

The background of the poster features a hand holding a pen, pointing towards a network diagram. The diagram consists of various icons (people, groups, mail) connected by lines, set against a blue and white geometric background.

# 5<sup>TH</sup> INTERNATIONAL CONFERENCE ON MARKETING MANAGEMENT

# ICMM 2025

6<sup>TH</sup> FEBRUARY 2025 | BMICH

## **5<sup>th</sup> International Conference on Marketing Management**



February 06, 2025

Organised by



Colombo, Sri Lanka

## **Conference Proceedings**



## PROCEEDINGS OF 5<sup>TH</sup> INTERNATIONAL CONFERENCE ON MARKETING MANAGEMENT – 2025

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**Published by**



Sri Lanka Institute of Marketing

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 5<sup>th</sup> International Conference on Marketing Management (5<sup>th</sup> ICMM 2025)**

Published by ICMM 2025, Sri Lanka Institute of Marketing, Sri Lanka

Tel: +94 112 675 000

Fax: +94 112 681 660

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**Citation** Balalle, H., Jayatilleke, D. S., Wijewardene, L., Kalaieesan, K., (2025). *“Conference Proceedings of the 5<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 PRESIDENT OF THE SRI LANKA INSTITUTE OF MARKETING (SLIM)



**Mr. Gayan Perera**

As we wrap up the 5<sup>th</sup> edition of the International Conference on Marketing Management (ICMM), I want to express my gratitude and appreciation for joining us at this year's event and helping make it a success. The conference, themed "Unlocking Tomorrow: Navigating the Future of Marketing Led by Human Intelligence through Data & Artificial Intelligence," served as a dynamic platform for innovation, collaboration, and exploration in the ever-evolving marketing field.

This year's event reflected a remarkable team's collective effort and dedication. To our esteemed keynote speaker, Prof. Hermawan Kartajaya, the founder of the Asia Marketing Federation, and guest speaker, Ms Maggie Jones, Director of Qualifications and Partnerships at the Chartered Institute of Marketing, we extend our heartfelt gratitude for bringing their expertise and global perspectives to our stage. Their insights have inspired and challenged us to think beyond conventional boundaries.

Special acknowledgement is also due to Prof. Dewasiri N. Jayantha, the Founding Chair of the Conference, who initiated ICMM in 2020, and Dr. Dilhan Sampath Jayathilake, the Project Chair of the Conference; Conference co-chairs, Dr Himendra Balalle and Dr Lishanthi Wijewardene, whose leadership and vision have been instrumental in shaping ICMM 2025. Their tireless efforts, along with the unwavering support of the organising committee, have ensured that this year's conference not only upholds but elevates the standards of excellence set by its predecessors.

This hybrid event brought together a diverse group of local and international participants, underscoring the conference's commitment to fostering global connections and disseminating cutting-edge knowledge. We were thrilled to provide a platform for academics, researchers, and practitioners to showcase their findings, engage in meaningful discussions, and explore innovative approaches to contemporary marketing challenges.

I have been particularly excited about the opportunities provided to participants, including access to the conference proceedings and the chance to publish outstanding research in the South Asian Journal of Marketing and the FIIB Business Review. These initiatives reflect our commitment to advancing marketing scholarship and supporting the academic community.

As we navigated topics that bridged the realms of human intelligence, data, and artificial intelligence, I hope that everyone who participated took advantage of the opportunity to broaden their perspectives, build valuable connections, and contribute to shaping the future of marketing. Your participation was not just a testament to the vibrancy of our field but also a catalyst for its continued growth and transformation.

Let us move forward together, inspired by the insights and relationships forged during ICMM 2025 and equipped to unlock the potential of tomorrow's marketing landscape.

Thank you for your invaluable contributions and commitment to this event. I look forward to the insights and collaborations that will emerge henceforth.

Warm regards,

Mr. Gayan Perera  
President- Sri Lanka Institute of Marketing (2024/2025)

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## MESSAGE FROM THE VICE PRESIDENT- EDUCATION AND RESEARCH



**Prof. Dewasiri N. Jayantha**

As the founding chair of the International Conference on Marketing Management (ICMM), I welcome you to the 5<sup>th</sup> edition of this esteemed gathering with great pride and anticipation. This annual conference continues to serve as a platform for marketing professionals and scholars to exchange innovative ideas, deepen our understanding, and advance the boundaries of our discipline.

This year's theme reflects the transformative journey that marketing is undergoing. The fusion of human creativity and technological innovation reshapes how we connect with consumers, create value, and tackle pressing societal challenges. ICMM 2025 offers a vital opportunity to explore these shifts and contribute to shaping the future of marketing.

I want to extend my heartfelt gratitude to the project chair, co-chairs, and the entire organising team for their exceptional efforts in making this event possible. Their unwavering dedication ensured the smooth execution of the conference and reinforced the legacy of excellence that ICMM has come to represent. A special mention goes to our distinguished speakers, whose insights and expertise have sparked rich discussions and innovative thinking throughout the event. Their contributions have undoubtedly left a lasting impact on us all.

As we reflect on the wealth of knowledge shared and the connections forged, I am excited for the future and look forward to our continued collaboration. Thank you for your active participation in making ICMM 2025 a significant milestone in our shared journey toward excellence and innovation in marketing.

**Prof. Dewasiri N. Jayantha**

Vice President - Education and Research

Sri Lanka Institute of Marketing (2024/2025)

## MESSAGE FROM THE VICE PRESIDENT - EVENTS AND SUSTAINABILITY



**Dr. Dilhan Sampath Jayatilleke**

Here we are, with the successful culmination of the 5th edition of the International Conference on Marketing Management (ICMM) 2025. This year's event served as a vibrant platform for professionals and academics to exchange ideas, build networks, and help shape the future of marketing.

This year's theme, "Unlocking Tomorrow: Navigating the Future of Marketing Lead by Human Intelligence through Data & Artificial Intelligence," underscored the profound transformation our industry is undergoing. As we navigate the intersection of human ingenuity and advanced technology, the need for sustainable practices and innovative approaches becomes more vital than ever. The conference provided a unique opportunity to explore these themes, bridging knowledge and practice to drive impactful solutions.

As Vice President of Events and Sustainability, I remain passionate about fostering an ecosystem where innovation thrives harmoniously with sustainable development. ICMM exemplifies this vision by empowering us to address contemporary challenges while building a future prioritising progress and responsibility.

Thank you for joining us on this journey. Together, we can continue to make ICMM 2025 a landmark event in the evolution of marketing and sustainability.

**Dr. Dilhan Sampath Jayatilleke**

Vice President -Events and Sustainability  
Sri Lanka Institute of Marketing (2024/2025)

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## MESSAGE FROM THE CEO OF SLIM



**Mr. Chamil Wickramasinghe**

Thank you for attending the 5th International Conference on Marketing Management (ICMM). It is my privilege to address you, distinguished academics, researchers, and professionals dedicated to advancing the marketing field.

ICMM has established itself as a cornerstone for fostering collaboration and innovation in the marketing domain. This year's theme, "Unlocking Tomorrow: Navigating the Future of Marketing Lead by Human Intelligence through Data & Artificial Intelligence," underscores the critical intersection of human ingenuity and technological advancement. This convergence is reshaping the marketing landscape, and our shared responsibility is to harness these tools to drive meaningful impact.

A special thank you to our keynote and guest speakers, whose participation helped add immense value to this conference. Their perspectives and expertise will undoubtedly spark insightful discussions and inspire innovative ideas.

ICMM 2025 exemplifies our commitment to academic excellence and industry relevance. From engaging sessions to publication opportunities in esteemed journals, every aspect of this event was designed to enrich participants' educational and professional journeys. Once again, thank you for being a part of this journey. Your presence here helped make ICMM 2025 a true celebration of knowledge-sharing and collaboration.

**Mr. Chamil Wickramasinghe**

Chief Executive Officer

Sri Lanka Institute of Marketing (SLIM)

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## MESSAGE FROM THE CONFERENCE CHAIR



**Dr. Himendra Balalle**

It is my privilege to present the proceedings of the 5<sup>th</sup> International Conference on Marketing Management (ICMM 2025), held under the theme, *"Unlocking Tomorrow: Navigating the Future of Marketing Lead by Human Intelligence through Data & Artificial Intelligence"*.

ICMM has consistently provided a platform for thought-provoking dialogue and groundbreaking research. This year's diverse range of topics reflects our community's depth and expertise. These proceedings showcase rigorously reviewed contributions that push the boundaries of marketing knowledge and practice. This conference is a testament to the spirit of innovation and collaboration, uniting scholars and industry professionals worldwide to explore the transformative dynamics shaping the marketing landscape.

I extend my deepest gratitude to our partners, Emerald Publishing and the University of Westminster, for their unwavering support in making ICMM 2025 a reality. Also, thanks to the SLIM organising committee, reviewers, and all contributors who have worked tirelessly to uphold this conference's high standards.

As you engage with the insights captured in these proceedings, I encourage you to consider how they might inspire innovation, drive change, and advance the marketing field. I hope ICMM 2025 serves as both a source of inspiration and a catalyst for impactful collaborations shaping the future.

**Dr. Himendra Balalle**

Conference Chair

5<sup>th</sup> International Conference on Marketing Management (ICMM 2025)

## MESSAGE FROM THE CONFERENCE DEPUTY CHAIR



**Dr. Lishanthi Wijewardene**

I am pleased to write this congratulatory message for the 5<sup>th</sup> International Conference on Marketing Management (ICMM 2025), which the Sri Lanka Institute of Marketing organises in collaboration with the University of Westminster and Emerald Publishing.

This conference is held to create a single forum that will bring academics, researchers and practitioners in the marketing domain under one roof, thereby providing them with an exclusive platform to share new knowledge and experiences, discuss the latest innovations in the field, create relationships and initiate dialogues to deliberate on the way forward. The theme of the conference, “Unlocking Tomorrow: Navigating the Future of Marketing Lead by Human Intelligence through Data and Artificial Intelligence”, is of contemporary significance to the nation’s journey towards the prosperity and well-being of its people. I applaud the Sri Lanka Institute of Marketing for taking the initiative to hold this conference to highlight such a timely topic.

As the Co-Chair of the Organizing Committee of ICMM 2025, I express my gratitude to the committee members who have worked tirelessly to make this conference a fruitful event. I also extend my heartfelt appreciation to all the participants, contributors, reviewers, and sponsors. I am confident that the participants will find the sessions interesting, inspiring, and valuable, and I hope you will benefit from the conference.

Thank you.

**Dr. Lishanthi Wijewardene**

Co-Chair

5<sup>th</sup> International Conference on Marketing Management (ICMM 2025)



## MESSAGE FROM CONFERENCE SECRETARY



**Ms. Kalaipriya Kalaieesan**

“Unlocking Tomorrow: Navigating the Future of Marketing Lead by Human Intelligence through Data & Artificial Intelligence” demonstrates the power of collaboration and innovation. It will bring together scholars, practitioners, and thought leaders from around the globe to share insights and engage in meaningful discourse on the evolving dynamics of marketing.

In a world increasingly shaped by data and artificial intelligence, the integration of human intelligence remains pivotal. This theme reflects the delicate balance between technological advancement and human-centric marketing approaches.

The ICMM has always provided a unique platform for researchers to present their cutting-edge work, exchange ideas, and push the boundaries of knowledge in marketing. I am delighted to see the diversity of topics and the calibre of research presented at the ICMM 2025. The papers included in these proceedings have been carefully selected, reflecting the rigorous standards upheld by our esteemed panel of reviewers.

I extend my heartfelt gratitude to the SLIM Research Bureau, Emerald Publishing, and the University of Westminster for their continued support in making this event possible. Special thanks to the organising committee, the reviewers, and all participants who contributed their expertise and dedication to ensure the success of ICMM 2025.

As you delve into these proceedings, I encourage you to reflect on the insights presented and consider how they can shape the future of marketing in this ever-changing landscape. May this be an enriching and inspiring experience for all.

**Ms. Kalaipriya Kalaieesan**

Conference Secretary

5<sup>th</sup> International Conference on Marketing Management (ICMM 2025)

## KEYNOTE SPEAKER



### **Mr. Hermawan Kartajaya**

Hermawan Kartajaya is a prominent Indonesian marketing expert and thought leader, renowned for his significant contributions to the marketing field. He is best known for collaborating with the father of modern marketing, Philip Kotler, on the influential Marketing X.0 series. Kartajaya's expertise extends beyond theoretical knowledge. As the founder and chair of MCorp (MarkPlus), he has successfully led a leading professional services firm in Southeast Asia. MCorp offers various services, including marketing consulting, research, and training. Recognised globally, Kartajaya has received numerous accolades, including being named one of the "50 Gurus Who Have Shaped the Future of Marketing" by the Chartered Institute of Marketing. His innovative ideas and practical insights have made him a sought-after speaker and consultant. Kartajaya's work has profoundly impacted the marketing industry, inspiring countless professionals and organisations. His books, notably the Marketing X.0 series, have been translated into multiple languages and are widely read by marketers and business leaders worldwide.

## GUEST SPEAKER



### **Ms. Maggie Jones**

Maggie spent the first part of her career working in marketing communications for Cadbury Schweppes and alongside other organisations such as Coca-Cola, Premier Foods and Boots. A career change into education to best achieve a work/ life/family balance started with teaching CIM courses at colleges, quickly leading to teaching marketing at a university. During this time, Maggie also consulted in the qualifications area of CIM, supporting qualification development and assessment writing.

Maggie joined CIM in 2010, heading up the UK education learning community, and her role expanded as change occurred. In 2018, Maggie moved into her present role as Director of Qualifications & Partnerships.

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**A STUDY ON THE BARRIERS INFLUENCING THE INTENTION TO  
PURCHASE GREEN COSMETICS AMONG FEMALE MILLENNIALS IN  
WESTERN PROVINCE**

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**ABSTRACT**

Consumer purchasing behaviour significantly influences various environmental issues. Due to growing awareness of adverse health effects, consumers worldwide are increasingly shifting from chemical-based cosmetics to green cosmetics. However, despite green cosmetic products' availability in Sri Lanka, adopting environmentally friendly options remains relatively unfamiliar to the local population. Consequently, consumer behaviour towards consistently purchasing green cosmetics is not yet well-established. This study explores the barriers affecting the intention to buy green cosmetics among female millennials in Sri Lanka's Western Province, employing the theoretical framework of Innovation Resistance Theory (IRT). Using a quantitative research design, data were gathered from 305 female millennials who purchase green cosmetics through a self-administered structured questionnaire and a convenience sampling method. Data analysis, conducted via SPSS 27.0 with Multiple Regression Analysis, revealed that image, risk, and tradition barriers significantly impact the intention to purchase green cosmetics. However, value barriers and usage barriers did not demonstrate a significant influence. The findings suggest that marketers can gain a competitive edge by implementing long-term relationship strategies that emphasise the benefits of green cosmetics to consumers. Addressing the significant barriers identified in this study can help marketers foster greater adoption of green cosmetics and enhance consumer behaviour's sustainability.

**Keywords:** Barriers, Green cosmetics, Purchase intention

## 1. INTRODUCTION

The Earth's ecosystem faces profound challenges due to the excessive exploitation of natural resources, ozone layer depletion, and the ongoing reduction in arable land. Historically, environmental conservation efforts emphasised reducing pollution and optimising energy consumption (Mishra et al., 2024). However, integrating environmentally sustainable production methods has become a key strategy for businesses to enhance their market position and gain a competitive edge (Kumudhini & Kumaran, 2021).

The use of cosmetics has deep historical roots, dating back to ancient civilisations such as the Egyptians, Greeks, and Romans. The cosmetics industry is categorised into five main segments: skincare, hair care, personal care, fragrance, and makeup. Among these, the skincare segment—which includes facial cleansers, moisturisers, and anti-acne treatments—has experienced the fastest growth (Lili et al., 2022). Millennials born between 1981 and 1996 constitute a crucial consumer demographic distinguished by unique purchasing behaviours. Unlike earlier generations, millennials exhibit a heightened awareness of environmental issues, a strong sense of social responsibility, and a greater concern for their consumption choices' ethical and ecological implications (Lenk & Rotkirch, 2021). This shift is evident in the expanding global market for eco-friendly cosmetics, driven by increased consumer demand for organic products and a decline in reliance on synthetic chemicals. The market's anticipated growth from \$33.4 billion in 2018 to \$58.6 billion by 2031 highlights its rising prominence.

In Sri Lanka, the increased use of cosmetics, particularly among female millennials in the Western Province, has sparked concerns regarding harmful chemicals in beauty products. This study targets female millennials aged 27–40, known for their evolving preferences, significant influence, and purchasing power. The Western Province was chosen for the study due to its central role in Sri Lanka's cosmetics market, boasting a high density of beauty parlours—816 establishments across Colombo, Gampaha, and Kalutara (Statista, 2023).

The primary aim of this research is to explore the barriers that influence the intention to purchase eco-friendly cosmetics among female millennials in Sri Lanka's Western Province. Specifically, the study examines the impact of value, image, usage, risk, and tradition-related barriers on consumer intentions. By shedding light on these factors, the research seeks to provide valuable insights into consumer behaviour while addressing the challenges hindering green cosmetics adoption in the Sri Lankan context.

## **2. LITERATURE REVIEW**

### ***2.1. Purchase Intention of Green Cosmetics***

Purchase intention refers to a consumer's predisposition or willingness to acquire a particular product, often serving as a reliable indicator of actual buying behaviour. Within green cosmetics, this intention is significantly shaped by factors such as environmental awareness, health consciousness, and a preference for sustainable, non-toxic alternatives. Crucial determinants include the consumer's commitment to environmental responsibility, perception of the product's efficacy, and the influence of marketing initiatives (Kurnia & Mayangsari, 2020).

### ***2.2. Value Barriers***

Value barriers arise when consumers believe a product provides inadequate value relative to existing alternatives, especially concerning its performance and cost. To achieve market success, a product must offer a compelling value-to-price ratio. Eco-friendly products, often characterised by higher price points, encounter challenges such as consumer reluctance to pay a premium for sustainable features and scepticism regarding their effectiveness (Prakash, 2002).

### ***2.3. Image Barriers***

Image barriers occur when products are viewed as overly complex or burdened by negative brand associations. In the context of eco-friendly cosmetics, doubts surrounding product quality and authenticity frequently foster distrust and unfavourable consumer perceptions (Lian & Yen, 2013).

### ***2.4. Usage Barriers***

Usage barriers pose considerable obstacles to consumer adoption, particularly when innovative products conflict with ingrained habits, values, or past experiences. Resistance often arises when products necessitate significant adjustments to routines or demand extra effort, such as mastering new systems or modifying well-established practices (Kushwah et al., 2019).

### ***2.5. Risk Barriers***

Risk barriers are consumer reluctance driven by uncertainties surrounding a product or innovation. When individuals are unsure about potential risks or fear undesirable outcomes, their likelihood of adopting the product decreases (Lian & Yen, 2013).

## 2.6. Tradition Barriers

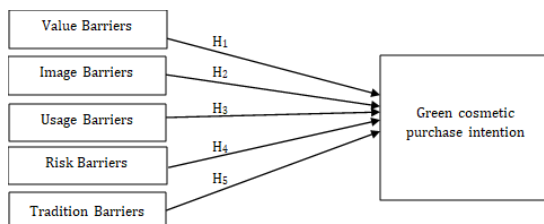
Tradition barriers reflect psychological resistance from a perceived disconnect between a new product and entrenched consumer values or beliefs. Such resistance is often rooted in an unwillingness to deviate from familiar practices and routines, even when the product offers clear advantages (Ram & Sheth, 1989; Khurana et al., 2023).

## 2.7. Innovation Resistance Theory

Innovation Resistance Theory (IRT), introduced by Ram (1987) and later expanded by Ram and Sheth (1989), highlights the barriers consumers encounter when adopting innovations. The theory asserts that resistance arises from a rational assessment of the innovation's potential effects, particularly its capacity to disrupt established norms or challenge deeply held beliefs. Consumers are more likely to resist innovations that necessitate departing from familiar and comfortable routines, underscoring the need to address these barriers to encourage adoption (Ram & Sheth, 1989).

## 3. METHODOLOGY

The conceptual framework proposed by Kurnia and Mayangsari (2020) explores the barriers influencing the purchase of green cosmetic products among Indonesian women, building on the work of Sharma and Kushwaha (2019). Rooted in Innovation Resistance Theory (Ram, 1989), the model investigates the interplay of Value, Image, Usage, Risk, and Tradition Barriers (VB, IB, UB, RB, TB) in shaping consumer purchase intentions.



**Figure 1: Conceptual Framework**

Source: Adapted and modified from Kurnia and Mayangsari (2020)

Based on the previous literature, the current study tested the following hypothesis.

*H<sub>1</sub>: Value barriers significantly impact the intention to purchase green cosmetics among female millennials in the Western province of Sri Lanka.*

*H<sub>2</sub>: Image barriers significantly impact female millennials' intention to purchase green cosmetics in the Western province of Sri Lanka.*

*H2: There is a significant impact of usage barriers on the intention to purchase green cosmetics among female millennials in the Western province of Sri Lanka.*

*H4: Risk barriers significantly impact female millennials' intention to purchase green cosmetics in the Western province of Sri Lanka.*

*H5: Traditional barriers significantly impact female millennials' intention to purchase green cosmetics in the Western province of Sri Lanka.*

### **3.1. Research Philosophy and Design**

Research philosophy is critical in shaping academic research data collection and analysis methodologies. According to Saunders et al. (2019), research philosophy encompasses ontology and epistemology, which address the nature of reality and knowledge. Ontology examines two central viewpoints: objectivism, which argues that social entities exist independently of individual perceptions, and subjectivism, which asserts that reality is socially constructed through human interactions. In contrast, epistemology focuses on the nature and scope of knowledge, exploring what constitutes valid knowledge and how it can be effectively communicated (Johnson & Clark, 2006).

This study adopts a positivist epistemological perspective, prioritising collecting observable data to test hypotheses and build theories. This approach aligns to draw objective, generalisable conclusions. In terms of research methodology, the study follows a deductive approach, starting with a hypothesis and testing it through the systematic collection and analysis of empirical data (Saunders et al., 2019).

The research design serves as a comprehensive plan for the study, outlining the methods and procedures for data collection and analysis. Research designs can be classified as explanatory, exploratory, or descriptive (Creswell, 2017). This study utilises an exploratory, typically inductive research design involving data collection and pattern observation to gain insights (Prakash, 2002). A survey approach offers a flexible method for gathering qualitative and quantitative data, facilitating consumer behaviour comparisons and explanations.

The study is conducted naturally, focusing on the real-world consumer behaviour of female millennials in the Western Province of Sri Lanka who do not purchase green cosmetics. The unit of analysis is the individual female millennial consumer. Data is collected at a single point in time using a cross-sectional time horizon. The target population includes female millennials

aged 27–40, born between 1980 and 2000, known for their environmental consciousness and propensity to make green purchases (Jain & Dutta, 2019).

These women constitute a significant demographic in the beauty industry, often making substantial investments in beauty products, with few refraining entirely (Kumudhini & Kumaran, 2021). For participant selection, the study contrasts probability sampling, where each individual has an equal chance of being selected, with non-probability sampling, which is non-random (Saunders et al., 2019). This approach enables a structured investigation of the barriers that influence the purchase of green cosmetics within this demographic.

### ***3.2. Measurement of Variables***

The study examines the barriers influencing the intention to purchase green cosmetics among female millennials in Sri Lanka's Western Province. Value barriers are evaluated by consumer perceptions of green cosmetics being more costly and the impact of price discounts. Image barriers are assessed by concerns related to greenwashing and product quality. Usage barriers are explored regarding the availability and variety of green cosmetic products. Risk barriers are examined based on the trustworthiness and reputation of green cosmetic brands. Tradition barriers are measured by the degree of familiarity and comfort with traditional cosmetic products. Finally, purchase intention is gauged by the willingness to purchase green cosmetics, with all variables measured using a five-point Likert scale.

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

The statistical analysis of this study provides valuable insights into the purchasing behaviour and perceptions of female millennials in Sri Lanka's Western Province regarding green cosmetics. The survey targeted women aged 27–40, all residing within the Western Province. Most respondents (81.6%) reported monthly incomes between Rs. 50,000 and Rs. 80,000, with 70.2% employed in the private Sector.

Regarding cosmetic purchasing habits, 68.5% of participants buy cosmetics monthly, while fewer purchase quarterly or semi-annually. Notably, only 7% of respondents indicated using green cosmetics, underscoring the significant barriers to adoption. To ensure the validity and reliability of the findings, various measures were employed, including factor loadings, Cronbach's alpha values, composite reliability (CR) values, and average variance extracted (AVE) values, as detailed below.

**Table 1: Analysis of Reliability and Validity**

Variable	Item Code	Factor Loadings	Cronbach Alpha	CR Value	AVE Value
VB	VB1	0.850	0.913	0.813	0.881
	VB2	0.945			
	VB3	0.806			
	VB4	0.916			
	VB5	0.876			
IB	IB1	0.972	0.931	0.831	0.741
	IB2	0.765			
	IB3	0.873			
	IB4	0.842			
	IB5	0.843			
UB	UB1	0.927	0.841	0.916	0.755
	UB2	0.969			
	UB3	0.847			
	UB4	0.857			
	UB5	0.820			
RB	RB1	0.952	0.949	0.851	0.703
	RB2	0.932			
	RB3	0.865			
	RB4	0.803			
	RB5	0.823			
TB	TB1	0.741	0.920	0.924	0.813
	TB2	0.821			
	TB3	0.754			
	TB4	0.813			
	TB5	0.931			
PI	PI1	0.951	0.947	0.866	0.935
	PI2	0.952			
	PI3	0.836			
	PI4	0.858			

*Source:* Survey Data (2024)

The term "reliability" refers to the consistency with which a measurement reflects a particular concept, and Cronbach's alpha is commonly used to assess this consistency. A Cronbach's alpha of 0.70 or higher is generally considered acceptable, 0.80 or higher is deemed suitable, and 0.90 or higher is regarded as excellent (Sekaran & Bougie, 2013). The reliability analysis revealed that Cronbach's alpha values for all variables exceeded 0.8, indicating a high level of internal consistency across the measurement items for each variable. Specifically, value barriers had a Cronbach's alpha of 0.913,

image barriers 0.931, usage barriers 0.841, risk barriers 0.949, tradition barriers 0.920, and purchase intention 0.947.

Factor loading values for the variables ranged from 0.741 to 0.972: value barriers ranged from 0.806 to 0.916, image barriers from 0.765 to 0.972, usage barriers from 0.820 to 0.969, risk barriers from 0.803 to 0.952, tradition barriers from 0.741 to 0.931, and purchase intention from 0.836 to 0.952. Composite reliabilities for all variables ranged from 0.813 to 0.924, and Average Variance Extracted (AVE) values were between 0.703 and 0.935. These results indicate that the measurement model meets the convergent validity criteria of Fornell and Larcker (1981), where factor loadings should be statistically significant and exceed 0.60, composite reliabilities should surpass 0.80, and AVE values should be greater than 0.50.

The Kaiser-Meyer-Olkin (KMO) values for all variables exceeded 0.7, suggesting strong sampling adequacy for factor analysis. Constructs such as Value Barrier (KMO = 0.790), Image Barrier (KMO = 0.767), and Risk Barrier (KMO = 0.804) demonstrated a high degree of statistical reliability.

Correlation analysis revealed significant positive relationships between the perceived barriers and purchase intention. Risk barriers ( $r = 0.721$ ) and value barriers ( $r = 0.641$ ) showed strong positive correlations with purchase intention, implying that as these barriers increase, consumer interest also grows, possibly reflecting curiosity or the perceived importance of overcoming these challenges. Moderate positive correlations were observed for image barriers ( $r = 0.568$ ), usage barriers ( $r = 0.542$ ), and tradition barriers ( $r = 0.595$ ), all of which were statistically significant at  $p < 0.05$ . These findings highlight these barriers' complex role in shaping consumer decision-making.

The multiple regression analysis further reinforced the influence of the identified barriers, with an Adjusted R Square value of 0.679, indicating that the model explained 67% of the variance in purchase intention. Image, risk, and tradition barriers emerged as the most significant predictors, underscoring their pivotal role in influencing consumer behaviour.

**Table 2: Results of the Regression Analysis**

Variable	B	Coefficients std. error	Standardised coefficient Beta	Sig
VB	0.043	0.076	0.035	0.569
IB	0.211	0.064	0.189	0.001
UB	-0.067	0.069	-0.051	0.332



RB	0.607	0.052	0.498	0.001
TB	0.533	0.054	0.375	0.001

*Source: Survey Data (2024)*

The regression analysis table presents varying results regarding the impact of specific barriers on the purchase intention of green cosmetics among female millennials in Sri Lanka's Western Province. Value barriers ( $\beta = 0.035$ ,  $p = 0.569$ ) and Usage barriers ( $\beta = -0.051$ ,  $p = 0.332$ ) do not show a significant effect, as their p-values exceed 0.05, leading to the rejection of hypotheses H1 and H3 for these variables. In contrast, image barriers ( $\beta = 0.189$ ,  $p = 0.000$ ), risk barriers ( $\beta = 0.498$ ,  $p = 0.001$ ), and tradition barriers ( $\beta = 0.375$ ,  $p = 0.001$ ) exhibit significant positive effects on purchase intention, with their p-values being less than 0.05, thus supporting hypotheses H2, H4, and H5. Hence, image, risk, and tradition barriers significantly influence purchase intention, while value and usage barriers are rejected.

This study highlights the potential of targeting female millennials in Sri Lanka's Western Province as a promising market for green cosmetics. Although their income levels may be modest, these consumers are urbanised and exposed to sustainability trends, positioning them as an important demographic for green marketing initiatives. The substantial influence of barriers such as image, value, and risk presents actionable opportunities for brands to explore.

To address image barriers, brands should focus on enhancing the aspirational appeal of green cosmetics, aligning them with modern lifestyles, and leveraging social proof through endorsements or customer testimonials. Risk barriers can be mitigated through transparent marketing that emphasises product safety, certifications, and effectiveness. To overcome value barriers related to affordability, brands can introduce competitive pricing, discounts, or promotional bundles, while simplifying product usage can help reduce usage barriers. Finally, traditional barriers can be navigated by embedding culturally relevant narratives in branding and marketing, ensuring that green products resonate with local values and practices.

By effectively addressing these barriers, brands can increase consumer adoption, grow their market share, and contribute to fostering sustainable consumption practices in line with global environmental objectives.

## 5. DISCUSSION OF THE FINDINGS

The study findings reveal how value barriers, usage barriers, risk barriers, tradition barriers, and image barriers influence the intention to purchase

green cosmetics among female millennials. According to the results, value and usage barriers did not have a significant impact on consumer purchase intention, which contrasts with the findings of Kurnia & Mayangsari (2020) and Shafira & Mayangsari (2020), who reported that both value and usage barriers significantly affected purchase intentions. In the current study, however, these factors were found to have an insignificant effect on green cosmetics purchase intention. On the other hand, image, risk, and tradition barriers significantly impact purchase intention. These results align closely with the findings of Kurnia and Mayangsari (2020) and Shafira and Mayangsari (2020), who found that image, risk, and tradition barriers positively influenced purchase intentions for green cosmetics.

The researcher provides a general overview of the hypotheses. In research, a hypothesis is a specific, testable prediction or statement about the expected outcome of an experiment or the relationship between variables.

**Table 3: Hypothesis Testing**

No	Hypothesis	P - value	Result
H <sub>1</sub>	Value barriers significantly impact the intention to purchase green cosmetics among female millennials in the Western province of Sri Lanka.	0.569	Rejected
H <sub>2</sub>	Image barriers significantly impact the intention to purchase green cosmetics among female millennials in the Western province of Sri Lanka.	0.001	Accepted
H <sub>3</sub>	Usage barriers significantly impact the intention to purchase green cosmetics among female millennials in the Western province of Sri Lanka.	0.332	Rejected
H <sub>4</sub>	Risk barriers significantly impact the intention to purchase green cosmetics among female millennials in the Western province of Sri Lanka.	0.001	Accepted
H <sub>5</sub>	Traditional barriers significantly impact female millennials' intention to purchase green cosmetics in the Western province of Sri Lanka.	0.001	Accepted

*Source: Authors' own*

## 6. CONCLUSION & CONTRIBUTION

This study explores the factors influencing the purchase intentions of female millennials in Sri Lanka's Western Province toward green cosmetics, filling a notable gap in consumer behaviour research.

The findings reveal that image, risk, and tradition barriers significantly positively affect purchase intention, while value and usage barriers do not show a statistically significant impact. These results highlight that societal image perceptions, uncertainties regarding product reliability, and cultural alignment play a crucial role in shaping the purchasing decisions of female millennials in this region.

The research offers valuable insights for marketers targeting this demographic. To address image barriers, brands can enhance product appeal through strategic branding and endorsements. Overcoming risk barriers by transparently communicating product safety and effectiveness can foster consumer trust. Furthermore, incorporating culturally relevant narratives into marketing efforts can help address traditional barriers, making green cosmetics more relatable to local values. These strategies not only aid in market expansion but also encourage the adoption of sustainable consumer practices in Sri Lanka.

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## APPLICATION OF ARTIFICIAL INTELLIGENCE IN TRAVEL, HOSPITALITY, AND TOURISM: A SYSTEMATIC LITERATURE REVIEW

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### ABSTRACT

This study explores the applications of artificial intelligence (AI) in the travel, hospitality, and tourism sectors. A systematic literature review was conducted to gather and analyse knowledge in this domain, utilising the SPAR-4-SLR protocol for the review process. The 5W+1H framework was employed to structure and report the findings. A comprehensive extraction and analysis procedure identified relevant insights using content analysis. The results highlight several potential AI applications in these sectors, including chatbots, the Internet of Things (IoT), predictive analytics, natural language processing, robotics and automation, image and video recognition, and virtual, augmented, and mixed reality technologies. The roles of a chatbot are real-time assistance, booking support, personalised recommendations, multilingual customer interaction, post-travel engagement, and customer experience. The role of IoT is in smart hotel rooms, smart airports, wearable technology, location-based beacons, wristbands in theme parks, smart cities, and customer experiences. Predictive analytics is used for demand forecasting, dynamic pricing, airline operations, revenue management, tailored travel packages, destination management, and data-driven decision-making. Robotics and automation are applied to enhance customer service, operational efficiency, streamlined operations, and attraction engagement. Virtual, Augmented, and mixed reality include exploring destinations, virtual walkthroughs, pre-trip experiences, real-time experiences, interactive tours, virtual concierge services, themed resorts, and entertainment destinations, enhancing personalisation and innovative engagement. This research provides valuable insights into the transformative role of AI in the business sector and the travel, hospitality, and tourism industries, offering guidance for enhancing efficiency, personalisation, and innovation. It also highlights the need for supportive policies and ethical frameworks to ensure responsible AI adoption, benefiting businesses, customers, and society.

**Keywords:** Artificial intelligence, Chatbot, Internet of things, Natural language processing, Travel, Hospitality, Tourism

## 1. INTRODUCTION

Information Technology (IT) platforms are a foundation for modern business operations, enabling organisations to streamline processes, enhance productivity, and foster innovation. These platforms integrate hardware, software, and network systems to facilitate data management, communication, and decision-making across various business functions. IT platforms are integral to the travel, hospitality, and tourism industries, providing a unified ecosystem for managing operations, enhancing customer engagement, and driving growth (Buhalis & Leung, 2018). These platforms incorporate advanced tools such as reservation and booking systems, customer relationship management (CRM) software, and dynamic pricing algorithms to optimise resource allocation and revenue management. Cloud-based technologies enable seamless communication across stakeholders, from travel agencies and hotels to transport providers, ensuring real-time coordination and efficiency (Buhalis & Sinarta, 2019). Additionally, IT platforms support data analytics to uncover consumer behaviour patterns, inform marketing strategies, and improve service personalisation. Integration with emerging technologies, such as mobile apps, virtual reality (VR) for immersive experiences, and the Internet of Things (IoT) for innovative services, further enhances the customer journey (Doborjeh et al., 2022). As digital transformation reshapes these sectors, IT platforms provide a critical foundation for sustainability, innovation, and competitive advantage.

Artificial Intelligence (AI) is revolutionising the business landscape by driving innovation, improving efficiency, and enabling data-driven decision-making. AI technologies like machine learning, natural language processing, and predictive analytics empower businesses to automate routine tasks, enhance customer experiences, and optimise resource utilisation (Fadhel et al., 2024). Applications of AI range from chatbots for customer service and recommendation systems in e-commerce to advanced analytics in finance and supply chain optimisation. Furthermore, AI facilitates personalised marketing strategies and real-time data insights, allowing companies to adapt swiftly to market trends and consumer behaviour. As businesses increasingly integrate AI into their operations, they gain a competitive edge through improved agility, cost reduction, and the ability to unlock new opportunities in a rapidly evolving digital economy.

Artificial Intelligence (AI) is transforming the travel, hospitality, and tourism industries by enhancing operational efficiency, personalising customer experiences, and driving innovation. AI-powered tools, such as chatbots and virtual assistants, streamline customer interactions by providing real-time

booking support, itinerary management, and inquiries (Fernando et al., 2020). Machine learning algorithms enable dynamic pricing, demand forecasting, and inventory optimisation, ensuring better resource allocation and revenue management. In addition, AI enhances personalisation through data analytics, offering tailored recommendations and experiences based on customer preferences and behaviour. Integrating AI into innovative technologies, such as facial recognition for seamless check-ins and IoT-enabled rooms, further elevates service quality. By leveraging AI, the travel and hospitality sectors can adapt to evolving consumer demands, improve operational workflows, and maintain a competitive edge in the digital economy (Gretzel et al., 2020).

Previous research has extensively examined the transformative role of AI platforms in the travel, hospitality, and tourism industries, focusing on their ability to enhance efficiency, personalisation, and customer engagement. Studies have highlighted the impact of AI-driven chatbots and virtual assistants in automating customer service tasks, providing real-time assistance, and improving customer satisfaction (Tussyadiah et al., 2020). Machine learning algorithms have been widely explored for their effectiveness in dynamic pricing, demand forecasting, and inventory optimisation, enabling businesses to maximise revenue and resource utilisation (Xiang et al., 2021). Additionally, researchers have emphasised AI's ability to analyse big data to offer personalised recommendations and create tailored customer experiences, thus increasing loyalty and satisfaction (Gretzel et al., 2020). Emerging technologies, such as AI-integrated IoT devices and augmented reality, have also been examined for their potential to enhance operational workflows and deliver immersive experiences (Doborjeh et al., 2022; Ivanov & Webster, 2019). These studies collectively illustrate AI's capacity to reshape the travel, hospitality, and tourism sectors through innovation and strategic adaptability. As described above, the content analysis of existing reviews reveals the absence of a wide-ranging synthesis of the empirical literature. This leaves a gap for a state-of-the-art framework-based systematic literature review in AI in Travel, tourism, and hospitality.

The travel, hospitality, and tourism industries are among the most dynamic and customer-centric sectors globally, relying heavily on innovation to meet evolving consumer demands. Artificial intelligence (AI) has emerged as a transformative force, offering capabilities to enhance personalisation, streamline operations, optimise resource allocation, and improve decision-making. Despite its potential, the integration of AI in these sectors varies and uneven adoption across countries due to several challenges and technical



limitations. Previous researchers have commonly explored AI applications in the broader business sector (Al Dhaheri et al., 2024; Chong et al., 2024; Grashof & Kopka, 2023; Agrawal, Gans, & Goldfarb, 2018) or focused on specific industries such as banks (Sheth, 2022), Telecom (Chen, Li & Chen, 2021), etc. However, the application of AI, specifically within the travel, hospitality, and tourism sectors, remains underexplored. While a growing body of research explores AI applications in travel, hospitality, and tourism, the literature remains fragmented and often lacks a holistic understanding of its applications. Existing studies focus on specific aspects, such as recommendation systems or customer experience, without providing a comprehensive overview of AI's role in travel, hospitality, and tourism countries. Furthermore, the rapid pace of technological advancements and the unique socio-economic factors influencing the adoption of AI in different contexts necessitate a systematic evaluation of existing knowledge. A systematic literature review is needed to consolidate current research, identify knowledge gaps, and establish a foundation for future studies. This review aims to systematically scrutinise and compile empirical research on AI applications, explore the role of AI in the business sector, and explore the role of AI in travel, hospitality, and tourism.

## **2. SYSTEMATIC REVIEW METHOD**

The systematic literature review has proved to be a highly effective methodology for gathering and analysing existing knowledge of a specific area (Vijerathne et al., 2024; Chathuranga et al., 2024; Bandara et al., 2024). Researchers recommend systematic reviews as a superior source of evidence regarding current knowledge in a general field or to substantiate the existence or otherwise of a given relationship. According to Petticrew (2006), a 'systematic review is beneficial when a general overall picture of the evidence in a topic area is needed to direct future research efforts, or when an accurate picture of past research and past methodological approaches is required'. In general, the systematic procedure follows a funneling process; they are general literature search, literature review (narrative Process), refined literature search, assessing the remaining studies and key factors identification, examination of the content of similar studies, evaluating and compiling selected publications, structuring of information and presentation and evaluation criteria. The general literature search to a broad literature database search of Artificial intelligence yielded 82 articles, which were the input into the first narrative step. At the first AI application derived, following this literature review narrative process, each AI application was applied as a term in a dedicated search, resulting in 98 articles. All these research papers were indexed and Journal papers. An

extraction and analysis procedure resulted in relevant statements as findings using a content analysis.

This research applied the SPAR-4-SLR protocol for the systematic review (Paul et al., 2021). This method has three stages: assembly, arrangement, and assessment. Assembling includes identification, acquisition, and organisation; arranging includes purification and evaluation; assessing includes evaluation and reporting (Table 1). The researcher used the 5W+1H framework to report the review (Callahan, 2014). It explains what, who, when, where, why, and how-based questions to report the review.

**Table 1: SPAR-4-SLR Protocol**

Assembling	<b>Identification:</b>
	The research domain: AI in the travel, hospitality, and tourism sectors
	The research question: What are the AI applications and key roles in travel, hospitality, and tourism?
	Sources type: Journals articles
	Source quality: Emerald, Taylor and Francis, Elsevier, Springer
Arranging	<b>Acquisition</b>
	Search mechanism and material acquisition: Emerald, Taylor and Francis, Elsevier, Springer
	Search period: December 26 <sup>th</sup> November 2024 to 05 <sup>th</sup> December 2024
	Search keyword: AI, travel, hospitality, and tourism sectors
	Total number of articles searched:
Assessing	<b>Organisation</b>
	Organising codes: Journal title, publication year, theories, context, characteristics, methodologies
	Organizing framework(s): The 5W+1H
	<b>Purification</b>
	Article type excluded (and the total number for each type of exclusion):
Assessing	Document type: Conference paper excluded (23) and predatory journals excluded (14)
	Article types included: Article-indexed, peer-reviewed journals
	Number of articles (final): 98
	<b>Evaluation</b>
	Analysis Method: Content Analysis
Assessing	Agenda proposal method: Research Gap analysis
	<b>Reporting</b>
Assessing	Reporting Conventions: Table 2, Figure1

Source: Authors' own

### 3. GENERAL FINDINGS

The systematic review reveals a hierarchically structured framework (Table 2). This framework contains the seven main AI applications: *Chatbots*, *Internet of Things (IoT)*, *Predictive Analytics*, *Robotics and Automation*, *Natural Language Processing (NLP)*, *Image and Video Recognition*, and *Virtual, Augmented, and Mixed Reality*. The results revealed that Chatbot applications are considerably more often apparent in the literature (78) than IoT (65), Predictive analysis (32), Robotic and automation (45), NLP (46), Image and Video Recognition (24), and Virtual, Augmented and mixed reality (17). The systematic literature review concludes that Chatbots as an IT instrument in AI applications appear more than any other AI applications.

**Table 2: Role of AI**

AI applications	n	Roles in business sectors	n	Roles in travel hospitality and tourism	n
Chatbots	78	24/7 Customer Support, Enhanced Efficiency, Customer Engagement, Improved guest experiences, Operations Versatility	54	Real-Time Assistance, Booking Support, Personalized recommendations, multilingual Customer Interaction, Post-Travel Engagement & Customer Experience	24
Internet of Things (IoT)	65	Predictive Maintenance, Energy Management, Smart Warehousing, Inventory Management, Logistics and Fleet Management, Real-Time Monitoring, Smart Homes and Offices	49	Smart Hotel Rooms, Smart Airports, Wearable Technology and Location-Based Beacons, Wristbands in Theme Parks and Smart Cities, and enhanced Customer experiences	16
Predictive Analytics	32	Anticipating Market Trends and Consumer Behavior,	24	Demand Forecasting, Dynamic Pricing, Airline Operations, Revenue Management, Tailored Travel Packages, Destination Management, and data-driven Decision-Making	8
	32	Marketing and Customer Engagement, Risk Management in Finance, Supply			



	Management, Autonomous Vehicles in Automotive, Surveillance Systems, Personalized Shopping Experiences	Experience & Innovation in Operations	
Virtual, Augmented, and mixed reality	17 Customers visualise products, make informed purchasing decisions, take Virtual property tours, Explore 17 spaces remotely, receive Real-time guidance, train surgeons and conduct simulations, create immersive, risk-free practice environments, engage in gaming and immersive experiences, and enhance user experiences and customer engagement.	13 Explore destinations, virtual walkthroughs, pre-trip experiences, real-time experiences, access detailed information, interactive tours, virtual concierge services, themed resorts, and entertainment destinations, adapt to guest preferences, enhancing personalisation innovative engagement	4

Source: Authors' own

### 3.1. Role of Chatbots

The key findings revealed the role of Chatbot in the business sector and travel, hospitality, and tourism industries (Table 1). Chatbots play a transformative role in the travel, hospitality, and tourism industries by enhancing customer service, improving operational efficiency, and delivering personalised experiences (Kedi et al., 2024). These AI-powered tools provide real-time assistance, addressing customer inquiries, managing bookings, and handling cancellations or refunds efficiently. Platforms like Booking.com utilise chatbots to streamline hotel reservations and support multilingual interactions, ensuring global accessibility. Similarly, robotic

concierges in hotels offer guests localised travel tips and hotel information, enriching their overall experience. Chatbots on travel planning platforms assist users with flight searches, vacation planning, and tailored itinerary suggestions based on individual preferences. They also enhance post-travel engagement by collecting feedback and addressing customer concerns (Doborjeh et al., 2022). By automating routine tasks, chatbots reduce operational costs, improve response times, and enable businesses to deliver seamless and efficient services. These applications demonstrate chatbots' critical role in modernising and optimising the travel, hospitality, and tourism sectors.

### **3.2.     *Role of IoT***

The IoT contributions to business sectors and travel, hospitality, and tourism industries are retrieved in Table 1. The Internet of Things (IoT) is transformative across diverse business sectors, enabling more innovative, efficient, and cost-effective operations (Fernando et al., 2020). Integrated with AI, IoT facilitates predictive maintenance by using sensors in manufacturing equipment to detect anomalies, reduce downtime, and extend asset lifespans. The Internet of Things (IoT) has revolutionised the travel, hospitality, and tourism industries by enhancing operational efficiency, improving customer experiences, and promoting sustainability. In the hospitality sector, IoT enables smart hotel rooms where guests can control lighting, temperature, and entertainment systems using smartphones or voice commands. In contrast, hotels personalise guest stays by adjusting room settings based on previous preferences. In the travel industry, airlines leverage IoT with RFID tags and mobile notifications for real-time baggage tracking, minimising lost luggage incidents. Smart airports utilise IoT sensors to monitor crowd levels, optimise security queues, and provide real-time updates to travellers, ensuring a smoother experience (Buhalis & Sinarta, 2019). Tourism operators use wearable technology and location-based beacons to offer real-time guidance and personalised recommendations. IoT-enabled wristbands in theme parks like Disney World streamline park navigation, enable cashless payments, and track visitor preferences to enhance experiences. IoT applications in smart cities also support sustainable tourism by managing resources like energy and water through connected systems. These innovations empower businesses to deliver seamless, personalised, eco-friendly services, reshaping global travel, hospitality, and tourism.

### ***Role of Predictive Analytics***

The findings revealed the roles of predictive analytics in business sectors and travel, hospitality, and tourism industries (Table 1). Predictive analytics is a powerful tool that helps businesses anticipate market trends, optimise operations, and make data-driven decisions. Leveraging historical data and advanced algorithms enables businesses to effectively forecast outcomes and mitigate risks. In marketing, predictive analytics helps identify customer preferences and behaviour, allowing for personalised campaigns and customer retention strategies (Al Dhaheri et al., 2024). Predictive analytics plays a crucial role in the travel, hospitality, and tourism industries by enabling businesses to anticipate trends, optimise operations, and enhance customer experiences. It is widely used to forecast demand, allowing dynamic pricing strategies to maximise revenue. For example, Expedia uses AI to predict room availability and optimise pricing. In the airline industry, predictive analytics helps anticipate passenger load, adjust pricing dynamically, and optimise route planning, maximising profitability (Chong et al., 2024). In hospitality, hotels use predictive tools to manage inventory and personalise guest experiences by determining room pricing based on local events, seasonal demand, and competitor activity. Tour operators utilise predictive analytics to tailor travel packages and recommend destinations by analysing traveller behaviour, booking patterns, and reviews (Agrawal et al., 2018). Additionally, destination management organisations (DMOs) leverage predictive analytics to understand tourist preferences, optimise marketing campaigns, and manage crowd control in popular areas. Predictive analytics empowers businesses in the travel, hospitality, and tourism sectors to make data-driven decisions, adapt to changing consumer demands, and improve operational efficiency.

### ***3.3. Role of Robotics and Automation***

The result shows the role of Robotics and Automation (Table 1). Robotics and automation have become integral to modern business operations, driving efficiency, reducing costs, and enhancing productivity across various sectors (Kedi et al., 2024). Robotic systems are widely used in manufacturing for assembly lines, quality control, and packaging. Robotics and automation are transforming the travel, hospitality, and tourism industries by streamlining operations, enhancing customer service, and reducing operational costs (Bogue, 2018). In the hospitality sector, robotic concierges provide guests with personalised and efficient information about local attractions and hotel amenities. Hotels, especially in Japan, use robots for check-in, luggage handling, and room cleaning, reducing the reliance on human labour while enhancing operational efficiency. In the travel industry,

airports adopt automation technologies such as robots for baggage handling and automated kiosks for self-check-in and security, significantly reducing wait times and improving passenger experiences (Ivanov & Webster, 2019). Airlines also employ robotic assistants at boarding gates to guide passengers and provide real-time flight updates, further optimising travel. Tourism attractions, including museums and theme parks, use interactive robots to guide visitors and provide multilingual explanations, enriching the visitor experience. Additionally, robots are deployed in food and beverage services at tourist hotspots, ensuring faster and more consistent service delivery (Luo et al., 2019). These applications demonstrate how robotics and automation are revolutionising the travel, hospitality, and tourism industries by improving service delivery, optimising resources, and enhancing overall customer satisfaction.

### ***3.4. Role of Natural Language Processing (NLP)***

The systematic literature review revealed the role of Natural Language Processing (NLP) (Table 1). Natural Language Processing (NLP) transforms business operations by enhancing decision-making, automation, and customer engagement (Al Dhaheri et al., 2024). In customer service, NLP powers chatbots and virtual assistants like IBM Watson Assistant, improving response times and reducing operational costs while handling customer inquiries. In marketing, NLP enables sentiment analysis, allowing businesses to gauge customer opinions from social media and online reviews, which informs their strategies. Natural Language Processing (NLP) is transforming the travel, hospitality, and tourism industries by enabling seamless communication, personalisation, and data analysis. NLP-powered chatbots and virtual assistants are central to customer service, handling inquiries, booking requests, and complaints in multiple languages, providing a personalised and efficient service experience. Platforms like Booking.com and Expedia use NLP to analyse customer queries and suggest tailored travel options. In hospitality, NLP enhances guest experiences through sentiment analysis of online reviews on platforms like TripAdvisor and Google Reviews, helping businesses improve their offerings (Oldemeyer et al., 2024). Additionally, voice-activated assistants like Amazon Alexa and Google Assistant are integrated into smart hotel rooms, allowing guests to control room settings, request services, and obtain travel information through natural language commands. NLP also powers translation tools like Google Translate, which is crucial for breaking language barriers between tourists and local service providers. This is especially important for tour operators managing international visitors. Furthermore, destination management organisations (DMOs) leverage NLP algorithms to analyse



social media data, identify trends, and enable targeted marketing campaigns, enhancing real-time engagement with travellers (Grashof & Kopka, 2023). These applications demonstrate how NLP enhances communication, personalises services, and drives data insights, significantly improving efficiency and customer satisfaction in travel, hospitality, and tourism.

### ***3.5. Role of Image and Video Recognition***

Image and video recognition technologies have become essential across various business sectors, enhancing productivity, security, and customer experiences. In manufacturing, video recognition systems are used for quality control, identifying defects in real time to ensure consistent production standards (Sotamaa et al., 2024). In security, facial recognition and video monitoring detect unauthorised access and track real-time events, enhancing safety measures. Image and video recognition technologies are transforming the travel, hospitality, and tourism industries by enhancing operational efficiency, improving customer experiences, and driving innovative marketing strategies. In the hospitality sector, facial recognition for check-ins, implemented by hotel chains like Marriott and Hilton, enables contactless, secure guest registration, streamlining the process. In tourism, image recognition applications allow tourists to identify landmarks and learn about historical sites or artworks through mobile apps like Google Lens, enhancing engagement and education. Video recognition is also employed in tourist attractions and museums for security monitoring and visitor management, ensuring safety while optimising operations. Additionally, travel companies use image and video recognition to analyse user-generated content on social media, identifying popular destinations and traveller preferences, which helps them create targeted marketing campaigns (Buhalis & Sinarta, 2019). Hotels and tour operators apply image recognition to analyse customer reviews by categorising visual elements like photos of amenities, food, and rooms, gaining valuable insights to enhance services. These technologies significantly enhance personalisation, streamline operations, and foster innovation, ultimately transforming how businesses interact with travellers and manage their operations in the travel, hospitality, and tourism sectors.

### ***3.6. Role of Virtual and Augmented Reality (VR/AR)***

Virtual and Augmented Reality enhance user experiences in retail, real estate, and training programs (Fadhel et al., 2024). Virtual Reality (VR) and Augmented Reality (AR) are revolutionising the business landscape by creating immersive experiences, enhancing productivity and driving innovation (Gladysz et al., 2023). Virtual reality (VR), augmented reality

(AR), and mixed reality (MR) are transforming the travel, hospitality, and tourism industries by providing immersive and interactive experiences. VR allows potential tourists to explore destinations remotely through 360-degree virtual tours of landmarks, hotels, and attractions, aiding them in making informed decisions before booking trips (Rauschnabel et al., 2022). Hotels and tourism boards use VR to offer virtual walkthroughs of properties and attractions, enhancing decision-making and offering pre-trip experiences to those unable to travel due to financial or physical constraints. AR, on the other hand, enriches real-time experiences by overlaying digital content onto the physical environment, allowing tourists to access detailed information about historical sites, monuments, and landmarks via smartphones or AR glasses (Loureiro, 2020). This technology is particularly effective in enhancing guided tours with interactive content, such as historical reconstructions or contextual data, making the experience more meaningful and educational. Mixed reality (MR) combines elements of VR and AR to offer highly interactive and personalised experiences. For example, MR is used in the hospitality industry to provide virtual concierge services, where guests can interact with holographic staff representations or explore hotel amenities and nearby attractions. It is also utilised in themed resorts and entertainment destinations to create dynamic, engaging environments that adapt to guest preferences. As technology advances, MR is expected to make tourism experiences more accessible, interactive, and personalised.

#### **4. DISCUSSION**

The integration of advanced technologies such as chatbots, the Internet of Things (IoT), predictive analytics, natural language processing (NLP), robotics and automation, and immersive technologies like VR, AR, and MR is transforming the travel, hospitality, and tourism industries (figure 1). These innovations revolutionise customer experiences, enhance operational efficiency, and drive data-driven decision-making processes.

Chatbots have become essential in travel and hospitality, enabling 24/7 customer service and personalised interactions. Tussyadiah et al. (2017) supported and mentioned that these AI-driven virtual assistants handle real-time inquiries, booking requests, and complaints, significantly improving customer satisfaction while reducing operational costs. Platforms like Booking.com and Expedia leverage chatbots to streamline the booking process and provide tailored travel recommendations. Chatbots ensure quick and accurate responses by analysing customer queries and enhancing the overall user experience (Luo et al., 2019). IoT technologies are fostering more intelligent and more connected environments in travel and hospitality.

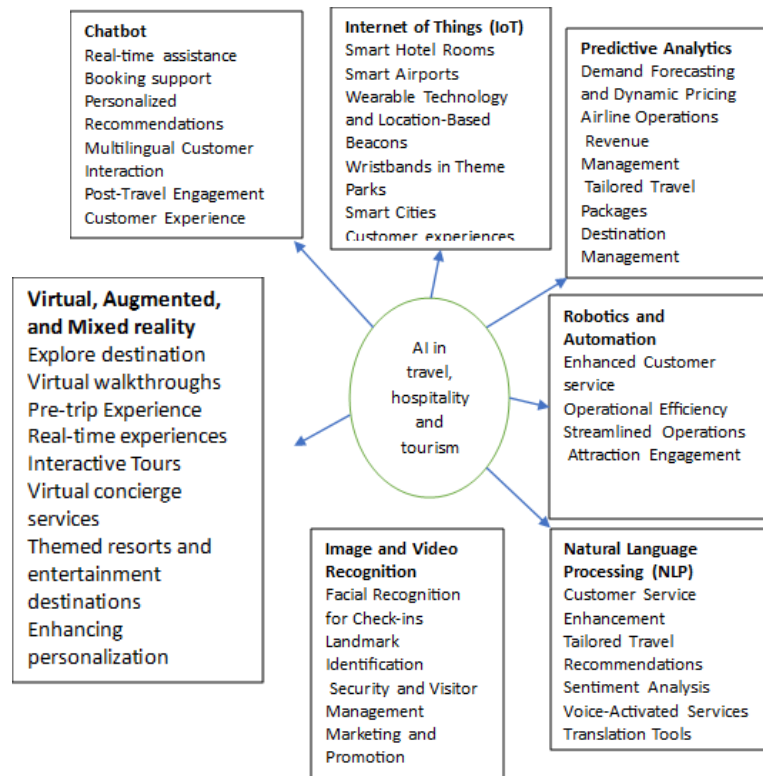
Smart hotels integrate IoT-enabled devices such as smart thermostats, lighting, and keyless entry systems to offer personalised and efficient guest experiences (Buhalis & Sinarta, 2019). Airports utilise IoT for real-time baggage tracking and efficient crowd management. For instance, sensors and IoT networks enable seamless check-ins and enhanced security processes, improving passenger flow and reducing wait times (Gretzel et al., 2020). IoT's ability to gather and transmit real-time data significantly enhances operational efficiency and customer convenience.

Predictive analytics is another transformative tool in these industries, enabling businesses to forecast demand, optimise pricing, and manage resources effectively. Airlines utilise predictive models to anticipate passenger load, adjust pricing dynamically, and optimise route planning, maximising profitability (Gretzel et al., 2020). Similarly, hotels employ predictive analytics to set room rates based on seasonal demand, local events, and competitor pricing, ensuring higher revenue per available room (Buhalis & Leung, 2018). Tour operators also use predictive tools to analyse booking patterns and traveller preferences, enabling them to tailor packages and offer personalised services (Morosan & DeFranco, 2016).

NLP technologies significantly enhance communication and personalisation in the travel, hospitality, and tourism industries. Chatbots and virtual assistants powered by NLP handle customer inquiries in multiple languages, offering personalised and efficient services. Platforms like TripAdvisor and Google Reviews leverage NLP for sentiment analysis to gain insights into customer perceptions and improve service offerings (Gretzel et al., 2020). Additionally, voice-activated assistants like Amazon Alexa integrated into hotel rooms allow guests to control room settings and access travel information through natural language commands (Buhalis & Leung, 2018).

Robotics and automation are streamlining operations and improving service quality in these industries. Hotels in Japan, for example, use robots for check-ins, luggage handling, and room cleaning, reducing reliance on human labour and enhancing efficiency (Tussyadiah et al., 2019). Airports deploy robotic assistants for baggage handling and automated kiosks for check-ins and security, reducing wait times and improving passenger experiences (Buhalis & Sinarta, 2019). Additionally, tourist attractions and museums use interactive robots to guide visitors and provide multilingual explanations, enriching the visitor experience (Ivanov & Webster, 2019). Immersive technologies like VR, AR, and MR transform travellers' engagement with destinations. VR lets tourists explore destinations remotely through 360-degree virtual tours of landmarks, hotels, and attractions, helping them make informed decisions before booking trips (Pine & Gilmore, 2019). AR

applications overlay digital content onto physical environments, enhancing real-time experiences. For example, tourists can use AR to access information about historical sites and monuments through their smartphones, making guided tours more interactive and educational (Javornik, 2016). MR combines elements of both VR and AR to create highly interactive experiences, such as virtual concierge services in hotels and dynamic environments in themed resorts (Bacca et al., 2014). These immersive tools enhance customer engagement and make travel experiences more accessible and personalised



**Figure 1: Role of AI in Travel, Hospitality, and Tourism**

*Source: Author's own*

## 5. IMPLICATIONS

The findings of this research carry significant implications for academia, industry practitioners, and policymakers. By systematically scrutinising and compiling empirical studies on AI applications, the research provides a comprehensive overview of the current state of AI adoption and its transformative potential across various sectors. For the business sector, exploring AI's role highlights how organisations can leverage AI

technologies to enhance operational efficiency, improve decision-making, and drive innovation. These insights can assist business leaders in developing strategies to integrate AI into their operations while addressing potential challenges such as workforce adaptation and ethical concerns. In the context of travel, hospitality, and tourism, the study sheds light on the potential of AI to personalise customer experiences, optimise resource allocation, and improve service quality. Industry practitioners can utilise these findings to design AI-driven solutions that enhance customer satisfaction and foster competitiveness in a rapidly evolving market. Finally, the research underscores policymakers' need to create supportive regulatory frameworks and infrastructure to facilitate AI adoption while ensuring data security, privacy, and equitable access to technology. This will enable businesses and industries to harness AI's potential responsibly and sustainably, contributing to economic growth and societal well-being.

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**DETERMINANTS OF CONSUMERS' CONTINUANCE INTENTION TO  
ACCEPT THE USE OF E-PAYMENTS: EVIDENCE FROM WESTERN  
PROVINCE, SRI LANKA**

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**ABSTRACT**

With the revolutionised penetration of digitalisation, e-payment has become a popular transaction method worldwide, but Sri Lanka is an exception. Despite the widespread use of e-payments in Sri Lanka throughout the pandemic, cash remains the primary method of consumer transaction. This study investigates the factors influencing consumers' intention to accept e-payments in Western Province, Sri Lanka. Following the positivism and deductive research approach, this study examines the application of the Extended Unified Theory of Acceptance and Use of Technology (UTAUT2). Using the purposive sampling method, an online structured questionnaire was distributed among 384 individuals who use e-payments at least once for their transactions and reside in the Western Province, Sri Lanka. The proposed hypotheses were tested using multiple regression analysis using IBM SPSS statistics software. The findings of this study reveal that performance expectancy, effort expectancy, social influence, habit, and facilitative conditions have a positive significant impact on consumers' continuance intention to accept the use of e-payments in the Western Province of Sri Lanka. In contrast, price and hedonic motivation insignificantly influence consumers' intention to accept e-payments. The study offers an opportunity for online transaction businesses, banking institutions, software developers, legislators, and governments to enhance consumers' intention to continue e-payments in the Western Province of Sri

Lanka. As a novel contribution to the theory, this study utilises UTAUT2 in the FinTech domain, addressing a gap where most previous studies predominantly utilised UTAUT in the financial technology context.

