally (Paul & Rana, 2012). There is an increasing demand for organic food of different types across the globe as it is believed to be free of any chemicals that harm the body due to continuous consumption (Jayawardena et al., 2023). The unexpected COVID-19 pandemic breakout has also been a significant factor in the market expansion for organic foods. Since the pandemic has made it more important than ever to keep your immune system strong, more customers are choosing organic food products to improve their health and immunity. However, producing such organic foods incurs high costs; hence, organic food products are costlier than other food products.

Additionally, millennials and Generation Z customers are fuelling the market's expansion by increasing their demand for organic food goods, according to Joshi and Rahman (2016). Adults with advanced degrees are considered future consumers, society representatives, and people who care more about social and environmental issues (Srivastava et al., 2023). However, most studies primarily looked at customers' intentions to buy, with few studies looking at actual behavior, particularly in the setting of universities. Because organic food is a healthier alternative to conventional food, the market for these products is anticipated to expand globally in developing and established countries. Because of its diverse agro-climatic conditions, India has great potential to produce all types of organic products. The long-standing practice of organic farming is a bonus in several regions of the nation. This is an opportunity for organic producers to enter the constantly expanding domestic and international markets.

In 2022, India's market for organic food was estimated to be worth INR 97.34 billion. It is anticipated to grow at a CAGR of approximately 16.27% from 2023 to 2027, reaching INR 287.33 Bn. According to the currently available data, India ranks first overall in producers and sixth in organic agricultural land worldwide as of 2021 (Source: FIBL & IFOAM Year Book, 2023). As per the data of APEDA., the total area undergoing organic certification as of March 31, 2023, as recognized under the National Program for Organic Production, is 10.17 MHA (2022-2023). This contains 5391792.97 ha of cultivable land and an additional 4780130.56 ha for collecting wild harvest.

The greatest area certified as organic has been covered by Madhya Pradesh,

followed by Maharashtra, Gujarat, Rajasthan, Odisha, Karnataka, Uttarakhand, Sikkim, Chhattisgarh, Uttar Pradesh, and Jharkhand. In 2022–2023, 312800.51 MT worth of goods were exported. Around INR 5525.18 Crore (708.33 million USD) in organic food exports were realized. Exports of organic goods go to countries like the United States, the European Union, Canada, Great Britain, Switzerland, Turkey, Australia, Ecuador, the Republic of Korea, Vietnam, Japan, etc. Although it is still a niche market in India, the demand for organic food will increase over the next several years. The industry is growing quickly due to rising customer demand for wholesome, chemical-free foods and the spread of organic food items. The research objectives of the study are as follow.

- Exploring University students' perception towards organic food.
- The various factors which discourage or motivate students to buy organic food products.

## **2. LITERATURE REVIEW**

Indian consumers' growing health consciousness is a key market driver for organic foods. Consumers' food quality and nutrient content are receiving more attention today, which has increased the demand for organic goods. Food produced using organic agricultural methods, excluding synthetic fertilizers, pesticides, genetically modified organisms (GMOs), antibiotics, and growth hormones, is called organic food. Since it does not include hazardous chemicals or artificial additions, it is considered healthier and more nutrient-rich than food farmed normally (Paul & Rana, 2012). There is an increasing demand for organic food of different types across the globe as it is believed to be free of any chemicals that harm the body due to continuous consumption (Jayawardena et al., 2023). The unexpected COVID-19 pandemic breakout has also been a significant factor in the market expansion for organic foods. Since the pandemic has made it more important than ever to keep your immune system strong, more customers are choosing organic food products to improve their health and immunity. However, producing such organic foods incurs high costs; hence, organic food products are more costly than other food products.

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### **3. RESEARCH METHODOLOGY**

In order to get insight into the variables influencing university students' perception of organic food products, a convenience sampling method of qualitative research methodology was used in this study. A qualitative research approach helps understand respondents' viewpoints, identify the essential words that best describe their beliefs or experiences, and

determine the reasons behind their decisions (Vinten, 1994). Convenience sampling was employed to interview 25 university students from the undergraduate, postgraduate, and PhD levels of Siddharth University Kapilvastu Siddharth Nagar U.P. INDIA. Convenience sampling is a type of non-probability sampling strategy that refers to gathering data from population members who are conveniently accessible. It is most frequently employed in the exploratory stage of a research project (Sekaran & Bougie, 2010). Each student underwent an in-depth one-on-one interview within the walls of Siddharth University, Kapilvastu. A direct and unstructured method of gathering information is through in-depth interviews (Malhotra & Dash, 2009). This approach is mostly used for exploratory research to generate insights and can be successfully used in unique problem circumstances, like those needing a thorough comprehension of complex behavior (Malhotra & Dash, 2009).

The interviews took place in English over two months (i.e., July–August 2023), and each student's response was manually recorded for analysis and interpretation. Each interview lasted between 45 and 60 minutes. Twenty-five undergraduate, graduate, and PhD students provided their assent and participated in the detailed interviews. A study conducted in 1993 by Griffin and Hauser found that to obtain 90–95% of the needs of the consumer, 20–30 interviews are required.

The textual content of the in-depth interview data was analyzed using qualitative content analysis, a research technique for the subjective interpretation of text data through a systematic classification process of coding and identifying themes or patterns (Hsieh & Shannon, 2005). Word-by-word comprehension of the interview transcripts compiled from the researcher's notes served as the basis for the study. Similar responses were collected and categorized together. In a qualitative research project, coding is a crucial step in the data analysis (Strauss, 1987). Data collection through tape recordings and videotapes is only sometimes necessary for coding; researcher notes from interviews, field observations, and other documents, such as published materials, can be coded in minute detail (Strauss, 1987). As a result, the data analysis process included reviewing and categorizing the data from the depth interviews, determining the themes or patterns, structuring, labeling, and presenting the results.

#### **4. FINDINGS AND DISCUSSION**

The demographic information of the students who participated in the in-depth interviews is presented first before the findings. The interview results are also organized according to the key themes from the in-depth interview questions. Twenty-five students participated in the study, and 56% were male. The participants' age range is between 19 and 29 years. Five respondents are enrolled in Ph.D. programs, ten are pursuing their graduation, and ten of the sample's students have completed their graduation and are enrolled in post-graduate studies. For 76% of the participants, the yearly minimum household income is INR 5 lacs. Student pocket money was the primary source of income for 92% of the population. 60% of students have pocket money under Rs. 1000, and the remaining 40% have between Rs. 3000 and Rs. 9000 monthly.

Most students reveal that the demand for organic food is influenced favorably by the growing concern over health and environmental issues. However, because of the sudden outbreak of the COVID-19 pandemic, consumer awareness of the relationship between nutrition and health is increasing rapidly. Compared to conventional food, organic food eliminates synthetic pesticides and agricultural chemicals. Additionally, numerous studies demonstrate that organic foods are more nutrient-dense than conventional ones. As a result, consumers purchase organic foods because they are considered safer and more nourishing than conventional meals.

##### ***Preferred Organic Food Brands:***

1. 24 Mantra Organic
2. Pure and Sure
3. Conscious Food
4. Nourish Organic
5. Organic India

##### ***Organic food products frequently bought***

1. Fruits and Vegetables
2. Meat and Poultry Farms
3. Dairy products
4. Organic tea and coffee
5. Organic Shampoo
6. Organic Cereals etc.

### ***Influencing Antecedents for Organic Food Products***

The primary factors were formed by grouping and labeling the quotes from the in-depth interview transcriptions. Thus, the most common reasons given by students for purchasing organic food were:

**1) Premium Price:** Due to their limited financial resources, students do not favor more expensive things than other products in a given category. Given that increased prices discourage consumers from making purchases (Lockie et al., 2002; Chang, 2011). The following quotes from the depth interview supported premium price: *“Expensive,” “Spent more money,” “Costly in comparison to conventional food,” and “Status symbol.”*

**2) Knowledge:** Most of the students stated that they have very little knowledge about organic products even though they are not very much aware of the dynamic aspects of organic food. Consumers must understand what they are buying to fulfill their needs and wants. Food knowledge is a crucial element that might influence consumer behavior (Sapp, 1991). The quotes favoring knowledge are: *“Not aware,” “Less familiar,” and “Don’t consume on regular basis.”*

**3) Availability:** Young et al. (2010) reported that the limited availability of a product had a negative influence on consumer attitude and purchase behavior towards organic food products. According to most studies (Padel & Foster, 2005; Young et al., 2010), purchasing environmentally sustainable products is significantly hampered by the low availability and access to organic food products. On the other hand, convenient access to organic food products has a favorable impact on consumers' purchasing decisions (Tarkiainen & Sundqvist, 2005). The quotes in support of availability are: *“Not readily available in the local market,” “Have to search for it,” and “Mostly available online.”*

**4) Healthy and Nutritious:** According to Bourn and Prescott (2002), organic food has a competitive advantage over conventional products. Numerous researchers found that health was one of the main factors influencing people to buy organic food (Grossman, 1972; Schifferstein & Oude Ophuis, 1998). Health awareness is a crucial aspect in determining how customers behave when making purchases, and it has been made clear that consumer buying intentions are poor in areas where health-related awareness is low (Kim & Chung, 2011). The quotes favoring health and

nutrition are: *"Health consciousness," "Pesticides free," "Eco-friendly," "Quality and pure," "Better taste," and "Freshness."*

**5) Promotion:** Since organic food is uncommon in local markets and stores, it is less widely available than conventional food. It needs to be promoted so that every customer is aware of organic food products and may buy them to meet the demand for organic food. According to Singh, A., & Verma, P. (2017), a significant element that influences customers' decisions to purchase organic food items is a variable like advertising. The quotes in support of promotions are: *"Not easily seen," "Time-consuming purchase," "Need promotion," "Informative advertising," "Visual representation," and "Appeal to consumers."*

## 6. CONCLUSION AND CONTRIBUTIONS

This study investigated the variables affecting university students' perceptions of organic food. The primary influencing factors for organic food were the availability, higher price, promotions, knowledge, environmental friendliness, superior flavor, quality, organically produced, trust, and need for diversity. While most students purchase goods in person, some prefer Amazon and Flipkart for online purchases. Because organic food is created naturally, its nutritional richness boosts health benefits and strengthens our immune system. On the other hand, it has been discovered that restricted availability and high prices are restricting factors. Marketers should make organic food available to their stores to generate new demand in addition to satisfying present demand to get around these constraints and surpass the current demand for organic food. It has been determined that a key factor in the high price of organic food is a lack of consumer demand. Once there is a market for organic food, the producer will start to boost production, increasing supply. By doing this, the cost of organic food will presumably decrease. According to the study, marketers should develop marketing strategies to raise customer knowledge of the advantages of eating organic food. Retailers will benefit from the study's understanding of the elements that are likely to impact consumers' organic food purchases as they develop strategies to boost sales by expanding market penetration.

## LIMITATIONS AND FUTURE SCOPE

It is frequently argued that the scope of the conclusions from qualitative research is constrained (Bryman, 2008). Students from one educational

campus in Uttar Pradesh, India, took part in the in-depth interviews for our study. It is contended that it is impossible to know how the results can be extrapolated to other contexts when interviews are performed with a small number of people in a specific location (Bryman, 2008). Additionally, the participants in qualitative research are not intended to represent a group, and it may be difficult to count the population (Bryman, 2008) precisely. Due to this constraint, we recommend that future researchers conduct a similar study in other Indian cities and various educational campuses in Uttar Pradesh. Given the exploratory and unstructured nature of qualitative research and its limited sample size, it is recommended that the results of exploratory research be viewed as preliminary or as a source of information for future studies (Malhotra & Dash, 2011). According to Malhotra and Dash (2011), such a study is frequently followed by more exploratory or conclusive research. Therefore, researchers can use our study's results as a basis for applying additional exploratory or definitive research in the domain of perception toward organic food.

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## AN IN-DEPTH REVIEW OF DIGITAL MARKETING IN THE CONSTRUCTION INDUSTRY OF SRI LANKA

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### ABSTRACT

This comprehensive review looks into the transformative effects of digital marketing practices on the construction industry in Sri Lanka. It provides insights into strategies, benefits, challenges, and potential future directions. This review synthesizes a wide array of research studies, case studies, and industry trends to offer a comprehensive comprehension of the digital marketing landscape in the construction sector of Sri Lanka. The marketing practices within the construction industry in Sri Lanka have undergone a significant transformation, characterized by the increasing utilization of digital marketing strategies. These strategies include content marketing, social media engagement, search engine optimization (SEO), and email marketing, which have gained considerable prominence. The successful incorporation of traditional marketing approaches into integration strategies has increased brand visibility, improved lead generation, enhanced cost-effectiveness, and enriched customer engagement. Adopting digital marketing is imperative for construction firms operating in Sri Lanka to attain a competitive advantage within a highly competitive market. The approach above facilitates a focus on consumer needs, highlights the importance of sustainability and innovation, and cultivates the ability to adjust to the ever-changing digital environment. Incorporating digital marketing is not merely a fad but a crucial strategic necessity for achieving long-term growth and maintaining a competitive edge in the ever-changing market environment. By acknowledging the importance of digital marketing and maintaining a leading position in the field, construction firms in Sri Lanka can strategically position themselves for success in the ever-changing and technology-driven future.

**Keywords:** *Digital Marketing, Construction Industry of Sri Lanka, Marketing Strategies, Technology Adoption, Construction Sector.*

## 1. INTRODUCTION

The advent of digital marketing has had a profound impact on the construction industry at a global level, leading to a reconfiguration of conventional marketing strategies and providing novel opportunities for companies to interact with their desired consumer base (Piercy, 2016; Rogers, 2016; Agenda, 2016; Pascucci et al., 2023). In a period marked by swift technological progress and evolving consumer patterns, implementing digital marketing tactics has become crucial for construction firms aiming to sustain competitiveness and market relevance (Rogers, 2016; Ismail et al., 2017; Katsikeas et al., 2020).

This study explores the background of the construction industry in Sri Lanka, providing insights into its historical evolution and current condition. Additionally, it addresses the existing research gap in implementing digital marketing strategies within this sector. The construction industry plays a pivotal role in fostering economic development in both developed and emerging economies on a global scale. Historically, marketing strategies employed in this industry heavily relied on traditional approaches, including print advertising, participation in trade shows, and leveraging word-of-mouth referrals (Stokes et al., 2002; Trusov et al., 2009; Bruhn et al., 2012; Rathnasiri, 2021). The emergence of digital technologies and the widespread use of online platforms have significantly transformed how construction companies engage with their stakeholders (Yovanof, 2009; Gregory, 2015; Kifokeris et al., 2019; Soto-Acosta, 2020; Dewasiri et al., 2023; Rana et al., 2022).

On a global scale, the construction industry has experienced a significant transformation towards utilizing digital marketing techniques, including search engine optimization (SEO), content marketing, social media marketing, and email campaigns. The utilization of digital strategies provides construction companies with the opportunity to expand their target market, improve the recognition of their brand, and interact with customers in real time (Piñeiro-Otero et al., 2016; Chaffey et al., 2019; Saura et al., 2019; Bagchi et al., 2020). Despite the clear global trend towards digital marketing in the construction industry, there is a significant gap in research regarding the specific application of these strategies within the construction sector of Sri Lanka (Grindle, 1995; Beddewela et al., 2016; Senaratne et al., 2016; Yapa, 2017; Tembo et al., 2021). The utilization and efficacy of digital marketing in the Sri Lankan context necessitate further

examination despite its acknowledged potential to bolster brand visibility and facilitate consumer interaction (Lakshmee, 2021; Ahsan et al., 2023).

This review article seeks to fill the existing research gap by conducting a comprehensive analysis of the utilization of digital marketing strategies within the construction industry in Sri Lanka. Previous studies conducted by Ahamed et al. (2013), Habibi Rad et al. (2021), Sharifirad (2023), and Withanaarachchi et al. (2023) will be considered in this examination. The effects of these strategies on different aspects of the industry, encompassing business performance and consumer patterns, were evaluated (Donthu et al., 2020). The primary objective of this review is to offer a comprehensive analysis of the digital marketing practices employed in the construction industry of Sri Lanka. A thorough understanding of the strategies currently utilized and their potential consequences, drawing upon the works of Malesev et al. (2021), Li et al. (2021), and Nguyen et al. (2022), was provided. This study enhanced the comprehension of the impact of digital marketing on fostering innovation and competitiveness in the construction sector of Sri Lanka. This review seeks to shed light on potential opportunities for growth and enhancement in the evolving landscape of Sri Lanka's construction industry by thoroughly analyzing its historical development, current state, and adoption of digital marketing practices.

## **2. LITERATURE REVIEW**

The conceptual framework is a theoretical structure that provides a foundation for understanding and analyzing a particular phenomenon or problem. Digital marketing encompasses various strategies and tools construction companies utilize to augment their online visibility and effectively interact with their intended demographic. In order to gain a comprehensive understanding of digital marketing in the construction industry of Sri Lanka, it is crucial to establish clear definitions and thoroughly examine the various essential components encompassed within this conceptual framework. These components are as follows:

*Content marketing* is a strategic approach that entails the creation and dissemination of valuable, pertinent, and consistent content to attract and retain a well-defined target audience (Holliman et al., 2014; et al., 2019; Ahmad et al., 2016; Atapattu et al., 2023).

***Search Engine Optimisation (SEO)*** refers to the strategic process of enhancing a website's visibility and ranking on search engine results pages (SERPs). The objective of SEO is to improve organic traffic, which refers to the non-paid visits to a website (Baye et al., 2016; Lewandowski et al., 2023).

***Social media marketing*** refers to strategically utilizing social media platforms to establish connections with the target audience, enhance brand recognition, and encourage active participation (Castronovo et al., 2012; Freeman et al., 2015).

***Email marketing*** is a promotional strategy that entails disseminating tailored messages to a specific audience to promote goods and services or foster customer connections (Sahni et al., 2018).

***Pay-per-click advertising (PPC)*** refers to an internet-based advertising model in which advertisers must remunerate a fee for every instance their advertisement is clicked. This tool aims to increase the volume of website visitors (Kapoor et al., 2016; Weideman et al., 2017).

***Influencer marketing*** refers to engaging with individuals with a significant online presence and a committed audience to endorse and advertise products or services (Brown et al., 2008; Vrontis et al., 2021).

A thorough comprehension of these components is imperative in formulating an all-encompassing digital marketing strategy specifically designed for the construction sector in Sri Lanka. The study examines global trends and best practices comprehensively. In order to obtain a more comprehensive understanding of the implementation of digital marketing strategies within the construction sector, it is imperative to analyze the prevailing global patterns and exemplary methodologies that have surfaced in recent times. The global progression of digital marketing strategies in the construction industry indicates a significant shift within the sector. Prominent trends have been observed in the field, including the notable rise in utilizing Information Modelling (BIM) for digital projects (Arayici et al., 2012; Siniak et al., 2020). Prominent case studies exemplify the successful utilization of digital marketing by construction companies. Augmented reality (AR) construction companies have employed

applications to offer potential clients a comprehensive and immersive visualization of construction projects (Rejeb et al., 2020; Placencio-Hidalgo et al., 2022). The construction industry's theoretical foundations of digital marketing strategies frequently rely on established marketing theories and models, such as the customer journey and the marketing funnel (Terho et al., 2022; Santos et al., 2021).

These theoretical underpinnings guide the strategic utilization of digital marketing tools to accomplish specific goals, such as enhancing brand recognition, generating leads, or fostering customer loyalty. Through a comprehensive analysis of global trends, case studies, and theoretical frameworks, it is possible to discern optimal approaches and strategic perspectives that can be implemented within the Sri Lanka construction industry. This, in turn, has the potential to augment the efficacy of digital marketing endeavors.

### **3. METHODOLOGY**

This study employed a systematic approach to analyse the digital marketing practices in the construction industry of Sri Lanka. This process involved the compilation, evaluation, and synthesis of pertinent literature. An extensive, three-decade-long literature search was performed using keywords in scholarly databases, commencing in 2023. The compilation of articles focused on digital marketing strategies specific to Sri Lanka's construction industry was facilitated by carefully designed inclusion and exclusion criteria. The aggregated findings offer a comprehensive overview of the processes, challenges, and legal considerations within Sri Lanka's digital marketing landscape for the construction industry. A comparative study was conducted to highlight contextual nuances by examining international practices. Strict adherence to the quality assessment criteria ensured the inclusion of reputable, peer-reviewed sources. The review process consistently adhered to ethical standards, and the documentation complied with academic standards by transparently acknowledging any biases and limitations.

#### **4. DIGITAL MARKETING STRATEGIES IN THE SRI LANKAN CONSTRUCTION INDUSTRY**

In order to develop a thorough comprehension of the digital marketing environment in the Sri Lankan construction sector, it is crucial to thoroughly examine the customary digital marketing tactics employed by construction companies operating within this framework. The digital marketing strategies implemented by construction firms in Sri Lanka encompass various approaches designed to engage a wide range of audiences effectively. These strategies encompass a range of approaches, with examples including, but not restricted to:

1. The significance of informative and captivating content that highlights their proficiency, project portfolios, and industry knowledge is acknowledged by construction companies in Sri Lanka (Jayalath et al., 2017; Silva et al., 2018; Perera et al., 2022; Atapattu et al., 2023).
2. Search Engine Optimisation (SEO) refers to using various techniques to enhance the visibility of a company's website and content in search engine results. This is achieved by employing strategies that enable the website and its content to rank prominently in search engine results (Niranjika et al., 2019; Abbas et al., 2019).
3. The utilization of social media platforms by Sri Lankan construction companies serves as a means to engage with clients, disseminate project updates, and cultivate brand loyalty (Farook et al., 2016; Adedeji et al., 2018; Madhuhansi et al., 2019).
4. Email marketing is a widely used strategy for engaging in personalized communication with prospective customers and nurturing relationships with current ones (Nawaz et al., 2020; Rajapakshe et al., 2022; Weerakoon et al., 2023).
5. Construction companies in Sri Lanka utilize Pay-Per-Click Advertising (PPC) as a means to enhance website traffic and



generate potential customer leads (Ranasinghe et al., 2018; Rajapakshe et al., 2022; Balasooriya et al., 2022).

6. Influencer marketing involves establishing partnerships with industry influencers and experts, which cultivates trust and enhances credibility among the intended target audiences (Shamil et al., 2014; Perera et al., 2014).

### ***The incorporation of digital marketing strategies alongside traditional marketing approaches***

Sri Lankan construction firms frequently incorporate digital marketing strategies alongside conventional marketing methodologies, thereby developing comprehensive and multifaceted marketing campaigns that efficiently engage a wide range of target audiences. For example, the use of print advertisements in prominent construction industry magazines can be enhanced by implementing digital content marketing strategies. These endeavors encompass the creation of educational blog posts, articles, and project exhibitions on the official company website and various social media platforms. The integration mentioned above serves to establish a coherent brand message that spans various communication channels, including both traditional and digital platforms (Kapurubandara et al., 2006; Nagalingam et al., 2013; Aluthwaththa, 2016; Cornelissen, 2020; Pandey et al., 2020). In addition, using digital strategies can enhance the effectiveness of events and trade shows, which have traditionally played a significant role in construction marketing. Organizations employ social media platforms to generate excitement surrounding events, disseminate real-time information, and interact with participants virtually. Technology integration in these events expands their scope beyond geographical limitations, attracting a diverse international audience (Raftery et al., 1998; Ramachandra et al., 2006; Pathirana, 2020; Atapattu et al., 2023).

Integrating digital and traditional marketing strategies enhances the market reach of construction firms in Sri Lanka and strengthens their brand image and reputation. This statement demonstrates an acknowledgment of the dynamic nature of the marketing industry and the necessity of adopting a

comprehensive strategy to effectively engage with contemporary technologically proficient customers.

## 5. BENEFITS AND CHALLENGES

Implementing digital marketing strategies within the construction industry in Sri Lanka presents a wide range of advantages that significantly contribute to the evolution of marketing practices and the facilitation of business expansion. **Increased Brand Visibility:** The implementation of digital marketing strategies, including search engine optimization (SEO), content marketing, and social media engagement, has been found to greatly improve the visibility of construction companies in Sri Lanka, both domestically and internationally (Ganesan et al., 2006; Bilgin, 2018; Coman et al., 2020). **The Optimisation of Lead Generation Strategies** Digital marketing enables construction firms to effectively generate high-quality leads by implementing targeted campaigns and engagement strategies (Järvinen et al., 2016; Ahsan et al., 2023; Spillane et al., 2023). This, in turn, facilitates the expansion of their client base.

**Enhanced Cost-Efficiency:** Unlike conventional marketing strategies, digital marketing presents a cost-efficient means of engaging a broad demographic. According to Key et al. (2017) and Graham et al. (2019), there is potential for Sri Lankan construction companies to enhance their budget allocation practices to maximize return on investment. **Enhanced Customer Engagement:** Construction companies in Sri Lanka establish direct and meaningful connections with customers through social media platforms and email marketing strategies. The studies above by Farook et al. (2016) and Sarathchandra et al. (2016) highlight the role of these interactions in cultivating trust and loyalty, thereby influencing the likelihood of customers engaging in repeat business.

### *Challenges*

Implementing digital marketing poses distinct challenges for construction companies in Sri Lanka, requiring adopting strategic planning and resource management practices. The concept of limited resources refers to the condition in which there is a scarcity of available resources relative to the demand or need for them. In Sri Lanka, numerous construction

companies, particularly those of smaller scale, may face resource constraints when executing extensive digital marketing initiatives. The adoption of advanced tools and strategies may be impeded by financial limitations (Raftery et al., 1998; De Silva et al., 2008; Jayalath et al., 2017; Silva et al., 2018). Technological bottlenecks refer to the impediments posed by inadequate technological infrastructure and limited expertise, which can hinder the efficacy of digital marketing efforts. The proficiency of employees in utilizing digital tools and platforms is of utmost importance (Raftery et al., 1998; Kapurubandara et al., 2008; Jayalath et al., 2017; Silva et al., 2018; Karunaratne et al., 2023; Ahsan et al., 2023).

A significant level of market competition characterizes the construction industry in Sri Lanka. Organizations are required to face competition from other companies to achieve online visibility and capture the attention of their target audience. To differentiate oneself in a saturated digital environment, it is necessary to exhibit ingenuity and originality (Raftery et al., 1998; Vijayaragunathan, 2016; Karunaratne et al., 2023). The management of customer data entails obligations about data privacy and security. It is of utmost importance to ensure adherence to data protection regulations, as the ramifications of data breaches can be significant (Aboobucker et al., 2018; Tikkinen-Piri et al., 2018; Silva et al., 2018; Karunaratne et al., 2023). The ability to adjust to swift changes is crucial in adapting to the dynamic nature of the digital marketing landscape, wherein algorithms, platforms, and best practices undergo rapid evolution. In order to maintain a competitive edge, construction firms operating in Sri Lanka are required to possess qualities of agility and adaptability (Wertime et al., 2011; Wijesinghe et al., 2015; Weerakoon et al., 2022; Ahsan et al., 2023). To effectively tackle these challenges, it is imperative to engage in strategic planning, maintain continuous training efforts, and demonstrate a steadfast dedication to harnessing the advantages of digital marketing while minimizing any potential obstacles.

## **6. REGULATORY AND LEGAL FRAMEWORK**

The regulatory ecosystem is the complex network of regulations, policies, and institutions that govern and oversee various industries and sectors. In order to effectively navigate the digital marketing landscape in Sri Lanka, it is imperative to thoroughly examine the existing regulatory framework that

governs digital marketing practices. This encompasses various regulations pertaining to areas such as data protection, advertising standards, privacy laws, and consumer rights.

Sri Lanka has enacted data protection legislation to ensure the confidentiality and integrity of individuals' data. The Personal Data Protection Act of 2022 is a legislative framework that sets forth fundamental principles governing the lawful processing of personal data and imposes specific obligations on entities responsible for handling such data (Government of Sri Lanka, 2022). The establishment of advertising standards is overseen by the Sri Lanka Institute of Marketing (SLIM), which serves as the industry's regulatory body for advertising practices. Advertisers must comply with ethical principles and guarantee the accuracy and absence of deception in their marketing communications (Sri Lanka Institute of Marketing, 2022). The Computer Crimes Act (2007) in Sri Lanka is a legislative measure encompassing a range of cybercrime-related matters, such as hacking, data breaches, and unauthorized entry into computer systems. Adherence to these laws is paramount for construction companies to safeguard customer data (Parliament of Sri Lanka, 2007). Consumer rights are protected by the Consumer Affairs Authority (CAA) in Sri Lanka. Companies must adhere to the regulations the Consumer Affairs Authority (CAA) set forth, encompassing various aspects such as product labeling, pricing, and quality standards (Consumer et al.).

Compliance with legal and regulatory obligations is of utmost importance in digital marketing, as it mitigates potential legal risks and upholds ethical standards. In the context of digital marketing, it is imperative for construction companies operating in Sri Lanka to comply strictly with essential regulatory obligations. The adherence to data privacy regulations and standards. It is of utmost importance to ensure adherence to data protection legislation. According to the Government of Sri Lanka (2022), companies must acquire explicit consent for data collection, storage, and processing. Additionally, companies should implement strong data protection measures to mitigate the risk of data breaches.

Adherence to advertising standards is crucial to upholding credibility and fostering consumer trust, which can be achieved through transparency and truthfulness. Construction firms must guarantee accurate information through digital marketing campaigns (Bandara et al., 2019; Kemper, 2001). Ensuring adherence to consumer protection laws and regulations is

imperative to uphold and protect the rights of consumers. The elements above encompass the provision of transparent pricing, comprehensive product information, and prompt responsiveness to consumer complaints (Consumer et al.). Construction companies must uphold intellectual property rights, encompassing copyright and trademarks when utilizing digital content for their marketing endeavors. Using copyrighted material without proper authorization can result in legal conflicts (World et al. Organisation, n.d.).

According to Williams et al. (2011), it is imperative for companies to meticulously create and assess contractual agreements with digital marketing agencies, influencers, and partners in order to guarantee adherence to legal requirements and safeguard their interests. Noncompliance with these imperative compliance measures can subject construction companies to legal liabilities, such as monetary penalties, legal conflicts, reputation harm, and consumer confidence erosion. Hence, it is paramount in digital marketing to remain well-informed about the regulatory framework and uphold a steadfast dedication to legal and ethical principles.

## **7. FUTURE DIRECTIONS AND RECOMMENDATIONS**

Given the ongoing evolution of digital marketing, it is crucial to provide well-informed forecasts concerning the future direction of digital marketing within the construction industry in Sri Lanka. These predictions are based on upcoming technological advancements, changing consumer behaviors, and evolving market dynamics.

The Sri Lankan construction industry is expected to experience a persistent stream of technological advancements within the digital marketing domain. This encompasses incorporating nascent technologies such as artificial intelligence (AI), machine learning, and virtual reality (VR) within marketing tactics. Artificial intelligence (AI)--powered chatbots are poised to deliver immediate customer support, while machine learning algorithms will enhance the precision of content targeting (Dewasiri et al., 2024). Additionally, virtual reality (VR) technology will enable immersive property tours.

The utilization of data analytics is poised to assume a progressively crucial role in formulating and implementing digital marketing strategies. Sri Lankan construction firms are expected to allocate resources towards adopting advanced analytics tools to acquire more profound insights into customer behavior. This strategic move will empower them to personalize marketing messages and offerings more efficiently. The application of predictive analytics is anticipated to be employed in order to make projections regarding market trends and consumer preferences. The emphasis on sustainability in the construction industry is expected to increase, corresponding to this trend in digital marketing strategies. Construction companies in Sri Lanka are expected to integrate sustainable building practices as a prominent focal point in their marketing strategies, highlighting utilizing environmentally friendly materials, energy-efficient architectural designs, and attaining green certifications. Mobile-First Strategies: Given the escalating prevalence of mobile device utilization in Sri Lanka, construction companies will accord utmost importance to digital marketing strategies prioritizing mobile platforms. In order to effectively engage with consumers, it is anticipated that the adoption of mobile-responsive websites, mobile applications, and location-based marketing strategies will become commonplace (Dewasiri et al., 2022).

### ***Recommendations***

In order to enhance the effectiveness of digital marketing endeavors for construction companies in Sri Lanka, this study presents practical suggestions encompassing strategic planning, implementation strategies, and performance evaluation. Strategic planning is a systematic and analytical process that organizations employ to establish a clear direction and allocate resources effectively to achieve them (Boyne, 2010). SEO optimization is recommended to enhance the visibility and ranking of the company's website and content within search engine results (Killoran, 2013). It is imperative to consistently uphold an interactive presence on pertinent social media platforms, actively engaging with customers and disseminating updates. The utilization of personalized email marketing campaigns is recommended in order to foster customer relationships and facilitate the achievement of conversions.

Data analytics is employed to effectively monitor and evaluate the efficacy of digital marketing campaigns by using appropriate tools (Tiago et al., 2014). It is imperative to consistently evaluate key performance indicators (KPIs) to gauge the effectiveness level. Employ A/B testing methodologies to enhance marketing strategies by optimizing elements such as ad copy, design, and landing pages (Siroker et al., 2015). Customer feedback in marketing strategies is crucial for addressing pain points and enhancing customer satisfaction. By following these guidelines, construction firms in Sri Lanka can effectively utilize digital marketing strategies to maximize their growth potential, enhance consumer engagement, and maintain competitiveness within a rapidly evolving market.

## **8. CONCLUSION**

This comprehensive review delves into the complex terrain of digital marketing within the construction industry in Sri Lanka. By conducting a comprehensive analysis of scholarly research, case studies, and prevailing trends in the industry, we have discovered several significant findings, essential insights, and actionable implications. The construction industry in Sri Lanka is undergoing a significant transformation in its marketing practices, wherein digital marketing has emerged as a crucial tool for effectively reaching and engaging consumers. The primary findings from this review encompass the utilization of a wide array of digital marketing strategies, from content marketing and social media engagement to SEO optimization and email marketing. Implementing traditional marketing approaches has been identified as a successful strategy for construction companies, emphasizing the importance of integration. Additionally, we explored the advantages of increased brand visibility, enhanced lead generation, improved cost-effectiveness, and enhanced customer engagement, all facilitated by digital marketing strategies.

Adopting digital marketing within the construction industry in Sri Lanka must be considered. The phenomenon is not simply a fad but a crucial necessity for guaranteeing long-term expansion and maintaining a competitive edge within the ever-changing market environment. Construction companies that utilize digital marketing strategies can gain a competitive advantage by expanding their reach to a larger audience, effectively demonstrating their industry knowledge and skills, and

establishing trust and credibility among potential customers. In a sector characterized by fierce competition, possessing this advantage is of immense value. Digital marketing enables construction firms to embrace a consumer-centric approach, thereby aligning their marketing endeavors with consumers' evolving behaviors and expectations. The provision of information to consumers facilitates their ability to make decisions in a more informed manner, thereby empowering them. The industry places significant emphasis on sustainability and innovation, and digital marketing is an effective platform for effectively communicating these values. This platform allows construction companies to exhibit environmentally friendly building practices and technological advancements.

Adaptability is of utmost importance in a swiftly changing digital environment. Construction companies that incorporate digital marketing strategies not only align themselves with the ever-changing dynamics of the market but also possess the adaptability to make necessary adjustments and introduce innovative approaches as required.

In summary, construction companies in Sri Lanka must adopt digital marketing strategies, as it is no longer a mere choice but an essential requirement. This capability allows businesses to connect with consumers, cultivate brand loyalty, and flourish in a progressively competitive market. In light of the ongoing evolution of digital marketing, construction firms must maintain adaptability and a steadfast dedication to remaining at the vanguard of this transformative phenomenon. By acknowledging the importance of digital marketing and its role in fostering sustainable growth, construction firms in Sri Lanka can strategically position themselves for success in an ever-evolving and technology-driven future.

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## DO CONSUMERS MAKE DECISIONS THROUGHOUT THE REPAIR PROCESS? AN EXPLORATORY STUDY ON CONSUMER REPAIR DECISIONS

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### ABSTRACT

Repair is one of the main product life-cycle extension methods to stimulate the circular economy, and it is considered vital and viable in addressing the disastrous global waste issue. Though repair has been researched considerably from the business perspective, research on consumers' repair behavior, specifically the repair process and repair decision-making, is scant. Decision-making is central in consumer behavior research, and so is consumers' repair behavior. Thus, this study aims to explore decisions made by young consumers throughout the repair process: before, during, and after repair. This research entails a qualitative study with data from fifteen semi-structured interviews with young undergraduates with a fair knowledge of sustainable marketing and experience in repairing their products. The study's findings uniquely contribute to the literature by introducing a range of decisions consumers make throughout the repair process while confirming a few decisions already presented in the literature. With this, the study extends and adds value to previous related studies and sheds light on new research avenues on repair behavior. Nevertheless, the study also calls for actions by governing bodies and practitioners by emphasizing the need to understand consumers' decision-making in repair. Furthermore, this research highlights the need for conducting more similar theoretical and empirical studies on the repair process and decision-making in the future by using a diverse and broader sample.

**Key words:** *Repair, Consumer decision-making, Repair process, Circular economy, Disposal behaviour*

### 1. INTRODUCTION

*Waste generation* is a universal issue affecting the environment, economy, and society. 2.12 billion tons of waste are dumped yearly, and it forecasts that this figure will rise significantly (The World Counts, 2022) unless

immediate actions are taken. The interesting fact is that 99% of this waste is products that were purchased and used in less than six months. This implies that the products are being dumped before it reaches the end-of-life stage. This is due to poor waste management decisions and linear disposal practices of organizations and consumers (Milios, 2022; Phulwani et al., 2020; Sariatli, 2017; Soyer & Dittrich, 2021). Long-term strategies such as avoiding and minimizing waste generation and optimum use of consumer durables by stimulating the circulation of used goods in society are highly recommended for addressing this issue.

Repair is one of the most viable and promising methods compared to other options (Laitala, 2014; Phulwani et al., 2020), such as recycling, reselling, and remanufacturing, because it extends the life of the product while preserving its originality, yet often underestimated in research (Jaeger-Erben et al., 2021). Many replaced products are neither resold nor remanufactured (Poppelaars et al., 2020; Wilson et al., 2017). Organizations focus on improving the circularity of products in many ways (e.g., repairable designs of products and reverse logistic operations). However, the success of these organizational efforts depends on consumer behavior and the decisions they make. For instance, consumers may opt to purchase a repairable product or otherwise. The literature evidence that the percentage of consumers who do not repair used products is high (Güsser-Fachbach et al., 2023; Sonogo et al., 2022). However, despite its substance, there is scant literature on consumers' repair behavior and decisions (Godfrey et al., 2022; Munten & Vanhamme, 2023). Therefore, it is imperative to understand consumers' repair decisions throughout the repair process. Besides, there is a lack of studies conducted in repair literature across different product groups (Korsunova et al., 2023; Laitala et al., 2020). Thus, this research is an attempt to bridge this gap.

The main purpose of this research is to explore decisions made by consumers throughout the repair process. On this stance, the broad research question underpinning this study is "What decisions do consumers make throughout the repair process: before, during, and after repairing?". The significance of this study is threefold: Firstly, this contributes to the consumer disposal decision-making literature by exploring, synthesizing, and empirically testing consumer decisions with

a special focus on repair. Secondly, the study extends the literature on repair through the lens of consumer behavior, which is a requisite for prolonging consumer repair behavior research. With that, the current study becomes one of the pioneer attempts to explore consumers' repair decisions in-depth in one study. Thirdly, this contributes to the research on repair decisions for consumer durables by keeping the product type/category unrestricted for exploration. This was decided based on the informal survey conducted earlier in the current research. In addition to the unique theoretical contributions, this study also provides knowledge for designers, manufacturers, policymakers, and governments to introduce timely initiatives and strategies to stimulate consumers' decisions for repair. The remainder of this article is structured as follows:

1. A brief overview of the literature on consumers' repair decisions will be provided.
2. The design and research methods are described in detail, while sections 4 and 5 present the data analysis and the discussion sequentially.
3. Conclusions are outlined in section 6

## **2. LITERATURE REVIEW**

Repair is regarded as one of the most promising (Bocken et al., 2016) and sustainable “End-of-Life” options for overcoming the threatening global waste generation issue because it enhances the life of products (Raihanian Mashhadi et al., 2016; Stahel, 2008). *Repair* is a process by which people try to remediate material changes or misalignments in their environment that disrupt the routinized order of their lives (Godfrey, 2022). Repair refers to more technically complicated remedial activities such as cleaning or maintenance. However, recognizing whether an activity is complex or simple is inherently subjective.

Even though repair is a preceding topic, it has gained wider research attention in certain areas, such as benefits (Dalhammar et al., 2022; McCollough et al., 2018; Svensson-Hoglund et al., 2021), barriers to repair (Tecchio et al., 2017), and repair experience (Korsunova et al., 2023; Pine & Gilmore, 2013). Furthermore, repair has been considerably studied from the business perspective. For instance, repairable product designs (Lee &

Wakefield-Rann, 2021; Mugge et al., 2021; Raihanian Mashhadi et al., 2016), business outcomes of product repairability (Sabbaghi & Behdad, 2018), manufacturer repairing policies and experience in the repair industry (Cha et al., 2021; Laitala et al., 2020; Qiao et al., 2023), etc. Another notable research area on repair is the factors affecting repair behavior. To name a few, personal traits and repair (Bayus, 1991), warranty time and repair (Jack et al., 2009; Marshall et al., 2018), consumers' perceptions, motivations, abilities, and emotional attachments for engaging in repair (Ackermann et al., 2018; Collett et al., 2013), convenience for repair (Korsunova et al., 2023), and socio-demographic factors;(McCollough et al.,2010; Bayus, 1991; McQueen et al., 2022). However, the literature contends that the research conducted on consumer behavior, more specifically on consumers' repair decisions, is sparse (Korsunova et al., 2023; Lefebvre, 2019; Svensson-Hoglund et al., 2022) except for a few attempts like Korsunova et al. (2023), Lefebvre (2019), López Dávila et al. (2021), and Shyh-Chang et al. (2013).

Whether to repair a product is one of many decisions consumers make. Russell et al. (2023) and Korsunova et al. (2023) argue that repairing is a process in which consumers make a series of decisions. As per the literature, the decisions that consumers make for repairing used products are: (1) whether repairing or not (Korsunova et al., 2023), (2) the method of repair (Russell et al., 2023; Laitala et al., 2021; Lechner et al., 2020), (3) future repair decisions (Pine & Gilmore, 1998), and (4) purchasing repairable products (Sabbaghi et al., 2016). The literature on repair identifies three main ways of repairing: (1) using a professional repair service provider (McCollough, 2010; Sabbaghi & Behdad, 2018), (2) self-repair, also referred to as "do-it-yourself (DIY)" (Laitala et al., 2021; raihanian Mashhadi et al., 2016), and (3) repair network of customers (Charter & Keiller, 2016; Lechner et al., 2021).

Lefebvre (2019) developed a process model of self-repair consisting of six stages: pre-decision, decision, preparation, repair, post-repair, and future purchase pre-decision. This is the only study thus far in the literature that develops a model for consumers' repair decision-making process to the best of researchers' knowledge. There are a few models, such as Güsser-Fachbach et al. (2023), Korsunova et al. (2023), Russell et al. (2023), and

Sabbhagi and Behdad (2018) that focus either on repair as the only decision or the whole repair process in which the decision-making occurs. Studies such as Svensson-Hoglund et al. (2022), Fachbach, Lechner, and Reimann (2022), McCollough (2010), and Berge et al. (2021) emphasize the need to explore repair-related decision-making from the consumer perspective. No study in the literature recognizes the decisions made by consumers when repairing products in-depth. Accordingly, this research will shed light on repair literature by creating many research avenues for future research.

### **3. METHODOLOGY**

The literature on repair decision-making needs to be more extensive. Thus, there is a dire need to conduct exploratory studies on repair decision-making. Hence, this study adopted a qualitative research approach grounded in interpretivism, which assumes that reality is subjective, multiple, and socially constructed (Lincoln & Guba, 1985; Morgan, 2007). Data was collected from fifteen participants selected by considering three criteria: Young adults; those who have a fair knowledge of sustainable marketing; and those who were planning to repair or have experience of repair.

These criteria led to the selection of undergraduates from universities in Sri Lanka who have studied sustainable marketing or a similar subject and those who were about to graduate. A similar approach has been adopted by Mashhadi et al. (2016) and Korsunova et al. (2023), recommended by Ziesemer et al. (2019). Furthermore, it has been proven that younger generations are less inclined to repair their products (Kankanamge, 2023; Kurisu & Bortoleto, 2011; Phulwani et al., 2021). Besides, the data saturation point was also considered to decide the number of interviews. The interview questions were semi-structured into four sections: (1) introduction and informed consent; (2) demographic questions; (3) questions on decisions before, during, and after repair; and (4) wrap-up questions. Semi-structured interviews provide “rich and holistic descriptions relating to participant’s real life (Miles & Huberman, 1992; Denzin & Lincoln, 2005; Malhotra, 2016). The interviews were conducted via Zoom video conference software during July and August 2023, and the researcher prepared a comprehensive guide to match the research question

based on the literature. The interviews ranged from 20-40 minutes, and they were audio-taped with the consent of the participants. Out of all participants, 9 were male, and 6 were female, all aged between 24 and 26 years old. The interviews were not particularly confined to a specific product or product category.

#### **4. DATA ANALYSIS & RESULTS**

The researcher herself first transcribed the gathered data. Thematic analysis was performed by using the six-step approach: familiarization with the data, generating initial codes, creating themes, reviewing themes, defining themes, and producing the report, as recommended by Braun and Clarke (2013). The analysis was conducted manually on hard copies and some on Microsoft Word documents and Excel sheets using the reviewing and commenting option. Potential themes were identified from the data and finalized by analyzing them in-depth and reviewing them. Careful data analysis was done by considering whether themes represent the entire data set by looking at how the themes work both with a single interview and across all the interviews. A peer expert also checked the codes and themes to ensure relevance and compatibility. This study aimed to explore consumers' decisions throughout the repair process. The findings of this study will be presented in three main phases to make it clearer and more structured for the reader: before repair, during repair, and after repair (Lefebvre, 2019; Russell et al., 2023).

##### **Before repair**

Consumers decide whether to repair over other disposal methods such as selling, gifting, donating, keeping, discarding, etc. For example:

*“I have no heart to sell my bracelet or give it away because I received it as a gift from my boyfriend. I know how hard it was for him to save up and buy it for me. So, I want to wear it always. That’s why I have decided to repair it”- Respondent (R)13.*

If the decision was to repair, consumers either self-repair or hand it to professional repair services. However, this largely depends on the nature

of the product, knowledge of repair, availability of resources, spare parts and cost, etc.

*“I have decided to repair the shoes and the bags by myself as it is easy. Sometimes I watch YouTube videos and do that. But I take electronic items such as mobile phone and laptop to a repair service centre as I am not a pro in that”- R1.*

If consumers decide to use professionals over self-repair, they also decide on the best professional repair center from the other available alternatives by considering many evaluative criteria.

*“I would definitely ask my family and friends for recommendations. I would also check their ratings on their websites, and social media platforms when deciding the best place for the repair. It is my mobile phone! I believe that it is good to get my phone repaired from a reliable place known to me or my friends”- R6*

Other than the referrals, consumers also consider criteria such as the availability of a valid warranty (R1, R2, R3), convenience (R3, R6, R10), cost (R3, R5, R6, R10), previous experience (R5, R11), reputation (R7, R9, R14), innovativeness (R7& R8), credibility and quality (R2, R4, R8). Furthermore, consumers decide on the repair budget before or after choosing repair methods. For instance, R10 claimed that he would only spend 10% on repair from the cost of buying a new product. Another example of this is:

*“We decided not to spend too much on repairing the traditional old chair though it has many sentimental values with childhood memories. However, it went a little more than planned as they had done a superb job by giving it a very new look with the new materials and the paint. They even suggested adding new features (glass holder on the arm of the chair) which were beyond our expectations and the budget which is worth anyway”. - (R3).*

Moreover, there are two main time-related decisions made by consumers before the repair: (1) when to repair, and (2) the time duration of repair. All the respondents had decided to repair the products promptly. Most of



their answers were “soon on a free day, soon after examinations, as soon as possible, as soon as I get some money,” etc. On the other hand, customers also decide on the maximum time duration for repair. For instance,

*“I am planning to take my laptop to a repair shop soon. I need my laptop back again within three weeks at least. One shop that I already contacted said that it will take more than one month as they must wait for spare parts. I know it is difficult to find parts as my laptop is a little old and purchased overseas. But my decision is to give it to a shop that can return it within three weeks. I really need it!” –(R7.)*

Another pre-repair decision made by consumers is the delivery/transport-related decision. According to the data, this can happen in four ways: (1) the product is taken to the repair center by the customer (R1, R2, R4, R8, R10), (2) the product is taken to the repair center by someone else: father or best friends (R5, R6, R7), (3) the repair service provider picks up the products and repair at the center (R3, R9), and (4) the repair service provider repair the product at the customer’s place (R3, R4, R10).

*“I have decided to send it with my father to the repair centre, otherwise they will exploit me as I don’t have good technical knowledge on either repairing or the product. Another reason is, they know my father well. So, I am sure they will repair it properly at a reasonable price”. - (R6).*

On this ground, it is evidenced that consumers make a variety of decisions before the key decision to repair the product. These decisions may not be made sequentially or necessarily, but a sound understanding of these is critical.