**Keywords:** Continuance intention to accept, Use of e-payments, UTAUT2

## 1. INTRODUCTION

The exponential rise of information and communication technology (ICT) in e-payment systems for commercial transactions has caused a movement away from cash payments toward cashless payment options (Kabir et al., 2015; Nguyen & Huynh, 2018). Users today seek a convenient, trustworthy, and affordable business method. As a result, e-payment systems imitate the implementation of modern payment platforms (Katrina et al., 2022). E-technologies are used in e-payment systems such as e-cash, e-check, e-wallet, credit cards, debit cards, e-banking, m-banking, online banking, digital accumulating balance, online storage value, and wireless payment (Nguyen & Huynh, 2018).

Two major e-payment systems are used in Sri Lanka: extensive value payment system and retail payment system, methods, and instruments (Central Bank Annual Report, 2022). According to the Central Bank Annual Report (2022), the highest value of transactions is in the SLIPS, mobile value-based payment system, LPOPP, Lanka QR and card payments (credit cards and debit cards). These payment methods are included in retail payment systems, methods and instruments.

In Sri Lanka, the Central Bank Annual Report (2022) states that there is currently close to Rs 1026 billion in cash in circulation. The cost of keeping money in circulation is roughly 1.5% of GDP. Therefore, converting even 30% of the currency into digital transactions can save at least 0.5% of GDP, which they can spend for social welfare and other uses (Annual Report 2022 | Central Bank of Sri Lanka, 2023). In 2022, the number of internet users in Sri Lanka was 11.34 million people, representing 52.6% of the total population, and the highest number of active internet users are residing in the Western Province of Sri Lanka (APIDM & Dept of Marketing Management University of Kelaniya, 2022). Compared to its neighbours, Sri Lanka still lags when accessing the internet and e-payment methods (Wattegama, 2021). About 95% of all retail transactions in Sri Lanka are still made with cash (The Fintech Revolution Begins in Sri Lanka - Echelon, 2018). As cited in Thavapalakumar (2024), A survey conducted by Visa found that just 25% of all transactions in Sri Lanka were digital. Therefore, a more comprehensive development in the country's e-commerce ecosystem would have long-term advantages in increasing the variety and reach of social

media-based businesses (Jesuthasan & Umakanth, 2021). According to Kulathunga and Ekanayake (2019), a few difficulties were noted when cashless transactions were introduced, including disconnection. When customers order an item, they are unaware of the payment process and when to make the payment.

The innovation of e-wallets is supported by the governments of many nations, particularly in times of pandemic, and it may also affect people's intentions to use them. Also, the WHO advises the government to promote e-wallet payments among its citizens during the crisis (Huang et al., 2020). Before the crisis, cash-on-delivery (80%) and direct bank transfers (100%) were the most widely used payment methods in Sri Lanka. Additionally, because payment gateways are expensive, just 17% of online payments are made with debit or credit cards. The public cannot access banks and ATMs in these circumstances without using mobile ATMs (Jesuthasan & Umakanth, 2021). The current financial crisis also emphasises the small amount of online banking used in the Sri Lankan economy. Many financial institutions now try to promote their online banking services (Kulathunga & Ekanayake, 2019).

Despite the absence of trustworthy sources, a preliminary survey in Sri Lanka's Western Province revealed that 67% of consumers pay with cash for products and services, making it the nation's most common payment method (Preliminary Survey Data, 2023). This means that Sri Lankan consumers are using cash rather than e-payments for their transactions. Sri Lankan consumers are aware of e-payments and intend to accept e-payments in the future (Preliminary Survey Data, 2023). According to academics and industry experts, more research is required to determine why e-payment acceptance is slow in Sri Lanka, one of the biggest challenges for businesses and e-commerce platforms during the Internet era. (Ariyasena & Jayarathne, 2019; Jesuthasan & Umakanth, 2021; Kulathunga & Ekanayake, 2019). However, only a limited number of studies have been conducted in the Sri Lankan context to identify the factors influencing consumers' continuance intention regarding e-payments (Fernando et al., 2021; Jayarathne et al., 2022; Wattegama, 2021). Practitioners and policymakers are perplexed about the factors influencing consumers' acceptance intention for e-payments due to a lack of data specific to the Sri Lankan context and a lack of agreement on the findings in the internationally accessible literature (Kulathunga & Ekanayake, 2019; Suwunniponth, 2016).

However, understanding the adoption factors and the primary difficulties existing e-payment systems encounter is essential to use an e-payment

system effectively. Particularly in a country like Sri Lanka, there is a lack of consensus on the difficulties and crucial elements that make up the effective use of an e-payment system; as a result, a clear knowledge gap has been established regarding the consumer's acceptance of e-payment. Therefore, the study is designed to fill the gaps while forming the research problem: "What factors influence consumers' continuous intention to accept e-payments in Western Province, Sri Lanka?".

## **2. LITERATURE REVIEW**

### ***2.1. Theoretical Background***

The literature reveals several theoretical platforms for studying consumers' acceptance of e-payments. This research aims to fill a theoretical gap concerning the factors influencing consumers' continuous intention to accept e-payments in Western Province, Sri Lanka. Prior studies have explored the acceptance of technology in organisational contexts using the Theory of planned behaviour (TPB), Theory of reasoned actions (TRA), Technology acceptance model (TAM), Social cognitive theory (SCT), Innovation diffusion theory, UTAUT (Ghaith & Ghaith, 2022; Tomić et al., 2023). However, there is a gap; according to Venkatesh et al. (2003), the limitations of the UTAUT allowed for the development of new theories to support additional constructs that have the potential to anticipate how complex technologies will be used. To address theoretical gaps, this study seeks to assess the factors influencing consumers' continuous intention to accept e-payments in Western Province, Sri Lanka, through the use of the extended version of the unified theory of acceptance and use of technology (UTAUT2) (Jayarathne et al., 2022; Negm, 2023).

### ***2.2. Empirical Review***

#### ***2.2.1. Consumers' Continuous Intention to Accept E-payments***

The popularity and expansion of online payments can be attributed to the ability to securely digitise transactions and the increasing use of computers and mobile devices that facilitate easy financial transfers and payments (Rahayu, 2022). Referring to the study by Jayarathne et al. (2022), the acceptance of electronic and contactless payments by Sri Lankans has been increasing since the COVID-19 pandemic. The acceptance of e-payment is significantly influenced by issues related to a country's national infrastructure. (Kulathunga & Ekanayake, 2019). However, traditional payment methods continue to be strongly favoured in many nations (Albastaki et al., 2022). Implementing e-payments is crucial if countries fully benefit from the unparalleled economic growth and global connectivity

(Hamad et al., 2015). Researchers have shown that a person's behavioural intentions and evaluations primarily start them to use technology (Venkatesh et al., 2012).

#### *2.2.2. Performance Expectancy (PE)*

PE determines technology acceptance in non-organizational contexts (Venkatesh et al., 2003). PE is how strongly individuals believe about a system they are using and that it will help them accomplish their desired objectives (Teoh et al., 2013; Venkatesh et al., 2003). PE might vary based on a person's age and gender (Venkatesh et al., 2003). The user firmly believes that the technology they employ enhances efficiency and improves the quality of their work. Based on this belief, technology usage becomes significant (Huang & Kao, 2015). The user who indicates low-performance expectations creates a barrier to technology adoption (Azmeem & Azami, 2023).

**H<sub>1</sub>:** Performance expectancy has an impact on consumers' continuous intention to accept e-payments in Western Province, Sri Lanka

#### *2.2.3. Effort Expectancy (EE)*

Effort expectancy relates to how simple it is to use the technology (Venkatesh et al., 2003). EE is defined as the comfort level of system usage (Venkatesh et al., 2003). Many studies have proven the important influence of EE on the acceptance level of new technology (Azmeem & Azami, 2023). According to Azmeem and Azami (2023), technology is beneficial because it simplifies people's lives and enables them to complete tasks more correctly, swiftly, and efficiently.

**H<sub>2</sub>:** Effort expectancy has an impact on consumers' continuous intention to accept e-payments in Western Province, Sri Lanka

#### *2.2.4. Social Influence (SI)*

According to Venkatesh et al. (2003), the definition of social influence is when other people think a person needs to utilise a new system. This is how people's opinions of what matters to them affect their choice to embrace a specific system or take a specific course of action (Venkatesh & Bala, 2008). If a particular payment method draws the attention of users that influencers consider to be references, it is more likely to be quickly adopted by others in the future (Alshannag et al., 2022). This outcome significantly affects how well e-payment systems work (Chin & Ahmad, 2015). SI has been extensively used in recent studies to determine the adoption of e-payment systems (Alshannag et al., 2022; Kurnia et al., 2020).

**H<sub>3</sub>:** Social influence has an impact on consumers' continuous intention to accept e-payments in Western Province, Sri Lanka

#### *2.2.5. Facilitative Condition (FC)*

The acceptability of technology in non-organizational contexts is similarly constructed by the facilitative conditioning concept in UTAUT2 (Venkatesh et al., 2003). Venkatesh et al. (2003) defined FC as technology resources facilitating individual access to information systems. Composed of items from perceived behavioural control, the UTAUT construct aims to characterise the relationship between the organisation's efforts to remove usage-related barriers and potential users' desire to use (Chu et al., 2022). Tomić et al. (2022) found that the FC substantially impacts embracing new technologies among the numerous studies conducted to determine the association between FC and technology adoption.

**H<sub>4</sub>:** Facilitative conditions have an impact on consumers' continuous intention to accept e-payments in Western Province, Sri Lanka

#### *2.2.6. Hedonic Motivation (HM)*

The hedonic motivation is the first construct added to UTAUT2. Hedonic value, which Chen and Zhou (2016) claim reflects experience value, is a key factor in driving technology adoption, mainly if the technology can make users feel pleasure from using it. HM is defined as the enjoyment or pleasure one derives from utilising technology and is a key factor in influencing technology acceptance and use (Venkatesh & Bala, 2008). HM is defined as the substance of a person's psychological and emotional experiences, which can be triggered by personal attributes and cognitive states, according to the hedonistic perspective on individual behaviours (Chu et al., 2022).

**H<sub>5</sub>:** Hedonic motivation has an impact on consumers' continuous intention to accept e-payments in Western Province, Sri Lanka

#### *2.2.7. Price Value (PV)*

The phrase "good value for money" reflects the significance of the following construct, the price value concept, which is added to UTAUT2 (Venkatesh et al., 2012). The perceived value, frequently viewed as a key signal in anticipating the buying behaviour that might affect a company's competitive advantage, is where the PV construct originated (Chu et al., 2022). Researchers in the information technology sectors and marketers of consumer electronics devices have recently placed more emphasis on PV (Huang & Kao, 2015).

**H<sub>6</sub>:** Price value has an impact on consumers' continuous intention to accept e-payments in Western Province, Sri Lanka

### 2.2.8. Habit

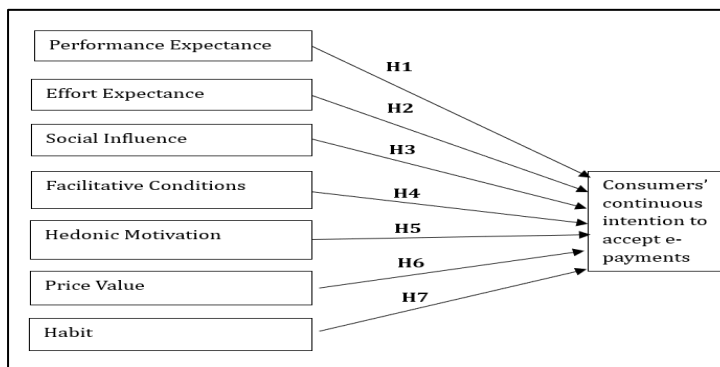
Habit is the final component added to UTAUT2 (Venkatesh et al., 2012). Consider whether people use technology instinctively due to past experiences (Venkatesh et al., 2012). The habit construct has received significant attention across many fields, including psychology, consumer purchasing patterns, education, health research, and management (Linge et al., 2023). The empirical research on how habits affect technology use has identified various underlying mechanisms through which habits have an impact (Negm, 2023). According to Venkatesh et al. (2012), the habit directly and indirectly impacts the actual behavioural intention related to technology use. Studies on habitual intentions and habitual usage patterns have shown that habit is a powerful predictor of the use of technology in encouraging behavioural changes (Chu et al., 2022).

**H<sub>7</sub>:** Habit has an impact on consumers' continuous intention to accept e-payments in Western Province, Sri Lanka

## 3. METHODOLOGY

### 3.1 Conceptual Framework

This research investigates seven independent variables and one dependent variable, as shown in Figure 1.



**Figure 1: Conceptual Framework**

Source: Adapted from Negm (2023)

This study employs a two-stage data collection process following the deductive and positivist research approaches. A preliminary survey, which involved 55 customers, was conducted in the Western Province of Sri Lanka to assess consumers' engagement with e-payments. The findings provided a

foundation for the research objectives, allowing for a more targeted and effective main study. This approach ensured that the research was relevant and grounded in the specific socio-economic landscape of Sri Lanka.

The study's primary constructs were operationalised using well-designed measurement scales modified from earlier research. Survey methods were employed to gather data and insights from participants. Variables were measured using a measurement scale adapted from Negm (2023). A five-point Likert scale, with one denoting strongly disagree and five denoting strongly agree, was used to frame each question. Three specialists in the field pre-tested the questionnaire to ensure its face validity and content. Some items were changed to improve clarity based on their feedback. According to the pilot study results, the final modified measuring scales were accurate for the prospective respondents. Using the purposive sample technique, the questionnaire was distributed to 384 consumers using e-payments for their transactions at least once in Western Province, Sri Lanka. The sample profile was described using descriptive statistics, and the hypotheses were examined using multiple linear regression analysis.

#### 4. DATA ANALYSIS & RESULTS

##### 4.1 Sample Profile of the Study

The current study's sample profile highlights more gender representation from the female category, 59.3%, while male representation is 40.7%. Most of the respondents are 25-39, which is 66% of the total respondents.

Table 1 emphasises that Cronbach's Alpha values of all the independent and dependent variables are above 0.8 and can be interpreted as reliable variables. KMO values for all variables are above 0.5, and Bartlett's test sphericity values are less than 0.05 under a 95% confidence interval level. AVE values were above 0.5, and composite reliability values were above 0.7. This means that all the variables are significant, and convergent validity has been fulfilled.

##### 4.2 Reliability and Validity Measures

**Table 1: Reliability and Validity Analysis**

Variable	Cronbach's Alpha Value	KMO Values	Bartlett's Test of Sphericity Values	AVE	Composite Reliability (CR)
Consumers' acceptance intention towards e-payments	0.899	0.741	0.000	0.832	0.937



Performance Expectancy	0.920	0.844	0.000	0.806	0.943
Effort Expectancy	0.910	0.844	0.000	0.788	0.937
Social Influence	0.895	0.741	0.000	0.827	0.934
Facilitative Conditions	0.855	0.717	0.000	0.775	0.911
Hedonic Motivation	0.931	0.765	0.000	0.880	0.956
Price Value	0.884	0.738	0.000	0.812	0.928
Habit	0.914	0.826	0.000	0.797	0.940

Source: Survey Data (2024)

### 4.3 Multiple Regression Analysis

The researchers employed multiple regression analysis to determine how strongly independent factors and dependent variables are correlated.

**Table 2: ANOVA Test**

	Model	Sum of Squares	df	Mean Square	F	Sig.
3	Regression	130.344	3	18.621	89.318	.000 <sup>d</sup>
	Residual	65.878	316	.208		
	Total	196.222	319			

Source: Survey Data (2024)

The output of the ANOVA test p-value is 0.000, as per Table 2. The null hypothesis (H0) can be rejected because the model is significant, whereas the alternative hypothesis (H1) can be accepted. It explains that independent variables of PE, EE, SI, FC, and habit significantly influence consumers' continuous intention to accept e-payments.

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	.815 <sup>a</sup>	.664	.657	.45659

Source: Survey Data (2024)

Based on Table 3, the adjusted R square value is 0.657, and it can be summarised that PE, EE, SI, FC, and habit can explain 65.7% of the variation of the consumers' acceptance intention toward e-payments.

**Table 4: Coefficient Table**

Model	Unstandardised Coefficients		Standardised Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.379	.159		2.380	.018
Performance Expectancy	.363	.060	.365	6.054	.000
Effort Expectancy	.337	.071	.311	4.755	.000
Social Influence	.107	.059	.100	1.818	.000
Facilitative Conditions	.084	.059	.078	1.428	.042
Hedonic Motivation	-.090	.054	-.093	-1.662	.097
Price Value	.005	.058	.005	.082	.934
Habit	.131	.055	.134	2.362	.019

*Source:* Survey Data (2024)

According to the statistical result of the coefficient table in Table 4, consumers' continuous intention to accept e-payments positively influenced by performance expectance ( $\beta = 0.363$ ,  $p < 0.05$ ) which is the most influential variable, followed by effort expectance ( $\beta = 0.337$ ,  $p < 0.05$ ), social influence ( $\beta = 0.107$ ,  $p < 0.05$ ), facilitative conditions ( $\beta = 0.084$ ,  $p < 0.05$ ) and habit ( $\beta = 0.131$ ,  $p < 0.05$ ). Also, hedonic motivation ( $\beta = 0.090$ ,  $p > 0.05$ ) and price value ( $\beta = 0.005$ ,  $p > 0.05$ ) negatively influence consumers' continuous intention to accept e-payments.

## 5. DISCUSSION OF THE FINDINGS

The current study aimed to determine the factors influencing consumers' continuous intention to accept e-payments in Western Province, Sri Lanka. To identify this, seven hypotheses were developed using UTAUT2 and relevant literature. Factors such as PE, EE, SI, FC, and habit significantly influence consumers' continuous intention to accept e-payments in the Western Province of Sri Lanka. In contrast, factors such as HM and PV do not significantly impact this.

The current study identified that PE significantly influences consumers' intention to accept e-payments. A study done on UK citizens found that PE is one of the best indicators of e-payment usage (Kabir et al., 2015). Also, recent studies (Al-Sabaawi et al., 2023; Negm, 2023) stated that PE positively and substantially affected customers' intention to utilise e-payments.

Teoh et al. (2013) concluded that EE is a critical component in consumers' willingness to accept and utilise e-payment systems in their study on the intention to use e-payment systems. According to Negm (2023), there is a significant relationship between EE and consumers' intention to accept e-payments.

SI has been extensively used in recent studies to determine the adoption of e-payment systems (Alshannag et al., 2022; Kurnia et al., 2020; Yadav et al., 2023). Also, Negm (2023) indicates a significant relationship between SI and consumers' acceptance intention toward e-payments.

The results of other researchers' studies have strengthened the claim that FC significantly influences the adoption of new technology (Sair & Danish, 2018; Tomić et al., 2022). Negm (2023) stated that a significant relationship exists between facilitating conditions and consumers' acceptance intention toward e-payments.

Negm (2023) demonstrates an insignificant relationship between HM and consumers' acceptance intention toward e-payments. Furthermore, HM is the primary driver of mobile banking adoption (Boonsiritomachai & Pitchayadejanant, 2019). According to Solomon et al. (2017), using e-banking shows a significant relationship between HM., based on the current study's findings.

According to Negm (2023), the impact of PV on consumers' acceptance intention toward e-payments is insignificant. It was discovered in Taiwan that PV was perceived to have a detrimental impact on behavioural intention to utilise e-payments (Luarn & Lin, 2005). Negm (2023) also concluded that there is an insignificant association between habit and consumers' acceptance intention toward e-payments.

## **6. CONCLUSION, CONTRIBUTIONS & FUTURE RESEARCH AREAS**

E-payments are gaining popularity globally, impacting Sri Lanka's daily activities. Governments, banks, and businesses can capitalise on this trend to cater to consumers' future needs. The study reveals that e-payments offer a significant opportunity to boost consumer acceptance, as cash payments are ineffective for businesses, banks, and government organisations. The study identifies key factors influencing customer acceptance intentions for e-payments, suggesting that providers can identify these factors to increase consumer acceptance intentions.

The study reveals that the most influential factor influencing consumers' e-payment acceptance intention is the perceived ease of use (PE), followed by EE, SI, FC, and habit. High-performance expectations and consumer

addiction may encourage e-payment use over cash payments. However, HM and PV have insignificant influences, possibly due to the lack of fun and responsibility associated with technology usage and the perception of technology usage as a means of entertainment.

This study highlights that UTAUT variables (PE, EE, SI, and FC) significantly impact the intention to accept e-payment systems. However, in the UTAUT2 framework, only Habit has a significant influence, while HM and PV are insignificant in this context. The study theoretically contributes by showing that individuals' motivations and behaviours in adopting e-payment systems align with those observed in organisational technology use. UTAUT's broad applicability and consistency are reaffirmed, demonstrating more excellent reliability in this technological setting than UTAUT2.

This study suggests that the Sri Lankan government can promote the use of e-payments like SLIPS, LPOPP, LANKA QR, credit cards, debit cards, and mobile phone-based payments to transition the country into a digital society. It suggests that practitioners should develop user-oriented marketing strategies that explain the technology's usefulness, portability, vibrancy, convenience, and efficacy in the financial function, aiming to make e-payments the preferred method for financial transactions among citizens.

To overcome cash preference, it is recommended that an optimal legal environment for e-payments be created involving appropriate e-commerce infrastructure, including database management, transaction security, website construction, and web server maintenance.

The study revealed that 66% of consumers' e-payment acceptance intention is explained by the variables examined, while 34% remains unexplored. Therefore, the researchers highlight the need for future studies to explore trustworthiness, innovation resistance, culture, and technology scepticism. Future research could also focus on specific e-payment methods (e.g., mobile wallets, contactless payments) rather than the general concept of e-payments. As the study was conducted in Sri Lanka's Western Province, geographic limitations suggest the need for broader sampling across other provinces and larger sample sizes to enhance accuracy and generalizability. Comparative studies between developing and developed countries and longitudinal research on discrepancies between consumers' expectations and experiences are also recommended.

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## **ENABLERS AND BARRIERS FOR SECOND-HAND CLOTHING PURCHASE: AN EXPLORATORY STUDY OF YOUNG CONSUMERS IN SRI LANKA**

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### **ABSTRACT**

The fast-fashion industry, notably clothing, is a major culprit in the alarming global waste generation that escalates hourly. Second-hand clothing, a key concept of circular fashion and sustainable consumption, is considered a viable approach to address this issue. Despite the significant outcomes of second-hand clothing consumption for society, the economy, and the environment, research on consumer purchase and consumption of second-hand clothing is still nascent. On this ground, the present study aimed to explore the enablers and barriers to purchasing second-hand clothing in-depth. The COM-B model was the theoretical framework on which this research was based. The research intends to foster a positive behavioural change among consumers by identifying the enablers and barriers. This study entails a qualitative research approach with data collected from 21 young consumers through semi-structured interviews. The purposive sampling and snowballing sampling techniques were used to recruit respondents. Deductive thematic analysis was employed to analyse data by using NVivo software. The results show various factors that facilitate and hinder consumers from second-hand clothing purchases, structured as capabilities (C), opportunities (O), and motivations (M) for behavioural change. As far as the researcher knows, this study is the first to explore second-hand clothing purchases using the COM-B model. Thus, this study extends and adds value to previous related studies and sheds light on new research avenues for second-hand clothing consumption. Creating new business models, promoting and increasing consumer awareness of second-hand clothing purchases, and implementing effective strategies, policies and regulations to monitor the second-hand clothing market are a few practical implications of this study. Due to the exploratory nature of this study, the findings may lack generalisability. Therefore, it is recommended that future research employ a more diverse sample and utilise contemporary research designs.

**Keywords:** Circular economy, COM-B model, Consumer purchases and consumption, Fast fashion, Second-hand clothing.

## 1. INTRODUCTION

The clothing industry contributes to the global economy and substantially impacts global waste generation. Fast fashion has become a significant part of this, as it has driven consumers to purchase more clothes more frequently and impulsively and buy unnecessary clothes (Joung & Park-Poaps, 2013). Fast fashion is “an inexpensive substitute for latest luxury fashion clothing trends, which change rapidly, with today’s newest styles quickly turning into yesterday’s” (Joy et al., 2012). This has led to increased consumption, overconsumption, and ultimately to their disposal in landfills more often (Pera & Ferrulli, 2024). Disposing of used clothes responsibly bought from fast fashion retailers is difficult, even if consumers take them back for recycling, as they are generally made of fabric such as synthetic polymer polyester that is hard to recycle and generates more air pollution (Azanaw et al., 2022). Ultimately, these used clothes end up in substantial landfill sites, causing environmental, social and health issues.

Second-hand clothing consumption is a feasible solution for this problem as it encourages the circulation of used clothes without dumping them in a landfill while they are still functional. This minimises pollution (Machado et al., 2019) and earns money by selling them (Xue et al., 2018). Therefore, the second-hand clothing market has become a significant focus in most developed nations (Halicki et al., 2024). Consignment stores, flea markets, thrift stores, eco-shops, and op-shops are some examples of stores (physical and online) in such countries. However, second-hand clothing consumption is not very popular in developing nations, and research in this context is still nascent (Liang & Xu, 2018; Seo & Kim, 2019). Therefore, there is a dire need to conduct more research on second-hand clothing consumption, especially to explore why consumers are less interested in second-hand clothing and how consumers’ intentions and behaviour can be changed. On this stance, this study aims to explore what enables and challenges consumers to purchase second-hand clothing. More specifically, the two research questions that underpin this study are: (1) what enables consumers to purchase second-hand clothing? Moreover, (2) what challenges consumers to purchase second-hand clothing?

The significance of this study is threefold: First, it sheds light on second-hand clothing consumption, an emerging research field in the circular economy, by exploring a critical phenomenon. i.e., the enablers and challenges towards second-hand clothing consumption. Second, given the atheoretical nature of the extant literature, this study adopts the COM-B model in second-hand clothing consumption research. As per the researcher’s field knowledge, this study becomes one of the first to adopt the COM-B model. Applying the COM-

B model, this research explores what drives and hinders second-hand clothing consumption, providing a better understanding of how consumers' behaviour can be changed. In addition to the unique theoretical contributions, this study provides knowledge for designers, manufacturers, policymakers, and governments to introduce timely initiatives and strategies to shape the clothing industry towards a circular economy.

The remainder of this article is structured as follows: First, a brief overview of the literature on second-hand clothing consumption will be provided. Next, the design and research methods are described in detail, while sections 4 and 5 present the data analysis and the discussion sequentially. Finally, Conclusions are outlined in section 6.

## **2. LITERATURE REVIEW**

Second-hand consumption can be recognised as a viable solution to mitigate the adverse effects of the fast-fashion industry. Second-hand purchase, which stems from sustainable consumption, refers to acquiring goods or products previously owned, used, or possessed by another individual or entity (Cervellon et al., 2012). Although the focus is not as intensive as the consumption of new products, second-hand consumption has started to gain more attention from scholars and practitioners over the last decade. For instance, the second-hand clothing market is predicted to double in the next few years, and its growth will be 11-fold faster than that of the broader clothing industry (ThreadUp, 2021). Therefore, as more research is done, a thorough understanding of second-hand clothing consumption is vital.

The extant literature on second-hand clothing consumption lies in various contexts: vintage clothing (e.g., Cervello et al., 2012; DeLong et al., 2005; Flores, 2014), preloved clothes (e.g., Geegamage et al., 2023), cross-cultural comparison study (e.g., (Xu et al., 2014)); young consumers (Sorensen & Jorgensen, 2019; Xu et al., 2014), second-hand clothing store types (Zaman et al., 2019), generational differences (Liang & Xu, 2018), not-for-profit business and commercial sale of second-hand clothes (Zhuravleva, 2024), global north countries (Appelgren & Bohlin, 2015; Valor et al., 2022), online purchase (Bandura, 2002; Huang, 2012; Yeo et al., 2017), etc. A current trend in the literature is that research on second-hand clothing is mainly conducted in the global north (Gilal et al., 2024). Thus, more research is needed in the context of the Global South. Further, cultural differences are worth exploring.

Another area that has been researched considerably is psychological factors that affect second-hand clothing consumption. Understanding consumer mindsets as psychological factors powerfully shape consumer decision-

making and behaviour is extremely important. Examples of psychological factors that have been studied about second-hand clothing consumption are attitudes (Acquaye et al., 2023), motivation (Hamari et al., 2016; Kim & Yoon, 2021), environmental concerned consumers (Ek Styvén & Mariani, 2020; Rex et al., 2015), perceived norms and self-efficacy (Xu et al., 2014), identity (Na'amneh & Al Husban, 2012), values (Geegamage et al., 2023), social embarrassment (Silva et al., 2021), Risks such as performance risk (Lang & Zhang, 2019), risk of hygiene (Koay et al., 2024; Silva et al., 2021), purchase intention (Xu et al., 2014), social justice issues (Nagarajan, 2022; Rask, 2022). Second-hand clothing is widespread in most developed countries, perhaps due to environmental concerns, policy implementation, etc. However, the misperception of those buying second-hand clothes as "poor" still exists in developed and developing countries, especially the latter. Efforts of organisations, policymakers, and practitioners become worthless if their strategies are not well aligned with consumer psychology and behaviour. Their intention to predict and change consumers' behaviour may fail due to an attitude-behaviour gap (Prothero et al., 2011). Hence, understanding the real reasons for and against second-hand clothing purchase and consumption from a consumer perspective is crucial.

There are few studies conducted on purchase intention and consumption of second-hand clothing (e.g., Herjanto et al., 2024; Koay et al., 2022; Syahrivar et al., 2023; Rathnasiri et al., 2025). However, the efforts to uncover the enablers and challenges of second-hand clothing consumption are still far from enough (Liang & Xu, 2018; Seo & Kim, 2019; Xu et al., 2014). Though this topic has been explored to a certain extent, the exploration of second-hand clothing consumption by young consumers in the context of Asia, particularly in South Asia, is scarce (Abrar et al., 2021; Syahrivar et al., 2023). Thus, the current study addresses this gap.

The theoretical underpinning of this study is the COM-B model, which stands for capability, Opportunity, Motivation, and Behaviour. Given the limitations of the often-used "theory of planned behaviour", such as not considering issues like habit, self-control, emotional processing or associative learning, the COM-B model was deemed appropriate for the exploratory nature of this study. The COM-B model contends that for a specific behaviour to occur, a person must be both physically and mentally able (capability), they must possess the physical and social opportunity to perform the behaviour (opportunity), and they must want to perform the specific behaviour more than other behaviours (motivation) (Allison et al., 2022; Michie et al., 2011). Therefore, the researcher adopted the COM-B model for this study to

understand better what facilitates (enablers) and hinders (barriers) consumers to purchase second-hand clothing.

### **3. METHODOLOGY**

With the scarce literature on purchasing second-hand clothing, there is a dire need to explore this in depth. Hence, this study takes 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 through semi-structured interviews as it provided “rich and holistic descriptions relating to participant’s real life (Denzin & Lincoln, 2005; Miles & Huberman, 1992). The interview guide was developed based on the COM-B model. This consisted of three main sections: respondents’ capabilities, opportunities, and motivations for second-hand clothing consumption. The purposive sampling technique was used to recruit participants first, and then, the snowballing technique was used to obtain rich and relevant data on this under-researched phenomenon. This way, the researcher ensured that it comprised both men and women aged between 18 and 35. The reason for recruiting 18-35 youth was that they purchase and consume more clothes and have become a target of the fast-fashion industries (de Koning et al., 2024; Kniazeva et al., 2024). Besides, in developed countries, second-hand consumption is popular among the younger generation (Gilal et al., 2024), and it is believed that a significant change can be made towards sustainability through them. The data saturation point of this study was 18. However, the researcher conducted three more interviews to ensure the depth and strength of the findings, making it a total of 21. The interviews were conducted via Zoom video conference software during July and September 2024, and they were audio-recorded with the consent of the participants. The average length of the interviews was 20 minutes.

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

The researcher first transcribed the gathered data using the dictate option in Microsoft Word. Data was analysed using deductive thematic analysis, starting with predetermined themes, such as capabilities, opportunities, and motivation (COM), aligned with the research questions. A deductive approach is helpful if thematic analysis aims to test a previous theory in a different situation (Elo & Kyngas, 2008; Hsieh & Shannon, 2000). Second, the sub-themes were identified, and then data were appropriately coded under each primary code linked to sub-themes and themes. After completing the coding process, the codes and themes were checked by a peer expert to

ensure the relevance and compatibility of the data. Table 1 illustrates how the codes, sub-themes and themes were aligned.

**Table 1: An example of the data structure**

Theme	Sub-theme	Code	Quote
Capability	Physical capability	Hygiene	"I have a very sensitive skin. So, I am afraid I will get a rash if I wear other's used clothes."

Source: Prepared by the author

#### **4.1. Results**

This study explored the enablers and challenges consumers face when purchasing second-hand clothing. To make the findings more transparent and more structured for the reader, they will be presented in three main themes: Capability (*An individual's psychological and physical capacity to perform the behaviour of interest*), Opportunity (*Social and physical, external factors that facilitate or impede the behaviour*), and Motivation (*Reflective and automatic, internal factors that energise or direct behaviour*) (Kropf et al., 2020).

##### **4.1.1. Capabilities**

**Psychological capability** refers to knowledge or psychological skills, strength or stamina to engage in the necessary mental processes (Mitchie et al., 2014). Knowledge/ awareness was a central topic in the discussion. Except for a few, most of the respondents were not fully aware of second-hand clothing consumption. Some lacked knowledge about the channels to purchase (R2, 10, 13), the existence of second-hand clothing consumption (R2, 11, 19), its environmental outcomes (R1, 16), personal benefits (R6, 20), and how to engage in (R6, 8), etc. For instance,

"I have heard about second-hand electronics, furniture., etc. However, I have never heard about buying second-hand clothing. I cannot imagine how I will wear something someone has already worn." - R11.

"Why should I buy second-hand clothes? I can buy brand new clothes from Shein for a cheaper price." -R6.

Lack of experience was another concern (R2, 6, 13, 14, 19). For example,

"I have no experience of buying second-hand clothes, so I am not sure how good it would be." -R14

In contrast, the respondents with prior experience buying second-hand clothing were confident and happy about continuing to buy second-hand clothes. For instance, respondent 5 explained her experience:

“I have bought and sold used clothing before and think I have become an expert in it now (smiling). So, it is easy for me to do this now, as I am working from home now.”

Apart from the psychological capability, respondents expressed their thoughts on **physical capability** (i.e., physical skills, strength or stamina to perform the behaviour). Hygiene was the foremost concern of many respondents (R1-5, 9, 11). For example,

“I have a very sensitive skin. So, I am afraid I will get a rash if I wear others’ used clothes.” - R11.

“I prioritise my hygiene when it comes to my clothing choices. I often worry that wearing someone else’s used clothes might not be fully clean. I should stick to my clothes as I know they are properly washed, which is safe for me.” - R7.

Besides, some respondents liked to try second-hand clothes, but they need to be adequately washed and in good condition to be worn (R1, 9, 19).

A few respondents, for example, cited appearance and body size as reasons for purchasing second-hand clothing.

“I am lucky; I have a good body shape. Whatever I wear, new or old, loose or fit, I get compliments from my family and friends. So, I do not mind whether they fit in perfectly; I would be happy to try used clothes as I can be stylish simultaneously”. -R9

In summary, knowledge/ awareness and experience were the main psychological capabilities, while hygiene and appearance were the physical capabilities the respondents most expressed. More specifically, lack of knowledge and awareness, experience, and rash-prone skin/ fear of getting allergy can be identified as the main capability-related barriers to second-hand clothing consumption. In contrast, having at least minor knowledge of second-hand clothing and the environmental impacts, positive experience, and good appearance/ body shape were identified as enablers.

#### 4.1.2. Opportunities

**Social opportunity** refers to the opportunity afforded by interpersonal influences, social cues and cultural norms that influence how we think about things (Kropf et al., 2020). Social acceptance was the most mentioned reason



that hindered consumers from buying second-hand clothing (R3, 7); for instance, R3 mentioned:

“My biggest fear is whether my friends or colleagues will recognise the dress as second-hand. If we purchase online, they might see the same dress. I do not want to get such a negative impression”. R3

Meanwhile, some consumers were concerned about social judgement; however, they liked to purchase second-hand clothing with no/ less exposure to others (R6, R10, R14, R15, R20). For example, R10 explained:

“I would not visit a second-hand clothing shop. I do not like others to judge me as a “cheap or stingy person”. I would rather buy online, in that case.”- R10.

Family influence was the next most mentioned social opportunity. Consumers are largely influenced by their families when buying clothes. Sri Lanka's family-oriented culture could be a reason for this result.

Despite the negative factors of second-hand clothing consumption, some consumers were happy about the opportunity to afford luxury/branded clothes. For instance, R21 mentioned that,

I would love to buy second-hand clothes of good quality only. Luxury clothes would be a great choice as I cannot spend too much on branded new stuff” – R21.

In terms of ***physical opportunities*** (i.e., the opportunity afforded by the environment involving time, resources, locations, cues, and physical affordance (Kropf et al., 2020)), availability was the most concerned element for second-hand clothing consumption (R2, 4, 5, 10-13, 15). For instance, R2 mentioned that.

“I have never seen or heard about a good place that does quality second-hand clothing in Panadura (a city of Western Province, Sri Lanka).”- R2.

Another interesting finding was consumers' prior experience with second-hand clothing consumption. Those who had prior experience, exceptionally positive experiences, were more inclined to purchase second-hand clothes, while consumers with no or less experience were uncertain. For example:

“I have often seen the vintage clothing market in Europe and other developed countries. I wonder why we have such a mentality for brand-new clothes in a developing country. It is very normal to wear second-hand clothing.”- R9.

“I have seen people sell their used clothes on Facebook marketplace. But I have not tried to buy or sell, so I am not sure I should do this soon”. – R1

Convenience was also a significant concern for most consumers. They explained that their lack of time and resources made them purchase more fast-fashion clothes over second-hand clothing. For instance:

“I am a convenience-looking person. I do not have much time to search about second-hand cloth shops” If I happen to see some or if I knew a place, I would instead go buy”- R19

Accordingly, the lack of time and resources hinders them from purchasing second-hand clothing, not that they do not like second-hand clothing consumption.

Meanwhile, some consumers were optimistic about the second-hand clothing, as it lets them be more stylish, more frequently (R5, 7, 9), for a cheaper price (18, 21), and sometimes the chance to make some profit by reselling for a higher price (R5, 7, 9, 18)

For example:

“It is a great opportunity to wear different styles for a cheaper price and sell them again. That makes a small quantity of profit too” – R18.

Based on the findings regarding opportunities, fear of losing social acceptance, family influence, lack of availability/ promotion, inconvenience, and lack of time and resources were identified as the barriers to consumers’ intention to consume second-hand clothing. In contrast, preference for online channels, affordability for second-hand luxury/ branded clothes, positive experience/ exposure, willingness to be more stylish, and profit-making were identified as opportunity-related enablers for second-hand clothing consumption.

#### 4.1.3. *Motivation*

**Automatic motivation** refers to automatic processes involving emotional reactions, desires (needs and wants), impulses, inhibitions, drive states and reflex responses (Kropf et al., 2020). Overall, second-hand clothing consumption was regarded as undesired or less desired for various reasons. For example,

“I do not think I need to buy second-hand clothing. I earn a lot, so I do not have financial issues”- (R11)

"I would not care who has worn it before. What matters to me is its quality and cleanliness"- (R1, 5, 7, 15)

Another main concern of the respondents was the insecurity of market transactions, especially market channels like Facebook Marketplace and social media groups. For instance:

I would never buy second-hand clothing. No, never... I bought a party dress on the Facebook marketplace, which was delivered. The next day, the same person who delivered was hanging around; I felt very insecure. The Facebook marketplace is not a good idea." – R15.

However, a few respondents were content with their positive experiences of purchasing second-hand clothing in the Marketplace, which drove them to continue such behaviour. For example:

"My wedding saree was second-hand. I posted on Facebook asking if anyone would like to sell it. I got a few replies, and yeah, I bought it. It was a beautiful, clean saree. I was so happy that day because I found what I wanted cheaper than I could afford" – R20.

Conversely, **reflective motivation** refers to reflective processes involving plans (self-conscious intentions) and evaluations (Kropf et al., 2020). Respondents' perceptions of second-hand clothing were generally shared in the discussion. Most respondents perceived second-hand clothing consumption as " inappropriate" (R2, 11, 15), while others believed the opposite (R9, 20, 21). The latter group had experienced some significant life incidents or moments that made them more inclined towards second-hand clothing. For instance,

"Coming from a low-income family where my parents could not afford to buy new clothes, I am used to wearing old, used ones. So, this is something not new to me. Though I can buy new stuff, I still can do what I used to do in my childhood" – R6.

"My roommate gave me a saree and the jacket when I needed one to attend a wedding. That fitted me well, so she asked me to keep it. I know it was a gift, not buying. However, it would be delicious to buy used clothes, especially sarees, as we need more for the office, wedding, etc." -R14.

Furthermore, a few respondents were concerned about the environmental impacts of excessive clothing. Hence, their value for environmental conservation made them believe that second-hand clothing was a must-try. For example,

“I am someone who hates fast fashion”. It does not mean that I do not buy. I buy them sometimes. However, I do not overdo it. I learned about environmental impacts and sustainability in my degree as it was Eco-business. So, I think I am thoughtful of what I buy.” - R17.

“I do not like to buy stuff that someone has used already. However, when I think about the environmental impacts this fashion industry is doing, I feel like trying it.” -R8.

Based on the findings, consumers’ emotions, such as happiness, embarrassment and less desire/ need, are recognised as Automatic motivations. In contrast, reflective processes, such as perceptions, beliefs, and personal values, were reflective motivations towards second-hand clothing consumption. In summary, consumers’ having less inner desire, insecurity, and negative perceptions were challenges for second-hand clothing consumption. In contrast, the primary enablers were positive emotions, memorable life experiences, and personal values such as protecting the environment.

**Table 2: List of enablers and barriers for second-hand clothing consumption**

<b>Component</b>	<b>Enablers</b>	<b>Barriers</b>
<b>Capabilities</b>	Knowledge of second-hand clothing	Lack of knowledge/ awareness
	Knowledge of environmental impacts	Lack of experience
	Positive experience	Concern for skin problems and diseases
	Good appearance	
<b>Opportunities</b>	Online presence of market channels	Less social acceptance
	Accessibility for luxury/branded clothes	Family influence
	Positive exposure.	Lack of availability/ promotion
	Chances for being stylish	Inconvenience
<b>Motivation</b>	Profit-making opportunity	Lack of time and resources
	Positive emotions	Less inner desire/ need
	Memorable life experiences	Insecurity
	Personal values	Negative perceptions

*Source:* Author’s own

## 5. DISCUSSION OF THE FINDINGS

This study aimed to explore the enablers and barriers to purchasing second-hand clothing. Results (see Table 2) show that consumers' knowledge of second-hand clothing and its environmental impacts is crucial in purchasing decisions and intentions. Literature contends that the degree of consumers' environmental knowledge influences the consumer decision-making process (Fang et al., 2024), behavioural intention (Vermeir & Verbeke, 2006), and responsible consumption (Peña-Vinces et al., 2020). The present study suggests that consumer knowledge beyond environmental knowledge must be empowered, such as the knowledge of the impacts of fast fashion, second-hand clothing consumption and its benefits, distribution channels, knowledge of the previous owner of the clothes and transferring any story associated with the clothes. Therefore, practitioners must take the initiative to increase awareness of second-hand clothing through promotion activities. Ensuring consumers receive positive experiences is also vital for behavioural change. For example, inexperienced consumers negatively perceive second-hand clothing purchases (Sandes & Leandro, 2019) or vice versa. The present study finds that experience could be both an enabler and a barrier, where positive experience encourages more second-hand clothing purchases.

One of the main capability-related barriers was the chance of developing skin problems like rashes and diseases. Silva et al. (2021) claim that hygiene significantly impacts second-hand clothing consumption significantly. However, experienced consumers did not consider hygiene a significant factor. Hence, it is imperative to implement comprehensive policies, regulations, and standards to uphold the quality and cleanliness of second-hand clothing. Such measures will ensure that second-hand clothing purchases and consumption are safe.

In terms of opportunities, the availability of online channels was a primary enabler for second-hand clothing purchases. Literature suggests that motivations in the form of distance from the consumption system play a crucial role towards second-hand clothing consumption. However, only a few studies have been conducted in online settings (Parguel et al., 2017; Styven & Mariani, 2020). Further, other main influential enablers were the opportunity to buy luxury/ branded clothes for a lower price, chances of being stylish, and profit-making opportunities. These must be taken seriously by both scholars and practitioners to take the initiative to create innovative business models (Hellström & Olsson, 2024). Examples of such business models for second-hand clothing are Trade-me, Facebook Marketplace, Depop, Poshmark, etc.

Aligned with the findings of (Zahid et al., 2023), less social acceptance and family influence were some of the most expressed barriers to purchasing second-hand clothing. Consumers want their social circle to behave similarly (Borusiak et al., 2020). This provides a green signal for marketers to engage in more second-hand clothing business and make it the new normal. Inconvenience, lack of time, and resources were significant barriers, too. However, prior studies on this are scant, so it is a promising area for research in the future.

The findings showed that positive emotions such as happiness, memorable life experiences, and personal values were the motivation-related enablers for purchasing second-hand clothing. In contrast, the main barriers were less inner desire, insecurity, and negative perceptions. Psychographic factors largely influence consumer decision-making and buying intention (Laitala et al., 2020). Therefore, more research must be conducted, starting with more in-depth qualitative and abductive research and then quantitative research. A deep understanding of consumer mindsets, such as personal values (Geegamage et al., 2023), attitudes (Acquaye et al., 2023), and perceptions (Tarai & Shailaja, 2020), will enable practitioners to develop effective strategies to encourage the purchase of second-hand clothing. Future studies must be guided by strong theoretical frameworks beyond commonly employed theories to better approach the consumer mindset that shapes buying decisions and behaviour.

## **6. CONCLUSION**

This study is one of the pioneer attempts to explore young consumers' intention to purchase second-hand clothing in South Asia. Given the limited available literature on second-hand clothing purchases, this study contributes to the literature by reviving the reuse, a critical component of the circular economy. The qualitative interview findings showed that various enablers and barriers encourage or discourage consumers from purchasing second-hand clothing. These enablers and barriers were identified based on the COM-B model. Concisely, this study provides unique theoretical contributions to the field aiming to create a positive behavioural change. Apart from the theoretical contributions, this study highlights the necessity of understanding consumers' capabilities, opportunities, and motivations for second-hand clothing purchases for marketing and strategy-making purposes. This study is not without limitations. The exploratory nature of this study may limit the generalisation of the results. Future research should employ mixed and multiple methods to generate richer context findings, conduct cross-cultural and cross-national studies, and use projecting techniques to explore further and create new business models. In

addition, restricting the sample solely to young consumers may limit the diversity and richness of the data. Though the current study is exploratory, it would be advantageous for future researchers to incorporate a broader sample.

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## EXAMINING THE DETERMINANTS OF BRAND EQUITY IN HIGHER EDUCATION: A CASE STUDY OF ABDC RESEARCH UNIVERSITY

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### ABSTRACT

The Sri Lankan higher education sector has experienced intense transformations due to socio-political, economic, and pandemic-induced challenges. However, the persistent demand for higher education highlights the public's resilience and commitment to acquiring academic qualifications from recognised institutions. The higher influence of brand equity dimensions, specifically brand loyalty and perceived quality, on consumer behaviour could be identified within the context of Sri Lankan higher education. The research utilises Aaker's Brand Equity Model to explore the relationship between these dimensions and brand equity, addressing a critical gap in understanding the role of branding in non-state higher education institutions. A quantitative approach involves a structured questionnaire with a five-point Likert scale to collect data from 336 respondents, representing a diverse cross-section of ABDC students. The findings reveal that brand loyalty demonstrates a strong positive correlation with brand equity and explains 80.8% of its variance ( $R^2 = 0.808$ ). Similarly, perceived quality exhibits a strong positive correlation, accounting for 72.8% of the variance in brand equity. Both dimensions were statistically significant, with regression analyses confirming their substantial impact on brand equity. The beta values (0.899 for brand loyalty and 0.853 for perceived quality) underscore their importance as predictors of brand equity. The study concludes that enhancing brand loyalty through consistent student engagement and advocacy, and improving perceived quality by prioritising tangible and intangible educational attributes are critical for strengthening brand equity. These insights provide actionable recommendations for institutional leaders and policymakers to improve competitiveness, attract high-calibre students, and sustain long-term growth in the higher education sector. The research contributes to the limited scholarly discourse on brand equity in Sri Lanka, offering a foundation for future studies.

**Keywords:** Brand equity, Brand loyalty, Higher education, Perceived quality

## 1. INTRODUCTION

The Sri Lankan higher education industry has undergone significant transformations in recent years, reflecting the country's broader social, political, and economic challenges (Khashunika, Yatigammana, & Lakmal, 2021). The COVID-19 pandemic, political instability, and economic upheaval have posed unprecedented challenges to higher education institutions (Perera & Amarathunga, 2022). These difficulties have not diminished the public's pursuit of academic qualifications (University Grants Commission, 2022). The demand for higher education has remained strong, with individuals striving to acquire qualifications from recognised higher educational institutions (Haththotuwa & Rupasinghe, 2021), underscoring the resilience and determination of Sri Lankan society to uphold the value of education in challenging times. Among the notable trends in the sector is the consistent increase in the number of students qualifying for higher education (Ewing, 2021). Each year, a significant proportion of students complete the General Certificate of Education Advanced Level (GCE A/L) examination, earning the necessary qualifications to pursue higher education (University Grants Commission, 2022). However, the limited intake capacity of state universities leaves a considerable segment of these students without access to government institutions. This creates a sizable potential market for non-state higher education institutes, which are tasked with filling this gap and accommodating the aspirations of thousands of prospective students (Aturupane & Little, 2021).

Sri Lanka's higher education landscape comprises diverse institutions, including state universities under the University Grants Commission (UGC), other government universities, government higher educational institutes, vocational training centres, and recognised degree-awarding institutes (University Grants Commission, 2022). Among these, non-state higher education institutes categorised as "recognised degree-awarding institutes" play a crucial role in meeting the growing demand for higher education. Governed by the Ministry of Education and adhering to the standards set by the UGC, these institutions have emerged as pivotal players in the country's education ecosystem, providing alternative pathways for students unable to secure placements in state universities (University Grants Commission, 2022). The Sri Lanka Technological Campus (ABDC) Research University, established in 2015, has emerged as a unique institution in Sri Lanka's non-state higher education sector. As the country's only corporate-powered, research-based, fully residential university, ABDC offers a distinctive academic experience. Its state-of-the-art facilities, diverse engineering, technology, computing, business, and music programs, and international

collaborations highlight its commitment to excellence in education and research (ABDC Research University, 2022).

However, despite these advantages, ABDC faces challenges in attracting a significant share of prospective students. Enrollment data reveals a persistent gap between its potential and actual student intake. Compared to competitors like SLIIT, NSBM, and CINEC Campus, ABDC has consistently recorded lower enrollment figures, as seen in government-supported interest-free loan schemes and annual performance reports (Ministry of Education Higher Education and Vocational Education, 2022). This disparity raises concerns about ABDC's brand equity and its role in shaping student preferences. Brand equity, encompassing dimensions such as brand awareness, loyalty, perceived quality, and association, is a crucial determinant of consumer behaviour in competitive markets. Substantial brand equity enhances reputation, credibility, and enrollment for higher education institutions, contributing to long-term growth and sustainability. Identifying and addressing ABDC's brand equity gaps is essential for improving its market position. This research investigates the dimensions of brand equity most relevant to prospective students and their impact on enrollment decisions at ABDC. By understanding how brand loyalty and perceived quality influence student choices, this study provides actionable insights to guide ABDC's strategic initiatives.

The findings will benefit ABDC and the broader Sri Lankan higher education sector. By bridging gaps in scholarly research on brand equity, this study offers valuable insights for academics, policymakers, and institutional leaders, enhancing competitiveness and overall educational standards.

## **2. LITERATURE REVIEW**

### ***1.1. Higher Education in Sri Lanka***

Sri Lanka's higher education system includes state universities, government-controlled higher educational institutes, and private institutions (Haththotuwa & Rupasinghe, 2021; Adikaram, Khatibi, & Yajid, 2016). State universities dominate due to their high academic reputation, but limited intake capacities create opportunities for private institutions. Students and parents perceive education as a service, with expectations for high-quality academic and non-academic experiences (Subashini, Udayanga, De Silva, Edirisinghe, & Nafla, 2022; Ushantha & Kumara, 2016). Private institutions must address these expectations and prioritise customer satisfaction to compete effectively (Rathnasiri et al., 2025). Service quality



and reputation directly influence enrollment decisions, making it crucial for institutions to maintain high standards (Weerasinghe & Fernando, 2021).

### **1.2. Aaker's Brand Equity Model**

Aaker's model identifies five components of brand equity: brand loyalty, awareness, perceived quality, brand associations, and other proprietary assets. Brand equity refers to the value added by a brand's name or symbols (Aaker, 2012; Amoako & Boateng, 2022). While the "other proprietary assets" element is typically excluded in marketing research due to its indirect consumer involvement, the first four components are essential for understanding brand equity (Ekinici, Japutra, Molinillo, & Uysal, 2021). Substantial brand equity offers several advantages, including higher customer loyalty, profitability, and positive consumer responses, making it a valuable tool for achieving competitive advantages in the business and education sectors (Saydan, 2013).

### **1.3. Brand Equity**

Aaker (1991) has identified brand equity as the value added to a product or service due to the brand's name, reputation, and associated perceptions. Aaker's model emphasises four primary dimensions: brand awareness, brand association, perceived quality, and brand loyalty (Ekinici, Japutra, Molinillo, & Uysal, 2021; Girard, Anitsal, & Anitsal, 2013). These elements collectively enhance consumer trust, preferences, and purchase intentions. In service industries like higher education, brand equity helps attract customers, create differentiation, and improve customer satisfaction, ultimately contributing to institutional growth and sustainability (Chang & Liu, 2009; Keller K., 1993; Taleghani & Almasi, 2011).

#### **1.3.1. Perceived Quality**

Perceived quality is a critical dimension of brand equity that evaluates consumers' overall judgment about the quality of a brand's products or services (Aaker D., 1991). This dimension encompasses various aspects such as reliability, differentiation, pricing, and service availability, all of which influence consumer perceptions (Aaker, 1997). Higher perceived quality enhances consumer trust, strengthens purchase intentions, and fosters positive brand equity. In a competitive market, perceived quality is a fundamental element for creating a sustainable advantage, as it shapes how customers view a brand compared to its competitors (Andrayani, Andrayani, & Purwohandoko, 2013; HYSI & Shyle, 2015).

In higher education, perceived quality involves tangible and intangible elements (Sanyal & Datta, 2011). Tangible aspects include the availability



and quality of facilities, infrastructure, and resources, such as laboratories, libraries, and modern classrooms, directly influencing the learning environment (Yoo, Donthu, & Lee, 2000). On the other hand, intangible elements like the academic reputation of the institution, the qualifications and expertise of faculty members, and the quality of academic programs play a significant role in shaping students' perceptions of the institution (Andrayani, Andrayani, & Purwohandoko, 2013; HYSI & Shyle, 2015). These elements collectively contribute to the perceived quality of the university, which is a significant determinant of its attractiveness to prospective students.

Research emphasises the strong relationship between perceived quality and brand equity, particularly in service industries like higher education (Aaker, 1997; Pandiangan, Masiyono, & Atmogo, 2021). Positive perceptions of quality enhance a university's reputation and encourage students to select and recommend it over competing institutions (Yoo, Donthu, & Lee, 2000). Perceived quality differentiates an institution in the market, providing it with a competitive advantage and reinforcing its brand image among consumers (Andrayani, Andrayani, & Purwohandoko, 2013). Consequently, institutions prioritising high-quality, tangible and intangible services are more likely to attract and retain students, enhancing their overall brand equity.

Following this, the following hypothesis was developed:

***H<sub>1</sub>: There is a positive relationship between perceived quality and brand equity in higher education in Sri Lanka***

### *2.3.2 Brand Loyalty*

Brand loyalty reflects a customer's enduring commitment to a particular brand, characterised by consistent purchasing behaviours and positive advocacy (Aaker, 1997). In higher education, brand loyalty manifests through students' continuous association with an institution, willingness to recommend it to others, and active participation in its alumni networks (Pappu, Quester, & Cooksey, 2005). Loyal customers or students provide substantial value to an institution as they contribute to stable revenue streams, generate positive word-of-mouth referrals, and exhibit a willingness to engage in activities that promote the brand (Nam, Ekinici, & Whyatt, 2011; Sasmita & Suki, 2015).

Brand loyalty is vital in mediating perceived quality and brand equity. When customers perceive a brand or institution to deliver high-quality products or services, their loyalty to that brand increases (Zia, Younus, & Mirza, 2021)

. This virtuous cycle strengthens customer satisfaction and enhances brand equity, creating a positive feedback loop that benefits the institution. Additionally, loyal customers often perceive the offerings of their preferred brand to be of higher quality, further reinforcing their attachment to the brand (Dada, 2021).

Literature highlights the importance of brand loyalty as a cornerstone of brand equity. Loyal customers are more likely to overlook minor flaws or shortcomings, focusing instead on the overall value and benefits offered by the brand (Nam, Ekinci, & Whyatt, 2011; Sasmita & Suki, 2015). In the higher education sector, brand loyalty is a key driver of long-term success, as it fosters strong alumni networks, enhances institutional credibility, and builds a sense of trust and prestige around the institution's brand. Following this, the following hypothesis was developed:

***H<sub>2</sub>: There is a positive relationship between brand loyalty and brand equity in higher education in Sri Lanka***

## ***2.4 Empirical Studies***

### ***2.4.1 Brand Equity in the Service Industry***

Brand equity is especially crucial in the service industry due to the intangible nature of its offerings. Unlike tangible products, services are often evaluated based on subjective criteria, making branding an essential tool for influencing consumer perceptions and building trust (Mackay, 2001). Strong brand awareness and positive customer attitudes are key drivers of brand equity in this sector. A well-established brand helps reduce perceived risks associated with purchasing services, as customers rely on the brand's reputation and past experiences to make decisions (Chang & Liu, 2009).

Service brands that focus on building positive customer attitudes and experiences often achieve higher levels of brand equity. Such brands are perceived as trustworthy, reliable, and valuable, enhancing their market competitiveness (Khoshtaria, Datuashvili, & Matin, 2020). Research suggests that branding in the service industry requires a focus on fostering emotional connections with consumers, addressing their needs effectively, and providing consistent, high-quality service experiences (Uford & Duh, 2021; Sarker, Mohd-Any, & Kamarulzaman, 2021). By doing so, service brands can establish a strong equity foundation, which leads to increased customer loyalty, higher market share, and sustained success (Chang & Liu, 2009).

#### *2.4.2 Brand Equity in Higher Education*

In the higher education sector, brand equity dimensions such as brand awareness, perceived quality, and emotional connections significantly influence student preferences (Mourad, Ennew, & Kortam, 2011). Prospective students often evaluate institutions based on factors like job market success, social reputation, and quality of career development programs. These factors contribute to the perceived quality of education and enhance brand equity (Khoshtaria, Datuashvili, & Matin, 2020).

Higher education institutions must balance core elements and supportive features to build brand equity. Core elements include academic quality, faculty expertise, and institutional reputation, which form the foundation of a university's brand (Pinar, Trapp, Girard, & Boyt, 2014). Supportive features, such as library services, career development programs, and extracurricular opportunities, enhance the overall student experience and strengthen emotional connections with the institution (Mourad, Ennew, & Kortam, 2011). These elements create a holistic value proposition that appeals to students and fosters brand loyalty.

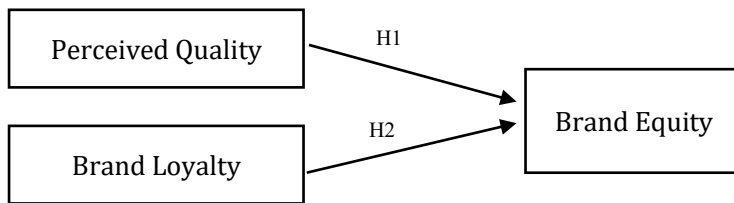
Cultural and contextual factors also play a significant role in shaping brand equity in higher education. Institutions operating in diverse cultural environments must tailor their strategies to meet their target market's unique needs and expectations (Stukalina & Pavlyuk, 2021). Additionally, as the higher education industry evolves, institutions must adapt to changing trends, such as the integration of technology and the growing emphasis on employability, to remain competitive (Mourad, Ennew, & Kortam, 2011).

Research highlights that building substantial brand equity in higher education requires a comprehensive approach integrating marketing efforts, quality assurance, and student-centred initiatives. Institutions that successfully enhance brand equity are more likely to attract high-calibre students, improve retention rates, and achieve long-term sustainability in a competitive and dynamic environment.

### **3. METHODOLOGY**

The research adopts positivism for objective analysis and employs a deductive approach to test hypotheses based on Aaker's Brand Equity Model. A survey strategy gathers primary data using structured questionnaires with a mono-method quantitative design enabling statistical analysis. A cross-sectional time horizon captures perceptions at a specific point, ensuring relevant and timely insights.

The following gives the conceptual model of the research.



**Figure 1:** *Conceptual Framework*

**Source:** Author's own

This study employs a quantitative research design to investigate the influence of brand equity on consumer behaviour in higher education, specifically focusing on ABDC Research University. Data collection is conducted using a structured questionnaire with closed-ended questions and a five-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree." The Likert scale facilitates quantitatively capturing the perceptions, attitudes, and preferences of respondents.

The target population for this research includes all current students at ABDC Research University, comprising nearly 2,600 individuals across various faculties, degree programs, and batches. Based on Krejcie and Morgan's (1970) sample size determination table, a sample size of 336 respondents is deemed appropriate. Furthermore, the sample size aligns with empirical guidelines for regression analysis, as suggested by Hair, Hult, Ringle, and Sarstedt (2014), ensuring the reliability and validity of the analysis. To ensure comprehensive representation, the study includes 336 respondents, covering all faculties, degree programs, and academic years within ABDC Research University.

The data is analysed using SPSS software, applying statistical methods such as descriptive statistics, correlation analysis, and multiple regression analysis. Regression analysis evaluates the relationship between independent variables (brand loyalty and perceived quality) and the dependent variable (brand equity). This approach provides robust insights into the dimensions of brand equity that most significantly influence student preferences at ABDC Research University.

#### 4. ANALYSIS

##### 4.1. *Sample Profile*

The demographic distribution of the research participants includes gender, age, residential district, and faculty affiliation. Of the 336 respondents, 54.8% were male and 45.2% female, reflecting an adequate gender balance.

The majority, 66.4%, were aged 22-24 years, while 24.7% were between 19-21 years, and smaller proportions represented other age groups. Regarding residential distribution, 22% were from Colombo, followed by 12.5% from Gampaha, with Kurunegala, Kalutara, Kandy, and others exceeding 5% representation. The lowest participation was from districts such as Jaffna, Mannar, and Mullaitivu, each contributing a single respondent. Faculty-wise, 39% of respondents were from the Engineering faculty, followed by 36.9% from Business, while Music faculty had the least representation at 2.1%. This distribution reflects a fair representation of the ABDC student population, ensuring sufficient data for reliable research conclusions.

#### **4.2. Reliability and Descriptive Statistics**

The research demonstrated strong reliability, with a Cronbach's Alpha value of 0.943, indicating excellent internal consistency for all variables (perceived quality, brand loyalty, and brand equity). KMO values ranged from 0.820 to 0.900, interpreted as meritorious to marvellous, with cumulative variances above 75%, confirming the suitability of the data for factor analysis.

#### **4.3. Hypothesis Testing**

Hypothesis testing using correlation and regression evaluates relationships between variables. The beta value indicates the strength and direction of the relationship. The t-value tests its significance, with higher values showing more potent effects. The p-value (<0.05) confirms statistical significance, while the confidence interval ensures reliable estimates by indicating precision and range (Alita, Putra, & Darwis, 2021).

Correlation and linear regression analyses have been conducted to examine the impact of brand loyalty on brand equity, yielding the following results.

**Table 1: Analysis results for Hypothesis One**

Correlation analysis			Brand Equity
Brand Loyalty	Pearson Correlation		.899**
	Sig. (2-tailed)		<.001
Regression Analysis			
	Beta	T	Sig.
Brand Loyalty	.899	37.525	<.001
R Squared = 0.808			
F Statistics = 1408.128, p < 0.001			

Source: author's own

The hypothesis, " H1: There is a positive relationship between brand loyalty and brand equity in higher education in Sri Lanka", is accepted based on statistical evidence. A strong positive correlation (0.899) indicates a significant relationship. The adjusted  $R^2$  value of 0.808 shows that brand loyalty explains 80.8% of the variance in brand equity. The ANOVA F-statistic (1408.128) with a p-value  $< 0.001$  confirms the model's significance at the 95% confidence level. Additionally, the beta value (0.899) demonstrates brand loyalty's substantial impact on brand equity. The findings strongly support the hypothesis, confirming that brand loyalty significantly influences brand equity in the context of higher education.

The correlation and linear regression analysis have been done to test the impact of perceived quality on brand equity, and the results are as follows.

**Table 2: Analysis results for hypothesis two**

Correlation analysis			Brand Equity
Perceived Quality	Pearson Correlation		.853**
	Sig. (2-tailed)		<.001
Regression Analysis			
	Beta	T	Sig.
Perceived Quality	.853	29.877	<.001
R Squared = 0.728			
F Statistics = 892.643, p < 0.001			

*Source: Author's own*

The hypothesis, " H2: There is a positive relationship between perceived quality and brand equity in higher education in Sri Lanka", is accepted based on statistical evidence. The correlation coefficient (0.853) indicates a strong positive relationship. The adjusted  $R^2$  value of 0.728 shows that perceived quality explains 72.8% of the variance in brand equity. The ANOVA F-statistic (892.643) with a p-value  $< 0.001$  confirms the model's significance at the 95% confidence level. Additionally, the beta value (0.853) demonstrates the perceived quality's substantial impact on brand equity. These results affirm that perceived quality is a significant predictor of brand equity in the context of higher education.

## 5. CONCLUSION

This research examined the influence of brand equity dimensions, specifically brand loyalty and perceived quality, on consumer behaviour in higher education, focusing on ABDC Research University. The study's findings highlight these dimensions' critical role in shaping students' preferences and overall perception of a higher education institution's brand.

The analysis adds to the limited research on brand equity in Sri Lankan higher education. It provides actionable insights for institutional leaders and policymakers to improve competitiveness in a rapidly evolving educational landscape. The findings confirm that brand loyalty significantly impacts brand equity, with a strong positive correlation coefficient of 0.899. Regression analysis revealed that brand loyalty explains 80.8% of the variance in brand equity, as indicated by the adjusted  $R^2$  value of 0.808. The ANOVA F-statistic (1408.128) and a p-value of  $<0.001$  underscore the model's statistical significance, while the beta value (0.899) highlights the substantial effect of brand loyalty on brand equity. These results emphasise that students' continued engagement with the institution and positive advocacy contribute significantly to ABDC's brand equity. Similarly, the research found that perceived quality is a key determinant of brand equity, with a correlation coefficient of 0.853, reflecting a strong positive relationship. Regression analysis indicated that perceived quality accounts for 72.8% of the variance in brand equity, supported by an adjusted  $R^2$  value of 0.728. The ANOVA F-statistic (892.643) and p-value ( $<0.001$ ) confirmed the model's statistical reliability, and the beta value (0.853) demonstrated the significant impact of perceived quality. These results highlight that students' perceptions of tangible and intangible factors, such as facilities, faculty expertise, and academic reputation, enhance ABDC's brand equity. By affirming the hypotheses that brand loyalty and perceived quality influence brand equity, this study provides evidence-based insights that ABDC can leverage to improve enrollment and student satisfaction. The findings suggest that strategies to foster strong student loyalty, enhance the quality of educational services, and maintain a consistent brand image are imperative for strengthening institutional brand equity.

In conclusion, this research underscores the importance of brand equity as a strategic tool for higher education institutions. By focusing on brand loyalty and perceived quality, ABDC Research University and similar institutions can enhance their reputation, attract high-calibre students, and sustain long-term growth in a competitive environment. These insights pave the way for further research to explore additional dimensions of brand equity and their impact on consumer behaviour in higher education.

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## **FACTORS INFLUENCING GREEN PURCHASE INTENTION: THE MEDIATING ROLE OF GREEN SKEPTICISM AND GREEN PERCEIVED VALUE**

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### **ABSTRACT**

Over the past year, no unique model was used to measure factors affecting purchase intention and the mediating role of green scepticism and perceived value. Therefore, This Study presents a new model and examines the impact/influence of purchase intention on purchase behaviour. Random sampling was used in this study to determine the influence of green purchase intention on pro-environmental purchase behaviour. Attitude is the most important predictor of pro-environmental purchase behaviour, followed by personal norm, perceived behavioural control, and subjective norm. Green scepticism significantly mediates between green purchase intention and pro-environmental purchase behaviour. In this study, geographic bias also contributes as a limitation to the research. Researchers only distribute survey questions to the selected respondents in Sri Lanka. Every district in Sri Lanka has its own different culture. Thus, the respondents may have different attitudes toward purchase intention and purchase behaviour than others in Sri Lanka. This may probably be the first study exploring the mediating role of green scepticism and perceived value.

**Keywords:** Green purchase intention, Purchase behavior, Green skepticism, Green perceived value

## 1. INTRODUCTION

Green marketing has been a crucial area of academic study for the past three decades. Environmentally conscious consumers drive global change in the corporate landscape, significantly impacting organisations' operations. Indeed, towards the end of the 1980s and the beginning of the 1990s, influential marketing academics and professionals concentrated on the concept of the "green consumer," which served as both the centre of environmental marketing tactics and a crucial idea. According to these studies, adolescent consumers' green purchasing intention, knowledge, and memory, as well as their attitude towards the environment, may all play a significant role in influencing their eco-friendly behaviour (Arli et al., 2018; Nguyen et al., 2021; Kong et al., 2014).

Problem definition is a clear, precise, and succinct statement of the specific issue that a researcher wishes to investigate (Uma & Roger, 2012); in this research, the researcher will use Green Skepticism and Green Perceived Value as mediating factors. To study how these two variables mediate Pro-environmental purchase behaviours. Therefore, this research intends to answer three questions:

RQ1: How does Pro-Environmental Purchase Intention affect Pro-Environmental Purchase Behavior?

RQ2: Does Green Skepticism mediate the association between green purchase intention and Pro-Environmental Purchase Behavior?

RQ3: Does Green Perceived Value mediate the association between green purchase intention and Pro-Environmental Purchase Behavior?

Although there were many studies which were conducted on green purchasing intention across the world (Pop et al., 2020; HO et al., 2020; Costa et al., 2021; Zaremohzzabieh et al., 2021; Kumar et al., 2021), very few studies have justified how green scepticism and green perceived value toward pro-environmental purchase behaviour affect consumers' green purchasing intention (Cheng & Wu, 2015), primarily, in the Sri Lankan perspective. Certain limitations have been identified in this study. First is the mediating impact of green scepticism and perceived value between green purchase intention and pro-environmental behavioural control.

Certain limitations have been identified in this study. First is the mediating impact of green scepticism and perceived value between green purchase intention and pro-environmental behavioural control. The study focused on selected green customers. Thus, the results cannot consider other customers. Finally, the size and amount of the sample used for this research

is another potential limitation of this finding. A small sample size was collected. Therefore, the data collected is unlikely to represent the wider population.

## **2. LITERATURE REVIEW**

Due to the correlation between consumption and several environmental issues, including pollution and global warming, consumers' ecological consciousness has grown exponentially since the turn of the twenty-first century (Leonidou et al., 2010; Svensson & Wagner, 2012). Marketing professionals have long been aware of the need to consume goods in a more ecologically friendly way (Fisk, 1973). Even if sustainability is essential for reaching a market orientation, such environmental factors are poorly understood in the literature (Crittenden et al., 2011; Hult, 2011). Green consumers are impacted by two primary considerations when making purchases. Consumers are intrinsically motivated by several variables, including an awareness of their environmental obligations, a desire to learn more, self-interest, and a readiness to conserve resources and lessen their adverse environmental effects. On the other hand, the others are external to the customer and have to do with things like the consumer's social image and the product's attributes (such as its performance, safety, cost, advertising, and effect on human health).

According to a study by Liu et al. (2012), there are two distinct dimensions into which green purchasing actions fall. Researchers are presently at odds on how to define and quantify the sustainability idea, and this conflict has caused a scenario where certain concepts' meanings overlap. Examples include corporate social responsibility (CSR) (Galbreath, 2009; Mysen, 2012), environmentalism (Stainer & Stainer, 1997; Van Doorn & Verhoef, 2011), ecofriendliness (Han et al., 2011; Urien & Kilbourne, 2011), ethics (Carrington et al., 2010; McLaughlin, 2005), and green (Beard & Hartmann, 1997; Olson, 2013). From a sustainability standpoint, Luchs and Swan (2011) stress that product designers must comprehend the buy-use-disposal cycle of product consumption that consumers go through. Some studies have demonstrated that many antecedents of environmentally conscious behaviour have surfaced in the past year (Mostafa, 2007). These days, green purchasing intention is an emerging concept globally. Since the topic of green consumerism is still developing, significant contributions grounded in research are required (Young et al., 2010).

They also show an interest in features like product composition and recycling (Leonidou et al., 2010)." Studies that seek to understand the origins of the "green consumer" typically rely on sociodemographic and

psychographic factors like age, marital status, gender, and so on (Diamantopoulos et al., 2003). Customers are crucial in promoting a nation's green revolution (Steg & Vlek, 2009; Sun & Wang, 2019). According to Leonidou et al. (2010), "Green consumers exhibit an interest in product attributes such as chemical composition and recyclability, favourably discriminating consumption towards organic, energy-efficient products, or biodegradable packaging." In the meantime, increasing numbers of businesses are being pushed to enhance their environmental performance in the marketplace due to consumer preferences for eco-friendly products (Liu et al., 2012; Kumar, 2017). Not only that but companies also advertise environmentally friendly products in order to gain a competitive edge. According to a poll of industry leaders, Pimonenko et al. (2019) point out that companies spend billions of dollars annually marketing their green products, creating brand recognition, differentiating their products, and enhancing market competitiveness.

Businesses, researchers, marketers, strategists, and environmentalists are all looking for a new sustainable paradigm for customers so that sustainability and profitability may coexist. Ecological marketing (Lockrey, 2015), green marketing (Chamorro & Bañegil, 2006; Garg, 2015), greener marketing (Polosky & Charter, 1999), environmental marketing (Yang et al., 2013), or sustainable marketing (Kim & Schellhase, 2015) is a new field of study that has been labelled by researchers and is crucially used by businesses. Green labels should not only be utilised to boost sales but also as tools for policy enforcement and communication. Green consumerism is currently a priority worldwide, and green markets are undoubtedly changing (Rex & Baumann, 2007).

One of the most often used models in the field of consumer behaviour is the theory of planned behaviour (theory of planned behaviour; Ajzen, 1991), which has been used in several types of research (Jang et al., 2014; Oreg and Katz-Gerro, 2006, for example). The Theory of Planned Behaviour (TPB) is based on the idea that a person's behaviour is determined by their intention, which is impacted by their attitude, perception of their behavioural control, and subjective norm (Ajzen, 1991). Regarding predicting social and health behaviours, Ravis et al. (2009, p. 2985) suggested that "the theory of planned behaviour is probably the most influential theory". In ecology and consumer behavioural intention, the theory of planned behaviour is also one of the most well-known and frequently applied theories (Hsu et al., 2017; Shukla, 2019). The theory of planned behaviour has been used extensively to investigate the consumption behaviour of green products and has a well-structured empirical basis for predicting consumer intention and behaviour



(Hassan et al., 2018; Shukla, 2019). Ajzen (1985) asserts that subjective norms, attitude, and Perceived Behavioral Control influence a person's behavioural intention, which results in planned behaviour before actual behaviour.

Many other researchers also found the same thing: for many types of green products, customers' intentions to purchase environmentally friendly products may be predicted by the subjective norm (Albayrak et al., 2013; Yadav & Pathak, 2016). The degree to which people may experience social pressure to engage in particular actions is a measure of the subjective norm. Thus, perceived social pressure—which determines whether or not a person will engage in a given behaviour—is meant to be understood as a subjective standard (Ajzen, 1991; Han, 2010). Many researchers have used subjective norms to predict consumers' propensity to make green purchases (e.g., Schepers & Wetzels, 2007; Yang & Jolly, 2009).

According to Ajzen's (1991) original conceptualisation of the THEORY OF PLANNED BEHAVIOR, subjective norms are associated with social pressure to conform to specific behaviours. Individuals utilise social norms as guides for appropriate behaviour to determine whether a particular course of action is convenient or advantageous in addition to what is morally right or wrong (Bamberg & Möser, 2007). Personal norms are produced by integrating social norms into a coherent personal value system (Jansson et al., 2010). Personal norms are characterised by a strong sense of moral obligation to act charitable or environmentally responsible (Schwartz, 1977). Personal norms are more appropriate for use in THEORY OF PLANNED BEHAVIOR since they more closely represent an individual's moral standards than social norms, viewed as socially accepted principles (Arvola et al., 2008).

Individuals' internal expectations of their behaviour based on their inner values are known as the personal norms (Schwartz, 1968). These standards assist people in acquiring a willingness to act according to their moral obligation to behave in a specific eco-friendly manner (Jansson, Marell, & Nordlund, 2010). Personal norms are characterised by a strong sense of moral obligation to act charitable or environmentally responsible (Schwartz, 1977). Personal norms are produced by integrating social norms into a coherent personal value system (Jansson et al., 2010). The "expectations, sanctions, and obligations tied to personal norms are anchored in the self, whereas those tied to social norms are anchored in a social group" is how personal norms differ from social norms. (Harland et al., 1999, p. 2508). When activated, personal norms can affect actual

behaviour (for a more thorough discussion of the norm-activation idea, see Schwartz, 1977).

### **3. METHODOLOGY**

The procedures by which researchers describe, explain, and predict phenomena are called research methodology. The methodology defines the means or modes of data collection or, sometimes, how a specific result is to be calculated. We cannot draw any conclusions until the data are correctly analysed, and the entire process of research design, data collection, data cleaning, and data preparation will be in vain. With this background knowledge, the present chapter provides the methodology used in this study.

The following conceptual model was constructed based on the literature. In this model, attitude, subjective norms, pro-environmental personal norms, and perceived behavioural control are the primary factors influencing green purchase intention. Green scepticism and perceived value serve as mediators that can either facilitate or hinder this intention based on their impact on pro-environmental purchase behaviour. To test this model, empirical research could involve surveys or experiments that measure these variables and their relationships, providing insights into how each factor and mediator contributes to green purchase intentions.

As previously mentioned, TPB is a valuable source of information on three key variables: attitudes towards behaviour, subjective norm, and perceived behavioural control. The VBN Theory is the source of the personal norm. However, obtaining those fundamental elements guarantees their distinct nature and the correlation between pro-environmental buying intention and behaviour. According to this interpretation, "the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question" is what is meant by attitude towards the behaviour. In the words of Lee (2008), there is also an implied statement that "individuals value judgement of environmental protection, which taps the individuals' cognitive assessment of the value of environmental protection." In both Western and Asian literature, environmental attitude is found to be a significant predictor of green buying intention and behaviour (Crosby et al., 1981; Jobber, 2007; Mostafa, 2007; Lee, 2008; Mei et al., 2012; Arttachariya, 2012).

Factors affecting green purchase intention are employed as independent variables in this study. The sub-dimensions measured factors affecting green purchase intention: attitude, subjective norm, perceived risk and perceived behavioural control. Pro-environmental purchase behaviour is the

dependent variable of this study. This variable is affected by the independent variable and, in turn, affects the dependent variable. According to this study, green scepticism and green perceived value are the mediating factors of this study.

For this investigation, both primary and secondary data were employed. The questionnaire was used to gather primary data. Sources of secondary data included books, periodicals, and magazines. The set of presumptions and attitudes surrounding the expansion of knowledge is highlighted by research philosophy (Coates, 2021; Vveinhardt, 2018). When researchers begin their research process, they embark on a journey to broaden their understanding of that field of study. This journey may lead to developing new theories, addressing specific issues or problems for that institution, or contributing to creating new knowledge (Buchanan et al., 2013). In numerous studies, research paradigms and philosophies with overlapping emphases and meanings about research methodology have been characterised, categorised, and classified (Mkansi & Acheampong, 2012).

This study's assumption of an observable, quantifiable, objective reality is consistent with positivism. The positivist school of thought is suitable for examining the variables influencing consumers' intentions to make green purchases. Since it facilitates the collection of concrete data, preserves impartiality and neutrality in the research, and effectively evaluates the elements influencing green buying intention through quantifiable data points, emphasising the empirical data is beneficial. It looks for connections between pro-environment purchasing behaviour and intentions to make green purchases.

The research design serves as a guide or framework for the marketing research study, outlining the steps required to address the research challenge. According to Ghauri, Gronhaug, and Kristianslund (1995), research design is the comprehensive strategy for establishing a connection between the relevant empirical research and the conceptual research concerns. As a result, proper research has been done to prevent mistakes in gathering pertinent data. The research study's plan is known as the research design. It describes the general approach and schedule for carrying out the investigation. It contains information on sampling strategies, data collection tactics, and data processing protocols. A quantitative methodologies research design will be employed in this study to thoroughly examine the variables influencing the intention to make green purchases. This strategy will give a comprehensive grasp of the problem, enabling the gathering and analysis of quantitative data.

According to Uma and Roger (2012), sampling is choosing a sufficient number of the relevant elements from the population. It also refers to using a small sample size or a portion of a larger population to conclude the population as a whole (Zikmund, 2003). This entails several actions, including defining the population, choosing the sampling frame, sampling method, and suitable sample size, and carrying out the sampling procedure. This sample technique was selected based on its ability to analyse any bias or inaccuracy in selection (Ndubisi, 2006). The target population of this study include customers who wish to purchase green products in Sri Lanka, which is 384. The sample size for this research study may be found using the Morgan table (Krejcie & Morgan, 1970). The sample size, as per the Morgan table, will be 384.

A quantitative technique research design forms the basis of the investigation. This will enable complete comprehension of the variables influencing the intention to purchase green. A questionnaire was created and disseminated to the samples using the Google forms. Both closed-ended and open-ended items are included in the English-language questionnaire. The questionnaires covered names, gender, academic standing, experience with green purchases, and particular elements influencing green purchases.

With statistical software like SPSS, quantitative data from the questionnaire can be examined. The data will be summarised using descriptive statistics, and trends and correlations between the variables will be found using regression and correlation analysis. Descriptive statistical tools will be employed during the data analysis process to summarise and characterise the features of the data. These measures will include measures of dispersion, which are used to compute standard deviation, range, and variance to evaluate the variability of responses across various factors that influence green purchase intention, and measures of central tendency, which are used to calculate the mean, median, and mode to gain a clear understanding of the values of variables. In this case, the direction and strength of linear relationships between continuous variables will be evaluated using the Pearson correlation coefficient.

Cooper and Schindler (2006) define data analysis as creating summaries, using statistical approaches, editing and reducing accumulated data to a manageable amount so that patterns may be easily seen. Several statistical techniques were used in the quantitative approach to compare the information gathered from the respondents. Among these techniques was (1) descriptive statistics, which entailed gathering, compiling, and displaying data. The data's dispersion, central tendency, and frequency

distribution have provided information about the analysis. (2) Inferential statistics entails making inferences about a population from a sample of data alone. Multiple regression analysis, independent sample t-test, and independent sample one-way ANOVA (f-test) were all included (t-test).

According to Burns and Bush (2003), descriptive analysis is used to enumerate and characterise the sample characteristic of the usual respondent and reveal the overall response pattern. Descriptive statistics, which summarise numerical data sets, are the statistical methods used to describe data. These statistics include dispersion measurements (range, standard deviation, and coefficient of variation), frequencies, and measures of central tendency (mean, median and mode).

Scale measurement will be used to test the measurement's validity and reliability. According to Malhotra et al. (2006), reliability is the degree to which a scale yields consistent findings when the feature is measured again. The degree to which variations in observed scale scores represent actual variations among objects on the attribute being evaluated as opposed to systematic or random errors is called validity. In addition to using a validity test to precisely assess the construct for this research project, a reliability test will be conducted as part of the data analysis process.

#### **4. DATA PRESENTATION AND ANALYSIS**

The normal distribution of the sample will be displayed, and any potential relationships between variables will be identified using the normality test, scatter plot diagram, P-P plot, and histogram with the standard curve (Malhotra & Peterson, 2006). The data points will be near the diagonal line if the data are regularly distributed. In conjunction with this study, researchers employed a graphical way to depict the normal distribution. The histogram and normality P-plots in the following figures explain the variables' normality distribution. Additionally, the histogram or data points will be along the diagram line, ensuring the data via graph is standard.

Researchers tested the constructions' internal reliability by conducting reliability tests. This reliability test was carried out to evaluate the consistency of the measurement items and the data quality. According to Ndubisi (2006), the internal consistency of the research instrument should be checked using reliability analysis. The measurement items' internal consistency was assessed using Cronbach's Alpha. Furthermore, Nunally (1978) and Hair et al. (2010) recommend that Cronbach's alpha value be more significant than 0.70, which signifies strong internal consistency in the data. Even though emerging markets accept Cronbach Alphas of 0.6 and beyond (Burgess & Steenkamp, 2006)

This table summarises reliability statistics for the independent variables (Attitude, Subjective norm, personal norm, and perceived behavioural control) and the dependent variable (pro-environmental purchase behaviour). The above table considers all independent and dependent variables. According to Cronbach's alpha value of 0.925, reliability is acceptable. This is the reason this research validity test is acceptable.

The construct for this research study is appropriately assessed using a validity test. In the meantime, convergent and discriminant validity were employed to establish construct validity. Heppner and Heppner (2004) state that discriminant validity occurs when there is little or no connection between the two instruments that are meant to be measured, but convergent validity occurs when there is a large correlation.

KMO and Bartlett's Test shows the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of sphericity. The KMO statistic varies between 0 and 1. A value of zero indicates that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (hence, factor analysis is likely inappropriate). A value close to 1 indicates that correlation patterns are relatively compact, so factor analysis should yield distinct and reliable factors.

Kaiser (1974) recommends accepting values greater than 0.5 as acceptable (values below this should lead you to either collect more data or rethink which variables to include). Furthermore, values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are tremendous and values above 0.9 are superb (Hutcheson & Sofroniou, 1999).

The value of Kaiser-Meyer-Olkin (KMO) is 0.925, which falls into the superb range. The statistical test for the Bartlett test of sphericity was significant ( $P=0.000$ ) for all the correlations within a correlation matrix. Both results indicate that the constructs are valid.

Descriptive statistics are a tool researchers use to summarise the frequency table. According to Robert and Richard (2008), statistical techniques used to describe data are described as descriptive statistics that summarise numerical data sets. Descriptive statistics will be instrumental in helping to interpret and understand the sample data and provide the first step in the data analysis (Aaker et al., 2007). Descriptive statistics includes frequencies, measures of central tendency (mean, median, and mode), and measures of dispersion (range, standard deviation, and coefficient of varieties).

Attitude has the highest mean of 4.3653, whereas subjective norm has the lowest mean of 4.1800. Even though the mean and standard deviation are approximately at the same level among all the constructs, based on the mean value, all the respondents perceived the green purchase intention and pro-environmental purchase behaviour as favourable.

The Pearson correlation coefficients demonstrate the relationship and statistical significance between independent and dependent variables. Furthermore, the correlation can be compared independently without considering the degree of variation displayed by each variable, which is another reason why Pearson's correlation analysis approach was selected. This study's correlation analysis aims to determine whether customer loyalty and retail service quality are significantly correlated. Additionally, it is used to determine how the physical characteristics, dependability, interpersonal interactions, problem-solving and policy, and customer loyalty relate to the dimensions or elements impacting retail service quality.

Multiple regression analysis aims to predict a single dependent variable from a collection of independent factors (Heppner & Heppner, 2004). The nature of the association is ascertained by regression analysis. One step in deciding to use linear regression to analyse data is to confirm that the data being analysed can be analysed in this way. Regression analysis is used to determine whether an independent variable substantially impacts a dependent variable (Ndubisi, 2006). Customer loyalty is regarded as the dependent variable in this study, whereas retail service quality is regarded as the independent variable or predictor variable.

The first part of the output lists all variables in the analysis, indicating which is considered as a dependent variable (Y), which is an independent variable (X) and which is a mediator (M). The total sample size of 218 is also displayed. Then, a series of regression models are fitted, first predicting the mediator variable using the independent variable, then the dependent variable using both the independent variable and the mediator and finally the dependent variable using the independent variable. In this case, while the independent variable was a significant predictor for both the dependent and the mediator variables, it is no longer significant in the presence of the mediator variable, confirming the mediation effect. A measure for the indirect effect of X on Y is also presented after the regression models.

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The hypothesis of this research states that several hypotheses indicate that “There is a relationship between green product purchases and attitudes, subjective norm, perceived value, and scepticism.” A positive relationship was identified, and a green positive attitude significantly correlates with green purchase intentions. In particular, younger and highly educated respondents said their attitudes affect their purchasing behaviours more. From this, we can conclude that fostering positive attitudes through awareness programs could lead to green purchasing.

Increasing consumers' perceived control over green purchasing can significantly strengthen green purchase intentions. This finding suggests that when people feel more empowered to make eco-friendly choices, they are more likely to follow through with green purchases. Practical steps to reduce perceived barriers, such as improving the availability of green products, making them more reasonable, and ensuring convenience in accessing these products, could play a critical role in enhancing green purchasing.

According to the hypothesis that “Green scepticism mediates the relationship between green purchase intention and pro-environmental purchase behaviour,” the findings illustrate that green scepticism led to acts as a partial mediator between green purchase intentions and actual pro-environmental purchasing behaviour, especially noticeable among individuals with advanced education. This scepticism weakens purchase intentions and exposes it to a critical need for reliability in green product claims. Identifying consumer issues and doubts with clear information and taking action regarding green products can help reduce scepticism.

## **5. FINDINGS, DISCUSSION & CONCLUSION**

The researcher will provide an overview of Chapter Four's research findings in this section. The research study's findings are divided into multiple linear regression analysis, Pearson correlation analysis, and respondent demographic profile. According to the reliability table, the reliability is deemed adequate based on Cronbach's alpha rating of 0.925. This makes the



test of research validity acceptable. According to the validity table, the statistical test for the Barlett test of sphericity was significant ( $P=0.000$ ) for all correlations within a correlation matrix, and the Kaiser-Meyer-Olkin (KMO) value is 0.925, falling within the outstanding range. Both findings support the validity of the constructs. Descriptive statistics show that subjective norm has the lowest mean (4.1800), and attitude has the most excellent mean (4.3633). Despite this, the mean and standard deviation are roughly at the same level for all the constructs. According to the mean value, every respondent thought that pro-environmental purchasing behaviour and green purchase intention were positive. Attitude's regression coefficient is 0.522. This indicates that pro-environmental purchasing behaviour will increase by 0.522 units when attitude increases by one unit, and others stay the same. Additionally, the subjective norm regression coefficient is 0.046. This indicates that when reliability increases by one unit and other factors stay the same, pro-environmental purchasing behaviour will rise by 0.046 units. Furthermore, the personal norm's regression coefficient is 0.268. This indicates that when the personal norm rises by one unit and the others stay the same, the pro-environmental purchasing behaviour will rise by 0.268. Additionally, the perceived behavioural control regression coefficient is 0.121. This indicates that when perceived behavioural control rises by one unit while other factors stay the same, pro-environmental purchasing behaviour will rise by 0.121. Finally, the mediating variable significantly mediates the dependent and independent variables if the Z-value exceeds 1.96. This study found that Pro-environmental purchasing behaviour and green buy indentation are mediated by green scepticism.

Ultimately, the study underscores that to boost green purchase intention, marketers and policymakers must address consumers' psychological and social motivations and their concerns about product authenticity and value. By reducing green scepticism and emphasising the tangible benefits of green products, brands can more effectively align with consumers' attitudes, norms, and perceived control to encourage sustainable consumption. This comprehensive understanding of the factors influencing green purchase intention can guide the development of more targeted and effective strategies for promoting environmentally responsible choices among consumers.

From the study, researchers developed recommendations. Customers are more likely to plan to buy green products if they are highly concerned about environmental issues. Personal beliefs, media exposure, and environmental education can all impact this worry. Cultural values, peer pressure, and social standards significantly shape consumer intentions. The influence of

friends, family, coworkers, and more significant cultural trends can encourage or discourage green buying habits. Even with other considerations (such as environmental concerns), customers may be less likely to have favourable purchase intentions if they have doubts about a product's environmental promises. Positive sentiments for eco-friendly products can be weakened by scepticism. Clear communication of the observable environmental advantages of green products, third-party certifications, and openness can all help to reduce scepticism. Customers' scepticism is lessened when they think green products meet up to their promises, which can increase their intention to make green purchases. There is a complicated link between green perceived value, scepticism, and buying intention. Environmental concern is a powerful motivation, but its impact can be undermined by scepticism, and the relationship between worry and buying behaviour is frequently mediated by perceived value. Reducing scepticism and raising the perceived value of green products are important tactics for companies and legislators looking to encourage sustainable consumption to increase green purchase intention.

While green scepticism has been acknowledged as influencing consumer behaviour, future research can further explore its multidimensional nature. Green scepticism may not just be a general distrust of environmental claims. It could involve more specific dimensions, such as scepticism towards greenwashing, distrust of corporate motives, or doubt regarding the effectiveness of green products. Examining how these different types of scepticism impact purchase intentions could yield valuable insights.

Green perceived value could be studied in greater depth by examining various types of value (e.g., economic, emotional, functional, and social value) that consumers attach to green products. This approach could help identify the key drivers behind the perceived value of green products and how these vary among consumer segments.

In addition to examining scepticism, trust in brands and institutions could be explored as a moderator between green perceived value and purchase intention. Studies could explore how brands can foster trust through transparency, product certification, and authentic green practices, especially in light of increasing consumer concerns about greenwashing.

Research could evaluate how green marketing strategies (e.g., eco-friendly messaging, storytelling, product transparency) impact consumer scepticism and perceived value. Understanding the boundaries of "green" claims is important for marketers, as overpromising or misleading messages can

increase scepticism rather than mitigate it. In sum, future research could explore a combination of psychological, social, and contextual factors that influence green purchase intentions. By addressing the mediating role of green scepticism and perceived value in more depth and expanding the conceptualisation of these variables, researchers can contribute to a richer understanding of consumer behaviour in the green economy. Additionally, incorporating diverse methods (e.g., qualitative interviews, experimental studies, longitudinal data) will help capture the complexity of the factors in shaping green purchase intentions.

This study's geographic bias also contributes as a limitation to the research. Researchers only distributed the survey questions in Sri Lanka. Every district in Sri Lanka has its own different culture. So, respondents may have different attitudes toward green products and green purchase behaviour among the districts in Sri Lanka.

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## **FACTORS INFLUENCING BRAND SWITCHING IN MOBILE TELECOMMUNICATION: A GENDER COMPARISON AT ABC PLC**

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### **ABSTRACT**

The frequent customer brand switching has compelled firms to focus on the factors driving this negative consumer behaviour. This aims to examine the factors influencing brand-switching behaviour, specifically focusing on the differences between male and female customers in the mobile telecommunication sector in Sri Lanka. The research places special emphasis on ABC PLC in Badulla District. A quantitative research approach was adopted to achieve the study's objectives, guided by the deductive methodology. Convenience sampling was used to select 160 respondents, and primary data were collected through a structured questionnaire distributed via Google Forms. An Independent sample t-test was conducted to analyse the data and to identify potential differences in brand-switching behaviour based on gender. The results revealed statistically significant mean differences between male and female customers for the variables 'price,' 'network quality,' and 'service quality,' indicating that these factors play a distinct role in shaping brand-switching tendencies among one gender compared to the other. In contrast, no significant mean differences were identified between male and female customers regarding the factors 'value-added services,' 'promotions,' and 'switching cost'. These findings offer valuable insights for service providers in the mobile telecommunication industry, both within Sri Lanka and globally. Companies can develop more targeted and sustainable customer retention strategies by understanding the gender-specific factors influencing customer behaviour.

**Keywords:** *Mobile telecommunication industry, Brand switching behavior, Consumer behavior, Gender comparison*

## **1. INTRODUCTION**

### **1.1. *Background of the Study***

The telecommunication industry in Sri Lanka is highly competitive, with customers frequently switching between service providers for better advantages and benefits (Jayawickramarathna, 2015). Among the leading players in the industry, ABC PLC stands out as one of the largest publicly listed companies on the Colombo Stock Exchange in terms of market capitalisation (ABC PLC, 2022). Despite its prominent market position, the company faces challenges in retaining brand loyalty, particularly among the modern generation. This lack of loyalty is influenced by various factors that pose significant threats to the company's customer base (Hayat et al., 2020). Within this context, the present study examines the factors influencing brand-switching behaviour among customers of ABC PLC in the Badulla District. Specifically, it explores the role of gender differences in critical determinants such as pricing strategies, network quality, value-added services, promotional activities, service quality, and switching costs. The study aims to provide insights into how ABC PLC can effectively manage customer retention and strengthen its competitive position by addressing these factors.

### **1.2. *Research Problem***

The phenomenon of customers switching service providers has emerged as a significant challenge in the mobile telecommunication industry in recent years. Understanding the underlying factors driving this behaviour is critical for companies aiming to improve customer retention and enhance their competitive edge (Tesfom et al., 2016). To address this issue within the context of the Badulla District, a pilot study was conducted to explore and validate the research problem. This preliminary investigation involved in-depth interviews with 32 respondents residing in the district. Among these participants, 12 were former users of the Dialog network who had already switched to other service providers, while 20 were current Dialog users who expressed intentions to switch. The insights from this pilot study provided valuable context for identifying and framing the research problem specific to the Badulla District.

Moreover, a literature review highlights a noticeable gap in understanding the factors influencing brand-switching behavior across gender lines. While some studies have explored consumer behavior and brand-switching in the telecommunications sector, they have largely overlooked the nuanced differences between male and female customers (Rao et al., 2016). Gender-specific determinants, such as differences in preferences, priorities, and

decision-making processes, remain underexplored. This study seeks to address this gap by offering a comprehensive analysis of the gender-specific factors influencing brand-switching behavior in the mobile telecommunication sector, with a particular focus on the Badulla District. By doing so, it aims to provide actionable insights that can inform targeted strategies to improve customer satisfaction and loyalty across diverse consumer groups.

### ***1.3 Research Objective***

This study aims to explore the mean difference in consumer brand switching behavior toward ABC PLC between male and female customers. Additionally, it seeks to examine whether there are differences in the factors influencing consumer brand switching behavior across male and female customers.

### ***1.4 Significance of the Study***

Customer turnover rates in the telecommunications industry are notably higher compared to other industries (Gautam & Chandhok, 2011). Moreover, brand switching in this sector is often driven by problem-solving strategies, as consumers tend to switch brands when they perceive a better bargain or deal (Susanti, 2015). Given this context, the findings from this study aim to assist policymakers, brand managers, and marketers in devising more effective strategies to reduce customer churn and enhance brand retention. By addressing the underlying factors influencing brand switching, firms can foster a more empathetic approach to building customer loyalty, as highlighted by Adjei et al. (2014). Moreover, empathetic customer loyalty not only strengthens customer relationships but also supports the design, development, and execution of loyalty programs (Lee et al., 2001). Such programs are recognized as essential for maximizing customer lifetime value, a critical factor for a firm's long-term success (Heskett & Heskett, 2002). Furthermore, customer lifetime value can serve as a significant competitive advantage in the marketplace (Day, 2000).

The insights from this research will also prove valuable for other researchers conducting studies on brand switching and its influencing factors. Academics, university students, and research organizations can benefit from these findings as a robust foundation for future investigations. In addition to academic and private research entities, regulatory bodies like telecommunications commissions and other government organizations can utilize this research as secondary data to inform policies and regulations aimed at improving consumer satisfaction and market stability.

## **2. LITERATURE REVIEW**

The Push-Pull Mooring (PPM) theory provides valuable insights into customer switching behavior within the telecommunication industry (Al-Mashraie et al., 2020). Push factors, conceptually defined as the effects of seemingly negative elements, drive customers away from their current providers (Nimako & Ntim, 2013). In contrast, the pull factors represent positive or attractive features that draw customers to alternative providers, as described in the push-pull paradigm (Bansal et al., 2005). Mooring factors, on the other hand, are understood as situational constraints that influence the switching process (Lee, 1966).

Customer brand switching, defined by Mouri et al. (2015), refers to the termination of a relationship with one service provider and the initiation of a new relationship with another. This decision is influenced by various factors, with customers exercising freedom in their choices (Jan and Matolia, 2019). One significant factor is price, which represents the cost customers incur for a product or service (Armstrong and Kotler, 2018). In the telecom sector, customers are highly price-sensitive, often gravitating toward providers offering lower prices (Polo et al., 2011).

Another critical factor is network quality, which encompasses network reach and coverage. Subscribers lacking network availability in their area are more likely to switch to a competitor with better coverage (Al et al., 2015). Value-added services, which provide additional benefits to customers, play a vital role in attracting and retaining them (Wang and Li, 2012). Promotions, defined as the exchange of information and ideas between sender and receiver, enhance brand appeal beyond the product itself (Carles Maixé-Altés, 2010).

Service quality, defined as customers' perceptions of how well a service meets their expectations, is another crucial factor. High service quality fosters strong and lasting customer relationships (Rawis et al., 2022). Finally, switching costs encompassing the time, effort, and financial sacrifices involved in changing providers significantly influence customers' decisions to remain with or leave a provider (Lee et al., 2015).

## **3. METHODOLOGY**

The population for this research comprises all Dialog mobile network users from the Badulla District who have either switched networks or intend to switch in the future. The sample for the study was determined by identifying customers meeting these criteria and administering a structured questionnaire for data collection. In total, 160 respondents participated in

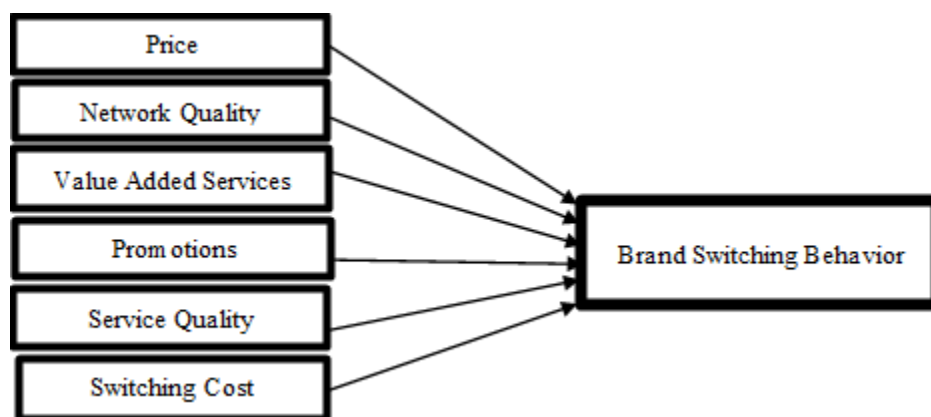


the study. A nonprobability sampling method was employed, specifically convenience sampling, to gather primary data. The questionnaire was designed using a five-point Likert scale to measure responses. The study adopted a deductive approach aligned with the positivist paradigm and utilized a quantitative research methodology. Data analysis was conducted using the Statistical Package for Social Sciences (SPSS) software, version 25.0, with an independent sample t-test applied for statistical evaluation.

### 3.1 Hypotheses

H1: There is a mean difference in consumer brand switching behavior towards ABC PLC between male and female customers.

H2: There is a difference in factors influencing the consumer brand switching behavior towards ABC PLC across male and female customers.



**Figure 1: Conceptual Model**

Source: Jan & Matolia (2019) and Manzoor et al. (2020)

## 4. DATA ANALYSIS & RESULTS

### 4.1. Reliability Analysis

Reliability is the extent to which measures are free from error and therefore yield consistent results (Zikmund et al., 2013). The accuracy of information is very important in a research study. In this study, in order to check the reliability of the questionnaire, the Cronbach's alpha technique was applied. Nunnally (1978) indicated that the result of Cronbach's alpha should be above 0.7.

**Table 1: Reliability Test**

<i>Dimension</i>	<i>Items</i>	<i>Cronbach's Alpha</i>
<i>Price</i>	5	.809
<i>Network Quality</i>	5	.887
<i>Value Added Services</i>	2	.718
<i>Promotions</i>	3	.714
<i>Service Quality</i>	3	.737
<i>Switching Cost</i>	2	.799
<i>Consumer Brand Switching Behavior</i>	3	.852

Source: Survey Data

According to Table 1, the output of reliability statistics obtained the Cronbach's value is above 0.7 for all the variables. Therefore, the reliability test can be concluded that the questionnaire of this study is more reliable.

#### 4.2 Multicollinearity

A linear relationship existing between two or more of the input variables is called multicollinearity (Hocking & Pendleton, 1983). Basically, two major methods were used to determine the presence of multicollinearity among independent variables in this study. These methodologies involved the calculation of a Tolerance test and Variance Inflation Factor (VIF) (Ahsan et al., 2009). The maximum acceptable VIF value would be 5; thus, if the VIF value is higher than 5 would indicate a problem with multicollinearity (Becker et al., 2015). On the other hand, if the tolerance value is less than 0.2, there is a problem with multicollinearity (Hair et al., 2010).

Based on Table 2 below, all tolerance values are greater than 0.2 and all VIF values are less than 5; it can be concluded that there are no multicollinearity problems among the independent variables. It clearly says that the independent variables taken for this research do not have interrelationships.

**Table 2: Multicollinearity**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.295	.349		3.706	.000		

Price	-.409	.104	-.323	-	.000	.544	1.838
				3.947			
Network	-.169	.091	-.163	-	.067	.467	2.142
Quality				1.848			
Value	.391	.107	.308	3.640	.000	.508	1.968
Added							
Services							
Promotions	.110	.122	.084	.900	.369	.419	2.384
Service	.203	.113	.145	1.787	.076	.553	1.809
Quality							
Switching	.440	.074	.430	5.978	.000	.704	1.421
Cost							

Source: Survey Data

#### 4.3 Independent Sample T-Test

The second objective of this study is “To examine whether there is any mean difference in consumer brand switching behavior towards ABC PLC between Male and Female customers”. To achieve the second objective of this study, the following output was derived.

**Table 3: Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Mean	Error
Consumer Brand_Switching Behavior	Male	80	3.3333	.97219	.10869	
	Female	80	3.5042	.99788	.11157	

Source: Survey Data

Based on Table 3 above, there is no such mean difference between males and females in consumer brand switching behavior.

**Table 4: Independent Sample T-Test**

		Levene's Test for Equality of Variances							
		t-test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower Upper
Consumer Brand	Equal variances assumed	.696	.405	-1.097	158	.274	-.17083	.15576	-.47847 .13681

Switching Equal Behavior variances not assumed	-1.097	157.89	.274	-.17083	.15576	-.47848	.13681
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Source: Survey Data

According to Table 4, the significant value for the mean difference is above 0.05 (Sig. = .274). Therefore, there is no mean difference in consumer brand switching behavior towards ABC PLC between males and females.

The third objective of this study is “To examine whether there is any difference in factors influencing consumer brand switching behavior across male and female customers”. To achieve the third objective of this study, the following output was derived.

**Table 5: Coefficients (Male)**

Dependent Variable	Independent Variable	Unstandardized Coefficients		Standardized t Coefficients		Sig.
		B	Std. Error	Beta		
Consumer Brand Switching Behavior	(Constant)	1.291	.497		2.599	.011
	Price	-.664	.161	-.504	-4.133	.000
	Network Quality	.049	.141	.045	.346	.730
	Value Added Services	.456	.155	.368	2.952	.004
	Promotions	.121	.179	.093	.675	.502
	Service Quality	.027	.161	.021	.170	.865
	Switching Cost	.541	.121	.504	4.464	.000

Source: Survey Data

**Table 6: Coefficients (Female)**

Dependent Variable	Independent Variable	Unstandardized Coefficients		Standardized t Coefficients		Sig.
		B	Std. Error	Beta		
Consumer Brand	(Constant)	1.064	.500		2.127	.037
	Price	-.230	.146	-.186	-1.578	.119

Switching Behavior	Network Quality	-.323	.130	-.327	-2.480	.016
	Value Added Services	.403	.155	.310	2.597	.011
	Promotions	.031	.166	.024	.189	.850
	Service Quality	.345	.164	.224	2.101	.039
	Switching Cost	.428	.095	.439	4.503	.000

*Source:* Survey Data

For male respondents, price statistically impacts brand switching behavior, whereas for female respondents, price does not. This indicates a mean difference between males and females in brand switching behavior regarding price. In contrast, network quality does not statistically impact brand switching behavior for males, but it does for females, revealing another mean difference between genders in this aspect. Both male and female respondents show that value-added services statistically impact brand switching behavior, indicating no mean difference between the two groups regarding this factor.

Similarly, promotions do not statistically impact brand switching behavior for either gender, resulting in no mean difference in this area. However, service quality does not statistically impact brand switching behavior for males but does for females, signifying a mean difference in this regard. Finally, switching cost statistically impacts brand switching behavior for both males and females, showing no mean difference between the two groups in relation to this factor.

## 5. DISCUSSION OF THE FINDINGS

There is a significant effect of switching costs on the behavior of mobile service users. Kaur Sahi et al. (2016) observed that low switching costs lead to higher customer intentions to change service providers. Similarly, Bansal & Taylor (1999) identified a direct relationship between switching costs and customers' brand-switching intentions. In the context of the Dialog mobile communication market, it has been concluded that switching costs significantly impact customer behavior, with lower costs encouraging customers to switch providers rather than remain loyal. Consistent with this finding, previous research has also demonstrated that higher switching costs deter customers from changing brands (Jones et al., 2002; Jones & Sasser, 2009).

Value-added services have been found to play a significant role for both customers and companies. With the right value-added service offerings, businesses can attract new customers while retaining existing ones. A study conducted in Korea revealed that customers not only prioritize the reliability of value-added services but also value their content and relevance to their preferences (Choi et al., 2008). These findings highlight that value-added services are key factors in customer satisfaction and brand switching. Furthermore, numerous studies emphasize the importance of mobile service companies focusing on and investing in value-added services, as they are a critical determinant of customer retention and switching behavior (Chadha & Kapoor, 2009).

In addition to value-added services, pricing has been identified as a significant factor influencing customers' switching behavior in the mobile services industry. This aligns with Keaveney's (1995) findings, which identified pricing as the third most significant category for customer switching. Similarly, Munnukka's (2005) research demonstrated that a reduction in cellular service prices tends to attract customers, encouraging them to switch brands within the telecommunications sector. However, contrasting findings by Chaarlas et al. (2012) suggest that price is not always a decisive factor influencing brand switching among customers, indicating that its impact may vary across different contexts.

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a decisive factor influencing brand switching among customers, indicating that its impact may vary across different contexts.

The literature suggests that cellular networking brands gain a competitive advantage through superior network quality and coverage. Findings from previous studies indicate that a significant number of participants switch brands primarily due to promotional offers (Shujaat et al., 2015). Additionally, Tan et al. (2016) emphasize that service quality plays a critical role in building brand image and shaping customer perceptions, which can ultimately influence brand switching behavior. However, the findings of this study present a contrasting perspective. According to the results, network quality, promotional offers, and service quality have a comparatively lower impact on brand switching behavior.

## **6. CONCLUSION & CONTRIBUTIONS**

### ***6.1. Conclusion***

This research aimed to examine the factors influencing brand switching in the mobile telecommunication industry, with a focus on the Badulla district in Sri Lanka. The findings revealed that factors such as price, value-added services, and switching costs play a significant role in shaping brand-switching behavior within the telecom sector. Additionally, gender-based differences in brand-switching behavior were analyzed. The results showed no significant difference in overall brand-switching behavior between male and female respondents toward ABC PLC. However, when considering specific factors influencing brand-switching behavior, there were notable gender-based differences for variables such as “price,” “network quality,” and “service quality.” In contrast, no significant differences were found between males and females for factors like “value-added services,” “promotions,” and “switching cost.” This study hopes to contribute to the mobile telecommunication industry, particularly ABC PLC, by highlighting areas for improvement to address weaknesses and threats, ultimately enhancing the products and services offered to consumers.

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## **6.2 Contributions**

The findings of this study offer valuable insights for market players, providing them with factors to consider when developing strategies to retain existing customers. Customer retention is crucial, as it can generate a 25-95% increase in profits for organizations (Taylor, 2019). These insights can aid managers in creating sustainable business plans. The proposed model identifies three key factors—push, pull, and mooring factors—that influence consumer brand-switching behavior. By leveraging this knowledge, businesses can maintain market share and ensure that consumers who switch to their brand remain loyal in the future.

Technological advancements and firms' differentiation strategies have led to increasingly complex services. As services grow more intricate, several key implications emerge from this study. Notably, the findings may prove valuable to market players, offering insights into factors they can consider when devising strategies to retain existing customers. Retaining customers is particularly important, as it can boost an organization's profits by 25-95% (Taylor, 2019). Additionally, these research findings can support managers in developing sustainable business plans.

The Push-Pull-Mooring (PPM) theory has been widely applied to explain consumer switching behavior across various contexts (Lai et al., 2012). In this study, the theory is utilized to model and understand the factors influencing consumer brand switching in the mobile communication service industry. Specifically, the research explores the motivations behind consumer brand switching among mobile service providers by drawing on an exploratory study and the PPM framework. The proposed model highlights three key categories of determinants—push, pull, and mooring factors—that drive consumer brand switching behavior.

In addition, this research carries significant practical implications, particularly in light of the market's maturity and the slowing pace of new customer acquisitions. Practically speaking, implementing the findings of this study will enable providers to enhance service quality by focusing on areas that offer a distinct competitive advantage. This, in turn, can help build



a loyal customer base and reduce switching rates. Moreover, the study offers valuable insights for maintaining market share by ensuring that consumers who switch to a brand remain loyal and continue purchasing it in the future.

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**IMPACT OF SOCIAL MEDIA CELEBRITY ENDORSEMENT ON ONLINE  
PURCHASING INTENTION IN FEMALE FASHION APPAREL INDUSTRY  
FOR GENERATION Z CONSUMERS IN COLOMBO, SRI LANKA**

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**ABSTRACT**

This study investigates the impact of social media celebrity endorsements on online purchasing intentions, Sri Lanka's female fashion apparel industry, specifically targeting Generation Z consumers in Colombo. With social media platforms like Facebook and Instagram driving influencer marketing strategies, understanding the factors influencing Generation Z's online purchasing decisions is critical, given the dominance of fashion apparel in e-commerce. While global research has explored the impact of social media celebrity endorsement on purchase intentions, there is a notable gap within the Sri Lankan context, especially concerning Generation Z's online apparel purchases. The present study draws upon the theory of credibility and attractiveness to address this gap, proposing a conceptual framework based on the TEARS model, analyzing trustworthiness, expertise, attractiveness, respect, and similarity as key factors influencing online purchase intentions. Data from 384 respondents, aged 16-30 Generation Z, were collected via a structured questionnaire with employed deductive approach. Results revealed that all five variables significantly positively impact purchase intention, trustworthiness being the most influential, similarity also demonstrated the strongest correlation with online purchase intention, emphasizing its role in shaping consumer behaviour. These findings offer practical implications for marketers, suggesting prioritizing trustworthiness and similarity when selecting endorsers to build stronger consumer relationships and boost sales. Despite its reliance on cross-sectional data, this study provides valuable insights for Sri Lankan online fashion brands



navigating the digital marketplace. Future research could adopt a longitudinal approach to explore evolving consumer behaviours.

**Keywords:** Social media celebrity endorsement, Generation Z, Online purchasing intention, TEARS Model, online female fashion apparel industry

## **1. INTRODUCTION**

### **1.1. Background of the study**

The rapid growth of internet penetration and the emergence of social media platforms have reshaped the interaction between businesses and consumers, driving significant transformations in digital marketing strategies (Malik et al., 2013). In Sri Lanka, social media platforms such as Facebook, Instagram, and WhatsApp play a pivotal role in influencing consumer behaviour, particularly in the fashion apparel industry, which increasingly relies on digital marketing channels to expand its consumer base (Geegamage et al., 2023). Social media celebrity endorsements (SMCEs) have become dominant in shaping consumer perceptions and driving purchasing intentions. SMCE in digital fashion marketing are particularly effective for promoting female fashion brands, as they help establish trust, enhance brand loyalty, and strengthen emotional connections with consumers (Nafees et al., 2021; Ikhlaq et al., 2021).

Evidence suggests that the TEARS model comprising trustworthiness, expertise, attractiveness, respect, and similarity is critical in assessing the effectiveness of SMCEs in influencing consumer behaviour (Sharma & Kumar, 2024). Despite the global trend of leveraging SMCEs in digital marketing, a research gap exists in understanding how these endorsements influence the purchasing intentions of Generation Z (Gen Z) consumers in Sri Lanka, especially within the context of Colombo's female fashion market. Addressing this gap is vital, as social media marketing is uniquely suited for the fashion industry, which thrives on visual appeal and consumer engagement (Geegamage et al., 2023). This study seeks to investigate the impact of SMCE factors on online purchasing intentions among Gen Z consumers in Colombo, Sri Lanka, thereby contributing to a deeper understanding of the intersection between celebrity influence and consumer behaviour in a localized context.

### **1.2. Research Problem**

The research problem addresses the gap in existing literature concerning the impact of SMCE on online purchasing intention in Sri Lanka's female fashion apparel industry, particularly among Gen Z consumers. Gen Z is the most active demographic on social media, and Colombo, as the commercial

hub of Sri Lanka, represents a diverse and urbanized consumer base, making it an ideal location to study these behaviors. However, there is limited research that combines these elements to examine SMCE's effectiveness in influencing purchase intentions.

Existing theories, such as the Source Credibility and Source Attractiveness models, suggest that SMCEs influence consumer behavior through attributes like trustworthiness, expertise, and attractiveness (Dissanayake, 2023). However, these theories often fail to fully address the dynamic and interactive nature of SMCE in modern digital platforms. The TEARS model, which includes dimensions like trustworthiness, expertise, attractiveness, respect, and similarity, offers a more comprehensive approach to understanding the influence of SMCE on Gen Z consumers. By applying the TEARS model, this study seeks to address limitations in traditional endorsement theories and explore how these factors align with Gen Z's unique preferences and behaviors.

Furthermore, the research considers Sri Lanka's evolving economic landscape, characterized by increased purchasing power, rapid digital adoption, and heightened consumer awareness (Perera et al., 2018). The increasing use of social media platforms such as Instagram and Facebook for marketing has further amplified the relevance of SMCE in shaping online purchasing intentions (Dananjana et al., 2024). In this context, understanding Gen Z's behavior becomes critical, as they are trendsetters and active contributors to the digital economy.

Comparative insights from other emerging markets highlight the unique challenges and opportunities present in Sri Lanka. For example, while markets like India and Indonesia have shown significant growth in online purchasing due to SMCE, the cultural, economic, and technological landscape in Sri Lanka presents distinct dynamics that remain underexplored (Amarasinghe, 2022). The study aims to bridge this gap by providing localized insights into the role of SMCE in the Sri Lankan fashion industry.

Practically, this research holds significant value for marketers seeking to refine their strategies for engaging Gen Z consumers. Findings from the study can guide brand managers in selecting the most suitable social media influencers, optimizing campaign strategies, and align endorsements with attributes such as trustworthiness and similarity to maximize the impact. Ultimately, this study contributes to both theoretical advancements and practical applications in understanding the effectiveness of SMCE in Sri Lanka's fashion apparel industry.

### ***1.3. Purpose/Aims/Objectives of the study***

The main purpose of this study is to investigate the impact of SMCE, framed through the TEARS model, on online purchasing intention in the female fashion apparel industry for Gen Z consumers in Colombo, Sri Lanka.

- To analyze how the trustworthiness of SMCEs impacts online purchasing intention.
- To evaluate how the expertise of SMCEs influences online purchasing intention.
- To measure the role of attractiveness in SMCEs on online purchasing intention.
- To examine the effect of respect attributed to SMCEs on online purchasing intention.
- To assess how the similarity between SMCEs and consumers affects online purchasing intention.
- To synthesize findings on the TEARS model dimensions and provide practical recommendations for marketers in the female fashion apparel industry.

### ***1.4. Formation of Hypotheses***

Source trustworthiness is defined as "a judgment made by a perceiver concerning the truthfulness of a communicator" (Keefe, 1990). It refers to the favorable attributes of a communicator that enhance the acceptance of the message by the receiver (Ohanian, 2024). Research suggests that trustworthiness significantly impacts customers' purchase intentions and brand attitudes (Schouten et al., 2021). In the context of Sri Lanka, Gen Z consumers highly value authenticity and credible endorsements due to their skepticism of marketing tactics. Trustworthy SMCEs may enhance the perceived credibility of a brand and influence online purchasing decisions.

**Hypothesis H1:** Trustworthiness of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo, as measured by their self-reported perceptions of trustworthiness and purchase likelihood.

Expertise, defined as the ability of the communicator to make accurate claims in a specific field (Hovland et al., 2003), is another crucial factor influencing endorsement effectiveness. Social media influencers perceived as knowledgeable about fashion trends and brands are more likely to

positively influence purchase intentions (Wang & Scheinbaum, 2018). Gen Z in Sri Lanka, known for their tech-savvy behavior, tends to rely on influencers with demonstrable expertise in fashion to make informed decisions.

**Hypothesis H2:** Expertise of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo, as assessed through perceived expertise ratings and online purchase behavior metrics.

Attractiveness, encompassing physical appearance and overall appeal, is a vital component of an endorser's effectiveness. According to Patzer (1983), attractiveness is "the degree to which a stimulus person's physical features are pleasing to observe." Previous research highlights that attractive endorsers are perceived as more credible, likable, and influential (Joseph, 2024). For Sri Lankan Gen Z consumers, physical appearance and elegance of SMCEs on platforms like Instagram play a pivotal role in shaping purchase intentions.

**Hypothesis H3:** Attractiveness of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo, based on self-reported attractiveness ratings and their impact on purchase decisions.

Respect is another dimension of the TEARS model that significantly impacts an endorser's effectiveness. Celebrities who are well-respected and maintain a positive public image often transfer these qualities to the brands they endorse, enhancing customer perceptions (Shimp, 2003). For Sri Lankan consumers, culturally respected figures or individuals associated with philanthropy may resonate strongly and positively influence their buying behavior.

**Hypothesis H4:** Respect attributed to the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo, measured through perceived respect levels and purchasing likelihood.

Similarity, defined as the degree to which an endorser matches the audience in relevant attributes (Sharma, 2014), is critical for Gen Z consumers in Sri Lanka, who seek relatability and shared values in SMCEs. Similarity in demographic and psychographic factors, such as age, lifestyle, and cultural values, strengthens the consumer's connection to the endorser and enhance purchase intentions (Dutta & Bhattacharya, 2023).

**Hypothesis H5:** Similarity between the SMCE and Gen Z consumers in Colombo has a positive and significant effect on their online fashion apparel purchasing intention, based on perceived similarity scores and purchasing behavior patterns.

### ***1.5. Significance***

This study provides valuable insights into the strategic use of SMCE in Sri Lanka's fast fashion industry, particularly targeting Gen Z consumers. It highlights how factors such as trustworthiness and attractiveness influence online purchasing behaviour, offering practical guidance for businesses to optimize their social media strategies (Dissanayake, 2023). Policymakers can use these findings to create ethical marketing regulations, ensuring transparency while supporting digital business growth. Applying the TEARS model, this research helps brand managers and fashion retail businesses align influencer characteristics with brand values, enhancing consumer engagement and boosting e-commerce, contributing to Sri Lanka's economic development (Perera et al., 2018).

## **2. LITERATURE REVIEW**

### ***2.1 SMCE and Gen Z in the Fashion Industry***

SMCE are instrumental in shaping consumer behavior within the fashion industry. The Source Attractiveness Model (McGuire, 1985) underscores the importance of factors like similarity, familiarity, and likability in influencing consumers, particularly Gen Z, a demographic known for its digital nativity and preference for authenticity in brand communications (McCormick, 2016). Gen Z consumers are characterized by their reliance on social media platforms for inspiration and their tendency to value relatable and credible endorsements (Jin et al., 2021). However, understanding how SMCE impacts purchasing intentions in Sri Lanka's fashion industry remains underexplored, particularly regarding evolving trends like micro-influencers, virtual influencers, and short-form video content on platforms like TikTok and Instagram (Hewapathirana, 2023).

### ***2.2 Emerging Trends in Influencer Marketing and SMCE Credibility***

Recent studies highlight the growing prominence of micro-influencers and virtual influencers, who often engage niche audiences with higher relatability and trust compared to macro-celebrities (Duffy, 2020). The rise of short-form video content, including TikTok and Instagram Reels, has transformed how endorsements are delivered, offering more interactive and engaging formats that resonate with Gen Z consumers (Gunawardane, 2022; Ohanian, 2024). These developments demand a more nuanced analysis of

SMCE's effectiveness, considering both traditional and emerging influencer characteristics.

### ***2.3 Sri Lankan Context and Research Gaps***

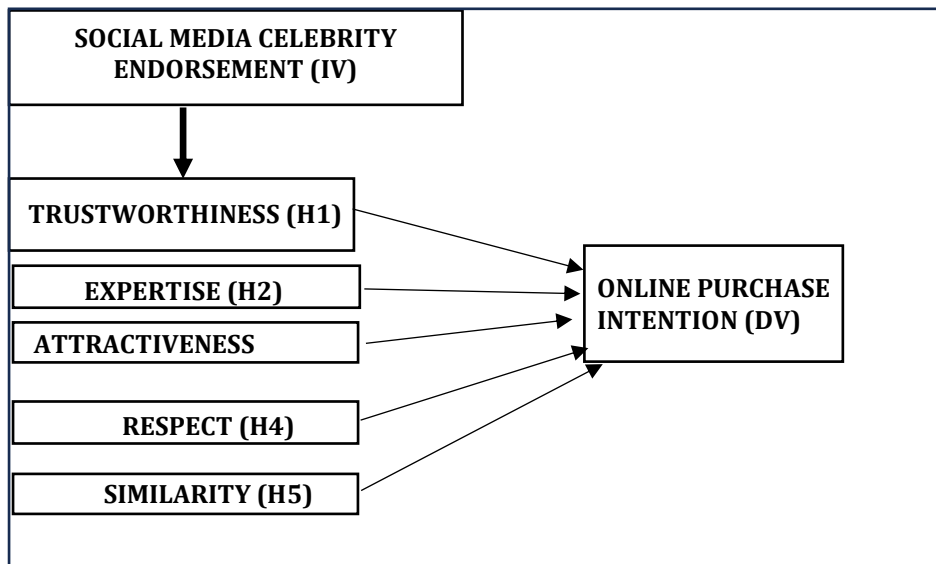
In the Sri Lankan market, influencer marketing has gained traction, especially in fashion, where trust and relatability are critical drivers of consumer behavior (Weerasiri & Herath, 2017). Studies indicate that Sri Lankan consumers increasingly rely on endorsements from relatable influencers rather than traditional celebrities, aligning with global trends (Djafarova & Rushworth, 2017). However, the lack of localized research addressing SMCE's role in emerging markets like Sri Lanka leaves significant gaps. For instance, while international studies emphasize the importance of trustworthiness and expertise (Hovland, 1950; Shimp, 2003), there is limited empirical evidence on how these dimensions affect online purchasing intentions in Sri Lanka's digital fashion market.