### **During the repair**

Consumers sometimes stop repairing halfway through the process, especially in self-repair, when they realize it is no longer effective. For instance, R3 explains his previous experience of repairing a bicycle:

*“I was confident at the beginning. But after two or three hours, I was fed up with fixing it properly. It was a terrible experience. After a few hours, I just decided to quit repairing and didn’t give it another try”. (R11).*

In contrast, some consumers take the product home from the repair center and repair it themselves. For instance,

*“The most difficult part is diagnosing the problem. They explained the fault while inspecting my mobile phone. I understood that I could do it by myself and I quickly decided to take it back home and repair it. It was successful. I am happy I saved some money”.  
-R4.*

In addition to the above two, some consumers decide to switch the repair center for the current repair (R8) and some for future repairs (R7, R3, R4). In conclusion, all four of these decisions can be recognized as consumer decisions related to the continuation of the repair. Another decision consumer make during the repair is to stay and wait at the repair center during the repair (R2, R5).

*“I remember my mother and I went to repair her wristwatch which she received as a gift. It has a strip of diamonds, and it is expensive. My mother suddenly decided to wait at the repair centre until the repair was completed. It was an abrupt decision. We had to wait for more than two hours then”. - (R5).*

Another interesting finding is that consumers decide whether to buy an alternative product until the repair is done (R6, R7, R8, R15).

*“I was really thinking of buying a small phone until my phone is back from repair. Because it is very difficult to use this tab for calls as it needs the handsfree plugged in always. It is annoying. But then again, I decided not to eventually. How can I ask my parents for that?”. (R6).*

In conclusion, consumers make decisions during the repair mainly: (1) decisions related to the continuation of the repair, (2) decisions to stay and

wait during the repair or not, and (3) decisions to buy an alternative product or not.

### **After repair**

Consumers make repair decisions even after the repair is completed. The analysis reveals that consumers make five main decisions after the repair. The first is when consumers make decisions related to future repair. One such decision is whether to repair products using the same method or the same repair service provider. For instance, most respondents confirmed that they would decide to get the repair done by the same service provider unless there are new or recent negative reviews on such service provider wherein service quality may have deteriorated. Consumers also decide whether to repair the same product in the future. For example, R4 claimed that he would not repeatedly repair the same mobile phone again and again as it costs more than buying a new one, while R6 stated that she would continuously repair her shoes if she did not find one in the same design to replace it. Another decision related to future repair is whether to be updated with the technology and to keep the required materials and tools as much as possible, as they are helpful for self-repair in the future. To exemplify this:

*“By looking at the cost of repair, I truly decided to repair the things by myself as much as possible. It costs a lot to have it repaired by a professional service provider. But, if we have the toolset, required materials, etc., we can save half of the cost”. -(R9).*

*“Getting it repaired by a professional made me realize that my knowledge of the current market, tools, and prices of spare parts is extremely inadequate. So, they take advantage of us. It is crucial to be updated with the technology and the market whether we opt to repair it ourselves or resort to professionals. So, I decided to consult my friends, and family and join social media groups to keep myself updated”. - (R12).*

Consumers also make decisions related to future purchases as post-repair decisions. One such is to seek recommendations or advice from repair professionals with previous experience. For instance, R3 explained how

satisfied he was with the repair experience at the repair center. Therefore, he decided to seek advice/recommendations from them when he planned to purchase a new computer later. Another interesting finding is that consumers decide to purchase more repairable products in the future.

*“My experience with repairing my laptop is terrible. I only considered its appearance, uniqueness, and user-friendliness when I purchased it. I couldn’t get it repaired even though there was a valid warranty as the spare parts for that were limited in Sri Lanka. And, since it was purchased overseas, they didn’t consider my warranty as well. That’s disappointing”. So, I decided to purchase only locally repairable products in the future. - (R7).*

Not only future repair and purchase decisions but consumers also make decisions related to future consumption as post-repair decisions: (1) decision to use multiple products together (R1, R3, R9), (2) decision to use products extra carefully (R6, R7, R10).

*“I have observed that products are broken quickly when we use them continuously without using any alternative products. For example, my shoes wear out quickly. The reason is I use only that pair of shoes continuously until it’s worn off. But if we can use two pairs of shoes together as alternatives, we can use them for a long time. So, I decided to use multiple products to avoid unnecessary damages, costs, and hassle”. - (R1).*

Consumers decide on other alternative disposal methods if they decide not to repair the things again. This was primarily a result of their negative experience of repair.

*“I would decide to sell it and purchase a new one.” - (R8).*

*“I decided to give my old clothes to my sister rather than altering them again to my size. They are a perfect fit for her”. - (R11).*

*“I wouldn’t repair my mobile phone again. I will keep it with me and buy a new one. Repair is costly”. - (R4).*

Besides, consumers also decide whether to share their repair experience with others. This is mostly when the experience is negative.

*“The person who came to repair our water motor exaggerated the problem. We realized it after two attempts. We spent a lot on that as we trusted him. But later we got to know that he had misled us. We all decided to share it with all our neighbours and posted it on Facebook”. - (R13).*

Therefore, this study evidence that consumers make various repair-related decisions before, during, and after repairing products. Further to the above findings on repair decisions, the study found that consumer electronics and communication devices such as mobile phones and laptops are the most repaired product category by the respondents, followed by household appliances, clothing, and shoes. The least repaired product category was means of transport. These product categories were adapted from Ackermann et al. (2018).

## **5. DISCUSSION OF THE FINDINGS**

The literature contends that repair is a process of sequential activities and decisions (Russell et al., 2023; Sonogo et al., 2022). There are a few attempts at researching the consumer repair decision-making process (e.g., Chang et al., 2013; Korsunova et al., 2023; Lopez Davilla, 2021; Sabbaghi & Behdad, 2018). However, none of these studies completely focus on an in-depth study of consumers' repair decisions. These studies consider the decision to repair over other disposal options as the main decision and the proceeding stages/activities of repair as a process. For instance, Russell et al. (2023) identify repair as the main decision and the role of temporal dimensions. The intention or propensity to repair is a popular topic in repair research. However, throughout this repair process, various decisions made by consumers are significant in both theory and practice yet unresearched. Therefore, as far as I know, this research is the first-ever study that explores the decisions made by consumers throughout the repair process in-depth.

Before repair takes place, consumers decide which repair method suits them best. This has been identified as “searching for information and evaluating alternatives” in previous research (Lefebvre, 2019). The literature also evidences many studies on factors affecting the repair decision (Lefebvre et al., 2018; Li et al., 2020; Nazlı, 2021; Scott & Weaver, 2018). However, the

findings of this study assert that consumers do not only evaluate, but they also decide on the most apt method for them. Self-repair and professional repair were the most used methods in this research, while the literature suggests that repair networks are the third method (Korsunova et al., 2023; Magnier & Mugge, 2022). Previous studies have focused on temporal dimensions (Russell et al., 2023) and convenience (Gusser-Fachbach et al., 2023; Korsunova et al., 2021) as factors affecting the decision/act of repair. In contrast, the current study identified that these are factors affecting repair decisions and consumers deciding on the budget, time, and mode of meeting the repair services.

While there is little research addressing the decision to repair, no previous studies explore consumers' decisions during and after the repair. Therefore, this study uniquely contributes to the literature by manifesting that consumers decide on the continuation of the repair, whether to stay at the repair center, and whether to purchase alternative products until the repair completion. The literature claims that consumers' repair experience impacts their future repair decisions (Korsunova et al., 2023; Sabbaghi & behead 2018). Except for future repair decisions, there has been no study thus far exploring the other decisions during the repair, as mentioned above.

Consumers continue making decisions after repair. Instead, they make various decisions in terms of future disposal (whether to repair or not?, whether repairing the same product or not?), future purchases (decisions to purchase repairable products and seek advice and recommendations from the previous repair services), future consumption (decision to use products carefully, and to use multi-products together as backups), and the decision to share their experience with others. Out of these findings, decisions related to future purchases are in line with previous studies such as Lefebvre (2019), Russell et al. (2023), and Sabbaghi et al. (2016). Besides, Sabbaghi et al. (2016) claim that consumers recommend repair based on either positive or negative experiences. However, this has yet to be identified as a repair-related decision thus far. To sum up, this paper is the first attempt to capture and explore diverse decisions made by consumers throughout the repair process.

## **6. CONCLUSION**

This study is one of the pioneer attempts to explore consumers' repair-related decisions throughout the repair process. The study contributes to the consumers' repair behavior and decision-making literature by reviving

the significance of the circular economy.

The interviews' findings showed that consumers make various decisions throughout the repair process (before, during, and after). At the same time, the existing literature has focused only on whether to repair or not. Concisely, this study provides unique and strong theoretical contributions and emphasizes the necessity of understanding repair decision-making for marketing and strategy-making purposes. This study may limit the generalization of the results. Future work can improve the insights extracted from the results of this study in a few aspects: (1) by employing more empirical tests with a wider and demographically diverse sample and (2) by adopting a mixed-method or multi-method approach to gain richer data.

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## **IMPACT OF DIGITAL MARKETING CAMPAIGNS ON STUDENTS' CHOICES OF EDUCATIONAL PROGRAMS, A CASE STUDY OF SAEGIS CAMPUS SRI LANKA**

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### **ABSTRACT**

Employing a case study methodology, this research rigorously dissects the specific digital marketing strategies implemented by Saegis Campus. Through an analytical lens, the study aims to unravel the intricacies of these campaigns and shed light on how they shape the decision-making process of prospective students. The investigation combines quantitative data, encompassing engagement metrics and enrollment rates, with qualitative insights from student surveys and interviews. This dual approach provides a nuanced and comprehensive understanding of the multifaceted impact of digital marketing initiatives on students' program preferences. The significance of this research extends beyond academic discourse. It enriches scholarly conversations at the intersection of digital marketing and education and offers tangible, practical insights. Educational institutions, especially those engaged in student recruitment, can glean valuable lessons from the findings, facilitating the optimization of their digital strategies. In an era where the digital landscape continues to evolve, understanding the dynamics outlined in this study becomes crucial for institutions aspiring to effectively navigate and leverage the potential of digital marketing in higher education.

**Keywords:** *Digital Marketing, Educational Programs, Student Choices, Higher Education*

## 1. INTRODUCTION

In the dynamic landscape of higher education, digital marketing campaigns have emerged as pivotal influencers of students' program choices. The rise of internet usage, social media platforms, and digital communication has transformed the interaction between institutions and students. Once static, the process of program selection is now shaped by strategic digital marketing. These campaigns encompass diverse strategies like social media ads, emails, blogs, videos, and SEO, collectively enhancing an institution's online presence and engaging potential students on a personalized level. Beyond visibility, these campaigns wield significant power to mold students' perceptions, inform decisions, and steer choices toward specific programs.

Modern students are active decision-makers, seeking authentic interactions with institutions that align with their aspirations and values. Skillfully crafted digital marketing campaigns can cater to this need, presenting educational programs as solutions to students' academic and career aspirations. This paper explores the intricate impact of such campaigns on students' program choices. It examines the dimensions of digital marketing strategies employed by educational institutions, analyses their effectiveness in shaping decisions, and considers their broader implications for institutions and marketing strategies. This research unveils the complex interplay of technology, marketing, and student decision-making in higher education, emphasizing the importance of understanding the evolving digital landscape to foster meaningful connections with prospective students.

Subsequent sections delve into the literature on digital marketing strategies in education, examining how these strategies influence decision-making. Furthermore, the study explores how these campaigns shape students' perceptions of institutions and programs. Employing quantitative and qualitative data analysis, this research aims to provide insights that guide educational institutions in refining marketing approaches and establishing stronger connections with potential students.

The overarching goal of this study is to assess the effectiveness of digital marketing campaigns in influencing students' decisions when selecting educational programs at Saegis Campus Sri Lanka. To achieve this, the study is guided by two specific objectives. Firstly, the aim is to comprehensively analyze the effectiveness of the institution's digital marketing campaigns. This involves scrutinizing various digital strategies implemented by Saegis

Campus to ascertain their impact on prospective students' choices. Through this analysis, the study seeks to quantify how these campaigns influence students' decisions regarding educational program selection.

Secondly, the study identifies and analyzes the key factors contributing to students' decisions when choosing educational programs. Examining the content, platforms, and messaging of digital marketing campaigns aims to pinpoint the elements that resonate most with students. This includes understanding how different aspects of the campaigns shape students' preferences and prompt them to favor certain programs over others. To address these objectives, the study formulates three research questions:

1. To what extent do digital marketing campaigns influence students' decisions regarding educational programs at Saegis Campus Sri Lanka?
2. What are the digital media platforms that significantly affect students' preferences for specific academic programs at the institution?
3. Is there a statistically significant relationship between the effectiveness of digital marketing campaigns and the enrollment rates of educational programs?

By addressing these research questions, the study aims to provide valuable insights into the impact of digital marketing efforts on student decision-making processes and enrollment outcomes at Saegis Campus Sri Lanka.

## **2. LITERATURE REVIEW**

### ***2.1 The Impact of Digital Marketing in Higher Education Decision-Making***

In the contemporary higher education landscape, the surge in digital marketing adoption by institutions, as highlighted by Smith and Johnson (2018), marks a transformative shift from traditional methods. This evolution, embracing channels such as social media, search engine optimization (SEO), and email campaigns, is crucial for enhancing visibility and conveying program values. Jones and Brown's (2019) research underscores the influential role of digital marketing in shaping prospective students' perceptions and awareness, with exposure correlating positively with increased program awareness. As emphasized by Anderson et al. (2020), social media platforms emerge as pivotal in positively impacting

students' decision-making processes, providing interactive spaces for institutions to showcase campus life and program highlights. Despite its effectiveness, as cautioned by Brown and White (2017), ethical considerations underscore the need for a delicate balance between promotional strengths and accurate information to maintain trust. As institutions heavily invest in digital strategies, understanding the multifaceted impact on decision-making processes remains crucial, with ongoing research needed to navigate challenges in this dynamic landscape. The literature reviewed here indicates a positive correlation between effective digital marketing and favorable student outcomes, stressing the importance of ongoing research to guide institutions in strategic and ethical digital marketing practices (Smith & Johnson, 2018; Jones & Brown, 2019; Anderson et al., 2020; Brown & White, 2017).

## ***2.2 Psychological Aspects of Digital Marketing Influence***

In digital marketing, the influence of psychological aspects on consumer behavior is a crucial area of exploration. This literature review delves into the psychological factors inherent in digital marketing and their profound impact on consumer decision-making. Social proof, exemplified by online reviews and testimonials, stands out as a potent influencer, significantly shaping consumer trust and decisions, according to Wang and Lee (2019). Cialdini's principles of persuasion, particularly reciprocity and scarcity, are seamlessly integrated into digital advertising strategies, as Johnson and Smith (2020) demonstrated, enhancing the persuasiveness of marketing messages and influencing consumer attitudes and purchase intentions. Leveraging cognitive biases, such as anchoring in pricing strategies, is another facet explored by Smith et al. (2021), demonstrating its impact on how consumers perceive and decide on purchases. Personalization emerges as a key strategy, with Li and Brown (2018) showcasing its effectiveness in enhancing consumer engagement and satisfaction by tailoring content to individual preferences. However, the literature emphasizes the need for marketers to navigate psychological reactance, as Chen and Kim (2017) revealed, where overly aggressive digital advertising can trigger resistance, potentially leading to negative brand attitudes. In conclusion, the diverse psychological aspects of digital marketing play a pivotal role in shaping consumer decision-making processes. Understanding social proof, persuasive techniques, cognitive biases, personalization, and psychological reactance is vital for marketers, and ongoing research in these areas is essential to develop effective and ethical digital marketing strategies (Wang

& Lee, 2019; Johnson & Smith, 2020; Smith et al., 2021; Li & Brown, 2018; Chen & Kim, 2017).

### ***2.3 Effectiveness of Various Digital Marketing Channels***

This literature review explores the effectiveness of diverse digital marketing channels and their influence on consumer behavior and organizational outcomes. Social media marketing has emerged as integral, positively impacting brand awareness, customer loyalty, and purchase decisions through engagement and communication opportunities (Smith, 2019; Jones et al., 2020; Brown & White, 2018). Search Engine Optimization (SEO) correlates strongly with increased organic traffic and enhanced online visibility, contributing to improved brand credibility (Taylor & Johnson, 2017). Email marketing, characterized by personalization and automation, yields higher conversion rates and enhanced customer retention (Wang & Anderson, 2019). Pay-per-click (PPC) advertising, particularly on platforms like Google Ads, directly influences lead generation and conversions, showcasing precision in targeting specific keywords and demographics (Johnson & Lee, 2021). Influencer marketing leverages social media personalities to impact consumer trust and purchasing decisions, emphasizing authenticity (Smith & Davis, 2020). The effectiveness of these channels depends on strategic alignment with organizational goals and audience preferences, emphasizing the need for careful integration into a comprehensive digital marketing strategy for maximum impact on consumer behavior and overall business success.

### ***2.4 Comparative Analysis with Traditional Marketing***

In navigating the dynamic marketing landscape, a comparative analysis of digital and traditional marketing has become a focal point for researchers and practitioners. Digital marketing, utilizing channels such as social media and email, stands out for its efficiency and measurability, often surpassing traditional cost-effectiveness and audience targeting (Smith & Johnson, 2018; Brown et al., 2020). Real-time data tracking empowers marketers to promptly adjust campaigns, enhancing the overall effectiveness of digital approaches. However, traditional methods like print and television advertising endure due to their wide reach and tangible



presence, although research suggests they may need more precision in digital strategies (Jones & Davis, 2019; Taylor, 2021). Advocating for an integrated approach, scholars propose a hybrid strategy that leverages the strengths of both digital and traditional marketing, maximizing reach and effectiveness (White & Anderson, 2017; Johnson, 2022). Recognizing the shift toward digital platforms in consumer behavior is crucial for marketers to allocate resources effectively across channels (Brown & Smith, 2019). While digital methods excel in precision, traditional marketing maintains a broad reach; thus, the literature underscores the importance of an integrated strategy tailored to evolving consumer behavior for optimizing marketing impact. As businesses navigate this landscape, ongoing research and adaptation to changing consumer preferences remain imperative (Smith & Johnson, 2018; Brown & Smith, 2019; White & Anderson, 2017).

### ***2.5 Social Media Influence on Educational Preferences***

The role of social media in shaping educational preferences has become a focal point in contemporary research. Social media platforms, including Facebook, Instagram, and Twitter, have transformed how students gather information about educational institutions and programs (Jones & Brown, 2018). Studies suggest a significant influence of social media on students' decision-making processes, impacting factors such as program awareness, perceived campus culture, and engagement with academic content (Smith et al., 2020). The interactive nature of these platforms allows prospective students to connect with current students, faculty, and alums, creating a virtual community that contributes to the formation of educational preferences. As institutions increasingly leverage social media for marketing and communication, understanding how these platforms shape educational choices is crucial for researchers and educational marketers.

### ***2.6 Search Engines and Website Influence***

The influence of search engines and websites on consumer decision-making, particularly in the context of educational choices, has garnered attention in academic literature. Search engine optimization (SEO) strategies play a pivotal role in determining the visibility of educational

institutions in online searches (Taylor & Johnson, 2019). Research suggests a strong correlation between a website's user experience, information accessibility, and students' perceptions of the institution's credibility and program quality (Brown & White, 2017). The ease with which prospective students can navigate and access relevant information on an institution's website influences their decision-making process. As the digital landscape evolves, understanding the intricate dynamics between search engines, website design, and consumer choices becomes essential for educational institutions seeking to enhance their online presence.

### ***2.7 Role of Online Reviews and Testimonials***

Online reviews and testimonials significantly influence perceptions and decisions in various domains, including education. Prospective students increasingly turn to platforms like RateMyProfessors and institutional review websites to gather insights into the educational experience (Smith & Davis, 2021). Studies indicate that positive reviews and authentic testimonials from current students and alumni build trust and credibility for educational institutions (Jones et al., 2018). Conversely, negative reviews can impact enrollment rates and tarnish an institution's reputation. As the reliance on online reviews grows, understanding their role in decision-making becomes imperative for educational institutions aiming to manage their online reputation effectively.

### ***2.8 Comparative Analysis of Digital Platforms***

A comparative analysis of digital platforms is essential for understanding the strengths and weaknesses of various channels in influencing consumer behavior in the educational context. Social media, search engines, websites, and online reviews contribute distinctively to decision-making. Research suggests that an integrated approach, leveraging the strengths of multiple platforms, can maximize the impact of digital marketing strategies (White & Anderson, 2020). Understanding the nuanced roles of these platforms and their comparative effectiveness is crucial for educational institutions seeking to optimize their digital marketing efforts.

## ***2.9 Quantitative Analysis of Digital Marketing Impact on Enrolment Rates***

The quantitative analysis of digital marketing's impact on enrolment rates in higher education has become a central focus for researchers seeking to understand the measurable effects of online promotional efforts. Utilizing statistical methods, studies have investigated the correlation between digital marketing campaigns and enrolment outcomes (Smith & Johnson, 2019). Findings suggest that effective digital strategies, including targeted social media campaigns and optimized search engine marketing, positively influence enrolment rates by increasing the visibility of educational programs and fostering engagement with prospective students (Brown et al., 2021). Quantitative metrics, such as click-through rates and conversion analytics, provide valuable insights into the direct impact of digital marketing efforts on enrolment outcomes, contributing to a data-driven approach in higher education marketing.

### ***2.10 Attribution Models in Higher Education Marketing***

Understanding the attribution of marketing efforts in higher education is paramount for institutions aiming to allocate resources effectively. Attribution models, such as first-touch, last-touch, and multi-touch, have been employed to analyze the journey of prospective students from initial awareness to enrolment (Jones & Davis, 2020). Research suggests that a multi-touch attribution model, which considers the cumulative impact of various touchpoints across the student journey, provides a more comprehensive understanding of the contribution of each marketing channel (Taylor & Anderson, 2018). Implementing sophisticated attribution models helps higher education institutions refine their marketing strategies by identifying the most influential touchpoints and optimizing resource allocation for maximum impact on enrolment outcomes.

### ***2.11 Long-term Effects of Digital Marketing on Enrolment***

Investigating the long-term effects of digital marketing strategies on enrolment outcomes in higher education involves tracking the persistence of marketing impact over extended periods. Research suggests that

sustained digital engagement, such as ongoing social media campaigns and email nurturing, contributes to a lasting positive effect on enrolment rates (Brown & White, 2019). Longitudinal studies indicate that the cumulative impact of digital marketing efforts becomes more pronounced over time, influencing prospective students' decision-making throughout their educational journey (Smith et al., 2022). Understanding the enduring effects of digital marketing enables higher education institutions to develop strategies that foster lasting relationships with students and contribute to sustained enrollment growth.

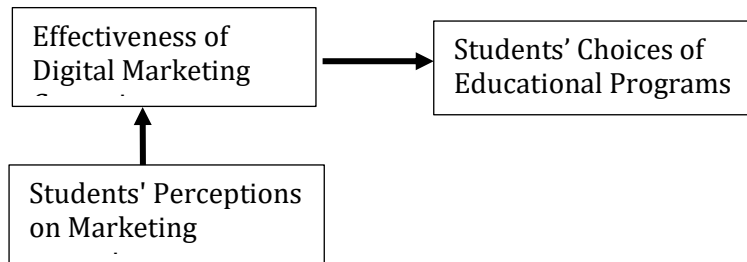
### ***2.12 Factors Mediating the Relationship***

Exploring the factors mediating the relationship between digital marketing efforts and enrolment outcomes is crucial for understanding the complex dynamics at play. Studies have identified various mediating factors, including the quality of online content, user experience on institutional websites, and the alignment of digital strategies with prospective students' preferences (Johnson & Davis, 2021). Research suggests that a personalized and user-centric approach, coupled with effective communication strategies, mediates the impact of digital marketing efforts on enrolment rates (White & Anderson, 2019). Identifying and addressing these mediating factors enables higher education institutions to refine their digital marketing strategies and enhance their effectiveness in driving enrolment.

## **3. METHODOLOGY**

This study adopts an integrated mixed-method research framework incorporating quantitative and qualitative methodologies to investigate the designated research objectives comprehensively. In the quantitative segment, secondary data from the marketing department serves as a key information source (Smith & Jones, 2018). Simultaneously, the qualitative dimension involves in-person interviews with students conducted on academic premises (Brown, 2015; Creswell & Plano Clark, 2018). In qualitative research, significance is placed on the depth rather than the sample size. Researchers judiciously select a sample size to understand the research inquiry and attain data saturation comprehensively, where no further novel insights emerge (Guest et al., 2006; Morse, 1995). The chosen sample size of 16 participants, using a convenient sampling technique, represents diverse academic backgrounds, including both undergraduate

and postgraduate programs. With a distribution of 5 postgraduate and 15 undergraduate students, this inclusive approach offers a well-rounded representation of various disciplines within the academic landscape, contributing to a comprehensive and holistic perspective on the research topic through the strengths of quantitative and qualitative data collection techniques.



**Figure 01:** Impact of Digital Marketing Campaigns on Students' Choices of Educational Programs

**Source:** Authors' own

This conceptual framework provides a structured approach to investigating how digital marketing campaigns impact students' choices of educational programs at Saegis Campus Sri Lanka. The hypotheses of the study are developed as follow.

H<sub>1</sub>: Digital marketing campaigns positively influence students' perceptions of educational programs at Saegis Campus Sri Lanka.

H<sub>2</sub>: Students' positive perceptions of educational programs mediate the relationship between digital marketing campaigns and their choices of programs.

### *Limitations and Considerations for Generalizability*

There is a need to thoroughly analyze the extent to which the findings can be applied beyond the boundaries of Saegis Campus, Sri Lanka. External factors, such as the current economic conditions and larger societal trends, can significantly impact preferences towards the program. Recognizing that these external elements may introduce unpredictability is crucial when extending the conclusions to different situations.

### ***Reliability of Historical Data and Student Self-Reporting***

As with any retrospective study, the reliability of historical data stands as a point of consideration. Engaging with records, while invaluable for capturing longitudinal trends, is contingent on the accuracy and completeness of archival data. Additionally, the dependence on student self-reporting as a primary data source introduces an inherent susceptibility to recall bias, potentially tempering the precision of gathered information.

### ***Potential Interview Response Bias***

The qualitative facet of our study entails the utilization of interviews as an instrument for data collection. Even with its rich qualitative insights, the methodology necessitates acknowledging the potential for bias in participant responses. Interviewees' responses might inadvertently be influenced by social desirability bias or personal perspectives, thereby warranting a nuanced interpretation of qualitative outcomes.

In summary, while the findings of our study hold intrinsic merit, the implications must be prudently interpreted in light of these acknowledged limitations. A conscientious recognition of these constraints underscores the context-specific nature of our research outcomes and guides the discerning application of our conclusions to broader educational landscapes.

## **4. DATA ANALYSIS AND DISCUSSION**

In an age of digital proliferation and connectivity, education is significantly impacted by transformative digital marketing campaigns. This study explores the interplay between digital marketing and students' program choices, focusing on the Saegis Campus in Sri Lanka. It investigates how digital campaigns shape preferences using strategies that capture attention and guide decisions. This research contributes to the discourse on digital platforms' role in education through meticulous data analysis, revealing their influence on students' educational decisions.

### ***Impact of Digital Marketing Campaigns on Students' Choices of Educational Programs for Master's Degree;***

The tabulated presentation below provides an overview of the cumulative number of leads derived from the marketing campaigns executed by Saegis Campus. The data reflects a collective count of 1986 leads across diverse media platforms.

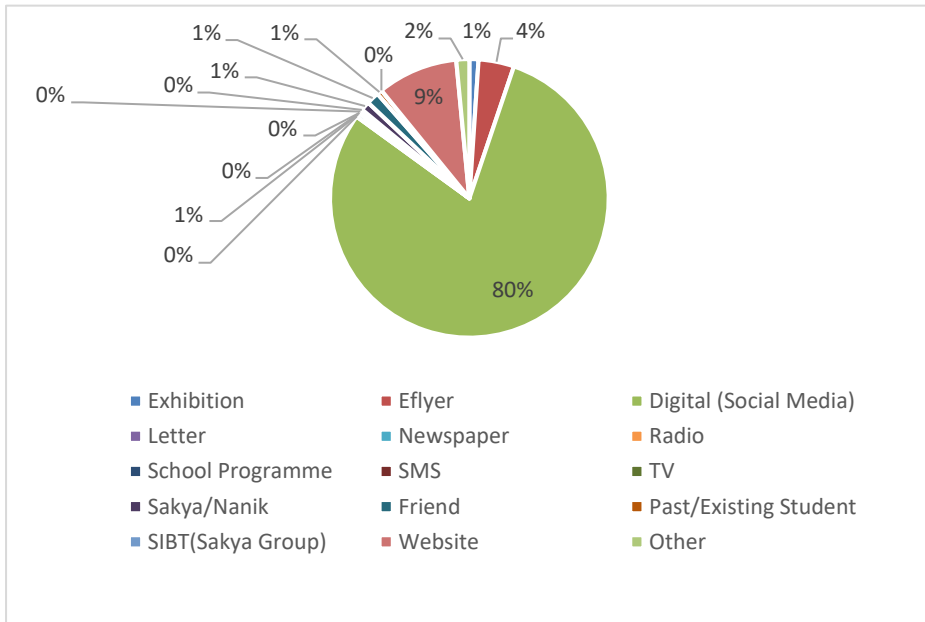
**Table 01:** Total Leads received for master's Programme September 2023 Intake

<b>No</b>	<b>Marketing Source</b>	<b>Total Leads For master's Programme</b>
<b>1</b>	Exhibition	21
<b>2</b>	E-flyer(email)	82
<b>3</b>	Digital (social media)	1585
<b>4</b>	Letter	0
<b>5</b>	Newspaper	10
<b>6</b>	Radio	0
<b>7</b>	School Programme	0
<b>8</b>	SMS	8
<b>9</b>	TV	2
<b>10</b>	Sakya/Nanik	21
<b>11</b>	Friend	29
<b>12</b>	Past/Existing Student	12
<b>13</b>	SIBT (Sakya Group)	0
<b>14</b>	Website	186
<b>15</b>	Other	30
	<b>TOTAL</b>	<b>1986</b>

**Source:** Author's own

The pie chart (Figure 01) presented below delineates the distribution of leads generated through distinct marketing channels, highlighting a substantial proportion of 80% attributable to digital media, with the remaining 20% attributed to alternate platforms. This analysis underscores the limited efficacy of other marketing strategies in engendering leads for the master's degree program.

Notably, the master's degree program is tailored to encompass a target demographic comprising degree holders and professionals. The pronounced dominance of leads stemming from digital media aligns with this characteristic student cohort, indicating a prevailing preference for digital platforms in their selection of study programs.



**Figure 1:** Total leads for the master's degree programme

**Source:** Authors' own

### ***Qualitative data analysis for master's degree programme.***

In order to acquire qualitative data pertinent to the context of master's degree students, a purposive selection strategy was employed, encompassing a cohort of five students hailing from the March intake. Subsequently, these selected participants were engaged through a structured interview approach, during which they were presented with a series of carefully formulated questions designed to elucidate their perspectives and insights on the subject matter at hand.

Out of the total number of 17 participants, the focal point of the comprehensive discussion was initiated by a participant who exhibited a pronounced interest in the subject matter under consideration. Additionally, a notable contribution to the discourse was made by a participant with a background in marketing.

**Question 01:** *How did you become aware of and choose the Master's degree program at Saegis Campus?*

*"Selecting a master's degree program has become a challenging undertaking in contemporary times, given the multitude of offerings presented by both public and private sector universities. Initially, my attention was captured by an advertisement on Facebook, prompting*



*me to explore Saegis Campus via web search. Upon perusing the course contents, faculty profiles, and other pertinent details, I found the prospect particularly appealing. In a similar vein, I conducted an exploratory review of websites belonging to both private and public sector universities. Ultimately, after conducting thorough research, I arrived at the conclusion that Saegis Campus was the ideal institution for pursuing my desired master's degree program."*

**Question 02;** *What factors led you to choose Saegis Campus for your master's program over other universities?*

*"Indeed, I have been impressed by the calibre of the faculty, the comprehensive course contents, and the affiliation with Canterbury Christ Church University. I believe that this decision aligns well with my aspiration of pursuing an MBA."*

**Question 03:** *What are your thoughts on our marketing campaigns? Do you consider them effective? Additionally, what mode of marketing would you recommend?*

*"Yes, that is precisely why I am here. However, I believe your marketing campaigns could benefit from more diversification. While your social media campaign is commendable, I feel there is room for further improvement. In my opinion, digital marketing stands as the most potent tool for educational institutions seeking to promote their degree programs."*

Derived from the preceding discourse, the participant explicitly articulated that digital marketing is pivotal in influencing postgraduate students' decisions regarding their preferred educational programs. Subsequently, the remaining participants' viewpoints on this matter will be expounded upon.

**Table 02:** Interview data sheet of Postgraduate students

<b>Question</b>	<b>Response (Interview 02 onward)</b>
Question 01: How did you become aware of the Saegis Campus?	<ol style="list-style-type: none"> <li>1. Official Facebook page</li> <li>2. Official Facebook page</li> <li>3. From a past student (sister)</li> <li>4. From a friend</li> <li>5. From past student</li> <li>6. From past student</li> <li>7. From a friend</li> </ol>
Question 02: What factors led you to choose Saegis Campus for your program over other universities?	<ol style="list-style-type: none"> <li>1. Chairman, Location, and facilities</li> </ol>

	<ol style="list-style-type: none"> <li>2. Saegis reputation for quality education, Location, CCCU, Curriculum</li> <li>3. Hybrid option</li> <li>4. Facilities, content</li> <li>5. Facilities, location</li> <li>6. Facilities and location</li> <li>7. Facilities, academic panel and location</li> </ol>
Question 03: What are your thoughts on our marketing campaigns?	<ol style="list-style-type: none"> <li>1. Very poor marketing communication, so work on it.</li> <li>2. Happy with current campaigns, especially email and radio</li> <li>3. More Social media campaigns and corporate visits are required.</li> <li>4. More social media presence</li> <li>5. More social media presence and student interaction.</li> <li>6. More campaigns required.</li> <li>7. Industry visits are needed</li> </ol>

**Source:** Authors' own

Nonetheless, upon scrutinizing the responses provided by the remaining seven participants (Table 02), a divergent pattern emerges. Contrary to the prominence attributed to digital marketing, an alternative narrative surfaces wherein personal referrals hold greater sway in the decision-making process of postgraduate students. Among the eight participants, a substantial majority of five opted for their chosen program based on personal recommendations, juxtaposed against the remaining three who acknowledged the influence of digital marketing efforts. This outcome underscores the potency of personal referrals in contrast to digital media when considering the preferences of postgraduate students toward educational programs.

### ***Impact of Digital Marketing Campaigns on Students' Choices of Educational Programs for Undergraduate Degrees***

The tabulated presentation below provides an overview of the cumulative number of leads derived from the marketing campaigns executed by Saegis Campus. The data reflects a collective count of 14616 leads across diverse media platforms.

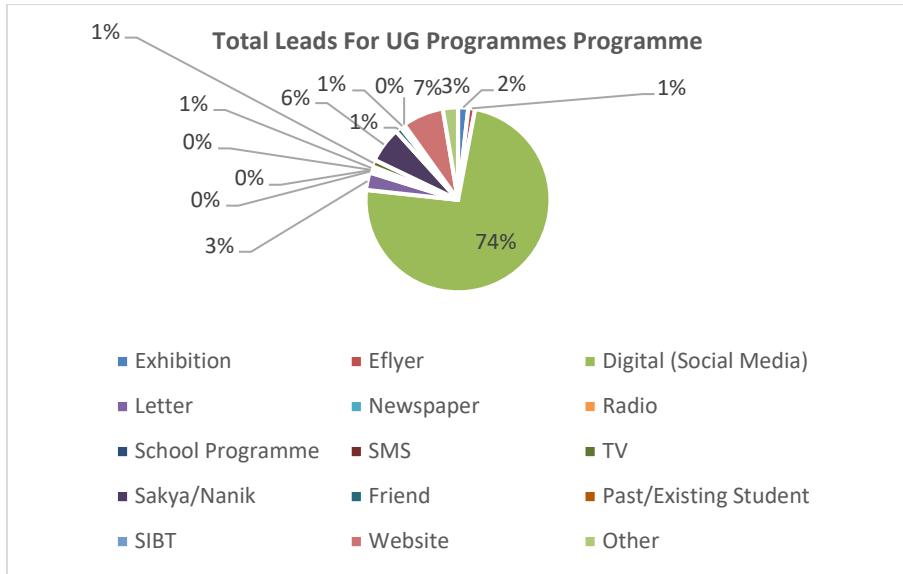
**Table 03:** Total Leads for UG Programmes Programme October 2022 Intake

No	Marketing Source	Total Leads for UG Programmes Programme
1	Exhibition	260
2	E-flyer	175
3	Digital (Social Media)	10778
4	Letter	447
5	Newspaper	50
6	Radio	21
7	School Programme	3
8	SMS	95
9	TV	173
10	Sakya/Nanik	903
11	Friend	154
12	Past/Existing Student	106
13	SIBT	8
14	Website	1056
15	Other	387
	TOTAL	14616

**Source:** Authors' own

The distribution of leads generated through diverse marketing channels is vividly represented by the pie chart (Figure 02) provided below. It is evident from the chart that a significant majority, accounting for 82%, is attributed to digital media, with the remaining 18% allocated to alternatives. This quantitative depiction underscores the comparative inefficacy of other marketing strategies regarding lead generation for the undergraduate degree program.

Notably, the target demographic for undergraduate degree programs is predominantly school leavers, most of whom fall within the age bracket of below 25 years. This particular age cohort is markedly active in social media and exhibits a relatively advanced level of technological literacy due to their familiarity with smart devices. The discernible pre-eminence of leads sourced from digital media channels aligns harmoniously with the inclinations of this demographic, affirming their inclination toward digital platforms in their decision-making processes concerning academic program selection.



**Figure 02:** Total leads for the undergraduate degree programmes  
**Source:** Authors' own

The phenomenon of the younger population's engagement with digital media has been substantiated in prior literature. The prevalent adoption of digital media, particularly among individuals under 25, underscores a generation deeply immersed in technological interactions. Referred to as the "digital native" cohort, this demographic showcases a remarkable aptitude for digital literacy and a strong inclination toward various social media platforms. Proficiency in navigating smart devices and extensive participation within online domains have evolved as hallmark characteristics, influencing their communication patterns and tendencies to seek information (Smith & Anderson, 2015; Prensky, 2001).

As highlighted in a study by Smith and Anderson (2015), individuals in this age cohort are not only prolific users of social media but also actively engage in diverse online activities, including information consumption, entertainment, and social interaction. This heightened digital proficiency results from their exposure to technology from a young age, which has shaped their preferences, habits, and communication styles. The pervasive presence of social media and the ease of access to digital platforms align with their lifestyle choices, impacting various aspects of their lives, including education (Kabilan et al., 2010).

Furthermore, their technological adeptness and familiarity with digital spaces have implications for educational contexts. This generation's

propensity to seamlessly integrate technology into their learning processes has led to innovative pedagogical approaches, such as blended learning and flipped classrooms, which leverage digital competencies (Prensky, 2001; Selwyn, 2009).

In conclusion, the prevalence of social media and digital literacy within the demographic aged below 25 is indicative of a technologically astute generation that has transformative implications for various societal domains, including education.

### **Qualitative data analysis for undergraduate degree programmes.**

A purposive sampling strategy was adroitly employed to solicit qualitative insights germane to the context of undergraduate degree students, targeting a cohort of 9 students drawn from the October 2022 intake. These selected participants were subsequently engaged through a structured interview, presenting them with a meticulously crafted series of inquiries tailored to elicit their perspectives and discernments concerning the focal subject (Creswell & Poth, 2018).

A concise synopsis of the gleaned interview data is encapsulated in Table 04. Upon meticulous analysis of the participants' responses, a conspicuous trend emerges. Of the 9 students partaking in the study, 89%, or 8 students, revealed their susceptibility to promotional initiatives conducted via Facebook. This discernment underscores the pronounced influence of digital media, particularly the promotional endeavors via Facebook, in orchestrating a formidable impact on the selection process of students' academic programs.

**Table 02:** Interview data sheet of Postgraduate students

<b>Question</b>	<b>Response</b>
Question 01: How did you become aware of the Saegis Campus	1. Official Facebook page
	2. Official Facebook
	3. Official Facebook
	4. Official Facebook
	5. Official Facebook
	6. Official Facebook
	7. Newspaper advertisement and TV stroller
	8. Facebook
	9. Facebook and Radio

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Question 02: What factors led you to choose Saegis Campus for your program over other universities	<ol style="list-style-type: none"> <li>1. Academic panel</li> <li>2. Location</li> <li>3. Facilities</li> <li>4. Academic panel</li> <li>5. Location</li> <li>6. Location and Facilities</li> <li>7. Academic panel and Location</li> <li>8. Location</li> <li>9. Location</li> </ol>
Question 03: What are your thoughts on our marketing campaigns	<ol style="list-style-type: none"> <li>1. No suggestions</li> <li>2. More digital marketing could increase more number of students' attraction</li> <li>3. Can improve with more boosting.</li> <li>4. Need to approach via TikTok too</li> <li>5. Need to improve social media platforms.</li> <li>6. No suggestions</li> <li>7. More social media visibility on YouTube</li> <li>8. More digital presentation is needed.</li> <li>9. More social media visibility.</li> </ol>

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**Source:** Authors own

Upon scrutinizing the responses garnered through interviews conducted with both master's and undergraduate students, a noteworthy pattern emerges. Participants from both categories unanimously emphasize the pivotal role of marketing promotions in shaping their program selection decisions. However, their decisions are further influenced by factors such as the institution's geographical location, program content, and the competence of faculty members (Smith & Smith, 2020; Johnson & Brown, 2018).

Furthermore, the sentiment expressed by students from both categories collectively underscores the need for an augmented digital marketing presence by Saegis Campus, as they perceive the current efforts to be insufficient in meeting their expectations. This perspective is shared across both categories of students, denoting a consensus regarding enhancing the institution's digital marketing endeavors.

Initial analysis of secondary data augments this understanding by revealing a robust positive correlation between exposure to meticulously targeted digital marketing campaigns and the subsequent enrolment decisions of students into specific academic programs (Jones et al., 2019; Johnson & Davis, 2017). However, the qualitative interviews also unveil a divergence in the observed outcomes. While master's program students predominantly highlight the influence of personal referrals in their decision-making process, undergraduate students tend to attribute their decisions to the

efficacy of digital marketing campaigns employed by educational institutions (Brown & Miller, 2016; Thompson et al., 2018).

## **5. CONCLUSION**

The undeniable influence of digital marketing campaigns on students' selection of educational programs underscores the imperative for educational institutions to acknowledge and harness the potential of digital platforms for engaging prospective students. As evidenced by the affirmative outcomes of both secondary and qualitative data analysis, the listed hypotheses H1 and H2 have been substantiated, barring the qualitative data's insight into the selection of study programs among master's students. Consequently, it is recommended that Saegis Campus shift its attention to bolstering its digital media presence beyond the current status quo and concurrently augment efforts to cultivate personal referrals for its master's programs.

The intricate interplay encompassing targeted content dissemination, establishing brand perception, and deploying personalized communication channels significantly shapes students' decision-making processes. Effectively leveraging the capabilities of digital marketing enables institutions to adeptly navigate the competitive academic landscape and effectively allure students to their array of educational offerings.

## **6. RECOMMENDATION**

The findings of this research have significant implications for educational institutions seeking to optimize their digital marketing strategies. Institutions should focus on creating engaging, personalized content that resonates with students' aspirations and values. Collaboration between marketing and academic departments can lead to the development of compelling narratives that highlight program benefits. Continuous monitoring and analysis of campaign performance enable institutions to refine their strategies and enhance effectiveness. Academic institutions are actively formulating various strategies to expand the repertoire for augmenting personal referrals and facilitating a more targeted outreach to prospective master's program students (Brown & Miller, 2016; Smith & Smith, 2020).

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## **EVOLUTION AND DEVELOPMENT OF E-MARKETING MIX: A REVIEW**

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### **ABSTRACT**

Digital marketing has taken over the marketplace in the twenty-first century, and traditional marketing tactics have come under fire. Over the previous two decades, the use of web browsers has skyrocketed. Many customers utilize web browsers to access diverse information about the retailers' products, prices, delivery, and other services. To address the needs of current customers, retailers have moved their marketing activities from the 4Ps to the 11Ps. The literature on the E-marketing mix was thoroughly reviewed, and the change from the 4Ps to the 11Ps of the marketing mix was discussed. The authors also discuss the evolution of the E-marketing mix and how different academicians measure its various components. Finally, the researcher recommended a new definition and model for future E-marketing mix studies.

**Keywords:** *E-marketing mix, marketing mix, 4Ps, Review*

### **1. INTRODUCTION**

Online clients use browsers to access content in various online media such as text, graphics, animation, audio, and video. Thousands of companies have launched their websites, allowing shoppers to buy things directly from their browsers. Most businesses may make much money online if they choose the right platform. Every modern-day company is confronted with new marketing challenges in global trade (Shroff et al., 2024). The marketing mix is the core of a corporate strategy for obtaining new consumers and markets, which is one of the manager's marketing aims. Various aspects have been added to the concept of marketing mix over time. 6Ps (product, price, place, promotion, people, process) to 7Ps (product, price, place, promotion, process, people, physical evidence) to 9Ps (products, price, promotion, personalization, privacy, customer service, community, security, and site

design) to 10Ps (products, place, price, promotion, personalization, privacy, customer service, community, security, and site design) to 11Ps (product, price, place, promotion, product, personalization, privacy, customer service, community, site design, security, sales promotion). As the Internet and technology have progressed, the traditional marketing mix has transformed into an E-marketing mix. Most businesses have switched their marketing operations from the 4Ps marketing mix to the eleven-element E-marketing mix model (Rathnasiri, 2021). The E-marketing strategy is usually based and built upon the traditional 4 P's (product, price, promotion, and place) that form the classic marketing mix; e-marketing's uniqueness is created using a series of specific and relational functions that are combined with the 4P's to form the E-marketing mix elements, each of which contains associated E-marketing mix tools that are provided on business web sites to facilitate sales transactions. According to Kalyanam and McIntyre (2002), the E-marketing mix comprises thousands of micro-elements clustered together to simplify management work. This research provides a literature evaluation and classification of the E-marketing mix elements to provide a detailed picture of where we are now in the digital world and how convenient it is to adopt the traditional marketing mix in digital environments.

## **2. RESEARCH METHODOLOGY**

Today, the agenda of marketing is a step ahead of traditional marketing. Customers are focused on purchasing through online modes rather than offline channels. Customers should have paid more attention to old marketing channels (offline environment) and concentrated on the new marketing platform (online environment). The researchers reviewed the literature on when the concept of the E-marketing mix was introduced in the marketing era and to date. This review is designed to help researchers and practitioners better understand and provide research opportunities regarding the recent trends in the marketing field, as well as open new ways for future research.

Reviewing the literature, researchers found that the E-marketing mix is a new and emerging concept. The E-marketing mix is a new version of the marketing mix. The researcher searched the term E-marketing mix in Google Scholar and applied a filter where the term E-marketing mix is shown in the paper's title. The researcher found 2098 articles related to the term. While using all other filters like full text and English language research articles, the

researcher came up with 28 articles that are very relevant to the study. The researchers studied the whole article in detail. They found that the E-marketing mix is a very emerging concept, and studies on this topic started in 2000 and continue to date.

### **3. FROM THE MARKETING MIX TO THE E-MARKETING MIX**

With the Internet and technology advancement, the marketing mix has changed dramatically. The E-marketing mix elements, supplied on business websites, comprise a set of particular and related functions integrated with the 4Ps to produce the E-marketing mix elements. Robins (2000) looked at some of the changes in marketing practice due to the rapid expansion of electronic commerce. For the first time, (Kalyanam and McIntyre, 2002) attempted to characterize and classify the E-marketing mix, an evolving toolkit of elements, and organize them into a taxonomy for marketing managers and researchers. Dominici (2009) explained in his study that there were two alternative approaches to creating a marketing mix theory for the digital context, with the E-marketing mix being the most important. Product, Price, Place, Promotion, Personnel, Procedure Management, and Physical Assets have all been changed from the 4Ps to the 7Ps, which are made up of the following elements: Product, Price, Place, Promotion, Personnel, Procedure Management, and Physical Assets (Yasanallah & Vahid, 2012). Srivastava (2012) highlighted that the E-marketing mix transforms the old marketing mix into a digital one. Product, price, promotion, and location made up the E-marketing mix. Stojković et al. (2016) explained in their study that the influence of electronic technologies was developing the E-marketing mix. The Internet revolution has transformed the marketing mix into a new vision known as the E-marketing mix. The electronic marketing mix and its components played an essential role in the future development of marketing concepts aimed at online consumers.