### ***2.4 Integration of Source Credibility, Attractiveness, and the TEARS Model***

The TEARS model (Shimp, 2003) offers a comprehensive framework for analyzing SMCE by integrating trustworthiness, expertise, attractiveness, respect, and similarity. Trustworthiness and similarity have emerged as particularly influential variables for Gen Z consumers, who prioritize authenticity and relatability in their purchasing decisions (De Veirman et al., 2017; Morton, 2020). Source Credibility Theory (Hovland, 1950) and Source Attractiveness Model (McGuire, 1985) further explain how these dimensions interact to shape consumer motivations. For example, credible influencers those perceived as knowledgeable and honest enhance purchase intention through persuasive communication, while attractive endorsers engage audiences through relatability and likeability (Angriawan, 2011; Djafarova & Rushworth, 2016).

While existing studies highlight the positive impact of SMCE on purchase intentions, some findings indicate potential drawbacks. For instance, over-commercialization or excessive endorsements by influencers can lead to skepticism among consumers, undermining their credibility (Daneshvary, 2000; Carroll, 2008). Additionally, debates exist on the effectiveness of macro versus micro-influencers, with some research suggesting that niche influencers foster deeper engagement, while others argue for the broader reach of macro-influencers (Chan et al., 2021). This review identifies several gaps in existing literature. First, limited attention has been given to SMCE's impact in emerging markets like Sri Lanka, particularly among Gen Z consumers. Second, the influence of newer trends, such as short-form videos

and virtual influencers, remains underexplored. Finally, while the TEARS model provides a robust framework, further research is needed to understand how its dimensions intersect with cultural and market-specific factors in Sri Lanka. By addressing these gaps, this study aims to offer a comprehensive analysis of SMCE in the fashion industry, contributing valuable insights for both academia and practitioners. With the combination of these two models, the author got his research framework as the TEARS model founded by (Shimp, 2003).



**Figure 1:** Conceptual framework of the study

Source: Shimp (2003)

### 3. METHODOLOGY

#### 3.1 A description of Research Philosophy/Approach

This study employs a positivist philosophy to uncover causal relationships and measurable outcomes related to the impact of SMCE on purchasing behavior. A deductive approach is utilized, systematically testing hypotheses derived from existing literature, ensuring the findings contribute to the body of knowledge on Gen Z's online purchasing intentions.

### ***3.2 Research Strategy***

A quantitative research strategy is adopted, emphasizing structured methods to collect and analyze numerical data. This approach facilitates the generalization of findings to the broader population of Gen Z consumers in Colombo.

### ***3.3 Research Context***

The research focuses on Gen Z consumers in Colombo, who are highly engaged in online shopping and represent a digitally active demographic. Colombo's urban population, estimated at 980,080, provides a suitable context for analyzing the impact of SMCE in Sri Lanka's fashion industry. Ten branded fashion online retail establishments with the highest social media following were selected: Gflock, Kelly Felder, Mimosa, Carnage, Zigzag, Nils Store, Chenara Dodge, Arienti, Nora Reed, and Baylee. These brands were chosen based on their significant digital presence and influence on consumer purchasing behavior in the fashion sector.

### ***3.4 Sample Selection***

The study determines a statistically valid sample size of 384 respondents based on the Krejcie and Morgan Table (1970). A convenience random sampling technique is employed, enabling accessibility while maintaining diversity within the target population of Gen Z consumers in Colombo.

### ***3.5 Survey Instrument Development***

The survey instrument was developed based on established literature, ensuring alignment with key constructs related to SMCE. A 5-point Likert scale was used to measure participants' perceptions of celebrity credibility dimensions such as trustworthiness, expertise, attractiveness, respect, and similarity (Shimp, 2003). The questionnaire also included demographic questions and items assessing the frequency of online purchasing behaviors. To enhance reliability and validity, a pilot study was conducted with 30 respondents representative of the target demographic. Feedback from the pilot study led to minor revisions in the wording and sequence of questions to ensure clarity, cultural relevance, and ease of understanding.

### ***3.6 Data Collection Methods***

Data was collected via an online survey distributed through Google Forms. The survey was shared on popular social media platforms such as Instagram, Facebook, and WhatsApp, as these are widely used by the target demographic in Colombo. Out of 410 distributed surveys, 385 complete



responses were received, achieving a response rate of 94%. This ensured robust representation of purchasing behaviors and attitudes.

To minimize biases in online data collection, the study incorporated the following measures. A diverse distribution strategy across multiple platforms to reach various segments of the target demographic, anonymity was guaranteed to respondents, reducing social desirability bias. The questionnaire was carefully structured to avoid leading questions and ensure neutrality.

### ***3.7 Justification for Selected Social Media Platforms and Fashion Brands***

Instagram, Facebook, and WhatsApp were selected for survey distribution based on their popularity and usage among Gen Z consumers in Colombo, as reported by recent digital marketing studies (Hewapathirana, 2023). The chosen fashion brands were identified as leaders in online retail with substantial social media influence, providing an ideal context to assess the impact of SMCE on purchasing behaviors in Sri Lanka's fashion industry.

## **4. DATA ANALYSIS AND RESULTS**

Shimp's TEARS Model of SMCE theoretical framework was built from four research investigations to examine how youthful SMCEs in social media marketing and brand perception affect young customers' purchasing intentions. According to the findings of the study marketers want to appeal to young consumers, who are now one of the largest groups of consumers in the world, they should investigate the similarity and trustworthiness qualities of SMCEs. According to the research questions set in this paper, it has developed five hypotheses based on the TEARS model emphasized in this study. The variable's relationship paths have been conceptualized as above in the Figure 1.

The study utilized the TEARS framework to test hypotheses on the impact of SMCE on online purchasing intentions among Gen Z consumers in Colombo. Data were collected through an online survey and analyzed using IBM SPSS 26 software. Descriptive statistics provided insights into general trends, while reliability and validity tests ensured robust measurement instruments. Parametric assumptions were tested to ensure data suitability for regression analysis. Normality was assessed using Shapiro-Wilk values and visual plots, with no significant outliers detected. Multicollinearity was ruled out as VIF values were below 10 and tolerance levels above 0.2. The Durbin-Watson statistic confirmed independence of observations. Correlation analysis revealed statistically significant positive relationships ( $p < 0.05$ ) between SMCE dimensions and purchase intentions. Regression

analysis showed that trustworthiness, similarity, and attractiveness had the strongest influence on purchasing behavior. The model explained a substantial portion of the variance in purchase intention, confirming the predictive power of SMCE dimensions. Results aligned with research objectives, emphasizing the importance of credibility factors in influencing online consumer behavior, with trustworthiness and similarity being key drivers.

#### **4.1 Reliability & Validity Test**

The reliability test is used to determine the dimensions of the research factor's reliability. Validity examines the appropriateness of the research study for the intended outcome, whereas reliability indicates the consistency of the questionnaire for the expected findings. Cronbach's Alpha is used to assess reliability & KMO's value is used to assess the validity of the research instrument since the researcher chose a quantitative research approach for the investigation.

**Table 1: Reliability & Validity Test**

<b>Variables</b>	<b>Items</b>	<b>Cronbach's Alpha</b>	<b>KMO's Value</b>
Trustworthiness	5	0.927	0.763
Expertise	5	0.944	0.771
Attractiveness	5	0.876	0.741
Respect	5	0.836	0.727
Similarity	5	0.870	0.650

*Source: Survey Data, 2024*

According to Table 1, observe that Cronbach's Alpha & KMO's Values related to all the variables considered are greater than the threshold values of 0.7 & 0.6. Therefore, the study completes the reliability & validity of the variables identified by the survey for further analysis.

#### **4.2 Correlation Analysis**

Pearson's correlation analysis is a statistical technique used to measure the strength and direction of the linear relationship between two continuous variables.

**Table 2: Correlation Analysis**

Variables	Correlation	Significant Value
Trustworthiness	.735**	0.000
Expertise	.786**	0.000
Attractiveness	.741**	0.000
Respect	.735**	0.000
Similarity	.803**	0.000

Source: Survey Data, 2024

According to Table 2, the correlation between all dimensions of the independent variables is significant ( $p < 0.05$ ). Therefore, it can be concluded that there is a strong positive correlation between variables with online purchasing intention.

#### 4.3 Regression Analysis

**Table 3: Model Summary**

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.892 <sup>a</sup>	.796	.793	.23610

Source: Survey Data, 2024

The model summary shows a strong positive relationship ( $R = 0.892$ ) between predictors and online purchasing intention.  $R^2$  (0.796) indicates that 79.6% of the variance in online purchasing intention is explained by the TEARS model, with the adjusted  $R^2$  (0.793) accounting for the number of predictors.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 \dots \dots \dots 01$$

$$Y = 0.217 + 0.286 X_1 + 0.229 X_2 + 0.167 X_3 + 0.107 X_4 + 0.161 X_5 \dots \dots \dots 02$$

Multiple regression was run to predict online purchasing intention from the TEARS model. These variables statistically significantly predicted DV,  $F(5, 379) = 295.463$ ,  $p < 0.05$ ,  $R^2 = 0.796$ . All IVs added statistically significantly to the prediction,  $p < 0.05$ .

#### 4.4 Hypotheses Testing

**Table 4: Summary of Hypothesis Testing**

Hypothesis	Impact	Status	Justification
H1: Trustworthiness of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo.	Positive Significant	Accepted	P- Value = 0.000 B Coefficient = 0.286 Pearson Correlation = .735**
H1: Expertise of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo.	Positive Significant	Accepted	P- Value = 0.000 B Coefficient = 0.229 Correlation = .786**
H1: Attractiveness of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo.	Positive Significant	Accepted	P- Value = 0.000 B Coefficient = 0.167 PCorrelation = .741**
H1: Similarity of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention	Positive Significant	Accepted	P- Value = 0.001 B Coefficient = 0.107 Correlation = .735**
H1: Respect of the SMCE has a positive and significant effect on the online fashion apparel purchasing intention of Gen Z consumers in Colombo.	Positive Significant	Accepted	P- Value = 0.001 B Coefficient = 0.161 Pearson Correlation = .803**

Source: Survey Data, 2024

#### 5. DISCUSSION OF THE FINDINGS

This study underscores the pivotal role of social media platforms such as Facebook, Instagram, and WhatsApp in influencing online purchasing intentions within Colombo's female fashion apparel market for Gen Z. According to the descriptive statistics derived from the sample profile, 94% of respondents are "Facebook" users, making it the most dominant platform. "WhatsApp" ranks second in usage, followed by "Instagram". Platforms like Twitter, TikTok, YouTube, and LinkedIn demonstrate minimal influence in

this demographic, reaffirming the importance of focusing marketing strategies on Facebook and WhatsApp for Sri Lanka's online fashion sector.

Consistent with prior studies, the findings highlight the significant influence of these platforms on consumer purchasing behavior. Notably, the dimensions of SMCE under the TEARS model trustworthiness, expertise, and similarity emerge as critical determinants of purchase intentions. Among these, "trustworthiness" and "similarity" are identified as the most influential and strongest drivers. This aligns with the findings of Huang (2011) and Pornpitakpan (2022), which emphasize the importance of "trustworthiness" and "similarity" in enhancing endorsement credibility and purchase behavior. Furthermore, the study corroborates Wang and Scheinbaum (2018), who identified "influencer credibility" as a key factor in fostering consumer engagement.

Analysis of respondents' preferences for online fashion apparel brands revealed that "GFLOCK" leads the market, with a significant 31.69% preference. "Carnage" ranks second at 20%, followed by Zigzag, Chenara Dodge, Kelly Felder, and Nils Store. These results illustrate a diverse landscape of consumer preferences in Sri Lanka's online fashion market, providing valuable insights for industry stakeholders. The findings are consistent with global studies. For instance, Jiang (2023) found that influencers with high expertise effectively increase consumer awareness in the UK, while La Eerie (2020) highlighted the pivotal role of trustworthiness and similarity in driving purchasing behavior in South Korea's fashion industry. These global observations align closely with the findings of this study, reaffirming the universal importance of these SMCE dimensions.

Through the application of the TEARS model, this research confirms a strong relationship between SMCE attributes and online purchasing behavior. The model accounts for 79.6% of the variation in purchase intentions, underscoring its robustness in the Sri Lankan context. These results provide actionable insights for marketers aiming to design effective influencer campaigns. Prioritizing trustworthy and relatable influencers can significantly enhance consumer trust, credibility, and engagement, ultimately driving sales in the online fashion apparel market. This study contributes to the growing body of literature on influencer marketing and purchasing behavior, particularly within a Sri Lankan setting. By validating the relevance of trustworthiness and similarity in the Gen Z demographic, it offers practical implications for tailoring influencer campaigns to resonate with local consumer preferences.

## **6. CONCLUSION & CONTRIBUTIONS**

### ***6.1 Summary of The Main Findings***

This study explores the evolving role of SMCE in influencing online purchasing intentions among Gen Z consumers in Colombo, Sri Lanka's fashion apparel industry. The findings reveal that trustworthiness and similarity are the most impactful dimensions of SMCEs, with trustworthiness emerging as the strongest driver of purchase intention. These results validate the relevance of the TEARS model within the Sri Lankan context, explaining 79.6% of the variation in purchase intentions. Furthermore, while local influencers hold substantial sway over purchasing behavior, the study underscores the necessity for cross-cultural assessments to capture variations in consumer behavior globally.

### ***6.2 Novel Contributions of the Study***

From a theoretical perspective, this study extends the applicability of the TEARS model to the Sri Lankan fashion industry by emphasizing trustworthiness and similarity as pivotal dimensions. It bridges a contextual research gap by focusing on Gen Z consumers in Colombo and their interaction with SMCEs in a developing country's e-commerce ecosystem. Methodologically, the use of a structured survey with a quantitative approach provides a replicable framework for analyzing consumer perceptions of SMCE. The inclusion of statistical insights further strengthens the empirical contribution, offering a nuanced understanding of influencer marketing in an underexplored region.

### ***6.3 Implications to Practitioners***

This research provides actionable insights for marketers targeting Sri Lanka's Gen Z consumers in the online fashion apparel market. Marketers should collaborate with influencers who consistently demonstrate authenticity and credibility. Encouraging these endorsers to share real-life experiences with products can foster consumer trust. Selecting influencers who align with the lifestyle and preferences of the target audience strengthens personal connections, making endorsements more relatable. This includes choosing influencers who reflect local cultural values and preferences. Encouraging endorsers to engage with their followers through live sessions, Q&A opportunities, and personalized content can significantly enhance consumer trust and product knowledge. Tailored marketing strategies, such as incorporating Sri Lankan cultural elements into endorsement campaigns, can resonate more effectively with the local

audience. This includes using bilingual or Sinhala/Tamil content for better regional engagement.

#### ***6.4 Study Limitations and Recommendations for Future Research***

The use of convenience sampling, while practical, may limit the generalizability of findings to the broader Sri Lankan Gen Z demographic. Future research should consider employing stratified or random sampling techniques to enhance representativeness. The focus on Colombo's urban population restricts the applicability of findings to rural or global contexts. Future studies could explore cross-cultural differences in SMCE effectiveness, particularly in other South Asian regions.

Although the study highlights the dominance of Facebook, Instagram, and WhatsApp, further research could investigate the role of emerging platforms such as TikTok in influencing consumer behavior.

A longitudinal study could provide deeper insights into the evolving impact of SMCE dimensions over time, particularly as consumer behavior adapts to technological advancements and market trends.

#### ***6.5 Broader Impact on Sri Lankan E-Commerce and Fashion Industry***

This study has significant implications for Sri Lanka's e-commerce and fashion industries, where influencer marketing remains a growing yet underutilized tool. By validating the relevance of the TEARS model in the local context, this research provides a theoretical foundation for developing effective influencer campaigns. Practical recommendations tailored to the Sri Lankan market can drive consumer engagement, increase brand loyalty, and contribute to the growth of the fashion industry. The findings encourage practitioners to adopt data-driven, culturally aligned marketing strategies, ensuring competitive advantage in the rapidly expanding online retail sector.

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## **LEVERAGING LIVE STREAMING: THE ROLE OF ELECTRONIC WORD OF MOUTH IN PROMOTING BUDGET HOTELS IN THE TOURISM INDUSTRY**

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### **ABSTRACT**

This study examines the impact of e-word of mouth strategies social currency, triggers, emotions, practical value, and stories used in live streaming to promote budget hotels in Gampaha District, Sri Lanka. It aims to understand how these strategies influence consumer engagement and decision-making, and to identify the most effective ones for hotel promotion. The study involved 200 responses collected via social media platforms such as Facebook, Instagram, YouTube, and TikTok, using a convenience sampling method. Data was analyzed through SPSS with correlation and regression analyses to explore the relationship between e-WOM strategies and consumer behavior, providing insights into improving digital marketing efforts for budget hotels in the region.

**Keywords:** Social currency, Triggers, Emotions, Public, Practical value, Stories

### **1. INTRODUCTION**

The hotel industry is one of the most competitive and dynamic sectors in the tourism market, particularly in the post-pandemic era, where the demand and supply of accommodation services have been drastically affected and changed (Brotherton, 2004). One of the emerging and influential marketing tools in the digital age is electronic word-of-mouth (e-word of mouth), which refers to the online communication and exchange of information, opinions, and experiences among consumers about products, services, or brands. E-word of mouth can have a significant impact on various aspects of consumer behavior, such as awareness, attitude, trust, satisfaction, loyalty, and purchase intention, as well as on the profitability and competitiveness of the firms (Cindy & Orilyn Jane, 2021). However, e-word of mouth is not a

homogeneous phenomenon, but rather a complex and dynamic process that involves various actors, platforms, and strategies. One of the recent and popular forms of e-word of mouth is live streaming, which is a real-time online broadcast of video and audio content by an individual or a group, also known as streamers, to a large and interactive audience. Live streaming has gained popularity and attention in various domains, such as entertainment, education, gaming, and tourism, due to its advantages of immediacy, interactivity, authenticity, and engagement (Siripipatthanakul et al., 2022). Live streaming can also be used as a powerful e-word of mouth strategy for promoting the hotel industry, as streamers can showcase the hotel facilities, services, and experiences to potential customers, as well as interact with them and influence their perceptions and decisions (Smith et al., 2013). Live streaming e-word of mouth can create a vivid and immersive impression of the hotel offerings, as well as a sense of social presence and community among the viewers (Siripipatthanakul et al., 2022).

Budget hotels are a type of lodging that cater to travelers who have limited financial resources. Unlike luxury hotels, which use a star system to indicate their level of quality and service, budget hotels do not have a standardized rating system. Rather, they are usually categorized by their price range and the facilities they provide (Ren et al., 2016).

Streaming is a phenomenon that has gained popularity in Sri Lanka and around the world, especially after the COVID-19 pandemic. Streaming refers to the practice of broadcasting real-time video and audio content online, such as video games, talent shows, daily activities, or any other topic of interest (Hu et al., 2017). Streaming has also become a viable career option for many people, as there are various ways to monetize the streaming process and attract a large audience (Johnson & Woodcock, 2019).

One of the reasons why people watch streaming is that it can enhance cognitive abilities, such as coordination, spatial reasoning, attention, and creativity, as well as social, educational, and spatial skills (Cabeza-Ramirez et al., 2021). However, streamers face the challenge of attracting and retaining viewers in a competitive market. One of the strategies that can help them is electronic word-of-mouth (E-Word of Mouth), which is the exchange of opinions and information about products and services among consumers online (Cindy & Orilyn Jane, 2021). Therefore, the main objective of this study is to identify the impact of e-word of mouth strategies using in live streaming to promote in hotel industry among budget hotel.

## **2. LITERATURE REVIEW**

### ***2.1. Budget Hotel***

Budget hotels are known for their straightforward hospitality, focusing on essential accommodations and services that provide value for money. Strategic location, affordability, quality assurance, and a simple yet personal design ethos has contributed to their success. (Ren et al, 2016) In Sri Lanka, customer satisfaction in the tourist budget hotel industry hinges on affordability, value for money, service quality, professionalism, hospitality, cleanliness, facility maintenance, room comfort and amenities, safety, security, location, local attraction accessibility, and transportation ease. Budget hotels that excel in these areas tend to receive positive reviews and repeat business, bolstering the tourism sector (Gnanapala, 2014).

### ***2.2 Electronic word-of-mouth***

Consumers often rely on e-word of mouth to gather insights from other users before making buying decisions. Businesses are increasingly leveraging e-word of mouth as a marketing tool to engage with their target audience, monitor online conversations, and respond to customer feedback promptly (Cheung and Thadani 2010). Overall, e-WOM is a valuable component of contemporary marketing strategies, allowing brands to reach a wider audience, build brand awareness, and establish meaningful connections with consumers in the digital age (Raharja & Dewakanya, 2020). Xu Luo et al., (2021) explained that live streaming as the place where electronic word-of-mouth (e-WOM) creates a warm buzz, as viewers excitedly spread the word about streams they love.

### ***2.3 Live Streaming***

Online video streaming has swiftly become an integral part of global culture, offering a vast array of content at the fingertips of viewers. Platforms such as YouTube, Netflix, and TikTok have garnered significant attention, particularly from younger demographics who favor the variety and accessibility of on-demand entertainment (Lessel et al., 2017). The behaviors of users on live streaming platforms offer a window into the evolving landscape of digital engagement. As these platforms become more widespread, it's essential to understand the interactions between users and content creators. Studies suggest that viewer preferences and behaviors are influenced by factors such as content relevance, the streamer's personality, and the cultural context of the community (Xu Niu et al., 2021). Content creators, in turn, tailor their offerings based on viewer feedback, creating a dynamic interplay that defines the live streaming experience (Berger, 2013).

In Sri Lanka, live streaming is becoming increasingly popular, reflecting the nation's diverse culture and expanding digital landscape. Amitha & Charuni (2022) suggested that live streaming has also emerged as a crucial e-word of mouth marketing tool, utilizing the authenticity and immediacy of real-time broadcasts to enhance brand messaging.

### *2.3.1 Social Currency*

The concept of social currency, deeply rooted in the theories of social capital by Bourdieu (1977) and Coleman (1988), suggests that the wealth of personal networks forms the basis of an individual's social capital, which emerges from interpersonal interactions (Long Range Planning, 2013). In the digital era, viewer engagement has undergone a transformation, with social currency becoming a cornerstone, especially in the realm of online reviews. Social currency encapsulates the tangible and potential resources derived from one's participation in social networks and communities, both online and offline (Ren, 2014). The reliance on peer evaluations in consumer decision-making underscores the significance of social currency (Berger, 2013). Live streaming has ascended as a formidable social currency on social media, embodying the adage "to share is to receive." It enables individuals to share their narratives, insights, and experiences in real-time, fostering a communal space for interaction and community cultivation (Kesgin & Murthy, 2019).

### *2.3.2 Triggers*

This approach helps in maintaining a consistent presence in the consumers' consciousness (Berger, 2013). Platforms such as YouTube Live, Twitch, and Facebook Live provide interactive spaces where real-time engagement flourishes, making them suitable for educational and collaborative writing discussions. The appeal of these platforms lies in their capacity for immediate interaction, allowing content creators to forge direct connections with their audience, fostering community and interaction that surpasses what is possible with pre-recorded content (Mackay, 1991). Technological features serve as potent triggers, shaping user behavior and platform engagement, with design elements that promote continuous interaction and the potential for procrastination (Berger, 2013).

### *2.3.3 Emotion*

Sharing of emotional content is common. Therefore, it is needed to pay attention to sentiments rather than function. The interplay of visibility and emotional expression by live streamers significantly influences audience engagement, as demonstrated in the context of budget hotels. Guo et al.

(2019) found that broadcasters who are more visible and emotionally expressive tend to engage viewers more effectively, leading to increased virtual gift-giving. This correlation highlights the value of creating a personal connection and resonant experiences in the digital hospitality sector for boosting loyalty and revenue (Fong et al., 2021).

#### *2.3.4 Practical value*

In the realm of live streaming, the practical application of theoretical knowledge is crucial for enhancing interactive experiences (Gummesson, 2002). Understanding the dynamics of audience engagement, content delivery, and the psychological impact of live interactions is essential for developing strategies that not only improve the quality of live broadcasts but also foster deeper connections between streamers and their audiences (Loeber et al., 2007).

For budget hotels, practical value is centered around providing cost-effective accommodations without compromising on essential services and quality. These establishments cater to price-conscious travelers by offering amenities like free WI-FI and TV, and sometimes even discounted services at nearby restaurants (Brotherton, 2004).

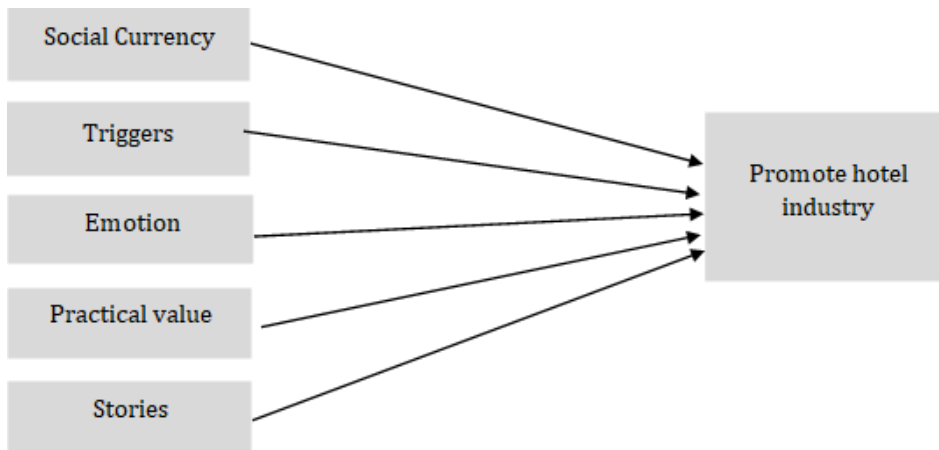
#### *2.3.5 Stories*

Stories play a multifaceted role in our lives, serving as vehicles for education, entertainment, and personal expression, posits that the authenticity found in personal stories often makes them more compelling and shareable than traditional marketing messages (Ellis & Bochner, 2016). The social function of storytelling has been explored in various contexts, such as how gossip, a form of informal narrative exchange, can impart societal norms and values as part of cultural learning (Baumeister, Zhang, & Vohs, 2004).

Budget hotels possess a distinctive allure, each with its own set of stories waiting to be told. These narratives offer insights into the diverse experiences of travelers seeking affordability and convenience. Storytelling in the context of budget hotels goes beyond emphasizing cost-effectiveness; it highlights the unique experiences that define each guest's stay (Eccles et al., 2008).

### 3. RESEARCH METHODOLOGY

#### 3.1 Conceptual Framework of the Study



**Figure 1: Conceptual Framework**

Source: Jonah Berger (2013)

#### 3.2 Hypotheses Development

H1: There is a significant impact of social currency for promoting hotel industry.

H2: There is a significant impact on triggers for promote hotel industry.

H3: There is a significant impact on emotions for promoting hotel industry.

H4: There is a significant impact on practical value for promote hotel industry.

H5: There is a significant impact on stories for promote hotel industry.

#### 3.3 Sample Selection

A convenience sampling approach was employed to obtain a broad sample. We contacted several live streamers streams, providing a link to the questionnaire, the introduction to which stated that participation was voluntary, and that data processing was authorized exclusively for research purposes. The questionnaire was also distributed approximately 1.2 million people in Sri Lanka are live streaming viewers based on this percentage through social networks, video game forums, and Sri Lankan streamers' Facebook, YouTube, TikTok channels. Data collection methods and take 200 samples.



### 3.4 Data Collection

Secondary Data Collection involves conducting a literature review using databases like Google Scholar, JSTOR, and university resources, focusing on eWOM, streamers, and the hotel industry. Relevant market reports, government resources like the Sri Lanka Tourism Development Authority (SLTDA), and social media platforms will also provide valuable insights into consumer behavior and industry trends.

Primary Data Collection will use convenience sampling to gather data from budget hotel viewers through online surveys by selecting participants based on accessibility, availability, and willingness to participate.

### 3.5 Data Analysis Method

The data will be analyzed by using SPSS 21.0 version. Data evaluation techniques are the Correlation Analysis and Multiple Regression Analysis.

## 4. DATA ANALYSIS AND PRESENTATION

### 4.1. Reliability analysis

When a variable's Cronbach's alpha is more than 0.7, it can be considered reliable for both measurement and representation.

**Table 1: Reliability**

Dimension	Cronbach's Alpha
Social currency	0.892
Triggers	0.864
Emotion	0.835
The practical value	0.833
Stories	0.845
Promotion	0.743

Source: Survey Data

### 4.2 Correlation Analysis

**Table 2: Correlation Analysis**

Social Currency	Pearson	.790**
	Correlation	

Triggers	Pearson	
	Correlation	.749**
Emotion	Pearson	.803**
	Correlation	
The Practical Value	Pearson	.769**
	Correlation	
Stories	Pearson	.789**
	Correlation	

Source: Survey Data

According to Table 2, all the variables are denoted a positive correlation.

#### 4.7. Regression Analysis

Regression analysis's main goal is to characterize the relationship between one or more independent variables factors that affect the outcome and a dependent variable, or the desired outcome.

**Table 3: Model Summary**

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.849 <sup>a</sup>	.721	.714	.33792

Source: Survey Data

The R-squared coefficient obtained after correcting for confounding variables was 0.721, indicating that 72.1% of the variation in the original data can be explained by the anticipated factors. One possible explanation for the remaining 27.9% of the disagreement is that there may have been an additional variable that was either left out of the model or whose significance has not been established. One of the model's most important determinants is its R-squared value of 0.721. The degree to which the observed variability can be explained by the model's predictions is indicated by this statistic. With an R-squared of 72.1%, it appears that a sizable amount of the variability observed in the dependent variables can be explained by the independent factors. R-squared indicates the degree to which the model successfully captures the data and offers a comprehensive assessment of how much the independent variables influence the variability

of the dependent variable. from it, the independent variables are influenced to dependent variable by 72.1%.

**Table 4: ANOVA**

Model		Sum Squares	of df	Mean Square	F	Sig.
1	Regression	59.547	5	11.909	104.293	.000 <sup>b</sup>
	Residual	23.067	202	.114		
	Total	82.614	207			

Source: Survey Data

**Table 5: Coefficient**

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.200	.136		8.848	.000
	Socail Currency	.202	.075	.264	2.696	.000
	Triggers	.018	.069	.023	.261	.794
	Emotion	.183	.062	.242	2.953	.000
	Practical Value	.059	.065	.073	.908	.365
	Stories	.265	.059	.314	4.485	.000

Source: Survey Data

According to the results table, sincerity has a favorable and moderate impact on promotion. The standardized beta value for social currency is 0.264. For the Social Currency Construct, the t-value is 2.6962 and the p-value is 0.000. This indicates that there is a considerable correlation between these two factors and that social currency has a beneficial effect on the degree of promoting the hotel industry. The standardized beta value for triggers is 0.023, indicating a very little negative impact on factor promoting the hotel industry. It demonstrates that the Triggers variable's t-value is, and as a result, the p-value is not equal to 0.000. These findings indicate that, among all the motives, Triggers and Promotion have not impact and a negligible moderating effect.

The specified beta value for emotion was 0.242, which was, in fact, very favorable for promoting the hotel industry. Emotion has a t-value of 2.953 and a p-value of 0.000. This indicates that emotion has a significant and advantageous impact on promoting the hotel industry.

The practical value of beta, which has been standardized to a value of 0.073, suggests a detrimental impact on promotion. The practical value's t-value is 0.908, indicating that the value of p does not equal zero. This demonstrates that the degree of promotion in the hotel industry is not impacted by the practical value level, because the significant value is more than 0.05. In the case of stories, the standardized beta value is 0.314, indicating that it affects promoting the hotel industry. Stories t-value is 4.485, and its statistical significance is determined to be zero ( $p < 0.05$ ). 000. These values support the notion that there is a strong and positive correlation between the story's variable and promoting the hotel industry.

## **5. CONCLUSION AND RECOMMENDATIONS**

The study emphasizes that viewers are more likely to engage in eWOM when they experience strong emotions, whether positive or negative, and that Stories, Emotion, and Social Currency are the most impactful strategies for promoting hotels. Conversely, Triggers and Practical Value were found to have little to no effect on hotel promotion. The results suggest that streamers focusing on Stories, Emotion, and Social Currency will be more successful in attracting viewers and promoting budget hotels. The most influential eWOM strategies are Stories (beta = 0.314), followed by Social Currency (beta = 0.264) and Emotion (beta = 0.242), while Triggers and Practical Value were the least influential. In conclusion, for budget hotels prioritizing Stories, Emotion, and Social Currency in live streaming marketing efforts can significantly enhance engagement and visibility, leading to greater success in attracting guests.

### ***5.1 Recommendations***

To enhance hotel promotion through live streaming, focus on building social currency by offering exclusive content that makes viewers feel part of an inner circle. Emotions play a key role; highlight the joy of affordable luxury and the excitement of budget-friendly travel to resonate with cost-conscious travelers. Encourage engagement by offering incentives like discounts and rewards, and create interactive elements to expand reach through social sharing. Showcase practical value such as easy booking, transparent pricing, and guest testimonials to build trust. Share authentic stories from satisfied guests to humanize the brand. Use triggers like room tours and local

attractions to inspire bookings. Distinctive features, like exclusive events, and emotional appeals through visuals and storytelling, create deeper connections. Regular live streams with useful content can build anticipation and foster loyalty, while addressing common queries in real-time helps potential guests make informed decisions.

This chapter has provided an in-depth analysis of e-word-of-mouth (eWOM) strategies employed in live streaming and their impact on supporting the hotel industry in the Gampaha district. The primary findings underscore the significant role of eWOM in enhancing the visibility and reputation of hotels through live streaming platforms. By leveraging real-time interactions and user-generated content, hotels can effectively engage with potential customers, build trust, and drive bookings. The study highlights the critical importance of eWOM in the digital marketing landscape, particularly within the context of live streaming. It demonstrates how strategic use of these platforms can create authentic connections with audiences, leading to increased brand loyalty and improved market positioning for hotels. However, the chapter also acknowledges several limitations of the research, including potential biases in sample selection and the variability in effectiveness of eWOM strategies across different hotel segments. These limitations suggest the need for further investigation to validate findings and refine strategies. Practical implications of this study include the need for hotels in the Gampaha district to adopt targeted eWOM strategies that align with their brand identity and customer preferences. By optimizing live streaming content and fostering genuine interactions, hotels can enhance their competitive edge and achieve greater success in the digital marketplace. Future research directions should explore the long-term effects of eWOM strategies on customer behavior and hotel performance. Additionally, examining the integration of emerging technologies and platforms could offer new insights into maximizing the effectiveness of live streaming as an eWOM tool. Overall, this study provides valuable insights into the application of eWOM in live streaming for the hotel industry and offers a foundation for developing more effective digital marketing strategies to advance the sector.

## ***5.2 Future Research Areas***

The study on e-word of mouth (eWOM) strategies for promoting budget hotels in the Gampaha District highlights several areas for future research and limitations. Future research could explore the long-term effects of different eWOM strategies, such as influencer partnerships versus user-generated content, to identify the most effective methods for sustained positive outcomes. It could also investigate how platform-specific tactics on

social media platforms like Instagram and Facebook influence audience engagement and booking decisions. Additionally, examining the integration of augmented reality (AR) or virtual reality (VR) in live streaming could offer innovative ways to enhance viewer experience and decision-making. Research into how demographic factors like age, gender, and travel preferences influence the success of eWOM strategies could help tailor marketing approaches for greater impact. These future studies would contribute to a deeper understanding of digital marketing in the budget hotel sector in similar regions.

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## LEVERAGING SOCIAL MEDIA MARKETING TO BOOST VISIT INTENTION: INSIGHTS FROM SRI LANKAN SMALL INDEPENDENT HOTELS

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### ABSTRACT

Social networking sites have recently achieved enormous popularity as a highly effective avenue of communication in today's digital world. It has been elevated to a pedestal in a variety of contexts to facilitate participatory contact among businesses, groups, societies, organizations, customers, and communities. Digital platforms play a crucial role in the travel decisions of tourists. This study examines the impact of various factors, including online customer reviews, content quality, and perceived usefulness, on the intention of potential guests to visit small independent hotels in Sri Lanka. Through extensive data analysis and hypothesis testing, the study uncovers strong positive relationships between these variables and Visit Intention. 240 randomly selected social media users who traveled to small independent hotels in Sri Lanka were used as the sample for this study. The quantitative data collection approach was employed for data gathering, and SPSS was used for data analysis. The findings of the study revealed that the Use of Social media marketing tools and content quality are positively correlated with the intention of the tourists. The outcomes of this research could be used by tourism organizations including the Government and Private to promote the tourism industry and for their policy making. Small independent hotels may use this study to develop their strategies.

**Keywords:** Online reviews, Small independent hotel, Social media marketing, Visit intention

### 1. INTRODUCTION

#### ***1.1 Background of the Study***

Tourism is the backbone of a country. Today's global perceives the tourism sector as a growing industry. It significantly raises a nation's GDP and accelerates its growth (Chamboko-Mpotaringa & Tichaawa, 2021). Social media techniques are used effectively by small and independent hotels to

achieve high revenue and growth by utilizing a variety of strategies (Khalid et al., 2021). Social media marketing tools are crucial for businesses to run their operations smoothly. Businesses utilize social media to reach out to potential consumers, and customers use social media marketing tools to meet a variety of information demands to identify the locations they need to fulfill their travel plans (Rinaldi & Salerno, 2020). Utilizing social media efficiently can help them humanize the business and establish more meaningful connections with past, present, and potential customers, which can increase their bookings and revenue (A. Sharma et al., 2020).

The small independent hotels in Sri Lanka operate in a dynamic and highly competitive market. Attracting and retaining guests is paramount to their success. The growth of the small hotel industry is crucial as mini-hotels pay off considerably quicker, providing employment, contributing to economic growth, and yielding more profits for the investor (Balova et al., 2022).

Businesses have plenty of opportunities to interact with their audience through various social media platforms. For hotels, social media can not only help to promote the brand but also help to build a strong online presence (Susanto et al., 2021). It provides hotel owners with an easy approach to promoting their business and attracting more guests. According to the study, up to 60% or more of travelers use social media to plan and get ideas for trips (Fouzai @ Fauzi & Abdul Latif, 2019). Social media user reviews directly influence others' decisions. One in five millennials acknowledges that social media hotel and travel photographs have an impact on their decision to book and go. This demonstrates that millennials won't choose a hotel for their stay in the absence of "social proof" (*EZee Editorial Team, Author at EZee Absolute*, n.d.). Customers shared their reviews online to aid others in making decisions (Reshma Patnam, 2021). Customers in the hospitality sector must browse social media platforms before choosing a product or service. The choice to buy made by your guests is significantly influenced by social media credibility (Mariani et al., 2018; Siti-Nabiha et al., 2021a; Thommandru et al., 2023).

## **1.2 Problem Statement**

The problem addressed in this research study revolves around the challenges and opportunities faced by small independent hotels in Sri Lanka in leveraging social media marketing tools to influence visit intention. Sri Lanka is rich in a wide range of natural resources. Sri Lanka's potential as one of the world's leading nature-based tourism destinations has been strengthened by the country's wide variety of flora and fauna (Gaffar et al., 2020). As the hospitality industry has witnessed a significant shift towards

digitalization and online marketing, small independent hotels find themselves in a unique position where they must harness the power of social media to compete effectively (Buhalis et al., 2019). These hotels are often characterized by limited marketing budgets and resources compared to larger hotel chains, making their strategies and decisions regarding social media marketing critically important (D. S. Sharma, 2002).

Social media marketing is essential for fostering growth in the highly competitive hotel sector. These small-scale hotels may exhibit their distinctive offers and reach a worldwide audience by using online booking platforms, responsive websites, and targeted online advertising. It enables hotels to interact with prospective visitors in real time, making tailored suggestions and improving the entire visitor experience (Balova et al., 2022; Devi Devaru et al., 2024)

However, the existing literature has not comprehensively studied the gap in how these hotels utilize social media marketing tools and to what extent these tools are influencing the intention of potential guests to visit. This gap stems from the absence of comprehensive research that takes into account the specific challenges and opportunities faced by these hotels in the Sri Lankan context. Consequently, there is a need for a systematic investigation to explore the impact of various social media marketing tools and strategies employed by small independent hotels on visit intention, ultimately providing insights that can inform their marketing decisions and improve their competitiveness. Addressing this problem is not only academically relevant but also practically needed. The findings will offer guidance to small independent hotel owners and marketers who are seeking to optimize their social media marketing efforts to attract travelers who are seeking unique and authentic experiences. Moreover, understanding the dynamics of social media marketing in the context of small independent hotels in Sri Lanka can contribute to the broader knowledge base on the intersection of social media, tourism, and hospitality, benefiting researchers, practitioners, and the industry as a whole.

### ***1.3 Research Questions***

Based on the problem identified above the following questions are raised for the study.

- How do social media marketing tools influence visit intention for small independent hotels in Sri Lanka?

- To what extent do the specific factors of social media marketing (online customer reviews, content quality, and perceived usefulness) influence the visit intention?
- What is the importance of social media marketing elements in shaping potential guests' intention to visit small independent hotels in Sri Lanka?

#### ***1.4 Research Objectives***

Based on the research questions, the following objectives for the study are set.

- To examine the influence of social media marketing tools on visit intention for small independent hotels in Sri Lanka.
- To identify and analyze the specific factors of social media marketing (online customer reviews, content quality, and perceived usefulness) that impact visit intention.
- To assess the relative importance of different social media marketing elements in shaping potential guests' intention to visit small independent hotels in Sri Lanka.

#### ***1.5 Significance of the Study***

Social media is currently employed as a marketing tool for hospitality sectors, which has a big impact on Sri Lanka. It will be feasible to study the degree to which they are successful in using social media as a marketing strategy. By doing so, they will advance by acquiring competitive advantages in their sector. As a result, the nation's economy will generate more income. In light of this, it will be helpful for the government and other relevant parties to comprehend the connection between social media and visit intention. Understanding the benefits of social media will enable this study to improve both Sri Lanka's image based on tourist arrivals and the corporate image by more effectively utilizing marketing tools.

**Academic Significance:** It contributes to the existing literature on the hospitality industry, particularly focusing on small independent hotels, and sheds light on the role of social media marketing in influencing visit intention.

**Practical Significance:** Findings from this study can provide valuable insights and recommendations for small independent hotel owners and marketers in Sri Lanka, helping them make informed decisions regarding their marketing strategies.

Economic Significance: A thriving small independent hotel industry can positively impact the local economy by attracting tourists and creating employment opportunities.

## **2. LITERATURE REVIEW**

The influence of social media on the hospitality industry, especially for small independent hotels, has become a subject of growing interest in recent years. As the digital landscape evolves, social media marketing has emerged as a vital tool for businesses to engage with customers, build brand awareness, and ultimately influence consumer behavior. This literature review explores the existing body of knowledge regarding the impact of social media marketing tools on visit intention, with a special focus on the unique context of small independent hotels in Sri Lanka.

### ***2.1 Social Media Marketing and the Hospitality Industry***

The hospitality industry is characterized by its customer-centric nature, making it particularly susceptible to the influence of social media. Literature has consistently highlighted the role of social media platforms, such as Facebook, Instagram, and TripAdvisor in interacting with their guests and potential customers (Babayigit et al., 2019) For small independent hotels, these platforms offer cost-effective ways to reach a global audience, showcase their distinctive features, and create meaningful connections with travelers (Nusair et al., 2012).

These platforms become the highest priority level for hoteliers and about 66% of hotels are using these platforms in 2023 and it is continuously increasing (TripAdvisor, 2022). Social media helps in providing facts to consumers so they may determine whether to reserve a hotel room for lodging and weigh the pros and disadvantages. Most leisure travelers check a particular hotel for the first time in their lives (Gupta & Vohra, 2019). Using social media significantly and favorably affects organizational performance (Odoom et al., 2017). In the travel and tourism industry, especially when choosing a hotel, social media plays a significant role in information research. From a commercial standpoint, they are efficient tools and platforms that boost customer engagement and business connections (Fouzai @ Fauzi & Abdul Latif, 2019).

User-generated material and online reviews are crucial in influencing how people perceive hospitality establishments. Social media marketing not only increases exposure but also improves the overall visitor experience in an experience-driven sector, establishing a virtual link between businesses and their audience. In the current hospitality industry, the strategic use of social

media in marketing is more than simply a fad; it's a fundamental change that improves client interaction and lays the groundwork for enduring partnerships (Devi Devaru et al., 2024).

User-generated content on social media is regarded as more reliable than content from travel agencies, official tourism websites, and mass media advertising, social media is revolutionizing the hotel industry (Siti-Nabiha et al., 2021b). Social media sites like Facebook, Instagram, Twitter, and LinkedIn are useful resources for hotels looking to promote their services, interact with prospective customers, and establish a unique online identity. Hotels benefit greatly from visual-centric platforms like Instagram, which enable them to post eye-catching photos and videos of their amenities, rooms, and services (Balova et al., 2022; Buhalis et al., 2019; Devi Devaru et al., 2024).

Despite all these benefits, small-scale hotels are facing challenges from chain hotels in terms of resources, accessibility, external factors, and innovation. Therefore, they have to develop strategies to find out their distinctive attributes, which enhance the organization's performance through social media platforms (Chamboko-Mpotaringa & Tichaawa, 2021; Iglesias-Sánchez et al., 2019).

## ***2.2 Visit Intention.***

Visit intention refers to an individual's willingness to visit the destination and purchase a vacation package (An et al., 2021). Visit intention is a characteristic of consumer behavior that develops in reaction to products that demonstrate consumers' desire to make a purchase (Chen et al., 2016). Restaurant visit intention is used in marketing and hospitality literature and refers to a consumer's planned future visits or reservations at restaurants. Decisions about the merits of restaurant performance, the acceptability of price levels, and the value of information must take into account diners' intentions to frequent specific restaurants (An et al., 2021; Pop et al., 2022)

## ***2.3 Online Reviews of Customer***

Online customer reviews are one type of e-WOM, and they consist of positive or negative comments made by customers about their usage of a product or service. Several studies have been conducted to determine why customers trust other customers' reviews (Jalilvand et al., 2011). Customers rely on evaluations from other customers to lower the risk and uncertainty associated with purchasing decisions. Additionally, deciding whether to trust the company or product under consideration may be aided by the reviews and recommendations of other customers (Cheung et al., 2008;

Rabjohn et al., 2008). Customers prefer websites with peer reviews written by other users six out of ten times. Because of this, the majority of businesses are now using online customer reviews as a fresh kind of advertising.

#### ***2.4 Content of Social Media Marketing***

The content of social media marketing is simply referred to as writing and distributing content to interact with and inform prospective customers about your business's product and service offerings(Alves et al., 2016; M. Sharma et al., 2022; Sheth, 2018). Content marketing is a tool used by businesses to enlighten, amuse, or educate their clients or prospects by grabbing their attention or inciting actions that lead to leads, sales, or advocacy. Content features can be divided into the categories of text, visual, and audio material (Mathew & Soliman, 2021; Wardana et al., 2022).

#### ***2.5 Perceived Usefulness***

According to the Technology Acceptance Model (TAM), Perceived Usefulness (PU) is defined as "the extent to which a person believes that using a specific system would enhance his or her ability to perform his or her job" (Davis, 1987). Users trust social media to gather the information they need, fulfill their needs, produce the information they want for sharing and enrichment, and improve their decision-making. PU is a crucial factor that has an immediate influence on tourists' behavioral intentions. Davis categorized PU as the level to which a user thinks that using a system would enhance one's performance/behavior (Thasnim Humida et al., 2022). The usage of cutting-edge technology is becoming more and more common, with applications ranging from robot assistants to AI chatbots. The use of AI, robotics, and service automation in the hotel business has grown dramatically as a result of scientific and technological breakthroughs and benefits (Tavitiyaman et al., 2022).

#### ***2.6 Social Media Marketing Tools***

Various social media marketing tools and strategies have been investigated to understand their impact on visit intention. Targeted advertising on platforms like Facebook enables hotels to reach specific demographics, ensuring that marketing efforts are directed at individuals more likely to have an interest in visiting (Anser et al., 2020; Devi Devaru et al., 2024; Susanto et al., 2021).

The social media marketing tools and strategies have a tangible impact on visit intention for small independent hotels. Social media advertising can significantly influence the perception of potential guests and shape their intention to visit a particular hotel. These tools empower small independent

hotels to engage with their audience, create an authentic online presence, and effectively reach the travelers who are most likely to be drawn to their unique offerings (Gaffar et al., n.d.; Hanaysha, 2016; Pop et al., 2022).

### ***2.7 The Sri Lankan Context***

Sri Lanka's tourism industry has experienced significant growth in recent years, attracting a diverse range of tourists from around the world. According to the Sri Lanka Tourism Development Authority (2020), the country saw a surge in international tourist arrivals before the global travel restrictions imposed in response to the COVID-19 pandemic. This growth presents both opportunities and challenges for the hospitality sector, particularly for small independent hotels. As the competition intensifies, these hotels must find effective ways to stand out and capture the attention of discerning travelers who value authenticity and unique experiences.

Small independent hotels in Sri Lanka possess a unique selling proposition – their authenticity and local charm. Effective use of social media marketing tools allows them to showcase this authenticity to a global audience. By sharing captivating visuals, stories, and insights into the local culture, these hotels can appeal to travelers seeking more than just a place to stay; they seek an opportunity to immerse themselves in the destination.

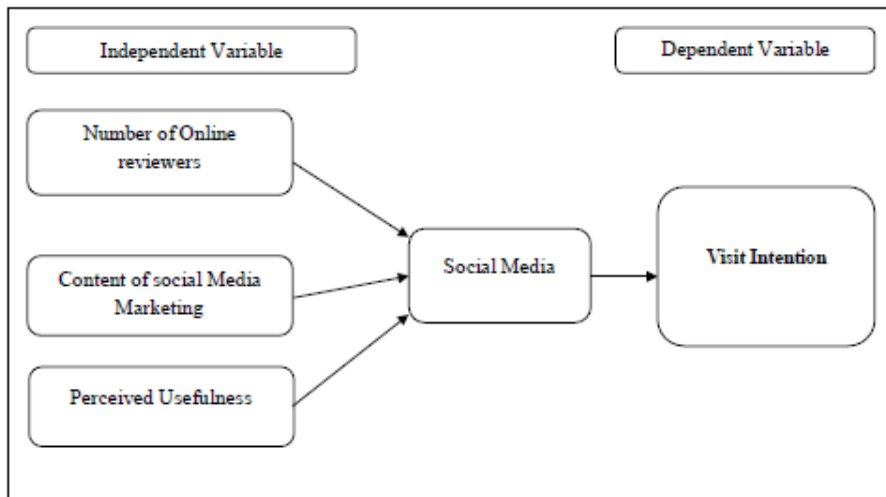
While the potential for small independent hotels in Sri Lanka to leverage social media marketing to attract tourists seeking personalized experiences is substantial, it also comes with challenges. Limited resources, digital marketing expertise, and competition from larger hotel chains are some of the hurdles these hotels face. Understanding how to navigate these challenges while capitalizing on the opportunities presented by social media marketing is crucial for their success in a dynamic and competitive tourism landscape.

The Sri Lankan context provides a unique backdrop for the study of small independent hotels and their utilization of social media marketing. The country's natural beauty, cultural richness, and growing tourism industry offer these hotels a chance to shine by emphasizing their authenticity and local charm. By effectively leveraging social media marketing tools, they can connect with travelers who seek personalized and immersive experiences, thus contributing to the continued growth of Sri Lanka's tourism sector.

### ***2.8 Conceptual Framework***

A conceptual framework serves as an analytical tool that conceptualizes and illustrates the relationships between variables in a visual diagram.





**Figure 1:** Conceptual Framework

### **2.9 Hypothesis**

The hypotheses are developed based on a conceptualization framework. It denotes a statement of predicted relationship between two or more variables. The following hypotheses are developed for our study.

H1 - Social Media marketing tools have a positive relationship with Visit Intention in Sri Lanka.

H2 - The number of online reviews' positively influences the visit intention of small independent hotels.

H3 - Content of social media marketing has a positive impact on visit intention.

H4 - Perceived Usefulness positively influences the visit intention of small independent hotels.

## **3. METHODOLOGY**

This study used a complete inductive research methodology. By focusing on the participants' key exploratory concepts, insights were acquired. This is the appropriate method for researching how social media influences consumer visit intention.

### **3.1 Population and Sample, Data Collection**

Primary data were collected through an online questionnaire and Secondary data were collected through journals, published reports, the Internet, libraries, and periodicals.

The convenience sampling technique was used to collect data. Since the population is not well characterized, Data were collected from the public who frequently travel and are social media users. After obtaining consent from the respondents, they have been asked to fill out the questionnaire. They participated in an online survey to provide information during the period of 2024, from April to July, a questionnaire was produced on Google Docs and distributed via email and WhatsApp. After eliminating invalid responses, 240 replies were used for data analysis.

The researcher collects primary data to address a specific problem at hand. Scales that have already been created and approved in the literature made up the questionnaire. The questionnaire was created using prior literature, expert opinions, and study standard questionnaires.

### ***3.2 Method of Data Presentation and Analysis***

SPSS has also been used for data analysis.

#### ***3.2.1 Descriptive Statistics***

Descriptive statistics is used to summarize respondent demographics, social media usage patterns, perceptions of the hotels' social media marketing efforts, engagement levels, and visit intentions. These statistics offer insights into the central tendencies and distributions of the variables under investigation, helping to characterize the sample and the key variables of interest.

#### ***3.2.2 Correlation Analysis***

Correlation analysis is conducted to explore the relationships between variables of interest. Specifically, Pearson's correlation coefficient is employed to assess the strength and direction of linear relationships between social media marketing variables and visit intention. Correlation analysis helps to identify whether there are statistically significant associations between these variables. Additionally, it provides insights to the nature and magnitude of these associations, contributing to a preliminary understanding of the impact of social media marketing tools on visit intention.

### 3.2.3 Regression Analysis

Multiple regression analysis is utilized to examine the relationship between social media marketing variables and visit intention. This analysis enables the identification of the extent to which social media marketing tools predict variations in visit intention for potential guests of small independent hotels in Sri Lanka. Regression analysis also helps to assess the significance and strength of individual predictors, providing a nuanced understanding of which social media marketing factors have the most substantial impact on visit intention. By controlling demographic variables, the analysis enhances the robustness of the findings and isolates the unique contribution of social media marketing efforts.

## DATA PRESENTATION AND ANALYSIS

The findings of the data collected through surveys are presented here. The analysis focuses on exploring the relationships between social media marketing tools and visit intention for small independent hotels in Sri Lanka. The data is analyzed using descriptive statistics, correlation analysis, and multiple regression analysis to fulfill the research objectives.

### 4.1 Reliability Statistics

**Table 1: Reliability Statistics for Variables**

Variables	Cronbach's Alpha	N of Items
Visit Intention	0.883	4
Online Customer Review	0.702	4
Content SMM	0.731	3
Perceived Usefulness	0.870	6
All	0.833	17

*Source:* Survey Data

The reliability statistics for the variables in the study are measured by Cronbach's Alpha and demonstrate varying levels of internal consistency. Visit Intention exhibits a high degree of reliability with a Cronbach's Alpha value of 0.883. Perceived Usefulness also shows strong reliability, with a Cronbach's Alpha of 0.870, indicating high internal consistency among the items assessing this variable. Content SMM, which represents content quality related to social media marketing, demonstrates good reliability

with a Cronbach's Alpha of 0.731. However, Online Customer Review exhibits higher reliability with a Cronbach's Alpha of 0.702, suggesting that the items assessing this variable may have higher internal consistency. Overall, when considering all variables collectively, the Cronbach's Alpha value for the entire set of variables is 0.833, indicating a reasonably high level of internal consistency for the composite set of items used in the study.

#### 4.2. Correlation Analysis

The table presents the results of a Pearson correlation analysis, which assesses the relationships between different variables in the study. The "Pearson Correlation" column displays the correlation coefficients, while the "Sig. (2-tailed)" column indicates the significance levels associated with these correlations.

**Table 2: Correlation Analysis**

Variables	Pearson Correlation	Sig. (2-tailed)
Online Customer Review	0.604	.000
Content SMM	0.297	.000
Perceived Usefulness	0.273	.000
Social media	0.225	.000

*Source:* Survey Data

The correlation analysis reveals significant relationships between various variables. Online Customer Review exhibits a strong positive correlation with Visit Intention, as indicated by a Pearson Correlation coefficient of 0.604 ( $p < 0.001$ ). This finding suggests that as the frequency and positivity of online customer reviews increase, there is a corresponding increase in the intention of potential guests to visit the small independent hotel.

Content SMM displays a statistically significant positive correlation with Visit Intention, with a Pearson Correlation coefficient of 0.297 ( $p < 0.001$ ). This implies that higher-quality content in the social media marketing efforts of small independent hotels is associated with a greater intention among potential guests to visit.

Perceived Usefulness shows a significant positive correlation with Visit Intention, with a Pearson Correlation coefficient of 0.273 ( $p < 0.001$ ). This suggests that when potential guests perceive the social media marketing

efforts of small independent hotels as useful or beneficial, their intention to visit these hotels increases.

There is a positive correlation between Social Media usage and Visit Intention, as implied by a Pearson Correlation coefficient of 0.225, although the statistical significance (p-value) is not provided in the data. This correlation indicates that individuals who use social media more frequently tend to exhibit a higher intention to visit small independent hotels. While the significance level should be confirmed, this finding suggests a potential link between social media usage patterns and visit intention.

Overall, these correlation results provide valuable insights into the relationships between different variables related to social media marketing and visit intention for small independent hotels in Sri Lanka. They highlight the significance of online customer reviews, content quality, perceived usefulness, and social media usage in influencing potential guests' intentions to visit.

#### 4.3 Regression Analysis

The regression analysis conducted in this study examines the relationship between Visit Intention and other variables, including Online Customer Review, Content of Social Media Marketing (SMM), and Perceived Usefulness.

**Table 3: Model Summary**

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson
1	.616a	.380	.372	.56198	1.781

Source: Survey Data

**Table 4: ANOVA Results**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	47.589	3	15.863	50.227	.000b
	Residual	77.693	246		.316	
	Total	125.282		249		

Source: Survey Data

The ANOVA table examines the overall significance of the regression model. The "Regression" row indicates that the model as a whole is statistically

significant, with an F- statistic of 50.227 and a p-value less than 0.001 ( $p < 0.001$ ). This suggests that at least one of the predictors significantly contributes to explaining the variance in Visit Intention.

**Table 5: Coefficients of the regression analysis**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
B		Std. Error	Beta		
1	(Constant)	.136	.176	.775	.439
Online Customer Review	0.135	.106	.633	10.659	.000
Content SMM	.150	.070	.167	2.153	.032
Perceived Usefulness	.184	.079	-.192	-2.327	.021

*Source:* Survey Data

The Coefficients table provides information about the individual predictors and their coefficients.

$$Y = 0.136 + 1.135X_1 + 0.150X_2 + 0.184X_3 + e$$

The regression analysis suggests that Online Customer Review, Content SMM, and Perceived Usefulness collectively have a significant impact on Visit Intention for small independent hotels in Sri Lanka. These findings provide insights into the relative importance of these factors in shaping the intention of potential guests to visit these hotels.

#### **4.4 Hypothesis Testing**

The results of the hypothesis testing provide valuable insights into the relationships between the studied variables and Visit Intention for small independent hotels in Sri Lanka.

**Table 6: Hypothesis testing**

Hypothesis	Pearson Correlation	Sig. (2-tailed)	Decision
H1 - Social Media marketing tools have a positive relationship with Visit Intention	0.225	.000	Supported

H2 - Number of online reviewers' effect on visit intention of small independent hotels in Sri Lanka	0.604	.000	Supported
H3 - Content of social media marketing impact of visit intention.	0.297	.000	Supported
H4 - Perceived Usefulness impact of visit intention.	0.273	.000	Supported

*Source: Author's Own*

#### H1 - Social Media Marketing Tools and Visit Intention:

The first hypothesis, which posits that Social Media Marketing Tools have a positive relationship with Visit Intention, is supported by the data. The Pearson Correlation coefficient of 0.225 is not only statistically significant ( $p < 0.001$ ) but also positive, indicating that there is a significant and positive relationship between the use of social media marketing tools and the intention of potential guests to visit these hotels. This implies that effective utilization of social media marketing tools can indeed enhance the visit intention for small independent hotels in Sri Lanka.

#### H2 - Number of Online Reviewers and Visit Intention:

The second hypothesis, stating that the number of online reviewers affects the visit intention of small independent hotels in Sri Lanka, is strongly supported by the data. The Pearson Correlation coefficient of 0.604 is highly statistically significant ( $p < 0.001$ ). It emphasizes the influential role of user-generated content and reviews in shaping visit intention.

#### H3 - Content of Social Media Marketing and Visit Intention:

The third hypothesis, which suggests that the content of social media marketing has an impact on visit intention, is also supported by the data. The Pearson Correlation coefficient of 0.297 is statistically significant ( $p < 0.001$ ) and positive, indicating a meaningful relationship. This signifies that content in social media marketing efforts influences the intention of potential guests to visit small independent hotels in Sri Lanka.

#### H4 - Perceived Usefulness and Visit Intention:

The fourth hypothesis, which proposes that perceived usefulness impacts visit intention, is supported by the data. The Pearson Correlation coefficient of 0.273 is statistically significant ( $p < 0.001$ ) and positive. This suggests that

potential guests perceive the social media marketing efforts of small independent hotels as useful and help their intention to visit these hotels.

The results of the hypothesis testing affirm that social media marketing tools, the number of online reviewers, content quality in social media marketing, and perceived usefulness all have significant and positive relationships with Visit Intention for small independent hotels. These findings underscore the importance of these factors in influencing the intention of potential guests to visit these hotels and highlight the effectiveness of social media marketing strategies in the hospitality industry.

## **5. DISCUSSION AND CONCLUSION**

The discussion of the results further elaborates on the implications and significance of the findings:

H1: This study supports the hypothesis that Social Media Marketing Tools have a positive relationship with Visit Intention. The positive correlation (Pearson Correlation = 0.225,  $p < 0.001$ ) suggests that as hotels enhance their presence and engagement on social media platforms, potential guests are more likely to express the intention to visit. This is particularly relevant in an era where digital channels play a vital role in travel planning and decision-making.

Impact of Online Customer Reviews (H2): The significant impact of the number of online reviewers on Visit Intention highlights the pivotal role of user-generated content and online reviews. The strong positive correlation (Pearson Correlation = 0.604,  $p < 0.001$ ) suggests that hotels should actively encourage and manage online reviews to create a positive online reputation. A higher number of positive reviews can substantially enhance the intention of potential guests to choose these hotels for their stay.

Content Quality in Social Media Marketing (H3): The impact of content quality in social media marketing on Visit Intention emphasizes the significance of engaging and informative content. Social media platforms provide an opportunity for hotels to showcase their unique features and offerings. The positive and significant correlation (Pearson Correlation = 0.297,  $p < 0.001$ ) indicates that potential guests are more likely to express visit intentions when exposed to high-quality and visually appealing content.

Perceived Usefulness (H4): The finding that perceived usefulness impacts Visit Intention highlights the importance of providing value and utility through social media marketing efforts. The negative correlation (Pearson



Correlation = 0.273,  $p < 0.001$ ) suggests that hotels should focus on delivering informative and valuable content that addresses the needs and interests of their target audience. This might include sharing local insights, travel tips, and personalized offers that enhance the perceived usefulness of the hotel's social media presence.

The discussion of the results underscores the critical role of SMM in influencing Visit Intention for small independent hotels in Sri Lanka. These findings provide actionable insights for hotels in crafting their digital marketing strategies to thrive in the competitive hospitality industry. However, the visit intention of the tourists may be influenced by some external stimulus based on the destination such as the government regulations, eco-tourism practices, sustainability practices, and Travel agencies.