### **4. EVOLUTION OF THE E-MARKETING MIX**

The E-marketing mix refers to an online marketing mix that includes product, price, promotion, location, personalization, privacy, customer service, community, security, and site design. According to various studies (Kalyanam & McIntyre, 2002; Sam et al., 2016; Mahendratmo & Ariyanti, 2019; Srivastava, 2012; Padmalia, 2019), the E-marketing mix is made up of eleven elements: product, price, place, promotion, personalization, privacy, customer service, community, security, site, sales promotion

(4Ps+P2+C2+S3). According to (Kalyanam & McIntyre, 2002), the E-marketing mix comprises eleven components: product, price, place, promotion, personalization, privacy, customer service, community, security, site design, and sales promotion.

Srivastava (2012) defines the E-marketing mix as transforming the old marketing mix into a digital one. Relational exchanges in digitally networked and interactive contexts are enabled by e-marketing. Product, price, promotion, and location made up the E-marketing mix. According to (Sam & Chatwin, 2013), the E-marketing mix is an online marketing mix that includes four components: product, pricing, promotion, place, personalization, privacy, customer service, community, security, and site design. According to (Sam & Chatwin, 2015), the E-marketing mix comprises eleven components: product, price, place, promotion, personalization, privacy, customer service, community, security, site, and sales promotion (4Ps+P2+C2+S3). According to (Sam et al., 2016), the E-marketing mix comprises eleven components: product, price, place, promotion, customization, privacy, customer service, community, security, site, and sales promotion (4Ps+P2+C2+S3). Stojkovi et al. (2016) stated in their study that electronic technology influenced the development of the E-marketing mix. The Internet's penetration and electronic environment have transformed the marketing mix into a new concept known as the E-marketing mix (e-price, e-place, e-promotion, and e-product).

The electronic marketing mix and its components (e-product, e-price, e-placement, and e-promotion) have played a vital role in the future development of marketing concepts aimed at online consumers. According to (Jamaludin et al., 2018), the E-marketing mix used a (4Ps + 3Ps) + S3P2C2) model that resulted in significant outcomes that had massive influence in the digital marketplace. To explain the E-marketing mix, the 4Ps feature product, price, place, promotion, and additional 3Ps such as physical environment, process, and people. S3 added site design, security, and sales promotion, P2 included personalization and privacy, and C2 included customer service and community. Padmalia (2019) defined the term E-marketing as the marketing done by the company using the Internet or other electronic media, often phones. The author also explained that

marketing activities through the Internet were also known as online marketing or Internet marketing. Mahendratmo and Ariyanti (2019) observed that an *E-marketing mix* might be defined as a mix of eleven elements, namely, product, price, place, promotion, personalization, privacy, customer service, community, security, site, sales promotion (4Ps+P2+C2+S3). Leila (2020) in his study presents the two models of the E-marketing mix, the 7Ps Model and the 4Ps + 2P2C3S Model, as well as the different tools and options provided in the online environment to facilitate transactions and enhance customer service. Mishbakhudin and Aisyah (2022) stated that there are four main variables in the marketing mix for E-commerce: e-product, e-price, e-place, and e-promotion.

## **5. MEASUREMENT OF THE E-MARKETING MIX**

Researchers measured the E-marketing mix differently, as shown in Table 1. Some authors such as (Kalyanam McIntyre, 2002 Sam & Chatwin, 2005 Sam & Chatwin, 2007 Meng & Chatwin, 2012 Sam & Chatwin, 2015 Sam et al., 2016) measured all the elements of the E-marketing mix such as price, place, promotion, product, personalization, privacy, customer service, community, site design, and security. Srivastava (2012) measured the E-marketing mix by taking the only product, price, place, promotion, personalization, security, privacy, site (e.g., anytime, anywhere access), and Customer Service. (Akroush et al., 2009; Stojković et al., 2016; Sriram et al., 2019; Mishbakhudin & Aisyah, 2022) focused their attention on the four elements of the E-marketing mix like e-product, e-price, e-place and e-promotion. In their study, (Siakalli et al., 2017) studied only product, price, place, promotion, and customer service elements of the E-marketing mix. Mahendratmo and Ariyanti (2019) measured only nine aspects of the E-marketing mix: products (services), price, promotion, personalization, privacy, customer service, community, security, and site design, and ignored place and personalization. Padmalia (2019) focused on ten E-marketing mix elements and missed the security element. Bin Abdul and Salim (2020) suggested a new model, 2P+2C+3S, which ignores the 4Ps of the marketing mix. Arija et al. (2021) measured only six elements of the E-marketing mix: product, price, place, promotion, people, and process.



**Table 1:** Measurement of the E-marketing mix by different Authors

Variable	Elements	Author
E-marketing mix	4Ps+P2C2S2 Price, Place, Promotion, Product, Personalization and Privacy, Customer service and Community, Site design and Security	Kalyanam and McIntyre (2002)
E-marketing mix	4Ps+P2C2S3 Price, Place, Promotion, Product Personalization and Privacy Customer service, Community, Site design, Sales promotion, and Security	Sam and Chatwin (2005)
E-marketing mix	4Ps+P2C2S3 Price, Place, Promotion, Product Personalization and Privacy Customer service, Community, Site design, Sales promotion, and Security	Sam and Chatwin (2007)
E-marketing mix	e-product, e-pricing, e-promotion and e-distribution channels	Akroush et al. (2009)
E-marketing mix	Product, Price, Place, Promotion, Personalization, Security, Privacy, Site (e.g., anytime, anywhere access), and Customer Service	Srivastava (2012)
E-marketing mix	Product, Price, Place, Promotion, Personalization, Privacy, Security, Site, Security, Sales promotion, Community, and Customer service	Meng and Chatwin (2012)
E-marketing mix	4Ps+P2C2S3 Price, Place, Promotion, Product, Personalization Privacy, Customer service, Community, Site, Security, and Sales promotion	Sam and Chatwin (2015)
E-marketing mix	4Ps+P2C2S3 Perceived (Price, Place, Promotion, Product Personalization and Privacy Customer service, Community, Site design, Sales promotion, and Security )	Sam et al. (2016)
E-marketing mix	E-product, E-placement, E-promotion, and E-price	Stojković et al. (2016)
E-marketing mix	Product, Price, Place, Promotion, and Customer relations	Siakalli et al. (2017)
E-marketing mix	E-product (Product), Price intelligence (Price), Promotional intelligence (Promotion), and Delivery risk (Place).	Sriram et al., 2019
E-marketing mix	Products (services), Price, Promotion, Personalization, Privacy, Customer service, Community, Security, and Site design	Mahendratmo and Ariyanti (2019).

E-marketing mix	Product, Price, Place Promotion, Personalization, Privacy, Customer service, Community, Site, and Sales promotion	Padmalia, (2019)
E-marketing mix	(Product, Pricing, Promotion, Location, individuals, physical evidence, and operations)	Al-Sukar and Alabboodi, (2020)
E-marketing mix	2P+2C+3S (Personalization, Privacy, Customer Service, Community, Site, Security, and Sales Promotion).	Bin Abdul and Salim, (2020)
E-marketing mix	product, price, place, promotion, people, and process	Arija et al. (2021)
E-marketing mix	E-product, E-price, E-pace, and E-promotion	Mishbakhudin and Aisyah (2022)

**Source:** Authors' compilation based on the review

## 6. RELATION WITH OTHER VARIABLES

The E-marketing mix plays a vital role in sales performance, purchase intention, consumer buying behaviour, etc.

### *6.1. Role of the E-marketing mix in overall business performance*

Akroush et al. (2009) indicated a positive and significant relationship between the E-marketing mix strategies, namely, e-product, e-pricing, e-promotion, and e-distribution channels, and the overall performance of international companies. Aremu and Bamiduro (2012) explained that there was a positive relationship between marketing mix tools and strategies and entrepreneurial business performance. Meng and Chatwin (2012) concluded that the element of the e-marketing mix played a crucial role in evaluating the overall performance of the e-marketing mix based on the supporting e-marketing tools. Al-Sukar and Alabboodi (2020) suggested that aspects of the E-marketing mix significantly affected the chain store's sales, market share, and customer satisfaction. Bin Abdul and Salim (2020) discussed the significant elements contributing to the success of E-marketing. They proposed that any newly formed or existing business should study and examine the E-marketing strategy and IMC before investing in business activities. Arija et al. (2021) in their research showed that among all the six E-marketing mix variables (product, price, place, promotion, people, Process), place and people variables had a significant effect on the marketing performance of food MSMEs through the e-marketplace.

***6.2. Role of E-marketing mix in influencing purchase decision.***

Sam and Chatwin (2005) observed that online businesses accurately measured their E-marketing mix elements, which could increase sales revenues. Padmalia (2019) suggested that the E-marketing mix played an essential role in determining the online purchase decisions of consumers in different generations (millennial and non-millennial).

***6.3. Role of E-marketing mix in influencing consumer behaviour***

Sam and Chatwin (2015) indicated that online casinos offered some E-marketing tools; when they addressed all E-marketing mix tools, the gamblers would pay significant attention. Sam et al. (2016) found that the E-marketing mix (perceived product, perceived privacy, perceived community, perceived site, and perceived sales promotion) positively impacted behavioral intention of adopting online language learning. In contrast, perceived security and perceived customer service had harmed the behavioral intention of adopting online language learning.

***6.4. Role of E-marketing mix in influencing consumer satisfaction***

Al-Sukar and Alabboodi (2020) suggested that elements of the E-marketing mix significantly affected the chain store's sales, market share, and customer satisfaction.

***6.5. Role of E-marketing mix in influencing Sales***

Sam and Chatwin (2005) observed that online business could accurately measure their E-marketing mix elements, which could increase sales revenues. They also observed that the company could generate more profits when more target customers are directed to a particular website. Al-Sukar and Alabboodi (2020) found that components of the E-marketing mix (product, pricing, promotion, location, individuals, physical evidence, operations) significantly influenced the volume of sales, market performance, and customer satisfaction.

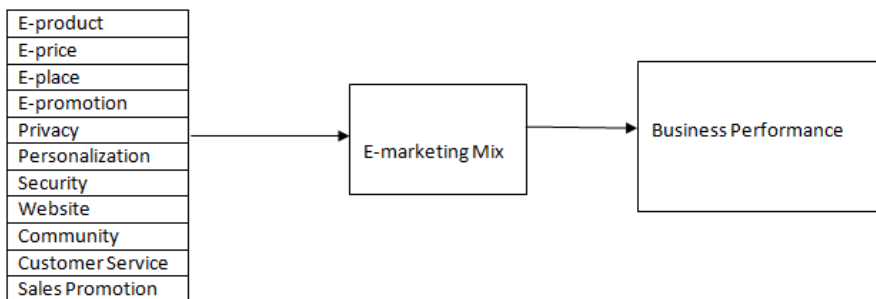
***6.6. Role of E-marketing mix in influencing Brand popularity and loyalty***

Sriram et al. (2019) showed that brand popularity was significantly influenced by the product's characteristics and intelligent promotional techniques. Brand popularity has an influence on brand loyalty in an electronic marketing space.

## 7. CONCLUSION

The marketing mix has moved from the old to the current one, often known as the E-marketing mix. Various authors contributed new elements to the marketing mix concept from time to time. After thoroughly evaluating all the articles, the authors developed a new concept of an E-marketing mix. E-product, e-price, e-place, e-promotion, privacy, personalization, community, customer service, security, sales promotion, and website, according to the au, are eleven factors that make up the E-marketing mix. The E-marketing mix can be defined as launching and marketing a digital product (with the option of personalization) with dynamic pricing, available across all digital channels, promoted through digital media in a safe and secure environment, and with the help of an online community and digital customer service. To support this definition, the author also suggested a model.

### Model 1: Supporting model



**Source:** Authors' own

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## **EFFECT OF BRAND TRIBALISM ON CUSTOMER LOYALTY: A CASE IN CONSUMER ELECTRONICS INDUSTRY IN SRI LANKA**

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### **ABSTRACT**

The main goal of this study is to investigate the effects of brand tribalism provided by offline consumers in the consumer electronic industry on customer loyalty in Sri Lanka, with e-customer satisfaction acting as a mediator. The four indicators were employed in the research study to evaluate brand tribalism. The four factors are social structure, lineage, defense of tribe, and sense of community. A self-administered questionnaire that garnered 278 valid responses out of 384 was utilized to collect data for an empirical study employing purposive sampling. The data are examined using structural equation modeling with Smart PLS 4.0 and SPSS 23.0 to explore the model and test the hypothesis. The findings show that three brand tribalism factors—lineage, defense of tribe, and sense of community—statistically significantly influence customer loyalty. On the other hand, the results demonstrated that brand tribalism is directly related to customer loyalty and through the mediator of customer satisfaction. The findings have important implications for marketers and academics. The results of this study suggest that customer satisfaction plays a partly mediation function between brand tribalism and customer loyalty. Marketers and sellers should prioritize lineage, a sense of community, and the tribe's defense.

**Keywords:** *Brand Tribalism, Customer Satisfaction, Customer Loyalty*

### **1. INTRODUCTION**

Brand management has become increasingly difficult in a globalizing economy, particularly in emerging markets that have received significant attention from multinationals. The degree of connection between consumers and brands is becoming a prominent topic of examination in academic research on brands. Recent studies have emphasized the significance of brand tribalism, a postmodern idea centered on a customer

community linked with a particular brand. A key subject in marketing research, brand loyalty, and tribalism has become a crucial concern for managers and a source of strategic obsession for many. Intense competition, especially in emerging countries, and the present emphasis on the relationship between consumers and organizations—the foundation of the relational marketing approach—are the main causes of this growing worry. This study is more explanatory because its goal is to determine how brand tribalism affects customers' satisfaction, loyalty, and outcome behaviors and the relationships between these factors. The primary source for this study's findings, which are to be compared with actual data, is currently available literature.

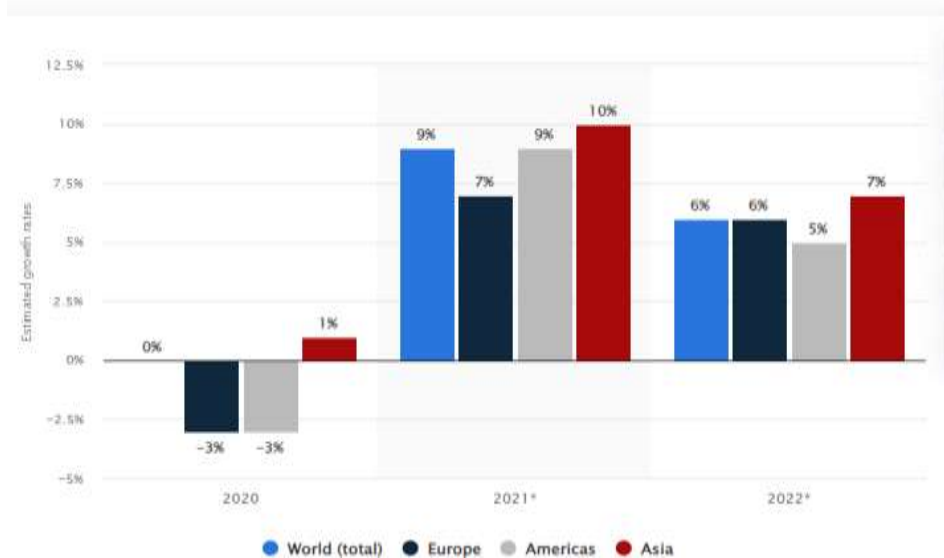
Customer loyalty is the commitment to maintain a long-term relationship with a brand or firm. It manifests the behaviors of repurchasing and recommending the same brand to others (Prus & Brandt, 1995). Customer pleasure generates customer loyalty. Therefore, customers are more likely to repurchase a product or service and promote it to others when satisfied. Consumers also tend to prefer the good or service to others when they plan to repurchase the good or service in the future.

According to (Sheth et al., 1991), customers should choose brands to satisfy their unique ideals. Furthermore, (Cova & Cova, 2001 Cova (1997) concluded that tribally based customers seek products/services more for their "linking value" than for utility to satiate the urge for communion. Customers, therefore, purchase goods and services for less for their use value than for their linking value to satisfy their desire for communities (Godbout. and Caille, 1992). Similar to this, customers look for fulfillment through the emotions they experience while with others (Cova, 1997). In general, a strong correlation exists between client loyalty and customer satisfaction. According to researchers from diverse industries, customer pleasure affects loyalty (Barsky & Labagh, 1992; William et al., 1999; Lee & Hing, 1995).

In a variety of industries and products, including consumer products, sportswear industry, Halal brand, fashion brands, automotive industry, the majority of research studies have highlighted the influence of brand tribalism, brand experience, brand equity, and customer loyalty (Lorna & Elaine, 2015; Veloutsou & Moutinho, 2009; Khamwon & Pongsuraton, 2020; Hayeemad et al., 2015; Choeichaiyaphum & Khamwon, 2017). Many of these



studies focused on the retail business without focusing on any specific industry. The consumer electronics industry is the focus of this research study. As measured by internet platforms, Sri Lanka's consumer electronics industry has grown at the slowest rate in recent years, and the global context also has a degrowth rate from 2020 to 2022.



**Figure 1:** Global Electronic Industry from 2020 to 2022

Figure 1 shows that from 2019 to 2021, there was growth in the global context, but that growth abruptly stopped in 2022. As a result of the Asian market, the researcher is identifying the key brand tribalism factors and their effects on consumer electronics customers, loyalty, and customer satisfaction. More thorough empirical investigations are needed on the caliber of brand tribalism in Sri Lanka. In order to better anticipate the propensity of Sri Lankan customers of consumer electronics to make customer loyalty, the researcher set out to establish the components of brand tribalism. The main subjects of the current investigation are the results of earlier research and the arguments above. This study explores brand tribalism on consumer electronics, its impact on e-customer loyalty in Sri Lanka, and the mediating effects of e-customer loyalty. The following precise aims are being investigated to learn more about the caliber of brand tribalism and customer loyalty with the mediating impacts.

- To examine the relative importance of each brand, tribalism is critically a factor in customer loyalty.
- To investigate the effects of brand evangelism on customer loyalty.
- To investigate the effects of brand tribalism on customer satisfaction.

- To investigate the effects of customer satisfaction on customer loyalty.
- To assess the mediating effects of customer satisfaction on the impact of brand tribalism on customer loyalty to consumer electronics

## **2. LITERATURE REVIEW**

### **2.1. Brand Tribalism**

The term "tribe" was taken from anthropology to describe pre-modern communities where social order was upheld without centralized authority. Politicians frequently utilize the idea of a tribe to describe group behavior. In contrast, "Tribe" expresses the same traits as "ethnic group" but on a smaller scale (such as local, linguistic, and cultural homogeneity). Similar to how a "clan" characterizes its members, but on a greater scale (e.g., kinship, Lineage, and other blood links), according to Cova & Cova (2002). Brand tribalism is forming a community by those with a common affection for a particular brand (Cova & Cova, 2002; Kumgliang & Khamwon, 2016). These are devoted patrons who have high expectations for the brand and want to do everything they can to support it (Tuominen, 2012).

Additionally, they are the first to defend the brand when it receives unfavorable comments. Brand tribalism includes the following things: 1) Segmental ancestry, 2) Social organization, 3) a sense of belonging, and 4) the tribe's defense (Taute & Sierra, Brand Tribalism: An Anthropological Perspective, 2014). Brand-value goods influencing customer emotions can lead to brand tribalism (Veloutsou & Moutinho, 2009; Acosta & Devasagayam, 2010). This idea evolved from the idea of a brand community, which is joining communities related to one brand, interested in the same product, or fans of the same brand. They voluntarily and formally agreed to join the group (Tsiotsou, 2013). This differs from the idea of brand tribalism in that members of the group must express the behavior of the group or tribe rather than integrate in a formal manner (Veloutsou & Mautinho, 2009). According to Cova and Pace (2006), social subculture, shared values, and rituals among groups or tribes shape brand tribalism. As a result, tribes are more numerous than the communities connected to the brand (Tsiotsou, 2013). The systems of values, conventions, and rules and regulations members of the group establish together determine the structures and symbols of the brand tribalism connected with the brand (Dionisio et al., 2008). A collection of people connected by a common adoration, sentiment,

or belief for a brand is known as a brand tribe. Members of the group support and advertise the organization's activities and brands in addition to being consumers. As a result, like a tribal community, the brand has grown to represent the importance of connecting with customers (Cova & Cova, 2002; Hayeemad et al., 2015). Additionally, they defend the tribalism of their brand against other brands. 2014's Tautu & Sierra Segmental lineage, social structure, a sense of belonging, and the tribe's defense are Tautu and Sierra's (2014) suggestions for four dimensions of brand tribalism.

### ***2.1.1. Social Structure***

According to Sahlins (1961), social structure alludes to the "oneness" tribe members experience. For a few years, the Indians of the American flatlands who belonged to the same tribe habitually hunted as a family (mob). The mobs would mix with different tribal members during subsequent hunting seasons (Tautu & Sierra, 2014). (Sierra and Tautu (2019) speculate that these structures may be connected to the tribes' hierarchical traits, which enable them to share symbols, languages, rituals, and obligations. In this regard, (McAlexander et al. (2002) contend that social structures might appear in a wide variety of contexts of tribe consumption, with members being more bonded and devoted to the tribe or to the brands they share. According to this viewpoint, a tribe's social structure's intensity helps forge bonds between members, which may help shape their conduct in the future. The hierarchy of this social structure may reflect repeating MRR experiences and behaviors that reinforce one another, as well as customer happiness and their desire to share their experiences with others (Cova & Cova, 2001). According to Jeong, Hwang, and Hyun (2020), this association arises because consumers need to have their decisions validated by their peers or, to put it another way, by their community.

### ***2.1.2 Lineage***

The second aspect of brand tribalism is a lineage that connects and keeps together identified tribal segments. According to Sahlins (1961), the primordial tribes were the ancestors of family groups, and this link was hereditary. In this sense, the brand tribe is considered a small, nearly cohesive social community without real government or control restrictions. Lineage is like a bridge that connects cognitive and emotional elements to consuming patterns because of community members' interactions, claims Badrinarayanan, Sierra, and Tautu (2014). The second aspect of brand

tribalism is a lineage that connects and keeps together identified tribal segments. According to Sahlins (1961), the primordial tribes were the ancestors of family groups, and this link was hereditary. In this sense, the brand tribe is considered a small, nearly cohesive social community without real government or control restrictions. Lineage is like a bridge that connects cognitive and emotional elements to consuming patterns because of community members' interactions, claim Badrinarayanan et al. (2014).

### ***2.1.3. Defense of Tribe***

A defense of the tribe serves as the third aspect, in theory. This aspect implies that when there is competition for resources or when a tribe is threatened, there is a mass tribal outcome in which the tribe's members band together to confront a stricter tribe or to gain the upper hand over a vulnerable tribe, and this could breed hatred for competitor brands (Fetscherin, 2019; Sahlins, 1961). Taute and Sierra (2014) claim that this animosity between the tribes is due to emotional factors. While they may band together to defend themselves in the event of an external threat, many tribal members are probably not truly united.

### ***2.1.4. Sense of Community***

The ability to coexist peacefully is related to the sense of community, the fourth aspect of brand tribalism (Sahlins, 1961). It is well known that tribal societies were divided politically and had limited social interaction. However, while not having a fully organized social structure, their coexistence was made possible by a deep connection to a common bond. According to Badrinarayanan et al. (2014), a feeling of community enables tribal members to work together to achieve common goals and celebrate through rituals. This enables them to coexist peacefully.

## **2.2. Customer Satisfaction**

Although the importance of customer satisfaction is generally acknowledged in the literature, there is no definition of the phenomenon that is universally accepted (McQuitty et al., 2000). According to Nadeem (2007), throughout the previous 20 years, customer happiness has been defined in various ways, sometimes very differently. For instance, some researchers believe that satisfaction is influenced by emotion and affective states. In contrast, others claim that it simply compares a product usage experience to cognitive

expectations (Vanhamme & Snelders, 2001). According to Westbrook (1987) and Oliver (1997), customer satisfaction is an effective experience toward a product that reflects the psychological condition of the customer after utilizing the product. According to Jun et al. (2001), a generalized composite of meeting expectations and an affective feeling state is the best way to define satisfaction.

### **2.3. Customer Loyalty**

Customer loyalty was initially exclusively defined using behavioral indicators. Purchase proportion (Cunningham, 1966), purchase probability (Farley, 1964), likelihood of product repurchases (Kuehn, 1962), frequency of product purchase (Brody et al., 1968), behavior of repurchasing (Brown, 1952), sequence of purchase (Kahn et al., 1986), and various factors of purchase behavior (Ehrenberg, 1988; DuWors & Haines, 1990) were among the behavioral measures. Oliver (1997) encouraged four distinct stages of loyalty in that order. First, cognitive loyalty is the acceptance of the idea that one brand is superior to others. Second, *affective loyalty* is a like or positive attitude based on satisfaction. Thirdly, conative loyalty entails an increase in behavioral intentions characterized by a high level of commitment (Hennig-Thurau et al., 2002; Janda et al., 2002; Zeithaml et al., 1996). The readiness to overcome obstacles to these acts is called action loyalty, defined as the conversion of intentions into actions. The reliability and validity of these four loyalty measure items have also been scientifically calculated and confirmed by Harris and Goode (2004).

## **3. METHODOLOGY/METHODS**

In order to conceptualize the study, the researcher attempts to establish the relationship between endogenous variables, such as customer loyalty and customer satisfaction, as a mediating variable and exogenous variables, such as brand tribalism, as an independent variable. After a thorough literature review, a thorough literature review determined that social structure, defense of tribe, sense of community, and lineage features were the key components of brand tribalism in the Sri Lankan context.

The following hypothesis were developed in conducting this explanatory study.

H<sub>1</sub>: There is a significant impact of brand tribalism on customer loyalty.

H<sub>1a</sub>: There is a significant impact of social structure on customer loyalty.

H<sub>1b</sub>: There is a significant impact of lineage on customer loyalty.

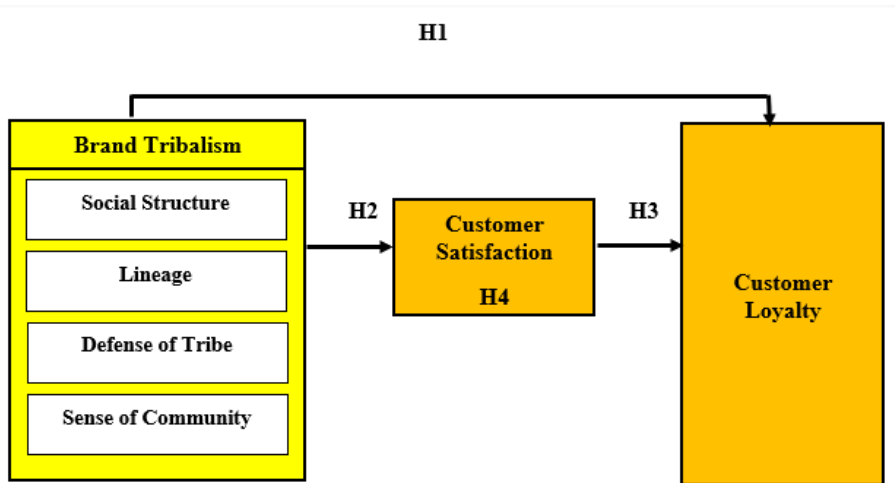
H<sub>1c</sub>: There is a significant impact of defense on the tribe and customer loyalty.

H<sub>1d</sub>: There is a significant impact of sense of community on customer loyalty.

H<sub>2</sub>: There is a significant impact of brand tribalism on customer satisfaction.

H<sub>3</sub>: There is a significant impact of customer satisfaction on customer loyalty.

H<sub>4</sub>: There is a significant mediating effect of customer satisfaction of brand tribalism on customer loyalty.



**Figure 2:** Conceptual Framework

**Source:** Author's own

Figure 2 shows the conceptual model of the study. According to Saunders, Lewis, and Thornhill (2009), the research philosophy describes how knowledge is produced and the relevant information in a given profession. According to positivism, knowledge can be acquired by closely examining reality and noting quantifiable facts (Blumberg et al., 2005). The study's use of quantitative data and significant sample sizes led researchers to choose positivism as their philosophical framework (Collis & Hussey, 2009). This study focuses on quantitative findings that can be used in statistical analysis.

On the other hand, the quantitative approach has been employed since it has a solid academic pedigree and places much faith in evidence that illustrates notions or opinions (Amaratunga et al., 2002). The research study uses a deductive approach from theory to findings (Bryman & Bell, 2011). The study uses survey methods to get its data. In this survey approach, primary data are acquired directly (purely) from a specific area, such as facts discovered by researchers when distributing questionnaires, conducting interviews, administering exams, etc. Direct surveying was conducted by giving respondents questionnaires. Because archives are more likely to use longitudinal data and enable researchers to assess how a certain phenomenon evolves, the single-cross-sectional method was chosen for this study (Adams & Schvaneveldt, 1991). The information gathered can be divided into primary and secondary data. The primary data are those that were collected and used in the current study (Flick, 2011) and those that were extrapolated from earlier investigations. The survey's prototype contained accurate, dependable questions from prior literary works.

Online buyers with expertise in buying beverages had the opportunity to check the questionnaire, ensure each question was pertinent and understandable, and spot any potential issues. A five-point Likert scale was used to score each item, with 1 representing "strongly disagree" and 5 representing "strongly agree." The survey questions and research constructs are listed. The third portion, which only employed nominal measuring scales, concentrated on the respondents' fundamental personal data. *Nonprobability sampling* is a sampling strategy that excludes certain population segments from equal opportunity.

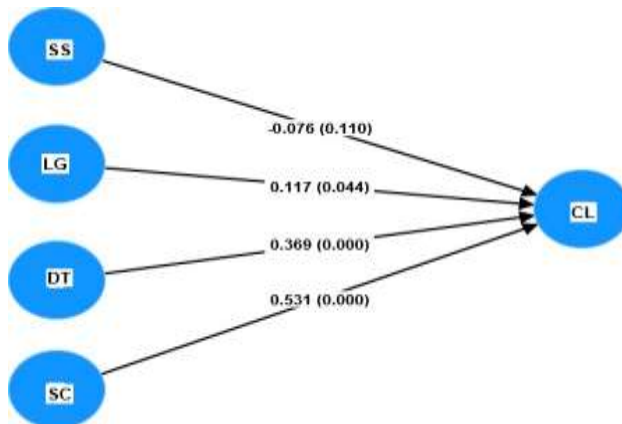
#### **4. DATA ANALYSIS & RESULTS**

The study's primary goal is to compare and contrast the relative significance of the impact of each brand's tribalism on Sri Lankan consumers and customer loyalty. Through an assessment of the literature, the most influential characteristics of brand tribalism on customer loyalty were social structure, lineage, defense of tribe, and sense of community. As a result, the following versions of H<sub>1a</sub>, H<sub>1b</sub>, H<sub>1c</sub>, and H<sub>1d</sub> were created. The data were cleansed by placing a high value on applying multivariate analytic techniques. The chosen constructs' behavior in the Sri Lankan context was then described using descriptive statistics that compare Sri Lanka to other nations. PLS-CTA was utilized to determine whether the constructs were formatively or reflectively measured. After deciding on the measurement

type, the structural model is evaluated using PLS-SEM, followed by the measurement model. The suggested model looked into the hypothesized linkages, considering the moderating and mediating components' effects. In order to compare and contrast the factors affecting Sri Lankan consumers' propensity to purchase consumer electronics, the IPMA was ultimately conducted using PLS-SEM.

#### 4.1. Brand Tribalism and Customer Loyalty

The study's main goal is to evaluate and compare how each brand's tribalism affects Sri Lankan consumers' desire to make subsequent consumer beverage purchases. The brand tribalism characteristics that have the biggest effects on customer loyalty were social structure, defense of tribe, lineage, and sense of community.



**Figure 3:** Hypothetical Relationship Between BT and CL

**Source:** Author's own

Accordingly, PLS-SEM analysis was used to examine the H1a, H1b, H1c, and H1d. After completing the measurement model, confirm that all requirements have not been properly met. The findings of the SEM-PLS Bootstrapping were acquired and compiled in Table 1. The findings shown in Table 1 show that three hypotheses were empirically supported, and one theory was empirically rejected. The literature review reveals that the dimensions of brand tribalism are connected directly to customer loyalty. According to previous research, brand tribalism has a major impact on customer loyalty in many countries, which lends weight to findings of the relationship between BT and CL.



**Table 1:** Summary of H<sub>1</sub> Sub Hypotheses

No	Relations	Original Sample	Std. Deviation	T-Statistic	2.5%	97.5%	P values	Results
H <sub>1a</sub>	SS -> CL	-0.076	0.048	1.598	-0.175	0.016	0.110	Rejected
H <sub>1b</sub>	LG -> CL	0.117	0.058	2.010	0.007	0.237	0.000	Accepted
H <sub>1c</sub>	DT -> CL	0.367	0.074	4.986	0.217	0.508	0.000	Accepted
H <sub>1d</sub>	SC -> CL	0.531	0.050	10.587	0.426	0.620	0.000	Accepted

**Source:** Authors' own

The findings shown in Table 2 show that hypothesis was empirically supported. The literature review reveals that, it was noted the brand tribalism dimensions are connected directly to customer loyalty. Since zero doesn't lower confidence levels, neither of the 95% confidence intervals in the table above include zero (0.826, 0.907), even so, when using bootstrap confidence levels for significance testing, it is not necessary to report t and p values.

**Table 2:** Summary of H<sub>1</sub>

No	Relations	Original Sample	Std. Deviation	2.5%	97.5%	T Statistics	P values	Results
H <sup>1</sup>	BT -> CL	0.874	0.020	0.826	0.907	43.573	0.000	Accepted
Reference				No Zero Falls Between		>1.96	<0.05	

**Source:** Author's own

Smart PLS bootstrapping results show that the analysis produces a p-value of less than 0.005 for the association between the BT and CL and a t-value above 1.96 (43.573). Thus, BT's significant impact on CL is supported by three criteria.

#### **4.2 Brand Tribalism and Customer Satisfaction**

The findings shown in Table 3 show that the hypothesis was empirically supported. The literature review reveals that the dimensions of brand tribalism are connected directly to customer satisfaction. Smart PLS bootstrapping results show that the analysis produces a p-value of less than 0.005 for the association between the BT and CS and a t-value above 1.96 (43.563). Thus, BT's significant impact on CS is supported.

**Table 3: Summary of H2**

No	Relations hips	Original Sample	Std. Devia.	2.5%	97.5 %	T Stat.	P values	Result
H <sub>2</sub>	BT -> CS	0.855	0.020	0.808	0.880	43.563	0.000	Accepted
Reference			No Zero Falls Between		>1.96	<0.005		

**Source:** Authors' own

### ***4.3 Customer Satisfaction and Customer Loyalty***

The findings shown in Table 4 show that the hypothesis was empirically supported. The literature review reveals that the ECS dimensions are connected directly to CL. Since zero doesn't lower confidence levels, neither of the 95% confidence intervals in the table above include zero (0.793, 0.883); even so, when using bootstrap confidence levels for significance testing, reporting the t and p values is unnecessary.

**Table 4:** Summary of H<sub>3</sub>

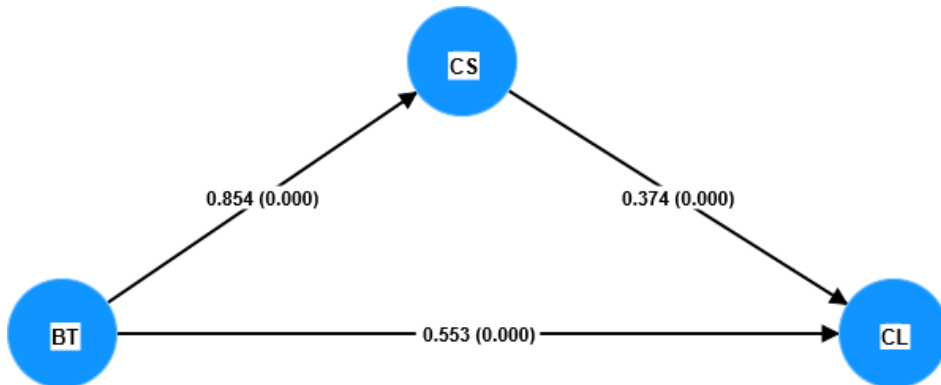
No	Relations hips	Original Sample	Std. Dev.	2.5%	97.5 %	T Sta.	P values	Results
H <sub>3</sub>	CS -> CL	0.846	0.023	0.793	0.883	36.96	0.000	Accepted
Reference			No Zero Falls Between		>1.96	<0.005		

**Source:** Author's own

Smart PLS bootstrapping results show that the analysis produces a p value of less than 0.005 for the association between the CS and CL and a t value above 1.96 (36.962).

### ***4.4 Mediating Analysis***

The conceptual framework states that the relationship between BT and CL is mediated by customer satisfaction. As a result, this section tests the mediating effects of customer satisfaction on the connection between brand tribalism and customer loyalty. Figure 4 displays the mediating effects of CS on the BT.



**Figure 4:** Summary of Mediating Analysis  
**Source:** Author’s own

Table 5 shows that the indirect effect of BT->CL is statistically significant; neither 97.5% confidence intervals include zero values. Even though it is not necessary to report t values and p values when drawing on the bootstrap confidence intervals for significance testing, the researcher checked them for the completeness of the analysis. The empirical t value of the indirect effect (6.140) for the BT -> CL relationship yields a p-value of 0.005. Next, the direct impact of BT->CL was considered. Table 5 shows BT-> CL has a significant effect (0.319) with a t-value of 6.140 and a p-value of 0.005.

**Table 5:** Summary of Mediating Analysis

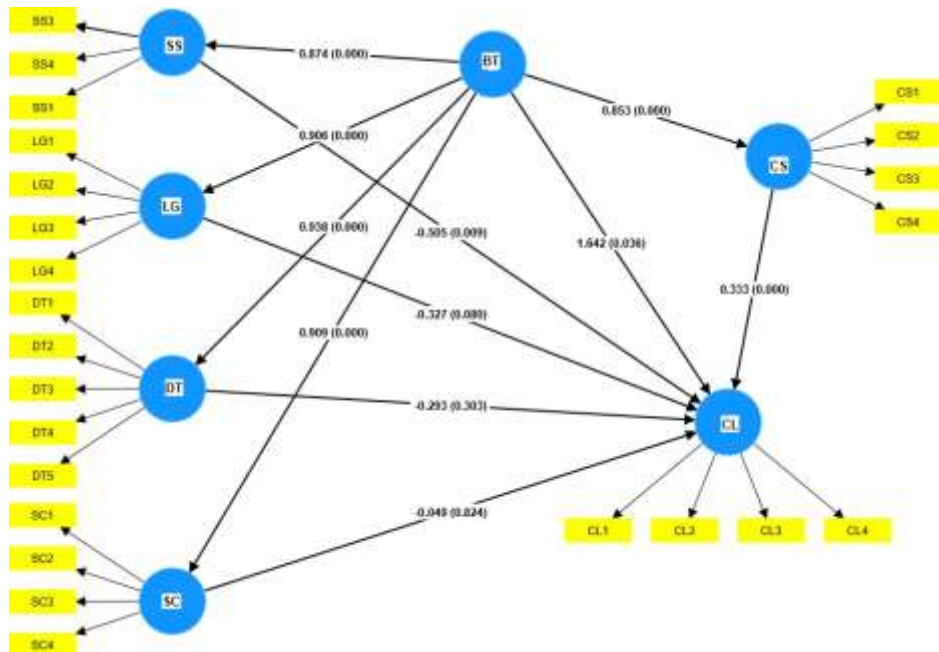
N	Relatio o nships	Direct Effect	97.5% Confi	T value	P value	Indi rect Effect	97.5% Conf	T value	P value	Results
H 4	BT-> CL	0.53	(0.004,0.436)	9.29	0.00	0.319	(0.219,0.423)	6.140	0.00	Partially

**Source:** Author’s own

**4.5 Importance Performance Map Analysis (IPMA)**

The second specific goal is to compare and contrast the relative weighting and effectiveness of each component of brand tribalism dimensions and how customer satisfaction is valued in terms of customer loyalty. The researcher also plans to advise the stakeholders to help them develop strategies to increase customer loyalty in the consumer electronics industry. The Important Performance Map Analysis (IPMA) was completed to fulfill the goals above. Finding the construct that is significantly more important than the target construct is the main goal of this method. Importantly, the activities of the extremely important construct can be recommended in the

order of priority based on the IPMA—the model's route coefficients are illustrated in Fig. 5.



**Figure 5:** Path Coefficients

**Source:** Author's own

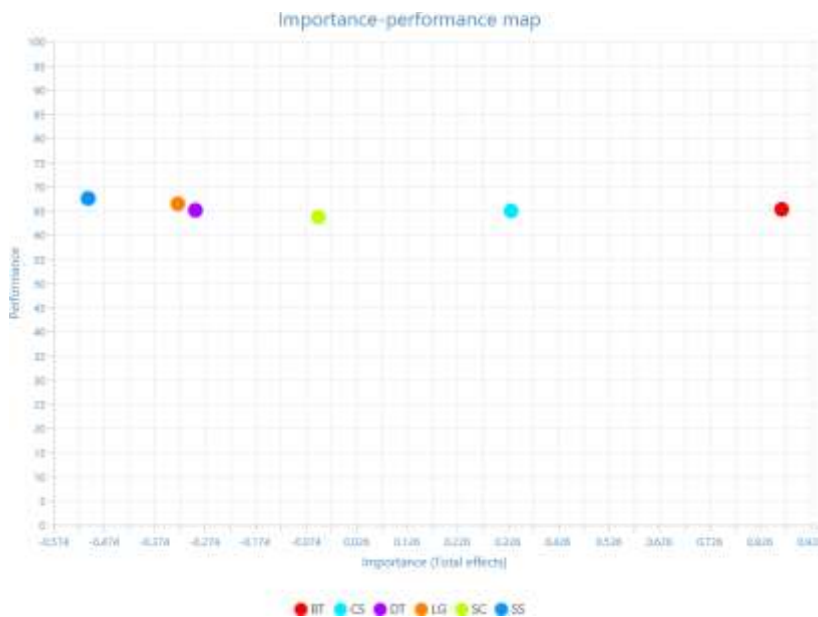
The PLS-SEM analysis can determine the relative value of various constructs and explain different structural model elements. To conclude, one must understand the significance of constructs. The importance of performance map analysis (IPMA), which also considers the effectiveness of each construct, produces the PLS-SEM results. As a result, conclusions concerning importance and performance are possible, which is crucial for planning managerial actions. Attention should be paid to the performance of those constructs that, despite having relatively poor performance, demonstrate a high relevance in how well they explain a particular target construct (Hair et al.,2012).

## 5. DISCUSSION OF THE FINDINGS

From the PLS-SEM Importance Performance Map Analysis (IPMA) mentioned in this paper, several significant conclusions led to recommendations. The descriptive analysis reveals that customers are interested in the consumer gadgets covered. It was also discovered that the

primary element affecting increased customer loyalty. Data show that three of the four BTs—lineage and defense of tribe- have a substantially smaller impact on the intention to conduct an online repurchase than a sense of community. Customer satisfaction is a partial mediating factor in the relationship between brand tribalism and customer loyalty. Additionally, the social structure has no bearing on the goal of customer loyalty.

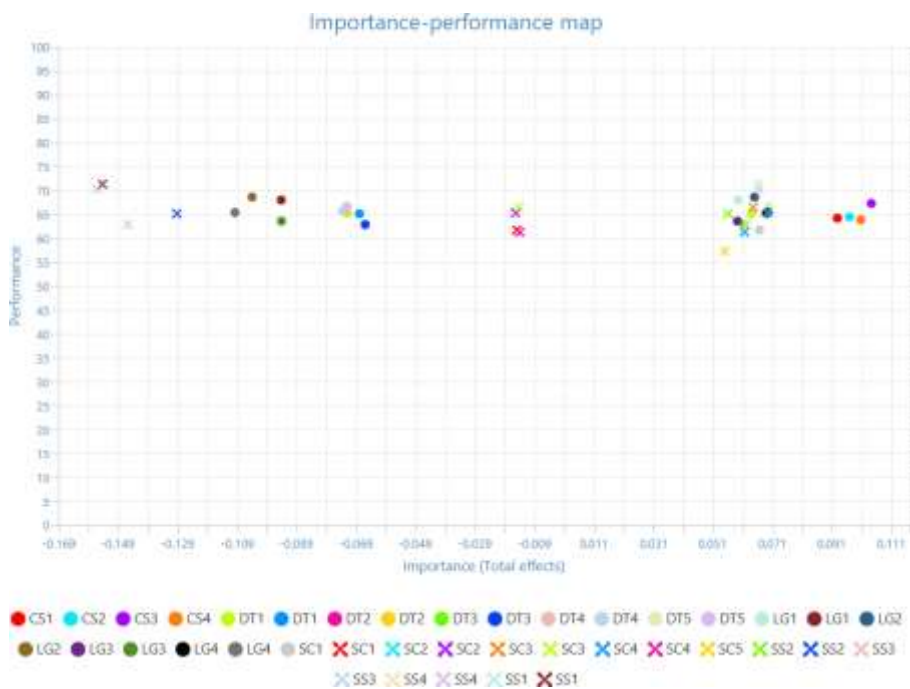
Therefore, to boost customer loyalty, improving customer satisfaction should come before improving other aspects of brand tribalism. However, enhancing the sense of community, defense of tribe, lineage, and social structure in that sequence is necessary to raise the value of customer satisfaction. However, brand tribalism and customer satisfaction behavior are directly related. The factors significantly positively influence loyalty. Therefore, the researcher may confidently assert that improving customer brand tribalism parameters, directly and indirectly, affect customer loyalty. The reasons for improvement in the order of importance (Constructs) will be determined using the Importance Performance Map of the Unstandardized Effects. Figure 6 of the IPMA demonstrates that the responsiveness value has the strongest positive significant impact on customer loyalty and satisfaction.



**Figure 6:** Unstandardized Effects (Constructs)

**Source:** Authors' own

Specifically, relevant for managerial actions, according to Sarstedt (2016), is the construct with the highest importance and the lowest performance. Because that particular construct performs so horribly, there is much room for improvement. As a result, in this context, the management activities are chosen for the SC with the highest priority and lowest performance. In contrast, SC, DT, and LG have the strongest positive significant influences on the CL and CS. As a result, the IPMA generated for e-service quality dimensions Vs. CL is the most important structure, increasing the CS (Sarstedt, 2016). The relative effects of each construct on customer loyalty are depicted in Figure 7.



**Figure 7:** Unstandardized Effects (Indicators)

**Source:** Authors' own

According to Sarstedt (2016), the IPMA is applicable at more than just the construct level. The IPMA can be applied at the indicator level to identify the most pertinent and precise development regions, subsequently identifying the most important management action constructions. The rescaled outer weights offered in formative measurement models can be used to assess an indicator's relative relevance compared to other indicators in a particular measurement model. Even though they do not influence assessing the

validity and reliability of the reflecting measurement model, the outer weights are significant in displaying each indicator's contribution to creating the composite variable that reflects the construct in the PLS path model (Sarstedt, 2016).

The indicators that may be seen in Figure 7's rightmost area have a high importance and a high performance, according to Sarstedt (2016). In order to increase customer loyalty, these values (indicators of BT dimensions) should be enhanced in the following order of priority. The researcher made a convincing case in the section above that, to improve the CL, the BT dimensions should be improved first and that, in effect, the BT dimensions should also be changed to improve the CS. In order to determine which indicators need to be improved, the IPMA for indicators (Unstandardized effects) is used by Sarstedt's recommendations (2016). The IPMA describes the management activities to be taken in the order of importance subject to the order of performance to recommend managerial actions based on empirical data (Sarstedt, 2016). Figure 7 indicates that the most significant indicators with high performances appear in the map's rightmost areas since there is much space for improvement, making the element underlying this construct highly essential for managerial actions.

## **6. CONCLUSIONS AND CONTRIBUTIONS**

Data show that three of the four BTs—lineage and defense of tribe- have a substantially smaller impact on customer loyalty. Customer satisfaction is a partial mediating factor in the relationship between brand tribalism and customer loyalty. Additionally, the social structure has no bearing on the goal of customer loyalty. The results of this study suggest that brand tribalism is a significant factor in building customer loyalty and enduring relationships. Customer relationship marketers need to understand the influence of brand tribalism and support initiatives that foster a culture of consumption and social sharing. In order to build a larger brand tribe, businesses should engage with their present customers and their peer groups. The results of this study cannot be applied to all goods, services, or circumstances in all markets because it only examined one kind of product used by Sri Lankan consumers. A bigger sample size must be employed for greater generalization since generalizability issues can arise within cities, districts, or provinces. Furthermore, Sri Lanka has distinct sociological, economic, and geographic traits, making it difficult to generalize to other developing nations with various environments.