### **5.1 Conclusion**

In conclusion, our research provides substantial evidence that social media marketing tools will have a significant impact on shaping the Visit Intention of potential guests for small independent hotels in Sri Lanka. The conclusions drawn from this study have several important implications for the hospitality industry in the region.

First and foremost, it is evident that social media has become a critical platform for hotels to connect with their target audience. The strong positive relationships uncovered in this study confirm that hotels should prioritize the development and implementation of robust social media marketing strategies. These strategies should encompass various elements, including engaging content, active management of online reviews, and the delivery of perceived usefulness to potential guests.

The findings highlight that potential guests actively seek information and validation on social media platforms when making travel decisions. Therefore, small independent hotels in Sri Lanka should actively engage with guests on these platforms, respond to reviews, and create content that resonates with their target audience's preferences and needs.

Furthermore, the study underscores the importance of user-generated content in the form of online reviews. Encouraging positive reviews and effectively managing negative ones can significantly impact a hotel's online reputation and, subsequently, its Visit Intention. Hoteliers should develop strategies to encourage satisfied guests to leave reviews and promptly address any concerns raised by guests in their online feedback. Small independent hotels should concentrate on enhancing the quality and volume

of content they share on social media to influence the decisions of the visitors' intention. However, Different levels of detail in tourism information are required to meet the diverse needs of tourists. Visitors who are concerned about hygiene might want more information. Funding is necessary for tourism groups. Social media marketing may enhance a destination's emotional and cognitive image. Therefore, small independent hotels should pay attention to those small details when developing social media strategies.

The concept of perceived usefulness is another critical aspect that hotels should integrate into their social media marketing efforts. Providing information, tips, and value-driven content that potential guests find useful can positively influence their intention to visit. Hotels should strive to be a valuable resource for travelers through their social media channels.

This study offers valuable insights for small independent hotels in Sri Lanka and beyond, emphasizing the transformative potential of effective social media marketing. The digital landscape has become a central arena for hospitality businesses to engage, inform, and inspire potential guests. By leveraging the power of social media marketing tools, hotels can not only enhance their online presence but also drive visit intentions and ultimately thrive in a competitive industry.

The findings of this study are well supported by the previous literature. As per the study of Garg & Kumar (2021), Electronic word-of-mouth (eWOM) which is online reviews has a substantial impact on customers' intentions to acquire boutique hotels in Malaysia. Another finding regards Social media content and PU both supported by the study (Mathew & Soliman, 2021). The results showed customers' attitudes are influenced by their perceptions of convenience and usefulness, which in turn affect their intentions and actions when using Content in Digital channels to make certain travel-related decisions. Social media is used by small-scale tourism hotels to better understand consumers, which finally results in encouraging them to revisit. According to the study, successful customer connections and customer satisfaction are essential to the long-term viability and expansion of their companies. (Siti-Nabiha et al., 2021a)

## ***5.2 Limitations and Future Directions***

The analytical model of this paper primarily focused on the positive impact of social media marketing tools on consumer's visit intention. However, the impact of attitudes towards negative social media reviews on visit intention to small independent hotels in Sri Lanka has not been quantitatively

discussed in this paper. This gap may prompt potential researchers to conduct a study addressing the negativity of social media reviews.

The study was conducted using an online questionnaire, and collecting data through interviews will encourage potential researchers to do more effective research. In addition to that, the sample selected for this study only belongs to a specific stratum of the population (reviewers via social media about travel in small independent hotels). Therefore, the results should not be generalized in another context without utmost care.

This study also did not analyze how consumer's intentions differ based on demographic characteristics. Therefore, further studies should examine the moderating effect of gender or income groups on the relationship between social media marketing tools and visit intention in small independent hotels. Additionally, exploring the role of cultural factors and demographic variables in shaping social media marketing effectiveness could lead to a more nuanced understanding of consumer behavior.

Furthermore, Emerging technologies such as virtual reality and augmented reality also present intriguing possibilities for enhancing the social media marketing experiences of potential guests. Therefore, future studies can be done focusing on those.

Due to the above limitations, the data which are presented here may not provide the actual behavior of the small independent hotels as a whole. Therefore, future research should focus on the above limitations and bring a clear picture covering all dynamics.

In conclusion, this study represents a stepping stone in the exploration of social media marketing within the hospitality industry, and future research endeavors can build upon these findings to continue advancing our understanding of this dynamic field.

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**NEXUS BETWEEN TECHNOLOGICAL, ORGANIZATIONAL AND  
ENVIRONMENTAL FACTORS, DIGITAL MARKETING CAPABILITY AND  
PERFORMANCE OF SMES: MODERATION ROLE OF INNOVATION  
CAPABILITY**

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**ABSTRACT**

The study aims to identify the relationship between Technological, Organizational, and Environmental factors, digital marketing capabilities, innovation capabilities, and business performance of SMEs. The quantitative approach is suitable for this study. A convenient sampling technique was applied to select respondents and sample units are the owners or managers of SMEs. A structured questionnaire was developed and delivered to 400 SMEs. Data were analyzed by using AMOS with Structural equation modeling. The findings revealed that Technological, organizational, and environmental factors significantly influence digital marketing capability, and digital marketing capability significantly impacts the performance of SMEs. Innovation capability significantly strengthens the relationship between digital marketing capability and the performance of SMEs. Digital marketing capability significantly mediated the relationship between the technological, organizational, and environmental factors and the performance of SMEs. Based on the theory of resource-based view and TOE framework, the novel model was developed with the link between TOE, DCM, and the performance of SMEs with the moderator role of innovation capability and the mediation role of DCM. SMEs should prioritize investments in digital technologies that align with their marketing objectives. Fostering a culture of continuous learning and innovation within the organization can significantly enhance digital marketing capabilities. Policymakers and industry associations should develop supportive programs and incentives to encourage technology adoption among SMEs.

**Keywords:** Digital marketing capabilities, Innovation capabilities, SMEs, Technological, organizational, and environmental factors

**1. INTRODUCTION**

Digital platforms have become indispensable for modern businesses, serving as dynamic tools to enhance operations, communication, and customer engagement. These platforms, encompassing social media, e-

commerce websites, and mobile applications, provide businesses with opportunities to connect with global audiences, streamline processes, and implement data-driven strategies for growth (Gelgile, & Shukla, 2024). They facilitate efficient marketing, enabling the use of advanced analytics, personalized advertising, and real-time customer interactions, which significantly improve brand visibility and consumer satisfaction (Krings et al., 2021). Moreover, digital platforms empower businesses to adopt innovative business models, foster collaboration across supply chains, and adapt swiftly to market changes, thereby enhancing competitiveness in an increasingly digitalized economy. Businesses that strategically adopt digital technologies while carefully planning and executing such initiatives can gain significant advantages through competency-based management (Apasrawirote, Yawised, & Muneesawang, 2022). These technologies enable businesses to adopt data-driven approaches for customer acquisition and engagement. Digital platforms now facilitate activities such as data-driven marketing, digital advertising, relationship marketing, campaigns, integrated marketing communication (IMC), and emerging channels, providing businesses with a broader and more effective reach (Schiavone et al., 2021). . Digital marketing is a critical enabler for small and medium enterprises (SMEs), offering cost-effective and scalable solutions to enhance their competitiveness in dynamic markets. By utilizing tools such as social media, email marketing, search engine optimization (SEO), and e-commerce platforms, SMEs can overcome traditional resource constraints and reach broader, more targeted audiences (Deku, Wang, & Preko, 2024). Digital marketing enables SMEs to engage with customers through personalized communication and data-driven strategies, fostering stronger brand loyalty and customer relationships; it provides SMEs with real-time analytics and insights, empowering them to adapt quickly to market trends and consumer preferences (Alves et al., 2020). As a result, digital marketing is instrumental in driving growth, improving operational efficiency, and ensuring the sustainability of SMEs in the digital age.

While some researchers (Busca & Bertrandias, 2020; Herhausen et al., 2020) have provided insights into the adoption and use of digital, social media, and mobile marketing at the SME sector level, relatively underexplored. Previous research often relies on single theoretical frameworks to examine the adoption of digital technologies at the firm level, limiting the development of a comprehensive understanding of the underlying factors. There is limited empirical evidence on the impact of the Technology-Organization-Environment (TOE) framework in leveraging digital marketing capabilities and the role of digital content management (DCM) in business performance within the specific context of industrial

enterprises (Cambra-Fierro et al., 2021). Existing research identifies several critical factors related to the digitalization of business environments, such as resource utilization, necessary business capabilities, and the adoption of balanced and exploitative strategies for digital technologies (DTs). However, the factors influencing digital marketing capabilities (DMC) in SMEs remain underexplored. Furthermore, although digital marketing has been a key research topic in advanced economies, studies on its adoption and use in developing economies, particularly in Sri Lanka, remain scarce (Pham, 2021). While emerging evidence suggests that DMCs can serve as a foundation for competitive advantage (Knudsen et al., 2021), the full impact of digital marketing investments on business performance remains unclear the mediation effect of DMC also is not explored. This uncertainty may stem from the multifaceted technological, organizational, and environmental (TOE) factors inherent in digital marketing, which rely on advanced technological mechanisms and present challenges in fully understanding and leveraging these resources and capabilities. Additionally, the complexity of this phenomenon has resulted in many factors and constructs underlying digital marketing capabilities being insufficiently explored. Innovation capability strengthens the DMC towards the performance of the organization, this contribution of innovation capability toward the performance is underexplored. To address these gaps, the TOE framework explores factors related to technology attributes, organizational capabilities, and environmental pressures resource-based view (RBV) covers the limited resources for DCM and Innovation Capability (IC). Hence, this study aims to fill this gap by clarifying the complex relationship between TOE factors, digital marketing capabilities, innovation capabilities, and business performance. This study attempts to answer the research objectives by conceptually reviewing the literature, theories, and research papers to deepen the understanding of DMCs at the SME level and making three contributions: (1) to examine the relationship between TOE, DCM and Performance of SMEs (2) the innovation capability role as moderator on the relationship between DCM and Performance of SMEs (3) the mediator role of DCM in the relationship between TOE and performance of SME.

## **2. LITERATURE REVIEW**

### ***2.1 Digital Marketing Capability***

Digital marketing capability (DMC) refers to an organization's ability to leverage digital tools and technologies to achieve competitive advantages in the marketplace. It encompasses a range of competencies, including data analytics, customer engagement, content creation, and platform management, which are crucial for effectively reaching and influencing

target audiences (Singh & Dhir, 2024). Organizations with high DMC can better adapt to rapidly changing market dynamics, providing tailored solutions that align with customer needs and preferences (Day, 2011). The digital marketing capability (DMC) of small and medium-sized enterprises (SMEs) plays a crucial role in enhancing their competitiveness and fostering business growth in an increasingly digitalized market. SMEs with strong DMC can effectively utilize digital platforms for customer engagement, brand building, and market expansion, enabling them to compete with larger firms despite limited resources (Jones et al., 2021). However, many SMEs face challenges such as limited expertise, budget constraints, and insufficient digital infrastructure, which hinder their ability to fully leverage digital marketing opportunities (Abed, 2020). Developing DMC in SMEs requires not only investment in digital tools but also training programs to enhance digital literacy among employees and a strategic focus on integrating digital technologies into business operations (Quinton et al., 2018). As SMEs continue to be vital contributors to global economies, strengthening their digital marketing capability is essential for driving innovation, market resilience, and sustainable growth.

## ***2.2 Performance***

The variable pertains to the performance of businesses that implement digital marketing strategies and processes. It measures how well a business achieves its goals and strategies relative to its competitors. Research consistently categorizes business performance in the digital marketing era into primary areas of assessment as tangible performance. Tangible performance indicators include revenue, growth, market share, return on investment (ROI), business expansion (Eze et al., 2021), and the integration of digital marketing adoption (Gunasekaran et al., 2017). Studies suggest that businesses successfully leveraging digital marketing tend to outperform others in generating revenue from existing resources (Wielgos et al., 2021). The performance of small and medium-sized enterprises (SMEs) is a critical driver of economic growth, job creation, and innovation in both developed and developing economies (Gamage et al., 2024). SME performance is often measured by financial indicators such as profitability, revenue growth, and market share (Rauch et al., 2009).

## ***2.3 Innovation Capability***

Innovation is defined as “the generation, acceptance, and implementation of new ideas, processes, products, or services” (Al-Hakimi et al., 2021). Innovation capability (IC) is regarded as a critical asset that enables firms to achieve and sustain a competitive advantage while executing their overall

strategy. IC encompasses the core processes within an organization (Rajapathirana and Hui, 2018) and is inherently integrated with other business practices. It includes tacit and unchangeable knowledge rooted in experiential learning and internal insights (Guan and Ma, 2003). IC empowers companies to quickly introduce new products and adopt new systems, playing a vital role in maintaining long-term competitiveness. It deals with the capacity to apply appropriate process technologies to address future needs; and the capacity to respond to unforeseen technological advancements and unexpected opportunities created by competitors (Rajapathirana and Hui, 2018). The innovation capability of small and medium-sized enterprises (SMEs) is a critical determinant of their ability to sustain competitive advantage and respond to evolving market demands. SMEs with strong innovation capabilities can create novel products, improve processes, and adapt to technological advancements, enabling them to compete effectively despite limited resources (Terziovski, 2010). However, their capacity for innovation is often constrained by challenges such as resource limitations, insufficient access to skilled personnel, and inadequate R&D investment (van de Vrande et al., 2009). Despite these challenges, SMEs have the advantage of flexibility and agility, allowing them to quickly implement innovative ideas and respond to customer needs. Enhancing innovation capability is essential for SMEs to drive growth, improve performance, and remain resilient in competitive markets. Bottom of Form

#### ***2.4 Technology-Organization-Environment (TOE)***

The Technology-Organization-Environment (TOE) framework is an organizational-level theory that identifies three contextual factors—technological, organizational, and environmental—that influence a firm's decision to adopt a specific technology (Cho et al., 2022). The technological context relates to the attributes of the technology itself, such as complexity, security, relative advantage, convenience, trialability, and observability. The organizational context highlights internal factors that affect a firm's adoption and utilization of technology, including resource availability, top management support, and employees' skills and expertise (Pan et al., 2022; Venkatesh, 2022). The environmental context, on the other hand, focuses on external factors shaping the firm's operating environment, such as industry structure, competitive pressures, regulatory requirements, and customer demands (Cho et al., 2022). Over time, the TOE framework has been widely applied in research to explore the adoption of various technologies (Cho et al., 2022). Researchers in technology adoption often tailor the combination of TOE factors to align with the specific context of the technology and the country being studied. Two key aspects of technological factors are

convenience and security. Convenience refers to features of technology that reduce the time and effort required by users to access services (Kasilingam & Krishna, 2022), with innovations becoming easier to operate and offering comfort to users (Jiang et al., 2013). In digital marketing, convenience is important, particularly for SMEs, as user familiarity with technology leads to greater comfort and higher adoption rates (Boden et al., 2020). Security concerns, particularly regarding data safety, are critical in digital marketing platforms, addressing aspects like authentication, confidentiality, and data integrity during transactions (Turker et al., 2022). Digital marketing systems, such as online payment platforms, face significant cybersecurity risks that need to be addressed to ensure safe and effective use. The business environment, encompassing competitive, social, cultural, and policy factors, significantly influences technological adoption. Government regulations, such as policies, rules, and standards, can either facilitate or hinder the adoption of new technologies (Alfaro-Serrano et al., 2021). Regulatory frameworks play a crucial role in encouraging or discouraging technological innovation (Ali & Osmanaj, 2020), and in the context of digital marketing, well-regulated platforms foster greater trust among users and encourage adoption. The absence of a favorable regulatory framework can be a significant barrier to widespread adoption, especially in emerging economies (Erol et al., 2022). Furthermore, stakeholder pressure from customers and competitors plays a strong role in a company's decision to adopt new technologies. Businesses often adopt digital marketing tools to maintain a competitive edge and meet the expectations of their stakeholders (Ponzoa & Erdmann, 2021). Organizational factors such as resource availability—encompassing human, financial, and physical resources—are also critical in determining a company's readiness to adopt new technologies (Clohessy & Acton, 2019). When these resources are available, the likelihood of adopting technological innovations is higher, especially in emerging economies where resource scarcity is more pronounced (Dubey & Sahu, 2022). The Resource-Based View (RBV) theory posits that a firm's competitive advantage is derived from its unique resources and capabilities that are valuable, rare, inimitable, and non-substitutable (VRIN) (Barney, 1991). This theory emphasizes the strategic importance of internal resources, such as human capital, organizational processes, and technological assets, in achieving superior performance and sustaining competitiveness. In the context of digital marketing, RBV underscores the critical role of Digital Marketing Capabilities (DMC) as a key resource that enables firms, particularly SMEs, to effectively utilize digital tools and platforms to gain competitive advantages (Mathew & Soliman, 2021). By leveraging these capabilities, firms can enhance customer engagement,

streamline operations, and create innovative value propositions. Based on these above arguments following hypotheses were developed:

H1: Technological, organizational, and environmental factors have a positive effect on DCM

H1a: Technological factor has a positive effect on DCM

H1b: Organizational factor has a positive impact on DCM

H1c: Environmental factor has a positive effect on DCM

H2: DCM significantly influences the performance of SMEs

H3: Innovation capability strength the relationship between DCM and the performance of SMEs

H4: DCM significantly mediates the relationship between TOE and performance

### **3. METHODOLOGY**

The purpose of the study is to identify the determinants of digital marketing of SMEs and the impact of DMC on the performance of SMEs in Northern Province. The quantitative approach is suitable for this study. To identify the digital marketing capability, the researcher selected SMEs from five districts who are applying digital marketing applications. A convenient sampling technique was applied to select respondents and sample units are the owners or managers of SMEs. Data were collected from diverse sectors such as construction, food and beverage, hotels, health care, financial institutions, education, insurance, handicrafts, supermarkets, printing and media, and textiles. The researcher developed a model by underpinning resource-based theory and technological, organizational, and environmental (TOE) framework; this model includes the digital marketing capability and innovation capability, these measures for Digital marketing capability and innovation capability derived from research of Al Koliby et al., (2024); the measures of technology, organizational and environmental factors are developed based on the study of Abate, Ukpabi, & Karjaluoto, (2024); the measures of performance of SMEs is developed based on the research of Apasrawirote, Yawised, & Muneesawang, (2022). The researcher employed a point Likert scale of "highly agree to highly disagree" to measure the variables of this research. A structured questionnaire was developed and delivered to 400 SMEs. Data were analyzed by using AMOS with Structural equation modeling.



## 4. FINDINGS

### ***4.1 Demographic Profile***

The researcher collected data from 209 respondents; the response rate is 52.25%. The profile of the respondent includes location, ownership, education level, capital investment, and profit of SMEs. In this research, respondents from Jaffna, Mullativu, Killinochchi, Vavuniya, and Mannar are 47%, 8%, 9%, 23%, and 13%. The respondents own 21% of their businesses as individual businesses, 42% as family businesses, and 37% as institutional businesses. Regarding the education of owners or managers 22% have an Advanced level, 11% with Diploma, 35% with graduate, 13% with postgraduate, and 19% with a Professional qualification. Regarding the capital investment of our organization, 4% of firms are invested below Rs 5 million, 15% of firms Rs 6-10 million, 26% of firms 11-50 million, 38% firms 51-100 million, 10% of firms 101-250 million, 6% of firms 251-750 million, and 1% of firms over Rs 750 million.

### ***4.2 Confirmatory Factor Analysis***

CFA was performed initially factor-wise on the independent and dependent variables (Hair et al., 2010). Both measurement estimates and structural estimates were examined for overall model fitness as recommended by Hair et al., (2010).

#### ***4.2.1 The first-order measurement model***

This study employed Digital marketing Capability, technological, organizational, and environmental factors, the performance of the SMEs, and innovation capability. The researcher performed a Confirmatory Factor Analysis (CFA) to evaluate the validity of the measurement model. Common goodness-of-fit indices, including  $\chi^2$ , normed  $\chi^2$ , and p-value, were used to assess the model fit. The initial analysis indicated that the model required modification, as the results showed  $\chi^2 = 114.613$ ,  $df = 388$ , and  $p = 0.000$  at the 0.05 level of significance. To improve the model, items with standardized regression weights (SRW) below 0.5 were removed, as recommended by Hair et al. (2010). These included "security concerns issues" from the technological factors, as well as "necessary resources for using digital marketing," "financial resources for adopting digital marketing," "providing necessary resources for using digital marketing," and "unrestricted access to computers" from the organizational factors. From the environmental factors, the following items were also deleted: "data protection is well regulated by the government," "government regulations create a conducive environment for adopting digital marketing," "most trading partners



recommended the use of digital marketing," and "fear that unless we adopt digital marketing, our sales and market share will decrease." All other items with factor loadings above 0.5 were retained for further analysis. The variables of Digital marketing capability, Technological, organizational, and Environmental factors, the performance of SMEs, and Innovation Capability have standard regression weights above 0.5. The reliability value of Digital marketing capability with 0.828, the technological factor with 0.858, the organizational factor with 0.849, and environmental factors with 0.834, the performance of SMEs with 0.768, and Innovation Capability with 0.789 are above 0.7; these results prove the reliability of variables.

#### 4.2.2 Analysis of measurement model

After these adjustments, the revised model demonstrated acceptable goodness of fit across several indices: Goodness of Fit Index (GFI) = 0.900, Comparative Fit Index (CFI) = 0.957, Root Mean Square Residual (RMR) = 0.038, and Root Mean Square Error of Approximation (RMSEA) = 0.077. These findings suggest that the modified measurement model was statistically credible. Subsequent tests for validity, reliability, and unidimensionality were conducted as outlined below. The CFA results demonstrated that the CFI and GFI values exceeded the recommended cut-off of 0.90, while the RMR and RMSEA values were below the recommended threshold of 0.08, indicating that all constructs were unidimensional (Anderson & Gerbing, 1988). For convergent validity, digital marketing capability with 0.832, Technological factor with 0.860, organizational factor with 0.854, environmental factor with 0.842, performance with 0.769 and innovation capability with 0.792, all composite reliability values were significant at 0.05 level, confirming that the measured variables accurately represented their underlying constructs. The average variance extracted (AVE) values of digital marketing capability with 0.554, Technological factor at 0.574, organizational factor at 0.595, environmental factor at 0.519, performance at 0.512, and innovation capability with 0.559, ranged from 0.512 to 0.595, surpassing the minimum threshold of 0.50. These results suggest that all indicators effectively measured their respective constructs, providing strong evidence of convergent validity (Hair et al., 2010).

**Table1: Discriminant validity of Variables**

	DCM	TF	OF	EF	Per	IC
DCM	0.744					
TF	0.644	0.758				

<b>OF</b>	0.618	0.645	<b>0.771</b>			
<b>EF</b>	0.679	0.641	0.714	<b>0.720</b>		
<b>Per</b>	0.593	0.566	0.649	0.588	<b>0.716</b>	
<b>IC</b>	0.608	0.549	0.705	0.571	0.659	<b>0.748</b>

Source: Survey Data

The discriminant validity for most of the constructs is achieved when a diagonal value, the square root of AVE (in bold) is higher than the values in its row and column (Hair et al., 2010). All the factors have high discriminant validity (Table 1).

#### 4.2.3 Hypotheses testing

The result of the study revealed a good model fit, Technological, organizational, and environmental factors have a significant effect on Digital marketing capability with SRW=0.77,  $p=0.000$ . The result proved the Technological factor significantly influences DCM with SRW=0.40,  $p=0.000$ ; the organizational factor significantly influences DCM with SRW= 0.21,  $p=0.005$ ; the Environmental factor significantly influences DCM with SRW=0.42,  $p=0.000$ . The result revealed the significant influences of DCM on the performance with SRW=0.59,  $p=0.000$ (Table 2).

**Table 2: Hypotheses testing**

	<b>SRW</b>	<b>C.R</b>	<b>P value</b>
TOEàDCM	0.77	6.240	0.000
TFàDCM	0.40	4.530	0.000
OFàDCM	0.21	2.812	0.005
EFàDCM	0.42	4.938	0.000
DCMàPER	0.59	6.313	0.000

Source: Survey Data

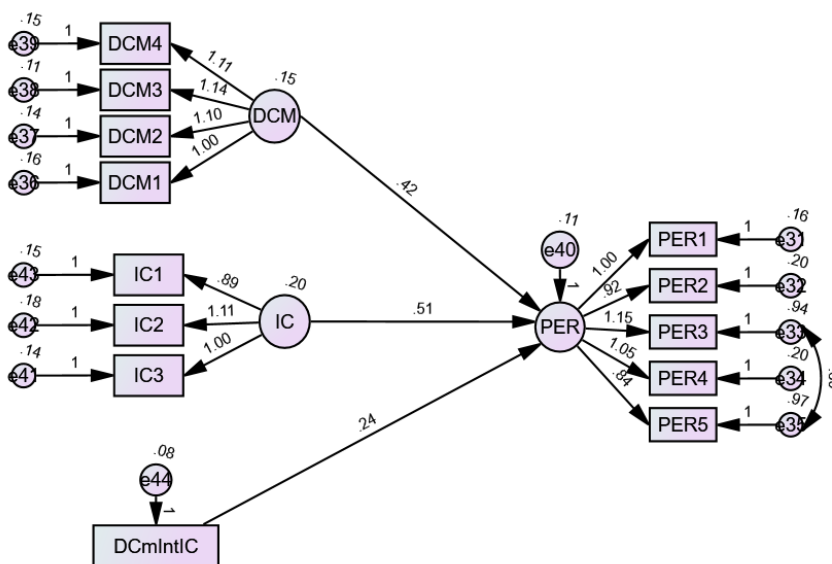
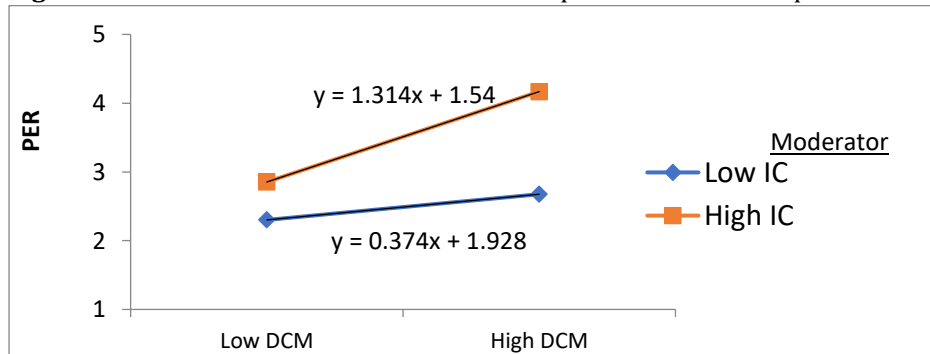
##### 4.2.3.1 The moderation effect on IC on the relationship between DCM and performance

**Table 3: Moderator role of IC on the relationship between DCM and performance**

Relationship	SRW	C.R	P-value
DCM-PER	.422	4.442	***
IC-PER	.511	5.720	***
DCMIntIC	.235	2.114	.032

Source: Survey Data

The finding displays a significant moderating impact of innovation capability on the relationship between DCM and the Performance of SMEs with  $b=0.235$ ,  $t=2.114$ ,  $p=0.032$  (Figure 1).

**Figure 1: Moderator role of IC on the relationship between DCM and performance****Figure 2: Moderator role of IC**

This slope explains the moderating role of Innovation capability. When the innovation capability is low, the relationship between Digital marketing capability and performance seems as a lower level. When the innovation capability is high, the relationship between Digital marketing capability and performance seems as a higher level (Figure 2). The low level of innovation capability causes a much sleeper line, whereas a high level of innovation capability causes a steep slope. In brief, the level of Innovation capability increases; the strength of the relationship between Digital marketing capability and performance increases. The result revealed that innovation capability strengthens the relationship between digital marketing capability and performance.

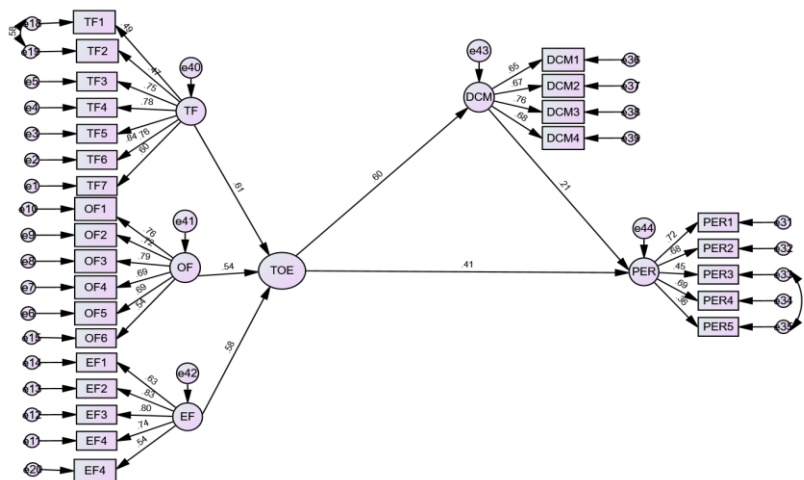
#### 4.2.3.2 The mediation effect of DMC on the relationship between TOE and performance

This research examines the mediator of innovation capability on the relationship between TOE and performance. The result revealed a significant mediating impact of innovation capability on the relationship between TOE and performance.

**Table 4: Mediating effect of DMC on TOE and performance**

	standardized estimation	P-value	Result
Total effect	0.57	0.003	Significant impact
Direct effect	0.41	0.001	Significant impact
Indirect effect	0.126	0.031	Significant impact

Source: Survey Data



**Figure 3: Mediation effect of DMC on TOE and Performance**

The direct effect of TOE on performance is 0.41 which is significant  $p=0.001$  (figure 3); the total effect is 0.57 which is significant  $p=0.003$  (figure 3). This result described the indirect effect of innovation capability on the relationship between TOE and performance as significant with a  $b=0.126(0.60*0.21)$ ,  $p=0.31$ ; which shows the innovation capability mediates the relationship between TOE and performance.

## 5. Conclusion and Discussion

The result revealed a significant positive influence of TOE on the DMC; in addition, TF significantly influence on the DMC; organizational factor significantly influences on the DMC and environmental factor. The findings of this study demonstrate a significant positive influence of technological, organizational, and environmental (TOE) factors on the digital marketing capabilities of small and medium-sized enterprises (SMEs). These results are consistent with previous literature that highlights the importance of the TOE framework in understanding technology adoption and integration in organizational contexts (Abate, Ukpabi, & Karjaluoto, 2024). Technological factors, such as access to advanced tools, platforms, and IT infrastructure, play a critical role in enhancing the digital marketing capabilities of SMEs. Organizational factors, including leadership support, employee expertise, and internal resource allocation, also significantly impact digital marketing capabilities. Leadership commitment to digital transformation fosters a culture of innovation, encouraging the adoption of advanced marketing strategies. Additionally, allocating resources for digital marketing initiatives, such as hiring skilled professionals and investing in digital tools, further enhances capabilities (Jones et al., 2021). Environmental factors, such as market competition, customer expectations, and government support, also influence the digital marketing capabilities of SMEs. Government policies and incentives, such as grants or tax benefits for technology adoption, further encourage SMEs to enhance their digital marketing capabilities (Laila et al., 2024). The result of the study proved that DCM significantly influence on the performance of SMEs. This finding has been extensively validated in recent studies. Digital marketing capability encompasses the effective use of digital tools, platforms, and strategies to enhance customer acquisition, engagement, and retention. For instance, Chaffey and Ellis-Chadwick (2022) emphasize that SMEs leveraging strategies like search engine optimization (SEO), social media marketing, and personalized campaigns witness enhanced sales growth and customer loyalty. Another finding of the study described that the innovation capability has been found to significantly moderate the relationship between digital marketing capability (DCM) and SME performance. Innovation capability,

which reflects an organization's ability to develop and implement novel ideas, processes, or products, enhances the effectiveness of digital marketing strategies. For instance, SMEs with high innovation capabilities are better positioned to utilize digital tools creatively and adapt to market changes, amplifying the impact of DCM on performance outcomes (Huang & Rust, 2021). Moreover, digital marketing capability (DMC) has been found to mediate the relationship between technological, organizational, and environmental (TOE) factors and SME performance. TOE factors provide the foundation for DMC by ensuring access to relevant technologies, organizational readiness, and favorable external conditions, which in turn enhance digital marketing practices. Kapoor, & Kapoor (2021) argued that technological advancements and organizational support are crucial enablers for SMEs to adopt innovative marketing strategies. Chaffey and Ellis-Chadwick (2022) illustrated that SMEs with robust technological infrastructure and adaptive organizational cultures effectively translate these capabilities into enhanced marketing performance.

### **5.1 Implications**

The results of this study highlight theoretical and practical implications for SMEs. Based on the theory of resource-based view and TOE framework, the novel model was developed with the link between TOE, DCM, and the performance of SMEs with the moderator role of innovation capability and the mediation role of DCM. SMEs should prioritize investments in digital technologies that align with their marketing objectives. Fostering a culture of continuous learning and innovation within the organization can significantly enhance digital marketing capabilities. Policymakers and industry associations should develop supportive programs and incentives to encourage technology adoption among SMEs. In addition, the findings of this research offer several significant implications for policymakers. The demonstrated positive influence of technological, organizational, and environmental (TOE) factors on digital marketing capability (DMC) underscores the importance of creating a supportive ecosystem for SMEs.

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**PATIENT-CENTRIC FACTORS INFLUENCING BEHAVIORAL INTENTION  
TOWARDS E-HEALTH CONSULTATION: EVIDENCE FROM COLOMBO  
DISTRICT, SRI LANKA**

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**ABSTRACT**

The constant improvements in computer technology, paired with the rise of Web 2.0, have made it easier for e-health consultations to spread over the globe. This concept has gained substantial attention as a viable option for 24/7 use in Sri Lanka, particularly since the COVID-19 pandemic. However, customer acceptance remains considerably less than the expected rate. Hence, this study investigates the factors that impact patients' behavioural intention toward digital consultation in the Colombo district, Sri Lanka. This study applied a deductive approach to exploring the implication of the expanded Unified Theory of Acceptance and Use of Technology (UTAUT) on clients' behavioural intention toward digital health consultation. An online survey was conducted to gather cross-sectional data, deploying purposive sampling. Three hundred four usable responses were obtained from individuals who reside in the Colombo district and intend to utilise e-health consultation services. Multiple regression analysis was utilised with SPSS software to assess the hypotheses. The results indicate that effort expectancy, social influence, performance expectancy, facilitating conditions, and trust positively and significantly impact clients' behavioural intention toward digital health consultation in the Colombo district and align with the previous findings. Perceived risk negatively and substantially affects patients' behavioural intentions, indicating that they may perceive e-health consultation as threatening their privacy. This investigation adds to

the existing knowledge on boosting e-health consultation services. Moreover, grounded in the expanded UTAUT, this study represents the first empirical investigation of the factors that impact patients' embrace of e-health consultation in Sri Lanka.

**Keywords:** Behavioral intention, E-health consultation, Patient-centric, UTAUT

## 1. INTRODUCTION

The ongoing progress in information technology, along with the emergence of Web 2.0, has facilitated the expansion of e-health consultation on a global scale (Liu et al., 2022). The e-consultation is a contemporary method of delivering healthcare services to patients over the Internet (El-Haddadeh et al., 2021). This mode of health consultation provides patients with 24-hour access to physicians working worldwide (Alam et al., 2020).

The resurgence of pandemics caused by coronavirus infection (COVID-19) has changed the field of health consultation and highlighted the need for e-health consultation (Gurumurthy & Mukherjee, 2020). During the COVID-19 pandemic, eHealth has been highlighted as a viable option for ensuring the delivery of routine health care while avoiding unnecessary hospital visits for individuals with mild-to-moderate illnesses (Alonso et al., 2021; Obro et al., 2021), but little is known regarding e-consultation utilisation (Leyton et al., 2021). Currently, the use of ICT in general practice is increasing, and customers are aware of e-consultation. As a result of this phenomenon, many people are turning to e-consultations rather than psychological consultations as a form of treatment (Hassija et al., 2022). However, in the Sri Lankan context, customers are still not using e-consultations effectively due to the novelty of this concept. The World Health Organization professed Sri Lanka as a country with a critical shortage of doctors with an inadequate doctor-population ratio. Though e-health consultation is sensible, customer acceptance must still meet the expected rates in Sri Lanka.

According to Statista Market Insights e-health report (2023), the user penetration of e-health consultation will be 0.74% in 2023 and is expected to hit 0.96% by 2027. However, there is still an e-health space in Sri Lanka (Dissanayake, 2015). According to Marasinghe et al. (2007), there is rising interest in the benefits it may bring to enhance service delivery and access, particularly in rural areas. However, due to a lack of infrastructure and knowledge regarding information technology, those areas have limited access to e-health consultation.

**Table 1: Distributions of population and consultants in three main districts in Sri Lanka**

Districts	Population		Consultants
	('000)	(%)	(n)
Colombo	2,448	11.2	672
Gampaha	2,417	11.1	173
Kandy	1,476	6.8	245
All other districts	15,462	70.9	1,422
Total	21,803	100	2,512

*Source:* Annual Health Statistics in Sri Lanka (2021)

Table 1 elaborates that 70.9% of residents reside in outer stations and rural areas except Colombo, Gampaha, and Kandy districts. Also, there are 2,512 healthcare specialists in Sri Lanka, most concentrated in the country's three largest districts. Though 672 consultants are located in the Colombo district, the doctor-population ratio (0.27/1000) is not adequate even in the Colombo district. The World Health Organization also professed Sri Lanka as a country with a critical shortage of doctors and an inadequate doctor-population ratio. Therefore, telemedicine will be an attractive alternative to this issue since it is a hassle-free doctor channelling method.

He et al. (2022) state that E-consultation platforms are designed to assist users in providing critical medical information in a way that allows them to give and receive critical information clearly and without ambiguity. According to Marasinghe et al. (2007), several institutes and organisations committed to e-health promotion and various Web-based health advisory services have been launched. Also, several private hospitals are tailoring their marketing approach to meet customers' demands and provide a gratifying experience by providing e-health consultations (Hermann et al., 2018; Zayyad & Toycan, 2018). Therefore, e-health consultations benefit service providers and patients by increasing their well-being. Previous studies primarily focused on investigating the implementation of e-health consultation from the viewpoint of healthcare providers. However, there has been a lack of emphasis on exploring the perspective of patients in this area of research (Hoque et al., 2017). It highlights the empirical gap of this study. Also, this study proposed an extension of the UTAUT model by adding two variables (trust and perceived risk) based on literature to determine the

factors that impact a patient's behavioural intention towards e-health consultation. It is a kind of theoretical contribution to this study.

Despite the numerous benefits of e-health consultation and the ongoing efforts of the government and similar authorities, it was observed that transitioning from a physical consultation style to a digital one is still challenging (Singh & Ravi, 2022; Kumari et al., 2022). Also, the acceptance of e-health consulting services is lagging far behind expectations. Few previous studies on e-health consultation revealed that consumers are reluctant to adopt e-health consultation services since they are paid services that require human-computer interaction (Kaum et al., 2020; Featherman & Pavlou, 2003). Also, adopting e-consultation in the healthcare industry has proven to be quite challenging, and it is still a long way from reaching its full potential (Anthony Jnr, 2021). The researchers conducted a preliminary study to justify the research gap further while selecting 35 individuals in the Colombo district. It was found that though customer awareness about e-health is high, most still have not used it at least once. Hence, the study is designed to fill those gaps by determining the factors impacting a patient's behavioural intention toward e-health consultation in Sri Lanka.

## **2. LITERATURE REVIEW**

Theories such as the Technology Acceptance Model (TAM), the Theory of Reasoned Action (TRA), the Theory of Planned Behavior (TPB), and the Diffusion of Innovation Theory have all been used to gauge how well-liked various technology-driven platforms are among prospective customers (Pandey & Chawla, 2020). The most popular theory to study acceptance and use of technology is the Unified Theory of Acceptance and Use of Technology (UTAUT), first proposed by Venkatesh et al. (2003). In the UTAUT model, user intentions and usage of a particular system or technology are explained by four factors, namely performance expectancy, effort expectancy, social influence, and facilitating conditions (Venkatesh et al., 2003).

The original UTAUT model was renamed to UTAUT2 by Venkatesh et al. (2012) following the inclusion of three more variables: hedonic motivation, price value, and habit. However, contrary to what Venkatesh et al. (2012) suggested, the position of hedonic motivation, price value, and habit were not considered in the current study. Additionally, recent research has indicated that a customer's behavioural intention to adopt such innovative technology may be significantly influenced by perceived risk and trust (Pandey & Chawla, 2020; Shankar & Datta, 2018). As a result, the present study proposed an extension of the UTAUT model by adding variables (trust

and perceived risk) to investigate the factors influencing a patient's behavioural intention towards e-health consultation.

### ***2.1 Behavioral Intention (BI)***

The extent to which a person has made deliberate decisions about engaging in a particular future behaviour is described as behavioural intention (Behera et al., 2022). According to Literature, a person's descriptive norm, that is, how people around them act in a specific circumstance, is closely associated with their BI (Liu et al., 2022). Dwivedi et al. (2019) stated that BI is a realistic indicator of how new technology is used. The researcher examines the patient's behavioural intention toward e-health consultation in the current study. E-consultation is the process of a doctor and patient communicating virtually using advanced digital tools and methods (Al-Mahdi et al., 2015). Since e-health consultation is an ICT-based product, there is a link between BI and the patients' decisions to accept e-health consultations. According to the literature, Nayak et al. (2023) found that BI has a significant and favourable relationship with users' continuous usage behaviour of e-health services. Also, the findings of Dash and Sahoo (2022) demonstrated that there is a strong and favourable relationship between BI and the patients' decisions to accept e-health consultations.

### ***2.2 Performance Expectancy (PE)***

Performance expectancy is a person's conviction that using the system will enable them to finish their tasks and perform better (Oktafani et al., 2022). According to Chen Lin (2019), perceived usefulness, job fit, and outcome expectations are some of the performance expectancy variables used to describe how much a person thinks the system is helping them with their work. From the standpoint of e-health usage, PE symbolises the users' technology-related expectations for resolving medical issues. According to Literature, PE is the most reliable predictor of behavioural intention to embrace a novel technology (Lean et al., 2009). The findings of Gagnon et al. (2016) demonstrated that PE positively affects end-users to embrace innovative e-health services. The findings of Nayak et al. (2023) also concluded that PE significantly and favourably influences users' BI to use e-health services since e-health is an innovative service that is supported by ICT (Jnr, 2020). Based on the above discussion, the researcher developed the following hypothesis.

H<sub>1</sub>: Performance expectancy has an impact on patients' behavioural intention towards e-health consultation in the Colombo district

### ***2.3 Social Influence (SI)***

Social Influence is the degree to which an individual believes that others important to him/ her in society will think if he/she uses the new technology (Venkatesh et al., 2012). SI was identified by Venkatesh et al. (2012) as the second crucial factor that influences the BI of the end consumers regarding innovative products (Dash & Sahoo, 2021). According to Sun et al. (2013), SI is a useful and favourable predictor of users' intention to adopt new m-health / e-health services. Hence, the researcher developed the following hypothesis:

H<sub>2</sub>: Social influence has an impact on patients' behavioural intention towards e-health consultation in the Colombo district

### ***2.4 Effort Expectancy (EE)***

Effort expectancy is the degree of system usability that may reduce an individual's time and energy expenditure in their work (Oktafani et al., 2022). According to Cimperman et al. (2016), EE has three antecedents: ease of use, complexity, and perceived ease of use. Most studies discovered that effort expectancy has a beneficial influence on both the behavioural intention of use and the actual use of the technology (Davis, 1989; Venkatesh et al., 2003; Gao & Deng, 2012). The findings of Baishya and Samalia (2020) concluded that EE has a significant and favourable relationship with users' BI when using e-health services. Accordingly, the following hypothesis was developed.

H<sub>3</sub>: Effort expectancy has an impact on patients' behavioural intention towards e-health consultation in the Colombo district

### ***2.5 Facilitating Condition (FC)***

Facilitating Condition is "the degree to which an individual believes that an organisation and technical infrastructure exists to support the use of the system" (Venkatesh et al., 2003). According to Lin (2019), perceived behavioural control, facilitating conditions, and compatibility are the factors that influence facilitating conditions. As e-health consultation services necessitate ongoing connection between patients and remote doctors, the practical use of e-health consultation services depends on the availability of adequate information and communication technology (ICT) infrastructure (Al-Mahdi et al., 2015). Several academics claimed that FC has a favourable and significant impact on intention and/or technology usage (Mun et al., 2006). On the other hand, Venkatesh et al. (2003) claimed that facilitating conditions will not affect behavioural intentions. The study done by Aggelidis and Chatzoglou (2009) found that FCs have a considerable impact



on the intention to use health information systems. Also, Deng (2013) discovered significant relationships between FCs and the use of m-health services. Hence, the researcher has developed the following hypothesis.

H<sub>4</sub>: Facilitating Conditions have an impact on patients' behavioural intention towards e-health consultation in the Colombo district

### **2.6 Perceived Risk (PR)**

Schierz et al. (2010) define perceived risk as the expectation of suffering a loss. In the present study, the researcher defined perceived risk as the probability of a patient suffering a loss when pursuing an e-health consultation. In order to provide personalised services, a user's personal information is requested during a digital health consultation (George & Kumar, 2013; Kassim & Ramayah, 2015). However, customers might view this as an invasion of their privacy. In addition, most e-health service providers request personal and financial information from their clients, which may make them fear their information will be misused (Hoque et al., 2017). The findings of Nayak et al. (2023) revealed that PR negatively affects users' perception of e-health consultations. Based on the aforementioned, the researcher has suggested the hypothesis below.

H<sub>5</sub>: Perceived Risk has an impact on patients' behavioural intention towards e-health consultation in the Colombo district

### **2.7 Trust (TR)**

According to Lee and Lin (2009), Trust is the cornerstone of any healthcare relationship between patient and physician. Sillence (2006) stated that one of the major elements influencing a person's intention to use e-health websites is trust. Additionally, Kopackova et al. (2022) noted that e-consultation is a contemporary approach for establishing trust. A study by Gupta et al. (2021) found that trust benefits people's intent to migrate from in-person to online medical appointments. Accordingly, the following hypothesis was developed.

H<sub>6</sub>: Trust has an impact on patients' behavioural intention towards e-health consultation in the Colombo district

## **3. METHODOLOGY**

In this study, the researcher has used the UTAUT model as the foundation for developing hypotheses. Thus, this study uses a deductive approach. A survey was conducted to gather data from individuals who have used or intend to use e-health consultation services in the Colombo District of Sri

Lanka. Hence, the target population was all individuals who have used or intended to use e-health consultation services in the Colombo District in Sri Lanka. The Colombo District was chosen for this study since it has the highest percentage of Internet access from home compared to other districts (Sri Lanka Census data, 2013).

The purposive sampling method was employed as a workable way of interacting with potential study participants. Accordingly, based on Cochran's formula, the researchers chose 385 respondents as the sample and used a self-administered questionnaire as the data collection instrument. Following the data-cleaning procedure, 318 effective responses were taken for further analysis. During the study's data collection phase, several measures were taken to avoid non-response discrimination. Respondents were assured of the privacy and confidentiality of their answers. Additionally, the survey instrument was carefully designed to be quick and simple. The patients' BI toward e-health consultation was measured using existing scales. Accordingly, performance expectancy, social influence, effort expectancy, facilitating condition, perceived risk, and Trust were tested using the scale developed by Dash and Sahoo (2022). All the factors were measured using a five-point Likert scale.

#### 4. DATA ANALYSIS AND RESULTS

After generating the data set, the researcher cleansed it to prevent mistakes when putting the data sheet. Parametric assumptions are not assessed in this study since a non-probability sampling method is used for collecting primary data. Then, the researchers used multiple regression analysis and the 95% confidence level to determine the acceptance of each hypothesis.

**Table 2: Reliability & Validity Measures**

Variable	Cronbach's Alpha	KMO	Bartlett's test of Sphericity	AVE	CR
PE	0.739	0.536	0.000	0.609	0.859
SI	0.807	0.700	0.000	0.669	0.889
EE	0.796	0.716	0.000	0.609	0.859
FC	0.706	0.573	0.000	0.544	0.821
PR	0.859	0.860	0.000	0.665	0.907
TR	0.913	0.872	0.000	0.708	0.935

BI	0.781	0.752	0.000	0.607	0.861
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*Source:* Survey Data (2023)

Table 2 shows that the Cronbach's Alpha value of all variables is greater than 0.7. It indicates that all four dimensions are reliable. Also, the KMO Measure of Sampling Adequacy for all variables is more than 0.5. Bartlett's test of Sphericity shows that all the factors were significant at 0.000, which was less than 0.05. Based on the above results, it is clear that the research instruments of this study have external validity. Additionally, the researchers have used composite reliability (CR) and Average Variance Extracted (AVE) to evaluate the convergent validity. The results show that the composite reliability of all variables is greater than 0.7, and AVE values are more than 0.5, ensuring convergent validity.

The explanatory power (R<sup>2</sup>) value indicates the extent to which the independent variables account for the variation of the dependent variable. The present study's R-squared value is 0.847. It demonstrates that performance expectancy, social influence, effort expectancy, facilitating conditions, perceived risk, and trust account for 85% of the variance in patients' behavioural intention toward e-health consultation.

**Table 3: Coefficient Table**

Model	Unstandardised Coefficients		Standardised t Coefficients		Sig.
	B	Std. Error	Beta		
<b>(Constant)</b>	-0.882	0.131		-6.747	0.000
<b>PE</b>	0.225	0.049	0.174	4.561	0.000
<b>SI</b>	0.105	0.038	0.092	2.782	0.006
<b>EE</b>	0.764	0.054	0.657	14.214	0.000
<b>FC</b>	0.125	0.034	0.111	3.741	0.000
<b>PR</b>	-0.254	0.051	-0.233	-4.996	0.000
<b>TR</b>	0.226	0.044	0.218	5.108	0.000

*Source:* Survey Data (2023)

According to Table 3, the performance expectancy, social influence, effort expectancy, facilitating condition, perceived risk, and trust are statistically significant at a 95% confidence interval level as they are less than the critical p-value 0.05, and their unstandardised beta coefficient values are positive

except for perceived risk which implies; they influence on patients' behavioural intention towards e-health consultation in a favourable way. Further, the perceived risk is statistically significant at a 95% confidence level as it is less than the critical P-value of 0.05, and its unstandardised beta coefficient value is negative, implying that it negatively impacts patients' behavioural intention towards e-health consultation. Therefore, all hypotheses (H<sub>1</sub>, H<sub>2</sub>, H<sub>3</sub>, H<sub>4</sub>, H<sub>5</sub>, and H<sub>6</sub>) are accepted by the investigation.

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

According to the multiple regression results, the researcher has identified that performance expectancy positively impacts patients' behavioural intention to seek e-health consultation. This finding is consistent with the results of numerous earlier studies (Oliveira et al., 2016; Lu & Nguyen, 2016; Pynoo et al., 2011; Awwad, 2015; Gupta et al., 2008; Lallmahomed et al., 2017; Lian & Yen, 2014; Rana et al., 2016). It was revealed that social influence positively impacts patients' behavioural intention to seek e-health consultation. This finding is consistent with the results of investigations conducted in other scenarios, such as the adoption of eGovernment (Gupta et al., 2008), e-library acceptance (Awwad, 2015), online tax filing (Lu & Nguyen, 2016), online air ticket purchasing (Escobar Rodriguez & Carvajal-Trujillo, 2014), mobile payment (Khalilzadeh et al., 2017), and online shopping (Lian & Yen, 2014). Moreover, the researchers have identified effort expectancy as the most influential factor in patients' behavioural intention to seek e-health consultation. This finding aligns with earlier research findings (Baishya & Samalia, 2019; Williams et al., 2015; Cheng-Min Chao, 2019; Gao & Deng, 2012). The results show a favourable association between facilitating conditions and patients' behavioural intention to seek e-health consultation. These findings corroborate previous research undertaken in the same context and across several disciplines (Mun et al., 2006; Aggelidis & Chatzoglou, 2009; Deng, 2013). Perceived risk negatively impacts patients' behavioural intention to seek e-health in the Colombo district, Sri Lanka. This result supports earlier studies (Alalwan et al., 2018; Nayak et al., 2022). People in Sri Lanka are exposed to risks when using new technologies since they are not well-versed in ICT. They may shift to e-health consultation more easily if they have access to sufficient information related to privacy. Finally, the outcomes of this investigation demonstrated that trust has a favourable effect on patients' behavioural intention to seek e-health consultation. These findings corroborate previous research undertaken by Montazemi and QahriSaremi (2015), Silva et al. (2019), and Namahoot and Laohavichien (2018).

## 6. CONCLUSION AND CONTRIBUTIONS

Presently, e-consultation is growing as a flexible medical care setup and can assist emerging economies with their inadequate medical services contracts. The current study has been conducted to determine the factors that impact patients' behavioural intention toward e-health consultation in the Colombo district.

To conduct this study, the researcher found an e-health consultation gap in the context of Sri Lanka. Additionally, the researcher found that previous studies primarily focused on adopting e-health consultation from the provider's perspective, and there is a deficit of literature regarding the patient's perspective. Hence, the researcher has adapted a conceptual framework in line with previous literature to address the research problem. The proposed conceptual framework has investigated the impact of independent variables (Performance Expectancy, Social Influence, Effort Expectancy, Facilitating Condition, Perceived Risk, and Trust) on the dependent variable (Behavioral Intention).

As per the study's findings, effort expectancy is the most influential variable influencing patients' behavioural intention toward e-health consultation. Therefore, it is recommended that the service providers create a simple process for e-consultation by continually upgrading their clients' experience. As trust is recognised as the second most crucial factor, e-consultation providers must update their content frequently. Also, helpful information like the most recent immunisation and qualifications of physicians, along with the assistance details, must be updated on the websites to create a credible and reliable environment for e-health consultation.

Also, according to the findings, performance expectancy has emerged as a significant predictor variable. Thus, service providers must develop e-consultation services that carry out tasks smoothly. Further, the facilitating condition has been recognised as a fundamental facilitator. Thus, e-health consulting service providers and relevant authorities can link up with different internet service providers to alleviate the absence of needed infrastructure and facilitate widespread adoption. As social influence positively impacts patients' behavioural intention towards e-health consultation, e-consultation service providers should educate the entire customer base about e-consultation to make it easier for clients to embrace these novel offers. The findings revealed that perceived risk negatively impacts patients' behavioural intention toward e-health consultation. Therefore, e-health service providers must streamline the consultation

processes, which include making appointments, finding information, navigating easily, and processing payments to make consultation processes more convenient for users.

As a theoretical contribution, the present study used the extension of the unified theory of acceptance and use of technology – UTAUT. Since the Sri Lankan context, this kind of extension has not been used to determine the factors influencing e-health consultation from the patient's perspective. To the researchers, this is the first empirical investigation of the factors that impact e-health consultation from the patient's perspective in Sri Lanka. Hence, this study fills the literature gap and will be a good foundational study for future researchers investigating the same phenomenon.

## **7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS**

The current study has certain limitations that allow further research. First, the respondents were restricted to the Colombo district of Sri Lanka. Hence, future research could incorporate the perspectives of patients living in suburban and rural Sri Lanka, as their access to e-health consultations may differ from that of patients living in urban areas. Moreover, this study used a self-administered online questionnaire as the research tool to gather primary data. Respondents might not express their true opinions when responding to the questionnaires, which could lead to errors in the results. Therefore, future researchers can use qualitative data collection methods to improve the accuracy and effectiveness of the findings. Furthermore, since this study was conducted from the patient's perspective, future researchers can conduct studies from doctors' perspectives to know their stance on e-health consultation.

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## **Sri Lanka's Unique Edge in MICE Tourism: A Conceptual Exploration**

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### **ABSTRACT**

MICE tourism - encompassing Meetings, Incentives, Conferences, and Exhibitions - offers significant economic benefits, with MICE tourists spending three times more than leisure travellers. Despite its potential, Sri Lanka lags regional leaders such as Singapore and Thailand. This paper explores the challenges facing Sri Lanka's MICE industry in hosting international events, highlighting the need for targeted strategies, hybrid event solutions, eco-friendly practices, and advanced technologies, including metaverse-enabled experiences. By identifying the country's unique selling propositions and advocating for collaboration among government bodies, tourism authorities, and private stakeholders, this research outlines a roadmap to enhance Sri Lanka's competitive edge and contribute to the broader goals of sustainable tourism development.

**Keywords:** MICE tourism, Sustainability, Hybrid events, Sri Lanka

## 1. INTRODUCTION

Tourism has consistently served as a significant driver of global economic growth and cultural exchange, adapting to the evolving demands of travellers worldwide. Among its various segments, Meetings, Incentives, Conferences, and Exhibitions (MICE) tourism stands out for its potential to foster international collaboration, drive high-value revenue, and contribute substantially to sustainable development. Business travellers, who often spend more than leisure tourists, represent a critical demographic within the MICE tourism sector (Chiang, et al., 2012). Destinations such as Singapore, Thailand, and Dubai have successfully leveraged their infrastructure and strategic locations to dominate the MICE market, with Singapore's MICE industry contributing over \$3.82 billion to its GDP in 2023 (Coherent Market Insights, 2024). Additionally, the integration of hybrid events has expanded the reach of MICE tourism, ensuring resilience in the face of disruptions such as the COVID-19 pandemic (Lekgau & Tichaawa, 2022).

Despite the global growth of MICE tourism, its potential in Sri Lanka remains underexplored. Positioned strategically in South Asia, Sri Lanka boasts unique cultural heritage, breathtaking landscapes, and compact geography, all of which make it an ideal destination for corporate retreats and conferences. However, regional leaders like Singapore and Thailand continue to dominate the MICE market (Nontharak, 2014), underscoring a gap in Sri Lanka's utilization of this high-value tourism segment. With the Sri Lanka Tourism Development Authority (2024b) identifying MICE tourism as a priority, there is a pressing need to evaluate and leverage the country's inherent advantages to enhance its competitiveness in this niche market. Furthermore, the global shift towards hybrid and sustainable tourism models presents an opportunity for Sri Lanka to integrate technology and eco-friendly practices into its MICE offerings (Ranasinghe & Damunupola, 2020).

This research addresses the central question: *How can Sri Lanka leverage its unique attributes to establish a competitive edge in the MICE tourism industry?* The objective is to conceptualize a framework that highlights Sri Lanka's strategic advantages, evaluates its current positioning in the global MICE market, and identifies actionable strategies for growth. By focusing on the intersection of sustainable tourism practices, integrating technology, innovative event solutions, and eco-friendly practices, this study aims to bridge the existing research gap and provide insights into the untapped potential of MICE tourism in Sri Lanka.

The significance of this research lies in its potential to diversify Sri Lanka's tourism portfolio, boost foreign exchange earnings, and position the country as a preferred destination for high-spending business travellers. By examining both the challenges and opportunities within this sector, the findings will contribute to academic discourse on sustainable tourism while offering practical recommendations for policymakers and industry stakeholders. The implementation of this research involves a conceptual analysis of existing literature, industry trends, and case studies from successful MICE destinations to derive a tailored strategy for Sri Lanka. In doing so, it seeks to establish a roadmap for harnessing the full potential of MICE tourism to drive economic growth and global recognition for Sri Lanka's tourism industry.

## **2. LITERATURE REVIEW**

Tourism has long been a significant driver of global travel, evolving to cater to various motivations such as cultural, adventure, and medical tourism (Sri Lanka Tourism Development Authority, 2024c). In Sri Lanka, the industry gained momentum in the 1950s and has since seen substantial growth, with 1.6 million tourist arrivals by October 2024, surpassing expectations and generating over \$3 billion in revenue (Sri Lanka Tourism Development Authority, 2024c). Recent initiatives, such as offering free tourist visas to 35 countries, are designed to further enhance arrivals, although challenges like visa delays and security concerns persist (CN Traveler, 2024). With a 61.2% increase in tourism revenue in 2024, Sri Lanka has set ambitious goals of attracting 5 million tourists and generating \$8.5 billion in revenue by 2029 (Skift, 2024). By focusing on niche markets such as wildlife and cultural tourism, Sri Lanka leverages its 'Compactness' - the ability to offer diverse experiences within a small geographical area - to distinguish itself in the increasingly competitive South Asian tourism market (Travel Voice, 2025).

MICE tourism plays a pivotal role in driving global economic growth and fostering international collaboration. The travel acronym MICE stand for Meetings, Incentives, Conferences, and Exhibitions, which involve large gatherings of people, typically planned well in advance, coming together at a single location for a common purpose over a short period of time (Schlentrach, 2008). MICE tourism contributes significantly to the global tourism sector, generating high-value revenue and attracting business travellers who typically spend more than leisure tourists. In destinations like Singapore, Thailand, and Dubai, the MICE industry has become a cornerstone of their economic strategies. For instance, Singapore's MICE market was valued at approximately \$3.82 billion in 2023 and is projected to reach \$6.97 billion by 2030 (Coherent Market Insights, 2024). Similarly,

Thailand experienced a 40% increase in business visitors in 2023, highlighting the sector's significant growth (C&IT, 2024). In Dubai, over 2.3 million visitors cited business as their main purpose of travel in 2019, marking a 2% increase compared to 2018 (Nature Communications, 2020). Despite significant growth in the MICE sectors of regional competitors like Singapore, Thailand, and Dubai, Sri Lanka's MICE market remains underdeveloped and lacks competitive market value. To capitalize on the growing global MICE market, Sri Lanka must prioritize investments in infrastructure, technology, and eco-friendly practices. Developing competitive MICE offerings will attract quality tourists, boost international business relationships, and strengthen the country's economy.

According to Exlink Events (2012), the benefits of MICE tourism compared to leisure tourism can be summarized as follows:

1. MICE tourism results in high spending, often 2–3 times more than leisure tourism, making it a high-yield sector.
2. It attracts quality tourists who are likely to spend more and engage in premium activities.
3. The sector stimulates infrastructure development, contributing to the growth of transportation, accommodation, and event facilities.
4. MICE tourists often exhibit a tendency to generate repeat holidays, revisiting the destination for leisure or business purposes.
5. It generates trade and investment activities by fostering business collaborations and partnerships.
6. The extended length of stay by MICE tourists leads to higher revenue for local businesses.
7. MICE tourism contributes to increased tax revenue, supporting local and national economies.
8. It necessitates high-level support services, which in turn create more direct and indirect employment opportunities.
9. MICE activities contribute to image building for the destination, enhancing its reputation and visibility internationally.
10. Finally, MICE tourism develops business and industry relationships, strengthening networks and partnerships.

Because of the above-mentioned reasons, the MICE Industry should be supported by the government of Sri Lankan. To strength the Sri Lankan MICE industry, this research suggests actionable strategies for growth.

### **3. RESEARCH DESIGN AND METHODOLOGY**

This paper adopts a conceptual approach, synthesizing available qualitative data and conducting a contextual analysis of the MICE Tourism rather than relying on quantitative statistics. It acknowledges the challenges in obtaining accurate MICE data, such as travellers misclassifying themselves as tourists to circumvent business visa complications (Wanigasekara & Dilrukshi, 2018). This comprehensive methodology underscores the importance of understanding the sector's dynamics despite inherent data limitations.

This research relies on secondary data and analyses the 'annual report 2022' of Sri Lanka Convention Bureau (2024) published in 2024, 'MICE tourism – comparison of activities 2018/19 with 2020/21' of Sri Lanka Tourism Development Authority (2024a), 'MICE tourism toolkit' of the Sri Lanka Tourism Development Authority (2024b), and 'MICE tourism media release' of the Sri Lanka Tourism Promotion Bureau (2024). They were chosen for analysis in this research because they represent the most credible and comprehensive sources of data on MICE tourism in Sri Lanka, offering detailed insights into industry trends, policy initiatives, and performance metrics, which are essential for a robust and informed evaluation of the sector's potential and challenges.

The analyses are made within the macro and microenvironments that impact the MICE tourism in Sri Lanka. The macro analysis includes Political, Economic, Social, Technological, Legal, and Environmental (PESTLE) factors, while the micro analysis will focus on industry-specific dynamics such as the capacity and capability of event organizers and intermediaries.