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**WILL SHE PURCHASE?  
A STUDY ON SUSTAINABLE LUXURY APPAREL PURCHASE  
DECISION BY FEMALES THROUGH DIGITAL COMMERCE  
PLATFORMS**

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**ABSTRACT**

This research paper investigates the dynamics of female consumers' purchase decisions for sustainable luxury apparel through digital commerce platforms, with a specific focus on the role of brand credibility. The research uncovers the underlying motivations, perceptions, and considerations driving female consumers' choices through a qualitative approach encompassing focus group discussion. Findings reveal that trust in a brand serves as a pivotal starting point. However, authenticity in sustainability claims emerges as a critical determinant as participants seek verifiable evidence that brands are committed to ethical practices. As digital commerce platforms become gateways to luxury fashion, interactive features substantiating sustainability claims and peer reviews are vital in influencing preferences. The study contributes to the evolving discourse on sustainable luxury and digital commerce by offering new insights, ultimately guiding luxury brands and digital platforms in catering to the discerning preferences of female consumers.

**Keywords:** *Consumer Preferences, Digital Commerce*

## 1. INTRODUCTION

In recent years, digital commerce platforms have revolutionized how consumers shop, facilitating seamless, personalized, and accessible purchasing experiences from the comfort of one's device. The realm of luxury fashion has been quick to embrace this digital transformation, offering consumers an extensive array of sustainable luxury apparel accompanied by compelling storytelling that highlights these products' craftsmanship, provenance, and eco-consciousness (Kapferer et al., 2019). The modern fashion landscape is witnessing a profound shift towards sustainability, fuelled by growing environmental consciousness and ethical considerations among consumers (Lundblad et al., 2016).

In this context, traditionally associated with opulence and exclusivity, the luxury fashion industry is undergoing a transformative journey towards embracing sustainability as a core value (Davies et al., 2020). Sustainable luxury apparel, crafted from eco-friendly raw materials and produced with ethical practices, has emerged as a compelling choice for environmentally conscious consumers seeking to align their style with their values (Jayawardena et al., 2023). Within this burgeoning landscape, female consumers have emerged as a formidable force, driving the demand for sustainable luxury apparel (Choi et al., 2012). As primary decision-makers in fashion purchases, their preferences and values play a vital role in shaping the industry's trajectory toward sustainability. Therefore, understanding the factors influencing their purchase decisions for sustainable luxury apparel through digital commerce platforms becomes essential for academics and industry practitioners (Kim et al., 2012).

This research explores what motivates female consumers' decision-making while selecting sustainable luxury apparel through digital platforms. It explores the underlying motivations, the emotional connections to sustainable products, and the perceived benefits and drawbacks that contribute to their choices. Additionally, the study explores the role of factors such as brand reputation, product information transparency, peer influence, and the overall digital shopping experience in shaping their preferences. The research paper explores what motivates females regarding luxury apparel made with sustainable raw materials, specifically within the context of digital commerce platforms. The intersection of sustainability and digital commerce presents a dynamic and influential realm where consumers have unprecedented access to eco-friendly fashion options, and

luxury brands can showcase their commitment to environmental sustainability.

Moreover, the research acknowledges the pressing challenges and obstacles hindering the widespread adoption of sustainable luxury apparel among female consumers through digital commerce platforms. A qualitative methodology of focus group interviews with female luxury fashion shoppers has been conducted to achieve these research objectives. The synthesis of qualitative findings will yield a multifaceted understanding of female consumers' purchase decisions, preferences, and perceptions of sustainable luxury apparel. The paper is organized as follows. The next section discusses previous research done in the domain, i.e., Lit review, and presents the gaps in the literature. Section 3 presents the methodology. The following section presents a discussion of the findings and implications of the study, acknowledging its limitations and suggesting pathways to further research on the topic.

## **2. LITERATURE REVIEW**

For a long time, luxury goods were viewed as unnecessary or only intended for a small subset of people who wanted to stand out. The majority of the time, these are the most expensive and best-quality goods that offer the consumer an exceptional experience or a sense of prestige (e.g., watches, jewelry, interiors with high standards, high fashion, upscale resorts, and top restaurants, as well as uncommon and enjoyable experiences) and evoke feelings of exclusivity, privilege, and life of distinction (Rolling & Sadachar, 2018). Luxury goods are, therefore, those that rank highly in all four of the following categories: financial (price, resale price), functional (durability, quality, reliability), individual (hedonism, self-identity), and social (conspicuousness, status signaling; Iyengar, 2022).

Luxury businesses strive for exclusivity and originality through tightly managed distribution; hence, they typically offer their goods through offline stores (Jin & Cedrola, 2017). Because they saw social media as a threat and something that went against their goal to control their brands, luxury brands resisted using it for a long time. Additionally, the luxury sector did not think websites and e-commerce could attract customers (Balasyan & Casais, 2018). However, soon, it was realized that social media and digital platforms are crucial to the success of a premium company. Luxury brands rely on social media marketing and online sales to stay afloat. These strategies are

"two-way communication platforms that allow users to transact and interact with one another online to share information and opinions." The fact that practically all luxury fashion firms use social media websites like Twitter or Facebook is further evidence of the popularity of digital platforms and social media (Romão et al., 2019).

The ability to design brand images has shifted from marketers to consumers' online connections and content due to social media, which has revolutionized how branding content is created, distributed, and consumed (Tsai & Men, 2013). Deloitte claims that the digital revolution, technology, the burgeoning global middle class, and the influence of Millennials and Generation Z have all impacted the future of the global luxury market. Luxury brands use social media as a component of their marketing plans. Luxury firms actively engage with young consumers on social media channels to spark interest among Millennials and Generation Z while attempting to maintain their brand value. The ability of luxury businesses to connect with and advertise to the next generation of tech-savvy consumers will determine their level of success in the future. According to Arienti et al. (2019), most luxury brands have evolved their unique social media strategies, and many of them have also forged connections with influencers and specialized bloggers who promote the brand among target audiences.

It has been established that the fashion industry harms the environment. Fashion companies are responding to criticism of their unsustainable behavior, which includes producing carbon emissions, unfavorable working conditions, excessive waste, and chemical usage, which hurts environmental quality and human well-being, by developing sustainable products and business practices (Han et al., 2017). The propensity of consumers to pay more for goods and services offered by businesses engaged in social and environmental initiatives reflects an increasing consumer concern about sustainability challenges (Han et al., 2017). Consumer interest in sustainability and sustainable fashion has increased, and sustainable fashion now involves both the product itself and the customer's attitude.

The Brundtland Commission report (1987) defined sustainability as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 43). The academic group and researchers interpreted sustainability in fashion from a more holistic perspective than designers in the fashion industry. They largely agreed with this definition. The holistic approach to

sustainability was emphasized by researchers and business managers, who also took into account the full lifecycles of products and the potential for design to have broader effects on society and the environment. However, this group also highlighted the need for more suitable resources to help designers better comprehend sustainability and apply design principles. Certain designers exhibited a narrow perspective or misinterpretation of sustainable design.

The future of luxury brands will be influenced by two primary consumer motivations: the consumer's pleasure (a luxury for self) and the demonstration of success (a luxury for others) (Atkinson & Kang, 2022). However, it should be noted that there are significant geographical differences in these motivations, depending on whether luxury goods are traditionally produced and consumed in the country or whether the consumption of luxury products is more prevalent abroad. Despite customers becoming more interested in sustainable fashion, it is crucial to remember that consumers still demand that it adhere to certain aesthetic and fashion standards. Lundblad and Davies (2016) have demonstrated that when purchasing decisions, price, quality, and appearance still outweigh ethical considerations; hence, clothing must be environmentally friendly and aesthetically pleasing. Therefore, it does not appear that the simple fact that a product satisfies a sustainability requirement is a strong enough reason for the consumer to favor it.

Han et al. (2019) state, "Consumers are in a constant state of psychological imbalance, an attitude-behavior gap, between their own consumption of sustainable fashion products and their concerns about sustainability." Many authors have referred to Heider's (1958) balance theory when describing the relationship between general attitudes toward sustainability and ethical issues (on the one hand) and buying behavior (on the other hand). This theory aids in understanding the sustainable fashion paradox and sustainable fashion product consumption behaviors. For instance, Pui-Yan Ho and Choi (2012) discovered that many customers were prepared to pay a premium price for eco-friendly goods sold by eco-friendly merchants and created by eco-friendly manufacturers. According to Han et al. (2019), recent research has shown that consumers hesitate to adopt sustainable fashion. Additionally, consumers' pro-sustainability attitudes and how they use sustainable fashion products need to be more consistent. Although consumers care about sustainability and expect fashion brands to be socially

responsible, they do not act sustainably when using fashion products (this is known as the sustainable fashion paradox).

This paper wishes to fill the knowledge gap of the consumption orientation of women; in particular, a deep understanding of the perception of women luxury consumers on the social and environmental dimensions of sustainability is needed, as they represent the future evolution of the luxury market.

### **3. METHODOLOGY**

The authors decided to undertake focus group interviews to uncover what motivates females to purchase luxury apparel from digital commerce platforms made from sustainable raw materials. Focus Groups have been considered particularly useful when delving into under-studied areas (Tynan & Drayton,1988; Goldman & McDonald, 1987; Greenbaum, 1993). Speed, flexibility, lower cost, and rich data generation are the aspects that made the focus group technique suitable for the topic under study. While allowing individual contributions to be studied, small group discussions allow peer interaction to be observed (O'Donohoe & Tynan, 1998). Focus groups provide valuable insights for decision-making processes, especially in business and marketing. Insights derived from focus groups assist organizations in customizing their products, services, or messages to more effectively cater to the requirements and preferences of their target audience (Krueger et al.; M. A., 2015). Focus groups play a role in data triangulation, which involves combining information from many sources and methodologies to improve the reliability and validity of the conclusions. This methodology enhances the research framework (Denzin et al.; Y. S., 2018). Group discussions consisting of 25 Participants were conducted (MacFarlane Smith,1972; Bellenger et al.,1976; Tynan & Drayton,1988; Morgan, 1992); with participants, permissions group discussions were taped, and discussion guide was employed to encourage the participants to explore the topic. There were four such groups. Participants were between 23 and 60 years old and were university-educated. One possible bias of this methodology is that personal views may not be representative of the rest of the population, and its replication may not be possible nonetheless; quantitative methods do not always reveal rich information, which is possible through qualitative routes; also, interaction among participants may take discussions beyond independent contributions. Table 1 provides the socio-demographic characterization of the sample.



**Table 1:** Sample Composition

<b>Age</b>	<b>Frequency (n)</b>	<b>Percentage (%)</b>
Between 18 to 24	2	8
Between 25 and 30	5	20
Between 31 and 40	6	24
Between 41 and 50	8	32
Between 51 and 60	4	16
Education		
Basic education	-	-
Secondary education	-	-
Higher education	25	100
Professional situation		
Student	2	8
Part-time worker	2	8
Full-time worker	21	84
Children		
Yes	18	72
No	7	28
Individual monthly income (Rupees)		
Less than 30k	-	-
31k-60k	1	4
61k-90k	6	24
More than 90k	18	72

**Source:** Authors' own

After a concise overview of the research project, Participants gave written informed consent before the focus group discussions. Each Participant also filled out a short demographic questionnaire. The participants were prompted with open-ended inquiries designed to gather comprehensive and detailed insights into their experiences and understanding of crucial concepts as outlined by (Creswell, 2012). For instance, the focused group was asked, "How often do you purchase high-end luxury products?" and "What are your views on sustainable luxury clothing?" "what role do brand reputation and credibility play in shaping female consumer preferences for sustainable luxury apparel on digital commerce platforms?" "What role does innovative technologies, such as augmented reality (AR) or virtual try-on (VTO), features in enhancing the digital shopping experience and influencing the purchase decisions of female consumers for sustainable luxury apparel?". These questions were asked to elicit a pathbreaking response from female consumers to unearth what motivates females to purchase luxury apparel from digital commerce platforms made from sustainable raw materials.

## 4. RESULTS

Focus group participants offered various experiences and ideas about addressing females' purchase of sustainable luxury products. Although participants discussed various buying intentions, approaches, programs, policies, and personal circumstances, the following six themes were identified as key for marketing managers to understand females' online purchasing of luxury products when sustainability is introduced. And incorporated.

### ***Pre-purchase decisions by females while luxury shopping***

The participants agreed that reference groups shaped their decision before purchasing luxury products. Evidence of friends being an essential reference group was provided by a Participant who mentioned, "*My friend happens to be a major reference point for me in terms of giving guidance and advice on what luxury products to buy and what not to, and I go by that.*" However, some considered external family relatives to be the reference group influencing their decisions, not their friends. The researchers describe that when making purchase decisions, consumers consider other evaluations for separate alternatives or obtain inspiration from the brands their reference group members own. Another interesting observation was, "*I've just performed well, and I intend on purchasing a bag to reward myself, which is commemorative.*" This implied that participants felt the need to be rewarded after achieving a particular achievement; they would need to motivate themselves by rewarding themselves.

### ***Purchase behaviour of females during the purchase of luxury products made through digital commerce platforms***

The participants were comfortable admitting that social standing had a significant role in determining which luxury goods they would purchase. These women valued social symbols and recognition, and the stronger their need for a higher social position, the greater their need for luxury goods. One of the Participants in the focus group stated, "*I wanted to be respected by society in keeping with my life's accomplishments. The things I purchase should be appropriate for my work and reflect how I want society to view me and my possessions.*" This is so because people will employ different tactics to get society's acceptance, and displaying riches as social symbols increase the likelihood of advancing in the social hierarchy (O'Cass & Frost, 2002).

Another Participant commented: "*Our society values many things, and one of them is your ability to demonstrate your professional and personal accomplishments through the products we use.*" Participants are also more likely to purchase from the same brand again if they have had a pleasant experience. They also viewed factors like after-sale services as crucial when making purchasing decisions.

### ***Female's perception of sustainability while selecting luxury apparel made with sustainable raw materials***

Owning a luxury object is no longer sufficient for consumers; instead, they search for a valued asset's more profound significance and added value. There has been a paradigm change as consumers with significant purchasing power have become more environmentally conscious, giving rise to the new idea of "sustainable luxury." A Participant continues, "*A product should be pricey, high quality, have a minimal environmental impact, and have positive social consequences of being included in this elite category.*" Sustainability is seen as a status symbol but has different interpretations for the various groups involved. For example, whereas the first group favours cognitive aspects (terminal values), the second group identifies more with physical traits. Thus, two subjects can be distinguished: those who wish to "be sustainable" and those who think "looking sustainable" is sufficient. A Participant states, "*There are sustainable brands that are fantastic at marketing themselves and have many intriguing, desirable things. However, the company either fails to follow through on its commitments or acts in a way that contradicts its stated commitment to sustainability. This company is already on my "blacklist" for brands like this.*"

### ***Role of brand reputation and credibility in shaping female consumers' preferences for sustainable luxury apparel on digital commerce platforms***

One of the participants asserts that "*brand is still the primary vehicle for connecting with the consumer.*" Several factors, such as brand awareness, opinions of the brand's image, and brand preference, can affect how consumers view and feel about a product.

*"I think it's a combination of both. The brand's reputation gives you a starting point, but then you dig deeper. You want to see if they're practising what they preach. So it's like, I trust the brand, but I verify their claims too."* because

luxury goods satisfy all of the participants' personal, symbolic, and memorable needs, they are willing to pay a premium price. The brand identity should offer value without betraying what the product stands for and must be logical and consistent. One of the Participants said, *"But sometimes, it's the smaller brands that surprise you. I've discovered some amazing sustainable luxury pieces from lesser-known brands through digital platforms. It's like having a point to prove and often comes across as more genuine."*

### ***Level of product information transparency and authenticity of sustainability claims influencing female consumers' trust and confidence in the digital luxury fashion marketplace***

Participants acknowledged that transparency regarding sustainable raw materials and production processes is essential to build trust. Clear information about sourcing, certifications, and eco-friendly practices was crucial for making informed purchase decisions. One of the Participants said, *"Yeah, I agree. I've seen instances where brands claim to be sustainable, but when you dig deeper, it's not entirely true. So, for me, transparency is a big deal. I want to see the whole supply chain and know the certifications. That gives me the confidence to trust the brand."*

### ***Role of innovative technologies in enhancing the digital shopping experience and influencing the purchase decisions of female consumers for sustainable luxury apparel***

Females' attitude towards Virtual Try On's (VTO) technology is related to its perceived usefulness and perceived enjoyment. Their perceptions of usefulness and enjoyment directly influence online consumers' attitudes towards online shopping and are indirectly influenced by perceived ease of use. According to one Participant, *"VTO technology can help to address the suit, fit and match dilemma by providing a rich online shopping experience."* Such assistance can be helpful as it provides visual information. According to one of the Participants, *"shopping experience is enriched as it provides clues about a product's physical attributes that help us assess the product, thereby improving its perceived usefulness."* In addition, the theory of extended self contends that when consumers consider fashion, they consider the characteristics of the brands and whether they want to identify with such brands personally.

## 5. DISCUSSION OF THE FINDINGS

Women's buying luxury products is influenced mainly by the reference groups to which they belong. The intrinsic need for recognition and status in society fuels women's buying decisions for high-end luxury apparel. An interesting finding of this research was that apparel made with sustainable raw materials is a new milestone and vogue among high-end luxury buyers. Sustainable raw materials as a turning point in luxury purchasing is consistent with the observations made by Pookulangara and Shephard (2013) regarding the increasing popularity of eco-friendly luxury goods. They like to flaunt and showcase the sustainability tag, which is noticed and appreciated when women sit together. Top brands are leading the sustainable apparel domains, and consumers trust the big names and their claims significantly. Customers' reliance on reputable brands for sustainable clothing is consistent with Muda et al.'s (2016) assertion that customers trust established brands to fulfill their commitments. Still, a new finding is that with the help of digital platforms and their innovative marketing strategies, new and small brands are slowly taking up the market share of big and established brands regarding sustainable apparel. Kim and Ko's (2012) observations concerning the revolutionary effect of digital marketing in modifying consumer choices align with the discovery that small firms are increasing their market share through digital platforms. The Virtual Try On's (VTO) technologies have changed the landscape for luxury product buying; females' attitude towards (VTO) technology is related to its perceived usefulness and enjoyment. It has made trying such expensive clothes from the comfort of home easier.

## 6. CONCLUSION & CONTRIBUTIONS

### 6.1 *Theoretical Implications*

This research extends consumer behaviour theory by comprehensively understanding how sustainability and digital commerce convergence influence female consumers' purchase decisions for luxury apparel. It contributes to the discourse on value-based consumer choices and sheds light on the interplay between environmental consciousness, digital experiences and luxury fashion preferences. This research contributes to the digital commerce literature by investigating the role of digital platforms as conduits for sustainability communications and luxury purchase decisions. This study enriches existing sustainability frameworks by delving into the

factors that shape females' choices for sustainable luxury through digital platforms. The study contributes to the trust theory by highlighting how transparency, information dissemination, and brand credibility are pivotal in shaping consumer trust, especially in an environment where intangible attributes hold considerable sway.

### ***6.2 Managerial Implications***

The findings offer insights into crafting persuasive narratives that emphasize brand ethos, material authenticity, and the environmental impact of luxury products. Digital commerce platforms can leverage the study's insights to optimize user experiences. By incorporating detailed sustainability information, virtual try-on options, and interactive content, platforms can cater to the evolving desires of female consumers seeking immersive and informative shopping journeys. The research underscores the need for targeted educational campaigns to bridge awareness gaps surrounding sustainable luxury fashion by educating consumers about the benefits of sustainable raw materials and debunking misconceptions; brands and platforms can foster informed making.

### ***6.3 Future Research Avenues***

Future researchers can explore how cultural differences influence female purchase decisions in diverse regions. Conducting longitudinal research to track changes in consumer behavior and attitudes over time could provide insights into the evolving nature of sustainable luxury fashion choices within digital landscapes. Investigating the effectiveness of different communication strategies in conveying sustainability information and fostering trust among female consumers is one of the future research directions.

### ***6.4 Limitations***

The study's focus group participants were drawn from a specific demographic, which might limit the generalizability of the findings. The perspectives and preferences of participants from different age groups, cultural backgrounds, and income levels may still need to be fully represented. The number of focus groups conducted and the participants involved were limited due to resource constraints. A larger sample size would have provided more diverse viewpoints and potentially uncovered

additional nuances in consumer behavior. While qualitative data provide rich insights, they are inherently subjective and context-specific. The study's findings might not readily apply to broader contexts or represent the wider population. The study did not extensively explore external variables, such as the influence of marketing campaigns or economic fluctuations, that could impact purchase decisions for sustainable luxury apparel on digital platforms.

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## **EXPLORING THE COOLHUNTING MARKET RESEARCH IN SRI LANKAN PERSPECTIVE**

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### **ABSTRACT**

Coolhunting is a market research methodology that seeks to predict future trends; the term refers specially to marketing aimed at teenagers and the fashion world. Cool hunters utilize both overt and covert methodologies. This research style is most common among teenagers due to this demographic's perceived need for more response to direct and targeted advertising. In Sri Lanka, the study is based on the available relevant literature and findings and the experiences the researchers gained in their daily lives. The qualitative information of this study is analyzed through the interpretive phenomenological analysis (IPA) method. Some coolhunters make themselves entrepreneurs in emerging businesses. Sri Lankan marketers and market researchers need to become more familiar with the coolhunting methodology, and market researchers in Sri Lanka widely use quantitative research methodologies in most circumstances. Instead of hitting the streets and looking for the next trend, brands can now leverage a virtual method, which can be more brutally honest, unfiltered, and real. This method has no boundaries, borders, or walls to gather intelligence on street trends. Further, in the Sri Lankan context, cultural intermediaries play a major role than the cultural producers and consumers regarding coolhunting. Therefore, acquiring knowledge about this research methodology is also essential for Sri Lankan Market Researchers.

**Keywords:** *Coolhunting, Covert methods, Cultural Intermediaries, Interpretive Phenomenological Analysis*

## 1. INTRODUCTION

Cool is a highly subjective and culturally dependent concept often defined as an aesthetic, cultural, or social phenomenon linked with being fashionable, inventive, and attractive in a certain environment. Indeed, for organizations, the concept of "cool" holds substantial commercial significance, as it presents an opportunity to boost market share and enhance profitability. Coolness can act as a powerful intangible asset that transforms a seemingly ordinary or interchangeable product or service into something highly desirable and sought-after. This ability to elevate a brand's appeal and value has been compared to a valuable natural resource, as Grossman (2003) describes it. Consumers often associate cool products or brands with innovation, trendiness, and social acceptance, driving a strong desire to own and identify with them. As a result, these brands can create a sense of exclusivity and foster a devoted fan base. Cool represents aspiration and prestige for customers, being "the sum of all that we aspire to." Cool is neither an image nor a manner of looking, speaking, or acting. It is a state of mind" (Pountain & Robbins, 2000). Creating "cool" among customers appears to be a viable method. When a brand invokes the cool feature, it stands out from others since coolness is a differentiating factor (Kerner & Pressman, 2007). Although the term "cool" may not be as relevant now, Bird and Tapp (2008) argue that it "still seems the best word to describe that elusive, exclusive quality that makes behaviors, objects, and brands so hip, desirable, and symbolic." Being cool offers a fresh perspective on wealth and prestige. A cool experience aids consumers in rejecting the conventional idea of luxury in favor of a sense of something exclusive and friendly (while keeping their referential status in mind). Coolness is a manner of being, not "an image, a way of looking, talking, or doing" (Pountains & Robbins, 2000).

The term "cool" can be traced back to an old Western African philosophical and spiritual idea called *tutu*, which means "control, composure, detachment, beauty, and inner peace" (Thompson, 1979). During the era of slavery, the concept of "cool" is thought to have made its way to America, where it evolved into a meticulously constructed and emotionally controlled persona used as a coping mechanism to endure exploitation and discrimination (Majors & Mancini Billson, 1992; Connor, 1995; Pountain & Robins, 2000; Nancarrow et al., 2002). Subsequently, it spread throughout society, particularly in the jazz scene, where bohemians sought to emulate their African American jazz musician idols, leading to the cultural appropriation of cool as a personality trait representing anti-establishment

attitudes and pursuits (Mailer, 1957; Baraka, 1963; Connor, 1995; Pountain & Robins, 2000; MacAdams, 2001; Nancarrow et al., 2002). Inspired by the African American jazz musicians, bohemians of the time began adopting coolness to express their rebellion against societal norms and established authority (Mailer, 1957). As coolness spread through society, it took on various forms and meanings. It became a powerful tool for those seeking to challenge the status quo and embrace countercultural lifestyles (Connor, 1995). The appropriation of cool by different social groups further expanded its influence, creating diverse cool subcultures (Pountain & Robins, 2000). Coolness retained its associations with resistance, individuality, and the pursuit of authenticity (MacAdams, 2001).

The concept of cool brands has captured growing attention within the realm of brand management. A prominent study by Nancarrow, Nancarrow, and Page (2001) delves into the profound aspect of utilizing style leaders to establish connections between products and services and the broader public. Concurrently, Gurrieri (2009) tackles this subject by presenting a discourse-based exploration into the complex process of constructing coolness. This investigation considers the multifaceted roles played by marketers, cool hunting agencies, and consumers. As consumers inherently attribute distinct meanings to the concept of cool, it follows that cool brands also assume diverse interpretations among consumers. The rich tapestry of meanings attributed to coolness by consumers consequently contributes to an equally intricate array of meanings associated with cool brands.

Coolhunting is a market research process that is used to forecast future trends. The term "cool hunting" (also known as "coolhunting" or "cool-hunting") describes a market research process that aims to anticipate future trends; it is particularly used to describe marketing directed at teens and the fashion industry. Based on the definitions and ideas about coolhunting, researchers infer that many industries in Sri Lanka deal with the fashion business. Recently, organizations in the garment industry have been paying more attention to designing their dresses based on several factors. Marketers must also consider the youth's perception of changing trends to provide the best items to the niche market that are better than the competitors. Further, identifying the prospective buyers and their tastes is also a great challenge for marketers, which is the major gap in the literature. From the above problem, researchers have derived the following objectives.

- To investigate the trend of coolhunting market research in Sri Lanka.
- To recommend that marketers improve this market research method to identify potential buyers and succeed in their business in Sri Lanka.

## **2. LITERATURE REVIEW**

*Coolhunting* is a research strategy that peaked in the 1990s. As the concept gained traction, businesses started recognizing the value of coolhunting in shaping their marketing strategies. Coolhunting became integral to product development, branding, and communication strategies. The coolhunter's professional activity - researching emerging trends while out and about - was interpreted as signaling a shift in the rules governing how style and fashion are disseminated (Gladwell, 1997). Coolhunting can create scenarios for the development of society, including social issues, activities, attitudes, and behaviors. Its goal is to identify some patterns' strength and probable stability in the near term rather than to make predictions. There is a broad interest in the literature base for trend methodologies approaching several process paths that impact different areas, including Marketing. The results point to the benefit of presenting visual tools to support critical thinking, so a visual framework named the Coolhunting Canvas is proposed. This framework proposal may lead to a better understanding of trend signals from an academic perspective and will help to improve and conduct future research regarding Trend Studies and coolhunting (Cantú & Gomes,2023).

*Coolhunting* is a dynamic research approach business can harness to cultivate innovative ideas and enhance their marketing awareness. For businesses, cool hunting stands as a means to achieve an overarching goal: driving increased product sales. In the era before the rise of digital marketing, scouts would take to the streets, immersing themselves within crowds to discern the essence of urban cultures as manifested through clothing choices and behaviors. While the initial reference pertains to the fashion industry, cool hunting research has expanded beyond those boundaries. It encompasses diverse sectors today, epitomizing a strategy that catalyzes creativity and market insight to elevate brand appeal and maximize commercial success (Rubini, 2022). The new coolhunting would not be about stealing other people's ideas but rather about allowing these

artists, innovators, and entrepreneurs to collaborate with brands to produce better products and experiences for everyone (Gladwell, 1997).

### ***2.1 Coolhunter***

A coolhunter is an astute observer and trendspotter who possesses a keen ability to identify emerging cultural shifts, innovative ideas, and distinctive styles that have the potential to become influential and desirable within society. Armed with a deep understanding of consumer behavior, cultural dynamics, and market trends, a coolhunter scours various domains, from fashion and technology to art and entertainment, in search of the next big thing. The traditional role of marketers in dictating fashion trends faced a daunting challenge in the face of an overwhelming flood of shared messages, opinions, and consumer-generated information. This prompted the rise of viral marketing, a phenomenon that surpassed the impact of mere word-of-mouth. As viral marketing gained prominence, traditional marketers grappled with a rapidly changing landscape that posed substantial hurdles to their conventional methods of operation (Rubini, 2022). The Coolhunter provides marketers with actionable insights that allow them to adapt, innovate, and stay ahead of the curve. In a world where trends can ignite and fade in the blink of an eye, the Coolhunter's expertise becomes invaluable in navigating the challenges posed by the dynamic interplay of consumer-generated content and the quest for market relevance.

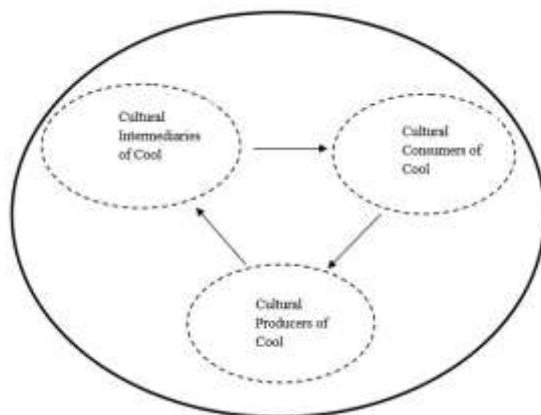
### ***2.2 Importance of cool hunting***

Businesses can reach out to potential customers and inform them more about their items by using cool hunting. This approach is advantageous since the business may deliver its message despite teens' refusal to respond to marketing campaigns intended for them. Another reason why firms utilize cool hunting market research methodology is the existence of cool hunters, who provide direct insight into ideas and sentiments (Rubini, 2022). Cool hunting facilitates an essential avenue for marketers to engage directly with their target audience. By tapping into the expertise of cool hunters, businesses gain access to a treasure trove of consumer sentiments, preferences, and perspectives that might otherwise remain hidden. The use of these invisible groups to gather information permits cool hunters to delve deep into the heart of consumer opinion, thereby creating a richer and more accurate representation of trends and preferences. The benefit of cool hunting is that it is necessary for all types of firms, huge, medium, and small.

Because the costs involved are low, any firm can utilize this methodology to reach out to its target demographic. This is why businesses have abandoned traditional marketing tactics such as word-of-mouth in favor of this type of market research. Cool hunting has the advantage of providing a larger reach than other market research approaches.

### ***2.3 Theoretical Frameworks for Coolhunting***

According to Bagozzi and Khoshnevis (2022), coolhunting is a market research method that seeks to predict trends and styles. It is a subset of trend analysis called "trend spotting." Cool's conceptualization is based on the argument that cool is socially produced and, as such, resists objective categorization. Cool is best understood through social and cultural processes and the language surrounding these phenomena (Gurrieri, 2009). The study adopts a cultural production system perspective to provide a structured framework for examining cool identities within consumer culture (depicted in Figure 1). This perspective serves to illuminate the intricate dynamics through which various key actors- notably cultural producers, cultural intermediaries, and cultural consumers- engage, cooperate, and influence the generation of symbolic significance within the context of consumer culture. The interactions and collaborations among these distinct players create a web of connections that converge to shape personalized interpretations of meanings and the formation of identities. This framework emphasizes the individualized process through which these actors' articulations intertwine, leading to nuanced negotiations of meaning and the construction of multifaceted identities (Kozinets, 2001; Venkatesh and Meamber, 2006).

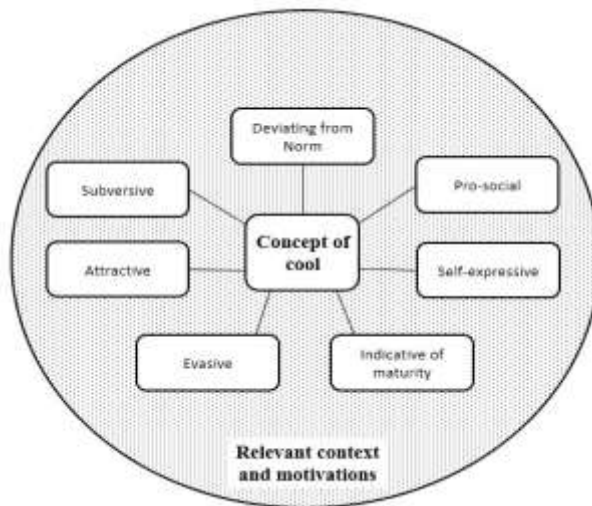


**Figure 1:** Proposed framework: the construction of cool

For a cultural product or service to become associated with the concepts of coolness, it must be brought into existence by cultural producers. Cultural intermediaries are pivotal in bridging the gap between production and consumption. Through their active involvement in the process of meaning transfer for cultural goods, they facilitate the association of a cultural producer's brand with the symbolic attributes of cool. This strategic connection, in turn, leads to transmitting these nuanced meanings to consumers. Cultural consumers transform cool cultural objects into meaningful consumption experiences, not simply interpreting the meanings provided by cultural intermediaries but also engaging in the meaning produced (Tharp & Scott, 1990; Scott, 1990, 1993, 1994; Schroeder, 2002). This significance encompasses a fusion of the intended meaning conveyed by the cultural intermediary and the personalized meaning attributed by the consumer, shaped by their unique backgrounds and preferences (Venkatesh & Meamber, 2006). However, it is important to note that this framework does not adhere to a strictly linear progression. Instead, it recognizes the potential for considerable interplay and fluidity between these three actors. The boundaries among cultural producers, intermediaries, and consumers are prone to convergence and ambiguity, acknowledging the intricate and dynamic nature of the interactions within this cultural production system.

Consumer Culture Theory (CCT) is a field of research exploring the sociocultural aspects of consumption and the relationship between consumers and the culture they are involved in. CCT examines the consumer's behavior and how they create, negotiate, and express their identity among their choices. The CCT framework has spread throughout consumer research and marketing (Arnould & Thompson, 2007). The cool hunting industry was chosen because it focuses on the interaction of the actors above in the construction of a cool identity in consumer culture, namely organizational clients who want their brand to be cool (cultural producers), cool hunters who discover/interpret emerging trends and connect firms with consumers who have social influence or cool knowledge in certain social networks (cultural intermediaries), and consumers who are both used in this process are the cultural consumers (Gurrieri, 2009).





**Figure 2:** A Conceptual Framework for Cool  
**Source:** Adapted from Mohiuddin et.al (2016)

By taking Figure 1 as a base, Figure 2 has been developed and proposed, especially the factors for the cool concept. It explores the components of cool. However, in the Sri Lankan context, limited studies are conducted by adopting the Coolhunting market research methods, and marketers need to gain knowledge in executing this Coolhunting research. Hewage (2016) and Manike (2021) conducted their undergraduate research on establishing a chat hut for youngsters and the Perception of Youths towards Changing trends in dressing, respectively, by adopting the coolhunting method.

#### ***2.4 Technological Advancements and Digital Cool Hunting***

In the present digital landscape, identifying emerging trends has been streamlined through online platforms, leading to the adoption of an innovative analysis method that merges the Coolhunting methodology with internet queries. Concurrently, integrating Artificial Intelligence (AI) and Machine Learning (ML) algorithms has emerged as a significant trend in cool hunting. AI-powered tools and ML models enable precise trend forecasting by processing extensive data from social media and online platforms. In this context, digital coolhunters employ diverse tools to gather data. Social Media Analytics is crucial in capturing, understanding, and presenting patterns and intelligence within social media interactions (Fan & Gordon, 2014).

The amalgamation of AI and Machine Learning introduces transformative potential by facilitating automated trend detection and prediction,

enhancing marketing decision-making by decoding customer behavior (Chen et al., 2017). This integration has prompted a renewed emphasis on harnessing AI's capabilities to assess customer patterns and preferences, particularly within Customer Relationship Management (CRM) processes (Seranmadevi & Kumar, 2019).

### **3. METHODOLOGY**

Various methodologies can be employed to conduct effective Coolhunting market research. Conducting in-depth interviews with trendsetters, influencers, industry experts, and members of specific subcultures can provide valuable insights into emerging trends, cool products, and the factors influencing their popularity. Coolhunters utilize overt methodologies, such as focus groups, and covert methods, such as entering a chat room and posing as a target market member. A focus group is effective when participants start talking to one another and building on one another's comments rather than replying straight to the moderator. Participants should become engaged, and the focus group should become a forum for their debate (Krueger & Casey, 2002). Coolhunting, which involves identifying emerging trends, consumer behaviors, and cultural shifts, can greatly benefit from the dynamic interactions within a focus group setting. This synergy between focus groups and cool hunting research lies in allowing participants to collectively build upon each other's insights, generating a rich pool of information. Just as trends often evolve through a collective adoption process, focus group discussions that organically progress encourage the emergence of unique and unanticipated insights. In coolhunting market research, covert approaches such as visiting a chat room while pretending to be a member of the target market are a discrete and valuable approach. This technique involves researchers immersing themselves in online communities, social media platforms, or forums where individuals from the target market gather to discuss various topics, including emerging trends, preferences, and behaviors. By adopting covert personas, researchers can observe and engage in authentic conversations, gaining firsthand insights into the target audience's perspectives and uncovering nascent trends. This type of research was more common among teenagers due to this demographic's failure to respond to direct and focused advertising. Cool hunters may now use platforms like usecart.com to get data points from their firm's target demographic, making their lives easier (Rubini, 2022).

The present study is based on relevant literature and findings and the experiences the researchers gained daily. The qualitative information of this study is analyzed through the interpretive phenomenological analysis (IPA) method. IPA is designed to understand a person's conscious, social, perceptual, and practical experiences about a major life event, experience, or situation (phenomena). This method is subject-centered and often uses coding systems similar to Qualitative Data Analysis. In this research, researchers aim to capture the depth of experience or meaning within the findings using this IPA.

#### **4. FINDINGS AND DISCUSSION**

In Sri Lanka, plenty of marketers do their businesses in trend spotting and socio-cultural innovation. However, they needed more opportunities to learn about cool hunting, and they did business with their previous experience and the competition in the market for a particular product. Previous research suggests that overt and covert approaches to coolhunting are effective in research (Krueger & Casey, 2002; Rubini, 2022). The popularity of cool, cool hunting and trend forecasting increased rapidly due to internet usage, which made it possible for everyone to access the images irrespective of where they are. Advertising agencies like TV and magazines no longer controlled its appearance. Marketers, who used to decide the fashion trends, found it challenging to cope with an uncontrollable deluge of messages, opinions, and information consumers shared. This led to the emergence of viral marketing, which was far better than word-of-mouth and made it extremely difficult for traditional marketers to thrive.

Moreover, Coolhunters utilize overt methodologies, such as focus groups and personal interviews, and covert methods, such as entering a chat room and posing as a target market member. In Sri Lanka, there needs to be more skills among the coolhunters in utilizing covert methods. They are also associated with marketers. Some coolhunters make themselves entrepreneurs in emerging businesses. Sri Lankan marketers and market researchers need to become more familiar with the coolhunting methodology, and market researchers in Sri Lanka widely use quantitative research methodologies in most circumstances.

With the help of Coolhunting, a company may have a thorough grasp of the areas on which it should concentrate to connect with a sizable portion of its target market, which will ultimately result in sales and ensure its success. Company Arnould and Thompson (2007) support this finding.

Through the present study, marketers understand teenagers' trends to improve their styles and produce better products and experiences in a socially acceptable manner. This finding is consistent with Gladwell's literature (1997). Further, marketers can use the coolhunting methodologies in market research to improve their digital platforms by using AI-powered tools (Fan & Gordon, 2014).

## **5. CONCLUSION AND CONTRIBUTIONS**

Through cool hunting, businesses can contact prospective buyers and inform them about their products. This method is beneficial because the company can convey its message despite the failure of teenagers to respond to marketing campaigns directed at them. Cool hunters are very knowledgeable when choosing the most appropriate methods of gathering data and information. Many businesses are using cool hunting market research methodology because of the presence of cool hunters who offer direct insight into thoughts and feelings. Cool hunters are usually interested in getting what their target audience has to say, so they use an invisible group to do the recordings. Cooling hunting allows marketers to interact with their target audience and is very keen in terms of their opinions. The good thing about cool hunting is that it is essential for all types of businesses, whether large, medium, or small. Since the cost is low, every business can use this methodology to reach its target audience. This is why companies turned to this form of market research and abandoned traditional marketing strategies like word-of-mouth. The advantage of cool hunting is that it has broader coverage when compared to other market research methodologies. Coolhunting usually requires a business to recruit cool hunters who are well-trained and have adequate knowledge and experience when it comes to interacting with prospective buyers. Coolhunting enables a business to develop an in-depth understanding of what it needs to focus on to reach a significant number of its target audience. This will then be converted to sales, leading to the business's success.

However, there is a need for trained coolhunters in the context of Sri Lankan marketing. For a business, cool hunting means to an end, which is to sell more products. With the proliferation of websites, email marketing, and social media, coolhunting has changed. Instead of hitting the streets and looking for the next trend, brands can now leverage a virtual method that can be more brutally honest, unfiltered, and real. This method has no boundaries, borders, or walls to gather intelligence on street trends. Therefore, acquiring knowledge about this research methodology is also

essential for Sri Lankan market researchers.

Further, based on the model in Figure 1, cultural intermediaries, such as cultural producers and consumers regarding coolhunting, play a major role in the Sri Lankan context. Subsequently, figure 2 gives a foundation for identifying further factors for the cool concept in future coolhunting research.

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## **FACTORS LEADING TO STUDENT DISSATISFACTION IN THE EDUCATION SECTOR; A STUDY OF GOOGLE REVIEWS FROM THE HIGHER EDUCATION INDUSTRY IN SRI LANKA**

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### **ABSTRACT**

The research is focused on the higher education institutes and non-state sector in Sri Lanka. The study aims to understand perspectives from the positive and negative reviews of sixty-four (64) higher education institutions. Two Thousand Five Hundred (2500) reviews have been studied. The research study aims to recognize, define, and determine the factors in the space of non-state higher education institutions that lead to student dissatisfaction. A literature review covers (1) WOM & eWOM, (2) Digital media marketing, (3) Review sites, (4) the Sri Lankan higher education system and players, and (5) Student Dissatisfaction and its determinants. The methodology will involve a positivist research philosophy, a deductive approach, and a survey-based research study focused upon a cross-sectional timeline. The results show that only 29.6% of the teams had a responsive Google Business page that responds to view. Responses to top reviews by the students/public were (1) Lack of student support, (2) Delay in certificates, (3) Poor management practices, and (4) Lack of academic quality. Research is limited by the study timelines, which are 2023 and July. The research provides insights from the current state of reviews on Non-state HEIs. This research outlines the perspectives of Sri Lankan, non-state HEIs. A newer area of study & perspective in digital media.

**Keywords:** *Digital Marketing, Google Reviews, Higher Education Institution, Student satisfaction, Word of Mouth*

### **1. INTRODUCTION**

The research focuses on understanding the non-state and private sector higher education institutions in Sri Lanka. An understanding of the positive and negative Google reviews presented by the public, students



(consumers), or parents (customers). Any public organization servicing the B2B and B2C marketplace has to be aware of the market, and businesses have to fulfill the marketplace's needs. The market is being influenced by positive and negative factors leading to and shaping the way the market operates. In the new digital world, consumer behavior has been fuelled with more transparency than a decade ago (Kemp *et al.*, 2021). There are more conversations online, transactions with Tesla cars (2023) being bought online, more access to international purchases, and an increasing understanding of global brands. The global marketplace has increased the transparency associated with product quality (Sinha, 2021). Organizations' service standards are often influenced by the ability of organizations to fulfill customer requirements, as well as several theoretical models like SERVQUAL, SERVPERF, RATER model, and GAP model. The amount of theory and approaches taken by the non-state higher education institution space has been understood.

Several reviews are generated daily, both positive and negative. However, it will be important for an organization in the private higher education space to understand the different "expectations" built by the customer, their respective attitudes, and the attributes gathered. Secondly, there needs to be more digital marketing literature addressing the current perspectives of reviews gathered. The approach to reviews, the responses gathered, and the understanding that it leaves with the firm. The existing literature does not state a methodology or a frame of reference to tackle reviews. Instead, they have often been generic in identifying customer/consumer reviews that are important for digital marketing. The research study aims to recognize, define, and determine the factors in the space of non-state higher education institutions that lead to student dissatisfaction. The research illustrates the influence of student feedback in gaining insights for the marketing team. To understand the digital marketing and pro-activeness of the marketing team in dealing with concerns arising from the online space.

To recognize the benefits and approaches undertaken by Google reviews, allowing for better strategies to drive more positive feedback than negative feedback on the online space. Finally, this research helps both the

academia and the practitioners in understanding the role of digital marketing in managing dissatisfaction.

The study aims to understand student dissatisfaction by establishing its determinants and primary causes, recognizing the utilization of Google review sites and the corresponding responses from marketers, and devising effective strategies to address negative dissatisfaction. Specific objectives include identifying different determinants of dissatisfaction and key problem areas in the industry, pinpointing specific issues on digital platforms such as websites and social media pages, identifying pages and tools used by users to express concerns, and evaluating the effectiveness of organizations' strategies in handling matters.

## **2. LITERATURE REVIEW**

The literature review section of this report is divided into five (5) sections. The first section sets out on the WOM and e-WOM. The focal area of the research is word of mouth (WOM). Secondly, digital media marketing is being provided. The third area covered is on review sites. The fourth area is on the Sri Lankan higher education system and players. Finally, student dissatisfaction and its determinants are studied.

### ***WOM & eWOM***

*Word-of-mouth marketing* is defined as the Why, How, and When of creating social influence for your brand. (Berger, 2013) Baer and Lemin (2018) define Word of mouth as the informal communication between individuals about products, services, or companies sparked by a unique, unexpected, or remarkable customer experience. The aggregate of all person-to-person communication about a particular product, service, or company at any time (Rosen, 2010). Most of the definitions have conformity in order to identify specific practices and enablers in the organization. The necessary evolution has transformed from traditional physical communication to the online space. The recent authors and books on Word of mouth have all addressed this content of eWOM (Chen & Yuan, 2020; Allard et al., 2020; Verma & Yadav, 2021). Word of mouth to be created does need to have (1) an Unexpected and surprising outcome that is positive or negative, (2) a Memorable to communicate, (3) a Sharable customer experience that is in person or online, (4) a Repeatable experience (Baer & Lemin, 2018).

## ***Digital Media Marketing***

There is an increased internet coverage in Sri Lanka at 52.58% (TRCSL, 2023). Covid lockdowns and the necessity to bring in safe purchases have influenced the rapid adoption of technology (Habib & Hamdenah, 2021). Digital media marketing has peaked with the available online tools and platforms. Digital media marketing has become a more vital channel for organizations and institutions to facilitate purchases and customer opinion, generate attention, and keep post-purchase momentum positively attributed to organizations (Homborg & Wieglos, 2019). The role of digital marketing has become quite significant, and the search term “digital marketing agency” and “digital marketing courses” draws in close to 100,000 keywords daily (Google et al., 2023). Smartphone adaptation and cheaper internet have been true motivators for adapting digital media (Sharmin *et al.*, 2021). This has increased social media participation, online consumption, and remote work opportunities (Ferri *et al.*, 2020).

## ***Online review platforms***

Online review portals have been present since the early days of the Internet. However, the evolution has been rapid with WEB 2.0 and the increased affiliation of social media. Social media has influenced the increase in user-generated content (Haigh & Wigley, 2015). Review platforms have facilitated users to share ratings, comments, and pictures and provide reviews of facilities/services available. Yelp, launched in 2004, and Trip Advisor in 2000, has immensely facilitated the role of review sites. Google Reviews has been operational since 2009. This was included in the “Google Local Business Centre” feature. However, the brand has immensely facilitated the growth of reviews, and brands must focus on the relevant challenges.

**Table 1:** Online Review platform statistics

Review platform	% of Customers read reviews	% of Customers make buying decision	% Response to negative review
Google	81	93	24
Yelp	53	86	NA
TripAdvisor	45	85	30

**Source:** Review Trackers (2022)

The above table indicates that close to 81% of the customers read reviews from Google before visiting the outlet. Google reviews have a higher penetration due to the product being packaged with search, maps, and connectivity for a business (Google Business, 2023). The different statistics provide the available resources for the enablement of key attributes.

### ***Sri Lankan higher education system and players***

The Sri Lankan higher education system is driven by public sector investments from the government and the non-state sector (private sector) investing in initiatives such as setting up universities and offering professional qualifications. Seventeen (17) public universities and eleven (11) non-state HEIs offer academic degree programs. TVEC (2023) offers standardization and quality assurance services to ensure compliance of the non-state institutions involved in developing locally built curricula with certificates, advanced certificates, diplomas, and higher diplomas. There are over 1,549 registered institutes in Sri Lanka (TVEC, 2023). With the increased competition and higher penetration, it will become important for higher education institutions (HEI) to focus on the Sri Lankan market space much better. Student satisfaction and quality orientation are the most important factors in gauging output quality and making considerations.