The study aims to identify the unique selling propositions (USPs) that can enhance Sri Lanka's attractiveness as a MICE destination. Further, this study analysis the key requirements for hosting international MICE events; they are infrastructure, technology, support services, logistics, marketing and promotion, sustainability, safety and security, and cultural and recreational activities. To validate the analyses, recent literature, tourism industry reports, and case studies, which presents an up-to-date picture of the MICE tourism sector's status in Sri Lanka, are utilized. With this, this research ensures a comprehensive and current exploration of the MICE landscape.

#### **4. SRI LANKA'S UNIQUE SELLING PROPOSITIONS IN THE MICE TOURISM INDUSTRY**

Sri Lanka's unique selling propositions (USPs) in MICE tourism are multifaceted, encompassing its strategic location, rich cultural heritage, natural beauty, and emerging infrastructure. These elements collectively position the country as an attractive destination for Meetings, Incentives, Conferences, and Exhibitions.

##### ***4.1 Meetings and Corporate Retreats***

The serene beaches and luxury resorts of Sri Lanka, particularly in Galle, Mirissa, and Trincomalee, offer unique and idyllic settings for corporate meetings and retreats (Sri Lanka Tourism Development Authority, 2024). These locations provide a tranquil atmosphere that fosters creativity, collaboration, and team bonding, crucial elements for enhancing corporate productivity. The combination of pristine beaches, luxury accommodations, and rich cultural heritage sets Sri Lanka apart as a premier destination for corporate gatherings. For example, Galle's historical charm, coupled with modern luxury resorts, creates a balance between work and relaxation, which is essential for effective corporate retreats.

Mirissa, known for its unspoiled beauty, offers opportunities for whale watching and team activities, enhancing team cohesion. Similarly, Trincomalee's scenic beaches and cultural landmarks add an experiential layer that enriches the retreat experience. Insights from other countries, such as Australia, which leverages its coastal resorts to attract corporate meetings and retreats ([Mazin, 2023](#)), highlight the potential of integrating natural beauty with professional needs. Furthermore, destinations like Bali have demonstrated that offering diverse activities, such as yoga sessions, cultural excursions, and water sports, alongside meeting facilities, can significantly enhance delegate satisfaction ([Jin, Bauer, & Weber, 2010](#)). Sri Lanka can emulate these successes by promoting eco-friendly and wellness-centred retreat options.

Additionally, with global trends emphasizing the importance of sustainability, Sri Lanka's focus on green initiatives, such as eco-resorts and sustainable tourism practices, aligns well with corporate values of environmental responsibility. These initiatives can enhance the country's appeal as a destination that combines professional utility with corporate social responsibility ([Fernando, 2016](#)). By integrating local cultural experiences, wellness programs, and modern amenities, Sri Lanka has the potential to emerge as a leader in the meetings and corporate retreats segment of MICE tourism.



## **4.2 Incentives**

Sri Lanka's diverse and unique experiences, including wildlife safaris in Yala National Park and train journeys through the scenic tea gardens of Nuwara Eliya, position the country as an exceptional destination for incentive tourism (Sri Lanka Tourism Development Authority, 2024). These activities offer more than just recreational opportunities—they serve as powerful motivators for employees and partners by combining leisure with unforgettable experiences. Yala National Park, with its abundant wildlife and ecological diversity, provides an ideal setting for rewarding individuals with immersive safaris, fostering a sense of adventure and relaxation. Similarly, the train journey through Nuwara Eliya's tea gardens not only offers breathtaking vistas but also enables participants to engage with local culture, enhancing their overall travel experience.

Insights from other countries underscore the importance of unique and localized experiences in building a strong incentive tourism appeal. For instance, Kenya has successfully leveraged its wildlife safaris to attract incentive travelers, contributing to the growth of its tourism sector ([Kabutha, 2022](#)). Similarly, Bulgaria's innovative use of regional cultural experiences in incentive programs has demonstrated that offering activities beyond traditional tourism can significantly enhance visitor satisfaction ([Kazandzhieva, 2019](#)). Furthermore, research from Norway highlights the need for incentive destinations to balance exclusivity with accessibility, creating experiences that resonate deeply with participants while remaining practical ([Mei, 2014](#)).

The island's diverse attractions, from pristine beaches to UNESCO World Heritage sites, also provide unique experiences for incentive travellers. The rich cultural tapestry, exemplified by traditional festivals and culinary tours, offers immersive experiences that can motivate and reward employees. Despite these offerings, the development of tailored incentive programs and packages is essential to cater to the specific interests of corporate groups (Wanigasekara & Dilrukshi, 2018).

Sri Lanka's ability to combine natural beauty with authentic cultural encounters, such as tea plantation tours and eco-lodges, aligns well with these global trends. By focusing on sustainability and curating bespoke itineraries, Sri Lanka can further enhance its appeal as an incentive travel destination, blending luxury with meaningful, memorable experiences.

### **4.3 Conferences**

Colombo, the capital of Sri Lanka, stands out as a promising destination for hosting conferences, thanks to its modernizing infrastructure and seamless blend of traditional culture with urban sophistication (Sri Lanka Tourism Development Authority, 2024). The city's unique positioning can provide an engaging backdrop for international delegates, enhancing the appeal of conferences held there. Drawing lessons from other countries' successes, such as the strategic use of modern venues and cultural attractions, Colombo can adopt similar approaches to optimize its appeal ([Rogers & Wynn-Moylan, 2022](#); [Fernando, 2016](#); [Laksiri, 2007](#)). The integration of traditional Sri Lankan cultural experiences with cutting-edge facilities can create memorable events, setting Colombo apart on the global stage.

While Sri Lanka has hosted international conferences, there is a pressing need to upgrade its facilities to meet global standards. The development of state-of-the-art convention centres equipped with advanced technology, for example video conferencing facilities, and simultaneous interpretation systems are crucial. Additionally, establishing relationships with meeting planners and incentive houses in the region can facilitate the packaging and marketing of Sri Lanka as a prime conference destination (Sri Lanka Tourism, 2024).

### **4.4 Exhibitions**

Sri Lanka's rich heritage and vibrant indigenous industries - spanning tea, spices, gemstones, and handloom products - position it as a unique contender in MICE tourism, particularly for exhibitions (Sri Lanka Tourism Development Authority, 2024). Hosting exhibitions that showcase these industries can significantly enhance their global visibility and stimulate international trade. Colombo, with its state-of-the-art convention centres and strategic geographic location, serves as an ideal host city, offering both modern infrastructure and cultural authenticity. Experiences from other countries, such as China's use of second-tier cities for exhibitions to decentralize opportunities ([Jin, Bauer, & Weber, 2010](#)) and Australia's promotion of cultural diplomacy through exhibitions ([Mazin, 2023](#)), highlight the potential of exhibitions in economic and cultural development. By combining modern facilities with its cultural heritage, Sri Lanka can effectively capitalize on its unique selling points within the MICE tourism sector.

## **5. RECOMMENDATION - REQUIREMENTS FOR HOSTING INTERNATIONAL MICE EVENTS**

The requirements for hosting international MICE - Meetings, Incentives, Conferences, and Exhibitions - events are comprehensive, involving infrastructure, technology, support services, logistics, marketing and promotion, sustainability, safety and security, and cultural and recreational activities. The follows are the recommendations for each of these requirements.

### ***5.1 Integrates Modern Urban Infrastructure***

The success of MICE tourism heavily relies on the seamless integration of venue quality, accessibility, and accommodation infrastructure, all of which form the backbone of a destination's appeal.

To boost Sri Lanka's MICE tourism appeal, it is vital to develop modern, adaptable venues equipped with advanced facilities that can accommodate large gatherings, breakout sessions, and exhibitions. Singapore has set a high standard by incorporating state-of-the-art technologies, such as high-speed internet, virtual conferencing tools, and cutting-edge audiovisual systems, into its convention centre. Additionally, these venues are designed with sustainability in mind, featuring energy-efficient systems and eco-friendly practices (McCartney, 2008). Similarly, Macao has demonstrated the importance of scalability and adaptability in its venues, which cater to various event formats and sizes while incorporating sustainable design elements to minimize environmental impact (An et al., 2021). By following the examples of Singapore and Macao, Sri Lanka can position itself as a competitive and sustainable MICE destination capable of hosting diverse international events.

Accessibility is critical for attracting international delegates. Best practices from countries like Thailand and South Korea highlight the importance of venues located near international airports and equipped with efficient public transportation systems. Additionally, clear multilingual signage enhances the visitor experience ([Buathong & Lai, 2017](#); [Wee et al., 2021](#)). Similarly, South Korea has demonstrated the importance of clear multilingual signage and wayfinding systems in venues and transport hubs, which significantly improve navigation for international visitors and contribute to a positive event experience. By adopting these practices, Sri Lanka can improve its accessibility infrastructure, positioning itself as a convenient and welcoming destination for global MICE participants.

Efficient and reliable transportation systems are crucial for seamless travel during MICE events. Beyond airport transfers, countries like Singapore and South Korea have developed high-speed rail systems and strategically planned metro networks to facilitate quick and easy access to event venues, hotels, and popular tourist destinations. For instance, South Korea's KTX high-speed trains connect major cities to Incheon International Airport and key business hubs, minimizing transit times and improving overall event logistics.

Enhancing Sri Lanka's urban boat services through the rivers in the Western Province offers a sustainable and efficient solution to mitigate traffic congestion. By utilizing the extensive network of waterways, such as the Kelani River and its tributaries, an integrated water transport system can be developed to connect key urban centres and suburbs. This approach reduces the dependency on road-based transportation, alleviates pressure on overcrowded highways, and provides an eco-friendly alternative that minimizes carbon emissions. Modernizing infrastructure with well-equipped jetties, reliable schedules, and passenger-friendly facilities can further boost public adoption. Additionally, leveraging advanced technologies like real-time GPS tracking and digital ticketing systems ensures a seamless commuter experience, contributing to a more balanced and resilient urban mobility framework in the region.

Additionally, Singapore's integrated public transportation system, complemented by user-friendly mobile apps and multilingual signage, ensures accessibility and ease of navigation for international attendees. These systems significantly reduce travel time and enhance the attendee experience (Çakmak et al., 2024). Further, these examples highlight the role of a well-coordinated transport ecosystem in delivering a seamless travel experience, an area where Sri Lanka can leverage its geographical compactness. With strategic investments in infrastructure, such as enhancing expressway networks, introducing urban boat services, improving public transport facilities, and offering direct links between the airport and prime MICE venues, Sri Lanka could gain a competitive edge by providing both efficiency and convenience. Moreover, integrating sustainable transportation options, such as electric buses or bike-sharing programs, could further elevate the country's position by aligning with the growing global demand for eco-conscious MICE destinations.

The Colombo Port City project, a landmark development in Sri Lanka, offers significant potential to position the country as a competitive MICE tourism destination. The project integrates modern infrastructure and urban planning to support various types of tourism, including MICE. By leveraging

its strategic location and incorporating sustainable practices, Colombo Port City can attract high-profile international conferences, exhibitions, and incentive groups. The project's emphasis on advanced facilities, such as world-class convention centres, luxury accommodations, and connectivity, aligns perfectly with global MICE trends, creating a platform for Sri Lanka to compete with regional leaders like Singapore and Dubai. Successful integration of the Port City with MICE tourism can significantly enhance Colombo's appeal as a premier business and events destination.

Offering diverse lodging options near event venues ensures inclusivity and convenience for attendees. Destinations like Dubai and Las Vegas provide a mix of high-end hotels and budget-friendly accommodations, enabling them to cater to varying visitor preferences and budgets ([Ciuffreda & Simonetti, 2024](#); [Rattanaphong & Imjai, 2024](#)). Furthermore, integrating accommodations with cultural and recreational amenities can enhance the overall attendee experience. By adopting these strategies, Sri Lanka can create a more inclusive and appealing MICE environment that meets the diverse needs of its visitors while boosting its destination appeal.

### ***5.2 Integrate Technology and Connectivity***

The integration of advanced technology, such as high-speed internet, the metaverse, augmented reality (AR), audiovisual (AV) equipment, and hybrid capabilities, is crucial in enhancing the technology and connectivity aspects of MICE tourism (Magdy & Abouelazm, 2024).

Reliable, high-speed internet is critical for MICE venues. Countries like Singapore have invested heavily in ensuring seamless internet connectivity at MICE locations to support activities such as live streaming and large-scale virtual interactions ([Buhalis et al., 2023](#)). For example, Egypt's MICE venues improved internet infrastructure to support hybrid events, significantly boosting attendance and engagement ([Hussien & Touni, 2022](#)). Investments in robust internet infrastructure are essential for modern MICE venues to support virtual and hybrid engagements. Drawing on the successes of Singapore and Egypt, Sri Lanka can strengthen its position as a competitive MICE destination by providing seamless digital experiences that meet global standards.

Technology adoption in MICE tourism refers to the integration of digital tools and platforms across various aspects of organizing and managing large-scale events, including registration, venue management, attendee engagement, marketing, and data analysis, often utilizing technologies like augmented reality (AR), virtual reality (VR), artificial intelligence (AI), and

event management software to enhance the overall participant experience and streamline operations.

Metaverse technology in tourism refers to the integration of virtual and augmented reality environments to create immersive and interactive experiences that transform how destinations and events are marketed and managed, allowing users to explore and engage with locations digitally before or during their travel (Buhalis, Leung, & Lin, 2023). The integration of metaverse technology offers significant potential for enhancing Sri Lanka's MICE tourism by creating immersive, interactive, and innovative event experiences. Recent research highlights the applicability of metaverse elements in marketing and event execution, enabling destinations to attract and engage diverse audiences. For example, Heo et al. (2022) identify SPICE factors (Seamlessness, Presence, Interoperability, Community, and Experience) as critical to metaverse-based MICE marketing strategies, which can foster participant loyalty and behavioural intentions. Sri Lanka could incorporate these elements by creating virtual environments for pre-event networking, live interactions, and post-event engagement to strengthen its appeal as a MICE destination.

Furthermore, the conceptual framework presented by Cheung et al. (2024) emphasizes the role of immersive customer experiences in the metaverse, showcasing its ability to merge virtual and physical worlds. Sri Lanka can leverage this by offering virtual tours of venues and attractions, allowing international attendees to explore the destination before committing to travel. Similarly, Radic et al. (2023) demonstrate how metaverse integration can enhance stakeholder collaboration and decision-making processes, which can benefit Sri Lanka's MICE planners by facilitating seamless interactions with global clients. Moreover, Buhalis et al. (2023) describe the metaverse as a disruptive technology that can revolutionize tourism management and marketing by offering immersive branding opportunities. Sri Lanka can capitalize on this by developing metaverse-based promotional campaigns that showcase its cultural heritage, pristine landscapes, and state-of-the-art venues. By adopting these strategies, Sri Lanka could position itself as a forward-thinking, tech-savvy destination capable of delivering cutting-edge MICE experiences.

Advanced audio-visual and augmented reality (AR) technologies enhance the experience for in-person and virtual attendees. Destinations like Las Vegas and Seoul have implemented AR tools and state-of-the-art AV systems, including simultaneous interpretation and interactive features, to attract high-profile conferences ([Egger & Neuburger, 2020](#)). This approach creates

immersive and dynamic settings that enhance presentations and networking opportunities.

Hybrid event capabilities have emerged as a fundamental component of modern MICE tourism, particularly in the post-COVID-19 era. Thailand has successfully implemented hybrid solutions by equipping venues with advanced live streaming and virtual participation technologies, enabling seamless interaction between in-person and remote attendees. Similarly, South Africa has adopted hybrid event models that feature on-demand content access, accommodating diverse time zones and enhancing accessibility for global audiences (Lekgau & Tichaawa, 2021). These measures have not only broadened the reach of MICE events but also contributed to sustainability by minimizing travel-related environmental impacts. By embracing similar hybrid event strategies, Sri Lanka can position itself as an inclusive and eco-conscious MICE destination that caters to the evolving needs of a global audience.

### ***5.3 Enhance Support Services***

Event management companies, catering services, and on-site support are vital components of support services that contribute significantly to the success of MICE events (Swarbrooke & Horner, 2012).

Sri Lanka's potential as a hub for MICE tourism can be significantly enhanced by aligning with international standards of expertise. Thailand has demonstrated the efficacy of fostering partnerships with Professional Congress Organizers (PCOs) to manage complex event logistics efficiently. These partnerships have enabled Thailand to deliver exceptional MICE experiences that cater to diverse international audiences (Pindžo et al., 2016). By leveraging similar strategies, Sri Lanka can elevate its MICE offerings and attract global business events.

Singapore's approach emphasizes the importance of continuous skill development for Event Management Companies (EMCs). This includes the adoption of digital tools and innovative practices that streamline operations and enhance attendee experiences (Pindžo et al., 2016). For example, the integration of event management software and digital ticketing solutions has positioned Singapore as a leader in hosting seamless and technologically advanced MICE events. By investing in similar initiatives, Sri Lanka can position itself as a competitive destination in the global MICE industry.

Drawing lessons from Thailand and Singapore, Sri Lanka should prioritize fostering the growth of EMCs with expertise in international standards. The adoption of global best practices, continuous professional development, and



advanced digital solutions are crucial for creating a thriving MICE industry. These steps will not only enhance operational efficiency but also reinforce Sri Lanka's reputation as a premier destination for international events (Pindžo et al., 2016).

To cater to diverse preferences, Sri Lanka's MICE venues should provide flexible catering options that accommodate dietary restrictions and cultural sensitivities. Countries like France and Italy have successfully enhanced their appeal as MICE destinations by incorporating local cuisine into event experiences, showcasing their culinary heritage. Additionally, sustainable practices, such as food donation programs and waste minimization, have been effectively implemented in Thailand, setting a benchmark for responsible event management (Buathong & Lai, 2017). By adopting these strategies, Sri Lanka can create memorable and inclusive culinary experiences that elevate its position in the global MICE industry.

On-site support staff play a pivotal role in ensuring a smooth event experience. Countries such as South Korea and Germany have set standards by providing multilingual personnel for registration, technical troubleshooting, and logistical assistance. Additionally, the use of mobile apps for navigation and real-time event updates has significantly improved attendee satisfaction (Lou & Huang, 2023). By adopting these practices, Sri Lanka can enhance operational efficiency and provide an elevated, attendee-focused event experience that meets international expectations.

#### ***5.4 Streamline Logistics***

Visa facilitation, transportation, and customs assistance are critical logistical elements that significantly impact the success of MICE tourism (Davidson & Cope, 2018; World Tourism Organization, 2019).

Streamlining visa processes is a key factor in encouraging international attendance at MICE events. Thailand has implemented fast-track visa policies for MICE delegates, including e-visas and visa-on-arrival programs, to ensure ease of entry for participants (Sangpikul & Kim, 2009). Similarly, Japan has enhanced its inbound tourism efficiency through trade facilitation policies, including simplified visa application systems (Tang, 2021). By adopting efficient visa policies, such as Thailand's fast-track systems and Japan's simplified application processes, Sri Lanka can significantly enhance their appeal as MICE destinations, ensuring seamless entry for delegates and reinforcing their global competitiveness in the MICE industry.

Simplified customs procedures for importing and exporting event-related materials can save time and reduce stress for event organizers. Countries



such as Germany have adopted dedicated customs desks for MICE participants to expedite material clearance. Similarly, Singapore's TradeNet (2025) system simplifies the process by digitizing customs declarations, ensuring real-time processing and minimizing administrative burdens. South Korea also provides effective solutions through its pre-arrival customs declaration system (Incheon Airport, 2025), which allows event organizers to pre-clear temporary imports, ensuring materials are readily available upon arrival. These best practices illustrate how tailored customs solutions can significantly enhance logistical efficiency, save costs, improve the overall experience for both organizers and participants, and support smooth event logistics and help organizers focus on core event activities ([Haxton, 2015](#)). Sri Lanka can leverage these insights by introducing MICE-specific customs policies, such as expedited clearance channels, temporary duty exemptions for event-related goods, or online platforms for pre-declaration. By adopting these measures, Sri Lanka can further establish itself as a MICE-friendly destination with streamlined logistics, attracting international organizers and enhancing its competitive edge in the global MICE market.

### ***5.5 EXPANDING GLOBAL MARKETING AND PROMOTIONS***

Branding and global reach are critical elements in the marketing and promotion of Sri Lanka as a premier MICE tourism destination (Morrison, 2013).

For Sri Lanka to excel in MICE tourism, establishing robust event branding platforms is essential. Singapore and Thailand have successfully utilized globally recognized branding campaigns such as "Meet in Singapore" and "Thailand: Connect Your Business" to attract corporate and international events. The "Meet in Singapore" initiative is highlighted in the Singapore Tourism Board's (n.d.) publication, which emphasizes Singapore's reputation as a premier destination for business and MICE events. The "Thailand Connect" campaign is showcased in a promotional video by the Thailand Convention and Exhibition Bureau (n.d.), detailing efforts to position Thailand as a global business events hub. These campaigns effectively emphasize the unique aspects of their destinations, allowing event sponsors to enhance their visibility through strategic branding opportunities (Disimulacion, 2021; Akkhaphin, 2016). By implementing a similar approach, Sri Lanka can strengthen its position as a competitive and appealing MICE destination, leveraging branding to attract global audiences and establish long-term success in the industry.

Expanding marketing channels to reach international audiences is crucial. Countries like Indonesia and South Korea effectively utilize destination marketing organizations (DMOs) and tourism boards to promote their MICE destinations through digital platforms, trade shows, and global partnerships (Fauzi & Sumirat, 2023; Kang et al., 2024). Moreover, the inclusion of multilingual content and region-specific marketing strategies enhances inclusivity and broadens their appeal to diverse markets. Sri Lanka promoted 'Southern MICE Expo 2024' (Southern Mice Expo, 2024), which provided platform for local and international tourism service providers to connect, network, collaborate, and showcase Sri Lanka's offerings as a premier MICE destination. By adopting similar approaches, Sri Lanka can strengthen its global presence in the MICE sector, ensuring its offerings resonate with a wider audience and drive sustainable growth.

### ***5.6 Ensure Sustainability***

Eco-friendly practices and green certifications are essential for fostering sustainability in MICE tourism, positioning Sri Lanka as a responsible and environmentally conscious destination (Global Sustainable Tourism Council, 2021; Jones et al., 2016).

Sri Lanka should implement eco-friendly practices by using renewable energy, reducing waste, and incorporating eco-friendly materials. South Korea has led by example with its "Green MICE Guidelines," created by the Korea Tourism Organization (2022). The guide helps key players in the Korean MICE industry adopt sustainable practices, promoting renewable energy usage, and waste management in event venues ([Kim et al., 2020](#)). Thailand has encouraged green initiatives, such as minimizing single-use plastics and composting, to align with international eco-friendly standards ([Buathong & Lai, 2017](#)). Additionally, green food practices, such as offering locally sourced and organic meals, have gained prominence ([Susyarini et al., 2022](#)). By adopting eco-friendly practices like those of South Korea, Thailand, and other global leaders in sustainable MICE tourism, Sri Lanka can position itself as a responsible and environmentally conscious destination, enhancing its appeal to international MICE organizers and participants while contributing to global sustainability efforts

To appeal to environmentally conscious clients, Sri Lanka's MICE venues and services should pursue green certifications such as ISO 20121 (ISO, 2024) and LEED certification. ISO 20121 is an event sustainability management systems - requirements with guidance for use, which is successfully used by Thailand's MICE venues to attract international events while demonstrating their commitment to sustainability ([Sukkasem & Jaroenwisan, 2018](#)). LEED

certification is offered by Green Building Initiative (2024), which is a rating system that evaluates how sustainable and environmentally friendly a building is. LEED certification is the most widely used green building rating system in the world (Green Building Initiative, 2024). Reykjavik, is the capital of and largest city in Iceland, has utilized green certifications for its event venues, significantly enhancing its appeal as a sustainable destination ([Ostrowska-Tryzno & Muszyńska, 2018](#)). These successful examples set by Thailand and Reykjavik suggest Sri Lanka to pursue the green certifications such as ISO 20121 and LEED to enhance its attractiveness to environmentally conscious clients and position itself as a leading sustainable MICE destination.

### ***5.7 Ensure Safety and Security***

Health measures and security are critical components of safety and security in the context of MICE tourism, significantly influencing the destination's appeal and attendee confidence (Rogerson, 2018; World Health Organization, 2020).

To ensure the safety of participants, Sri Lanka should implement health protocols that align with international standards. Post-COVID-19, countries like Singapore and Germany have adopted rigorous health screening, sanitation, and social distancing guidelines at MICE venues. Singapore's Safe Management Measures (SMM) and Germany's hygiene concepts for events provide models to emulate, incorporating temperature checks, hand sanitizing stations, and regular venue disinfection ([Ranasinghe & Damunupola, 2020](#); [Hansaka et al., 2022](#)).

Sri Lanka's MICE venues should prioritize security by employing trained on-site personnel and using advanced surveillance systems. Countries like South Korea and the United States have set benchmarks by incorporating technologies such as facial recognition, biometric access, and AI-driven monitoring systems to ensure event safety. For instance, South Korea uses integrated systems combining personnel and technology to manage large-scale events ([Buathong & Lai, 2017](#)).

### ***5.8 Integrate Cultural and Recreational Activities***

Local experiences and networking spaces play a pivotal role in enhancing the cultural and recreational aspects of Sri Lanka's MICE tourism (Buhalis & Leung, 2018); World Tourism Organization, 2021).

To create unique and memorable experiences for MICE attendees, it is essential to integrate Sri Lanka's rich cultural heritage and natural beauty into event itineraries. Attendees should have opportunities to explore

UNESCO's (2025) world heritage convention of Sri Lanka's both cultural and natural landmarks. UNESCO's (2023) recognized cultural sites are Ancient City of Polonnaruwa, Ancient City of Sigiriya, Old Town of Galle and its Fortifications, Rangiri Dambulla Cave Temple, Sacred City of Anuradhapura, and Sacred City of Kandy; and Natural natural sites are Central Highlands of Sri Lanka and Sinharaja Forest Reserve. Further, incorporating local traditions like Kandyan dance performances, traditional Sri Lankan cuisine, and visits to tea plantations can further enrich the experience (UNESCO, 2023). Since these cultural and natural sites are in North Central, Central, Southern provinces, attendees should also facilitate to visit provinces, for example, North and East of Sri Lanka for their rich hot climate, cultural heritage, pristine beaches, diverse wildlife, authentic local experiences, and opportunities to explore off-the-beaten-path destinations steeped in history and natural beauty (World Tourism Organization, 2021). Therefore, organizers should collaborate with local artisans to host workshops and events that allow participants to engage in hands-on cultural activities (World Tourism Organization, 2021).

To facilitate relationship-building, it is recommended to create informal and relaxing spaces that encourage social interactions among attendees. Venues like beachfront lounges, rooftop bars, or garden settings can serve as ideal networking spaces. Offering themed social events, such as a "Taste of Sri Lanka" evening or cultural dinners, can further enhance networking opportunities while showcasing local flavours and entertainment. Such environments encourage informal discussions and foster meaningful connections among participants (Buhalis & Leung, 2018).

## **6. CONCLUSION**

Sri Lanka's position in the global MICE - Meetings, Incentives, Conferences, and Exhibitions - tourism industry offers significant potential, underscored by its strategic location, diverse natural and cultural heritage, and emerging infrastructure. While the country faces competition from established regional leaders like Singapore and Thailand, its compact geography and unique experiences provide distinct advantages for the MICE sector. However, to capitalize on these advantages, targeted strategies must address critical challenges such as infrastructure modernization, technological adaptation, and sustainability integration.

This research identifies key requirements for hosting international MICE events, which are infrastructure, technology, support services, logistics, marketing and promotion, sustainability, safety and security, and cultural and recreational activities. Recommendations were made for each of these

requirements. The recommendation suggests integrating hybrid events, eco-friendly practices, and advanced technological solutions, including metaverse-enabled experiences, positions Sri Lanka to meet evolving global trends. Furthermore, the development of state-of-the-art venues, streamlined logistics, and collaborative partnerships with professional congress organizers can enhance operational efficiency and elevate the country's reputation as a premier MICE destination.

Further, an executive training on MICE is required to equip participants in Sri Lanka with the latest trends, techniques, and best practices in the development, management, and marketing of the MICE sector. For this Sri Lanka Tourism Development Authority can collaborate with UN Tourism (2016) to provide participants with the essential knowledge, skills, and practical tools needed to effectively enhance the MICE industry within the Sri Lankan context. This will provide a comprehensive understanding of the diverse range of MICE products and their unique characteristics, while showcasing international success stories and strategies. Furthermore, this training can focus on enabling participants to adapt and implement the insights effectively in Sri Lanka, positioning the country as a competitive and sustainable MICE destination in the region.

By focusing on these strategies and fostering collaboration between government bodies, tourism authorities, and private stakeholders, Sri Lanka can enhance its competitive edge and contribute to the broader goals of sustainable tourism development. The country stands poised to establish itself as a leader in the MICE tourism industry, blending traditional hospitality with modern innovation to deliver memorable and impactful experiences for global participants.

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**THE IMPACT OF DIGITAL PUBLIC RELATIONS ON CONSUMER BRAND  
RELATIONSHIP, A STUDY BASED ON THE PRIVATE HIGHER  
EDUCATION SECTOR IN SRI LANKA**

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**ABSTRACT**

Digital public relations (DPR) play a significant role in business operations online. It supports organizations to build a mutual relationship, goodwill, reputation, and image among their target audiences. To achieve the organization's goals, strong relationships with customers are essential. Therefore, consumer-brand relationships (CBR) are used to build powerful relations between their brands and audience. This study used realism philosophy and a deductive approach. The research's main choice was quantitative. Primary and secondary data were used, and data were collected by the questionnaire in the survey method. Under the non-probability sampling technique, the data were gathered by using the purposive sampling method. The sample size was 336. This study was limited to private higher education (PHE) in Sri Lanka because there was a potential requirement to increase DPR in this context. The research findings concluded that DPR impacts CBR. Also, the dimension of DPR's engagement and reach has a positive influence on the CBR. But the element of impression has no positive impact on CBR. Research findings and recommendations concluded that social media play a vital role in implementing DPR in Sri Lanka. Therefore, developing more creative DPR strategies in Sri Lankan private higher education institutes will support the owners to acquire better CBR.

**Keywords:** Consumer-Brand relationships, Digital public relations, Facebook, Private higher education, Social media

## 1. INTRODUCTION

In the public relations industry, the internet has become an essential tool. (Rahman N.A.A, 2014) famous UK public relations practitioner Don Middleberg in 2001, mentioned that “No industry has been affected more permanently and positively by the digital revolution than public relations”. Simply put, DPR is about communicating a particular brand and building the image of the brand using digital marketing and social media marketing technologies among its target audience. On the other hand, customers are the heart of the business. Launching a successful relationship with the clientele is significant in every business. (Kujur. F and Singh. F, 2020) In 2002 Sweeney and Chew viewed this link in terms of consumers and brand’s relationship. Smit et al, in 2007 identified the link between consumer and brand as a CBR. Also, the privatization of higher education is a global phenomenon. In Sri Lanka, the PHE industry has been growing fast over the past few decades (Edirisinghe, P.S 2018). There are many reasons for the high demand for PHE such as socio-economic factors of religion, family background, economic power, education level, social status, etc. The Sri Lankan government has failed to satisfy all the educational requirements, so the state is trying to promote PHE in Sri Lanka under their supervision. Also, many business-oriented PHE institutes are growing in Sri Lanka (Gunarathna. A.M.I., 2017). Therefore, every PHE sector institute uses DPR to create a strong relationship with its students.

The research problem was assessing the impact of digital public relations on the consumer-brand relationship of the private higher education industry in Sri Lanka. In order to solve the identified research problem, the study has developed three research objectives; to analyze the nature of DPR and CBR in the PHE industry of Sri Lanka, to investigate the relationship of DPR on the CBR in the PHE sector in Sri Lanka, and to recommend DPR for the Sri Lankan PHE industry in order to attract students through enhancing CBR.

The outcome of this study is exceedingly significant for the PHE industry, public relations officers, marketing managers, media communication managers, and private university or institute’s administration parties because today there is a competitive education system in Sri Lanka. They can use the research findings to identify the highly impactful strategies in DPR and adapt to those strategies in building a strong CBR of the institute. Also, it is very significant to attract many students or customers to the institute while becoming differentiated among the competitors. Moreover, managers can use these findings to increase the institute’s awareness, image, reputation, mutual understanding among the target audience. Depending on the findings, PR practitioners can understand and implement digital public relations indicators such as engagement, reach and impressions to build continuous relationships among students. On the other hand, the research outcomes are important for the consumers who are visiting the private



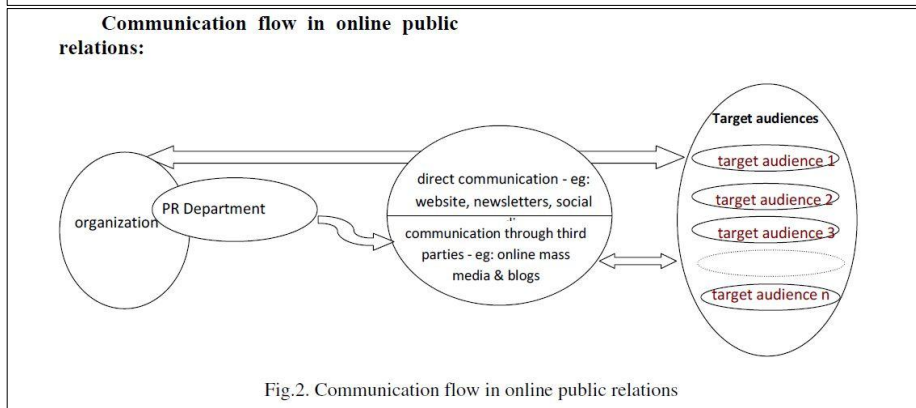
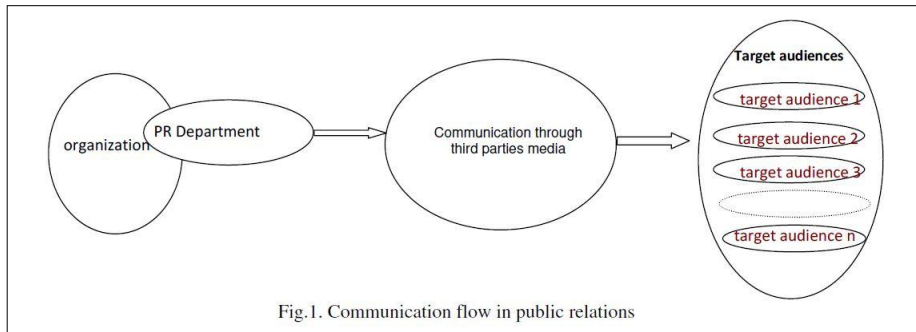
higher education industry. Customers can understand and support their institute's DPR activities to build powerful relations and image in the country. Sharing videos, writing comments, sharing posts are some of them.

## **2. LITERATURE REVIEW**

This chapter provides a detailed review of the existing literature on the impact of DPR on CBR and it divided into four segments. The first segment discusses the DPR as an independent variable. The second segment of the chapter elaborates on CBR as a dependent variable. The third segment discusses the association between the independent and dependent variables. The fourth chapter deliberates on the PHE sector and how DPR and CBR are used in PHE sector in Sri Lanka.

### ***2.1 Digital Public Relations***

Digital PR means PR communication in cyberspace, the world wide web (www), or the internet. It contains the use of the extranet for better two-way communications with different people who have access to the internet. (Ezeah, Herbert, G, 2005) According to Haig, M in 2000, "e-PR refers to public relations on the internet". In e-PR, the "e" is the same "e" that comes before mail and commerce to refer to the electronic medium of the internet. "P" is for the public. It is more beneficial to think in terms of various publics or target audiences. "R" is for relations. Building relations between your business and its audiences is the key to success on the internet. In the online environment that impacts people's lives and seeks to build relationships between organizations and its public (Pang, Shin, Lew & Walther, 2016; Vasquez & Taylor, 2001, p. 139) called, digital, online, or e-PR. When exploring the power of the internet, electronic public relations present an alternative form of building relationships, interaction and communication. Nkwocha (2004) claimed that digital PR is the use of new InfoTech, including computers, the internet, wireless telephones and e-mail, etc. It can work faster, more efficiently and cheaper in the new world of communications, privatization, competition, liberation, and globalization. (Ezeah & Herbert. G, 2005) Digital PR has the potential to do PR functions more efficiently and effectively. With or without a "click," PR practitioners might reach millions of people in real time at one moment because DPR has vital marketing communication tools such as social media, forums, websites, email and blogs. (Gulerman, N. I. and F. Apaydin, 2017). Digital PR tools are emails, internet conferences, newsletters, www sites, blogs, Wikis, content management systems, chats, internet forums, intranets, extranets and services sponsoring. (Rahman,N.A.A, 2018; Kisiołek, Kolmasiak and Budzik) The opportunities of DPR are more varied and enormous. Because digital-mediated knowledge activities and strategies have become very imperative for organizations in competitive and globalized socio-economic development.



**Figures 1 & 2: Communications flow in online public relations**

Source: Iulian Vegheş, I & Ularu (2012)

Figures 1 and 2 emphasize the communication flow in public relations prior to the advent and spread of the internet. Compared to traditional public relations, the real change of DPR researchers is focused on communication democratization. But although there are new communication forms and PR taking shape and market-dominant in DPR, the old forms of PR do not disappear necessarily. (Arvidson, 2020; Brown, 2009; Wolf and Archer, 2018). The evolution of social networks leads to the development of new networks like facebook, flickr, linkedIn, instagram, youtube, ning, twitter, myspace, orkut, foursquare and pinterest. (Wirtz et al., 2013) It uplifts online engagement, reach, impressions and interactions. Every like, comment, share, @mention, or retweets are forms of engagement in social media. It measures the number of interactions the audience has with the social media content. "Impressions represent the number of times an item was displayed and represent the gross number of items that could have been seen by all people, including repeats." Reach represents the total number of unique people who had an opportunity to see an 'item'. (Paine. K, Bagnall. R, Marklein. T, 2013).

## ***2.2 Consumer Brand Relationships***

Establishing a successful relationship with the customers is very important for every business. (Kujur. F and Singh. F, 2020; A. Dovaliene, A. Masiulyte and Z. Piligrimiene, 2015; R. J. Brodie and L. D. Hollebeek, 2012; D. Vivek, S. E. Beatty and R. M. Morgan, 2012) CBR means “Brand relationship is nothing but to know how people make long term commitments to inanimate objects that they buy and use, help make, sell and distribute”. (Kumar, 2006) CBR is a multidisciplinary and multidimensional concept. (Festcherine and Heinrich, 2014) Previous literature has highlighted the importance of key marketing variables to evolve and maintain CBR, such as brand attachment, brand image, brand identification, brand reputation, brand experience, brand attachment and brand satisfaction. Satisfaction is an emotional experience state that arises with the evaluation of the interactive experience. (Verhoef et al.) Kumar. V & Kaushik. A.K (2020) explained that brand trust is depend on an intimate brand's attitude and has to be earned, it is creating a personal connection with the customer and showing him that it knows him. Also, trust mainly focuses on consumer response cognitive aspects. (Costa, H.D.J, 2013; Xie et al., 2010) Fournier, (1998) described that attachment is a powerful affective concept guiding to a condition of emotional dependence involving separation anxiety and irreplaceability. Commitment means an aim to maintain a valued relationship with a brand without being interrupted. (Fournier, 1998; Morgan and Hunt, 1994) In 1996 Aaker proposed that the interaction between brands and consumers can lead to the improvement of an active relationship of consumer and brand and thus, brands may act as active partners for the consumers. Also, CBR makes smooth communication between the buyer and seller (Schultz, D.E. & Schultz, H. (2004) and helps customers to connect with brands. (Pawle & Cooper, 2006; Fetscherin.M., & Boulanger,M., Filho,C.G.A., Souki,G.Q.,2014). There are many benefits if a company builds a strong CBR. Because it is an asset that is capable of impacting the customer decision-making process. (Costa,H.D.J, 2013).

## ***2.3 Association of DPR and CBR***

Thanks to the internet, DPR creates faster and more efficient interactions, conversations, and collaborations for organizations with stakeholders and improve the healthier and long-lasting relationship with their customers. (Gulerman, N. I. and F. Apaydin, 2017; Green, 2010) Hence why Browns stated that “digital PR is dead because all PR is digital”. This statement emphasized that digitalization has become more comprehensive in the business industry and without DPR tools, effective PR campaigns cannot be implemented. Social media is one of the biggest turning points in building CBR. (Tuten and Solomon, 2012; Thomas,M., & Veloutsou, 2013; Zaglia, 2013) As per Manic.M in 2015, images and videos implemented on the

facebook timeline enhance 14% in fan engagement, 46% in engagement for content, 65% in interactive content engagement. In 2015, Hellberg. M stated that other than popular social network sites like facebook and twitter, instagram found more success with images sharing. Because of that, 86% world's key brands have already created accounts on digital platforms to get a higher exposure. In 2017, Pollard mentioned that when visual content is uploaded on social network site pages on facebook, it leads to 53% more engagement with its target audience than a text based post. In real-time twitter provides PR practitioners with the ability to create a relationship and a conversation with their target audience. (Twomey,J,. Evans,A,. Talan.S,(2011). In 2004 Botan and Taylor defined public relations as building relationships with their intended audience. Additionally, one study explained that tweets having visual images are able to receive 18 percent more clicks, 89 percent more favorites and 150 percent more retweets. (Cooper. B, 2016) in 2015, Kimball mentioned in his study that more than 30000 Facebook pages possessing images are able to gain more brand popularity. All these facts reveal DPR have a strong ability to build successful CBR with the public.

#### ***2.4 Sri Lankan Private Higher Education Sector***

Since the post-independent era, Sri Lankan private educational institutes play an important role in tertiary education. (Edirisinghe, P.S 2018) As the scarcity of resources, government cannot fulfil the young generation's educational requirements. Sri Lankan government universities have very limited capacity to give free education facilities to a large number of students who have passed the highly competitive exam, advanced level each year. This failure in the government education system has led to an increase in the outmigration of the students seeking educational opportunities abroad, as well as a rise in the number of students entering private higher education. In the Sri Lankan context, the concept of CBR is used in different sectors. In the higher education sector, the CBR is booming. Many private institutes are using social network sites like websites and social media to engage with consumers. However, in Sri Lanka, how institutes create CBR using DPR and its impact needs to be researched. A literature review found that few scholars researched the impact of social media marketing on educational sector branding and relationships. However, researches on CBR and DPR are hardly available.

### **3. METHODOLOGY**

This research used realism philosophy to answer the research problem. A deductive approach was employed and the research's main choice was quantitative. Journal articles and textbooks were used as secondary data. Data was collected using the survey method and a questionnaire. There were

forty-two questions including demographic questions and employed close-ended questions. The non-probability sampling technique was found to be more appropriate as the sampling method. The target population of this study is higher education students who are currently enrolled in or aspiring to study at private universities or institutes in Sri Lanka, and who are actively engaged with internet-based media. According to the Google sample calculator sample size was 384. 342 students have submitted their answers. However, 06 of the questionnaires were removed as the data was not relevant to the study. Finally, 336 answer sheets were used for the analysis. This research was based on an individual unit of analysis. The questionnaire used a five-point likert scale and was delivered through social media as a google form. The data were analyzed by using SPSS and excel software.

#### 4. DATA ANALYSIS & RESULTS

In the first part of this section, descriptive statistics is used for analyzing results as a primary tool. The main independent variable of DPR was recognized under three dimensions; engagement, impressions and reach. Accordingly, the three elements were measured using different indicators employing the questionnaire and five-point likert scales. The following summary table presents the descriptive statistics and frequencies relevant to the responses provided by the respondents for each element of DPR.

**Table 1: Descriptive statistics and frequencies for the DPR**

Variables	Indicator	Strongly Agree	Agree	Average	Disagree	Strongly Disagree	Mean Value	Standard Deviation
Engagement	The total number of interactions within and/or across channels	13%	68.5%	14.3%	3.0%	1.2%	2.89	0.700
	The percentage of your audience engaged by day/week/Month	0%	4%	21%	60%	15%	2.85	0.730

Impressions	The percentage of engagement for each item of content your organization publishes	1%	2%	21%	67%	9%	2.79	0.675
							<b>2.843</b>	<b>0.6148</b>
	Unique daily visitors provided by such as Online news, Blogs, Discussion groups, Forums etc...	1%	2%	24%	62%	11%	2.79	0.709
	Followers plus re-tweets (Twitter)	3%	6%	64%	22%	5%	2.41	0.756
	Friends amount (Facebook)	1%	4%	14%	65%	16%	2.92	0.736
Reach	Views(YouTube)	2%	5%	21%	61%	11%	2.72	0.817
							<b>2.657</b>	<b>0.591</b>
	The total number of unique people who had an opportunity to see an 'item'	1%	7%	16%	63%	13%	2.81	0.772

The total number of unique people who had an opportunity to see valid reproduction post items	1%	4%	19%	68%	8%	2.77	0.699
						<b>2.788</b>	<b>0.679</b>
<b>Overall DPR</b>						<b>2.763</b>	<b>0.571</b>

Source: Authors' own

DPR mean value is 2.76 and the standard deviation is 0.571. Considering the mean value on a scale of 1 to 5, the engagement, reach, and impressions for each piece of content published on social media within the Sri Lankan PHE sector fall within the middle range. The dependent variable of CBR measured by three dimensions; brand satisfaction, brand commitment and brand trust. As per the Table 2, CBR has a medium-level mean value (2.885) and standard deviation (0.581) overall.

**Table 2: Descriptive statistics and frequencies for the CBR**

Variable	Indicator	Strongly Agree	Agree	Average	Disagree	Strongly Disagree	Mean Value	Standard Deviation
Satisfaction	The level of satisfaction	2%	1%	14%	58%	25%	3.04	0.775
	Feel dissatisfied with the time	4%	12%	60%	17%	7%	2.13	0.775
							2.583	0.566
Brand commitment	Continuance	1%	4%	21%	25%	49%	3.20	0.929
	Affective	1%	5%	19%	59%	17%	2.86	0.764
							3.029	0.766

Brand Trust	Honesty	2%	3%	17%	63%	15%	2.84	0.805
	Benevolence	1%	3%	18%	25%	53%	3.25	0.938
							2.851	0.709
	<b>Overall CBR</b>						<b>2.885</b>	<b>0.581</b>

Source: Author's work

The correlation coefficient is a statistical measure of the strength of relationship between the relative movements of two variables. Correlation coefficients measurements lie between -1 and 1 means having perfect positive or negative correlation and "0" describes no relationship.

**Table 3: Results of the correlation coefficients for the research**

	<b>DPRE</b>	<b>DPRIIM</b>	<b>DPRR</b>
<b>DPRIM</b>	.702**		
<b>DPRR</b>	.745**	.778**	
<b>CBR</b>	.486**	.379**	.558**

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: Author's work

According to the above table, the CBR has a positive relationship with the indicators of DPR, as its values are 0.486, 0.379, and 0.558 with engagement, impressions and reach in PHE sector in Sri Lanka.

## 5. DISCUSSION OF THE FINDINGS

The author has developed three hypotheses to achieve the research objectives and to answer the research problem. The hypotheses tested using multi correlation analysis and regression analysis. Among the selected three elements, two key elements of DPR; engagement and reach positively influence the CBR. As per the findings, DPR of the Sri Lankan PHE sector is at a good and emerging state. One of the key findings is the impact of DPR on CBR. According to the previous literature, this relationship was not addressed directly. The dimensions of engagement and reach have a strong positive impact on CBR. Reach has a greater impact than engagement on CBR, as indicated by its standardized coefficient value of 0.560, compared to 0.213 for engagement. The engagement indicators such as the number of interactions across channels, the percentage of an audience engaged by the day, week, online news, blogs, discussions groups, forums and month and



the percentage of engagement for each item of content are influenced by the CBR. But the DPR dimension of impression has a negative influence on the CBR as its coefficient values of regression is negative. The findings of the general information indicate that the most active, informative and persuasive social media is a facebook platform and social media is the most popular place where respondent students get information about their private higher education. Hence, PR professionals should develop DPR strategies for social media creatively to build strong CBR to answer the PHE institutes' competitions. Additionally, engagement and reach elements of the DPR in social media needs to be further enhanced to build more powerful CBR.

Social media engagement creates a more intimate relationship between the brand and the customer. Roggeveen, A.L, & Grewal, D, (2016) Taylor & Kent (2014) stated that social media and how they facilitate engagement have received the most attention and in 2012 Tuten & Solomon described the features of social media as a conversation, multi-way communication and collaboration. Considering all these arguments in the literature and the findings it is proved that engagement has a positive and strong impact on CBR. Additionally, Davis. J in 2018 stated that, when consumers click on posts and engage with one another on social media platforms, it provides the brand with greater exposure and strengthens the relationship between consumers and the brand. Therefore, after analyzing the data in this present research it is proved that reach has a positive impact on the CBR. Schivinski and Dabrowski (2016) summarized that Consumer-generated communication via online media positively and significantly impact the brand outcomes that are found to be encouraging the relationship of customers with a brand.

## **6. CONCLUSION & CONTRIBUTIONS**

The study was guided by the aim of determining the impact of DPR on CBR in PHE sector in Sri Lanka. As per the literature review, there is a lack of research regarding the direct impact of DPR on CBR and with special reference to the PHE sector. However, the research findings concluded that DPR impact CBR. Social media play a vital role in implementing DPR in Sri Lanka. Facebook is the most powerful and the most popular platform in Sri Lanka relating to the PHE industry. Reach has more positive influence on CBR compared to the engagement. Rather focusing on impression, PR professions should focus more on reach and engagement as it is the most effective in creating CBR in PHE institutes/universities in Sri Lanka. Hence, research finding provides strong implications for Sri Lankan PHE's administrators, managers, and PR practitioners in terms of developing their target customers and implementing DPR strategies which enhance its CBR.

Also, the present research study contributes an excellent light for future researchers to pay more attention to the area of DPR. The majority of researchers have addressed the introductory aspects of DPR. However, the practical implications of DPR are addressed in this research. Hence, this is very supportive for doing other researches emphasizing DPR on the CBR in different countries or industry contexts. Also, future researchers can further investigate this study in other contexts such as the government education, online education, and primary education sector. Moreover, future scholars who interested in this research study can give more attention to the other industries other than education.

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**THE IMPACT OF SOCIAL AND PERSONAL MOTIVES ON CONSUMERS' ATTITUDES TOWARD FASHION RENTING ADOPTION: EVIDENCE FROM GENERATION Z IN COLOMBO DISTRICT, SRI LANKA**

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**ABSTRACT**

Fashion renting is an emerging trend globally and is gaining recognition as a growing sustainable practice in Sri Lanka. Therefore, this research aims to examine the impact of social and personal motives on consumers' attitudes toward fashion renting adoption among Generation Z in the Colombo district, Sri Lanka. This study adopts a deductive research approach to examine the applicability of the Extended Theory of Planned Behavior (TPB) in understanding consumers' attitudes toward fashion renting adoption. A self-administered structured questionnaire was distributed physically among 384 Generation Z consumers in the Colombo district who are aware of fashion renting using the purposive sampling method. The proposed hypotheses were tested using multiple regression analysis using SPSS 25 software. Findings revealed that subjective norms perceived behavioural control, sustainable orientation, and fashion renting benefits significantly influence Generation Z consumers' attitudes towards fashion renting adoption in the Colombo district, Sri Lanka. This study provides valuable insights for policymakers and businesses involved in fashion renting to enhance fashion renting adoption and help mitigate the environmental impact of the fashion industry in Sri Lanka. Additionally, these research findings contribute to the existing literature on fashion renting adoption, particularly from the perspective of a developing country. Furthermore, this study extends the Theory of Planned Behavior by adding two additional

constructs called sustainable orientation and fashion renting benefits to provide a more comprehensive understanding of consumer attitude in this context.

**Keywords:** Consumers' attitudes, Fashion renting adoption, Generation Z, Personal motives, Social motives

## 1. INTRODUCTION

Over the past decade, the fashion industry's enormous social and environmental effects have drawn attention to its unsustainable production and consumption practices (Kumar et al., 2022). Today, the fashion industry is accountable for numerous environmental concerns and is the second-largest contributor to world pollution (Adamkiewicz et al., 2022). As a result, there is a growing need for sustainable solutions. In today's world, adopting sustainable business strategies is more critical than ever, where customers are increasingly willing to embrace new, eco-friendly purchasing habits (Svensson, 2019).

Consequently, sustainable practices contributed to a new "sharing economy" business model, which can be described as the consumption and production processes, emphasising the resources to be recycled and utilised (Morton et al., 2022). Collaborative fashion consumption (CFC) is one way of sharing economy, and CFC has recently received more and more attention from academia, society, and consumers (Lang et al., 2019). Fashion renting (FR) is one method of CFC (Botsman & Rogers, 2010). Thus, to reduce these negative effects, more customers are considering eco-friendly options like FR (Park & Armstrong, 2017). Multiple customers can utilise products for the duration of their lives because non-ownership use only grants temporary access to them (Christmann & Pasztuhov, 2021). Customers only favoured dresses or outfits for parties and weddings, and 99% of consumers favoured party wear; since no customer indicated a preference for formal or informal clothing, it is clear that party wear is preferred over casual and formal attire, and the FR business entirely depends on party wear (Batham et al., 2023).

In the current situation, FR is a more environmentally friendly way to consume than the traditional ownership model, which can negatively influence the fashion industry (Piontek et al., 2020). However, in the Sri Lankan context, consumers are not using FR effectively due to the novelty of the concept. This trend aligns with Generation Z's desire for more environmentally friendly purchasing practices and increasing environmental concerns (Smith et al., 2019).

In response, collaborative consumption, a new trend that promotes more sustainable consumption, emerged (Marklund et al., 2022). Comparably, upcycling and secondhand clothing trends are expanding globally (Yoo et al., 2021). Western cultural influences have made the 'going green' movement increasingly popular in Asian countries (Samarasinghe & Samarasinghe, 2013). However, in the Sri Lankan context, sustainable practices are still lower, and the researchers confirmed through conducting a preliminary study that fashion renting adoption is still low than expected in the Colombo district, Sri Lanka.

A few researchers have researched fashion renting adoption in non-western cultures (Geegamage et al., 2024; Samarasinghe & Samarasinghe, 2013). While various studies have investigated the global development of fashion renting, there is limited empirical information on how social and personal motives impact the attitudes of Generation Z consumers (McNeill & Moore, 2015). This highlights a critical renting adoption within Asian cultural contexts, where social and personal motives are highly concerned (Lee & Chow, 2020). So, there is little information on how things are progressing, and adoption of rental in particular has been low (Metheringham, 2022).

The fashion sector contributes to environmental pollution, with levels rising daily (Lehmann et al., 2021). As a result, most countries know the terrible effects of post-consumer fashion waste on the environment and are working to find solutions (Geegamage et al., 2024). Therefore, the FR is not used much in the Sri Lankan context (Survey data, 2024). The use of FR by Gen Z in Sri Lanka's Colombo district is still relatively unknown despite the trend of increasing global FR. Hence, there is a practical gap between FR awareness and adoption. Therefore, the study is designed to fill the gaps through the impact of social and personal motives on consumers' attitudes towards fashion renting adoption among Gen Z in the Colombo district, Sri Lanka.

## **2. LITERATURE REVIEW**

### ***2.1. Theoretical Background***

FR is an emerging method of consumption (Sörum & Gianneschi, 2023). The literature reveals several theories to study the attitudes toward fashion renting (FR) adoption. The Trait Theory, the Theory of Reasoned Action (TRA), and the Theory of Planned Behavior (TPB) are some of those theories. The theory of Planned Behavior (TPB) was introduced by Ajzen (1991), and Ajzen and Fishbein also presented the Theory of Reasoned Action (TRA). The TPB framework has been extensively utilised in FR practices and the



context of sustainable clothing consumption (Bong Ko & Jin, 2017; McNeill & Venter, 2019).

The TPB demonstrates how a person's intention to engage in a specific behaviour is influenced by their attitude (ATT), subjective norms (SN), and perceived behavioural control (PBC) (Savelli et al., 2024). According to TPB, one's views about how others behave (attitudes), the expectations of others (subjective norms), and one's perception of their ability to influence their behaviour (perceived behavioural control) all influence how others will behave (Ajzen, 1991). The current study employed the theory of planned behaviour as the base theory and added two new constructs to it in order to study consumers' attitudes toward fashion renting adoption.

## ***2.2. Empirical Background***

### *2.2.1. Consumers' Attitudes Toward Fashion Renting Adoption*

A major trend in the fashion industry is fashion renting, which is part of the larger sharing economy. Prior research used attitudes toward particular behaviours to forecast consumers' likelihood of engaging in particular sustainable behaviours (Chi et al., 2023). Consumers' attitudes were crucial in helping them adjust to collaborative consumption (Roos & Hahn, 2017). In particular, it called for a deeper comprehension of consumer attitudes and behaviours toward sustainable fashion due to previous studies' fragmented and inconsistent nature (Busalim et al., 2022). FR is deeply related to sustainable practices (Jain et al., 2022); therefore, their orientation might influence a consumer's attitude toward sustainability. However, the fashion industry's present use of rental practices is still shallow (Jain et al., 2022), thus underscoring the necessity to profoundly investigate the impact of social and personal motives on consumers' attitudes towards them. This indicates that customers with a positive attitude are more likely to embrace the concept of collaborative consumption and be willing to participate in its related activities (Hamari et al., 2016).

### *2.2.2. Subjective Norms*

SNs are the perceived societal pressures that an individual feels when performing or not carrying out a specific behaviour, as outlined by Ajzen's (1991) TPB. According to Ajzen (1991), SN is determined by individuals' beliefs about the expectations that influence others, such as friends, family, and social influencers. According to Lang and Armstrong (2018), social influencers significantly impact fashion consumption behaviours, particularly among Gen Z consumers. Subjective norms can significantly affect perceptions of fashion rentals among Generation Z, which is heavily

affected by social media. As a result, when influential persons encourage fashion rentals, they encourage a positive perspective of the practice (Chi et al., 2021). According to Lang and Armstrong (2018), when renting is represented as a trendy and sustainable option in social circles, it enhances perceived desirability. All presented a significant causal path between SN and the attitude leading toward it (Chang, 1998; Shimp & Kavas, 1984). Based on this discussion, the following hypothesis has been developed.

H<sub>1</sub>: Subjective norms impact consumers' attitudes toward fashion renting adoption among Generation Z in Colombo district, Sri Lanka.

### *2.2.3. Perceived Behavioral Control*

Perceived behavioural control (PBC) describes a person's confidence in carrying out a specific action or fulfilling a particular objective (Chi et al., 2023). This allows us to assume that consumers who are fashion leaders are more likely to develop specific knowledge and actionable beliefs toward FR (Savelli et al., 2024). Furthermore, logistical concerns such as ease, cost, and perceived hazards associated with fashion rental all impact perceived behavioural control (Lee & Chow, 2020).

Lee et al. (2020) discovered that consumers with higher levels of PBC, such as those with easier access to rental platforms, are more likely to be positive about fashion renting. Furthermore, perceived behavioural control is directly related to customers' confidence in managing the responsibilities of renting, such as adhering to return deadlines and preserving the condition of rented items (Lee et al., 2020). In earlier research, PBC has been investigated as a potential predictor of consumers' involvement in collaborative apparel consumption ([Becker-Leifhold & Iran, 2018](#)). PBC has a significant and predictive influence on how customers rent clothing (Roos & Hahn, 2017). Based on this discussion, the following hypothesis has been developed.

H<sub>2</sub>: Perceived behavioural control has an impact on consumers' attitudes toward fashion renting adoption among Generation Z in the Colombo district, Sri Lanka

### *2.2.4. Sustainable Orientation*

"Sustainable orientation" refers to a consumer's commitment to ecologically friendly habits, ethical consumption, and environmental harm reduction (White et al., 2019). In recent years, there has been a noticeable shift toward sustainable consumption practices, with fashion renting developing as an alternative to fast fashion, allowing customers to avoid waste and overconsumption (Lang et al., 2013). Consumers who emphasize

sustainability are more likely to recognise fashion renting as a viable option that allows them to enjoy fashionable clothing while reducing their environmental impact (Armstrong et al., 2015).

The association between sustainable orientation and fashion renting is especially evident among Generation Z, who are likelier to adopt sustainable consumption habits (Johnson et al., 2021). Studies show that younger customers are becoming increasingly conscious of the environmental effects of their buying habits, and they actively seek out sustainable alternatives, such as fashion renting, that reduce their ecological footprint (McNeill & Venter, 2019). Thus, sustainable orientation significantly influences attitudes toward fashion renting among Gen Z, eco-conscious consumers (Iran & Schrader, 2017). FR is closely linked to sustainable practices; their orientation towards sustainability might influence a consumer's perspective on these methods (Jain et al., 2022). On the other hand, more researchers have previously confirmed that their sustainable orientation significantly influences individual attitudes toward collaborative fashion consumption and fashion renting behaviours (Böcker & Meelen, 2017). Based on this discussion, the following hypothesis has been developed.

H<sub>3</sub>: Sustainable orientation has an impact on consumers' attitudes toward fashion renting adoption among Generation Z in Colombo district, Sri Lanka

#### *2.2.5. Fashion Renting Benefits*

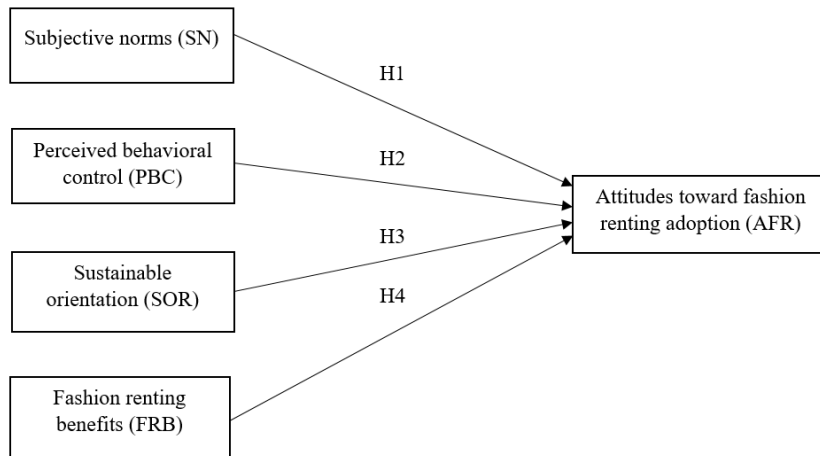
Fashion rental has developed as a viable alternative to traditional fashion consumption, offering a variety of benefits that might have a considerable impact on consumer attitudes towards FR adoption (McNeill & Moore, 2015). Fashion rental services are gaining popularity due to various features that substantially impact consumers' opinions regarding their adoption (Lang & Armstrong, 2018). The key advantages of fashion rental include cost-effectiveness, access to high-quality fashion products, sustainability, and the possibility of regularly updating one's wardrobe without having the financial burden of purchasing new apparel (Lang & Armstrong, 2018).

Many consumers are becoming more environmentally conscious, and fashion renting promotes more sustainable purchase behaviors (Henninger et al., 2017). The environmental benefits of renting, such as decreased waste, lower carbon footprints, and reduced resource use, are important considerations in influencing customers' attitudes about fashion rental (Armstrong et al., 2015). The benefits of focusing on FR include flexibility, self-expression (Lang et al., 2016), economic and financial convenience (Lang et al., 2019), ease of usage (Lang et al., 2020), and environmental considerations (Lee & Huang, 2020). Consumer attitudes toward FR are

positively associated with perceived benefits (Lee & Chow, 2020). Based on this discussion, the following hypothesis has been developed.

H<sub>4</sub>: Fashion renting benefits have an impact on consumers' attitudes towards fashion renting adoption among Generation Z in Colombo district, Sri Lanka

The conceptual framework of the study is depicted below in Figure 1.