### ***Student dissatisfaction and its determinants***

*Student dissatisfaction* is the negative attitude of a student concerning the educational experience. (Ramdeo *et al.*, 2022) The role of the students and their opinions in the non-state education system is crucial in creating word of mouth, feedback, and recommendations. The Ofqual regulations have prescribed calling a student a "learner" since 2019 (Ofqual, 2023). Gradually, some centers often include the learners as partners in the progress of learning, calling the learners as learning partners. Nevertheless, in an educational setup, there is a quasi-relationship where the consumer (Student) and customer (Parent or company sponsoring the program) are provided with the right set of updates and satisfaction from the programs being derived. Analyzing the above content, several factors lead to student dissatisfaction. From the outset it could be identified from literature the following range of factors will influence student dissatisfaction.

**Table 2:** Student dissatisfaction drivers

<b>Driver</b>	<b>Authors</b>
Quality of e-resources	Ranaweera (2021)
Motivation inspired by university professionals	Douglas et al (2015)
Praise/reward	Douglas et al (2015)
Social inclusion	Douglas et al (2015)
Usefulness of the course	Douglas et al (2015)
Value of money	Douglas et al (2015)
Fellow student behaviour	Douglas et al (2015)
Assessments and feedback	Deely et al (2019)
Professor's characteristics	Gruber et al (2012)

**Source:** Authors' own

Social inclusion covers meeting new people with the faculty and departments (Doveston & Keenaghan, 2006). Social inclusion provides different aspects. The usefulness of the course that is prescribed with the value that is driven by the course. The value derived from the course. Fellow student behavior does provide for overall productivity and consideration, leading to better results. Deeley et al. (2019) outline the role of assessment communication and feedback as another area that drives student dissatisfaction to be identified. Gruber et al. (2012) state that the professor's approach influences how students are motivated and uses the KANO model as a reference point. KANO model is quite prescriptive on the aspects of Must have, Satisfiers, Delighters, Indifferent Attributes, and Dissatisfiers. The KANO model provides a holistic view of the service industry, which helps to understand the consumers' expectations and make sufficient changes in the product development stages. Since its inception in the 1980s by Dr. Noriaki Kano, the Kano model has further evolved to adopt the "Kano+1" approach. "Must not have" or "Unwanted attributes" that a product/service should not offer. Nevertheless, the theoretical perspective is, of course, with criticism that the "attractive" become "must-have" features over time due to competitors catching phase.

Similarly, SERVQUAL and SERVPERF models have attempted to identify customer satisfaction and dissatisfaction perspectives. Zeithaml (2002) has outlined gaps that could arise during service delivery, service expectation development (customer perception), Communication, and the execution itself. It could be observed from the literature that there are generic models and theories available that can influence the approaches taken in managing student satisfaction. Nevertheless, the research work of authors such as Gruber et al. (2012) has been very prescriptive, pinpointing a professor's

ability to (1) communication skills, (2) enthusiasm, (3) rapport, (4) use real-life examples of in class and lead to better satisfaction for students. The research methodology will account for probing the negative reviews submitted by the learners and gauging the aspects set about.

### 3. METHODOLOGY

The research philosophy adopted by the researcher will be focused on Positivism. The positivist aspect focuses on the objective reality. The theory provides specific insights, allowing for conformity and the scientific process of conforming facts gathered with secondary research. The validity of the research is focused on certainty and reliability, indicating that the results have been reproduced. The research approach is focused on the deductive approach. The deductive approach is based on the well-grounded literature review variables, indicating conclusions to be made. The research is focused on a survey-based research strategy. Cross-sectional timeline-based research is implemented. The data collection method involved a total of 64 HEIs and the study of 2,500 reviews posted by the students. The research will involve only Google reviews and be restricted to shared feedback.

### 4. DATA ANALYSIS & RESULTS

In the first part of this section, descriptive statistics is used as a primary tool for analyzing results. Meanwhile, a detailed statistical analysis will facilitate hypothesis testing. The table below is ordered from highest to lowest volume of ratings.

**Table 3:** Centre wise review

Centre name	Overall Rating	Number of reviews	Number of 1-star reviews	Responded to review
SLIIT	4.6	1669	72	No
NSBM	4.6	974	47	No
AAT	4.4	607	16	Yes
CINEC	4.4	612	58	No
ICBT	4.2	557	59	No
Cambridge College	4.9	563	4	YES
KDU	4.6	550	46	No
NIBM	4.5	405	28	No
Aquinas	4.5	395	26	No
CA Sri Lanka	4.3	382	36	No

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CIPM	4.2	308	42	No
ESOFT	4.2	301	39	Yes
ACBT	4.0	294	43	No
SLTC	4.4	269	25	No
ANC	3.7	234	57	Yes
Achievers	4.4	220	14	No
BMS	4.5	218	19	No
KIU	3.6	215	54	No
IIHS	4.0	190	38	No
PIM**	4.6	188	6	No
APIIT	4.4	186	15	No
Metropolitan College	4.0	175	42	No
AMDT	4.3	167	24	No
Saegis	4.6	159	7	No
Horizon	4.5	144	10	No
Nawaloka College	4.2	142	22	Yes
Oxford College of Business	4.5	136	12	No
AOD	4.2	116	13	No
APIDM	4.9	110	0	Yes
SIBA campus	4.6	102	4	Yes
IIHE	3.9	97	33	No
SLIM	3.8	96	22	No
WinSys networks	4.3	96	12	Yes
IDM Nations	4.2	96	16	No
AOG campus	4.3	88	11	No
York Graduate Campus	4.6	88	5	No
American College	4.2	70	6	Yes
Next Campus	4.8	66	2	Yes
UTS college SL	4.6	65	5	No
Louis Preston	4.8	64	2	No
CMA	4.0	63	13	No
UCL	4.2	62	9	No
SLIATE**	4.3	57	2	Yes

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IDM Colombo	4.2	56	10	No
AIC	4.3	55	8	No
AIBS	4.9	52	1	Yes
AIB	4.8	45	1	Yes
BSC Colombo	4.0	43	8	No
ENC	4.3	38	7	No
Aspire College	4.6	34	3	Yes
SANASA	4.4	31	2	Yes
BCAS	3.2	31	12	Yes*
IIT	4.5	30	4	No
Lanka Institute of Fashion Technology	4.4	26	3	Yes
CSBM	4.6	26	1	Yes
Study World Lanka Campus	4.7	23	0	No
Lyceum	4.7	22	1	Yes
Imperial College	4.3	18	3	No
BIMT Campus	4.9	17	0	No
Gateway GS (HEI)	4.4	17	2	No
AIBT	4.8	13	0	No
Singer Fashion Academy	5.0	9	0	No
Transmind Campus	4.9	7	0	No
Winfield	4.2	5	1	Yes

**Source:** Authors' own

\*BCAS is having two locations where the reviews are picked up. One account has administrator involvement, the other does not. Similarly, Singer Fashion Academy is having several branches with mini-branch based operational model.

\*\*PIM and SLIATE are government institutions. However, their approach to qualifications is equivalent to non-state sector. Therefore, the two organisations have been selected for analysis.

Response for reviews accounted for only a twelve-month period of activity. Some centers, such as ICBT, have had different strategies to approach the Google Business Profile page (2023). Three (3) years before the response from the "owner" (administrator) was received, it was currently inactive.



## 5. DISCUSSION OF THE FINDINGS

Out of the centers studied, only 29.6% responded to the learner/public feedback stated in the Google reviews. Administration concerns involve how way the system is organized to facilitate students. Students in their 1-star reviews have confirmed the poor timetabling, class cancellation, affiliation with poor tailor standards – for centers associated with military.

**Table 4:** An analysis of Negative reviews and frequency

<b>Concerns noted in 1*reviews</b>	<b>#</b>	<b>Concerns noted in 1*reviews</b>	<b>#</b>
Unprofessional conduct	48	Delayed certificate	239
Poor student support	348	Infrastructure, Facilities concerns	84
Cross-departmental politics	1	Discipline	8
Exam questions being out of syllabus	12	3 <sup>rd</sup> Party linked with the centre	1
Canteen Food quality	11	Refund policy	138
Employee concerns	92	Poor management	272
Excessive fees	31	Academic issues	224
Value for money	129	Poor administration	257
Unannounced fees	81	Call centre and call issues - unreachable	181
Lack of extra-curricular activities	11		

**Source:** Authors' own

Facilities-oriented concerns often involve poor parking facilities and poor hostels (by those centers providing services). Often, parking facilities were cited as a necessity. Premium schools that charged over LKR 1.4 million/program often cited parking issues. Infrastructure complaints from students through loan schemes or military academies – often highlighted concerns concerning hostels. Academic matters pointed out in the reviews highlight poor standards of lecturers, lecturing, Favouritism, Assignments without deadlines, improper approvals for programs, marking/exam results delay, and unclear explanation of subjects & working (Accounting subjects).

Learners often pointed out management; for fee concerns, appropriate managers are in place to talk to when a problem persists. Usually, the concept of "management doesn't care" was propping up. This reflects the students' expectation that management would give them an ear. "Money oriented" is another complaint, where students often referred to having to

pay hidden fees. Call center and call-related issues highlight not answering calls. Learners frequently complained of unannounced fees charged by institutions for attestation and steep graduation fees. Poor administration issues covered problems with certificates, poor setup for students to follow up on concerns, not uploading lecture material on time, letters and support systems, and the improper registration of students to the right programs. Student support is synonymous with customer service in the corporate industry. A HEI has to cater to the requirements of the industry and learner aspirations and fulfill the requirements of the job market and regulations. Unprofessional staff standards refer to poor response by staff members, secretary statements made, and untruthful information provided to students upon enrolment.

**Table 5:** An analysis of B\*\* reviews

Concerns noted in 1*reviews	Frequency	Positives noted in 5* review	Frequency
Unprofessional conduct	1	Admissions in Northumbria University UK & Study abroad	8
Poor student support	1	Student support	24
Cross-departmental politics	1	Academic quality	18
Exam questions being out of syllabus	1		
Canteen Food quality	1		
Employee concerns	1		
Excessive fees	1		
No comments	12		

**Source:** Authors' own

The above analysis (Table 5) thus shows a visible parity in issues and posits the live review generator. It is identifiable from the above center's review that the center has achieved distinctive differences. This aligns with the KANO model. A total of 50 positive reviews were studied out of 168 reviews available. Only 19 reviews were in one star for B\*\*. Google Reviews, which allows the display of reviews without comments, had 9 reviews. It could be identified that any center has three (3) key negatives and three (3) key positives that are available to transform and facilitate the reviews that are generated.

## 6. CONCLUSION & CONTRIBUTIONS

The findings from the research can be listed below. Those who were extremely satisfied or dissatisfied often posted concerns very detailedly. Frequently, the number of words on average exceeded 23 words. The displeasure or the positive experience was experienced. Marketing strategy, when warranted, focuses on Google reviews; there has been a consistent focus on Google reviews. It is visible that the involvement of digital agencies and digital roles within the organization has led to the participation and involvement of the management. The positive and negative reviews ratio led to a positive “halo effect.”

When the learners identify that the management is concerned about the reviews, there is an overall attitude to show gratitude and thank the subject lecturers. Often, learners mentioned specific names of the student support staff and lecturers to thank for their services. Usually, recommendations were made to future students, showcasing their competency. Google never screens reviews to ensure quality. A person who has yet to be a student can also comment on the place. When a new prospect looks at it, it could deviate from the choices. “Google local guide” is a name label Google gives to identify and promote reviews. Google Maps become sharper with the participation of Google Local Guides (2023). It is observable that rarely does the management involved show positive affirmation. This could be because of a lack of digital orientation. There is a higher possibility for negative reviews and poor ratings when management or the marketing team is uninvolved.

In Google, it was visible that students advocated for the HEIs and often showcased their gratitude, student activities, and participation. There was a clear difference between management/marketing-motivated Google reviews and those on which the students focused. In some instances, it was observable that the Google Business Page was managed by a student rather than the campus—for example, SLIIT – where a student perspective responded to one of the negative reviews. ESOF has had several operations in the Marine drive, Computer study centers, and Metro branches, focusing on a “franchising” model. However, the positive and negative reviews have not been centralized to the benefits of Metro branch block E to signify the recent building where new reviews are placed. It was identifiable that students from AOD felt value for money was unmet. This was the highest response. Students from the AOG campus felt that the management did not have enough structure and standard of work. They were highlighting

specific concerns around it. Student support services were extremely lacking, and phone calls were not answered, as per reviews from Aquinas. The chairman, who was in the lecture panel, was harming the learning experience of Achievers Lanka. This leads to specific understanding. Notably, some centers, such as UCL and NCHS, habitually responded only to negative complaints. Therefore, it was visible that most learners took their complaints to the Google Business Page to vent their concerns. A speedy solution could probably be encouraged when taken online. This harms the internal processors and shows a lack of quality-oriented practices within the center.

## 7. Recommendations and Contribution

This research adds to the existing literature and specifically focuses onto aspects of Google Reviews. Google reviews are relatively new to Sri Lanka, where the masses may rely on word of mouth. Managing the reviews, allows for HEIs to show confidence and capability, handling media. This research also provides for specific strategies that could be implemented by the digital marketing/marketing teams in an HEI. The following range of recommendations could be set out.

**Table 6:** Strategies for handling NR

<b>Strategies for handling NR</b>	<b>Recommends</b>
Have a well-studied response	Provide the public/students with appropriate responses with exact response. Be polite, but firm in the approach taken, if the student is misinformed.
If any errors on the HEIs ensure appropriate corrections	Errors on the HEIs, ensure appropriate corrections, which is able to meet the proper discussions.
Engage with negative review	Provide your side of the story. It allows for a user/prospect to look at the situation objectively, beyond Negative review
Be active with social media and digital media	Often HEIs focused on ad placement. However, it was identifiable that centres that focused on ads, lacked the focus on managing the reviews.

**Source:** Authors' own

## 8. Limitation and Future research areas

Firstly, this research is undertaken with a secondary source of references, with the researcher using Google reviews as the main source of information. Secondly, the study involves feedback gained from the reviews. Some reviews can be biased, placed by competition, or by individuals who need to

learn how to place an accurate review. This explains that over 82% of the reviews placed for 1 star do not explain why a one-star review is placed. Some institutions do have branches, such as ESOFIT and BCAS. Therefore, only the main campus or metro branch reviews are analyzed. Another significant area of concern in this research is the validity of the complaints. Only a limited number of institutions were responding to complaints. Of those who responded, WINSYS (2023) had an effective approach in countering the concerns that were raised. A one-star review only proves student/public dissatisfaction. However, it does not show the real situation & ground realities may differ. Future research could understand the different perceptions, emotions of trust, and reliability associated with prospects due to seeing a review. The student's choice of a HEI due to reviews could be further explored.

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## **A QUALITATIVE ANALYSIS OF FEMALE CONSUMERS PERCEPTION TOWARDS HEALTH TOURISM IN INDIA**

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### **ABSTRACT**

Health tourism is a rapidly growing global industry characterized by patients traversing international, regional, or local borders to pursue high-quality medical care. India has successfully positioned itself as a premier destination for health tourism, renowned for its state-of-the-art medical facilities, exceptionally skilled healthcare professionals, and cost-effective treatment options. This qualitative research paper attempts the perceptions of female consumers in the context of health tourism in India. Through in-depth interviews and rigorous analysis, our study explores the motivations driving female health tourists, their expectations, experiences, and any concerns they may have. The present research provides a deeper understanding of their unique perspectives by shedding light on these intricate aspects of female health tourism. It offers valuable insights and recommendations to further enhance India's allure as a sought-after healthcare destination on the global stage. As health tourism continues to gain prominence, this study contributes to the existing body of knowledge by offering a gender-specific lens into the experiences of female health tourists in India, ultimately supporting the country in its ongoing efforts to bolster its position in the flourishing field of global healthcare tourism.

**Keywords:** *Consumer behavior, Female Consumers, Health Tourism, India, Perception,*

### **1. INTRODUCTION**

Health tourism has emerged as a dynamic global industry in recent decades, with patients venturing across state and national borders to pursue superior



healthcare services and treatments. This phenomenon, referred to as medical or health tourism, is transforming healthcare delivery and patient choices worldwide. India stands at the forefront of this transformation, a nation recognized for its confluence of advanced medical facilities, highly skilled healthcare professionals, and cost-effective treatments. This qualitative research paper explores the intricate and multifaceted perceptions of female consumers who choose India as their healthcare destination, illuminating their motivations, expectations, experiences, and concerns. The significance of health tourism must be recognized in the contemporary healthcare landscape. It represents a convergence of globalization, technological advancement, and economic rationalization in healthcare provision. Patients from diverse corners of the globe now find themselves stakeholders in an international healthcare marketplace where they can make informed choices about their healthcare destinations (Mishra & Sharma, 2021). This phenomenon underscores the imperative for nations to provide top-notch medical care and actively understand and cater to the unique perspectives and expectations of health tourists.

India has become a preferred destination for health tourists worldwide with its eclectic mix of ancient healing traditions and cutting-edge medical technologies (Kumar & Janardhanan, 2014). The allure of India extends beyond just medical care; it encompasses a rich tapestry of cultural, historical, and culinary experiences. India's healthcare landscape offers a spectrum of specialized medical services catering to the diverse healthcare needs of female health tourists, ranging from oncology and cardiac care to maternity services, specialized surgeries (Qadeer & Reddy, 2013), and dental treatments, often at cost-effective rates.

In India, health tourism for female consumers encompasses diverse specialized medical services. Tata Memorial Hospital in Mumbai is renowned for cutting-edge cancer treatments, drawing female patients seeking specialized care and expert oncologists. Facilities like Fortis Escorts Heart Institute in Delhi offer high-quality cardiac care, attracting female health tourists seeking advanced technology and expertise. Hospitals like Cloudnine Hospitals focus on comprehensive maternity services, catering to female health tourists for prenatal, childbirth, and postnatal support. Despite evolving regulations, clinics like Surrogacy India have attracted international couples seeking surrogacy services in India. Apollo Hospitals provide advanced bariatric surgeries, while Artemis Hospital specializes in

orthopedic procedures, including joint replacements and spine surgeries, catering to female patients seeking these interventions. Clinics such as Smile Delhi - The Dental Clinic offer advanced dental procedures, including implants and cosmetic dentistry. India's cost-effective dental services attract female health tourists seeking quality dental care at lower expenses than Western countries (Binoy & Monisha, 2021).

The vibrant colors of India's diverse traditions beckon health tourists to seek medical treatment and immerse them in a cultural tapestry that enriches their journey. The decision-making process within the realm of health tourism is often a complex web of considerations involving the patient and their family members. Women, in particular, tend to play a major role in this decision-making process, influencing choices that span from selecting a healthcare destination to the treatment modalities. Therefore, understanding the perceptions and preferences of female health tourists is a crucial aspect of comprehending the dynamics of health tourism. By spotlighting their voices and experiences, this research paper offers an exact perspective beyond aggregate statistics, revealing the intricacies that inform healthcare choices within families.

## **2. LITERATURE REVIEW**

Health tourism, often called medical tourism or medical travel, is a global phenomenon where individuals cross international borders to seek medical treatment, procedures, or wellness services. This industry has witnessed significant growth in recent years, with India emerging as a prominent destination. As female health tourists represent a substantial industry segment, understanding their motivations, decision-making processes, and concerns is crucial for healthcare providers, marketers, policymakers, and female consumers. "Medical Tourism in India- Its Strength, Weakness, Opportunities and Threats" analyzed how the growth of medical tourism in India contributes to developing infrastructure in medical facilities, medical sciences, national income, employment opportunities, and urbanization.

The motivations driving individuals, including females, to engage in health tourism are multifaceted. One of the primary motivations is cost-effectiveness. (Brown, Johnson, Ozan-Rafferty, Sharma, & Barbera, 2020) concluded in their study that most medical tourists in India were satisfied overall. They appreciated low costs, good customer service, and unique services unavailable in their home countries. Negative feedback centered on

India's disorganized and unsanitary environment. The study suggests that healthcare providers can use negative feedback to enhance their services for medical tourists. Providers losing patients to medical tourism can also identify areas for improvement by understanding why patients seek treatment abroad. Many countries, particularly Western nations, face soaring healthcare costs, prompting individuals to seek more affordable treatment options abroad. With its reputation for offering high-quality medical care at a fraction of the cost in developed countries, India has become an attractive choice for cost-conscious female health tourists (Hall, 2011). The quality of medical services is another compelling motivator. India boasts many internationally accredited healthcare facilities staffed with highly skilled medical professionals. (Marie & Swain, 2017)

study finds high satisfaction among foreign patients in areas like staff interaction and treatment. Improvement is needed in formalities and tourism services. Efficient doctors, good amenities, and lacking international accreditation impact the experience. Female patients seeking specialized treatments or elective surgeries may find the quality of care in India on par with or even superior to their home countries (Whittaker, Chee, & por, 2019). Moreover, India's allure of cultural and tourist attractions is a unique motivation. Combining healthcare with leisure activities, known as "medical-cum-leisure" tourism, appeals to many female health tourists. This holistic approach allows them to recover in serene environments, explore a rich cultural heritage, and create a memorable travel experience (Kaur & Hira, 2019).

Various factors influence the decision-making process for female health tourists. Information plays a pivotal role, often gathered through internet research, recommendations from healthcare professionals, friends, or family, and increasingly, social media platforms (Hanefeld & al, 2014). Health tourists, including females, typically conduct extensive research to assess their options. Consultations with healthcare professionals in their home countries also significantly shape their decisions. Recommendations from trusted medical experts can provide the assurance needed to proceed with treatment abroad. Additionally, second opinions may be sought to validate treatment plans and increase confidence in the chosen healthcare facility (Lunt, 2016).

The role of medical tourism agencies must be considered. Many female health tourists rely on these intermediaries to facilitate their healthcare

journey, from arranging medical appointments to travel logistics and accommodation. Agencies that offer comprehensive services, clear communication, and a reputation for reliability often influence decision-making (Hanefeld & al, 2014)). While convenience, cost, and quality of care remain paramount, female health tourists also consider ethical and safety concerns. Legal and ethical standards in the destination country, patient rights, and recourse in the event of medical malpractice are areas of scrutiny (Kaur & Hira, 2019).

Female health tourists encounter unique challenges and concerns when pursuing medical treatment in India. One prominent concern is the language barrier. Effective communication with healthcare professionals is vital for treatment comprehension and informed decision-making. Many Indian healthcare facilities offer interpreters or multilingual staff, addressing this concern (Connell, 2013). Quality assurance is another vital issue. While India boasts many accredited healthcare facilities, concerns about substandard care persist. Health tourists, including females, often seek quality assurance through accreditation and certification of healthcare providers (Lunt, 2016)). Safety and security are also paramount. Patients may fear unfamiliar environments and potential risks associated with travel (Godovykh et al., 2020). Reputable healthcare facilities in India prioritize patient safety, and safety concerns can be mitigated through careful planning and selecting trustworthy providers (Kaur & Hira, 2019). Post-treatment follow-up is a recurring concern. Like all health tourists, female health tourists may wonder how they will receive care after returning to their home countries. Indian healthcare providers have addressed this by offering telemedicine services and allowing remote consultations and follow-ups (Whittaker, Chee, & por, 2019).

According to (Sharma et al., 2 and 3), more needs must focus on service quality, perception, trust, and image within medical tourism, particularly concerning developing nations. Additionally, (Sharma et al., 2 and 3) emphasize the research dedicated to health equity and healthcare services in this field. Effective marketing strategies can significantly impact the perceptions and choices of female health tourists. Tailoring advertising highlighting women-specific healthcare services, culturally sensitive care, and female-friendly amenities can appeal to this demographic. Building trust and credibility through transparent pricing, patient testimonials, and partnerships with reputable agencies is essential marketing (Hanefeld & al,

2014). Offering comprehensive packages that include medical services and assistance with travel, accommodation, and cultural experiences can attract female health tourists seeking holistic care. Furthermore, enhancing the overall patient experience, from the moment of inquiry to post-treatment care, can foster positive perceptions and repeat visits (Connell, 2013).

### ***Identified Gaps in Literature review***

Sharma et al. (2023) underscored the need for studies focused on service quality, perception, trust, and image within the domain of medical tourism in developing nations. Few studies delve into the nuanced aspects of service provision and how they influence the perception of female health tourists.

*Health Equity and Healthcare Services:* The limited research on health equity and healthcare services within medical tourism is evident (Sharma, Bharti, & Malik, 2023). Addressing issues of equitable access, cultural sensitivity, and tailored healthcare services for diverse demographics, especially women, still needs to be explored in the existing literature.

*Ethical Concerns and Patient Rights:* Despite the rising interest in medical tourism, comprehensive studies on moral considerations, patient rights, and legal recourse in the event of malpractice still need to be included. Understanding the ethical dimensions and legal frameworks that ensure patient safety and rights, particularly for female health tourists, requires further exploration.

*Comprehensive Patient Experience:* The research indicates a gap in understanding the holistic patient experience, including pre-visit, treatment, and post-treatment stages. Emphasis on comprehensive care from inquiry to follow-up, especially tailored to the specific needs of female health tourists, necessitates a more focused investigation.

*Gender-Specific Marketing Strategies:* Tailoring marketing strategies targeting female health tourists requires further exploration. Effective strategies catering to women's unique healthcare needs, cultural expectations, and safety concerns have yet to be extensively studied, indicating a gap in this domain.

This study contributes to the existing body of knowledge by providing a gender-specific lens into the experiences of female health tourists in India. By understanding the perceptions of female consumers, this study aims to

offer insights that can further improve healthcare services and tailor offerings to meet their needs. India is a sought-after destination for fertility treatments. Internationally recognized clinics like *Nova IVI Fertility* in India attract female health tourists seeking advanced fertility treatments due to the expertise of Indian specialists and cost-effective options. India offers renowned cosmetic surgery centers and wellness retreats like *Kaya Skin Clinic* and *Ananda in the Himalayas*. These establishments provide high-quality cosmetic procedures, rejuvenation therapies, and wellness programs, appealing to female health tourists looking for holistic well-being. India's traditional medicine, Ayurveda, attracts female health tourists seeking natural healing and rejuvenation. Establishments like Divya yoga pharmacy, Haridwar, *Kerala Ayurveda*, and *Sri Sri Tattva Panchakarma* offer authentic Ayurvedic treatments and therapies (Bindu, Chitramani, & George, 2009). This study offers a deeper understanding of how female health tourists contribute to India's efforts to strengthen its position as a preferred healthcare destination. Female health tourists often seek specialized healthcare services like fertility treatments, cosmetic procedures, or wellness therapies not readily available or affordable in their home countries. India's healthcare facilities prioritize privacy, making it attractive for female consumers seeking confidentiality, especially for sensitive treatments like fertility or cosmetic procedures. India's healthcare services provide cost-effective alternatives without compromising quality. This appeals to female health tourists looking for high-quality treatments at lower costs than in their home countries (Brown, Johnson, Ozan-Rafferty, Sharma, & Barbera, 2020). In India, wellness retreats and Ayurvedic centers offer holistic programs catering specifically to female health tourists, focusing on rejuvenation, stress relief, and overall well-being. Female health tourists often combine healthcare with cultural experiences. India's rich cultural heritage allows them to explore the country while undergoing medical treatments or wellness programs. Based on the above discussed literature, the primary objective of this qualitative research were decided to explore and analyze the perceptions of female consumers regarding health tourism in India. Hence this study seeks to:

- Uncover the motivations that drive female health tourists to select India as their healthcare destination.
- Delve into the expectations of female health tourists, examining both medical and cultural dimensions.

- Examine the actual experiences of female health tourists during their stay in India, with a focus on their interactions with the healthcare system and cultural elements.
- Identify the concerns and challenges voiced by female health tourists, shedding light on areas where improvements are needed

### **3. RESEARCH METHODOLOGY**

A study on health tourism perceptions (Malik, 2021) utilized qualitative interviews with 30 participants. In this study, researchers aimed to capture diverse perspectives and experiences. They found that a sample size of 30 provided rich and varied insights into participants' motivations, concerns, and experiences with health tourism. Another research by (Brown et al., 2020) investigating consumer behavior in healthcare utilized a sample size of 25 participants. In this study, a smaller sample size was justified based on the in-depth nature of the qualitative interviews. The researchers focused on detailed exploration rather than sheer quantity, allowing for thorough individual experiences and perspectives analysis. These studies paved the way for our present qualitative study.

Considering the abovementioned studies, our research also aims to explore female consumers' perceptions of health tourism deeply. A sample size of 25-30 participants is deemed adequate for qualitative interviews to thoroughly explore the motivations, expectations, experiences, and concerns of female health tourists in India. A smaller but focused sample allows for in-depth analysis of individual narratives, providing comprehensive insights into the diverse perspectives of female health tourists.

Data were collected through online and telephonic interviews conducted in either English or with the assistance of interpreters. Gathering information for our research paper was like collecting puzzle pieces to understand female consumers' thoughts on health tourism in India. We talked to 20 women from different countries who had been to India for medical reasons. These talks helped us learn a lot. We asked them why they chose India, what they expected, what their experience was, and what worried them. We did not rush through these talks; we took our time to listen and understand.

Afterward, we put all these conversations together to conclude. This helped us see the big picture of what these women thought about health tourism in

India. We aimed to find common themes and patterns in what they said so we could tell their story accurately in our research.

Employing the thematic analysis framework (Braun & Clarke, 2006), we meticulously examined recurring themes and patterns within the interview data. This process entailed a systematic and rigorous coding of transcripts, facilitating the development of an extensive comprehension of the perceptions held by female consumers. The thematic analysis allowed us to distill rich qualitative data into meaningful themes, enabling a nuanced exploration of their motivations, expectations, experiences, and concerns related to health tourism in India. By employing this method, we aimed to ensure the robustness and depth of our findings, providing valuable insights that contribute to a holistic understanding of the complex landscape of health tourism from the perspective of female health tourists.

#### **4. FINDINGS**

In this study, a total of 20 female respondents had participated. The respondents belong to age group to the range of 25-50 years. Ten participants were graduate and the rest were post graduate. Participants were selected using purposive sampling techniques to ensure diversity in terms of backgrounds and experiences. The annual income of 46% of the respondents was between Rs 3, 00,001- 6, 00,000.

##### ***Motivations***

Most participants revealed diverse motivations for selecting India as their healthcare destination. The most commonly cited factors included cost-effectiveness, access to world-class medical facilities, shorter waiting times, and the availability of alternative and holistic treatments. Some participants also mentioned the appeal of combining medical treatment with tourism. The quotes favoring motivations are:

*"Global healthcare can transform your well-being."*

*"Start your journey to wellness with health tourism."*

*"Discover the world while taking care of your health."*

*"Invest in your well-being through health trips."*

*"Boost your health and happiness with health tourism."*



### ***Expectations***

The expectations regarding health tourism among participants varied, with many anticipating a high standard of medical care due to India's reputation for skilled healthcare professionals. Additionally, cultural curiosity played a significant role in their expectations, with several participants looking forward to exploring Indian traditions and cuisine during their stay. The quotes favoring expectations are:

*"Balancing expectations in health tourism is key to a prescription for satisfaction."*

*"In health tourism, realistic expectations are the best travel companions."*

*"Your health tourism experience begins with the expectations you bring on board."*

*"Expectations can be the heartbeat of your health tourism journey, keeping you in rhythm with your healthcare goals."*

*"In health tourism, expectations set the stage, but the journey determines the performance."*

### ***Experiences***

Most participants generally reported positive experiences with medical care in India, highlighting the expertise of healthcare providers and the modern facilities available. Many expressed satisfactions with the personalized care and the attention given to them during their treatment. Cultural experiences, such as yoga and Ayurveda, were also well-received by several participants, contributing to their overall healthcare journey. The quotes favoring experience are:

*"Combine healthcare with travel for unforgettable experiences."*

*"Healing becomes an adventure with health tourism."*

*"Discover new cultures while improving your health."*

*"Turn your medical journey into a memorable experience."*

*"See the world, feel better, and create lasting memories."*

*"Explore, heal, and enjoy with health tourism."*

*"Get well and make beautiful memories along the way."*

### ***Concerns and Challenges***

Despite the overwhelmingly positive experiences, some participants voiced concerns about the communication barrier due to language differences. A few mentioned the challenge of navigating the complex healthcare system in

India and expressed concerns about safety and hygiene standards. The quotes favoring concern and challenges are:

*"Quality assurance is crucial when traveling for medical care."*

*"Managing travel logistics alongside medical needs can be complex."*

*"Understanding different healthcare systems can be confusing."*

*"Long distances and travel fatigue are part of health tourism challenges."*

*"Balancing cost and quality in health tourism can be tough."*

*"Dealing with unexpected medical issues far from home can be stressful."*

## **5. DISCUSSION OF THE FINDINGS**

The discussion is carried out based on the themes derived from the findings of the study.

### ***Attraction to India for Healthcare***

The findings reveal a consistent trend among female health tourists. They are drawn to India due to cost-effective healthcare and the assurance of high-quality medical services. This aligns with the (Kumar & Janardhanan 2014) assertion that India's reputation for affordable yet advanced medical care attracts international patients. The affordability and quality combination positions India as an appealing destination for health tourism, validating earlier literature in the field.

### ***Expectations Encompass Holistic Experiences***

Participants' desire for cultural immersion alongside medical treatment echoes the idea of holistic experiences in health tourism (Connell, 2013). This aligns with Connell's argument that health tourism involves seeking medical care and cultural enrichment. The integration of cultural elements into the healthcare journey in India resonates with the expectations identified in the existing literature.

### **Challenges and Improvement Strategies**

The concerns raised by participants regarding language barriers, safety, hygiene, and information transparency resonate with the identified gaps in health tourism literature. Literature suggests that addressing these concerns is crucial in ensuring a positive health tourism experience (Kaushal & Srivastava, 2021). The proposed strategies align with scholars' suggestions, such as improving health tourism facilities and services.

While participants generally had positive experiences, their concerns and challenges indicate areas requiring improvement. The following strategies can further enhance India's appeal as a healthcare destination for female consumers:

### ***Language and Communication***

Hospitals and healthcare providers can invest in language training for staff and provide interpreters to bridge the communication gap with international patients. Clear and effective communication can enhance the overall experience for health tourists.

### ***Transparency and Information***

Creating user-friendly guides and information resources about the Indian healthcare system, including costs, procedures, and safety measures, can help ease the navigation process for health tourists. Providing transparent information builds trust and confidence in the healthcare system.

### ***Cultural Integration***

Healthcare facilities can actively promote cultural experiences as an integral part of the health tourism package, making it easier for tourists to explore India's rich traditions and cuisine. Integrating cultural elements into the healthcare journey enhances the overall experience.

### ***Safety and Hygiene***

Stringent measures to ensure the safety and hygiene of healthcare facilities should be maintained and communicated effectively to address concerns regarding standards. Ensuring a safe and clean environment is crucial for the well-being of health tourists.

## **6. CONCLUSIONS**

This qualitative research paper has delved into the perceptions of female health tourists in India. The findings indicate that India's appeal lies in its affordability, high-quality medical care, and the promise of a unique cultural experience. However, challenges such as language barriers and concerns about safety and hygiene need to be addressed further to enhance India's position in the health tourism industry. The availability of quality healthcare

professionals is also a considerable concern. Understanding the perspectives of female health tourists is of great importance, as their decisions often influence family healthcare choices. By implementing strategies to improve communication, transparency, and cultural integration, India can continue to attract and satisfy female health tourists, contributing to the growth of its health tourism sector.

## **7. LIMITATIONS AND FUTURE SCOPE FOR STUDY**

This research paper has several limitations that should be acknowledged. Firstly, the study's sample size is relatively small, consisting of 20 female health tourists. While the qualitative nature of the research allows for in-depth insights, it may only partially represent the diversity of perspectives within this group. Additionally, the study relies on self-reported data, which may be subject to recall or social desirability bias. Furthermore, the research focuses on perceptions and experiences at a particular time, which can evolve with changing circumstances and healthcare trends. The study's geographic scope is also limited to India, and perceptions may differ in other health tourism destinations. Future studies can expand the sample size to include a more diverse range of participants, incorporating a wider array of cultural backgrounds and age groups. Longitudinal research can track changes in perceptions over time, providing valuable insights into the evolving landscape of health tourism. Comparative studies between healthcare destinations can offer a broader understanding of the factors influencing health tourists' choices. Additionally, exploring the role of digital platforms and telemedicine in health tourism and their impact on consumer perceptions is a promising avenue for future research.

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## SUCCESSFUL STRATEGIES FOR CUSTOMER TOUCH IN BUSINESS COMMUNICATION

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### ABSTRACT

This paper investigates the concept of "customer touch" in business communication and its critical role in successfully building customer relationships and driving a successful business. The presentation delves into the multi-channel landscape, emphasizing the necessity of a seamless experience. In search, we get into various strategies organizations can employ to optimize customer touchpoints to gain positive customer interactions and loyalty. Trust-building strategies, active feedback mechanisms, and effective crisis communication are vital components discussed. The integration of technological advancements while maintaining a human touch is explored. The presentation elucidates successful implementations of customer-centric strategies through case studies, providing valuable insights for businesses navigating this dynamic landscape.

**Keywords:** *Hard magnetic materials, ceramic route, strontium ferrite, magnetic properties*

### I. INTRODUCTION

Customer touch in business communication refers to any point of interaction or engagement between a company and its customers [Ma, 2023]. These touchpoints encompass various channels and moments where customers contact the business, including in-person interactions, phone calls, emails, social media, website visits, and more. In the dynamic realm of

contemporary business, effective communication is not merely a transactional exchange of information but a strategic imperative that shapes relationships and defines success. The quality and effectiveness of these interactions significantly impact the customer's perception of the company, influencing their satisfaction, loyalty, and overall relationship with the brand. Businesses strive to optimize customer touchpoints to ensure positive, consistent, and personalized communication that meets customer needs and expectations. At the heart of this communication lies the "customer touch."

## **2. IMPORTANCE OF COMMUNICATION**

Customer satisfaction is a positive outcome, and efficient customer interactions lead to higher satisfaction levels (Guffey & Loewy, 2022). When customers feel heard, valued, and understood, they are more likely to have a positive opinion of the company. Customer loyalty is fostered through effective customer touchpoints. Customers with a good experience are more likely to return to the company for repeat business and become loyal customers. Brand reputation is influenced by word of mouth and online reviews, which play a significant role in shaping a company's reputation. Excellent customer touchpoints contribute to positive reviews and recommendations, enhancing the brand's image. In a competitive market, superior customer touch can set a company apart, providing a competitive advantage. Employee training is essential, as well-trained and customer-focused employees play a vital role in positive customer relations. Ensuring that staff is equipped to provide excellent service is an ongoing commitment and can be a key differentiator that attracts and retains customers. Revenue growth is facilitated by satisfied and loyal customers who tend to spend more and make repeat purchases. Effective customer touchpoints can directly impact a company's revenue and profitability. Reduced customer churn is another benefit, as good communication and problem-solving during customer touchpoints can help prevent customers from leaving for competitors, thus reducing churn rates (Yadava et al., 2022).

## **3. CUSTOMER NEEDS**

Functional Needs are the basic requirements customers have for a product or service. For example, a smartphone must make calls, send texts, and run apps effectively (AlAfnan et al., 2023). Beyond functionality, customers often seek products that fulfill emotional needs such as status, comfort, or a sense of belonging. Customers value convenience needs, as products or services that make their lives easier, save time, or reduce effort are often preferred.

Safety and security needs are particularly important for industries like healthcare or finance, where customers must feel that their data and well-being are secure. Cost-efficiency is important because many customers need affordability; they want products or services that offer good value for their money. Customer relations are the cornerstone of a successful business, encompassing the strategies and interactions employed to cultivate and maintain positive customer connections. Establishing strong customer relations begins with a deep understanding of customer needs, preferences, and expectations. This insight guides personalized interactions. Open and transparent communication builds trust by informing customers about products, services, and relevant updates, thus creating a sense of reliability. Addressing customer inquiries, concerns, and feedback demonstrates a commitment to customer satisfaction, with timely responses crucial for building trust.

#### **4. CUSTOMERS PREFERENCE**

**Product Features:** Customers may prefer certain product features or attributes. For instance, a smartphone user might prefer a larger screen size or a high-resolution camera. Design and Aesthetics are preferred to play a role, especially in industries like fashion or interior design. Brand Loyalty is something that Some customers have strong preferences for specific brands due to trust, past positive experiences, or perceived status associated with the brand. Communication Channels Customers may prefer to interact with a business through specific channels, such as email, social media, or in person. Customization Personalization and the ability to customize products or services to suit individual preferences are increasingly valued.

#### **5. STRATEGIES FOR ENHANCING CUSTOMER TOUCH**

Multi-channel communication utilizes various communication channels such as email, social media, phone, chat, and in-person interactions to cater to diverse customer preferences (Blakeman, 2023; Percy, 2023). Personalization and segmentation involve tailoring messages and offers to individual customer preferences and using data and analytics to segment customers for more personalized interactions. Active listening entails training teams to actively listen to customers' concerns, questions, and feedback, showing empathy and understanding during conversations. Proactive communication involves anticipating customer needs and reaching out with helpful information, tips, or offers before they even ask.



Consistency across touchpoints ensures a consistent brand voice and message across all communication channels and interactions, building trust and recognition. 24/7 availability offers customer support and information access around the clock, especially if your business operates globally. Self-service options like FAQs, chatbots, and knowledge bases are provided on your website or app to empower customers to find answers independently. Training and empowerment involve training your staff in effective communication skills and empowering them to make decisions that benefit the customer. Feedback loops help establish feedback mechanisms to gather customer input regularly (Rahman et al., 2023). Acting on feedback to improve products, services, and customer experiences enhances customer touch, an ongoing effort requiring a customer-centric mindset and a commitment to providing exceptional experiences at every interaction point. By implementing these strategies, businesses can build stronger customer relationships and gain a competitive edge in today's market.

## **6. BARRIERS IN COMMUNICATION**

Overcoming communication barriers is crucial for effective business communication, as these barriers can impede understanding, hinder collaboration, and lead to misunderstandings. Language barriers can be addressed by providing language training to employees, using translation tools, offering documents in multiple languages when applicable, and using plain and clear language in communication (Nyapete, 2023). Cultural differences can be navigated by fostering cultural awareness and sensitivity among team members and researching and understanding the cultural norms and communication styles of international partners or customers (Jeong, 2023). Physical barriers can be mitigated by utilizing technology for remote communication, such as video conferencing and collaboration tools while ensuring that technology is reliable and accessible to all team members. Lack of clarity in messages can lead to misunderstandings and misinterpretations, hindering effective communication. External factors like noise, interruptions, or distractions can disrupt communication, making it difficult for messages to be accurately received.

Moreover, technology issues such as technical glitches or communication platform malfunctions can impede the smooth flow of communication. Additionally, the absence of feedback loops where individuals need to provide or receive feedback can help refine and improve communication practices. Understanding and addressing these barriers is crucial for

promoting effective communication within organizations and interpersonal relationships. Overcoming these challenges requires a proactive approach, including clear messaging, active listening, and a commitment to creating an inclusive and open communication environment.

## **7. TECHNOLOGY IN CUSTOMER TOUCH**

Technology significantly enhances customer touchpoints, improves customer experiences, and streamlines communication in today's business landscape (Rana et al., 2022). Customer Relationship Management (CRM) is a comprehensive approach focusing on developing and maintaining positive relationships with customers through the strategic use of technology, processes, and people to understand customers, meet their needs, and enhance overall satisfaction. This includes various aspects such as efficient customer data management, tracking interactions across multiple touchpoints, ensuring multichannel integration for consistent experiences, sales and marketing automation, customer service and support, and analytical tools for data-driven decision-making and strategy formulation.

Chatbots and virtual assistants are computer programs designed to simulate conversation with human users, utilizing natural language processing (NLP) and artificial intelligence (AI) to understand and respond to user inputs (Dewasiri et al., 2023; Dewasiri et al., 2024). Chatbots primarily engage in text-based conversations for customer support, lead generation, and handling routine queries. At the same time, virtual assistants are more versatile, incorporating voice recognition and performing various tasks beyond text-based interactions.

E-commerce platforms enable businesses to create and manage digital storefronts for selling products or services online, offering customizable templates, inventory management, payment processing, and third-party app integrations. Popular e-commerce platforms include Shopify, Magento (both Open Source and Commerce versions), WooCommerce (a WordPress plugin), and BigCommerce, catering to different business sizes and requirements.

Online communities and forums connect people with shared interests, facilitating discussions, knowledge-sharing, and networking. LinkedIn Groups focus on professional networking and industry-specific discussions, while Facebook Groups allow communities centered around shared

interests or professional topics. Blogs and their comment sections also serve as active communities for discussions, insights sharing, and networking, requiring adherence to community guidelines and respectful participation for meaningful contributions.

Overall, leveraging technology in these various forms enhances customer touchpoints, fosters better customer experiences, and facilitates smoother communication, contributing to business success and growth in today's digital landscape.

## **8. CONCLUSION**

In conclusion, "Customer Touch" in business communication represents a dynamic and multifaceted concept that holds immense significance in today's competitive marketplace. Effective customer touchpoints are the cornerstone for building and nurturing strong customer relationships, which are essential for driving satisfaction and loyalty and achieving sustainable business success. By understanding and addressing customers' diverse needs and preferences through personalized interactions, businesses can create memorable experiences that differentiate them from competitors and foster long-term loyalty.

Furthermore, in an era where customer expectations constantly evolve, businesses must continually innovate and adapt their customer touchpoints to stay relevant and competitive. This requires leveraging technology, data analytics, and customer insights to optimize communication channels, streamline processes, and deliver seamless, personalized experiences across various touchpoints.

Moreover, effective customer touch extends beyond mere transactions to encompass proactive engagement, active listening, and empathetic responses to customer inquiries, concerns, and feedback. By prioritizing open and transparent communication, businesses can build trust, credibility, and goodwill with their customers, further strengthening the foundation of their relationships.

Ultimately, investing in enhancing customer touchpoints contributes to short-term gains in customer satisfaction and retention and lays the groundwork for long-term growth and sustainability. By prioritizing customer-centricity and continuously refining their approach to customer communication, businesses can forge deeper connections with their

customers, drive brand advocacy, and position themselves for success in today's dynamic business landscape.

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## **DETERMINANTS OF ENTREPRENEURIAL MARKETING ON CUSTOMER SATISFACTION: A STUDY OF CONFECTIONERIES IN ABUJA, NIGERIA**

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### **ABSTRACT**

The research aimed to investigate the impact of entrepreneurial marketing, focusing on innovativeness, value creation, and customer intensity, on the satisfaction levels of confectionery customers in Abuja, Nigeria. Conducted using a cross-sectional research design, the study encompassed a population of 5,039 respondents, with a sample size of 426 determined using the Taro Yamane formula. Data was collected through a questionnaire, and analysis was performed using regression analysis with SPSS 26.0. The findings indicated that innovativeness, value creation, and customer intensity significantly influence customer satisfaction. Recommendations stemming from the study advocate for confectioners to enhance their products through unique selling propositions, attractive packaging styles, and a diverse range of offerings. By implementing these strategies, confectionery businesses can attract customers and ensure their satisfaction, thereby fostering long-term success in a competitive market environment.

**Keywords:** *Customer satisfaction, Customer intensity, Innovativeness, Entrepreneurial marketing, value creation.*

### **1. INTRODUCTION**

Entrepreneurial marketing has emerged as a vital component of the entrepreneurial process and a key element of an entrepreneur's marketing strategy, emphasizing the customer as the primary driver of entrepreneurial

success (Rehman et al., 2019). Recognizing the pivotal role of customers underscores the importance of gathering customer insights to generate new ideas, develop innovative products, and refine processes to achieve customer satisfaction. Satisfying customers is paramount for entrepreneurs aiming to enhance their businesses, and this objective can be attained through a profound understanding of entrepreneurial marketing.

Entrepreneurial marketing fosters company innovation and contributes to product excellence, enhancing competitiveness in today's fiercely competitive global market environment (Stokes, 2000; Oyenuga et al., 2019). In the contemporary landscape of rapid global competitiveness, entrepreneurial marketing is crucial for companies to survive and thrive. Moreover, when customers are satisfied with a particular brand, they are more willing to pay a premium price for its products, boosting the organization's revenue and solidifying its market position (Hamzah & Shamsudin, 2020).

Past research underscores the profound impact of customer satisfaction on brand differentiation and overall business success (Rahman et al., 2020; Forlani & Mullins, 2000; Mullins & Forlani, 2005; Becherer et al., 2012). However, despite the significance of entrepreneurial marketing in driving customer satisfaction, more studies need to focus on this relationship within the African context, particularly in industries such as confectioneries. Furthermore, existing research often employs analytical techniques such as factor analysis and SEM-PLS, whereas this study employs regression analysis and chi-square, offering a unique methodological approach.

Against this backdrop, the primary objective of this study is to examine the influence of entrepreneurial marketing—specifically innovation, value creation, and customer intensity—on customer satisfaction in confectioneries in Abuja, Nigeria (Ma, 2023). The specific objectives include investigating the relationship between innovativeness and customer satisfaction, examining the effect of value creation on customer satisfaction and determining the relationship between customer intensity and customer satisfaction.

This study holds significant implications for various stakeholders, including confectioners, the Bakers Association, and researchers. Confectioners can leverage the findings to enhance customer satisfaction and drive business

growth, while the Bakers Association can utilize the insights to develop workshops or disseminate information to its members. Additionally, researchers can draw upon the findings as a valuable resource for future studies, thereby advancing the knowledge in entrepreneurial marketing and customer satisfaction.

## **2. LITERATURE REVIEW**

### ***2.1 Entrepreneurial Marketing***

Entrepreneurial marketing has been recognized and accepted by marketing and entrepreneurship disciplines and companies looking for a competitive advantage (Maritz, 2008). Entrepreneurial marketing is the intersection of marketing and entrepreneurship, focusing on innovation and change (Manishimwe et al. (2022). Another way to think of entrepreneurial marketing is as a novel framework that combines key aspects of marketing and entrepreneurship into a coherent idea, where marketing is both an enterprise-use process and an entrepreneurial activity (Hills & Hultman, 2013; Jonathan Vem et al., 2022). Businesses can endure stable and volatile market circumstances by combining entrepreneurial marketing with market-driven and entrepreneurially-oriented operations (Fatoki, 2019). As a result of comprehending and reacting to market styles, market positioning, and consumer wants is considered an opportunity-driven approach to thinking and acting about marketing behaviors. Lam and Harker (2015) investigated the significance of marketing in entrepreneurial processes and noted that entrepreneurs should adopt a customer-centric approach to managing their businesses. Beverland and Lockshin (2004) defined *entrepreneurial marketing* as "effectual action" or the adaptation of marketing theory for the unique needs of small businesses. These effectual actions simultaneously address many issues: opportunity, innovation, risk, and resource constraints. For the SME, these actions are the task of the individual owner/operator.

### ***2.2 Innovativeness***

Innovation-oriented marketing actions enable the firm to focus on ideas that lead to new markets, products, or processes (Oyenuga et al., 2019). Innovativeness allows businesses to concentrate on ways to bring about new ideas to introduce a new product or market and improve on previous products to help aid customer satisfaction. Innovativeness helps a business



bring out new and better solutions. An innovative orientation and a positive mindset toward new ideas of products and services or technology processes are things entrepreneurial business owners enjoy having in their businesses. Entrepreneurs who practice entrepreneurial marketing tend to be innovation-oriented, driven by their ideas and various ways of improving the products made by their businesses.

### ***2.3 Value Creation***

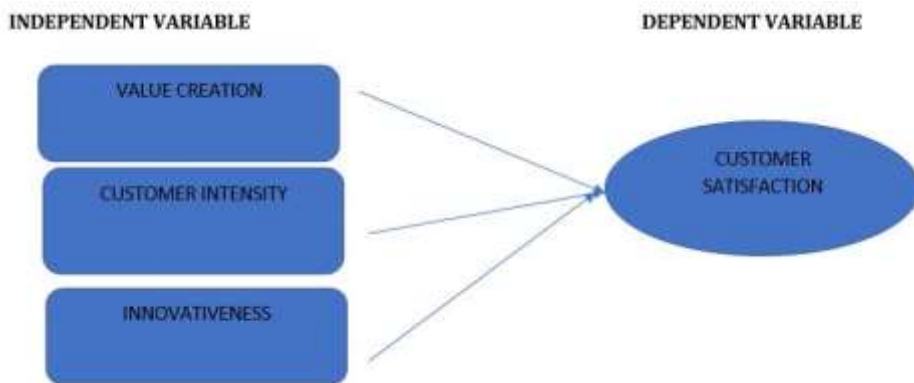
Valuable networking for business activities entails businesses coming together with a shared goal and cooperating through sharing ideas, knowledge, resources, and technology (Gyanwali & Bunchapattanasakda, 2019). Networks can assist firms in providing their clients with items of the highest caliber while generating entrepreneurial capital and a competitive edge over their rivals. A consumer's perspective and willingness to buy the product determine the value a consumer receives. Entrepreneurial marketers depend on networks to gather data that may be applied to find undiscovered sources of customer value (Stokes, 2000). Networking for value creation is the most important factor for beginning businesses, considering how it affects entrepreneurial marketing behavior (Susanto & Utami, 2020).

### ***2.4 Customer Intensity***

Firms that effectively use entrepreneurial marketing recognize their customers as the reason they are in business (Gyanwali & Bunchapattanasakda, 2019). For entrepreneurial marketers, customers are seen as the top priority; hence, marketers are known to be adaptive, flexible, and creative in adjusting to their customers' preferences (Stokes, 2000). Entrepreneurs need to understand that their public appearance may affect the customers' view of their business. Customer intensity helps businesses recognize that their customers are the main reason they are in business. Customer-centric is a good approach to creating, building, and sustaining a good customer relationship with their businesses (Grzegorz et al., 2019). Customer intensity helps establish a good customer relationship and also helps both the business, in this case, the bakery, and customers connect on a particular level, thereby gaining more trust from the customers.

## 2.5 Customer Satisfaction

Customers are key elements to any business; therefore, customer satisfaction is of great importance to any business. If a business wants to outsmart its competitors and has to create new and unique ways to satisfy its customers, it might be an improvement in service or product quality. Customer satisfaction is the best way for a business to secure its profits. This satisfaction includes not only the feelings associated with the purchasing process but also the atmosphere before and after the execution of purchases. If a customer is satisfied with specific products and services, it will give a good impression of the brands and can avoid negative thoughts about the said brand (Mohd. Shamsudin, 2020). If a specific brand slightly makes a wrong move or mistake and does not satisfy the customer, they are eager to share the bad experience and leave bad reviews rather than good experiences about the business to everyone (Momen et al., 2020; Mohd. Shamsudin, 2020) and it will slowly reduce the brand or business (Mohd. Shamsudin, 2020). Most people believe more in the review rather than looking at or experiencing using the products or services themselves. In this context, losing one customer could affect the whole business as the existing or new customers will believe in unsatisfied customers' reviews (Anouze et al., 2018).



**Figure 1:** Conceptual Framework  
**Source:** Authors' own

## 3. METHODOLOGY

Considering the nature of this research, a cross-sectional research design was adopted, while the research instrument was adopted from the work of Oyenuga, Iember, and Chinonso (2021). A total of five thousand thirty-nine

(5039) respondents make up the population of this study, with a sample size of four hundred and twenty-six (426) arrived at with the use of the Taro Yamane formula. Their responses were obtained through the use of a questionnaire, and the data generated was analyzed using regression analysis with the aid of SPSS 26.0.

#### 4. DATA ANALYSIS AND RESULTS

Out of the questionnaires distributed, three hundred and seventy-one (371) representing 87.1% were found usable for analysis.

**Table 1:** Reliability Statistics

Questions	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items	Cochran's Q	P
Section 2	0.712	0.716	6	3624.05	<0.001**
Section 3	0.751	0.755	5	1468.38	<0.001**

**Source:** Researchers' own

As stated in Table 2, Value creation is important for customer satisfaction. 206 of 371 strongly agreed that value creation is important for customer satisfaction, 164 (%) agreed, none strongly disagreed, and 1(%) was neutral with an overall mean score of 3.5; it was decided that value creation is important for customer satisfaction. Innovativeness is important for customer satisfaction. 187 of 371 strongly agreed, 181(%) agreed, none strongly disagreed, and 3(%) were neutral, with an overall mean score of 3.5. It was decided that Innovativeness is important for customer satisfaction.

Customer intensity is important for customer satisfaction. 47 of 371 strongly agreed, 132(%) agreed, 5 (%) strongly disagreed, and 187(%) were neutral with an overall mean score of 1.6; it was undecided that Customer intensity is important for customer satisfaction. Entrepreneurs need to develop the information and skills to establish great customer satisfaction. 215 of 371 strongly agreed, 153(%) agreed, 1(%) strongly disagreed, while 2(%) were neutral with an overall mean score of 3.6. It was decided that entrepreneurs should develop the information and skills required to establish great customer satisfaction.

**Table 2:** Entrepreneurial Marketing

Item description	SA*4	A*3	D*2	SD*1	N*0	$\Sigma x$	$\bar{x}$	Decision
Value creation is important for customer satisfaction.	206%	164%	0%	0%	1%	1316	4	AGREE
Innovativeness is important for customer satisfaction.	187%	181%	0%	0%	3%	1291	4	AGREE
Customer intensity is important for customer satisfaction.	47%	132%	5%	0%	187%	594	2	UNDECIDED
For entrepreneurs to develop the information and skills required to establish great customer satisfaction	215%	153%	1%	0%	2%	1321	4	AGREE
Entrepreneurial marketing is a crucial component that guarantees entrepreneurs' ability to overcome obstacles that arise during the course of dissatisfaction of customers	227%	143%	0%	0%	1%	1337	4	AGREE
Customer satisfaction is important for entrepreneurs because it can greatly impact their ability to establish and maintain successful business relationships between the entrepreneurs and the customers	223%	145%	1%	0%	2%	1329	4	AGREE

**Source:** Authors' own

Entrepreneurial marketing is a crucial component that guarantees entrepreneurs' ability to overcome obstacles that arise during customer dissatisfaction. 227 371 strongly agreed that value creation is important for

customer satisfaction, 143 (%) agreed, none strongly disagreed, and 1(%) was neutral, with an overall mean score of 3.6. It was decided that entrepreneurial marketing is a crucial component that guarantees entrepreneurs' ability to overcome obstacles that arise from dissatisfaction with customers.

Customer satisfaction is important for entrepreneurs because it can greatly impact their ability to establish and maintain successful business relationships between the entrepreneurs and the customers. 223 371strongly agreed that value creation is important for customer satisfaction, 145 (%) agreed, 1(%) strongly disagreed, and 2(%) were neutral with an overall mean score of 3.6; it was decided that Customer satisfaction is important for entrepreneurs because it can greatly impact their ability to establish and maintain successful business relationships between the entrepreneurs and the customers.

**Table 3:** Customer satisfaction in Confectioneries

Item description	SA*4	A*3	D*2	SD*1	N*1	$\sum x$	$\bar{x}$	Decision
Value creation can improve the satisfaction of customers in Veritas University bakery	214%	157%	0%	0%	0%	1327	4	AGREE
Good customer relationship between the producer/baker and students can sustain a good customer relationship	217%	153%	0%	0%	1%	1327	4	AGREE
Offering customers the same product with added value can improve customer satisfaction	189%	171%	6%	1%	4%	1282	4	AGREE
Developing new ideas and products to attract customers can bring about customer satisfaction	214%	156%	1%	0%	0%	1326	4	AGREE
Good packaging style of the bread can bring good satisfaction of customers	224%	145%	0%	1%	1%	1332	4	AGREE

**Source:** Authors' own

Value creation can improve the satisfaction of customers at Veritas University Bakery. 214 371strongly agreed that value creation is important for customer satisfaction, 157 (%) agreed, and none strongly disagreed, while 0(%) was neutral with an overall mean score of 3.6; it was decided that value creation could improve the satisfaction of customers in Veritas University bakery. A good customer relationship between the producer/baker and students can sustain a good customer relationship. 217 371strongly agreed that value creation is important for customer satisfaction, 153 (%) agreed, and none strongly disagreed, while 1(%) was neutral with an overall mean score of 3.6; it was decided that good customer

relationship between the producer/baker and students could sustain a good customer relationship.

Offering customers, the same product with added value can improve customer satisfaction. 189 of 371 strongly agreed that value creation is important for customer satisfaction, 171 (%) agreed, 6(%) strongly disagreed, and 1(%) disagreed. In comparison, 4(%) was neutral with an overall mean score of 3.5; it was agreed that offering customers the same product with added value can improve customer satisfaction.

Developing new ideas and products to attract customers can bring about customer satisfaction. 214 of 371 strongly agreed that value creation is important for customer satisfaction, 156 (%) agreed, 1(%) strongly disagreed, and 0(%) was neutral with an overall mean score of 3.6; it was agreed that developing new ideas and products to attract the customers can bring about customer satisfaction. A good packaging style of bread can bring satisfaction to customers. 224 of 371 strongly agreed that value creation is important for customer satisfaction, 145 (%) agreed, none strongly disagreed, 1(%) disagreed while 1(%) was neutral with an overall mean score of 3.6; it was decided that good packaging style of the bread could bring good satisfaction of customers.

**Table 4:** Kendall's Coefficient of Concordance

Test Statistics	
N	365
Kendall's W <sup>a</sup>	0.178
Chi-Square	650.733
Df	10
Asymp. Sig.	<0.0001
a. Kendall's Coefficient of Concordance	

Note: Overall hypothesis

**Source:** Authors' own

Table 4 indicates that entrepreneurial marketing does not influence customer satisfaction, but Kendall's  $W = 0.178 < 0.0001$ . We did not accept the null hypothesis, saying that entrepreneurial marketing does not influence customer satisfaction; instead, entrepreneurial marketing influences customer satisfaction using Kendall's Coefficient of Concordance.

**Table 5:** Regression Analysis Output

Independent variable	Unstandardized Coefficients		T	Sig.	Collinearity Statistics	
	B	Std. Error			Tolerance	VIF
(Constant)	3.051	0.119	25.686	0		
Value creation	0.087	0.025	3.502	0.001	0.98	1.021
Innovativeness	0.048	0.023	2.08	0.038	0.991	1.009
Customer intensity	0.02	0.008	2.475	0.014	0.971	1.029

**Source:** Authors' own

Regression analysis was used to test the effect of the components of entrepreneurial marketing on customers' satisfaction. Table 5 shows a significant (positive) impact of innovation. Thus, we found sufficient evidence to reject Ho1 that there is no significant effect of innovativeness on customer satisfaction ( $\beta = 0.048$ ,  $p < 0.001$ ) and to accept the alternate hypothesis that innovativeness has a significant impact on customer satisfaction. Further, Table 5 shows that value creation significantly (positively) affects customer satisfaction. Thus, we found sufficient evidence to reject Ho 2: There is no significant effect between value creation and customer satisfaction in Veritas bakery ( $\beta = 0.048$ ,  $p < 0.001$ ) and to accept the alternate hypothesis that value creation has a significant effect on customer satisfaction.

Aside, Table 5 shows a significant (positive) effect of customer intensity on customer satisfaction. Thus, we found sufficient evidence to reject Ho 3: customer intensity does not impact customer satisfaction in Veritas Bakery. ( $\beta = 0.048$ ,  $p < 0.001$ ), And accept the alternate hypothesis that value creation has a significant effect on customer satisfaction.

### ***Discussion of Findings***

This study aimed to assess the influence of entrepreneurial marketing on customer satisfaction in bakeries in Abuja. The results indicated a significant impact of entrepreneurial marketing factors on customer satisfaction within the confectionery business sector in Abuja, Nigeria. This finding aligns with the research conducted by Razaa et al. (2020) on the impact of entrepreneurial marketing, internal marketing, and organizational commitment on customer loyalty, with customer satisfaction as a mediating factor in the FMCG Sector of Pakistan.

According to Kraus et al. (2010), entrepreneurial marketing involves identifying and exploiting new business opportunities with an entrepreneurial mindset to transform society and enhance the overall customer experience. The study emphasized the importance of value creation in customer satisfaction, citing Kotler (2003), who proposed two methods for value creation:

- Expanding the benefits of value offerings for customers and reducing the cost associated with acquiring.
- Using.
- Distributing products and services.

Moreover, the research highlighted the significance of innovativeness in customer satisfaction, consistent with the findings of Rezvani and Fathollahzadeh (2020) on the impact of entrepreneurial marketing on innovative marketing performance in small and medium-sized companies. Additionally, it revealed that customer intensity significantly influences customer satisfaction, emphasizing the importance for firms to prioritize their customers, as acknowledged by Otika et al. (2019) and Sadiku-Dushi, Dana, and Ramadani (2019).

Furthermore, the analysis demonstrated a notable impact of entrepreneurial marketing on customer satisfaction in Veritas University Bakery, Bwari, Abuja. Entrepreneurial marketing was essential for entrepreneurs, allowing them to focus on satisfying their customers and facilitating customer retention and business sustainability. Overall, the study concluded that entrepreneurial marketing significantly influences customer satisfaction in Veritas University Bakery, Bwari, Abuja, highlighting the importance of understanding and meeting customer needs to ensure business success.

## **5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

The study aimed to examine the impact of entrepreneurial marketing on the confectionery business sector in Abuja, Nigeria, employing a cross-sectional research design and primary data collection via questionnaires. The first objective was to assess the relationship between innovativeness and customer satisfaction in confectionery businesses. The findings underscored the crucial role of business innovation in satisfying customers within the



confectionery sector. Secondly, the study aimed to determine the effect of value creation on customer satisfaction. The results highlighted a significant positive relationship between value creation and customer satisfaction in confectionery businesses. Lastly, the study sought to evaluate the influence of customer intensity on customer satisfaction, revealing a positive and significant effect within the confectionery business context in Abuja, Nigeria.

Recognizing that customers are pivotal to business success, entrepreneurial marketing emerges as a key determinant of customer satisfaction, urging businesses, including confectioneries, to prioritize customer-centric strategies to ensure satisfaction and loyalty. In light of the conclusions drawn, the study offers several recommendations:

- Confectioners should enhance their products by incorporating unique selling propositions to add value and differentiate themselves in the market.
- Employing appealing packaging styles for confectionery products can attract customers and increase overall satisfaction.
- Diversifying confectionery product offerings beyond limited options can attract and retain customers, enhancing satisfaction levels.

Moreover, the researcher suggests conducting similar studies across various business sectors to ascertain the generalizability of entrepreneurial marketing factors on customer satisfaction. Employing comparative studies and qualitative research techniques can provide deeper insights while incorporating mixed-format questions in future studies can gather additional perspectives from respondents. Longitudinal data collection is recommended to establish causal relationships and validate findings, while future research endeavors could explore additional factors pertinent to entrepreneurial marketing and customer satisfaction.

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## IMPACT OF INFLUENTIAL FACTORS ON THE PURCHASE INTENTIONS OF ORGANIC PESTICIDES: A CASE STUDY OF FARMERS IN THE NUWARA ELIYA DISTRICT, SRI LANKA

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### ABSTRACT

This study explores the influential factors that shape consumers' purchase intentions regarding organic pesticides. A comprehensive review of the literature on consumer behavior, environmental consciousness, and pesticide preferences forms the theoretical foundation for this research. A key issue organic pesticide manufacturing organizations are facing was identified as the low market share in the pesticide market. This study was conducted to determine the factors that affect the purchase intention of organic pesticides, based on several findings from the literature, product knowledge, promotional activities, price, availability of the product, and technical expertise have been identified as the main factors affecting when farmers purchase pesticides. Sixty-five organic farmers in the Nuwara-Eliya district were selected for the study purposefully since Nuwara-Eliya is a prominent district for organic cultivation. Stratified random sampling is used to gather data using a survey. A pre-tested structured questionnaire, which consists of questions that directly support the reasonable quantitative analysis, was used. Regression analysis examined the relationship between consumer purchase intention and a set of independent variables. Based on findings, product knowledge, promotional activities, and availability of pesticides can have a significant effect on consumer purchase intention of organic pesticides. Interestingly, the other two factors, including price and technical knowledge, did not affect this behavior significantly.

**Keywords:** *Influencing factors, Organic pesticides, Pesticide manufacturing industry, Purchase intention*

## 1. INTRODUCTION

During the last quarter of the 20th century, preferences for all toxic and harmful pesticides increased, and there was a huge demand for pesticides among farmers. Market acceptance of all such hazardous chemicals is established in terms of cost. The "going green" business is gaining wider acclaim as many consumers have revealed their willingness to support "environmentally friendly" firms and products (Yahya et al., 2016). Green marketing has of late emerged as an important appliance for upholding the sustainability of the environment without negotiating the scope for industrial growth. Elkington (1994) argues that nothing else can serve the "triple bottom line," underlying the good of the planet, people, and profit, better than green marketing. However, "going green" has challenges, particularly regarding implementation. This shows that the new generation pays more attention to health and quality of life. Rapid economic growth will increase consumer purchasing power.

Since the government works to regulate organic food production, young consumers rely on the reliability of organic certification. Organic food will be more popular and affordable among the youth. Therefore, organic farming has become a place that everyone should be concerned about. Nguyen (2012) states that consumer awareness about healthy living influences his valuation of organic food products. Hee Yeon Kim and Jae-Eun Chung (2011) state that a person's environmental concern will affect his perception of organic food products. Although many of the environmental benefits associated with organic farming were once considered impractical and economically impractical for farmers, growing concern about the effects of pesticides on human health due to increasing environmental pollution caused by pesticides has changed the fate of local and global organic farmers who use artificial pesticides while growing their crops. Uses fertilizers, pesticides, and other substances. Do not use ingredients. Despite relatively low yields, organic farmers worldwide earn more than conventional farmers because consumers are willing to pay a 29% to 32% markup for food products free of chemicals, GMOs, and sewage.

Organic farmers should also rely on alternative methods to control widespread pests in inorganic agriculture. These include traditional methods of using neem seeds and ash to control specific species of insects, as well as predators, pathogens, fodder, and parasites to prevent the growth of harmful insects and herbs. Traditional methods of using butterflies and

modern methods of biological control are included. For the convenience of organic farmers, manufacturers of organic chemical products have launched organic pesticides, combining the essence of traditional techniques with modern technology.

The low market share in the pesticide sector has been noted as a major problem for organic pesticide manufacturing companies. Many organizations have introduced different kinds of organic pesticides to the market. However, farmers tend to buy synthetic pesticides rather than organic ones because of the high price of organic pesticides. As organic pesticides are a natural product, their price was four to five times higher than hazardous counter chemicals. Farmers have been very price-sensitive; the sales of eco-friendly organic pesticides have needed to be more active. Being a single product for the bandwagon, the distribution cost became unbearable and prohibitive for the organization. However, it seems the market penetration of these organic-based inputs is slower than expected by the companies. This research's problem statement is why there's a low customer intention to purchase organic pesticides. The objectives of the study are as follows:

- To identify the factors influencing consumers' intention to buy organic pesticides.
- To evaluate the relationship between influencing factors and purchase intention of organic pesticides.
- To analyze the significant influencing factors that would focus on marketing strategies.
- To suggest the areas where organic pesticide companies should focus to increase their sales.

The study's rationale focuses on the issue mentioned above that the organic pesticide manufacturing industries are facing, and the researchers predict the following outcomes: Understanding the buying behavior of organic farmers who intend to purchase organic pesticides by identifying and analyzing the factors affecting the consumer buying behavior of organic pesticides. With the completion of the study, industries can realize the existing loopholes in their marketing processes and potential solutions to achieve satisfactory sales.

## 2. LITERATURE REVIEW

In today's competitive and changing business environment, the power of retailers and the customers' demand level is continuously growing; expanding long-term relationships with customers is vital for the success and survival of producers. Previous studies have shown that price is important, but other variables like product and service quality are important in customers' purchase decisions (Giovanis et al., 2013). Mass media targets customers in this era, changing the consumers' thinking through emotions, needs, wants, and demands. Market researchers and organizations spend billions of dollars on consumer research to identify important factors that influence consumer decisions. The analysis of consumer behavior effectively detects the orientation of consumers' behavior. (Thapa, 2011). Therefore, marketing specialists require a clear strategy based on a complete understanding of reasons that encourage consumers to repurchase a brand's intentions. In the crowded market that we witness the activity of several brands, the purchase reduction of these appliances due to conditions such as economic downturn and the decrease of people purchase power, as well as the efforts of these companies to make their brands distinctive in the minds of consumers, professional marketers should realize that how to change the variables affecting on brand loyalty in order to change to impact on the repurchase intention of the brand (Brown et al., 2003).

According to Greendex (2012), it is acceptable to have consumers pay too much attention to the environment. He also emphasized various factors affecting the choice of green products. They investigated how consumers understand and disclose the concept of organic. Purchasing incentives are primarily about the environment and health consciousness. Consumer attitudes have always been of great interest to marketers. Knowledge of consumer behavior helps marketers understand how consumers think, feel, and choose alternatives such as products and brands and how consumers are influenced by the environment, reference groups, families, and sales staff. Consumer shopping behavior is influenced by cultural, social, personal, and psychological factors. Most of these factors are beyond the control of marketers, but they must be taken into account when trying to understand the complex behavior of consumers (Velayutham, 2008). Based on several findings from the literature, product knowledge, promotional activities, price, availability of the product, and technical knowledge have been identified as the main factors that affect when farmers purchase pesticides.

***Product Knowledge (PK)***

From a marketing standpoint, this conclusion points to the fundamental importance of local dealers in delivering messages to farmers' consumers. Any attempt to improve dealers' ability to perform this function will be welcomed by consumers, especially the major bulk purchasing, young peasantry. Although farmers can get information on pesticides from different sources, the usefulness of these sources depends on the type of information. Survey results showed that the following sources, pesticide application, proper pesticide, technical problems, and selecting dealers were considered most important (Funk, 1982). Greenwald and Leavitt (1984) tacitly assume that consumer product knowledge acquired from long-term memory can increase with increasing consumer engagement. Lutz et al. (1983) show that consumers with much knowledge of a specific product are likelier to perceive the product as important than consumers with less knowledge. However, they did not report the size of the correlation coefficient.

***Price (PR)***

Perceived price can be defined as the consumer's perceptual representation or subjective perception of the objective price of the product (Jacoby & Olson, 1977). Although objective price is often associated with quality, value, and purchase intention, perceived price has been identified as a relevant intermediate variable in the price-quality-value relationship (Monroe & Chapman, 1987). Winer (1986) suggests that when making purchase decisions, consumers often compare objective price with internal reference price, which is the overall price level or range the consumer perceives for the product category.

***Promotional Activities (PA)***

Promotions are an important and invaluable tool for marketers and have been used to gain a competitive advantage, increase sales, and attract customers. Promotions affect consumer purchases and reduce decision-making time. Sales promotion is a short-term encouraging strategy to increase sales or purchase of brands (Kotler, 2000). Moreover, it is a strategy that demands a short time to increase profits (Banerjee, 2009). Promotion is important in consumers' purchasing intent and buying a particular product (Neha & Manoj, 2013). Prior studies have revealed that there has



been a mixed connection between sales promotion and consumers' purchase intention.

### ***Availability of the Product (AV)***

Jain and Kaur (2004) observe that the non-availability of green products is a major obstacle to eliminating environmental degradation. Weissmann and Hock (2021) identified that lack of product availability is cited in the literature as a major factor that prevents consumers from purchasing sustainable products. However, more empirical research is needed to document the potential behavioral consequences that result from a lack of product availability, such as when consumers intend to purchase sustainable products, but none are immediately available.

### ***Technical Knowledge (TK)***

When purchasing organic pesticides, having a certain level of technical knowledge is crucial to make informed decisions and ensure effective, safe, and sustainable pest control. Knowledge was treated as the direct influence of the decision to pay to buy organic products. Results show that personal attitude, health consciousness, and knowledge interactions are important factors influencing consumer purchase intention concerning organic foods and agro-products (Wang et al., 2019).

## **3. RESEARCH METHODOLOGY**

This section discusses the methodology for this study's data collection and analysis. The method and the modalities followed in selecting the sample of 65 organic farmers are described. In addition, the process and the source of data collection and recording methodology are explained.

The study population comprises organic farmers in the Nuwara Eliya District. For convenience, a sample of 65 organic farmers from Nuwara Eliya district was purposively selected since Nuwara Eliya is a prominent district for organic cultivation. The sample consists of organic farmers from various parts of the Nuwara Eliya district, covering the entire district. Simple random sampling was employed to gather data through a survey. From a list provided by Wayamba University of Sri Lanka, 65 organic farmers from the Nuwara Eliya district were selected as the sample. A structured questionnaire was utilized to collect data, consisting of different components and questions directly supporting the reasonable quantitative

analysis presented below. The first part of the questionnaire aims to collect demographic data on organic farmers, such as gender, age, experience in organic cultivation, income level, and quantity of organic pesticide used. The objective was to study the relationship between consumer purchasing behavior of organic pesticides and these six attributes.

A two-part preliminary questionnaire was used to collect data. The analytical methods selected for this study utilized these data for "pre-testing" to determine if they suited the specific study objectives. Primary data was collected from 65 organic farmers in the Nuwara Eliya district. To easily ascertain the attitudes and opinions of each farmer in the sample (n = 65) on the trends described under each behavior statement, a "5-point Likert scale" was constructed.

Regression analysis was employed in multiple data analysis techniques to examine the relationship between a dependent variable and a set of descriptive variables. Regression analysis was used to examine the relationship between the dependent variable and a set of explanatory variables among the multivariate statistical data analysis techniques. The outcome from Multiple Linear Regression was used to test the Hypotheses for their acceptance/rejection using the t-test. The test was performed by comparing the value of t arithmetic with the t table.

#### **4. DATA ANALYSIS AND RESULTS**

According to the results of some literature, product knowledge, promotional activities, pricing, product availability, and technical knowledge have been identified as important factors influencing farmers' purchase of pesticides.

Based on the summary of demographic characteristics of the sample, the majority of respondents were "Male" (91%), and nearly 62 percent of respondents were within the "Age" category of 36 to 45 years. About the experience in farming, 51% of farmers had 15-19 years of experience. 64 percent of the respondents apply 50 – 99 Kg of Pesticides annually, while 82% of the respondents earn Rs. 20,001 – 40,000 gross income through the cultivation per month.

The scores provided by respondents on the 5-point Likert scale for 37 attitudinal statements were coded. The next step was to test for the validity and reliability of those scores to develop a series of additive indices for each construct so that they could be used as independent variables in the multiple

linear regression. The estimates of the validity and the reliability tests were obtained through the SPSS (Version 25) and were summarized in Table 1.

**Table1:** Estimates related to validity and reliability of indicators / constructs

Construct	Indicator	Factor Loading	Indicator Mean	Construct Mean	Cronbach Alpha
Product Knowledge (PK)	PK1	0.03	1.12	1.39	0.74
	PK 2	0.29	0.80		
	PK 3	0.07	0.23		
	PK 4	-0.18	0.45		
	PK 5	0.09	1.55		
	PK 6	0.20	0.00		
Promotional Activities (PA)	PA 1	-0.21	0.20	0.20	0.84
	PA 2	-0.01	0.35		
	PA 3	0.12	0.12		
	PA 4	0.10	0.83		
	PA 5	0.06	-0.92		
Price (PR)	PR 1	0.21	-0.63	0.10	0.84
	PR 2	-0.03	1.08		
	PR 3	-0.09	-1.20		
	PR 4	0.01	1.20		
	PR 5	0.19	1.08		
	PR 6	0.16	-1.23		
Availability (AV)	AV 1	0.21	1.31	1.93	0.78
	AV 2	0.10	1.15		
	AV 3	0.11	1.11		
	AV 4	0.12	0.98		
	AV 5	-0.21	1.23		
Technical Knowledge (TK)	TK 1	0.01	0.52	1.48	0.71
	TK 2	-0.01	1.25		
	TK 3	0.03	0.06		
	TK 4	0.08	1.22		
	TK 5	0.07	1.38		
Consumer Behavior (CB)	CB 1	0.04	-0.63	-0.03	0.89
	CB 2	0.16	-0.26		
	CB 3	0.17	0.12		
	CB 4	0.19	1.00		
	CB 5	0.12	-0.38		

**Source:** Authors' own

As specified, to be considered as a generally accepted Indicator and for being considered as an "internally consistent" Indicator, the Cronbach alpha value should be greater than 0.7. However, alpha exceeding 0.5 is considered sufficient for multidimensional and orthogonal data. The results show that

the factor loadings of each Indicator were above 0.3, and the Cronbach Alpha value of all Constructs was above 0.7. These show that those attitudinal statements were sufficiently 'valid' (i.e., Construct Validity) and 'reliable' to reflect the phenomenon they stand for.

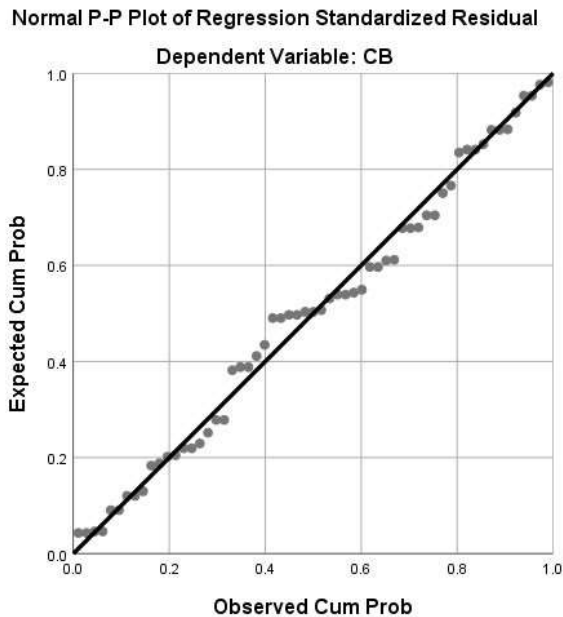
Once the Scale Reliability and Unidimensionality of those statements were confirmed, the next step was to determine the degree to which the movements of the two Constructs were associated. To decide on this aspect, the Correlation Coefficient was measured, where a correlation of -1.0 indicates a 'perfect negative' correlation, while a correlation of 1.0 indicates a 'perfect positive' correlation. While the Correlation Coefficient measures the degree to which two variables are related, it only measures the linear relationship between the variables. A 'Correlation' greater than 0.8 is generally described as "strong," whereas less than 0.5 is "weak." The Correlation Coefficient Matrix shown in Table 4.2 for the six key Constructs indicates that there is no strong linear relationship exists between any two distinct Constructs, and the highest value reported was below 0.5.

**Table 2:** Correlation Coefficient Matrix

Construct	PK	PA	PR	AV	TK
PK	1.00				
PA	-.080	1.00			
PR	.391	.412	1.00		
AV	.307	-.368	-.091	1.00	
TK	.272	.220	.242	.287	1.00

**Source:** Authors' own

At the end of all these tests, the scores provided by a respondent to all Indicators about a given Construct were used to derive an Additive Index. Once the Additive Index values of each variable for every respondent were set for the Multiple Linear Regression model using the SPSS, a 'Normality Test' was carried out to confirm whether both dependent and independent variables showed a Normal Distribution. If both variables have a Normal Distribution, it reflects that it is a sound regression model. To test the Normality of the data, "Normal P-P Plots" was plotted. If the data points spread around the diagonal value, it is said that data are normally distributed as stated in the Figure 1.



**Figure 1:** Normal P-P Plot  
**Source:** Authors' own

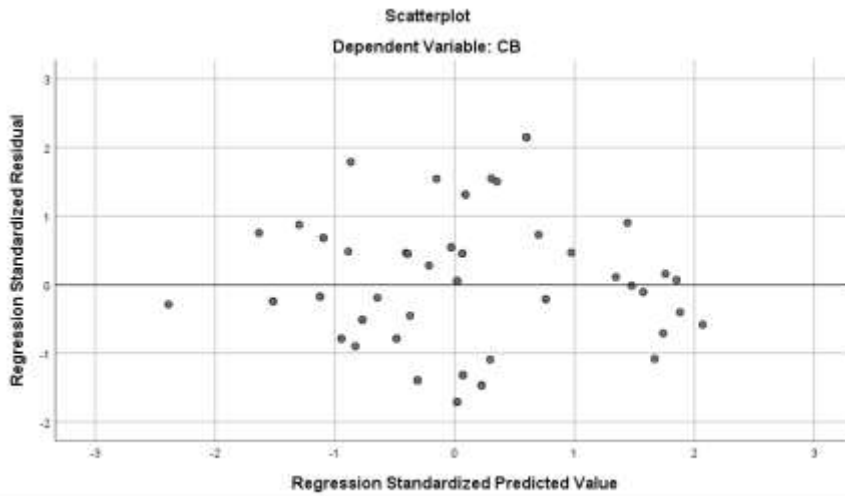
When looking at the above Normal P-P Plot, the data points have been spread out along the diagonal line of the plot. Since the data distribution follows the direction of the diagonal line, it can be concluded that the above data set was normally distributed. Table 3 shows the results from the Multicollinearity test. It displays no issues concerning this phenomenon amongst all the independent variables since the value  $VIF < 10$ . This implies that there was no interplay between the independent variables.

**Table 1:** Outcome of the test for Multicollinearity

Predictor	VIF
PK	1.289
PA	1.481
PR	1.311
AV	1.450
TK	1.326

**Source:** Authors' own

Figure 2 demonstrates no heteroscedasticity between the independent and dependent variables since the dots were "totally dispersed."



**Figure 1:** Test for Heteroscedasticity

**Source:** Authors' own

The outcome of multiple linear regression predicting the magnitude of the consumer purchase intention to purchase organic pesticides (dependent variable) and the influential factors (independent variables) are reported in Table 4.

**Table 4:** Estimates Multiple Regression analysis

Predictor	Coef	SE Coef	T	P
Constant	-0.018	0.049	-0.360	0.718
PK	0.083	0.022	3.710	0.000
PA	0.083	0.028	2.980	0.004
PR	-0.002	0.022	0.100	0.918
AV	0.101	0.034	3.020	0.004
TK	0.050	0.034	1.460	0.151

**Source:** Authors' own

Using the estimates from Table 4.5. X above, the Multiple Linear Regression equation can be written as follows:

$$CB = - 0.018 + 0.083 PK^* + 0.083 PA^* - 0.002 PR + 0.101 AV^* + 0.050 TK + \varepsilon$$

As shown in Table 4, the Multiple Linear Regression model was significant since it shows a p-value of 0.000, which is less than 0.05. The F value for the model is 17.703.

The outcome from Multiple Linear Regression was, in turn, used to test the Hypotheses for their acceptance/rejection using the t-test. The first hypothesis testing was to determine the significance of “Product Knowledge” on the Consumer intention to purchase organic pesticides (Table 5).

**Table 5:** Outcome of testing hypothesis 01 – Product Knowledge

Variable	Test value = 3.71					
	t	Df	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
PK	4.33	64	0.00	0.22	-3.43	3.87

**Source:** Authors' own

Since the t table value was greater than the t arithmetic value, i.e.,  $4.33 > 3.71$ , we did not have enough evidence to reject the null hypothesis stating that “No significant relationship exists between consumers' product knowledge and consumer purchasing intention of organic pesticides.” The second hypothesis testing was to determine the significance of the effect of “Promotional Activities of organic pesticides” on the consumer purchasing intention of organic pesticides” (Table 6).

**Table 6:** Outcome of testing hypothesis 02 – Promotional Activities

Variable	Test value = 2.98					
	t	Df	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
PA	3.03	64	0.00	2.29	2.93	3.65

**Source:** Authors' own

Since the t table value was greater than the t arithmetic value, i.e.,  $3.03 > 2.98$ , we did not have enough evidence to reject the null hypothesis that “there is no significant relationship exists between Promotional Activities and consumer purchasing intention of organic pesticides.” The third hypothesis testing was to determine the significance of the effect of the “price of Organic Pesticides” on the consumer purchasing intention of organic pesticides (Table 7).

**Table 7:** Outcome of testing hypothesis 03 – Price

Variable	Test value = 0.10					
	T	Df	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
PR	-2.50	64	0.015	-0.08	-0.14	-0.02

Source: Authors' own

Since the t estimated value was greater than the t table, i.e.,  $0.10 > -2.50$ , we possess enough evidence to reject the null hypothesis, stating a significant relationship exists between the “Promotion Price” and consumer purchasing intention of organic pesticides. The fourth hypothesis test was conducted to determine the significance of the “Availability of Organic Pesticides” effect on the intention of consumers to purchase organic pesticides (Table 8).

**Table 8:** Outcome of testing hypothesis 04 – Availability

Variable	Test value = -3.02					
	t	Df	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
AV	-1.44	64	0.000	-2.11	-4.20	-0.02

Source: Authors' own

Since the t table value was greater than the t arithmetic value, i.e.,  $-1.44 > -3.02$ , we did not have enough evidence to reject the null hypothesis stating that “there is no significant relationship exists between Availability of Organic Pesticides and consumer purchasing intention of organic pesticides.” The fifth and last hypothesis testing was to determine the significance of the effect of “Technical Knowledge” on the consumer purchasing intention of organic pesticides” (Table 9).

**Table 9:** Outcome of testing hypothesis 05– Technical Knowledge

Variable	Test value = 1.46					
	t	Df	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
TK	-2.33	64	0.61	-1.02	-1.06	-0.97

Source: Authors' own



Since the t estimated value was greater than the t table, i.e.,  $1.46 > -2.33$ , we possess enough evidence to reject the null hypothesis, stating a significant relationship exists between the “Technical Knowledge of the consumer” and purchasing intention of organic pesticides. The contribution of all independent variables in the Regression equation can be determined using the Coefficient of Determination ( $R^2$ ), the estimates of which are expressed in Table 10 below.

**Table 10:** Coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.852 <sup>a</sup>	0.726	0.707	0.940

**Source:** Authors’ own

Variables PK (X1), PA (X2), PR (X3), AV (X4), and TK (X) influence 72.6% of the CB (Y) of Organic farmers. In contrast, the rest (i.e., 27.4%) are influenced by other variables not incorporated into the Regression model.

## 5. CONCLUSIONS AND IMPLICATIONS

The study examines, using the primary data gathered from a cross-section of farmers in the Nuwara Eliya district by way of a semi-structured questionnaire administered by personal interviews, the potential relationships that exist between those factors affecting organic pesticide purchase intention, including the existing conditions regarding Product Knowledge, Promotional Activities and Price as well as Availability and the Technical Knowledge of organic pesticide. The outcome of the analysis that employed several quantitative data analysis techniques to assess the attitudes and perceptions of those farmers on these influencing factors, including a Confirmatory Factor Analysis and a Multiple Linear Regression, that Product Knowledge, Promotional Activities, and Availability of pesticides can have a significant effect on consumer purchase intention of organic pesticide. Interestingly, the other two factors, including price and technical knowledge, did not significantly affect this behavior.

The implications of this research extend to both marketers and policymakers in the agricultural sector. Marketers can tailor their strategies to emphasize organic pesticides’ environmental and health benefits, influencing consumers’ purchase decisions. Policymakers can use the

insights to design initiatives that promote sustainable farming practices and educate consumers about the advantages of organic alternatives.

The study concluded that a mix of factors could impact consumer purchase intention for organic pesticides, excluding the pesticide's price and the farmer's technical knowledge. In other words, only product knowledge, promotional activities, and the availability of pesticides could have significantly affected consumer intention to purchase organic pesticides. Together with this, setting up and knowing the company's product is important to impact the purchase intention of organic pesticides substantially. Those farmers stated that if they were educated on the benefits of the products by conducting seminars and workshops, it would be possible to impact consumer purchase intention of organic pesticides. Product knowledge is one of the key concerns in creating a set of brand-loyal consumers willing to buy the same product continuously.

At the same time, it acts as a supplementary matter to build up trust in the product among customers. In addition, farmer demonstration lands can be maintained to let farmers realize the benefits of organic pesticides with some control lands cultivated organically without adding organic pesticides. Since most pesticide companies are engaging with the subsidy scheme given to other field crops (OFCs), they need to make more effort in advertising their products. They do not recognize that carrying out promotional activities significantly influences the purchasing behavior of organic pesticides since pesticides are distributed at a subsidized price. Even in such a situation, promotional activities were substantial in consumer purchase intention of organic pesticides. On the other hand, Advertising is a form of communication intended to convince consumers to purchase the product. When targeting even farmers eligible for pesticide subsidies, promotional activities play a major role in grabbing the pesticide market.

The availability of organic pesticides is a factor that has significantly affected consumer purchase intention for organic pesticides. It is a situation that is unbiased and acceptable to all, which would stimulate them to purchase more. Facilitating their purchase decision to match their convenience by making pesticides available at the time of convenience is a supplementary action to regain the diminishing sales. Surprisingly, those criteria related to pesticide prices and technical knowledge did not significantly impact this respect. They generally judged that the price of every organic pesticide is constant since the cost of the pesticide is regulated by the government.

Hence, with the given situation, the pesticide price did not significantly affect consumer purchase intention of organic pesticides since they have identified that pesticide cost is constant in the market.

As those farmers insist, almost all are enriched with technical knowledge related to organic cultivation since most of them have more than fifteen years of experience in organic cultivation. This study contributes to the growing body of literature on sustainable agriculture and consumer behavior by providing a nuanced understanding of the factors driving the adoption of organic pesticides. As organic farming practices continue to gain traction, the findings of this research can inform strategies to promote environmentally friendly and health-conscious choices in pest management within the agricultural sector.

It is concluded that pesticide companies of this nature should ensure that the influencing factors identified for pesticide users should align with the organizational goals. At the same time, those stimulants of organic farmers in a competitive company whose market share is relatively low compared to other pesticide companies must be monitored, evaluated, and properly addressed through appropriate strategies. Self-regulatory factors (i.e., product knowledge, promotional activities, and availability of pesticide in the market), which can be managed internally by the organization, are of paramount importance when making a force on consumer purchase intention of organic pesticide rather than government interventional factors like price attributes, associative environmental characteristics of the consumer such as intrinsic factors of the consumer such as technical knowledge are not potential attributes which make an effect on consumer purchase intention. Setting up a sound understanding of the product offered by the company in a way preferred by consumers (Seminars, Workshops, Awareness programs, and farmer's demonstration lands) and facilitating their purchase decision at the time to match their convenience are the supplementary actions to regain the sales, which are diminishing.

When farmers were personally interviewed, most respondents claimed that, even though they used to apply organic pesticides earlier, they have realized that the quality of organic pesticides is diminishing. They also highlighted that, sometimes, organic pesticides cause acute effects (burning effect) on plant roots. By focusing on these comments, the quality of the organic pesticide should be further improved to regain the diminished pesticide sales.

### ***Suggestions for Future Research***

This research was conducted only among organic farmers in Nuwara Eliya district. Therefore, to generalize these results to the Sri Lanka scenario, future researchers must do this research by engaging other prominent districts for organic farming. In addition, research is needed on personality characteristics and their impact on consumer intention in Nuwara Eliya District. This proposed research can bring to the surface the true association of personality characteristics of the consumers having purchase intention. It will also facilitate the identification of the main influential psychological factors accelerating consumer purchase intention. It will help practitioners in improving their marketing strategies regarding product sales.

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## **FACTORS THAT INFLUENCE THE RETENTION OF LIFE ASSURANCE AGENTS IN SRI LANKA: SPECIAL REFERENCE TO WESTERN PROVINCE**

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### **ABSTRACT**

The insurance industry continually endeavors to attract, develop, and retain insurance agents by fostering long-term positive relationships with them, as their retention is vital to survival. In recent years, a decline in the retention rate among life insurance agents has been witnessed. The present study aims to identify the key determinants influencing the retention of life insurance agents. Drawing upon empirical and theoretical evidence and identifying gaps in the literature, this study considers remuneration and sales commission, rewards and recognition, leadership, work environment, sports, and other activities as independent variables affecting agent retention. Based on these relationships, a conceptual framework and hypotheses were developed. The study focused on life insurance agents in the Western Province as the population. A sample of 120 respondents was selected using a convenience sampling technique, following Green's (1991) recommendation. Primary data was collected using a structured questionnaire with a five-point Likert scale ranging from "Strongly Agree" to "Strongly Disagree." The collected data was analyzed using SPSS Software, which confirmed normality. Reliability was tested using Cronbach's alpha, while validity was assessed using KMO value. Multicollinearity was evaluated using VIF value, and no issues were detected. Correlation analysis and regression analysis supported all hypotheses, demonstrating a significant positive impact of remuneration and sales commission, rewards and recognition, leadership, work environment, sports, and other activities on agent retention that aligns with existing literature. The findings can be utilized to enhance agent retention strategies within the insurance industry.

**Keywords:** *Insurance Agents, Insurance Industry, Retention*

## 1. INTRODUCTION

The insurance industry has become extremely important in today's world in covering several risks. The industry offers a range of products to its customers via insurance intermediaries, and insurance agents play an important role as intermediary parties that link customers and the company (IRCSL Annual Report, 2021). The performance of the Sri Lankan life insurance industry is directly related to the performance of the life insurance agents because their performance and capabilities directly influence the profit and sales of the insurance companies. Long-term relationships with life insurance agents will assist the industry in recovering some of the costs and bringing financial benefits to the companies while providing uninterrupted services to their clients (Siddiqui et al., 2023). Therefore, the insurance industry always tries to attract, develop, and retain insurance agents by maintaining a long-term positive relationship with them.

Life assurance agents are considered the backbone of the life insurance industry. According to the details provided by the Insurance Regulatory Commission of Sri Lanka Annual Reports (2015-2021), the number of insurance agents has decreased from 45,433 in 2015 to 43,934 in 2021. However, insurance agent retention rates have recently been considerably low in the western province. According to the IRCSL Annual Reports (2018-2021), In the Western province, there were 19,042 agents in 2018, 18,691 agents in 2019, 16,622 agents in 2020, and 16,539 agents in 2021, which represented a lower retention rate compared with other provinces in the country. There may be many causes behind this critical problematic situation in the insurance industry. It is vital to identify the factors affecting the retention of agents for the industry's growth.