**Figure 1: Conceptual Framework**

Source: Adapted from Savelli et al. (2023)

### 3. METHODOLOGY

The current study follows the deductive research approach. The researchers used a self-administered questionnaire to collect primary data from respondents while physically distributing the questionnaire. The unit of analysis is an individual who belongs to Generation Z in the Colombo district and is aware of fashion renting services. The Colombo district was chosen for this study since fashion rental services are prominent, with several well-established businesses operating in the area (Lanka Property Web, n.d.). Individuals who are Generation Z were selected for the current study since Generation Z (Gen Z) is technically savvy and deeply concerned about the environment (Singh & Dangmei, 2016). Since the population of this study is unknown, the sample size has been determined by calculating the minimum sample size as per Cooper and Schindler (2009). Accordingly, the researchers used a sample size of 384 to obtain data using the purposive sample technique. As a result, the effective response rate was 78.91%. Respondents were asked to rate their level of agreement with the

statements on a Likert scale, with one indicating "strongly disagree" and five indicating "strongly agree."

#### 4. DATA ANALYSIS AND RESULTS

##### 4.1. Checking for Parametric Assumptions

Parametric assumptions are significant in statistical studies because they support the validity of the regression analysis. In this study, researchers tested for normality and multicollinearity in the data set before testing for inferential statistics. The researchers identify that the data set is normally distributed using skewness and kurtosis values. According to Sekaran and Bougie (2016), the symmetry of the data set is measured by its skewness, where values near zero signify a more symmetrical distribution. Kurtosis, however, evaluates whether a distribution is peaked or flat.

**Table 1: Normality Test**

Variables	Skewness		Kurtosis	
	Statistic	Std.Error	Statistic	Std.Error
Subjective Norms	-0.660	0.140	-0.755	0.279
Perceived Behavioral Control	-0.812	0.140	-0.426	0.279
Sustainable Orientation	-0.778	0.140	-0.490	0.279
Fashion Renting Benefits	-0.930	0.140	-0.315	0.279
Attitudes Toward Fashion Renting Adoption	-0.890	0.140	-0.036	0.279

*Source:* Survey Data (2024)

According to Kline (2015) and Sekaran and Bougie (2016), skewness and kurtosis values should be between -2 and +2 for a dataset to satisfy the normality assumption. According to Table 1, the skewness and kurtosis statistics are between 2 and -2. Therefore, the data set is normally distributed in this study.

Tolerance values and the Variance Inflation Factor (VIF) are used to assess multicollinearity.

**Table 2: Multicollinearity Test**

Variables	VIF	Tolerance Value
Subjective Norms	2.592	0.386

Perceived Behavioral Control	2.925	0.342
Sustainable Orientation	3.730	0.268
Fashion Renting Benefits	3.653	0.274

*Source:* Survey Data (2024)

According to Sekaran and Bougie (2016), the variables are sufficiently independent if the tolerance value is greater than 0.1 and the VIF value is less than 10. According to Table 2, the VIF values are less than 10, and all the tolerance values are higher than 0.1. So, the VIF and tolerance values meet the above threshold levels; it can be stated that the data set is free from multicollinearity issues.

According to Sekaran (2003), testing reliability is important to measure consistency and stability. Cronbach's alpha is used to measure internal consistency reliability. A Cronbach's alpha value of 0.7 is considered acceptable.

#### **4.2. Reliability and Validity**

**Table 3: Reliability of Variables**

Variable	No of Items	Cronbach's Alpha Value
Attitudes toward Fashion renting	05	0.878
Subjective Norms	03	0.861
Perceived Behavioral Control	05	0.863
Sustainable Orientation	05	0.888
Fashion Renting Benefits	04	0.869

*Source:* Survey Data (2024)

According to Table 3, Cronbach's Alpha values of dependent and independent variables were greater than 0.7, which indicates that these variables can be interpreted as reliable.

**Table 4: Validity of Variables**

Variable	KMO Values	Bartlett's test of Sphericity	Average Variance Extracted (AVE)	Composite Reliability (CR)
Subjective Norms	0.731	0.000	0.787	0.917

Perceived Control	Behavioral	0.772	0.000	0.655	0.904
Sustainable Orientation		0.819	0.000	0.668	0.805
Fashion Benefits	Renting	0.797	0.000	0.719	0.911
Attitudes Toward Fashion Renting		0.796	0.000	0.844	0.912

Source: Survey Data (2024)

According to Hair et al. (1998), KMO values should be greater than 0.5 to assure validity, and Bartlett's Test of Sphericity significance value should be less than 0.05. Table 4 emphasises that KMO values of all independent and interdependent variables are greater than 0.5, and Bartlett's Test of Sphericity values are less than 0.05. Furthermore, the convergent validity is confirmed in this study using the Average Variance Extracted (AVE) and the Composite Reliability (CR). The AVE values of all variables are greater than 0.5, and the CR values are greater than 0.7. Therefore, the convergent validity is established in this study.

**Table 5: Discriminant Validity**

	SN	PBC	SOR	FB	AFR
Subjective Norms (SN)	<b>0.8869</b>				
Perceived Control (PBC)	Behavioral .707	<b>0.8092</b>			
Sustainable (SOR)	Orientation .733	.763	<b>0.8323</b>		
Fashion (FB)	Renting Benefits .730	.758	.815	<b>0.8485</b>	
Attitudes Toward Fashion Renting Adoption (AFR)	Toward Fashion .711	.807	.799	.778	<b>0.9189</b>

Source: Survey Data (2024)

According to Fornell and Larcker's (1981) criterion, to ascertain discriminant validity, the square root of the average variance extracted by a construct must be greater than the correlation between the construct and any other construct. According to Table 5, the correlation of a construct with other constructs is relatively less than the square root of its AVE values. Therefore, this study ensures discriminant validity.

### 4.3. Analysis of Inferential Statistics

Then, the researchers tested inferential statistics using multiple regression analysis at a 95% confidence level. According to Table 6, the R-squared value is 0.749, representing that 75% of the variation in consumers' attitudes toward fashion renting adoption was explained by subjective norms, perceived behavioural control, sustainable orientation, and the benefits of fashion renting.

**Table 6: Model Summary**

Model	R	R Square	Adjusted R Square
4	0.865	0.749	0.745

*Source:* Survey Data (2024)

**Table 7: Coefficient Measurements**

Model	Unstandardised Coefficients		Sig.
	B	Std. Error	
(Constant)	0.375	0.115	0.001
Subjective Norms	0.084	0.041	0.041
Perceived Behavioral Control	0.375	0.049	0.000
Sustainable Orientation	0.273	0.053	0.000
Fashion Renting Benefits	0.193	0.058	0.001

*Source:* Survey Data (2024)

As indicated in Table 7, perceived behavioural control has the greatest beta value of 0.375, with a 0.000 significance level. It indicates that perceived behavioural control is the most powerful factor influencing consumer views toward fashion rental adoption. Sustainable orientation is the second most influential variable, with a beta of 0.273. Fashion rental benefits and subjective norms are the third and fourth most influential factors, p-values of 0.001 and 0.041. Further, the results indicate that all four variables positively influence consumers' attitudes toward fashion renting adoption from Generation Z in the Colombo district, Sri Lanka.

## 5. DISCUSSION OF THE FINDINGS

Based on the survey results, the researcher identified perceived behavioural control as the most significant variable influencing consumer attitudes toward fashion renting. As a result, it is possible to conclude that perceived



behavioural control positively impacts Generation Z customers' perceptions regarding fashion renting in Sri Lanka's Colombo district. This conclusion aligns with the findings of Roos and Hahn (2017), who discovered that perceived behavioural control favourably increases consumers' attitudes toward fashion rental adoption. These findings are similar to the results of the current research.

In the Colombo district, sustainable orientation was the second influential factor influencing Generation Z consumer attitudes toward fashion rental adoption. When customers have a positive mindset toward environmental protection and eco-friendly options, such as fashion rentals, their likelihood of adopting it increases significantly. Böcker and Meelen (2017) concluded that sustainable orientation positively impacts Generation Z customers' opinions regarding fashion renting. These findings are consistent with the outcomes of the current study.

According to the survey results, fashion rental benefits also majorly impact customers' attitudes toward fashion renting. Consumers' attitudes regarding fashion rentals improve as they value its benefits more. As a result, it is possible to conclude that fashion renting benefits positively influence customers' attitudes about fashion renting adoption. Similarly, Lee and Chow (2020) discovered that the benefits of fashion renting influence customers' willingness to adopt this practice. These findings from the literature are consistent with the results of the present study.

Finally, subjective norms were also a significant predictor of fashion renting adoption. Individuals who observe positive attitudes regarding renting in their social circles are likelier to adopt similar practices, thereby shaping their attitudes (Johnson et al., 2021). This means consumers' subjective norms in the fashion industry are influential. Hence, the findings emphasised that subjective norms significantly influence consumers' attitudes toward fashion renting adoption from Generation Z in the Colombo district, Sri Lanka, and this finding was consistent with previous findings of Chang (1998) and Shimp and Kavas (1984).

## **6. CONCLUSION AND CONTRIBUTIONS**

The current study has been conducted to examine the impact of social and personal motives on consumers' attitudes toward fashion renting adoption among Gen Z in Colombo district, Sri Lanka. To conduct this study, the researcher found a gap between consumers' awareness of FR and consumers' attitudes toward FR adoption.

To address the research problem, the researcher created a conceptual framework based on existing literature findings. This approach investigates the impact of independent variables—subjective norms, perceived behavioural control, sustainable orientation, and fashion renting benefits—on the dependent variable, attitudes toward fashion rental adoption.

To meet the research aims, data were collected from 384 Generation Z consumers in Sri Lanka's Colombo district who were aware of fashion renting. The data was collected using purposive sampling, a non-probability sampling technique. The acquired data was analysed with SPSS software.

FR is an emerging trend worldwide, and it impacts the environment differently. In the Sri Lankan context, people are still purchasing party wear for special occasions, but consumers have a high attitude towards FR adoption in the future. So, it is a great opportunity for governments and businesses to address consumers. The present study's findings revealed a great opportunity to use FR to increase consumers' attitudes toward FR adoption. However, people are still not adopting the FR. So, FR is ineffective in achieving the business, government, and environment. The current study has discovered the most significant factors influencing consumers' attitudes toward FR. Despite awareness, adoption may be restricted by social and personal factors such as peer pressure and a lack of social argument in the direction of renting. Furthermore, FR businesses can recognise the factors influencing FR adoption among consumers. Thus, they can increase the adoption of FR among consumers.

This study demonstrates that the TPB variables (subjective norms and perceived behavioural control) significantly influence consumers' attitudes toward FR adoption. Two additional variables are used while establishing the TPB (sustainable orientation, fashion renting benefits). Among the two variables, SOR and FB significantly influenced the context of FR adoption. This study contributes theoretically by demonstrating that individuals behave and are motivated in the FR like they do when doing sustainability practices. TPB has shown wide applicability over the years, which has increased the generalizability of how to stimulate sustainability practices.

## **7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS**

The current study has certain limitations that allow for further research. First, the respondents were restricted to the Colombo district of Sri Lanka. Hence, future research could incorporate the perspectives of consumers living in suburban and rural Sri Lanka, as their access to FR shops may differ from that of consumers living in urban areas. Moreover, this study was cross-sectional and conducted within a short period. However, consumers'

attitudes toward subjective norms, perceived behavioural control, sustainable orientation, and fashion renting benefits toward fashion renting adoption can change over time as new knowledge and experiences are sustainable practices. Thus, a longitudinal design might be used in subsequent research to get more precise data over time. Furthermore, this study used a questionnaire distributed physically as the research tool to gather primary data. Respondents sometimes might not express their true opinions when responding to the questionnaires, which could lead to errors in the results. Therefore, future researchers can use qualitative data collection methods such as in-depth interviews and observations to improve the accuracy and effectiveness of the findings. Also, this study used a purposive sampling technique and a limited sample size 384. Future researchers can be concerned with a probability sampling technique and a larger sample size. Moreover, since Gen Z is focused on this study, future researchers can also conduct studies from the other generations.

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**THE IMPACT OF VALUE ORIENTATION AND SELF-ESTEEM ON  
CONSPICUOUS CONSUMPTION OF LUXURY FASHION PRODUCTS:  
SPECIAL REFERENCE TO GENERATION Y IN COLOMBO DISTRICT**

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**ABSTRACT**

This research examines the impact of value orientation and self-esteem on the conspicuous consumption of luxury fashion products among Generation Y consumers in the Colombo district. By examining the impact of value orientation and self-esteem, the research fills a gap in understanding how Sri Lankan customers use luxury purchases to flaunt their wealth and social status. Data from 343 respondents was analysed using multiple regression analysis. Regression analysis indicated that materialism value and self-esteem significantly forecast conspicuous consumption, suggesting that individuals with higher levels of these traits are more likely to purchase luxury fashion items to enhance their social standing. Conversely, cultural and religious values were found to have an insignificant impact on luxury purchasing decisions in the Sri Lankan context. This implies that traditional culture and religious beliefs may not significantly influence conspicuous consumption behaviour among Gen Y consumers in this region. The findings significantly impact marketers and companies targeting Gen Y consumers in Sri Lanka. By emphasising the status-enhancing qualities of luxury goods, marketers can appeal to consumers motivated by materialism and self-esteem. Future researchers should explore additional variables, such as public self-consciousness and sense of belonging, to enhance the generalizability of the results.

**Keywords:** Conspicuous consumption, Generation Y, Luxury fashion products, Self-esteem, Value orientation



## 1. INTRODUCTION

Conspicuous consumption was first discussed by Veblen (1899) in his book "The Theory of the Leisure Class." Conspicuous consumption behaviour stems from psychological elements, including belonging, gaining status, being admired, and showing oneself to others. When the customer's primary priority is not pricing, a consumer makes an emotional or symbolic choice about a particular product. When a product is chosen for an emotional reason, like the need for change or novelty, it has an emotional purpose (Kim et al., 2010). Conversely, when a consumer chooses a product to reflect their personality, social position, or group membership, it serves a symbolic purpose. Researchers have defined luxury in the literature by looking at characteristics such as high quality, pricey, scary materials, intricate production processes, experiential meanings, and symbolic meanings (Li et al., 2013; Lyons et al., 2019).

The Sri Lankan luxury market mainly consists of luxury fashion, described as clothing and other products made from high-quality materials, usually done with care and attention to detail (Western Clothing, 2024). According to Statista (2024), sales of luxury goods companies have skyrocketed in the world and the Sri Lankan contexts, with profitability surpassing previous records. Furthermore, the consumption of luxury goods in Sri Lanka has significantly increased in the past few years. Among the various luxury goods segments, the luxury fashion segment stands out as the highest contributor to luxury consumption growth in Sri Lanka (Statista Market Insights, 2024).

Customers in the modern period are divided into various generational groups. Millennials, or Generation Y, persons born between 1980 and 1997, are frequently seen as self-assured, well-educated, affluent, tech-savvy, and status-driven (Butcher et al., 2017). This generation has more discretionary income and a stronger preference for luxury goods than others (Eastman & Liu, 2012). According to Harlow (2024), the largest segment of luxury buyers are Millennials (Gen Y) (40%), followed by Gen Z (26%), Gen X (30%), and Baby Boomers (4%). So, the researcher selected Gen Y consumers to conduct the current study.

The study has chosen the Colombo district as its geographical location due to its status as the commercial capital of Sri Lanka and its recognition as the centre of the nation's retail business for its retail prominence and significant contribution to the country's GDP (Lakmali & Kajendra, 2017). With modern retail malls like One Galle Face Mall, Havelock City Mall, and Colombo City

Centre, Colombo offers an ideal location to examine Gen Y consumers' inclinations, values, and self-esteem about luxury consumption.

When examining most of the research on conspicuous consumption has been conducted in Western countries (Bellezza et al., 2016; Bronner & de Hoog, 2018). A few researchers have researched conspicuous consumption in non-Western cultures (Podoshen et al., 2011; Rahman et al., 2017). Empirical evidence unambiguously demonstrates that non-Western and Western customers have distinct motivations for purchasing and showcasing commodities, particularly luxury goods (Truong et al., 2010). Non-Western consumers purchase luxury goods to flaunt their money and social standing, while Western consumers purchase luxury goods to appear extraordinary. Consequently, cultural differences may exist in the reasons behind conspicuous behaviour. Since conspicuous consumption is typically linked to Westerners with values distinct from those of Asians, it is important to comprehend Asian conspicuousness (Hennigs et al., 2012; Hofstede, 2011; Semaan et al., 2019; Sun, 2011). This highlights a critical research gap in understanding conspicuous consumption within Asian cultural contexts, where social status and wealth are highly esteemed (Wan-Ismael et al., 2016). Therefore, the study's general objective is to examine the impact of value orientation and self-esteem on conspicuous consumption of luxury fashion products among Generation Y consumers in the Colombo district, Sri Lanka.

This research shows how self-esteem, multi-value, cultural, materialism, and religious orientations contribute to many literary genres, including conspicuous consumption, international marketing, and trans-cultural marketing. Additionally, this study offers insightful data on the behaviour of conspicuous customers, which has significant ramifications for businesses and marketers, particularly product and brand managers.

## **2. LITERATURE REVIEW**

### ***2.1 Theoretical Background***

The basis for this study was established based on two theories. One is the "Theory of the Leisure Class," published by Thorstein Veblen (1899). This groundbreaking study critically examined social stratification and consumption patterns in contemporary industrial cultures and developed the idea of conspicuous consumption. Veblen, a sociologist and economist, studied how economic institutions influence social structures and individual behaviour. His observations, which emphasise the interplay of psychological, sociological, and economic elements, are especially relevant to the debate over luxury consumption. The leisure class, a social class

characterised by their riches and participation in pointless activities meant to exhibit status, is at the centre of Veblen's thesis. The leisure class gets its social identity from conspicuous consumption and leisure activities, unlike the working class, whose labour directly contributes to economic productivity. Instead of using their money to meet their necessities, Veblen (1899) argued that this class uses showy consumption to demonstrate their wealth and social superiority.

The other theory is the Self-Discrepancy Theory, developed by Higgins (1987), which explores the psychological impact of discrepancies between different self-states: the actual self, ideal self, and ought self. According to the theory, mismatches between these self-states can lead to emotional distress and impact self-esteem. According to Higgins (1897), people contrast their ideal selves with who they hope to be with their real selves or how they see themselves. Low self-esteem and feelings of inadequacy might result from a large disconnect between these two identities. People may use conspicuous consumerism as a coping strategy to lessen this, buying upscale items to present an image consistent with their ideal selves.

## **2.2. Empirical Background**

### *2.2.1. Conspicuous Consumption (CC)*

Luxury goods, particularly in the fashion sector, represent a unique intersection of art, status, and consumption. Defined by high quality, exclusivity, and premium pricing, luxury fashion goods cater to an elite clientele and symbolise wealth and social status (Kapferer & Bastien, 2012). Luxury fashion products may be created using various materials, including silk, leather, fur, or wool (Western clothing, 2024).

Spending extravagantly on products and services primarily purchased to flaunt one's status or income is conspicuous consumerism. Individuals typically spend much money on goods to convey their status to others, improve their perception of themselves, and gain social recognition (Shukla, 2008). Conspicuous consumption, which is generally associated with luxury goods and targets a certain class of consumers and specific consumer segments, offers brands the chance to position their product as a luxury. Increasing one's social status has a significant value that makes others envious (Weatherford, 2013). For conspicuous consumers, it is a way to achieve or hold onto social status (Zakaria et al., 2020). Individuals typically spend much money on goods to convey their status to others, improve their perception of themselves, and gain social recognition (Shukla, 2008). High social class people utilise conspicuous consumption to set themselves apart

from other social groupings, especially those in lower social classes (Veblen, 2009).

### *2.2.2 Culture Values (CV)*

According to Jamal and Sharifuddin (2015), "culture" is a general phrase encompassing a people's language, religion, food, social life, culture, and art. It can also refer to the knowledge that members of a certain group of people share. Culture significantly influences consumer behaviour (Craig & Douglas, 2006; Tascioglu et al., 2017). Scholars have determined that consumer cognition, affect, and behaviour are all influenced by culture (Aaker & Maheswaran, 1997; Bergadaa, 1990; Lam, 2007; Lee & Green, 1991; Shim & Gehrt, 1996). Cultural orientation also impacts a consumer's motivation for consumption (Belk et al., 2003; Ko et al., 2006; Nicholls et al., 2003). According to Hofstede (2013), culture is the process of recognising and separating group members from other individuals based on the collective mental programming. Diverse marketing research has unequivocally shown that cultural factors can affect customers (Craig & Douglas, 2006). In nations with a strong cultural orientation, the support for luxury consumption is significantly greater (Wiedmann & Hennigs, 2013). Hence, the following hypothesis was developed;

**H<sub>1</sub>:** Cultural values have an impact on the conspicuous consumption of luxury fashion products among Generation Y consumers in the Colombo District

### *2.2.3. Materialism Values (MV)*

Richins (2004) defines materialism as "the importance ascribed to the ownership and acquisition of material goods in achieving major life goals or desired states". Previous studies have indicated that the materialistic values and perceptions of consumers impact their behaviour when it comes to consuming luxury goods (Ajitha & Sivakumar, 2017; Hudders & Pandelaere, 2012; Gil et al., 2012; Sharda & Bhat, 2018). For instance, high-materialism consumers are typically happier with luxury purchases (Hudders & Pandelaere, 2012). Materialism values are linked to happiness, life satisfaction, and success (Hudders & Pandelaere, 2012). Chacko et al. (2018) discovered that among extremely materialistic persons, there was a significant positive relationship between luxury purchases and life satisfaction. Unlike less materialistic customers, materialistic consumers are more likely to purchase luxury products. Purchasing luxury products increases life satisfaction, reduces negative emotions, and boosts positive emotions (Hudders & Pandelare, 2012). Consequently, the following hypothesis was formulated;

**H<sub>2</sub>:** Materialism values have an impact on the conspicuous consumption of luxury fashion products among Generation Y consumers in the Colombo District

#### *2.2.4. Religious Values (RV)*

According to Tan and Vogel (2008), p. 833, religiosity is "the extent to which one ascribes to the beliefs, experiences, and rituals of a religion." According to Shah-Alam et al. (2011), their religious views influence customers' shopping decisions. This is in line with the findings of Delener (1994), who claimed that religious beliefs affected how consumers made decisions. Previous studies have demonstrated that consumer attitudes, beliefs, and behaviours are significantly impacted by religiosity (Eid, 2013; Zamani et al., 2012). Extremely religious people were less likely to buy things impulsively and more likely to worry about their purchases' cost and quality. According to a study by Shah-Alam et al. (2011), their religiosity significantly influenced consumers' spending (i.e., religious customers tend to spend moderately). Therefore, among more devout people, there would be less apparent conspicuous spending behaviour related to the consumption of publicly visible objects to showcase status. Furthermore, religious values influence people's decisions about financial purchases, and religious consumers are less materialistic (Burroughs & Rindfleisch, 2002). Hence, the following hypothesis was developed;

**H<sub>3</sub>:** Religious values have an impact on the conspicuous consumption of luxury fashion products among Generation Y consumers in the Colombo District

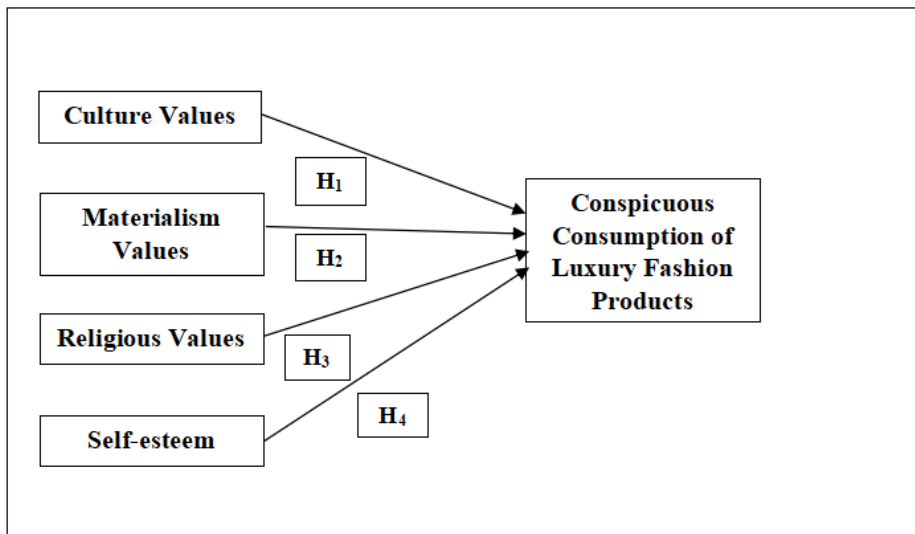
#### *2.2.5. Self-Esteem (SE)*

Palan et al. (2011) describe self-esteem as an appraisal of how much the individual likes, accepts, and respects himself with the importance and value he gives to himself. A substantial body of research has identified self-esteem as a major predictor of conspicuous consumption. Lewis and Moital (2016) conducted a study with 261 young professionals and found a significant positive relationship between conspicuous consumption and domain-specific self-esteem. Zeigler-Hill (2011) further supports this view, indicating that higher levels of self-esteem are associated with increased conspicuous consumption. Additionally, Wang and Griskevicius (2014) highlight that luxury products not only convey identity and status but also contribute to enhancing self-esteem. Veblen (1934) established a significant link between financial excess and self-esteem, proposing that individuals with surplus wealth tend to invest it in themselves rather than in necessities. This notion is supported by more recent findings suggesting that individuals

who experience social exclusion, particularly from intimate friendships, often have lower self-esteem and are more likely to engage in showy consumption as a compensatory mechanism (Furinto et al., 2023). Based on this understanding, the following hypothesis was developed;

**H<sub>4</sub>:** Self-esteem has an impact on conspicuous consumption of luxury fashion products among Generation Y consumers in Colombo District

The conceptual framework of the study is depicted in Figure 1.



**Figure 1: Conceptual Framework**

*Source:* Developed by the authors based on the literature

### 3. METHODOLOGY

This research uses positivist philosophy; typically, positivist researchers construct hypotheses based on existing theories (Saunders et al., 2019; Zakaria et al., 2020; Ismail et al., 2018). Because it collected data from a reliable source, developed hypotheses based on existing theories, tested and confirmed developed hypotheses for further development of the theory, and generalised the findings to the entire population. Since the current study tests the hypothesis and develops strategies to test them, the researcher adopted a deductive research approach. This research was conducted in a natural environment with minimum interference.

The population of this study can be defined as Generation Y people born between 1980 – 1997 who purchase luxury fashion products in the Colombo district. As the population is unknown, the researchers used a purposive sampling technique to collect the primary data, distributing questionnaires

to 384 respondents. Researchers collected primary data by conducting in-person visits to five locations in Colombo: Havelock City Mall, One Galle Face Mall, Colombo City Centre, ODEL-Borella, and G-Flock-Nugegoda.

The questionnaire consisted of 37 questions and three sections. Section 1 included three filtering questions, Section 2 contained twenty-nine five-point Likert scale statements to check dependent and independent variables, and Section 3 featured five demographic questions to gather more information about respondents. The measurement scales were adopted from several previous studies, including cultural values (Vauclair, 2009), religious values (Aron et al., 2013), and self-esteem and materialism (Lewis & Moital, 2016). The gathered data was analysed using multiple regression analysis.

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

The data collection process has continued for more than two months. Researchers distributed 384 questionnaires to the sample respondents, and 362 responses were received. Then, the researchers checked for missing values and outliers. As a result, missing values treatments were performed, and 19 questionnaires were removed due to common outliers. Finally, 343 responses were forwarded for further analysis.

##### ***4.1. Respondents Demographic Information***

Among respondents, 162 were male, and 181 were female. Most of the sample respondents are aged 26 to 30 years, and it is 75.51% of the total respondents. The age group from 31 to 35 represents 19.53% of respondents out of the total sample, while the age group from 36 to 40 represents 4.08%. The lowest number of respondents belongs to the age group of 41 to 44 years, which is 0.87% of the total sample. Further, 34.11% of the sample is made up of LKR. 50,001 to LKR. 100,000, which makes up most of the sample. Of the overall sample, respondents in the LKR. 100,001 to LKR. One hundred fifty thousand categories make up 32.65 % of the sample. However, 20.99% of respondents in the sample fall within the income range of LKR. 50,000 and lower. Moreover, the income range of LKR. 150,001 to LKR. 200,000 accounts for 7.29% of the sample. The income category of LKR. Two hundred thousand one and above were the fewest respondents, 4.96% of the sample.

##### ***4.2. Reliability and Validity Analysis***

Table 1 highlights that independent and dependent variables have Cronbach's Alpha values of more than 0.8, indicating high reliability. As a result, every variable can be considered strongly reliable. The Kaiser-Meyer-

Olkin (KMO) test and Bartlett's test of sphericity results for each variable examined in this study. As per Table 1, all KMO values obtained are within the range of 0.749 to 0.932, indicating that the sample appropriately represents the population. Moreover, according to Bartlett's test of sphericity, all variables are significant ( $p < 0.001$ ).

**Table 1: Reliability and Validity Measures**

Variable	No. of Items	Cronbach's Alpha Value	KMO Values	Bartlett's test of sphericity	AVE	CR
CV	06	0.875	0.830	0.000	0.6761	0.8976
MV	05	0.814	0.749	0.000	0.6486	0.8932
RV	07	0.958	0.932	0.000	0.8005	0.9696
SE	05	0.913	0.874	0.000	0.7432	0.9352
CC	06	0.936	0.912	0.000	0.7581	0.9490

Source: Survey data (2024)

To confirm convergent validity, the following requirements must be fulfilled: Average Variance Extracted (AVE) values must be less than the Composite Reliability (CR), each AVE value must be greater than 0.5, and each CR value must be greater than 0.7 (Hair et al., 2010). Therefore, the results in Table 1 demonstrate that the study assures convergent validity.

After confirming convergent validity, researchers proceeded to assess discriminant validity. The discriminant validity test is tested using the Fornell-Larcker criterion, which is that the square root of AVE for a construct should be greater than the correlation of that construct with any other construct in the model.

**Table 2: Discriminant Validity Measures**

	CV	MV	RV	SE	CC
CV	<b>0.8222</b>				
MV	<b>-0.237</b>	<b>0.8053</b>			
RV	<b>0.194</b>	<b>-0.357</b>	<b>0.8947</b>		
SE	<b>-0.261</b>	<b>0.764</b>	<b>-0.273</b>	<b>0.8620</b>	
CC	<b>-0.248</b>	<b>0.802</b>	<b>-0.318</b>	<b>0.847</b>	<b>0.8706</b>

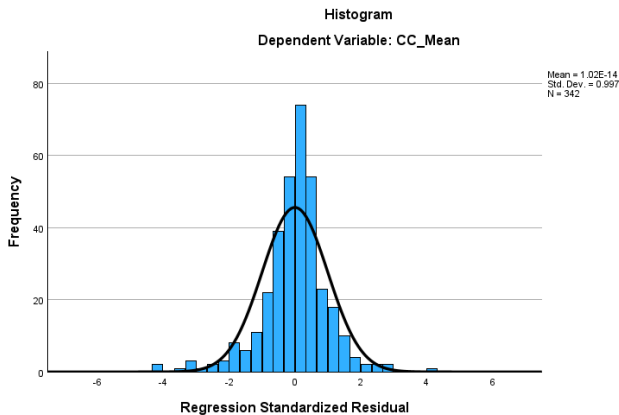
Source: Survey data (2024)



As indicated in Table 2, the square root of the AVE values for all constructs exceeds their correlation with other constructs. This demonstrates that discriminant validity is established in the study, indicating that each construct is distinct and measures a unique underlying concept.

### 4.3. Testing Parametric Assumption Testing

#### 4.3.1. Normality



**Figure 2: Normal Q-Q Plot**

Source: Survey data (2024)

According to Figure 2, the histogram is relatively symmetric, and the shape appears roughly bell-shaped, suggesting that the residuals are approximately normally distributed. This suggests that the assumption of normality for regression residuals is likely satisfied.

#### 4.3.2. Multicollinearity

**Table 3: Multicollinearity Test Results**

Variable	Tolerance Level	Variance Factor (VIF)	Inflation
CV	.954	1.048	
RV	.871	1.148	
SE	.348	2.875	
MV	.348	2.875	

Source: Survey data (2024)

To assess multicollinearity in the regression model, Variance Inflation Factor (VIF) values should be less than 5, and tolerance levels should be greater than 0.1. Table 3 test results show that all independent variables meet these criteria, with VIF values below five and tolerance levels above 0.1. The results indicate that multicollinearity is not a concern in the current study; hence, the regression model is reliable for interpretation.

#### 4.4 Multiple Regression Analysis

In the current study, there are four independent variables. Therefore, the researchers determined the strength of the relationship between the independent and dependent variables using multiple regression analysis.

**Table 4: Model Summary**

Model	R	R Square	Adjusted R Square
2	0.889	0.791	0.790

Source: Survey data (2024)

Based on Table 4, the adjusted R square value is 0.790, and it can be summarised that Materialistic Values and Self-Esteem can explain 79% of the variation of conspicuous consumption towards luxury fashion products among Generation Y in Colombo district, Sri Lanka.

**Table 5: ANOVA Table**

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	224.341	2	112.170	641.064	0.001c
	Residual	59.317	339	.175		
	Total	283.657	341			

Source: Survey data (2024)

As shown in Table 5, the output of the ANOVA test Sig. The value is 0.00. Therefore, it can be concluded that the model is statistically significant at the 95% confidence level. It explains that the independent variables of Materialism Value and Self-Esteem significantly influence conspicuous consumption of luxury fashion items among Generation Y in the Colombo district, Sri Lanka.

**Table 6: Coefficient Table**

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.690	.151		-4.578	.001
SE	.639	.047	.573	13.607	.001
MV	.529	.062	.360	8.546	.001

*Source:* Survey data (2024)

Table 6 shows that self-esteem (SE) and materialism values (MV) are significant factors in the conspicuous consumption of luxury fashion items among Generation Y in the Colombo district, Sri Lanka, as they have positive beta values and Sig values of less than 0.05.

Both Culture Values (CV) and Religious Values (RV) were excluded from the regression model since the significance levels (p-values) for both variables exceeded 0.05, indicating that they were not statistically significant predictors of the dependent variable.

## 5. DISCUSSION OF THE FINDINGS

The finding suggests that when people consume conspicuously, they may not consider Sri Lankan cultural values in their decision-making process. Further, the insignificance of cultural values on conspicuous consumption has been noted in numerous earlier studies conducted in other contexts, such as (Senevirathne et al., 2016; Zakaria et al., 2020; Perera et al., 2021). Those have proven the insignificance between cultural values and conspicuous consumption. The findings exposed that materialistic values positively impact the conspicuous consumption of luxury fashion items. This finding is consistent with the results of numerous earlier studies conducted in other contexts (Zakaria et al., 2020; Ismail et al., 2018; Podoshen et al., 2011; Chen et al., 2005). In this study, the researcher found no significant impact of religious values on conspicuous consumption. This is supported by the results of numerous earlier studies conducted in other contexts (Muhamad & Mizerski, 2010; Moschis et al., 2011; Zakaria et al., 2020, 2015). Moreover, this has the highest impact on conspicuous consumption compared to other variables in the conceptual model. Which showcases that higher self-esteem levels produce higher levels of conspicuous consumption purchases. This finding is consistent with several earlier studies conducted

in other contexts (Widjajanta et al., 2018; Tenia et al., 2022; Bharti et al., 2022; Furinto et al., 2023).

## **6. CONCLUSION AND CONTRIBUTIONS**

The findings of this study demonstrate that self-esteem is a primary driver of conspicuous consumption of luxury fashion items. Individuals with high self-esteem often have a strong motive to display their status and well-being to others, leading to increased conspicuous consumption behaviours. According to the study, materialism values are conspicuous consumption's second most influential factor. This illustrates that high materialism values can increase conspicuous consumption of luxury fashion items. Individuals who love to possess materialistic goods are more likely to engage in conspicuous consumption.

Based on the study's findings, cultural values do not significantly influence the conspicuous consumption of luxury fashion purchasing decisions. While there are differences between Western and Asian cultures, Western cultures may be less ambiguous about their purchases compared to Asian cultures. The present study found that religious values do not impact the conspicuous consumption of luxury fashion items. Since highly religious individuals may hesitate to make luxury purchases, reducing the need to show off and promoting a more minimalist lifestyle.

This study has significant implications for businesses and marketers, particularly for product and brand managers, as it offers valuable insights into the behaviour of conspicuous consumers. Further, this study can be used as a foundation for a more thorough knowledge of the concept of conspicuous consumption by both domestic and foreign businesses aiming to break into South Asian markets and developing nations such as Sri Lanka. Marketers should create specialised marketing campaigns that consider variations in cultural viewpoints to accommodate cultural diversity.

Furthermore, the study acknowledges that other variables not included here can also impact consumers' conspicuous consumption patterns. These might include public self-consciousness, belonging, and perceived quality. Investigating these could broaden the concept of conspicuousness in consumer behaviour. This study offers a valuable explanation of one specific type of consumer behaviour in the emerging market context of Sri Lanka. Findings contribute to several bodies of literature, including conspicuous consumption, international marketing, and trans-cultural marketing. In general, study findings provide insights into how multi-value orientations (culture, material, and religious orientations) and self-esteem contribute to these fields of study.

## 7. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The researchers emphasise the need for future research with other influencing variables, such as public self-consciousness, sense of belonging, and perceived quality, in addition to the identified variables in the current study. The current investigation was conducted in Colombo district, Sri Lanka, which can be considered a geographical limitation. Future researchers are suggested to conduct studies in other districts and provinces to enhance the generalizability of the findings. Selecting a larger sample size across various geographic regions is suggested to improve accuracy. Additionally, probability sampling techniques should be considered instead of the purposive sampling method used here to improve the generalisability of findings. Further, future research can focus on a comparative study between developing and developed countries' perspectives on this phenomenon to provide a novel perspective.

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**THE ROLE OF TRUST AS A MEDIATOR BETWEEN RELATIVE  
ADVANTAGE, eWOM AND CONSUMER ATTITUDES TOWARD ONLINE  
SHOPPING FOR CLOTHING PRODUCTS: EVIDENCE FROM COLOMBO  
DISTRICT, SRI LANKA**

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**ABSTRACT**

The online purchase percentage is lower than the search percentage for online clothing in Sri Lanka. The lack of trust regarding online shopping has impersonated the future threat of bringing losses to online businesses. Hence, this study investigates the impact of relative advantage, eWOM, and trust on consumer attitudes toward online shopping and the mediation effect of trust. This research was conducted using the deductive approach, and the purposive sampling technique was used to gather primary data. Three hundred fifty-six usable responses were considered for the analysis. Multiple regression analysis was conducted to analyse the collected primary data. The empirical findings show that relative advantage and trust significantly influence attitudes toward online clothing shopping, while eWOM does not significantly influence attitudes toward online clothing shopping. Furthermore, the impacts of relative advantage and eWOM on trust were substantial. The Sobel test results confirmed a partial mediation of trust between relative advantage and attitudes toward online shopping for clothing products, and there is a complete mediation effect of trust between eWOM and attitudes toward online shopping. In a practical sense, online clothing retailers can use the outcomes of the current study to redesign their online shopping platforms and to draft suitable digital



marketing strategies. Due to the lack of past studies conducted on customers' attitudes towards online shopping for clothing and trust as a mediator in the Sri Lankan context, this study intends to address the literature gap.

**Keywords:** Attitudes towards online shopping, Clothing products, eWOM, Relative advantage, Trust

## 1. INTRODUCTION

Globalisation and revolutionised digital platforms led the world to foresee competitive web-based industries instead of traditional business models. The more significant competitive advantage emerging from technological advancements has led to many business organisations' perpetual success in different industries such as education, health, retailing, tourism, and transportation (Raza et al., 2020). In the Sri Lankan context, the most e-commerce-driven industries are apparel, fast food, equipment, and fancy items (De Silva, 2020). With technological advancements and integration into everyday lifestyles, online shopping has gained heightened significance (Al-Kurdi et al., 2020; Chek & Ho, 2016; Rita et al., 2019). The rapid growth of technology in the twenty-first century has led to organisations' widespread adoption of digitalised technologies. This, in turn, contributes to sustainable global economic growth. Businesses, recognising the importance of staying competitive, increasingly incorporate cutting-edge technological approaches (Fonseka et al., 2022). The United Nations Conference on Trade and Development (UNCTAD) (2021) noted that while developing nations strive to embrace new technologies, developed nations are at the forefront of driving the digital economy and reaping its benefits. This reflects a global shift towards digitalisation as a key driver of economic development. However, product returns, ranging from 20% to 40%, are predominantly attributed to discrepancies between the product's real-life appearance and its depiction on the retailer's website (Rupraoji et al., 2021). Trust plays a significant role in shaping consumer behaviour and responses to online marketing initiatives (Jarvenpaa et al., 1999). Many challenges customers face in online purchasing, such as defective products and unmet expectations, are closely linked to trust-related factors (Irshad et al., 2020).

Consumers in Sri Lanka who frequently used social media websites were the main subject of the data collection. The population of Sri Lanka is 21.9 million (The World Bank Group, 2021). Sri Lanka has 6 million internet users, 29% of the population. According to the International Telecommunication Union (ITU) (2023), the World has relatively higher mobile penetration than the regional average. Among the e-retailing product categories during the last few decades, clothing products are at the height of their popularity (Zhang et al., 2019). According to De Silva and Herath

(2019), Sri Lankan consumers transitioned from traditional retail stores to online platforms gradually, and most traditional clothes retailers expanded their businesses into these online platforms. When consumers switch from physical to online shopping, they have many concerns. These include concerns about online fraud and scams, product quality, delivery, and the potential for personal information to be leaked (Hong & Cha, 2013). However, according to (The Asia Pacific Institute of Digital Marketing (APIDM) et al., 2023), the actual online purchase percentage is less than the search percentage of online products in Sri Lanka. Although there is a market for online retailing, given the quick rise in internet usage, online retail sales are still at a lesser level (Athapaththu et al., 2019). According to Gamage (2023), a LinkedIn survey revealed that the lack of trust is the main factor that stops people from making online purchases. Therefore, this study investigates the customers' attitudes towards online shopping for clothing products in the Colombo district in Sri Lanka while examining the mediation effect of trust.

## **2. LITERATURE REVIEW**

### ***2.1. Theoretical Background***

The literature reveals several theoretical models to study the significance of trust in online shopping. Multiple reviews from the past used different technology adoption models (Cabrera-Sanchez et al., 2021; Patil et al., 2020; Tamilmani et al., 2020). Researchers have used a variety of classical theories, such as the Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975), the Theory of Planned Behavior (TPB), the Diffusion of Innovations (DOI) theory (Rogers, 2010), and the Technology Acceptance Model (TAM) (Davis et al., 1989), the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003). The two main theories widely utilized to predict customer adoption and behaviour are TPB by Ajzen in 1991 and the DOI by Rogers in 1995. Hence, for the current study also, the TPB and DOI were utilized as the underpinning theories.

TPB remains one of the most widely used frameworks for predicting individual behaviours (Fielding et al., 2008). TPB indicates that attitude is a primary predictor of behavioural intention (Ajzen, 1991). According to Chetoui et al. (2020), this study assumed that trust mediates the effects of relative advantage and e-word of mouth on attitudes toward online shopping behaviour. The attitude a person has when engaging in behaviour can be either positive or negative.

DOI is a practical systemic framework for describing the adoption or non-adoption of new technology (Rogers, 2003). One of the earliest social science

ideas is the DOI, created by E.M. Rogers in 1962. Multiple marketing studies have concentrated on how consumers perceive new technology, typically tested by their actions and reactions to technological innovation. (Moore & Benbasat, 1991).

## ***2.2. Empirical Background***

### *2.2.1. Attitudes Toward Online Shopping*

The findings of past studies suggest that consumers' attitudes toward online shopping attributes such as low prices, secure transactions, and incentives were important for forecasting online purchase behavioural intention (Yoon, 2002). An attitude is a person's overall assessment of an idea (Mutaz et al., 2015). As highlighted by Ho et al. (2022), attitude plays a pivotal role in shaping consumers' behavioural intentions, including their preference to make purchases in the era of online shopping. A positive consumer attitude towards a brand significantly impacts their purchasing decisions and willingness to pay a premium price (Keller & Lehmann, 2006; Kudeshia & Kumar, 2017). This suggests that consumer purchase intention is heightened when their attitude towards a product is favourable (Kudeshia & Kumar, 2017; Summers et al., 2006).

### *2.2.2. Relative Advantage*

Relative advantage pertains to the degree to which an innovation surpasses existing ideas or practices (Rogers, 2003). Regarding functional performance, previous research studies have highlighted relative advantage as a key determinant influencing behaviours, particularly in adopting online channels (Kim et al., 2008; Lennon et al., 2007; Liu & Forsythe, 2004). According to Choudhury and Karahanna (2008), consumers will only embrace online shopping if they believe it offers a higher perceived advantage than traditional stores. According to Hsiao (2009), consumers will not be open to online shopping until they are satisfied with the extra advantages (e.g. higher quality, more features, lower costs, etc.). According to an analysis of earlier research, consumer attitudes towards online shopping are positively impacted by relative advantage (Rogers, 2003; Roach, 2009; Lin, 2011). Similarly, numerous studies in this domain have indicated a positive correlation between relative advantage and trust (Kim et al., 2007; O'Cass & Carlson, 2012). This, in turn, strengthens customer trust and leads to more favourable attitudes toward online shopping (Chetioui et al., 2020). Hence, the researchers have developed the following hypotheses.

**H<sub>1</sub>:** Relative advantage impacts customers' attitudes towards online shopping for clothing products in the Colombo district

**H<sub>4</sub>:** Relative advantage has an impact on trust

### *2.2.3. Electronic Word of Mouth (eWOM)*

Gautam and Sharma (2017) have recognized eWOM as an essential and powerful social media marketing strategy. Huete-Alcocer (2017) also emphasized that the benefit of this tool is that every customer can participate because anyone can submit a product review for other users to read and share an online experience. An excellent substitute for improving online shopping-related eWOM is the use of social media advocates (Chetioui et al., 2020). Customers who trust the information provided through eWOM experienced assistance in purchasing decisions (Ardyan & Sudyasjayanti, 2020). According to Prasad et al. (2019), establishing customer trust is a crucial aspect of the online environment, and consumers have confidence in the information conveyed by eWOM; their apprehensions and concerns about online retailers diminish as they possess sufficient information. Consequently, their inclination to explore alternative online retailers decreases (Prasad et al., 2019). Hence, the researchers have developed the following hypotheses.

**H<sub>2</sub>:** eWOM impacts customers' attitudes towards online shopping for clothing products in the Colombo district

**H<sub>5</sub>:** eWOM has an impact on trust

### *2.2.4. Trust*

Trust directly influences attitudes toward online shopping (Jadil et al., 2022). The literature reveals diverse types and definitions of trust, with one perspective viewing it as a shared belief that neither party in the transaction will take advantage of the vulnerability of the other (Oswald & Mascarenhas, 2019). Recent research, exemplified by Boateng (2018) and Nguyen and Khoa (2019), underscores that trust exerts a more significant influence on shaping consumer loyalty than satisfaction. These findings support various studies, such as those conducted by Al-Adwan et al. (2020) and Aslam et al. (2020), where trust was identified as having a positive impact on consumer behaviour. According to Saoula et al. (2023), establishing a robust level of trust at the organizational level is crucial in fostering long-term customer e-retention. Even when integrative online components are present, customers will only continue their relationship with the service provider if they highly trust the e-service provider (Saoula et al., 2023). Even though e-commerce platforms are widely known in Sri Lanka, most internet users fear utilising

them to make purchases because they distrust online businesses (Fernando, 2019; Wettasinghe, 2016).

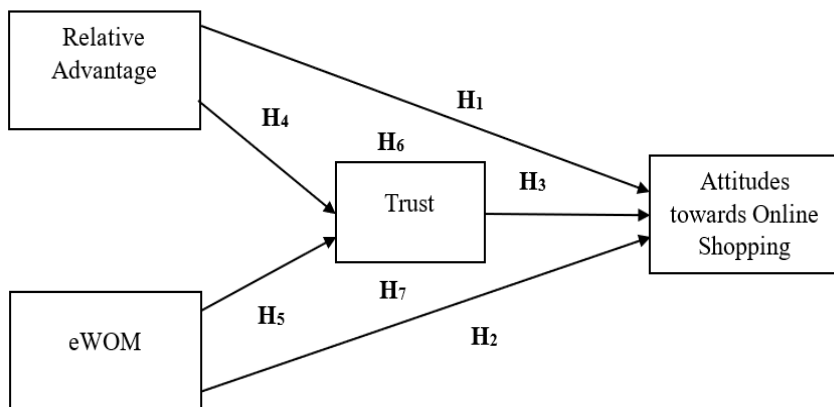
Insufficient trust in a website is recognized as a barrier in online shopping; however, the electronic service cape positively enhances trust in websites and purchase intentions (Athapaththu et al., 2019). Numerous studies in this domain highlight a favourable association between trust and attitudes towards online shopping (Akroush & Al-Debei, 2015) and relative advantage and trust (Kim et al., 2007). Liao and Chung (2019) revealed that trust mediates eWOM and purchase intention, emphasizing the intricate relationship between trust and various aspects of online shopping. Hence, the researchers have developed the following hypotheses.

**H<sub>3</sub>:** Trust impacts customers' attitudes towards online shopping for clothing products in the Colombo district

**H<sub>6</sub>:** Trust mediates the relationship between relative advantage and customers' attitudes toward online shopping products for clothing in the Colombo district

**H<sub>7</sub>:** Trust mediates the relationship between eWOM and customers' attitudes toward online shopping for clothing products in the Colombo district

The conceptual framework of the study is given below in Figure 1.



**Figure 1: Conceptual Framework**

*Source:* Developed by the authors based on literature (2024)

### 3. METHODOLOGY

This study adapts the conceptual framework from Chetioui et al. (2021). The research design is quantitative and cross-sectional. Moreover, this study is

explanatory, which explains the relationship between the aforementioned independent factors and attitudes towards online shopping. According to Sekaran and Bougie (2016), the level of aggregation of the gathered data analysis stage has been defined as the unit of analysis. In the current research study, the unit of analysis is individual; therefore, the data collected from individual customers living in the Colombo district who do online shopping for clothing was chosen since Glenn's market study indicates that the Colombo and Kandy districts have the highest prevalence of online shopping (CA Sri Lanka, 2018).

The researchers employed a survey to collect primary data from sample respondents through an online structured questionnaire. It was distributed among the target population as a Google Form. The sample selection was done using a purposive sampling technique. According to the World Bank Group statistics (2023), the estimated Colombo district population is 632,543. As mentioned, sample size ranges in Krejcie and Morgan's table for more than 100,000 population should be used 384 sample size. The questionnaire consisted of three sections: Section 1 consists of two filtering questions; Section 2 consists of 5-point Likert scale questions ranging from strongly disagree to agree, which measure the independent and dependent variables strongly; and in Section 3, the questions were asked to understand the demographic profile of the respondents.

A pilot study was carried out using a sample of 35 individuals who interact with online shopping to assess the questionnaire's effectiveness. The results of the pilot survey indicate that the reliability of the questionnaire is at a satisfactory level. Under the Inferential statistics, multiple regression analysis was used to test the hypotheses formulated for the study.

#### **4. DATA ANALYSIS AND RESULTS**

Multiple regression analysis is a trustworthy method for determining whether variables impact a particular topic or claim (Sekaran, 2003). The current study will comprise several independent variables and one mediation to evaluate the impact on the dependent variable.

For the analysis, 356 responses were returned out of 384 distributed questionnaires. No missing values or extreme outliers were found; hence, the effective response rate was 92.7%. To obtain a good image of the sample profiles, demographic parameters were assessed in terms of gender, age, education level, and monthly income level. Out of the respondents, most of the respondents are females (60.7%). Also, most respondents are in the 18 – 25 age category and represent 41.5% percentage. Of the respondents, 257 fall into the category of those with a degree, accounting for 46.7%. As well

as it was found that 155 respondents' monthly income was between LKR 25001 and 50000.

The reliability of variables was tested by calculating their internal consistency through Cronbach's Alpha values. Table 1 shows that attitudes towards online shopping (3 items), relative advantages (4 items), E-word of mouth (3 items), and trust (3 items) met the validity (KMO > 0.50; Bartlett's test of sphericity < 0.001; AVE > 0.50) and reliability (Cronbach's alpha value > .70) requirements.

**Table 1:** Measurement Adequacy

Variable	No Items	ofCronbach's Alpha Value	KMO	Bartlett's Test of Sphericity	AVE of
Attitudes towards online shopping	3	.821	0.712	0.000	0.739
Relative Advantages	4	.857	0.821	0.000	0.703
E- word of mouth	3	.827	0.704	0.000	0.746
Trust	3	.811	0.631	0.000	0.731

Source: Survey Data (2024)

According to Table 2, the Adjusted R square value is 0.339, indicating that trust, e-word of mouth, and relative advantages explain 33.3% of the variation in attitudes towards online shopping for clothing in the Colombo district, Sri Lanka.

**Table 2:** Model Summary

Model	R	R Square	Adjusted R Square
1	.582 <sup>a</sup>	.339	.333

Source: Survey Data (2024)

Table 3 demonstrates the p-value of the ANOVA test, which is less than 0.5. Hence, the regression model's statistical significance is established.

**Table 3: ANOVA Table**

Model		Sum Squares	ofdf	Mean Square	F	Sig.
1	Regression	105.975	3	35.325	60.192	.000 <sup>b</sup>

Residual	206.579	352	.587
Total	312.554	355	

Source: Survey Data (2024)

**Table 4: Results of Direct Hypotheses (H<sub>1</sub>, H<sub>2</sub>, H<sub>3</sub>)**

Variables	Unstandardized Coefficients		Sig.
	B	Std. Error	
(Constant)	1.273	.221	.000
RA_MEAN	.507	.053	.000
EW_MEAN	.018	.052	.737
T_MEAN	.119	.045	.009

Source: Survey Data (2024)

Based on the results in Table 4, the p-value of the relative advantage is less than 0.05 ( $p < 0.05$ ), and the corresponding beta coefficient value is 0.507. Hence, the results of the current study revealed that attitudes towards online shopping are significantly positively influenced by relative advantage because the beta coefficient does reflect a positive value. Furthermore, according to the results, the p-value of the eWOM is higher than 0.05 ( $p > 0.05$ ), and the corresponding beta coefficient value is 0.018. The current research findings indicated that eWOM does not significantly affect attitudes toward online shopping. Table 5 shows that the p-value of trust is less than 0.05 ( $p < 0.05$ ), and the corresponding standardized beta coefficient value is 0.119. As the beta coefficient is a positive relationship value, the current research findings indicated that trust positively impacts customers' attitudes towards online shopping.

**Table 5: Results of Direct Hypotheses (H<sub>4</sub> and H<sub>5</sub>)**

Variables	Unstandardized Coefficients		Sig.
	B	Std. Error	
(Constant)	2.061	.236	.000
RA_MEAN	.497	.056	.000
EW_MEAN	-.252	.060	.000

Source: Survey Data (2024)



Table 5 shows that relative advantage significantly positively ( $B = 0.497$ ,  $P < 0.05$ ) influences trust towards online shopping. Also, it indicates that eWOM significantly negatively influences customers' trust towards online shopping ( $B = -0.252$ ,  $P < 0.05$ ).

Input:		Test statistic:	Std. Error:	p-value:
a	0.497	Sobel test: 2.50717682	0.02279656	0.01216998
b	0.115	Aroian test: 2.49265862	0.02292933	0.01267907
s <sub>a</sub>	0.056	Goodman test: 2.52195169	0.022663	0.01167057
s <sub>b</sub>	0.044	Reset all	Calculate	

**Figure 2: Results of Mediation Effect (H<sub>6</sub>)**

Source: Survey Data (2024)

According to the Sobel test results in Figure 2, the p-value is less than 0.05, which means the tested mediation effect is significant. In the case of H<sub>6</sub>, the direct path (H<sub>1</sub>) and indirect path (H<sub>6</sub>) were supported. Therefore, the researchers can conclude that there is a partial mediation of trust between relative advantage and attitude towards online shopping.

Input:		Test statistic:	Std. Error:	p-value:
a	-0.252	Sobel test: -3.54135555	0.02156124	0.00039808
b	0.303	Aroian test: -3.51269313	0.02173717	0.00044359
s <sub>a</sub>	0.060	Goodman test: -3.57073125	0.02138386	0.00035599
s <sub>b</sub>	0.046	Reset all	Calculate	

**Figure 3: Results of Mediation Effect (H<sub>7</sub>)**

Source: Survey Data (2024)

As shown in Figure 3, the p-value obtained for the Sobel test is less than 0.05. This means that the tested mediation effect is significant. Concerning this mediation hypothesis, the direct path (H<sub>2</sub>) was not supported, but the indirect path (H<sub>7</sub>) was supported. Hence, the researchers can conclude that there is a full mediation effect of trust between eWOM and attitude towards online shopping.

## 5. DISCUSSION OF THE FINDINGS

In line with the literature review, the past empirical findings support the validity of the results in this study. According to the survey results, the researchers have identified a partial mediation of trust between relative advantage and attitude towards online shopping. The findings of the study also imply that favourable relative advantages significantly influence the

attitudes of customers' online shopping. Similarly, the findings of Park and Kim (2003) showed that relative advantage allows online suppliers to build lasting relationships with customers, which would boost their trust and confidence in the online store. This, in turn, improves trust among customers and leads to more positive attitudes toward online shopping (Chetioui et al., 2020). As a result, there is a correlation between relative advantages and customer attitudes towards online shopping.

Prior studies on online shopping emphasized the significance of eWOM in establishing online trust (Awad & Ragowsky, 2008; Wang et al., 2009). Furthermore, past interactions with eWOM networks may have significantly impacted how trust is formed (Hsu et al., 2013). However, in the current study, eWOM negatively affects trust toward online clothing shopping as the beta coefficient is a negative value. Moreover, it was found that eWOM does not significantly affect customers' attitudes towards online shopping.

The results of the current study further suggest that trust significantly impacts customers' attitudes towards online shopping. Prior studies highlighted the significance of trust in online purchasing as a key predictor of a consumer's attitude and purchase intention (Ashraf et al., 2014; Hsu et al., 2013; Lin, 2011). In line with the previous findings, it can be concluded that trust positively affects customers' attitudes towards online shopping.

As the beta coefficient is a positive relationship value, the results of the current study imply that relative advantage has a beneficial impact on trust, which is consistent with previous literature (Akroush & Al-Debei (2015); Park & Kim, 2003).

As the beta coefficient is a positive relationship value, the current research findings indicated that e word of mouth positively affects customers' trust towards online shopping. As more people utilize social media and the Internet to find pertinent information, electronic eWOM has grown in popularity. These people believe that other customers' opinions found online are reliable and trustworthy (ACNielsen, 2008). An adequate substitute for increasing positive eWOM about online buying is the use of social media influencers (Chetioui et al., 2020). This is in line with previous research (Wu et al., 2017), which indicates that female consumers are more likely to base their judgements about what to buy on suggestions and views of others found online. The study's results confirmed the beneficial effect of eWOM on attitudes towards online buying, which is in line with Jalilvand and Samiei (2012).

According to the Sobel test results, the researchers can conclude that there is a partial mediation of trust between relative advantage and attitudes

towards online shopping. Additionally, it has been established that trust acts as a mediator in the relationships between eWOM and attitudes regarding online shopping, as well as between relative advantage and attitudes towards online shopping among Moroccan online shopping customers (Chetioui et al., 2020).

It has also been established that trust is a mediator in the relationship between eWOM and attitudes regarding online buying (Chetioui et al., 2020). In line with the findings, the Sobel test results revealed a full mediation effect of trust between eWOM and attitudes towards online shopping for clothing in the Colombo district, as the H2 (direct path) was rejected.

## **6. CONCLUSION AND IMPLICATIONS**

The prime objective of the study was to examine customers' attitudes towards online shopping for clothing in Colombo district, Sri Lanka, and the role of trust as a mediator. The researchers used the Diffusion of Innovation Theory and the Theory of Planned Behaviour as theoretical underpinnings of the study.

The findings of the study have implications for Sri Lankan online clothing marketers and policymakers at the national level to build trust regarding their products and use effective marketing strategies to enhance the sales of online clothing shops. As they advertise, online companies ought to enhance the quality of their products. Further, satisfied customers' favourable online reviews have to be used for online clothing merchants to publish those reviews as adverts on social media platforms. As well as online retailers are encouraged to make their customers aware of the relative advantages they could gain after consuming their products. Online clothing retailers should focus more on their website's capacity to offer customers an appropriate and effective buying experience, given the relative advantage of online shopping. In addition, they ought to provide higher-quality products and services at more affordable costs and additional financial benefits like coupons, discounts, and other cash incentives. Moreover, online clothing businesses are encouraged to establish proper security systems, payment gateway systems, rating methods and product return facilities as practical suggestions to improve the trust among customers who shop online for clothing.

The researchers suggested that future researchers apply this model, a unique and original construct of the concept of customers' attitudes towards online shopping for clothing, which is in the level of porosity among the recent empirical world in the level of globalization. In the current study, only

clothing products have been taken for the investigation. However, future researchers can focus on other online product categories, such as cosmetics, stationery, and electronic items. The current study could be used as a base for future research studies. Additionally, from a statistical perspective, it can be advised that the researchers undertake a factor analysis to examine the variables influencing consumers' attitudes towards online shopping and trust. Future researchers can conduct studies to determine whether there are appreciable differences in consumers' attitudes towards online shopping using different countries and generational cohorts.

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**INVESTIGATING THE DETERMINANTS OF ONLINE PURCHASING  
INTENTION AND THE MEDIATING ROLE OF CONSUMER ATTITUDE:  
SPECIAL REFERENCE TO WESTERN PROVINCE IN SRI LANKA**

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**ABSTRACT**

Online purchasing has become a debatable fact in the present world with the development of technological advancements in the world. Drawing on the Technology Acceptance Model (TAM) and the communication theories, the researcher is illustrating three critical determinants; perceived usefulness, perceived ease of use, and source credibility impacting on the online purchasing intention of the individuals in Sri Lanka. A quantitative approach was used utilizing the structured questionnaire distributed within the sample respondents. SPSS software has applied in data analysis for the 327 responses received and PROCESS macro also incorporated with this for the mediation investigation. As per the findings, perceived usefulness impacting significantly on online purchasing intention highlighting the convenience and efficiency of the online shopping. Perceived ease of use also having the significant relationship as it is critical as consumers are more inclined to make purchases when platforms are intuitive and easy to navigate. Source credibility has the significant relationship with online purchasing intention as encompassing trustworthiness and reliable information, emerges as a strong influencer of purchasing decisions. Also, consumer attitude mediate the relationship among these factors and online purchasing intention emphasizing its central role in shaping consumer behavior. These are contributing to the policymakers for the leveraging in user platform enhancement and information updating to foster positive consumer attitude driving the online sales. Contribution to the academic literature also significant here as it provides the foundation for the future research and practical strategies to align with evolving consumer preferences in digital marketplaces.

**Keywords:** Customer attitude, Online purchasing intention, Perceived ease of use, Perceived usefulness, Source credibility

## 1. INTRODUCTION

Online purchasing is gaining importance in the Sri Lankan context rapidly as per the driven nature of the internet and the mobile phones (Athapaththu & Kulathunga, 2018). The technology is evolving in the world and with this, there is a necessity in understanding customer perception towards the online activities such as online shopping extending towards the purchasing intentions (Maduwanthi & Ratnayake, 2020). There is over 67 % of the mobile usage in the country where growing internet penetration have always bolstered the necessity for robust online shopping actions (De Silva & Herath, 2019). There is an acceleration for this trend with the COVID 19 pandemic; where the physical movements were restricted, prompting most of the individual to move towards the online activities for the convenience (Chathurika, 2020). Still, several obstacles are remaining with resistances to change pertaining the customer satisfaction and service quality issues (Athapaththu & Kulathunga, 2018). Online purchasing can be tested by the customer with its ease of usage, their perceived usefulness and the online sources credibility level. Having the inclusion of these within the online setting could aid in enhancing the online purchases further (Koththagoda & Herath, 2018; Abdullah, Ward, & Ahmed, 2016).