Even though the retention of insurance agents is at a problematic stage, there were only a few researches focused on this area (Musalem et al., 2023; Siddiqui et al., 2023). In the Sri Lankan context, there is a need for studies conducted in this area; therefore, the factors still need to be adequately recognized. The main objective of this study is to identify and analyze the factors that influence the retention of life insurance agents in Sri Lanka by giving special reference to the Western province. The insurance penetration level of Sri Lanka is still relatively low when compared with other South Asian countries in the region, which represented 1.39% by the end of 2021, and life insurance market penetration recorded as 0.74% in 2021 (IRCSL

Annual Report, 2021). As a result, the potential for growth in the insurance business in Sri Lanka is enormous. By considering direct and indirect costs, uninterrupted customer service, etc (Siddiqui et al., 2023), the retention of life insurance agents is very important for the industry's growth. Therefore, recognizing significant factors that affect the retention of life insurance agents will benefit the industry in enhancing the retention rate among insurance agents.

## **2. LITERATURE REVIEW**

Currently, employees are considered to be the main intellectual asset of an industry (Albrecht et al., 2015), and attracting and retaining them within the industry is crucial (Deery & Jago, 2015; Joo et al., 2015). However, the deliberate exit of these employees takes a vast toll on the success of any industry (Yonis et al., 2023). Several researchers highlighted the importance of the retention of agents in the insurance industry (Siddiqui et al., 2023; Galleno, 2021; Yumnam & Singh, 2019; Rasika, 2018) because retaining employees is the hardest challenge in the globalized competitive market (Bharath, 2023).

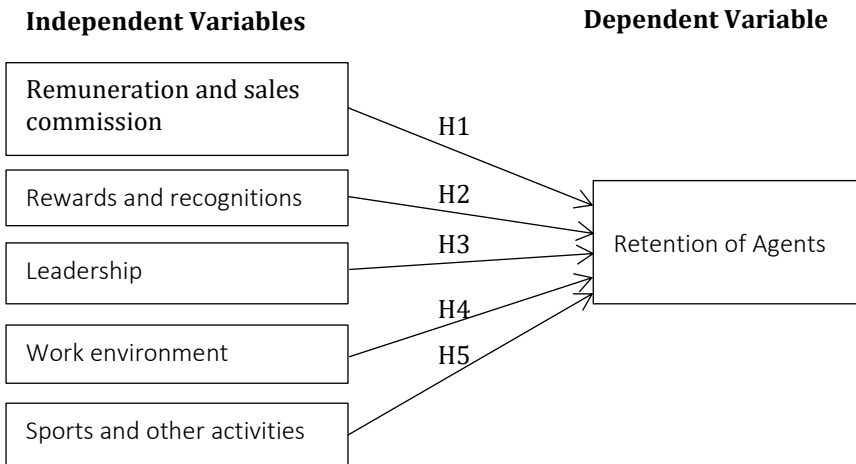
The life insurance industry faces severe employee attraction and retention challenges due to various social, demographic, economic, and industry-specific factors (Kwon, 2014). Insurance agents need to be satisfied and motivated enough to do their work at the best level to perform well and retain with the existing life assurance company (Rasika, 2018). Frederick Herzberg 1959 introduced the motivator-hygiene theory, known as the two-factor theory. Accordingly, seven hygiene factors and eight motivators could cause employees to stay with their jobs were identified. Pierre and Tremblay (2011) argued that employee retention factors were compensation, career opportunities, material working conditions, and training and development. Considering the empirical and theoretical evidence and gaps identified in the reviewed literature, the researcher took remuneration and sales commission (Anagol et al., 2017; Agrawal, 2015; Olowokudejo & Ajemunigbohun, 2013), rewards and recognition (Hieu & Cham, 2020; Anagol et al., 2017; Sahoo et al., 2015), leadership (Rasika, 2018; Agrawal, 2015), work environment (Pahlevi et al., 2019; Tharsiny & Umma, 2015), Sports and other activities (Saravananaraj et al., 2016; Zameer et al., 2014) were taken as the factors for retention of life insurance agents in Sri Lanka.



### 3. METHODOLOGY

The research approach adopted by the researcher is the deductive research approach, where the researcher develops hypotheses based on existing theories and attempts to conclude by testing the theory using empirical data. The study population can be identified as life insurance agents in Western province, and a sample of one hundred and twenty respondents was drawn based on Green's (1991) recommendation. The convenience sampling technique selected the sample, and the response rate was 100%.

According to the existing literature backed by Frederick Herzberg's 'Herzberg's' motivator-hygiene theory, which was known as the two-factor theory, remuneration and sales commission, rewards and recognition, leadership, work environment, work-life balancing, and sports and other activities were identified as independent variables to the dependent variable; retention of agents. Based on the identified relationships between variables, the researcher developed a conceptual framework, as shown in Figure 1.



**Figure 1:** Conceptual Framework

**Source:** Author's own

Based on the developed conceptual framework, the researcher aims to test the following research hypotheses to achieve research objectives.

H<sub>1</sub>: There is a significant impact of remuneration and sales commission on the retention of life assurance agents.

H<sub>2</sub>: There is a significant impact of rewards and recognition on the retention of life assurance agents.

H<sub>3</sub>: There is a significant impact of leadership on the retention of life assurance agents.

H<sub>4</sub>: There is a significant impact of the work environment on the retention of life assurance agents.

H<sub>5</sub>: There is a significant impact of sports and other activities on the retention of life assurance agents.

A structured questionnaire with a five-point Likert scale ranging from 'Strongly Agree' to 'Strongly Disagree' was used to collect primary data, and the indicators were derived from past literature. The questionnaire consisted of two parts. Part I of the questionnaire consisted of questions used to gather the demographic profile of the respondents. Part II of the questionnaire consisted of closed-ended questions to measure the independent and dependent variables.

Collected data were analyzed using SPSS (Statistical Package for Social Sciences) software. Since normality is an important statistical assumption, normality was tested using skewness and kurtosis values. The reliability was tested with Cronbach's alpha value, and the content validity was assessed using the KMO test. Further, multicollinearity was tested using tolerance and variable inflation factors (VI statistics). Pearson correlation analysis and regression analysis were used as the main statistical tests for the present study to test the developed hypotheses.

#### 4. DATA ANALYSIS & RESULTS

Data collected from 120 life insurance agents in Western province and their demographic profiles are shown in Table 1.

**Table 1:** Demographic Analysis

Demographics		Frequency	Percentage
<b>Gender</b>	Male	73	61
	Female	47	39
	<b>Total</b>	<b>120</b>	<b>100</b>
<b>Working Experience</b>	0-5 years	77	64
	5-10 years	20	17
	Over 10 years	23	19
	<b>Total</b>	<b>120</b>	<b>100</b>
<b>Age</b>	18-29	72	60
	30-39	27	23
	40-49	11	9
	50-59	5	4

	60-69	5	4
	<b>Total</b>	<b>120</b>	<b>100</b>
<b>Education</b>	O/L	51	43
<b>Level</b>	A/L	29	24
	Diploma, etc	24	20
	Graduate	16	13
	<b>Total</b>	<b>120</b>	<b>100</b>

**Source:** Author's own

As per Table 1, out of 120 respondents, 73 (61%) represent male agents, and 47 (39%) represent female agents. Accordingly, the majority of respondents represent the male agents. Further, 77 respondents (64%), representing the majority, have less than 5 years of experience, and 20 respondents (17%) have 5-10 years of experience. Twenty-three respondents (19%) have more than 10 years of experience in the industry. Seventy-two respondents (60%) represented 18-29 years of age, 27 respondents (23%) represented 30-39 years of age, 11 respondents (9%) represented 40-49 years of age, 5 respondents (4%) represented 50-59 years of age and 60-69 years of age. Accordingly, most of the respondents were young. Fifty-one respondents (43%) completed O/L, 29 respondents (24%) completed A/L, and 24 respondents (20%) completed a Diploma or equaling exam. Sixteen respondents (13%) were graduated agents. Therefore, out of 120 agents, the majority completed up to O/L education. Since skewness and kurtosis values lie between -1.96 and 1.96, as shown in Table 2, data was normally distributed.

Reliability refers to the extent to which the data collection techniques or analysis procedure will yield consistent findings (Saunders et al., 2009). Cronbach's alpha is the most commonly used for assessing the reliability of a construct. As per Table 2, Cronbach's alpha values of all variables are above "0.70", which is considered acceptable (George & Mallery, 2003). Therefore, variables have an acceptable level of internal consistency reliability. Further, the Kaiser Meyer Olkin (KMO) test was conducted to measure the validity of the construct. The internal validity of variables is considered accepted since the expected value is 0.5. KMO value exceeds all KMO values, as shown in Table 2. Multicollinearity was tested using the Tolerance and Variable Inflation Factor (VIF) statistics, and here, all VIF values are smaller than two, as shown in Table 2. Therefore, the independent variables do not face the problem of multicollinearity.

**Table 2:** Results of the Diagnostic Tests

Variable	Skewness	Kurtosis	Cronbatch's Alpha	KMO	VIF
Retention of Agents	0.352	-0.267	0.844	0.899	
Remuneration & Commission	0.176	-0.235	0.821	0.871	1.392
Rewards and recognitions	0.468	-0.367	0.826	0.893	1.421
Leadership	0.618	0.521	0.768	0.881	1.165
Work environment	0.347	-0.341	0.864	0.888	1.521
Sports and other activities	0.468	-0.538	0.752	0.832	1.436

**Source:** Author's own

Pearson's correlation coefficient ( $r$ ) measures the strength of the association between the two variables. A correlation coefficient is a statistical measure that quantifies the strength and direction of a relationship between two variables. It ranges from -1 to +1, where a positive correlation coefficient indicates that the variables are directly associated, and a negative correlation coefficient indicates that the variables are inversely proportional. A correlation coefficient of 0 suggests no association between the variables. At a 99% confidence level, correlation analysis proved the availability of a significant positive relationship between the retention of agents and all independent variables, as depicted in Table 3.

**Table 3:** Correlation Analysis

Variable	Coefficient	Sig. Value
Remuneration & Commission	.625**	0.000
Rewards and recognitions	.697**	0.001
Leadership	.681**	0.000
Work environment	.695**	0.000
Sports and other activities	.647**	0.000

**Source:** Author's own

\*\* Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficient for remuneration and commission, rewards and recognitions, leadership, work environment and sports, and other activities were "0.625", "0.697", "0.681", "0.695", and "0.647" respectively. The

correlation coefficient between rewards and recognition and retention of agents was "0.697," showing a highly positive correlation. Concerning the correlation among all independent variables, it showed a strong correlation and reached a significant level ( $p < 0.01$ ). It indicated that when one variable increases, the other variable, retention of agents, tends to increase as well.

Linear regression analysis estimates the coefficient of a linear equation involving one or more independent variables that best predict the value of the dependent variable. The result from the correlation fulfills the required condition for regression analysis. Pallant (2001) stated that regression analysis can only be done if the correlation value is less than 0.7. Accordingly, regression analysis was carried out to find the impact of independent variables on the retention of insurance agents. The p-value tells whether the independent variable has a statistically significant predictive capability. R squared and Adjusted R squared can be used to find how well the model fits the data. Besides, the R-squared ANOVA can be used to check how well the model fits the data. The results are shown in table 4 below.

**Table 4:** Results of the Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
Constant	0.510	0.176		0.000
Remuneration & Commission	0.242	0.087	0.321	0.000
Rewards and recognitions	0.316	0.094	0.386	0.002
Leadership	0.235	0.056	0.304	0.001
Work environment	0.242	0.056	0.286	0.000
Sports and other activities	0.159	0.044	0.184	0.000
R Squared	.432			
Adjusted R Squared	.418			

**Source:** Author's own

According to Table 4, the constant unstandardized coefficient value is 0.510. The unstandardized coefficient of  $\beta$  for remuneration and commission is 0.242, rewards and recognitions is 0.316, leadership is 0.235, work environment is 0.242, and sports and other activities are 0.159. P values of all variables are less than 0.005. According to Table 4 above, the value of R square is 0.432. Therefore, these independent variables explain about 43.2% of the variation in dependent variables. Moreover, the F statistic in the ANOVA table is equal to 17.032, and the significance is equal to 0.000, less

than 0.05. Therefore, the regression model is confirmed, and the independent variable can predict the changes in the dependent variable.

The researcher tested the developed hypotheses based on the above analysis. According to the model summary, 43.2% of the variation in retention of agents is explained by remuneration and commission, rewards and recognitions, leadership, work environment, and sports and other activities. Further, all the null hypotheses are rejected based on the correlation and regression analyses. Therefore, the researcher can accept alternative hypotheses (H1, H2, H3, H4, and H5). Accordingly, remuneration and commission, rewards and recognitions, leadership, work environment and sports, and other activities have a significant positive impact on the retention of life insurance agents in Western province. So that the researcher could find answers to the research questions by achieving the established research objectives.

## **5. DISCUSSION OF THE FINDINGS**

The present study was conducted to identify and analyze the factors that influence the retention of life insurance agents in Sri Lanka by giving special reference to Western provinces. Accordingly, correlation analysis and regression analysis developed and tested five hypotheses. It was proved that there is a significant positive impact of remuneration and commission, rewards and recognitions, leadership, work environment, and sports and other activities on the retention of life insurance agents in Western province.

Based on the findings, the researcher can prove that remuneration and commission significantly positively impact the retention of life insurance agents by accepting hypothesis H1. Literature showed that remuneration and commission positively related to retention (Anagol et al., 2017; Agrawal, 2015; Olowokudejo & Ajemunigbohun, 2013), and accordingly, findings comply with the reviewed literature. As per the findings, rewards and recognition have a significant positive impact on the retention of life insurance agents by accepting hypothesis H2. Since the literature underlined the same findings (Hieu & Cham, 2020; Anagol et al., 2017; Sahoo et al., 2015), the current study's findings comply with the reviewed literature. The present research findings revealed that leadership has a significant positive impact on the retention of life insurance agents by accepting hypothesis H3, and it also complies with the reviewed literature (Rasika, 2018; Agrawal, 2015). Moreover, hypotheses H4 and H5 were accepted, proving a

significant positive impact of the work environment on the retention of life insurance agents and Sports and other activities on retention of life insurance agents, respectively. Both findings comply with the reviewed literature since literature showed that work conditions positively related to retention (Pahlevi et al., 2019; Tharsiny & Umma, 2015) and Sports and other activities positively related to retention (Saravananaraj et al., 2016; Zameer et al., 2014).

Since the findings comply with the literature, the researcher can prove that the present study's findings can be used to enhance the retention rate of life insurance agents in Sri Lanka. Accordingly, remuneration commissions, rewards and recognitions, leadership, work environment, sports, and other activities can also be used to increase the retention of employees in the Sri Lankan context.

## **6. CONCLUSIONS & CONTRIBUTIONS**

The current study's findings are consistent with the literature and may be utilized to improve the retention rate of life insurance agents in Sri Lanka. Present research revealed multiple factors that might help increase employee retention in Sri Lanka, including remuneration and commission, rewards and recognitions, leadership, work environment, and sports and other activities. The study provides novel contributions to the theoretical, contextual, and methodological aspects of understanding agent retention in the life insurance industry in Sri Lanka.

As an implication of the findings for the industry, insurance companies should prioritize increasing remuneration and commission structures to motivate agents and encourage retention. Further, insurance agents should be rewarded and recognized for their efforts to enhance retention. Leadership development programs should be established to improve the leadership abilities of supervisors and managers in the insurance sector. Further, creating a pleasant work atmosphere that promotes cooperation, progress, and well-being can help to increase employee retention. Promoting sports and other activities can boost employee engagement and job satisfaction, improving retention rates. This study offers useful insights for increasing the retention rate of life insurance agents in Sri Lanka. The study's findings add to the existing literature on employee retention and practical implications for the insurance industry.

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## **LEVERAGING DATA AND ANALYTICS TO GENERATE CONSUMER 360-DEGREE INSIGHTS FOR OTT PLATFORMS**

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### **ABSTRACT**

The primary objectives of this study are to calculate and predict consumer churn using Python and analyze consumer behavior through Power BI dashboards. To assess consumer churn, the Power BI dashboard is employed to estimate the churn rate. A consumer churn prediction model using Python has also been developed using machine learning techniques to anticipate potential churn patterns, enabling proactive retention strategies. The study further delves into consumer behavior analysis through interactive Power BI dashboards. These dashboards visualize key metrics, such as content popularity, user engagement, viewing patterns, and demographic insights. By visualizing and interpreting these metrics, the project aims to uncover underlying patterns and preferences influencing consumer choices on the OTT platform. The findings of this research offer valuable insights for OTT platform operators and content providers to refine their strategies in content curation, recommendation systems, and user engagement. The Python-based churn analysis and predictive model contribute to a proactive approach to customer retention efforts, fostering a better understanding of user preferences and potential attrition risks. Through Power BI dashboards, the study provides user-friendly visualizations of consumer behavior, empowering

decision-makers to identify areas for improvement, content diversification, and personalized recommendations to enhance user satisfaction and overall platform performance. By leveraging data analytics, the study equips OTT platforms with a holistic view of consumer behavior, enabling them to create a more engaging, personalized, and retention-focused user experience. Ultimately, these insights foster the growth and success of OTT platforms by aligning their content offerings with their users' evolving demands and preferences.

Keywords: Consumer Churn, Python, Consumer Behaviour

## **1. INTRODUCTION**

In today's competitive business landscape, understanding consumer behavior and accurately predicting customer churn rates are crucial for any company's success. This study aims to leverage the power of data analysis and visualization through Power BI dashboards to gain valuable insights into consumer behavior patterns and forecast customer churn, enabling businesses to take proactive measures for customer retention and growth.

This study will help businesses be equipped with powerful tools to understand their customers better, anticipate churn, and drive customer retention efforts. Using Power BI dashboards will significantly enhance the effectiveness and efficiency of data analysis, enabling companies to thrive in an increasingly competitive market. OTT Market witnessed a valuation of USD 350.6 billion and is projected to exhibit a Compound Annual Growth Rate (CAGR) of 28.19%, reaching USD 1555.6 billion within the next few years. OTT refers to delivering video, audio, and other media content directly to users over the Internet, bypassing traditional distribution channels like cable or satellite television. These platforms offer on-demand access to diverse content, including movies, TV shows, live events, and original programming.

There is a revolutionary change in today's world of cinema. Digitalization has greatly impacted the cinema industry in terms of content and selecting moving pictures (Balbi, G., Magaudda, P. 2018). OTT has added advantages like low-priced fees and flexible subscriptions. This has facilitated customizing what an individual need. The objectives of the study are identified as follows.

- To understand and minimize the Consumer churn for maximum customer retention using OTT analytics.
- To understand online consumer behavior for highly personalized content delivery.
- To perform exploratory data analysis and create dashboards to understand the key trends and insights on consumer behavior on the platform

## **2. LITERATURE REVIEW**

Manish et al. (2022) discussed the importance of understanding and predicting customer churn in the OTT platform industry. This study identified the factors influencing customer churn on OTT platforms and developed effective methods for predicting customer churn. The authors collected customer data from OTT platform companies. The authors used Recursive Feature Elimination (RFE), Linear Regression, and Ridge Regression feature ranking methods to identify the factors influencing customer churn." The authors employed machine learning techniques for customer churn prediction, including Decision Tree, Random Forest, AdaBoost, and Gradient Boosting. Among these, the random forest method yielded the best prediction results. The paper highlights the importance of customer retention for the profitability of businesses and discusses the increasing competition in the OTT platform industry. It emphasizes using machine learning models and techniques to gain insights from the data generated by OTT platforms and make proactive decisions to prevent customer churn.

Yousaf et al. (2021) focused on factors influencing customers' intention to recommend OTT pla in their empirical study forms. The researchers conducted a cross-country analysis, considering data from multiple countries, to gain insights into the determinants of customer recommendation intentions for OTT platforms. The author examined various factors that may impact customer recommendation intentions, including perceived usefulness, ease of use, social influence, customer satisfaction, and trust in the platform.

Debarun et al. (2023) focused on understanding consumer perspectives and behavior regarding content consumption on over-the-top (OTT) platforms. TT platforms are digital distribution platforms that deliver video, audio, and other media content over the Internet, bypassing traditional broadcast and cable television networks. They perceived that the value of content

positively influences user satisfaction and engagement. Additionally, the study highlights the role of social media in influencing content choices, indicating that consumers consider social media recommendations and discussions when selecting content to watch. The paper provides valuable insights for OTT platform providers and marketers in understanding consumer perspectives and behavior. By recognizing the value consumers place on content consumption and considering the influence of social media, platform providers can enhance user satisfaction and engagement, leading to increased usage and positive customer experiences. His paper contributes to understanding consumer views and behavior regarding content consumption on OTT platforms. The insights provided can assist in developing effective strategies for content curation, promotion, and engagement on these platforms.

María and Martínez 2021) analyzed the social media strategies employed by audio-visual over-the-top (OTT) platforms in Spain, specifically Netflix, HBO, and Amazon Prime, during the implementation phase. This study provides insights into the social media strategies of audio-visual OTT platforms in Spain. The analysis of Netflix, HBO, and Amazon Prime's approaches during the implementation of Disney+ offers valuable information for understanding how these platforms utilize social media to connect with their audience and compete in the market. The findings can benefit OTT platform providers by helping them develop effective social media strategies and adapt to changes in the competitive landscape.

### **3. METHODOLOGY**

Churn prediction and consumer behavior analysis involve data collection from various sources, preprocessing, Exploratory data analysis, and feature selection. The random sample input data for the study is collected from Snowflake, a leading cloud computing-based data storage company. Snowflake collects data from leading OTT platforms like Amazon, Hulu, Netflix, and YouTube, making it available for research. The data collected for our study consists of 19 variables, with 18 independent variables and one dependent variable. The dependent variable, "Churn," is a binary variable with two values. This means that our study focuses on binary classification, where 1 indicates customers who are likely to churn, and 0 represents customers who are not expected to leave the platform.

Among the 19 variables, we excluded the "name" variable as it does not

contribute to the analysis. Out of the remaining 17 predictors, seven of them, namely Gender, Age, Profession, Usage Duration, Multiple Subscription, Switching Frequency, and Primary Platform, are categorical variables. The other ten predictors are ordinal variables, which measure satisfaction or contentment on a 5-point Likert Scale for factors that influence churn. A rating of one indicates the lowest level of contentment, while a rating of five represents the highest level for the respective factor.

#### **4 DATA ANALYSIS**

The data has been collected from Snowflake, a leading data storage solution company. Snowflake collects consumer data from leading OTT companies like Netflix, Hotstar, and Amazon Prime. Snowflake collects research and demo purposes. The structure of the data is explained in the previous section. It is fed into Power BI to create dashboards and extract insights on consumer behavior. Churn Prediction and Consumer Behavior Analysis Methodology adopted for this study involves the following steps:

- ***Data Collection:*** using analytics, data were gathered on an e-commerce site.
- ***Data Preprocessing:*** Once the data is collected, it needs to be cleaned and preprocessed to handle missing values, outliers, and inconsistencies. Data normalization and feature engineering are also performed to transform the raw data into a suitable format for analysis.
- ***Exploratory Data Analysis (EDA):*** EDA involves conducting descriptive statistical analyses and visualizations to gain initial insights into the data. This step helps identify trends, patterns, and relationships between variables, providing a deeper understanding of consumer behavior.
- ***Feature Selection:*** In churn prediction, relevant features that may influence churn are selected from the dataset. Techniques like correlation analysis or feature importance from machine learning models are often employed for feature selection.

- ***Churn Prediction Modeling:*** For churn prediction, various machine learning algorithms such as Logistic Regression, Random Forest, Gradient Boosting, or Neural Networks are used. The dataset is split into training and testing sets, and the model is trained on the training data to predict churn for the test data.
- ***Model Evaluation:*** The performance of the churn prediction model is assessed using evaluation metrics such as accuracy, precision, recall, F1-score, and ROC-AUC. Cross-validation techniques may be used to ensure the model's robustness and generalization to unseen data.
- ***Consumer Behavior Analysis:*** For consumer behavior analysis, clustering techniques (e.g., k-means, hierarchical clustering) may be employed to segment users based on their behavior and preferences. This helps identify different user groups and their unique characteristics.
- ***Data Visualization:*** Throughout the analysis, data visualization tools are used to present the findings clearly and interpretably. Visualizations help identify trends and patterns, making it easier to communicate insights to stakeholders.
- ***Actionable Insights and Recommendations:*** Based on the analysis, actionable insights and recommendations are provided to the OTT platform.
- ***Continuous Improvement:*** The methodology is an iterative process, and insights from the analysis are used to refine the churn prediction model and consumer behavior analysis. Continuous improvement helps keep up with changing consumer preferences and market dynamics.

A comprehensive array of data types is typically required to calculate customer churn and effectively predict it through machine learning (ML) models. These data can generally be classified into two primary categories.

Firstly, Customer Data plays a pivotal role in understanding customers'



individual characteristics and behaviors. This encompasses essential information such as age, gender, location, and other relevant demographic details. Additionally, Customer Sentiment data is crucial for capturing customer satisfaction levels and sentiment gleaned from various sources such as surveys, ratings, reviews, or sentiment analysis of customer feedback.

Secondly, Contextual Data provides a broader perspective by incorporating external factors that may influence customer behavior and churn. This category includes Market Data, which encompasses information regarding overall market conditions, industry trends, and the competitive landscape. Understanding these factors is essential as they can significantly impact customer churn rates. Moreover, External Data sources such as social media data, weather data, or economic indicators can provide valuable insights into customer behavior and churn prediction by offering additional variables for analysis.

Furthermore, Interaction Data is crucial in understanding customer engagement and potential churn indicators. These data points capture customer interactions across various touchpoints, including customer support tickets, emails, or chat logs. Analyzing these interactions can uncover patterns or triggers that may precede customer attrition, thereby enhancing the accuracy of churn prediction models. By leveraging these broad categories of data - Customer Data and Contextual Data - organizations can enhance their ability to predict and mitigate customer churn accurately. This, in turn, enables businesses to develop more effective customer retention strategies, thereby fostering sustained growth and competitiveness in the marketplace.

The churn Rate can be calculated by dividing the number of customers who have discontinued their usage (churned customers) by the total number of customers during that period (Bhattacharyya & Dash, 2022). This ratio provides insight into the rate at which customers leave the product or service. The sample size used for the prediction is as below.

**Table 1:** Study Sample Distribution

Sample Size	Test Data	Train Data
1000	300	700

**Source:** Authors' own

## Consumer behavior analysis

Consumer behavior analysis in Over-the-Top (OTT) platforms can be effectively conducted by calculating and examining several Key Performance Indicators (KPIs). These KPIs offer valuable insights into user engagement, viewing habits, and content preferences. One crucial KPI is the Subscriber Growth Rate, which measures subscribers' percentage increase or decrease over a specified period. It is calculated as  $[(\text{Ending Subscribers} - \text{Starting Subscribers}) / \text{Starting Subscribers}] * 100$ .

Another essential metric is the Average Viewing Time, which signifies the average duration users spend consuming content on the OTT platform. This metric is computed as Total Viewing Time divided by the Number of Viewers. Engagement Rate is a pivotal indicator that gauges the level of user interaction and activity on the platform. It encompasses watching videos, liking, sharing, or commenting on content. The formula for Engagement Rate is  $(\text{Number of Engagements} / \text{Total Users or Viewers}) * 100$ .

Moreover, analyzing content consumption patterns provides valuable user preferences and behavior insights. This involves examining factors such as the most-watched genres, popular shows, or the average number of episodes watched per session. Interactive dashboards are created using Microsoft Power BI to facilitate the analysis and visualization of these KPIs. These dashboards offer a comprehensive overview of consumer behavior trends and enable stakeholders to make data-driven decisions to optimize content offerings and enhance user experiences on the OTT platform.

**Table 2:** Input data

S. No.	Attribute	Data Type	Description
1	Name	Categorical	Name of the consumer
2	Gender	Categorical	Gender of the consumer
3	Age	Categorical	Age of the consumer (In Years)
4	Profession	Categorical	Profession of the consumer
5	Subscription Start Date	Categorical	When did the consumer start the subscription
6	Usage Duration (Days)	Categorical	How long the consumer has been using OTT platforms
7	Multiple Subscription	Categorical	Does the consumer have subscription of multiple OTT Platforms?
8	Switching Frequency	Categorical	If yes, how frequently does the consumer switch between the Platforms?
9	Primary Platform	Categorical	Primary OTT Platform of the consumer
10	Subscription Cost	Ordinal	Cost Of Subscription of primary platform

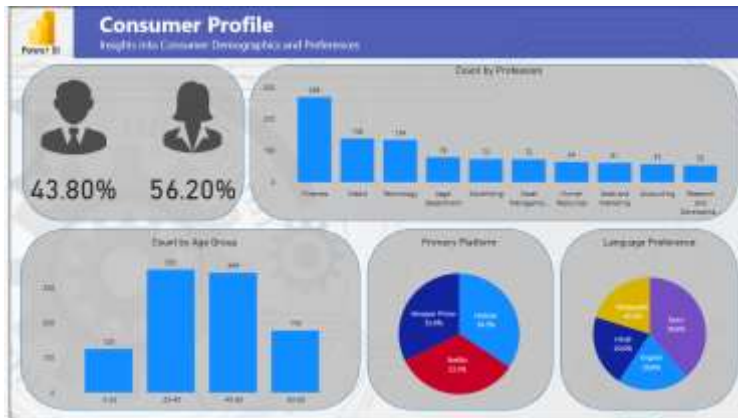
11	Cost per screen	Ordinal	Cost per screen in primary platform
12	Data Consumption	Ordinal	Average data consumption in primary platform
13	Content Varity	Ordinal	Varity of Content Available in primary platform (Availability of content of various Genre)
14	Content Language	Ordinal	Availability of content in different languages in primary platform (International, National and Regional)
15	Content Quantity	Ordinal	Quantity of content available in primary platform
16	Content Quality	Ordinal	Quality of content available in primary platform
17	Content Frequency	Ordinal	Frequency of release of new content on primary platform
18	Experience and Add - on Services	Ordinal	Platform Experience and Add -on Services of primary platform
19	Content Recommendation	Ordinal	Closeness of recommended content on primary platform
20	Churn	Ordinal	Plan of changing the primary OTT platform

**Source:** Authors' own

In examining machine learning predictions on OTT platform data, it's crucial to acknowledge limitations. Environmental factors like location and political intervention can significantly influence consumer churn but are not accounted for in this project. Regarding tools utilized, the input file is initially retrieved from the Snowflake database as a CSV file, and data verification is conducted using Microsoft Excel to ensure accuracy and reliability.

### **Exploratory data analysis**

The input data file has been fed into Power BI, and dashboards have been created to perform Exploratory Data Analysis (EDA), which is part of the secondary objective of this study. In this section, insights have been extracted around Consumer Demographics and Preferences. Figure 1 indicates the Consumer Profile Dashboard.



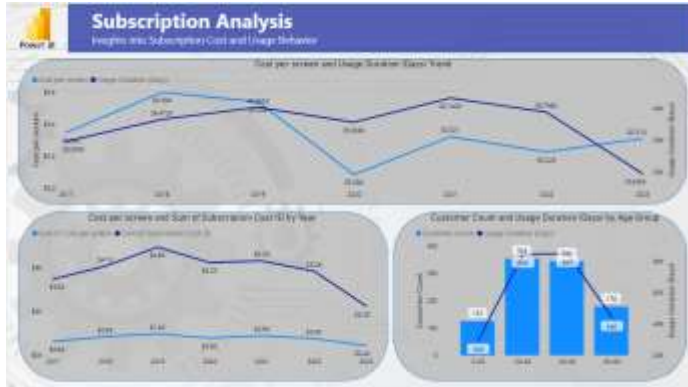
**Figure 1:** Consumer Profile Dashboard  
**Source:** Authors' own

### *Inferences*

The analysis reveals several key insights about consumer preferences on the OTT platform. Firstly, a significant portion, accounting for 56% of consumers, are female. Highlighting content tailored for female audiences can potentially attract more consumers, and personalized content based on gender can enhance the overall user experience. Secondly, the majority of consumers fall within the age range of 20 to 60 years. Strategies should be implemented to cater to consumers outside of this age group to broaden the platform's appeal. Thirdly, prominent platforms such as Netflix, Hotstar, and Amazon Prime are preferred among consumers, indicating the importance of optimizing content for these platforms. Additionally, the primary language preference is Tamil, suggesting a focus on promoting Tamil-based content to align with consumer preferences. Lastly, while the majority of consumers are in the finance industry, this factor has minimal impact on entertainment choices. However, creating new content tailored to professional preferences may attract niche audiences within this demographic. Overall, these insights provide valuable guidance for content creation and platform optimization to better serve consumer needs and preferences.

### **Subscription Analysis**

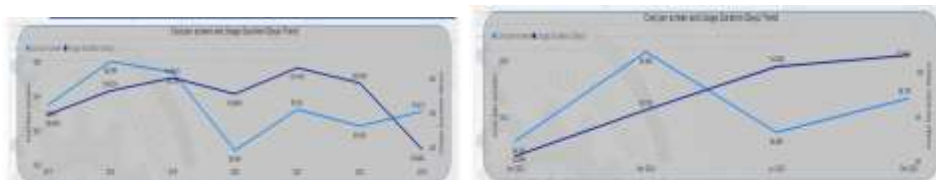
This section has been created to provide insight into subscription-related issues for these OTT platforms (Sundaravel & Elangovan, 2020). The dashboard screenshot is shown below.



**Figure 2:** Subscription Analysis Dashboard  
Source: Authors' own

**Inferences**

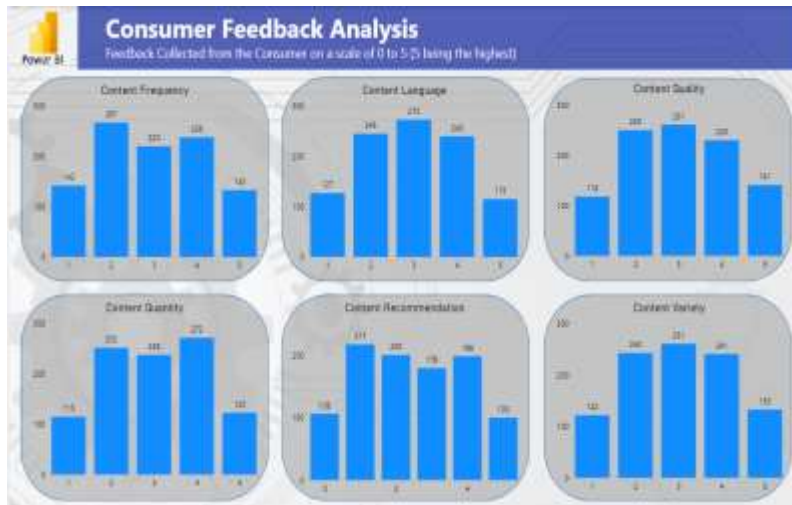
Over the years, despite reductions in subscription costs, there has been a noticeable decline in usage duration on OTT platforms. This trend could be indicative of users churning and transitioning to different platforms. Furthermore, assessing if usage patterns exhibit seasonality, with fluctuations in activity across different months, could provide valuable insights. Additionally, it's observed that the cost per screen and subscription expenses reached a peak in 2019, followed by a subsequent decline, possibly influenced by external factors like the COVID-19 pandemic. Strategies could be devised to enhance both prices to optimize revenue. Notably, users aged between 30 to 60 demonstrate twice the usage duration compared to other age groups, suggesting opportunities for tailored engagement initiatives to captivate users beyond this demographic. Examining further, the cost per screen was at its lowest in 2020, with a subsequent increase till April, coinciding with a steady rise in usage duration during that period. This trend might be attributed to the onset of the COVID-19 pandemic, which began to peak around April 2020, influencing consumer behavior and viewing habits.



**Figure 3:** Subscription Analysis- Cost per screen and Usage trend  
Source: Authors' own

## Consumer Feedback Analysis

The input data also includes consumer feedback based on different factors, all on a scale from 0 to 5, with 0 being the lowest rate and 5 being the highest.



**Figure 4:** Consumer Feedback Analysis Dashboard

**Source:** Authors' own

## Inferences

Consumer feedback provides insights into the OTT platform's content offerings (Kour et al., 2022). While opinions on content frequency are mixed, suggesting a need for more frequent introductions or updates, most consumers rate language availability as average, indicating a satisfactory variety of languages offered. Moreover, assessments of content quality and quantity appear favorable. However, consumer opinions on content recommendation are divided, indicating room for improvement to enhance user satisfaction and the likelihood of recommending content to others. Nonetheless, feedback suggests that content variety is generally perceived as good, with most users rating it between average and good, indicating a positive aspect of the platform's content diversity.

## Consumer Churn Calculation

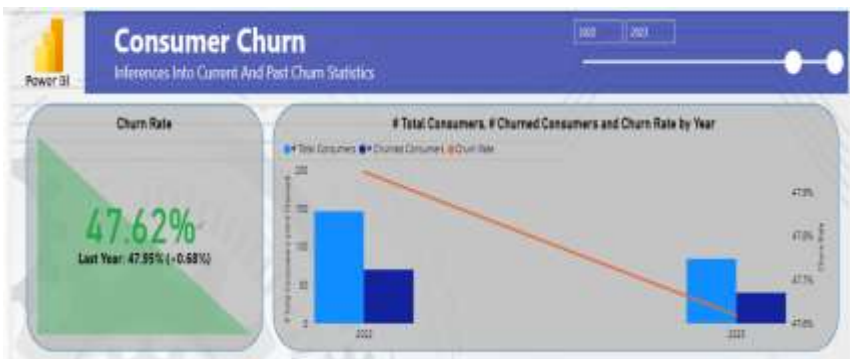
The input data loaded into Power BI is further used to calculate the Consumer Churn Rate based on historical data. The dashboard showcases insights about how the platform performs compared to the previous year. The data can be sliced and diced to see the metrics as old as 2017.



**Figure 5: Consumer Churn Dashboard**  
**Source: Authors' own**

**Inferences**

The Churn Rate for the 2023 period comes out to be 47.62%, which is an improvement in 2022 as the Churn Rate KPI is defined as a lower is better KPI. Last year's churn rate came out to be 47.95%, which means we are doing better this year, and that's why it is indicated in green. However, a second look at the bar chart beside the KPI indicator shows that the number of customers who churned has drastically decreased. This might be because of insufficient data for 2023. This means that even though we have a better Churn rate, the consumer count (total and churned) has decreased, which might need improvement.



**Figure 6: Consumer Churn 2022-23**  
**Source: Authors' own**

When the dashboard is filtered for the age group 40-60, as shown in the below figure, we see that the Churn rate increases to 60% and that, for the last year, it was just around 39%. Also, the number of customers who churned and the total customers are similar. So, the OTT platform decision-makers need to identify the reason for such a sharp increase in the churn rate and take necessary action to engage consumers aged between 40 and 60.



**Figure 7:** Consumer Churn: Age Group 40-60

**Source:** Authors' own

### Consumer Churn Prediction

Once the current churn rate is calculated and analyzed, the data is used to predict whether a customer will churn by creating a machine-learning model using Python. Before making the model and feeding the data into it, the data is subjected to preprocessing and other techniques necessary as part of predictive modeling.

#### *Model selection – logistic regression*

The equation of the logistic regression model is as follows:

$$P(y=1) = \frac{1}{1 + e^{-(b_0 + b_1x_1 + b_2x_2 + \dots + b_nx_n)}}$$

Where:

- $P(y=1)$  is the probability of the event (binary outcome) occurring.



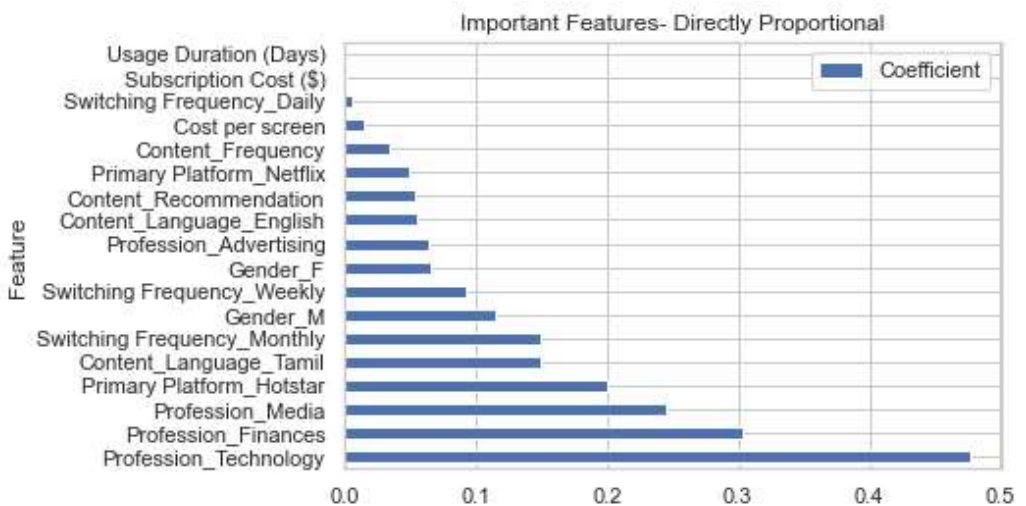
- $e$  is the base of the natural logarithm.
- $b_0$  is the intercept term.
- $b_1, b_2, \dots, b_n$  are the coefficients corresponding to the predictor variables  $x_1, x_2, \dots, x_n$  respectively.

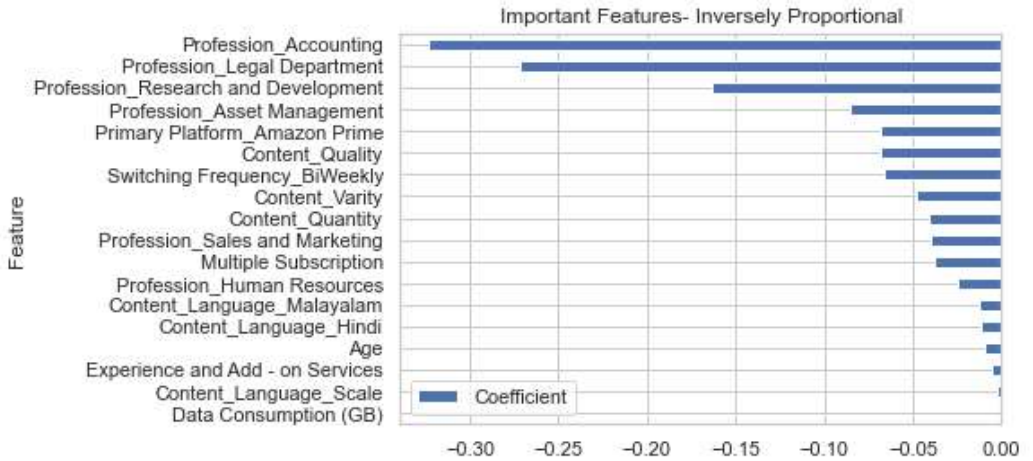
**Equation 1:** Logistic Regression Equation

To make predictions, the logistic regression model calculates the probability of the event occurring and then converts it into a binary outcome by applying a threshold (e.g., 0.5). If the probability is above the threshold, the predicted outcome is "1" (positive class); otherwise, it is "0" (negative class). It is applicable in this study as well since the prediction will be whether the customer has churned (Churn column: 1) or not (Churn column: 0).

### ***PREPROCESSING – FEATURE ENGINEERING***

Initially, the data is subjected to preprocessing, where feature engineering is carried out to find the points that will contribute the maximum to predicting consumer churn. Feature engineering is the process of selecting, transforming, and creating new features from raw data to improve the performance of machine learning models. It involves extracting relevant information from the original dataset and creating meaningful representations that enhance the model's ability to learn patterns and make accurate predictions. For the study, the data points (columns) in the input data were fed into the feature engineering model, and the results are documented below.





**Figure 8:** Feature Engineering Results  
**Source:** Authors' own

The plot shows the data points (features) that will affect Consumer churn directly or inversely. These are the features chosen alone to be fed into the Machine Learning model, as feeding these alone will give a more accurate model instead of feeding all the features.

**DEPLOYMENT AND PREDICTION**

Now, the processed data is fed into the Logistic Regression model. Model accuracy is calculated, then the model is used to predict the test data.

```

Python Console
Console [X, X]
Results: Logit
-----
Model:                               Logit                               Pseudo R-squared: 0.039
Dependent Variable:                   Churn                               AIC: 996.3199
Date: 2023-07-30 10:06                 BIC: 1141.9544
No. Observations: 799                  Log Likelihood: -466.16
DF Model: 31                            LL-Null: -485.13
DF Residuals: 668                       LLR p-value: 0.18127
Converged: 1.0000                       Scale: 1.0000
No. Iterations: 8.0000
-----
              Coef.      Std. Err.      z    P>|z|    [0.025    0.975]
-----+-----
Age          -0.0084      0.0048    -1.7621  0.0781    -0.0178    0.0009
Usage Duration (Days)  0.0001      0.0005     0.1481  0.8886    -0.0010    0.0011
Multiple Subscription  0.0099      0.1689     0.0612  0.9512    -0.3055    0.3152
Subscription Cost ($)  0.0074      0.0060     1.2357  0.2166    -0.0043    0.0192
Cost per screen      0.0082      0.0198     0.2769  0.7819    -0.0501    0.0666
Data Consumption (GB) -0.0004      0.0006    -0.5861  0.4926    -0.0016    0.0008
Content Varity       -0.0045      0.0054    -0.8066  0.3238    -0.1927    0.0637
Content_Language_Scale -0.0083      0.0043    -1.7292  0.0722    -0.1344    0.1178
Content_Quantity     -0.0433      0.0059    -9.5578  0.5107    -0.1725    0.0858
Content_Quality      -0.0054      0.0046    -1.1922  0.2328    -0.1311    0.1212
Content_Frequency    0.0537      0.0017     9.5791  0.3842    -0.0673    0.1747
Experience and Add - on Services -0.0032      0.0035    -0.9623  0.3503    -0.1042    0.0977
Content Recommendation  0.0168      0.0014     9.3289  0.7437    -0.0040    0.1176
Gender_F           0.0496    1904444.5033  -0.0000  1.0000   -3889439.9129  3889439.8237
Gender_M           0.2866    2940063.3054  0.0000  1.0000   -5762417.9841  5762418.3975
Profession_Accounting  0.5289    11243821.1607  -0.0000  1.0000   -22037485.0525  20637483.9947
Profession_Advertising -0.1629    6234858.2129  -0.0000  1.0000   -12220097.7089  12220097.3831
Profession_Asset Management -0.0660    9388263.9362  -0.0000  1.0000   -18400055.2547  18400055.1220
    
```

```

Profession_Finances      0.2286  9676782.5813  0.0000  1.0000  -18966145.1169  18966145.5741
Profession_Human_Resources -0.0092  10147921.6005 -0.0000  1.0000  -19889561.0210  19889561.0026
Profession_Legal_Department -0.4218  3784589.8185 -0.0000  1.0000  -19177444.0657  19177443.2258
Profession_Media        0.3898  11013988.6866  0.0000  1.0000  -21587020.7621  21587021.5417
Profession_Research_and_Development 0.0370  9011287.3631  0.0000  1.0000  -17661798.6490  17661798.7238
Profession_Sales_and_Marketing -0.1038  10282192.2065 -0.0000  1.0000  -20152726.5098  20152726.3038
Profession_Technology    0.7935  9580929.2622  0.0000  1.0000  -18778275.4989  18778277.0860
Switching_Frequency_3toWeekly -0.1088  4385220.0099 -0.0000  1.0000  -8594873.5493  8594873.3317
Switching_Frequency_Daily 0.1244  3810287.4418  0.0000  1.0000  -7460026.0322  7460026.2018
Switching_Frequency_Monthly 0.1181  4383261.0264  0.0000  1.0000  -8591033.6285  8591033.8647
Switching_Frequency_Weekly 0.0233  4218734.2134  0.0000  1.0000  -8268567.0952  8268567.1419
Primary_Platform_Amazon_Prime -0.1272      nan      nan      nan      nan      nan
Primary_Platform_Hotstar  0.2392      nan      nan      nan      nan      nan
Primary_Platform_NetFlix  0.0451      nan      nan      nan      nan      nan
Content_Language_English -0.0534      nan      nan      nan      nan      nan
Content_Language_Hindi    0.1130      nan      nan      nan      nan      nan
Content_Language_Malayalam 0.0336      nan      nan      nan      nan      nan
Content_Language_Tamil    0.0638      nan      nan      nan      nan      nan
-----
Logistic Regression model accuracy: 0.48
    
```

**Figure 9:** Model Output and Prediction Accuracy  
**Source:** Authors own

The model output is displayed, and the prediction accuracy with the test data is calculated at **48%**. This accuracy can be further improved by selecting different models and introducing more preprocessing techniques. Improving the model's accuracy is separate from this study's scope as the aim is to understand how OTT platforms can do churn prediction.

**CONSUMER BEHAVIOR ANALYSIS**

Understanding consumer behavior is of utmost importance for OTT platforms as it enables them to offer personalized content recommendations, enhance the user experience, and reduce churn rates. By analyzing user behavior, platforms can optimize their content strategy, target specific audiences with tailored marketing campaigns, and make data-driven content acquisition and investment decisions. A deep understanding of consumer behavior empowers OTT platforms to create a more satisfying and engaging user experience, ultimately contributing to their success in the highly competitive digital entertainment industry. The input data used for the study will also be used to create a dashboard for understanding consumer behavior.



**Figure 10:** Consumer Behavior Dashboard  
**Source:** Authors' own

## Inferences

When filtered for the last year, the growth rate comes out to be 57.53%, and the engagement rate is 42.61%. Also, the average viewing time comes out to be 254 days. All these KPIs show healthy values for the business.

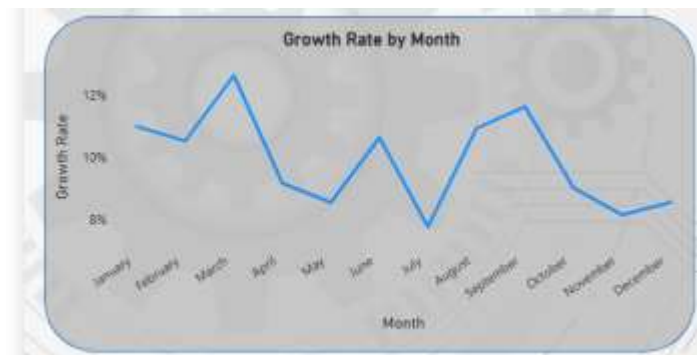


**Figure 11:** Consumer Behavior Dashboard – 2022-23

**Source:** Authors' own

Whereas when one sees the dashboard considering all the years, i.e., for 2017 (fig.10) as the starting point, it can be seen that the growth rate and engagement rate are displaying diminished values of around 10% and 30%, respectively. So, although last year's performance was very good, when we changed the point study spider to more political data, the performance fell and was below average.

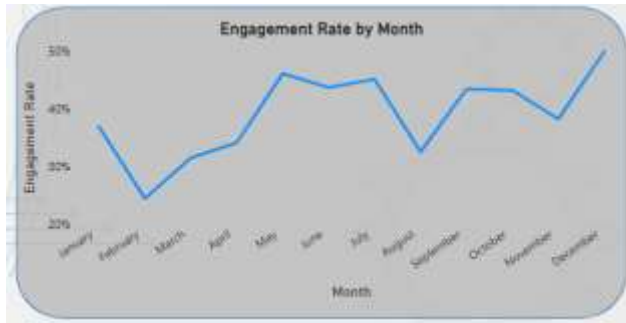
On analyzing the monthly trend for growth rate, it can be seen that the KPI dips to a minimum during June- July. A few possible reasons for this are because the existing consumers churned out as no new content was available, or it could also be because of the beginning of new terms in schools and colleges, which caused a decrease in the growth of new consumers.



**Figure 12:** Consumer Behavior Dashboard – Growth Rate (Month on Month)

**Source:** Authors' own

On analyzing the monthly trend for Growth rate, it can be seen that the KPI rises month on month. It can be inferred that there will be more engagement during the year's second half. A possible reason for this is that most of the TV series content's new seasons are aired from September to December.



**Figure 13:** Consumer Behavior Dashboard – Engagement Rate  
**Source:** Authors' own

## CONCLUSIONS

In conclusion, the study "Leveraging Data and Analytics to Generate Consumer 360-Degree Insights for OTT Platforms" has provided valuable insights into understanding and enhancing the performance of Over-The-Top (OTT) platforms. By analyzing consumer data and employing advanced analytics, we have comprehensively understood consumers' preferences, behaviors, and patterns. The study has highlighted the importance of content frequency, recommendation, and variety in engaging and retaining consumers. The findings suggest that introducing or updating new content more frequently can positively impact consumer engagement. Moreover, steps should be taken to improve content recommendation algorithms to enhance user satisfaction and increase the likelihood of content sharing among users.

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**PANIC BUYING BEHAVIOUR DURING COVID-19 PANDEMIC:  
EXPLORATION OF CHALLENGES AND THE COPING STRATEGIES  
USED BY THE SUPERMARKET INDUSTRY IN THE COLOMBO  
DISTRICT**

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**ABSTRACT**

The phenomenon of panic purchasing is a prevalent occurrence amid times of crisis. The recent outbreak of the COVID-19 pandemic has notably escalated this behaviour within the context of Sri Lanka. This has been studied within the Sri Lankan setting, specifically focusing on its impact on the supermarket sector. Therefore, this research aims to reveal the challenges experienced by supermarket management as a result of panic buying behaviour, as well as the coping strategies used to overcome them. Given that panic buying is a relatively novel phenomenon in the Sri Lankan landscape. Therefore, the research adopts a qualitative methodological approach to address the research problem comprehensively. The data was collected through eight semi-structured interviews with supermarket managers. Participants were selected by using a non-probability convenient sampling technique. Interview data were analyzed by using content analysis. This study discovered the challenges faced by the supermarket industry during the COVID-19 pandemic due to panic buying behaviour. Customer retention, order management, ensuring employee safety, stock shortages, theft in supermarkets, online order fulfilment, and queue management are identified as challenges in this study. Researchers also discovered ways of managing increasing orders, keeping consumers and employees safe, dealing with

supply shortages, overcoming online order delivery challenges, overcoming shoplifting, and working long lines. By offering fresh insights into the ramifications of consumer panic buying behaviour, this study contributes novel perspectives regarding its influence on the Sri Lankan supermarket industry.

**Keywords:** *Crisis or Covid-19 Pandemic, Challenges, Consumer behaviour, Panic Buying Behavior, Supermarket Industry*

## 1. INTRODUCTION

Due to the frequency of crises, the world's stability is constantly precarious. COVID-19 has most recently evolved as the central depressing truth underlying the operations of various enterprises in Sri Lanka, including the retail sector. Consumer behaviour is a developing field that has already captured the interest of many academics in the modern world. Consumer behaviour is particularly vulnerable to unforeseen circumstances like COVID-19. Consumer behaviour is flexible and changes based on the type of environment they are in. Panic buying behaviour is a kind of abnormal behaviour of consumers that could be realized due to the different crises. Surprisingly, One-third of consumers in the world intend to stockpile essential goods unnecessarily (Roy et al., 2020). Governments and retailers had to deal with several negative consequences resulting from consumers' panic buying patterns during the COVID-19 Pandemic. As a result of consumers' unexpected panic buying behaviour, a shortage of products was created (Syhrivar et al., 2020). Therefore, this unusual buying pattern should be further investigated in various contexts to understand the concept better.

During the COVID-19 outbreak in Sri Lanka, many people displayed strange shopping behaviours at certain retail stores (Weerasinghe & Selvarajan, 2021). The supermarket sector is becoming tremendously popular and fiercely competitive in Sri Lanka (Dmidp, 2021). The operation of typical supermarket supply chains was hampered by panic buying, which presented a significant challenge to the supermarket retail sector (Hobbs, 2020). Supermarkets had to immediately respond to the impact of customer demand, which included panic buying and a shift in commodity purchasing practices. Therefore, changes in the external environment and crisis occurrences were among the issues confronting the supermarket retail industry, which needed to be anticipated, prepared for, relieved, and



addressed (Nocera & Gardoni, 2019).

The literature still needs improvement and development in consumer purchasing behaviour during pandemics, specifically in the Sri Lankan context (Nawarathne & Galdolage, 2022). The practice of panic buying is widespread in Sri Lankan society as well as throughout the world during the COVID-19 pandemic. The Sri Lankan supermarket industry faced challenges due to panic buying behaviour during the COVID-19 pandemic. According to Latta et al. (2020), there is minimal theoretical foundation relevant to panic behaviour during the pandemic, and it is much more difficult to generalize the knowledge of one context to another. While dealing with emergencies, managers and employees of businesses require a proper source of knowledge to apply efficient practices. Hence, there is an immediate need to conduct a study assisting supermarket managers in Sri Lanka while facing unexpected situations like the COVID-19 pandemic.

This study will likely add new sources of knowledge about consumer panic buying behaviour to the existing consumer behaviour literature in the Sri Lankan setting. This study aims to determine the challenges faced and coping mechanisms implemented by supermarket management to deal with panic buying during the COVID-19 pandemic. Finally, by considering all the above facts, I developed my research problem: ***"What are the challenges faced and the strategies used by the supermarkets in Colombo District to cope with the panic buying behaviour during COVID-19 Pandemic?"***

## **2. LITERATURE REVIEW**

Many crises include pandemics, natural disasters, and economic recessions. In 1918-1920 (Aassve et al., 2021), the Spanish flu was one of the most notable global crises that spread over the countries due to not finding a vaccine (Hobbins, 2020). Similarly, Severe Acute Respiratory Syndrome (SARS) spread widely throughout China in November 2002 (Xu et al., 2004). Novel Coronavirus was first discovered in late 2019 in Wuhan, China (Li et al., 2020). Therefore, firms need the necessary understanding to develop effective crisis management strategies.

There are numerous negative implications of panic buying. The large amount and unusual frequency of purchases are signs of panic buying (Prentice et al., 2022). Since the beginning of the COVID-19 outbreak, Customers have shown stockpiling behaviour that notably differed from their typical shopping behaviour (Pantano et al., 2020). Panic buying

behaviour will impact the retail industry's short-term and longer-term operations (Hendricks et al., 2020). The effects of stockpiling are most felt by the most vulnerable consumers, such as the elderly and people with disabilities (Prentice et al., 2022). Consumers' price sensitivity was also impacted by panic buying. During the emergency, many consumers accepted price rises to 300 per cent for specific good categories (Pantano et al., 2020). During times of crisis, the supermarket industry faces many difficulties. For instance, retailers and brands face health and safety, supply chain, workforce, cash flow, consumer demand, and sales and marketing issues (Donthu & Gustafsson, 2020). Retailers must take action to lessen the expected effects of stockpiling and panic buying (Prentice et al., 2020). These are known as retailer interventions (Prentice et al., 2020). For instance, supermarkets in Australia have introduced a limit to one transaction at the same store (Kelly, 2020). To develop strategies for surviving and successfully recovering from a crisis like the COVID-19 pandemic, supermarket retailers must first understand how consumers behave during the pandemic (Ali et al., 2020). Considering the information presented above, it is evident that the supermarket industry is facing issues due to panic buying behaviour. Therefore, changes in the external environment and crisis occurrences were among the issues confronting the supermarket retail industry, which needed to be anticipated, prepared for, relieved, and addressed (Nocera & Gardoni, 2019).

According to Latta et al. (2020), there is minimal theoretical foundation relevant to panic behaviour during the pandemic; It is much more difficult to generalize the knowledge of one context to another. Therefore, generalizing the findings relating to panic buying in another country to the Sri Lankan context is impossible. Therefore, this research adds fresh insights into consumer behaviour in the Sri Lankan context.

### **3. METHODOLOGY**

This study investigated the challenges faced by the supermarket industry due to panic buying and the strategies used by supermarket managers to overcome those challenges during the COVID-19 pandemic. Therefore, the most suited research paradigm for this study is the interpretivism approach because the interpretive approach is primarily concerned with the perceptions and outcomes of social actors (Saunders et al., 2009). The literature on consumer panic buying behaviour needs to be explored in the context of Sri Lanka. Therefore, qualitative methodology is the most

appropriate research methodology because qualitative research is best suited to investigating new, unresolved, and complex issues (Goulding, 2005). The survey strategy is frequently used in descriptive and exploratory research to gather data about a person, event, or situation (Sekaran & Bougie, 2016). This study is also exploratory, and I collected data from several supermarket chains in the Colombo district in Sri Lanka. Eight semi-structured interviews were conducted with supermarket managers in the Colombo district. One interview lasted 20 to 30 minutes until the necessary information was collected. Finally, the interviews were transcribed into a Word document. The participant profile is attached below.

**Table 01:** Profile of Participants

<b>Respondent</b>	<b>Scale</b>	<b>Gender</b>	<b>Position</b>
Respondent 1	Medium	Male	Manager
Respondent 2	Large	Male	Manager
Respondent 3	Large	Female	Manager
Respondent 4	Large	Male	Manager
Respondent 5	Medium	Male	Manager
Respondent 6	Medium	Female	Manager
Respondent 7	Small	Male	Manager
Respondent 8	Small	Female	Manager

**Source:** Authors' own

## **4. DATA ANALYSIS AND RESULTS**

The study intends to investigate the challenges faced and strategies employed by supermarket managers in the Colombo district during the Covid-19 pandemic. The content analysis methodology is used to analyze the interview data. The findings are summarized below.

### **Challenges**

#### **4.1 Customer Retention Challenges**

The first challenge identified by the researcher through the interview is customer retention.

##### *4.1.1. Purchase Restrictions*

During the period of COVID-19, supermarkets limited the number of products per customer. The problem was highlighted by respondents one and seven as follows.

*“The limitation comes mainly for the essential items. For example, imagine I’m a customer and I am going to purchase 5 kg of rice. But we can issue just 2 kg only. There is no argument that the customer gets dissatisfied in such scenarios” (Respondent 1).*

*“We had to limit the amount of some products. With the situation, customers should understand, and even talking about that with customers is hard” (Respondent 7).*

#### *4.1.2. Purchasing products from neighboring stores*

During the COVID-19 pandemic, customers are always trying to protect themselves from the transmission of the virus. Therefore, people try to buy necessities from neighboring stores to protect themselves from the virus.

*“As well as a Supermarket we could not reach our customers. Because of that customer started buying from the nearest retail store, which helped them during the difficult time. Some customers have shifted to other supermarkets, and some have shifted to Lorries who are selling goods” (Respondent 1)*

*“Retaining customers is a little bit difficult. The main reason for this is because customers are attempting to get supplies from nearby stores due to travel restrictions during the COVID-19” (Respondent 6)*

## **4.2. Order Management Challenges**

### *4.2.1. Increase in online orders*

During the COVID-19 pandemic, online ordering platforms were popular among customers. The number of online orders increased due to the panic buying behaviours of people. The first respondent presented his view on the online platform as follows.

*“Online platforms were there in Sri Lanka earlier, but it spread mostly among the customers as a result of COVID-19” (Respondent 1).*

### *4.2.2. Insufficient staff to handle orders*

Not only the online orders but also the sales of the outlets also increased rapidly due to the panic buying behaviours. This made it difficult for supermarket managers to keep up with the rising demand. Respondents five

and six expressed the following views on the increase in demand:

*“Some days when there is panic buying, even our staff can't handle it. As soon as the government sets a curfew period, customers come and buy more than usual” (Respondent 5)*

*“So, it's very hard to cater to the increasing demand of customers caused by the panic buying of consumers.” (Respondent 6)*

### **4.3. Challenges Regarding Employee Safety and Customer Safety**

During the Covid-19 pandemic, there is a high risk of transmitting the virus from person to person due to public gatherings. Respondents one, five commented as follows.

*“The next problem usually comes when we are dealing with employee safety.” (Respondent 1)*

*“We must look after the safety of our staff as well as the customers. That is what we were most concerned about. (Respondent 5).*

## **4. 4. Stock Shortages**

### *4.4.1. Empty Shelves in Supermarkets*

Stockouts result in empty shelves at the supermarket. Therefore, managers need to take relevant actions to mitigate the negative consequences of stockouts. Respondents seven expressed their thoughts on stock-outs as below.

*“Some days, the racks were empty, because a lockdown was announced, and people would come and buy anything in the outlet.” (Respondent 7)*

### *4.4.2. Challenges regarding stocking perishable items.*

Supermarket managers encounter considerable challenges when it comes to overstocking perishable commodities such as vegetables and bakery items due to stock shortages. Respondent 4 presented his views on the above challenge as follows.

*“To manage the stock, some things are possible, and some are not. The main things that cannot be done are fresh items and bakery items.*

*Vegetables are what we get daily. Vegetable overstock will not be sent. Because thinking about the waste” (Respondent 4)*

#### **4.5. Shoplifting**

During panic buying, the chance of theft at supermarkets increases. The perspective of the sixth respondent can be stated as follows.

*“People steal the product as a result of panic buying behaviours. For our business, it was a difficult obstacle to overcome.” (Respondent6)*

#### **4.6. Queue Management**

Managing long queues is another challenge faced by supermarket management because of panic buying behaviours. Respondents one, three, and six stated their opinions as follows.

*“When there is no more to give, it will be limited as I said. People in the queue are trying to scold or to break the doors.” (Respondent 3)*

*“Normally in our outlets, we are not maintaining ques. We constantly work to prioritize our customers by providing their orders quickly without placing them in line” (Respondent 6.)*

To reduce the spread of the COVID-19 virus supermarkets limited access to supermarket outlets. In addition to that, people act rudely when supermarket managers inform them about stockouts.

### **Strategies**

#### **4.7 Customer Retention Strategies**

##### *4.7.1. Call Campaigns*

Some supermarkets conducted mobile phone surveys to determine why customers were not visiting their stores. Then supermarkets offered solutions for the problems faced by customers.

*“We have already done a call campaign to retain our customers. Normally, we called 500 regular customers to find out why they didn't visit the supermarket outlet. We asked for reasons for the departure and made arrangements to bring them back to us” (Respondent 1).*

#### 4.7.2. Bringing products to customer doorsteps

People started to buy products from neighboring stores during this covid-19 pandemic. To solve this problem, supermarkets started bringing their goods right up to consumers' doorsteps.

*"The goods will be billed and the person from Three-Wheel will take them to the respective house. Also, they got a pass from the police. Before opening the outlet, during the Covid period, it was taken by mobile vehicles and sold inside the villages (Respondent 3).*

*"There are other vehicles apart from Cargills Online vehicles. It's called Cargills Essential Service. A bag of essential dry items was made for different price ranges. We went to the locked areas by using Lorries." (Respondent 7)*

### 4.8. Strategies used to ensure customer and employee safety

#### 4.8.1. Allocated employees as a group to prevent virus transmission to all the employees.

Some supermarket managers allocated their employees to work as a group to protect them from the virus. This tactic prevents the spread of the infection to all the employees at once.

*"We allocate our employees to work as groups to protect them from the virus". (Respondent 6)*

#### 4.8.2. Entry Restrictions

Some supermarkets limited the number of customers allowed inside to prevent the spread of infections to customers and employees.

*"Only a limited number of people are allowed inside". (Respondent 3)*

#### 4.8.3. Safety Guidelines for employees as well as for customers

To protect its employees from the COVID-19 virus, supermarket management used hand sanitisers, face masks, and face shields, as well as protective covers for cashiers. Respondents three, and seven expressed their ideas as follows.

*“The mask should be worn properly. The sink is placed, and you have to wash your hands and come inside after sanitizing. Also, we have covered the cashier and the waiting area.” (Respondent 3).*

*“There were safety guidelines to follow for our staff. Like, using hand sanitiser, wearing face masks, face shields, and gloves. (Respondent 7).*

#### **4.9. Queue Management Strategies**

Panic buying behaviour caused queues in front of the supermarkets. Supermarkets encountered many difficulties when managing the lines. Therefore, supermarket management took several strategies to overcome this issue.

##### *4.9.1. Getting the help of police officers to manage the queues during the pandemic.*

Many supermarket managers sought the assistance of police officers to manage the lines in front of their outlets. Respondent One stated his opinion as follows.

*“We are not interfering in managing the queues. Because it’s not under our control. During the COVID-19 pandemic, there were police officers in front of the supermarkets to manage the queues.” (Respondent 1).*

##### *4.9.2. Increase the number of Cashiers and employees in the outlets.*

Supermarket managers increased the number of employees who are working in a shift to cater to the customers efficiently.

*“Adding more cashiers to the outlets was another tactic we used to manage the queue during panic buying behaviour situations. We have increased the number of personnel working in a single shift.” (Respondent 6).*

#### **4.10. Strategies used to overcome the shoplifting**

Panic buying behaviour increases theft in supermarket outlets. Supermarket managers utilized several techniques to overcome this issue. Supermarket managers used CCTV to detect theft in outlets. Staff are well trained to act in this type of circumstance. Moreover, supermarket managers check susceptible customers to detect theft in their outlets. Respondents four and six expressed their thoughts on the subject as follows.



*“We used our CCTV operations to monitor the behaviour of the people during panic buying periods. As well we checked susceptible customers. Our staff was well trained to perform those tasks” (Respondent 4)*

*“There is an order in which people steal. We did an analysis. Cheese, cashew, and chocolate are the things that thieves steal in supermarkets. We are watching the CCTV operation thoroughly.” (Respondent 6)*

#### **4.11. Strategies used to overcome stock shortages**

Stock shortages are frequently experienced as a result of people's panic buying behaviour. Supermarkets used several strategies to address this issue.

##### *4.11.1. Placing additional orders*

Many supermarket managers placed additional orders to overcome stock shortages. Respondents three and five expressed their opinions as stated below.

*“Perhaps if stocks are missing, the head office will be informed and brought from the outlets that have more. (Respondent 3)*

*“We can place an additional order. If we want more vegetables, we can place an additional order. (Respondent 5).*

##### *4.11.2. Product substitution*

Product substitution is another strategy used by supermarket managers to overcome stock shortages. It means that if one brand is unavailable, supermarket managers will substitute another brand.

*“If there are stockouts in one brand, we are trying to order products from alternative suppliers” (Respondent 6).*

## **5. DISCUSSION OF THE FINDINGS**

This research aims to discover the challenges and strategies supermarket management employs in response to panic buying behaviour during the COVID-19 pandemic. Previous researchers indicated that stock shortages of goods in supermarkets are one of the negative consequences of panic buying

behaviour (Prentice et al., 2020). In this study, the researchers also discovered that the supermarket industry struggles with supply shortages because of panic consumer behaviour. Supermarket management placed additional orders to overcome the stock shortages. The government-imposed regulations to limit public gatherings resulted in long lines in front of stores (Pantano et al., 2020). In this study, researchers discovered that managing long queues is challenging for supermarket management. To manage the queues, supermarket management requested the assistance of police officers and employees.

Furthermore, the researcher discovered that increased theft in supermarket outlets is another challenge supermarket management faces due to panic buying behaviour. Frontline retail workers are exposed to severe occupational risks from COVID-19 (Mayer et al., 2022). According to this study, the supermarket industry faces a problem guaranteeing employee safety during COVID-19. Furthermore, supermarket management assigns employees to work in groups to limit viral transmission. The results of this study show that panic buying behaviour has dramatically increased sales at supermarket outlets and online orders. Managing the increased number of orders is another difficulty for the supermarket industry during the COVID-19 pandemic. Even the existing staff is needed to cater to the customers' demands.

## **6. CONCLUSION AND CONTRIBUTION**

The researcher identified retention challenges, order management challenges, challenges regarding consumer safety and employee safety, stock shortages, shoplifting, challenges, and queue management as the critical challenges faced by supermarket managers in the Colombo district due to panic buying behaviour during the COVID-19 period. Moreover, researchers discovered several strategies to overcome those challenges. Panic buying behaviour is one of the critical areas underexplored in the Sri Lankan context. The researcher intended to gain a thorough understanding of customer panic buying behaviour in the Colombo district of Sri Lanka through the eyes of supermarket management. In addition, this study facilitates the knowledge of supermarket managers in making the most accurate decisions during unexpected scenarios like the COVID-19 pandemic.

Moreover, managers can make proper decisions and mechanisms to cope

with supply disruptions, inventory management, labour shortages, etc., at the initial presence of signals of a future disastrous event. In addition, policymakers can use this knowledge to mitigate the detrimental implications of people's panic buying behaviour in forthcoming crises. Moreover, this study facilitates policymakers' decision-making to reduce the negative consequences of panic buying behaviour. There is also a lack of knowledge about panic buying behaviour in the Sri Lankan Context. Therefore, this study contributes to the existing knowledge of Sri Lanka by providing fresh insights regarding consumer panic buying behaviour in the Sri Lankan context.

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## **UNDERSTANDING CONSUMER REJECTION OF FACEBOOK ADVERTISING: SPECIAL REFERENCE TO WESTERN PROVINCE SRI LANKA**

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### **ABSTRACT**

In recent years, Facebook has become ubiquitous, with the most critical applications being social networking, content sharing, and online access. Because of its dependability, consistency, and instantaneity, social media opens many opportunities for businesses, such as online marketing. Aside from that, social media marketing faces several challenges in the field. However, in Sri Lanka, consumers are increasingly rejecting Facebook advertising. Therefore, the current study aims to investigate the demotivating factors that cause consumers to reject Facebook advertising. This study followed a quantitative research design under the deductive approach. Two hundred forty questionnaires were collected from the Western province through a self-administered structured questionnaire using purposive sampling. Data were analyzed by using regression analysis. Findings indicated that privacy and security issues, user-generated content, and trademark and copyright issues significantly positively impact consumers who reject Facebook advertising. Surprisingly, negative comments and feedback have not impacted consumers' rejection of Facebook advertising. The results of the present study guide marketers to effectively use Facebook advertising to create more excellent consumer value and gain a competitive edge. Further, this study

will help to overcome the insufficiency in theorizing and experimentally validate both notions concurrently, especially in Sri Lanka, since very few scholars have focused on consumers' rejection of Facebook advertising.

**Keywords:** *Customers rejecting Facebook advertising, Negative comments & feedback, Privacy & security issues, Trademark & copyright issues, User-generated content*

## 1. INTRODUCTION

In the present world, social media plays a crucial role in helping commercial organizations reach new horizons through advertising. Organizations worldwide have started looking into ways to advertise their products and services in new markets and build their brand relationships in response to the fast penetration of clientele made possible by social media platforms. Most organizations that begin as tiny enterprises to become established as massive, worldwide corporate corporations have integrated social media into their primary marketing strategies (Gunawardane et al., 2022). American businesses spend around \$130 billion annually on conventional advertising (such as television, radio, print, and outdoor) to develop their brands and boost sales. However, data suggests that businesses are gradually moving their conventional advertising spending to social media to achieve the same ends (De Vries et al., 2017).

According to the research done by Sarvanakumar and Suganthalakshmi in 2012, the use of social media platforms and websites to promote a product or service is known as social media marketing. Although e-marketing and digital marketing remain dominant in academia, social media marketing is gaining popularity among practitioners and researchers. They frequently use social media platforms such as Facebook, Instagram, Twitter, and TikTok to reach new customers, engage with existing ones, and announce new products or services. Each platform has features that make it appealing to users. When a company uses several in tandem to deliver a multichannel message, customers can see it on their preferred channels. To ensure a successful presence on social media, businesses must consider various marketing theories to boost their brand in various ways. If this can be combined with innovative methods of consumer interaction, companies have a good chance of taking the lead in social media marketing.

According to Kemp, in 2023, 21.86 million people live in Sri Lanka, 14.8 million use the internet, and 6.55 million use Facebook regularly. Further, Sri Lanka was home to 7.20 million social media users in January 2023, representing 32.9 per cent of the total population. Therefore, Facebook is the most widely used social media site in Sri Lanka and outperforms all other social media. Nevertheless, many countries have banned or restricted Facebook access. Other countries' access to the website has also been restricted in various ways. China, Iran, North Korea, Uganda, and Russia are the only countries that continue to block access to the social networking site as of July 2022.

Many researchers have researched the positive impact of social media marketing and the reasons why marketers use social media marketing. However, the researcher identified that more research needs to be done about the factors that affect the rejection of social media marketing platforms. According to the research by Liu & He in 2021, social media is increasingly permeating people's fragmented lives in the digital era. People are gradually surrounded by various information while enjoying the convenience and speed of online socializing. According to research done by Bleier and Eisenbeiss (2015), it is concluded that when young people use social media, they are plagued by unfavourable comparisons, interaction dysfunction, information overload, social overload, and intergenerational communication. In other words, consumers' responses to Facebook advertising can be favourable and unfavourable for several reasons. Companies are increasingly using Facebook advertising to increase post reach, and it has become a crucial strategy to maximize the exposure of the news feed.

Nevertheless, it is well known that consumers often have a negative attitude toward advertising (Li et al., 2002; Speck & Elliott, 1997; Wang et al., 2002), which makes them choose to ignore and avoid knowing of it. According to data from Meta's tools, between 2022 and 2023, Facebook's potential ad reach in Sri Lanka dropped by 600 thousand, or 8.4%. In a more present context, the same data indicates that between October 2022 and January 2023, there was a 450 thousand (-6.4 per cent) decline in the number of Sri Lankan users that marketers could target with Facebook advertising.

Further, the study by Ravichandran (2019) mentioned that consumers are demotivated regarding Facebook advertising. The time and money invested in Facebook activities will be well-spent if appropriate methods carry out



Facebook adoption and usage. Therefore, well-established consumer interaction tactics can help them get more value from their efforts. Many articles have been written about social media advertising or Facebook advertising, and a considerable amount of research has been done on people's motivations for it (Wiese et al., 2020; Al-Abed et al., 2022), but only some have discussed consumer rejection toward Facebook advertising. Hence, the researcher discusses those problems through this research, and the research problem built around this discussion is as follows. Therefore, this paper aims to discover why consumers reject Facebook advertising and how privacy and security issues, user-generated content, negative comments and feedback, and trademark and copyright issues impact Facebook advertising. Finally, this research will help marketers who reject social media advertising platforms to encourage their unique marketing strategies. The research findings help academics enhance their knowledge regarding the demotivators of the Facebook platform.

## **2. LITERATURE REVIEW**

### ***2.1 Theoretical Background***

In this research, the researcher used social exchange Theory. According to social exchange theory, social conduct results from an exchange process intended to maximize the advantages and minimize the disadvantages of social connections (Blau, 1964). Since social networking sites are made for social and business transactions among a network of "friends," the theory easily adapts to the nature of relational interactions on those platforms (Surma, 2015). Miltgen et al. (2019) cited that the dynamics of approach and avoidance in the Facebook context can be better understood by applying social exchange theory. Essentially, consumers must choose whether to approach Facebook advertising by clicking on it or avoid it by not clicking at all or installing an adblocker. They must weigh the value of Facebook advertising against the disruption it causes to the social environment. If commercial communications introduce economic transactions into the actual flow of exchanges, they would be unwanted. Adblocker usage is on the rise, and consumers are rejecting promotional messages of any type. Using the social exchange theory lens to analyze consumer responses to Facebook advertisements helps explain why consumers have inconsistent feelings about online advertising and what avoidance or approach-based behavioural tactics they may use.

## ***2.2 Customers Rejecting Facebook Advertising***

Avoidance behaviours are all actions taken by media users to reduce their exposure to advertising content (Speck & Elliott, 1997; Citalada et al., 2022). According to Guo et al. (2020), This definition of advertising refers to any form of information to convey ideas or ideas related to a product or organization. Information avoidance behaviour on social networks is a passive usage behaviour where users consciously ignore and avoid some information due to a lack of time, energy, knowledge, or self-interest.

## ***2.3 Privacy & Security Issues***

Facebook allows marketers to utilize personal information about specific individuals to tailor and customize their marketing communication messages, which raises privacy concerns. While customization and targeting help firms advertise more effectively, they can also raise customers' fears about privacy.

Using social media to promote one's brand, products, or services can raise concerns about trust, privacy, and data security. Companies must be aware of these issues and take appropriate steps to reduce their exposure to liability related to personal data collection, use, and maintenance (Nadaraja & Yazdanifard, 2013). Facebook and Twitter, for example, have privacy policies that govern their use of consumer data and third-party conduct on the social media platform about personal data. Marketers who use third-party social media platforms should ensure that their marketing campaigns do not encourage consumers or other parties to engage in practices that violate the privacy policies of the social media company. Marketers should also ensure that they are abiding by the policies. Companies that manage their blogs or other social media platforms should also maintain comprehensive policies that disclose the company's data collection, use, storage practices, and any third-party responsibilities for privacy and data security (Steinman & Hawkins, 2010). Most research has concentrated on privacy issues that result from either excessive disclosures or Facebook users' lack of usage of protective methods (Boyd & Ellison, 2007).

## ***2.4 User-Generated Content***

User-generated content has a relatively high level of credibility in the eyes of consumers, especially if someone, such as a tweet between friends, created it. Soliciting user-generated content in connection with a marketing strategy carries some risk of legal liability for content created by a campaign

participant. Marketers can, however, take certain precautions to reduce the legal risks associated with marketing campaigns involving information distribution. Internet users can leave comments in various formats, including photos, videos, podcasts, ratings, reviews, articles, and blogs. UGC holds excellent promise as a marketing tool, whether a video or photo is shared on a site or users distribute messages to network members (Filho & Tan, 2009; Nadaraja & Yazdanifard, 2013).

However, marketers can take some steps to reduce the legal risks associated with marketing campaigns that involve the dissemination of content generated through social media. Attracting user-generated content into a marketing strategy carries some risk of legal liability for content created by a participant in the campaign (Steinman & Hawkins, 2010; Sharma, 2018). Furthermore, user-generated content has a relatively high level of credibility in the eyes of consumers, especially if someone, such as a tweet between friends, created it. Soliciting user-generated content in connection with a marketing strategy carries some risk of legal liability for content created by a campaign participant. On the other hand, marketers can take specific steps to reduce the legal risks associated with marketing campaigns that involve disseminating user-generated content via social media (Nadaraja & Yazdanifard, 2013). Some highly attentive Viewers identify advertisements regardless of disclosure. However, in the case of a paid ad with disclosure, they move on and do not invest additional resources in it (Mayrhofer et al., 2020).

### ***2.5 Negative Comments & Feedbacks***

In some ways, social media converts customers into marketers and advertisers, and customers can create positive or negative pressure on the company, its products, and services, depending on how the company is presented online as well as the quality of products and services presented to the customer (Nadaraja & Yazdanifard, 2013). Customers can exert positive or negative pressure on a firm, its goods, and its services. This depends on the company's online delivery strategy and the quality of the goods and services offered to the client. There is not much that a marketer can do to stop disgruntled consumers or rivals from posting insulting or hostile images, messages, or videos (Ghose & Li, 2009; Sharma, 2018). Negative post responses are one aspect of social networking that is especially damaging to marketing campaigns. Unhappy customers or industry competitors can post disparaging or offensive images, posts, or videos; marketers have little

control over these occurrences. Negative or other non-constructive feedback, however, cannot be ignored. Social networks must be managed efficiently enough to respond to and neutralize harmful posts immediately, which takes more time (Nadaraja & Yazdanifard, 2013).

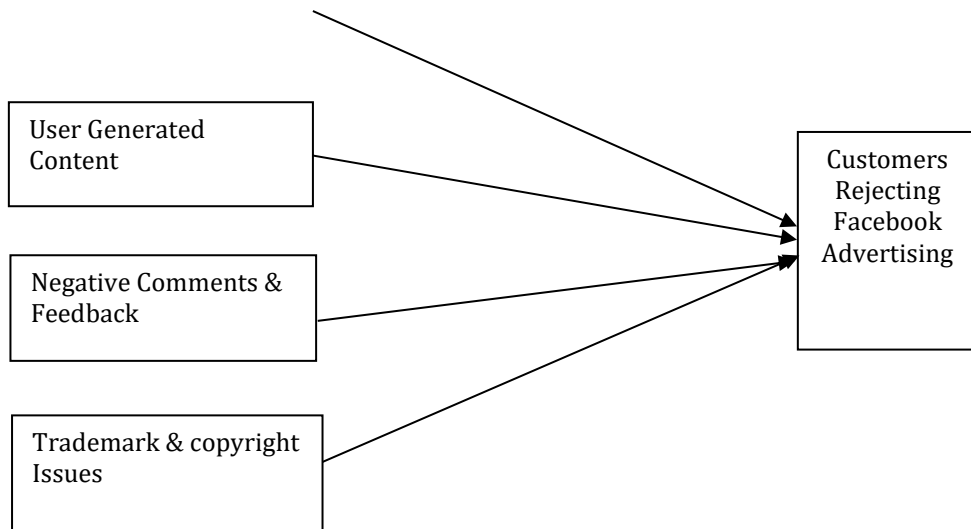
## ***2.6 Trademark & Copyright Issues***

Associations must ensure their image names and copyrights when using online media to promote their brands. A company's brands and other authorized advancements are frequently as important as its products or services. The ability of online media to work with casual and spur-of-the-moment correspondence - for the most part, reliably can help associations propel their brands and spread secured material. However, it can also work with untouchable abuse of a business' image names and copyrights (Abdikhakimov, 2023). Businesses must protect their trademarks and copyrights when using social media to promote their brands and products. Brands and other intellectual property of a company are frequently as valuable as their products or services (Steinman & Hawkins, 2010). The ability of social media to facilitate informal and impromptu communication, often in real-time, can help businesses promote their brands and disseminate copyrighted material. However, it can also facilitate third-party abuse of a business's trademarks and copyrights (Steinman & Hawkins, 2010). Marketers should regularly monitor their trademarks and copyrights when using social media, whether through a third-party outlet or a company's social media platforms. Companies should monitor their social media channels and third-party social media platforms to ensure that those providing content via media outlets are not infringing on their intellectual property. Internet tracking and screening services are available to monitor the use of your company's marks and copyrights on third-party sites, including checking social media sites for profiles or usernames that are identical or significantly similar to your company's name or brand (Steinman & Hawkins, 2010).

## **3. METHODOLOGY**

### ***3.1 Conceptual Framework***

This research investigates four main independent variables and one dependent variable.



**Figure 1:** Conceptual Framework

**Source:** Authors' own

The hypotheses of this study are developed as follow.

H<sub>1</sub>: There is a significant impact of privacy & security issues on consumer rejection of Facebook advertising.

H<sub>2</sub>: There is a significant impact on user-generated content for consumers to reject Facebook advertising.

H<sub>3</sub>: There is a significant impact on negative comments & feedback for consumers to reject Facebook advertising.

H<sub>4</sub>: There is a significant impact on trademark & copyright issues for consumers to reject Facebook advertising.

The current study follows the quantitative research method under the deductive research approach. The survey strategy used to collect data and information from respondents and the unit of analysis is individual. In the current study, the researcher collected data from the respondents just once. Therefore, the study is a cross-sectional study. Further, in this study, researchers have used 260 Facebook users following Facebook as a sample size and the purposive sampling technique as the sample selection method. The population researcher used consumers who live in the Western Province of Sri Lanka who are Facebook users. As per the report of the Central Bank of Sri Lanka (2020), the Western province is the most populous and industrialized, with around 6.1 million individuals. According to data

sources from the Department of Census and Statistics (2019), the Western Province has the highest computer literacy rate of 43.4% among the nine provinces and 67.5% digital literacy. Finally, descriptive and inferential statistics were used to analyze the research data. Mean and standard deviation elaborate under the descriptive analysis, while Pearson's coefficient and regression elaborate under the inferential statistics. The demotivators for Facebook advertising will be analyzed using the IBM SPSS Statistics 25 software.

#### 4. DATA ANALYSIS & RESULTS

Both descriptive and inferential statistics have been used to analyze the research data. Descriptive statistics are used to describe variables numerically, and inferential statistics are used to examine the hypothesis developed in the study.

##### 4.1 Reliability Analysis

According to Sekaran (2003), testing reliability is important to measure consistency and stability. Cronbach's alpha is used to measure internal consistency reliability. Cronbach's alpha value of 0.7 is considered acceptable.

**Table 1:** Reliability Analysis

Variable	No of Items	Cronbach's Alpha	Status
Rejecting Facebook advertising	4	0.827	Accepted
Privacy & Security Issues	4	0.822	Accepted
User Generated Content	4	0.819	Accepted
Negative comments & feedbacks	4	0.828	Accepted
Trademark & Copyright issues	4	0.862	Accepted

**Source:** Survey Data, (2022)

According to Table 1, Cronbach's Alpha values of dependent variables and independent variables are in an acceptable range of above 0.7. As a result, these variables can be interpreted as reliable variables.

#### 4.2 Validity Analysis

The form of the questionnaire questions determined the validity of quantitative data and how closely they were related to the research area (Collis & Hussey, 2003). The current study was built around a questionnaire created by previous research experts. As a result, current research ensured that the content validity was satisfied.

**Table 2:** Validity Analysis

Variable	KMO	Bartlett's Test of Sphericity	AVE
Rejecting Facebook advertising	0.771	0.000	0.659
Privacy & Security Issues	0.797	0.000	0.655
User Generated Content	0.768	0.000	0.648
Negative comments & feedbacks	0.746	0.000	0.663
Trademark & Copyright issues	0.822	0.000	0.709

**Source:** Survey Data, (2022)

According to Table 2, the KMO values for all dependent and independent variables are more significant than 0.5, and Bartlett's test of sphericity values are less than 0.05. Furthermore, all variables have AVE values greater than 0.5. As a result, all of the variables have gained significance. As a result, the data set's convergent validity was satisfied.

#### 4.3 Sample Profile of the Study

The sample profile of the current study highlights more gender representation from the female category, which is 47%, while male representation is 53%. Most of the respondents represent the age category of 25-34 years, which is 46.5% of the total respondents.

#### *Descriptive Statistics*

According to Saunders et al. (2009), descriptive statistics enable the researcher to characterize variables numerically. In descriptive statistics, a variable is defined by its central tendency and dispersion. When quantitatively describing data for samples and populations, it is usual to communicate a general impression of values that may be deemed ordinary, medium, or average.

**Table 3:** Results of the Descriptive Statistics

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
	Statistic	Statistic	Statistic	Statistic	Statistic
RF_Mean	202	1	5	3.44	.877
PI_Mean	202	1	5	3.41	.901
UC_Mean	202	1	5	3.48	.831
NC_Mean	202	1	5	3.79	.855
TI_Mean	202	1	5	3.57	.886
Valid N (listwise)	202				

**Source:** Survey Data, (2022)

As the data have been collected through a Likert scale ranging from 1-5, Table 3 represents the mean values of all the key variables. According to the table, the mean value for rejecting Facebook advertising is 3.44, and the standard deviation is 0.877. Overall, all the mean values of all variables are more than 03, indicating that variables are performing up to the standard level.

#### **4.4 Multiple Regression Analysis**

In the current study, the researcher will use many independent variables to determine the influence of the dependent variable. As a result, the hypothesis is based on multiple regression analyses under regression analysis. Multiple regression analysis is a reliable approach to determining whether factors influence a specific topic of interest (Sekaran, 2003). The researcher thus applied multiple regression as part of the regression



analysis. Further, the R-square value, the F statistic, and the significance level were employed to analyze the findings of multiple regression. Therefore, the researcher employed a 95% confidence level to ensure the hypothesis was accepted. Therefore, P values for the variables must be less than 0.05 to accept the hypothesis.

**Table 4:** ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	89.121	4	22.280	67.201	.000 <sup>b</sup>
Residual	65.315	197	.332		
Total	154.436	201			

**Source:** Survey Data, (2022)

According to table 4, the p-value of the ANOVA test is 0.000, which is less than 0.5. It concludes that the regression model is statistically significant.

**Table 5:** Model Summary table

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760 <sup>a</sup>	.577	.568	.576

a. Predictors: (Constant), TI\_Mean, PI\_Mean, NC\_Mean, UC\_Mean

**Source:** Survey Data, (2022)

According to Table 5, the Adjusted R square value is 0.57, indicating that privacy and security issues, user-generated content, and trademark and copyright issues factors explain 57% of the variation in rejecting Facebook advertising.

According to Table 6, privacy and security Issues' p-value ( $p < 0.05$ ) is 0.000, and the corresponding beta coefficient value is 0.363. Since the beta coefficient value denotes a positive value, the current research findings showed that privacy and security issues positively impact demotivating Facebook advertising by consumers.

**Table 6:** Coefficient Table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.360	.202		1.783	.076
	PI_Mean	.363	.064	.373	5.715	.000
	UC_Mean	.232	.076	.220	3.064	.002
	NC_Mean	.050	.072	.049	.699	.485
	TI_Mean	.238	.066	.240	3.613	.000

**Source:** Survey data (2023)

The user-generated content factor's p-value ( $p < 0.05$ ) is 0.002, and the corresponding beta coefficient value is 0.232. Since the beta coefficient value denotes a positive value, the current research findings showed that user-generated content factor positively impacts and demotivates Facebook advertising consumers. According to the result, the negative comments and feedback's p-value ( $p > 0.05$ ) is 0.485, and the corresponding beta coefficient value is 0.050. Since the beta coefficient value denotes a negative value, the current research findings showed that negative comments feedback does not impact or demotivate Facebook advertising by consumers. According to the result, the p-value ( $p < 0.05$ ) of trademark and copyright issues is 0.000, and the corresponding beta coefficient value is 0.238. Since the beta coefficient value denotes a positive value, the current research findings showed that trademark and copyright issues positively impact and demotivate Facebook advertising by consumers.

## 5. DISCUSSION OF THE FINDINGS

The current research findings showed that privacy and security issues positively impact consumers' demotivation of Facebook advertising. Such an outcome corresponds with the findings seen in prior studies according to a study done by Ayaburi & Treku (2020), indicates that despite Facebook's apology, a survey of opinions in significant markets, including the United States and Germany found that users had a low level of trust in social media, particularly Facebook when it came to their privacy. Furthermore, Steinman and Hawkins (2010) indicate that privacy and security issues have

influenced the rejection of Facebook advertising. The study by Steinman and Hawkins (2010) indicates that privacy and security issues have influenced the rejection of Facebook advertising. Therefore, the current study results further suggest that privacy and security issues significantly positively impact the demotivation of consumers to use Facebook advertising. As a result, the following conclusion can be obtained: privacy and security issues have demotivated Sri Lankan consumers from Facebook advertising. Therefore, there is enough evidence to accept H1. As a result, there is a significant impact of privacy and security issues for consumers to reject Facebook advertising.

The current research findings showed that user-generated content positively impacts and demotivates Facebook advertising by consumers. Nadaraja and Yazdanifard (2013) indicate that marketers can take specific steps to reduce the legal risks associated with marketing campaigns that involve disseminating user-generated content via social media. Accordingly, Filho & Tan (2009) further explained that user-generated content may demotivate Facebook Advertising. Therefore, the current study results further suggest that user-generated content significantly impacts demotivating Facebook advertising consumers. As a result, the following conclusion can be obtained: the user-generated content factor has demotivated Sri Lankan consumers from Facebook advertising. Therefore, there is enough evidence to accept H2. As a result, user-generated content significantly impacts consumers' rejection of Facebook advertising.

The current research findings showed that negative comments and feedback do not impact or demotivate Facebook advertising consumers. Further confirming, Nadaraja and Yazdanifard (2013) found that negative post responses are one aspect of social networking that is especially damaging to marketing campaigns. Unhappy customers or industry competitors can post disparaging or offensive images, posts, or videos; marketers have little control over these occurrences. Negative or other non-constructive feedback, however, cannot be ignored. Social networks must be managed efficiently enough to respond to and neutralize harmful posts immediately, which takes more time. However, a Current study found that negative comments and feedback have little influence on demotivating Facebook advertising. Therefore, the current study results further suggest that negative comments and feedback have little impact on demotivating Facebook advertising by consumers. Therefore, there is enough evidence to

reject H3. As a result, negative comments and feedback significantly do not impact consumers' demotivation of Facebook advertising.

The current research findings showed that trademark and copyright issues positively impact and demotivate Facebook advertising by consumers. Companies should monitor their social media channels and third-party social media platforms to ensure that those providing content via media outlets are not infringing on their intellectual property. Because trademark and copyright issues significantly impact demotivators' Facebook advertising. Therefore, the current study results further suggest that trademark and copyright issues significantly positively impact demotivating Facebook advertising by consumers. As a result, the following conclusion can be obtained: trademark and copyright issues have demotivated Sri Lankan consumers from Facebook advertising. Therefore, there is enough evidence to accept H4. As a result, Facebook advertising has a significant impact on consumers.

## **6. CONCLUSION & CONTRIBUTIONS**

Many Researchers have discussed and guided much research about the Positive aspects of Facebook advertising and its advantages. However, a considerable number of people also reject it. However, very few studies have been conducted on this topic. As a result, the current study's findings could potentially fill this gap by looking into the factors that influence consumers' decisions to reject Facebook advertising. This study was important for academic purposes and advertising practitioners. It became evident that there were significant positive impacts on privacy and security issues, trademark and copyright issues, and user-generated content factors on rejected Facebook advertising. However, Negative Comments and feedback do not impact the rejection of Facebook advertising. Advertising and marketing professionals can find areas for development by understanding why individuals ignore Facebook advertising. They may produce more appealing and relevant commercials that are more likely to resonate with their target audience by addressing the specific issues or reasons for rejection, eventually improving advertising performance. The findings highlight trademark and copyright issues and user-generated content in Facebook advertising. Acknowledging and addressing these challenges is imperative for advertisers to successfully navigate the dynamic landscape of digital marketing. By proactively managing these issues, advertisers can ensure compliance with legal frameworks and enhance user-generated

content's overall quality and authenticity within their Facebook advertising campaigns. This research reveals that privacy issues emerge as the most impactful variable contributing to the rejection of Facebook advertising among users. The study indicates that individuals are becoming increasingly apprehensive about potentially misusing their personal information in the context of targeted advertising on social media platforms. In light of these results, it is crucial for managerial implications to address and prioritize privacy concerns in advertising strategies. As users become more discerning and privacy-conscious, companies and advertisers must adopt ethical and transparent data collection and utilization practices. This research underscores the necessity for businesses to reassess their advertising approaches, incorporating measures that safeguard user privacy to enhance user acceptance and mitigate the rejection of Facebook. By producing engaging advertisements that connect with their target audience, they may set themselves apart and earn market share. In order to improve advertising efficacy, user experience, and regulatory compliance, advertisers, marketers, and the platform itself must understand why individuals reject Facebook advertising. In conclusion, it benefits both advertisers and Facebook's user base by ensuring that advertising expenditures are more effective and that users are shown advertisements that are relevant to their interests. Further research is recommended to explore, identify and test Facebook's advertising rejection of particular industries.

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