As the technology and the mobile phone usage is growing in the country, the online purchasing popularity has gained among the individuals (Muniweera, Balawardhana, Rajapaksha, Chamara, & Jayasuriya, 2020). As the interests and population increases, the demand for the diversified and reliable online shopping experiences also increased (Eti, Horaira, & Bari, 2021). Still, there is a reluctant in believing on the online delivered products depending on the quality levels, and the trustworthiness of the services with the notable frequency of frauds and scams (Fitri & Wulandari, 2020). The customer preferences are varying quickly and new ideas and new comers in the industry also very higher. These makes the hurdles for the service providers to match exactly what customer is preferring and needed with the changes in the consumption patterns (Dastane, 2020). Older demographics in the country might be finding it more difficult in adjusting towards the online purchasing, emphasizing the necessity for the proactive marketing and education actions to foster the technology use (Ranathunga & Leninkumar, 2021). Building consumer trust remains paramount as many are preferring to purchase physically by assessing the product quality before paying (Muniweera, Balawardhana, Rajapaksha, Chamara, & Jayasuriya, 2020; Eti, Horaira, & Bari, 2021). This is a burning issue to uplift the online purchasing culture in the country.

With a clear understanding on the background of the situation, the present study is aiming to investigate the respective factors that could be impacted towards the online purchasing in Sri Lanka from the customer point of view. Customer is keen into the usefulness, easiness of using and the credibility level of the platforms before purchasing. Also, the attitude of the customer is playing a significant role which could be mediated the idea of the usefulness, easiness and credibility levels of the platforms and information provided. This study is highly connected with the past literature as well pertaining the different relationships for understanding the factors that could affect the online purchasing actions.

There are several research objectives pertaining to study and these are;

1. To understand the impact of perceived ease of use on online purchasing intention of the people in Sri Lanka
2. To understand the impact of perceived usefulness on online purchasing intention of the people in Sri Lanka
3. To understand the impact of source credibility on online purchasing intention of the people in Sri Lanka
4. To understand the mediation impact of the customer attitude on the relationships between a) Perceived Usefulness b) Perceived Ease of Use c) Source Credibility and online purchasing intentions of the people in Sri Lanka

The research could give the importance towards different stakeholders. The research is furnishing the online retailers with a better insight for the effective marketing strategies which could be aligning with the purchasing behaviors of the customer with driving the sales growth. With the clarification of the factors that could be impacting the purchasing intentions, the research can inform the corporate strategies and the respective guidance in the decision making for managers in the online retaining actions. The study could be contributed towards the academic literature on online purchasing intention establishing a storing foundation for the future researches. Overall, the findings are aiding towards the economic growth with the enhancement of the online purchasing experiences in the country.

## **2. LITERATURE REVIEW**

### ***2.1 Online Purchasing in Sri Lanka***

The purchasing intentions via online methods are emerging as a critical fact for the customer behavior and improving the online sales (Athapaththu &

Kulathunga, 2018). There is a growing trend in the online purchasing in Sri Lanka and this is mainly driven by the internet penetration and digital adoption among the individuals (Koththagoda & Herath, 2018). As per the statistics 67 % of the population are using the mobile phones and 59 % are mainly having the access to the internet with the 49% engagement in the social media platforms (Samsudeen, Selvaratnam, & Mohamed, 2020). These evidences are showing the availability and the usability of the digital tools that are facilitating the online purchasing (Selvaras, 2020). The shift towards the online platforms are mainly accelerated by the COVID 19 and it has delivered the opportunity in making the digital literature with the advanced technology needed for the businesses (Jebamani, 2020). It is a crucial fact to understand and use an error free and user-friendly application in meeting the customer expectations and supporting the business growth (Koththagoda & Herath, 2018). Mobile technology is a key instrument in the digital transitions. Many have kept mobile phones for the browsing and the accessing of the online platforms and this highlights the facility of online purchasing among the mobile users (Samsudeen, Selvaratnam, & Mohamed, 2020). Increasing the mobile and internet technology in the country is creating a fertile environment for the online purchasing growth. The governments are necessary to have more insights towards the evolving demands of the online consumers and to have investments in the digital infrastructure (Jebamani, 2020).

## ***2.2 Factors Affecting Purchasing Intention***

### ***2.2.1 Perceived Usefulness***

Perceived usefulness is identified as one of the most critical concept that is mainly highlighting how the technology is enhancing the performances, efficiency and productivity in every task and activities (Hamid, Razak, Bakar, & Abdullah, The effects of perceived usefulness and perceived ease of use on continuance intention to use e-government, 2016; Raza, Umer, & Shah, 2017). This is mostly emphasizing the cost reduction, effort savings, time saving and the improved effectiveness (Jamal & Sharifuddin, 2015). The individual belief that the technology is positively impacts on the tasks and daily activities leading to a productive outcome with higher quality is mainly referring over here (Margraf, Brailovskaia, & Schneider, 2020). Moreover, perceived usefulness is underscore the importance of the technology in delivering a successful result and simplifying applications (Chen & Aklikokou, 2020). Thus, it is playing a vital role in the new technological measures adoption where as important to the customer on online purchasing as well.

### 2.2.2 *Perceived Ease of Use*

The extent to which the individuals are referring to the extent that the technology is effortless and straightforward to use and significantly impacting the intentions on adoptions (Hansen, Saridakis, & Benson, 2018). Once the users in any system are believing that the system needs minimal effort, Perceived ease of use is achieved (Hamid, Razak, Bakar, & Abdullah, The effects of perceived usefulness and perceived ease of use on continuance intention to use e-government, 2016; Moslehpour, Pham, Wong, & Bilgiçli, 2018; Elkaseh, Wong, & Fung, 2016). Technology familiarity is mainly enhancing the usability where the lack of adoption can hinder the productivity (Abdullah, Ward, & Ahmed, 2016). The easiness of the activities with the technology adoption makes the effort reduction, effectiveness and time reduction in daily activities (Elkaseh, Wong, & Fung, 2016). Accordance with this, perceived ease of use comes as a critical fact for the technology adoption enhancement and performance outcomes development.

### 2.2.3 *Source Credibility*

Source credibility is mainly referring to the trustworthiness and the reliability of information specifically in the online purchasing actions where the credibility impacts over the decision making practices (Kang & Namkung, 2019; Flanagin & Metzger, 2017). Online media, personal experiences and the word of mouth are mainly the sources of information where their credibility is influencing the purchases. Reliable information are enabling the effective decision making which is enhancing the outcomes. Not all online sources are credible which is leading towards misinformation (Ismagilova, Slade, Rana, & Dwivedi, 2020). Thus, reviews plays a crucial role in shaping the purchasing decisions with the customers. Thus, source credibility is a necessity for the decision making practices (Flanagin & Metzger, 2017).

### 2.2.4 *Customer Attitude*

There is a significant impact of the customer attitude over the purchasing decisions which is shaped by the beliefs, experiences and the behavioral intentions. The attitude is mainly reflecting the customer perception on products, processes and services playing a significant role in the decision making practices (Lim, Radzol, Cheah, & Wong, The impact of social media influencers on purchase intention and the mediation effect of customer attitude, 2017; Maggon & Chaudhry, 2018). There are experiences with the products and the services which is contributing to the final decision of the customer while behavioral patterns are further identifying the preferences (Ahn & Back, 2018). It is crucial to understand the attitude of the customer

to facilitate the purchasing decisions and ensuring the successful product handling. Beliefs and the behavioral intentions are mostly as per the attitudes customer is having regarding any product or service that is pertaining with the successful purchasing process (Kaakeh, Hassan, & Almazor, 2019).

#### *2.2.5 Online Purchasing Intention*

The customer desire is reflected with the purchasing intentions for the product or any services and this is motivated and driven by the attitudes and the motives (Ariffin, Mohan, & Goh, 2018). Without the motives, there will be no any purchasing intention and thus, essential to understand the customer attitudes and respective motives for both the online and offline purchases (Xu, Prybutok, & Blankson, 2018). There are different factors such as the experiences, advice, beliefs and the reviews with the external forces which influence the intentions (Naseri, 2021). Positive external environment is fostering the stronger online purchasing intentions where the negative forces are hindering them (Bebber, Milan, De Toni, & Eberle, 2017; Ariffin, Mohan, & Goh, 2018). Understanding these make sure the strategies are necessary in ensuring the effective strategies in meeting the customer preferences and the enhancement of the purchasing outcomes.

### **2.3 Empirical Evidences**

#### *2.3.1 Impact of Perceived Usefulness on Purchasing Intention*

Empirical evidences are illustrating that the perceived usefulness is significantly impacting towards the customer's purchasing intentions especially in the online shopping applications. There are many studies that have used the Technology Acceptance Model (TAM) in investigating the impacts of the perceived ease of use, product/service quality and perceived usefulness as key determinants in intentions in purchasing (Cho & Sagynov, 2015). Research on halal product purchasing and mobile shopping also identifies perceived usefulness as a key determinant (Peña-García, Gil-Saura, Rodríguez-Orejuela, & Siqueira-Junior, 2020). Additionally, studies on online reviews and trust in emerging markets, such as Mexico, reveal that perceived usefulness influences purchasing choices, even when perceived risk does not (Ventre & Kolbe, 2020). Attitude, trust and perceived usefulness are found to be significantly impacting over the purchasing intentions in Vietnam (Ha & Nguyen, 2019). Studies on smartwatch buyers further confirm the importance of perceived value and ease of use in shaping purchasing decisions, with perceived usefulness playing a pivotal role (Arifah & Juniarti, 2021). Overall, perceived usefulness is identified as one of the critical fact in the online purchasing actions (Hsu, Chang, & Chuang,



2015; Escobar-Rodríguez & Bonsón-Fernández, 2017; Filieri, McLeay, Tsui, & Lin, 2018; Bahtar & Muda, 2016).

*H1: Perceived Usefulness is having significant impact on the online purchasing intentions in Sri Lanka*

### *2.3.2 Impact of Perceived Ease of Use on Purchasing Intention*

Purchasing intentions could be influenced by the perceived ease of use and this can be varied across various contexts. Several studies are done with the technology Acceptance Model highlighting the direct impact on the behavioral control. Further it explains the role of this in fostering the trust and reducing the perceived risk in the transactions. Yulianita, (2018) has explained that perceived usefulness, ease of use and the subjective norms are impacting on the purchasing intentions and this was done targeting the X and Y generations. Statistical analyses reveal that while computer self-efficacy might be insignificant, ease of use consistently impacts purchasing behavior positively (Jeng & Tseng, 2018). For instance, perceived ease of use and past experiences are key determinants among undergraduate students (Abd Aziz & Abd Wahid, 2018).

*H2: Perceived Ease of Use is having significant impact on the online purchasing intentions in Sri Lanka*

### *2.3.3 Impact of Source Credibility on Purchasing Intention*

Purchasing intentions could be well managed with the source credibility. Available research studies are showing that attractiveness, trustworthiness, and expertise significantly impact consumer behavior. Data gathered from Malaysia and Germany and other various regions in understanding the impact of source credibility on purchasing decision by Weismueller, et al., (2020) and Hui, (2017). Also, factors such as brand awareness and the perceived values are critical for the increase in the purchasing intentions (Chakraborty, 2019) as credible information is directing the correct decisions of individuals (Muda & Hamzah, 2021; Liang, Hu, Islam, & Mubarik, 2021; Sharif, 2016; Seiler & Kucza, 2017).

*H3: Source Credibility is having significant impact on the online purchasing intentions in Sri Lanka*

### *2.3.4 Mediation impact of Customer Attitude*

There are research studies identifying the importance of the source credibility on purchasing intention with the incorporation of customer attitude as a mediator. Studies involving 200–300 respondents reveal that

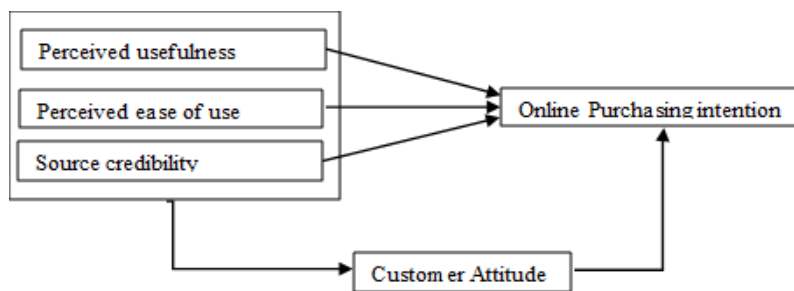
factors like source credibility, product match-up, and attractiveness influence purchasing decisions, with customer attitude playing a crucial mediation role (Lim, Radzol, Cheah, & Wong, The impact of social media influencers on purchase intention and the mediation effect of customer attitude, 2017; Koththagoda & Herath, 2018). Further research on celebrity endorsement, environmental knowledge, and online purchasing behaviors also confirms the mediating effect of customer attitude in shaping purchasing intentions (Chin, Isa, & Alodin, 2020; Amitay, Tj, & Wahyoedi, 2020; Garg & Joshi, 2018; Ing & Ming, 2018).

*H4: Customer attitude is mediating the relationship between perceived usefulness, perceived ease of use and source credibility and online purchasing intention among the customers in Sri Lanka*

### 3. METHODOLOGY

The research has selected positivism research philosophy as being objective and applied deductive approach as per the applicability of past literature. The research method is quantitative as per the usage of numerical methods. Survey method is used in data collection and cross-sectional time horizon has incorporated since the data collection is not periodical.

With the literature support, the following conceptual framework has developed.



**Figure 1: Conceptual Framework**

*Source:* Author created

Population identified here is the citizens using online purchasing actions in the Western Province of Sri Lanka and the sample number is 384 as the population is uncountable. Convenient sampling has used in the sample selection. The sample number is the highest number in Morgan Sample Selection table.

Data are collected with the self-administrated questionnaire consisting the Five Point Likert Scale. Analysis of the data is being done with the SPSS

software and incorporated the linear regression and PROCESS macro for mediation testing.

#### 4. RESEARCH FINDINGS

The data collection was done with the survey distribution where 384 has distributed and 327 has used in analysis as the returned answers explaining 85.15 % response rate.

##### 4.1 Demographics

The sample consist with 49.2 % who are in 31 – 40 years and 36.1 % who are in 20 – 30 years. Also. 54.1 % are married and this is the majority while 28.1 % are single, 12.5 % are divorced and 17% are widow. There are 54.1 % male and 45.9% female in the sample. 68.2 % are having 1-3 years' experience in online purchasing while 31.8 % are having less than one year experience.

##### 4.2 Reliability Analysis

Cronbach's Alpha method has used in testing the reliability. All the measures found to have higher values than 0.7 accepting the reliability of the variables allowing for the applicability of data.

##### 4.3 Correlation Analysis

Pearson correlation coefficient has used in testing the correlation among the variables. Following gives the clear explanation on the correlation among the variables.

**Table 1: Correlation analysis**

		Perceived Customer Usefulness	Perceived Attitude	Perceived Ease of Use	Source Credibility	Online Purchas Intention
Perceived Usefulness	Pearson Correlation	1				
	Sig. (2- tailed)					
Customer Attitude	Pearson Correlation	.666**	1			
	Sig. (2- tailed)	.000				

Perceived Ease of Use	Pearson Correlation	.848**	.736**	1		
	Sig. (2-tailed)	.000	.000			
Source Credibility	Pearson Correlation	.757**	.654**	.890**	1	
	Sig. (2-tailed)	.000	.000	.000		
Online Purchasing Intention	Pearson Correlation	.813**	.733**	.900**	.830**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	327	327	327	327	327

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Survey Data

#### 4.4 Regression Analysis

The direct relationship is tested with the multiple linear regression where the first three hypotheses are tested over here. Following gives the respective statistics for the regression outcome.

**Table 2: Regression outcome**

		Beta	T	Sig.
1	(Constant)		-11.304	.000
	Perceived Usefulness	.177	3.997	.000
	Perceived Ease of Use	.623	9.789	.000
	Source Credibility	.142	2.753	.006

R Squared = 0.822

F value = 497.899,  $p < 0.05$

Source: Survey data

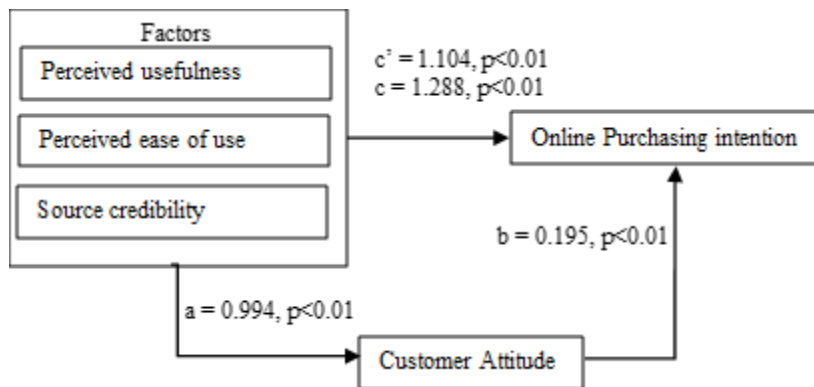
Perceived usefulness is having the significant relationship with purchasing intentions at 95 % confidence interval with beta value of 0.177, t value of 3.997 and significant p value of  $0.000 < 0.05$ . Confirms the acceptance of the

hypothesis one. Perceived ease of use is having the significant relationship with purchasing intentions at 95 % confidence interval with beta value of 0.623, t value of 9.789 and significant p value of  $0.000 < 0.05$ . Confirms the acceptance of the hypothesis two. Source credibility is having the significant relationship with purchasing intentions at 95 % confidence interval with beta value of 0.142, t value of 2.753 and significant p value of  $0.006 < 0.05$ . Confirms the acceptance of the hypothesis three.

R squared is identified as 0.822 where 82.2 % of variation is explained around the dependent variable (purchasing intention) as explained by the independent variables (perceived usefulness, perceived ease of use and source credibility). F statistics is identified as 497.899 which is a higher number and the respective p value is  $0.000 < 0.05$ .

#### 4.5 Mediation

The customer attitude is a mediation factor and the respective measure has been done with the PROCESS macro. This method is developed by Andrew F. Hayes to investigate the mediation, moderation and conditional process modeling. Following diagram is explaining the mediation testing as per the outcomes received.



**Figure 2: Mediation testing**

Source: Survey data

Here, the direct effect is not closer to zero than the total effect and thus, there is still a direct relationship between the identified factors in purchasing intention and purchasing intention, even after considering the mediator. Also, the mediated effect is likely meaningful, but it doesn't fully explain the relationship between the independent and dependent variables. Further, the total effect is larger than the direct effect, indicating that the mediator

explains some, but not all, of the relationship between the independent and dependent variables. These outcomes explain the acceptance of the hypothesis four as well.

## **5. CONCLUSION**

The factors impacting the online purchasing intention in Sri Lanka has been investigated over here with the emphasizing of the mediating role of the consumer attitude. The study has extended the valuable insights towards the consumer behavior in the context of the perceived usefulness, perceived ease of use and the source credibility. Each of these are significantly impacted towards the online purchasing intentions with the consumer attitude impacting as a crucial mediator. The efficiency and convenience of the online shopping is a vital fact where perceived usefulness is targeted in this with the enhancement of the consumer's purchasing intentions. Similar manner, perceived ease of use emerges with the critical determinant as the customers are more inclined to shop online once the platforms are user-friendly and needed minimal effort in navigation. Further, source credibility; trustworthiness and reliable information is a strong influence towards the purchasing decisions that illustrated the importance of the transparent communication in online retain environments. Mediation influence of the consumer attitude is another fact which is bridging the gap among the identified factors and the online purchasing intention. Positive attitudes, shaped by favorable perceptions of usefulness, ease, and credibility, significantly enhance the likelihood of consumers engaging in online purchases. This is a critical fact needed for the online retailers in fostering the positive customer attitude by improved user experience, reliable information, and personalized engagement. The implications of the research are substantial for different individuals. For businesses, the findings offer actionable insights for developing effective marketing strategies and enhancing platform usability to align with consumer preferences. For policymakers, the study underscores the importance of investing in digital infrastructure and fostering consumer trust to support the growth of e-commerce in Sri Lanka. In conclusion, the study is not only enriching the academic literature on online purchasing intentions, but also gives a clear foundation for the future researches. As online purchasing continues to grow, understanding these factors will remain essential for leveraging technology to meet evolving consumer needs and drive economic development.

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## **NEXUS BETWEEN CRM APPLICATION AND CUSTOMER SATISFACTION: EVIDENCE SLT 4G LTE USERS IN TRINCOMALEE DISTRICT**

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### **ABSTRACT**

This study investigates the nexus between the application of Customer Relationship Management (CRM) and customer satisfaction among SLT Mobitel's 4G LTE users in Trincomalee District. Qualitative analysis of customer feedback identifies key factors impacting satisfaction: security level, access level, personalization, ease of use, and CRM features. Customers highlighted significant issues, including unreliable payment gateways, login errors, limited personalization, and a confusing interface. Frequent service unavailability and missing or outdated features further contribute to dissatisfaction. The findings emphasize the need for SLT Mobitel to improve app security, accessibility, and usability, while introducing personalized features and enriched functionality to better meet customer expectations. By addressing these shortcomings, the company can enhance customer satisfaction, reduce service disconnections, and strengthen loyalty. This research provides actionable insights for optimizing CRM applications in the competitive telecommunications sector.

**Keywords:** Customer Relationship Management (CRM), Customer satisfaction, Telecommunications industry, Digital applications, SLT Mobitel

### **1. INTRODUCTION**

In the competitive telecommunications industry, customer satisfaction is a key driver of profitability and growth. Effective Customer Relationship Management (CRM) systems are essential for maintaining strong customer relationships, fostering loyalty, and addressing dissatisfaction. Despite being a leading telecommunications provider in Sri Lanka, Sri Lanka Telecom Mobitel (SLT Mobitel) faces challenges in ensuring customer satisfaction, particularly in its 4G LTE product offerings in the Trincomalee branch. Customer feedback and operational data suggest significant gaps in CRM practices, which are adversely affecting customer retention and satisfaction.

A review of disconnection trends over the past nine months in the Trincomalee branch highlights persistent issues, with the disconnection rate exceeding 20 per month in seven of those months. This high disconnection rate is a strong indicator of customer dissatisfaction. Further evidence from customer reviews, collected via online platforms such as Google Play and the Apple Store, as well as branch feedback books, underscores complaints regarding the CRM system's inability to meet customer needs effectively. These issues point to inefficiencies in the application of CRM tools, which fail to address the expectations and pain points of customers using SLT Mobitel's 4G LTE services.

This study explores the relationship between CRM application and customer satisfaction in SLT Mobitel's Trincomalee branch, focusing on how CRM features such as ease of use, personalization, access level, and security level influence customer experiences. The research aims to identify key factors contributing to customer dissatisfaction, examine deficiencies in the existing CRM tools, and propose targeted improvements to enhance service quality and customer retention.

To achieve these objectives, the study is guided by the following research questions:

1. How does CRM application impact customer satisfaction at SLT Mobitel's Trincomalee branch?
2. What specific deficiencies in SLT Mobitel's current CRM tools contribute to customer dissatisfaction?
3. What CRM improvements can enhance customer satisfaction, reduce disconnection rates, and strengthen customer loyalty?

The primary objective of this study is to assess the impact of CRM practices on customer satisfaction. The secondary objectives include identifying dissatisfaction factors, evaluating CRM system gaps, and recommending improvements to enhance customer experience and service efficiency. The findings will provide actionable insights to help SLT Mobitel optimize its CRM strategies, improve customer retention, and enhance overall service delivery.

## **2. LITERATURE REVIEW**

The integration of Customer Relationship Management (CRM) practices with information technology has revolutionized the way businesses maintain and enhance relationships with customers. Customer Relationship Management (CRM) directly influences customer satisfaction by improving

interactions and managing consumer needs effectively. Effective CRM helps businesses manage transactions, address complaints, and improve service quality. Digital communication and internet access further enhance CRM effectiveness, making it crucial for improving customer experience and business growth. (Suharto & Yuliansyah, 2022).

The evolution of Customer Relationship Management (CRM) has played a significant role in enhancing customer satisfaction. Historically, CRM practices date back to the barter system, emphasizing the importance of customer relationships. The Pre-PC Era (1950s-1970s) saw the introduction of the Rolodex (1956), which helped businesses record customer data manually. The 1980s to mid-1990s marked the origin of CRM management, with the development of contact management systems that recorded customer details and introduced sales force automation to track and manage sales processes efficiently. The 2000s to 2020s brought the modern CRM era, integrating web-based and social media-driven CRM to enhance customer interactions. More recently, artificial intelligence (AI) has been incorporated into CRM, enabling businesses to analyze large datasets, automate decision-making, and improve customer insights (Wani, 2023). These advancements have transformed CRM from a manual process into a data-driven approach, significantly improving customer satisfaction and business decision-making.

There are three key satisfaction dimensions: information quality, system quality, and service quality. Information quality refers to the accuracy, relevance, and completeness of data provided by the CRM system. System quality relates to the performance, usability, and reliability of the CRM platform. Service quality includes customer support, responsiveness, and overall user experience. These factors collectively determine customer satisfaction and help businesses enhance CRM effectiveness. (Mehrbakhsh Nilashi et al., (2023)

While CRM significantly impacts satisfaction, its effect remains limited due to a lack of trust among customers. Despite substantial investments in network infrastructure, mobile service providers struggle to meet customer expectations on a psychological level. The study highlights the need for companies to focus on reducing dissatisfaction, improving service quality, enhancing customer retention, and fostering loyalty to strengthen CRM effectiveness and overall satisfaction. (Velnampy & Sivesan, 2012)

Technological advancements in artificial intelligence and machine learning have significantly enhanced personalization within CRM systems. AI-powered analytics facilitate more accurate and effective personalization,

leading to improved customer engagement and satisfaction. They highlight the importance of predictive analytics in forecasting customer needs and tailoring interactions accordingly to enhance the overall customer experience. (Thompson et al, 2021).

Personalization in CRM plays a crucial role in enhancing customer satisfaction by increasing the perceived value of customer experiences. Tailored interactions, such as personalized emails, recommendations, and services, create a more engaging and fulfilling customer journey, ultimately leading to higher satisfaction levels (Smith et al., 2020).

AI also enhances decision-making through personalized recommendation systems, optimizing product and service suggestions to assist customers in making informed choices. Adomavicius et al. (2022) emphasize AI's potential in improving decision-making by tailoring recommendations based on customer preferences. Additionally, Rawlins (2023) advocates for a collaborative AI-human approach, arguing that AI should support and enhance human expertise rather than replace it, ensuring a more customer-centric decision-making process.

Furthermore, Liu et al. (2008) highlight the importance of security and privacy features in online CRM applications, which significantly influence customers' decisions to engage in transactions. For telecommunication providers like SLT Mobitel, incorporating secure and user-friendly web-based CRM tools can address customer concerns and improve satisfaction levels.

In addition to functionality, the feedback mechanism is a vital aspect of CRM. Kotler and Armstrong (2004) stress the importance of encouraging customers to discuss issues and provide feedback. This enables organizations to refine their products and services. Khalifa and Shen (2005) support the inclusion of problem-solving features in CRM platforms, such as self-help tools and complaint management systems, which empower customers and enhance their post-purchase satisfaction.

The telecommunications industry faces challenges such as stiff competition, high operational costs, declining subscriptions, and revenue losses, making effective Customer Relationship Management (CRM) essential for customer retention and satisfaction. CRM helps businesses identify, acquire, develop, and retain customers by tracking interactions, analyzing behavior, and offering personalized services. A customer-centric approach enables telecom companies to adapt to evolving customer needs, improve service quality, and enhance profitability. By integrating CRM strategies,

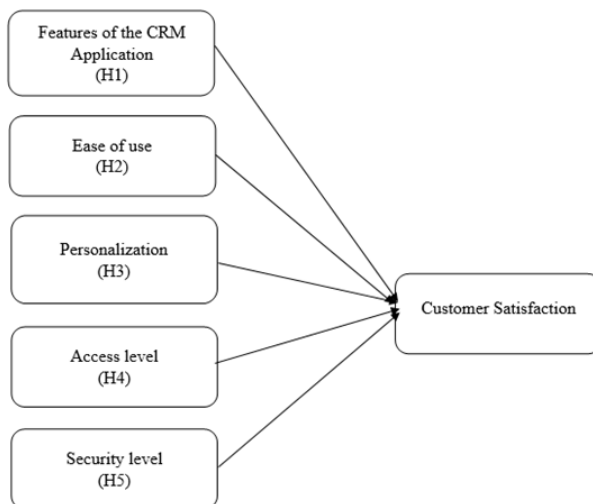


organizations can strengthen customer relationships, build trust, and gain a competitive advantage in a highly dynamic market (Mazikana, 2022).

Privacy and security play a crucial role in the success of E-CRM systems, as they directly impact customer trust and satisfaction. Perceived privacy is essential for ensuring customer data confidentiality, while robust security measures, such as encryption, secure payment processing, and third-party verification, enhance trust in online CRM services. Transparent data protection policies, customer-friendly return and cancellation policies, and clear privacy statements help build confidence in CRM applications. Additionally, information transparency within CRM systems reduces administrative corruption and increases accountability. Strengthening IT infrastructure, communication networks, and electronic payment systems can further enhance security and privacy, leading to improved customer satisfaction and organizational success (Dehghanpouri et al., 2022).

### 3. METHODOLOGY

#### 3.1 Conceptual Framework



**Figure 1: Conceptual Framework**

#### 3.2 Research Design

This qualitative research explores the relationship between the application of Customer Relationship Management (CRM) and customer satisfaction among SLT Mobitel's 4G LTE users in Trincomalee District. Primary data was collected through in-depth interviews with 43 users selected via convenient

sampling, allowing for a detailed understanding of their experiences and challenges with the CRM application. Secondary data was utilized to complement these findings, including 4G LTE disconnection records to substantiate the research problem, in-house feedback on the CRM application, and customer reviews from social media and app platforms. This mixed approach provided a comprehensive perspective on recurring issues, user sentiments, and the technical shortcomings of the CRM application. By combining primary insights with existing data, this research design ensures a robust understanding of the factors influencing customer satisfaction and delivers actionable recommendations for improving the application's effectiveness and user experience.

## 4. RESULTS AND DISCUSSION

### 4.1 Security Level

The security level of a CRM application is a fundamental factor influencing customer trust and satisfaction. A secure CRM system safeguards financial transactions, personal data, and other sensitive information, ensuring users can engage with the platform confidently. However, SLT Mobitel's CRM application has faced significant criticism due to its inability to provide a secure and reliable online experience, particularly in its payment gateway and digital transactions.

Customer feedback highlights persistent security and reliability issues within the platform. One user expressed frustration over recurring failures in the bill payment feature, stating:

*"Still bill payment option is not working. Payment through the browser is also difficult due to a certificate issue. Very poor service by SLT."*

Another customer pointed out the lack of accessibility to basic account details, stating:

*"The payment gateway is awful. Can't even get the basic account details from the profile that's logged in."*

These feedbacks emphasize the dissatisfaction caused by an insecure and unreliable system, leading to transaction failures, service disruptions, and concerns over data security. When users experience repeated security issues, they lose confidence in the platform and may seek alternatives with stronger security protocols. This aligns with the findings of Dehghanpouri et al. (2022), who highlight that perceived privacy and security play a crucial role in E-CRM success, directly influencing customer trust and satisfaction.

Security-related failures not only affect CRM functionality but also weaken customer relationships. Customers expect secure and seamless transactions, and any failure in encryption, authentication, or data protection exposes them to potential risks. Liu et al. (2008) emphasize that strong security measures in CRM applications significantly influence customers' willingness to engage in transactions. The absence of such measures can damage a company's reputation and drive customers toward competitors offering more secure alternatives.

To restore trust and improve customer retention, SLT Mobitel must prioritize upgrading its security infrastructure. Implementing strong encryption mechanisms, two-factor authentication (2FA), SSL certification, and a more reliable payment gateway will enhance customer confidence in the platform. These improvements will not only ensure data integrity but also align SLT Mobitel's CRM system with industry security standards, ultimately leading to better customer satisfaction and loyalty.

#### **4.2 Access Level**

The access level of a CRM application determines how effectively users can engage with its features, including login functionality, account integration, and the availability of critical services. Customers expect seamless access to essential functions such as account management, bill payments, and data usage details. However, SLT Mobitel's CRM application has been criticized for frequent access-related issues, including login failures and service unavailability, which significantly impact the customer experience and usability of the platform.

Customer feedback highlights these recurring access problems. One user expressed frustration over the inability to retrieve account details, stating:

*"Not working as expected. I have only added my broadband account, and it doesn't even show the account details. Instead, it gives an error message saying, 'Sorry! Account details not available.'"*

Another respondent emphasized frequent login failures, stating:

*"Sometimes you cannot simply log in to the system. Half the time, service is unavailable."*

These reviews underscore major accessibility challenges that hinder customer reliance on the app, forcing users to seek alternative solutions or contact customer support, which contradicts the very purpose of having a self-service CRM system.

Access-related issues in CRM applications often stem from inefficiencies in app architecture, server-side processes, and backend configurations. Inconsistent login experiences and the inability to retrieve account details indicate possible server overloads, poor database management, or weak authentication systems.

Research by Mehrbakhsh Nilashi et al. (2023) highlights that system quality, including reliability and performance, is a critical factor influencing customer satisfaction with CRM applications. Poor system responsiveness discourages users from adopting the app as their primary service management tool, ultimately reducing customer engagement and trust.

To enhance access levels, SLT Mobitel must invest in improving server infrastructure, adopting cloud-based solutions for scalability, and conducting rigorous system testing to identify and resolve performance bottlenecks. Ensuring consistent access to CRM functionalities is essential for improving customer satisfaction, reducing dependency on customer support, and strengthening long-term customer relationships.

### **4.3 Personalization**

Personalization is a crucial aspect of CRM applications, allowing businesses to tailor services based on individual customer needs and preferences. Features such as segmented data usage, customizable dashboards, and personalized notifications enhance user engagement and satisfaction. However, SLT Mobitel's CRM application lacks effective personalization, as customers repeatedly express dissatisfaction with its inability to provide features that align with their specific requirements.

Customer feedback highlights these shortcomings. One user criticized the lack of a detailed data usage breakdown, stating:

*"When I open daily usage, it doesn't show night time and day time usage separately anymore. What a cheap trick to force us into paying more for detailed usage. Disgusting!"*

Another respondent emphasized the inconvenience of accessing peak and off-peak data usage, stating:

*"Users should NOT have to click another two buttons to see peak and off-peak data usage. Make it easier!"*

*"Worst app I ever experienced among all telecommunication company softwares. Full of errors which newer resolved. Even subscribe some services*

*such as protocol reports, that also full of issues and sometimes it doesn't even show the details and take days to fix it."*

These reviews indicate that the app's current design lacks the depth needed to accommodate user-specific preferences, forcing customers to navigate unnecessary steps, which adds to their frustration. Smith et al. (2020) highlight that personalization in CRM enhances perceived customer value and satisfaction, as tailored features create a more seamless and engaging experience. However, SLT Mobitel's failure to offer essential customization options reduces the perceived value of the app, leading to lower customer satisfaction and engagement.

Inadequate personalization also weakens customer relationships and reduces loyalty, as users expect CRM applications to simplify and enhance their experience. The absence of features such as segmented data usage, flexible service management, and AI-driven recommendations makes the app fall short of modern CRM standards (Thompson et al., 2021). To address these issues, SLT Mobitel must implement AI-driven recommendations, segmented usage analytics, and one-click access to essential functions. Enhancing personalization will significantly improve user satisfaction, engagement, and long-term loyalty, ultimately strengthening the company's customer relationship management strategy.

#### **4.4 Ease of Use**

Ease of use is critical for the success of any CRM application, as customers value a user-friendly interface (UI) that allows them to navigate effortlessly and complete tasks efficiently. However, SLT Mobitel's app has been widely criticized for its poor design, convoluted layout, and inconsistent functionality. Users report difficulties in locating features, managing their accounts, and performing basic actions, such as viewing data usage or paying bills.

One respondent expressed frustration over the app's usability issues, stating:

*"The user interface is horrible! I suddenly can't find the data usage and can't find the option to add extra GB. Please bring back the previous app, it was so much easier to use."*

Another user pointed out the disorganized layout, stating:

*"The app's organization of buttons is all over the place. It's frustrating to use and not categorized properly."*

These comments highlight the frustration caused by a poorly designed UI and the lack of intuitive navigation. Users expect seamless transitions and well-organized features, but SLT Mobitel's CRM application fails to deliver a streamlined experience. Mehrbakhsh Nilashi et al. (2023) emphasize that system quality, including usability and navigation, is a crucial determinant of customer satisfaction in CRM applications. A cumbersome UI creates barriers to task completion and adds unnecessary stress, leading to customer dissatisfaction and reduced engagement.

The app appears to lack proper usability testing and user-centered design principles, which are essential for developing an effective CRM system. To enhance ease of use, SLT Mobitel must invest in UX design, conduct extensive usability testing, and refine the app based on user feedback. Improvements such as simplified navigation, better feature organization, and a more responsive design will significantly enhance usability and customer satisfaction, ensuring that users can interact with the app effortlessly.

#### **4.5 Features of the CRM Application**

The features of a CRM application determine its overall functionality and effectiveness in addressing customer needs. SLT Mobitel's app has faced criticism for missing or poorly implemented features, such as detailed billing information, complaint management, and data usage insights. Customers also express dissatisfaction with the lack of innovative updates that enhance usability and convenience. One respondent stated that,

*"The app is stale with no new features. Basic features like billing details are missing."*

Another respondent stated that,

*"Tried to make a complaint online, but it didn't work. The GUI is confusing, and most of the features don't even function properly."*

These reviews emphasize the app's failure to meet basic user expectations. Missing functionalities and gaps in essential features create a negative perception among customers, ultimately leading to dissatisfaction and decreased engagement.

Mehrbakhsh Nilashi et al. (2023) emphasize that information quality and system functionality are critical factors influencing CRM effectiveness. A lack of essential features reduces the perceived value of the app, making it less useful as a customer service and management tool.

The absence of core and advanced features undermines the app's utility and relevance in a competitive market. Customers expect a CRM application to

simplify tasks and provide value-added services, yet SLT Mobitel's app fails to deliver in these areas. To address these issues, SLT Mobitel must focus on feature enrichment, ensuring that core functionalities such as billing, complaint management, and service customization are robust and reliable. Incorporating user feedback to develop meaningful updates and enhancements will also help the app remain competitive and relevant in the evolving digital landscape.

## **5. CONCLUSION**

This research underscores the critical relationship between the application of Customer Relationship Management (CRM) and customer satisfaction, specifically focusing on SLT Mobitel's 4G LTE users in the Trincomalee District. The study highlights five major factors influencing customer satisfaction—security level, access level, personalization, ease of use, and the features of the CRM application—and identifies gaps that need immediate attention to improve the user experience.

Security level emerged as a primary concern, with unreliable online payment gateways and inadequate security protocols leading to customer distrust. Frequent transaction failures and certificate issues highlight the need for robust encryption, two-factor authentication, and secure payment solutions. Without these enhancements, customers are likely to avoid using the app for sensitive tasks like bill payments.

Access level issues, including login errors and frequent service unavailability, create significant usability barriers. Customers reported frustration when basic functions such as retrieving account details or managing connections were inaccessible. Improving server infrastructure, enhancing scalability, and reducing downtime are essential to providing a seamless user experience.

Personalization was another area where the application fell short, failing to meet customer expectations for tailored services. Features like detailed data usage breakdowns, segmented reports, and customizable settings are missing or inadequately implemented. Addressing these gaps through AI-driven recommendations and individualized user options will ensure that the app caters to diverse customer needs.

Ease of use emerged as a major pain point, with a confusing interface and poorly organized navigation making the app frustrating to use. Basic functionalities such as finding options or managing data require significant effort, leading to dissatisfaction. Investing in user-centered design

principles, simplifying the interface, and conducting usability testing can significantly enhance the app's intuitiveness and accessibility.

Finally, the features of the CRM application were found to be outdated and incomplete. Essential functionalities like complaint management, detailed billing, and service upgrades were either missing or unreliable. Regular feature updates, informed by user feedback, and the introduction of innovative tools can make the app more relevant and user-friendly.

In conclusion, addressing these five factors holistically will not only enhance customer satisfaction but also foster loyalty and reduce service disconnections. By prioritizing security, accessibility, personalization, usability, and feature enhancements, SLT Mobitel can create a CRM application that meets customer expectations and strengthens its competitive position in the telecommunications industry. This study serves as a valuable guide for organizations aiming to optimize CRM applications in today's digital-first environment.

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## IDENTIFY THE MARKETING POTENTIALS OF HOT AIR BALLOON RIDING AS A DESTINATION PROMOTION STRATEGY

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### ABSTRACT

Traveling by hot air balloon will undoubtedly create an unforgettable experience for a lifetime. Hot air ballooning offers an exceptional perspective of the stunning landscapes, heritage sites, lakes, rivers, cultural landmarks, and wildlife of the picturesque region known as Sri Lanka. The hot air balloon trip in Sri Lanka is renowned as an outdoor activity at Dambulla cultural heritage, owing to its exceptionally tranquil and reliable conditions. This study aims to investigate and analyze travelers' experiences during hot air balloon journeys. TripAdvisor is a prominent online brand community in the travel sector, facilitating visitor behavior through electronic word-of-mouth communication. The qualitative research method employed content analysis, utilizing data derived from 286 TripAdvisor reviews. The data were transferred to the qualitative analysis software NVivo for data analysis completion. The study's findings indicated that travelers are seeing ecological beauty, cultural immersion, escapist experiences, the aesthetics of memorial celebrations, archaeological expeditions, and inspirational customer service throughout their hot air balloon journeys in Sri Lanka. This outcome further reinforces the hypothetical model incorporating qualitative variables related to post-travel behavior following a hot air balloon experience, including satisfaction, memorability, advocacy, recommendation, and intention to revisit. This tourism strategy can be utilized to enhance the destination's image within Sri Lanka's tourism sector.

**Keywords:** Hot air balloon, Online reviews, Travel experience, TripAdvisor

### 1. INTRODUCTION

Tourism is a constantly evolving business phenomenon globally, significantly contributing to a country's economy. Contemporary tourists had distinct expectations and seek experiences involving outdoor activities. Tourists are concentrating on several adventurous activities while exploring areas to create amazing memories. Consequently, several remarkable experiences must be crafted to enhance visitor satisfaction and optimize customer value. The air balloon trip is recognized as an adventurous tourist

activity that provides an exceptional experience for travelers (Buckley, 2006). Hot air balloon trips enable passengers to glide over striking landscapes, historical and cultural landmarks, lakes, rivers, and the awe-inspiring vistas of the natural world.

User generated content is influencing on making consumer decision and trust on information which arrived from the existing consumers. TripAdvisor is strong online brand community in the travel industry and allow to share the traveler's experience including millions of reviews. Electronic word of mouth (E-wom) is a powerful tool to spread out the positive and negative word of mouth worldwide and will facilitate consumer purchasing decisions also. People are using social networks like TripAdvisor to continue sharing their travel experiences for three main reasons: to get travel information, disseminate information and record their own experiences (Huang et al., 2010). It will intend to other travelers to plan and reserve their trip through reviews and comments.

### ***1.1 Hot Air Balloon riding in Sri Lanka***

Hot air ballooning is among the premier activities in Sri Lanka. Hot air balloon rides are offered in select locations, including Dambulla and Galle. Dambulla is renowned for its balloon rides due to its exceptionally tranquil and reliable climate. Balloon rides occur in the early morning due to more stable weather conditions, with the distance covered dependent on wind speed and direction. The altitude will fluctuate from the treetop level, providing guests with an optimal view position to appreciate the immense beauty of Dambulla. The entire travel experience lasts around four hours, encompassing the arrival of travelers, balloon preparation and inflation, flight briefing, takeoff, the trip itself, landing, retrieval, and return to the hotel with a champagne brunch. All youngsters under the age of 16 must be accompanied by an adult. Children under eight years of age and pregnant women will be prohibited from participating owing to safety concerns (Ceylon Expeditions travels.com).

Hot air ballooning excursions occur from November to May, when winds are gentle and the sky is clearest; however, the optimal weather for ballooning is from March to April.

Experience is a primary aspect in comprehending traveler behavior, particularly within the tourism sector due to the intangible characteristics of this service industry (Aljahdali, 2016). Travelers articulate and disseminate their experiences on destinations, local attractions, or other areas they have been in numerous ways. The hot air balloon travelers have articulated their sentiments regarding their travel experiences in various approaches via TripAdvisor. Hot air ballooning, being one of the premier

activities in Sri Lanka, necessitates a comprehensive understanding of the nature of this experience, which is of considerable importance.

The potential of crafting unforgettable experiences via hot air ballooning and utilizing them in narrative-driven marketing remains inadequately examined. Investigation into how such encounters might foster brand loyalty and generate favorable word-of-mouth is essential.

In addition, there is a limited comprehension of the preferences, motives, and decision-making processes of both domestic and international tourists who choose hot air ballooning. Therefore, investigation is required to identify consumer behaviour including perceptions, and preferences for distinctive experiences.

## **2. LITERATURE REVIEW**

Hot air balloon is only feasible at sites with adequate take-off and landing areas, and relatively calm and non-turbulent wind conditions and need to travel with wind (Guzel and Sahin, 2019; Bruijn et al., 2016). The movement of the balloon is influenced on some of forces like surface friction when the balloon is dragged to the ground (Bruijn et al., 2016).

Guzel and Sahin (2019) revealed that the balloon riding as an experiential marketing aspect because the findings confirmed the 4E experience framework (educational, esthetic, entertainment, escapist) developed by Pine and Gilmore (1999). Further, this study concluded that balloon tours are important to promote the destinations and satisfy the social, psychological needs, and motivational aspects of the travelers. It can be used as positioning and differentiating strategies of a destinations. Nowadays, people are focusing on the adventuring experience (Buckley, 2006). The experience allows the person to do extraordinary things such as gaining knowledge, have fun, and creates memory (Sundbo and Darmer, 2008).

Tourism sector was identified as forefront to provoke the customer feelings and its needs differentiated goods and services in order to offer an experience (Pine and Gillmore, 1999). In order to prevail in the competitive tourism market, it is crucial to offer unforgettable tourism experiences (Kim, 2014). Tourists prioritize their memorable experiences when queried about their holidays (Vada et al., 2019).

Touristic experiences arouse with psychological needs with feelings, emotions, smells, colors, sounds, human relationships, symbolic values, decorations, physical contents, differentiated spaces; time, marketing activities, and the experiences and its affect for inner feelings, desires and curiosity of people for the individualization, differentiation and specialization (Guzel and Papatya, 2014). The customers' behavior will drive for memorable experiences. (Prayag et al. 2017; Prayag et al. 2013; Williams,

2006; Oh et al., 2007; Otto and Ritchie, 1996). In today the people ready to pay more for unforgettable and unique experiences (Pine and Gilmore, 2012).

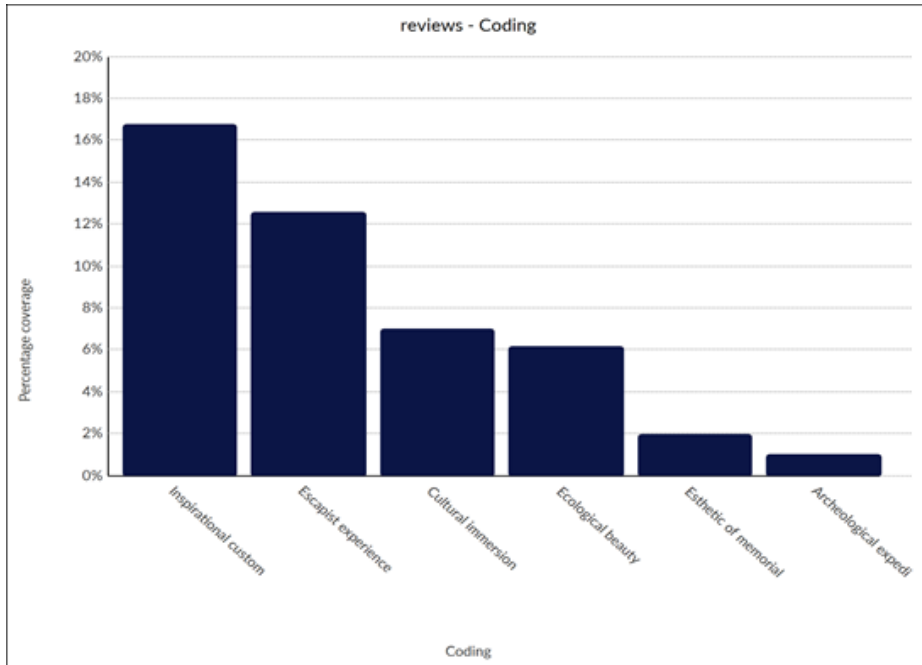
The recent literature proposes that ballooning is one of best life experience and lead some emotions like love, romanticism, passion and attachment. (Guzel and Sahin, 2020). Further, it demonstrated that this leisure activity improves the knowledge about region, formations, pre-flight preparation, navigation and landing system. Ballooning is highly favored by people, romantic couples, families, and employees. This is a tourism product marketed by suppliers and utilized by a third party. It signifies that flights are frequently received as gifts in the form of vouchers. They are captured during various occasions, such as wedding anniversaries or birthdays. The study of Novotn and Kunc (2020) explained that hot air balloon riding can be used as a destination promotion tool in the tourism industry by adapting marketing strategies.

### **3. METHODOLOGY**

TripAdvisor was the most preferred travel websites for qualitative content analysis based on its online reputation in travel industry. (Guzel and Sahin, 2019). Therefore, the author relied on their data. Content analysis of reviews were examined before each codes were assigned. The study of Graneheim and Lundman on “Qualitative content analysis in nursing research: concepts, procedures and measures to achieve trustworthiness”. Since it is having ability to examine actual communication in any context. Therefore, this approach is more preferred in analysis of experiences of the travelers in air balloon journey. Data were extracted from reviews of 286 travelers during the period of 2013-2020 on TripAdvisor form the Sun Rise Air Ballooning and Lanka Balloon Tours. Content analysis of comments was examined before each code was assigned. The codes were categorized into six codes. The data were converted to qualitative analysis software NVivo 11 to complete the data analysis.

### **4. RESULTS AND DISCUSSION**

As per the research objectives, coding was developed based on the reviews of travelers. It was revealed that travelers are experiencing on ecological beauty, cultural immersion, escapist experience, esthetic of memorial celebration, archeological expedition, and inspirational customer service through the balloon tour (Figure 1).



**Figure 1: Number of reviews**

Source: NVivo output

### **Code 01: Inspirational Customer Service**

Travelers asserted hospitality and the friendly nature of the personnel while riding on hot air balloon greatly influences visitor experiences. Therefore, it is quite evident that ballooning had offered an inspirational customer service. This is most important aspects that underlined by the travelers. The samples of comments are as follow:

*'Kindhearted and helpful pilot with a friendly staff. Specifically, I guarantee about the safety for those who are willing to join with Sri Lanka ballooning. Hope to join with them again and thank you lanka ballooning for your great service.'*

*'The crew was amazing too and they gave a happy ending with few bottles of Champagnes.. It was just epic... 🥰🥰🥰👍'*

*'The champagne toast and flight certificates at the landing site were as promised, and the bus ride back to our hotel. Everything was smoothly run, and perfect. Wonderful, wonderful experience. Tip: do wear shorts/pants and sensible shoes as you'll be climbing in and out of the basket.'*

Most TripAdvisor reviews praise these two running companies' personnel' hospitality. In a service company, staff must treat clients differently. It can be determined that travelers convey their balloon riding satisfaction with smileys. The reliability, promptness, assurance, response, and empathy of Sri Lankan hot ballooning illustrate its service quality. Great service and experience made it a nice ending.

### **Code 02: Escapist Experience**

Findings revealed that escapist experience is highlighted as a main aspect of air balloon travelling since it derives adventure experience for the travelers. The following sample of comments are regarding this escapist experience: *'An awesome experience of a lifetime! That was Amazing!! So much fun and the scenes we saw are mind blowing. We always felt very safe and secure!'*

*'I could even able to collect some fruits from the trees,...'awesome in making sure this experience was so memorable... easily the best thing we have done on our trip despite the fact of how breathtaking Sri Lanka is...'*

*'We hopped in the basket and felt the warmth of the fire blooming for the hot air balloon on our heads, hair and upper body. I happened to ride with Pasi, the only Sri Lankan pilot!'*

*Our landing (in middle of nowhere) was smooth. And early morning celebration with champagne just added to my 'wow' moment.'; 'From the sky, anything feels possible, and you'd rather not be brought back down to Earth. The real hot air ballooning experience was much greater than this feeling.'*

Travelers perceive a sense of safety while soaring through the clouds, akin to a bird in flight. It was an extraordinary lifetime experience characterized by a smooth and tranquil ride. It like a storybook to the travelers. Their comments emphasized that this event was remarkable, infused with bizarre emotions of romance, love, and passion.

### **Code 03: Cultural Immersion**

Another significant component observed in visitors' comments, as indicated by this study's findings, is that individuals are undergoing cultural immersion through travel. The balloon tourists articulate their experiences of cultural immersion as follows:

*'We landed on the paddy fields and we were welcomed by all the locals living in the area.'*

*'...in some places he lowered the balloon & let us to communicate with villagers, fishermen and children. also don't forget to take some gifts to children who comes to landing site and make them happy.; '...everywhere people waving up with a smile'.*

*'I was so surprised & happy that many friendly people welcoming us on landing, they were smiling and looking at us with compassionate eyes. I was asking everyone's name, and I learned some Sinhala and told them "Istuti - Thank you" "Ayubowan - Hello/good day" "Beautiful - ලස්සන [la s sa nna]" my pronunciation was very funny, so they couldn't help laughing. The staff gave away the stationeries like pencils, erasers and sharpensers to all kids. This is a Karma Yoga! Let's happy together!'*

*'I enjoyed my walk back to the car from mud puddles, and village.. Out n out enjoyed it thoroughly.'*

*'Sri Lanka is experiencing late rains and we see the effect this is having on the rice farmers. Our pilot explains the rice planting and how the farmer graduates the fields so that the water moves slowly from field to field. It was an amazing, gently and a smooth ride.'*

It is presumed that travelers appreciated and exchanged the cultural values, comprehending the symbols, rituals, language, lifestyle, and myths of Sri Lanka. Culture is the paramount element in establishing and enhancing connections among individuals. Travelers are acquiring insights into the agricultural practices of Sri Lankans, while riding provides an opportunity to appreciate the beauty of the paddy fields. As the villagers approached their landing, they greeted the tourists with the phrase 'Aybowan.' Individuals are waving with their hands while smiling. The opinions indicated that cultural interaction is the most delightful experience for passengers and facilitates a smooth ride.

#### **Code 04: Ecological Beauty**

According to the reviewers, balloon experience offers the opportunities to observe the beauty of the nature including sunrise at dawn, bird's eye view and to enjoy the spectacular landscape and awesome view of the surroundings. The balloon tourists express their experiences on ecological beauty as follows:

*'Balloon took off near the Kandalama lake just before the sun rise. Yeahh.. It was so unbelievable and magical view from above. We could witness the golden sunrise view from the balloon. View with mountain, lake, paddy field and more & more greenery'.*



*'We saw several peacocks and other birds and hear the crows of roosters dawn progressed'.*

*'...We see a variety of birds and animals.'; '...Aerial views of flying fruit bats, crocodiles and peacocks.'*

Almost, lot of quarter of the statements underline that flying in hot air balloon offers the best wonderful experience to observe and the beauty of the natural environments like sun, blue sky, greenery, variety of animals and birds, water and landscape. Balloon ridding allow to enjoy the amazing view of greenish flor in bird's eye attractive natural look without any makeup.

### **Code 05: Esthetic of Memorial Celebrations**

Some visitor's comments based with some special celebrations on their life time and underline it as marvelous experience by adding a value to the life of the travelers. It is supposed that balloon tours allow to experiencing for esthetic of memorial celebrations. Some of the comments regarding this aspect includes:

*'This balloon ride was purchased for our Golden Wedding Anniversary by wonderful friends that we were on holiday with in Sri Lanka and accompanied us on the flight. What a gift! What a memory!'; 'Loved the experience and the ride was so good. Thanks to the pilot who took great care and safe landing. This was my wedding anniversary gift to my wife. She enjoyed it thoroughly'.*

*'...Decided to celebrate this new year differently and thank god we did that.'*  
*'Communication was a delight as I organized a surprise Valentine's Day balloon ride. Went off without a hitch and with an even smoother landing. Give it a go!'*

*'Today is my birthday and all I want to say is that Sun Rise Ballooning just made my day!!! Right from where I made the reservation they lived up to my expectations and made this birthday an unforgettable one!!!'; 'This was a fabulous birthday present from my boys.'*

*'We flew with Mahmut and the team yesterday as part of our honeymoon celebrations. The flight was the experience of a lifetime and Mahmut provided a celebration cake at the end of the flight! Thanks Lanka Ballooning!'*

Peoples are very much touch with their memorial celebration of life times and to get the experience on it in different way. The air balloon travelling allows and facilitates to add the celebration memories to the travelers. Birthday celebrations, wedding anniversary and valentine surprises, new year festival, honeymoon celebration were experienced on the air through the ballooning by the travelers.

**Code 06: Archeological Expedition**

Another important aspect that was seen in visitor's comments based on the finding of this study is that people are experiencing on the archeological expedition while they travelling.

*'...could capture some beautiful sceneries to the collection including Kandalama lake, Sigiriya rock and Dambulla golden Buddha statue.'*

*'It was a wonderful experience floating above the Kandalama Lake and watching sunrise. We went up about 700m high and floated around Dambulla with the wind. Had a glance of Sigiriya, Pidurangala and Dambulla Cave Temple through the morning mist.'*

*'We went up and were able to view dambulla big golden budhdha statue, lion rock, pidurangala and so much more. It was incredible.'*

Travelers are experiencing on the historical places around Dambulla like Sigiriya, Pidurangala, Dambulla cave temple and Kandalama Lake. Sigiriya is an ancient rock fortress referred as one of the wonders of world and has a significant archaeological importance and attraction. This is created by king Kasyapa. Dambulla cave temple is a most valuable religion place of Buddhism with a long history as a pilgrimage site for twenty-two centuries. Therefore, it can be concluded that hot air balloon tour will allow for great archeological expedition

**4.1 Word Frequency Analysis**

By utilizing NVivo 11 Software, word frequency analysis is performed and results are shown in Figure 04. The Table 01 contains the count and the list of most frequent words used in online review texts while the figure presents analysis results pictorially to underline and shed light on highlights of 'Balloon Experience and amazing.' (Figure 2).



nice	20	0.21	incredible	18	0.19
magical	17	0.18	spectacular	18	0.19
best	57	0.59	excellent	17	0.18
good	34	0.35	peaceful	16	0.17
perfect	18	0.19	stunning	16	0.17
well	46	0.48	fun	15	0.16
friendly	45	0.47	funny	4	0.04
professional	36	0.37	fantastic	25	0.26
thank	38	0.39	knowledgeable	8	0.08
thanks	31	0.32	fabulous	7	0.07
worth	35	0.36	surprise	7	0.07
wonderful	32	0.33	try	14	0.15
awesome	31	0.32	lifetime	14	0.15
safe	30	0.31	sure	14	0.15
breathtaking	29	0.30	comfortable	6	0.06

Source: NVivo output

#### 4.2 Post consumer behavior

The study found that 98% of the travelers are satisfied with their experience on air balloon riding. These comments seem to provide evidence for the satisfaction of travelers. Travelers identified and mentioned balloon experience as 'A 'must to do' in your lifetime'.

*'A fabulous way to get a taste of Sri Lanka's Amazing scenery. So delighted we did it ! I don't have words to explain how amazing it was to be in the basket up in the air, see the morning broke, follow the sunrise and admire the surroundings.'; 'It was much more than I have expected and absolutely made my day. Amazing views of Sri Lanka.'; 'I would highly recommend if you find yourself in Sri Lanka get yourself a flight booked, you will not be disappointed.'*

Among that, 81% travelers are recommending this travel experience to others because of their satisfaction. (Table.01) After enjoying this experience, they invite to others to enjoy hot air balloon ridding.

*'If you're traveling to Sri Lanka you must visit/do Train journey towards hill country, surf in southern beach, try Colombo street food so on, in this SL bucket list add Hot Air Balloon.'; 'I invite all of you get beautiful morning ride.'; 'One of the top highlights of our trip and would highly recommend as a must do for anyone going to Sri Lanka.'; 'If you are a Sri Lankan or you wish to visit Sri Lanka do not miss this amazing opportunity!!!'; 'We LOVED it and would recommend this to everybody who will visit this amazing country.'*

According to the reviews, more than 50% of the travelers are advocate with the balloon ridding in Sri Lanka, as well as the particular area. It was a fantastic, safety and enjoy and breathtaking and unique experience. Travelers stated that 'A view of Sri Lanka that looks like another planet'. Their advocacy is expressed in following:

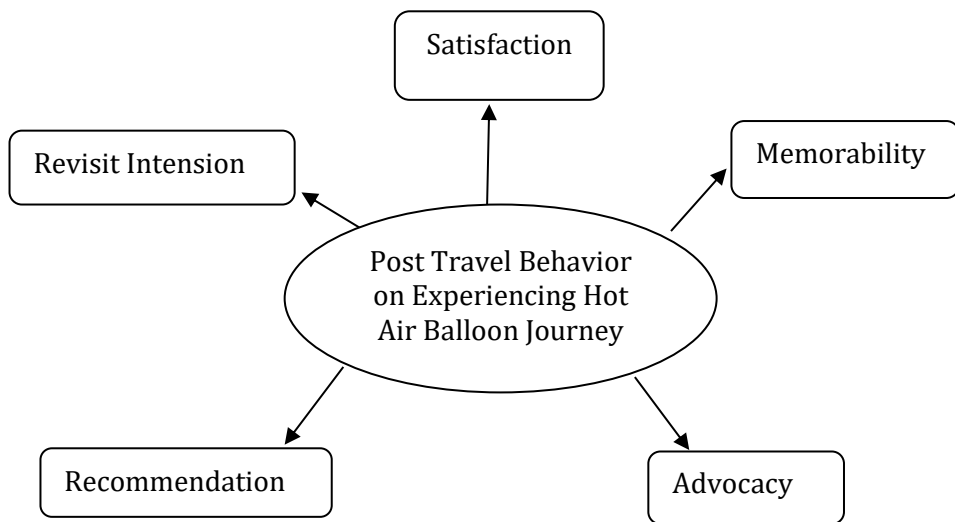
*'Arrive early in the morning. silence. And be in the air to watch the sunrise. There are no words to explain how beautiful this excursion was. Going up in a balloon is a very special, unique experience wherever you do it, but over Sri Lanka is just amazing.'; 'If you haven't touched clouds and tree tops yet, then do not wait. Live in a dream for few hours with Sri Lankan Balloon'; 'I have always wanted to go on a hot air balloon ride. I have tried in a few countries but the wind or the conditions have not allowed for it. Once I landed in Sri Lanka, I was on a mission to get to Dambulla to experience the joy of riding through the sky.'; 'Recently we have experienced the most beautiful moments of our lives. And this was the flight with the hot air balloon over the beautiful Sri Lanka.'*

As indicate in word frequency analysis, hot air balloon travelling adds memorable experience for the life time. More than 43% of travelers stated that this was a memorable event. (Table 1)

*'The best ballooning experience in Sri Lanka. We had the most memorable balloon ride with the Lanka Ballooning..... They do their very best to ensure the safety and comfort of their passengers just to provide the best and the most memorable balloon ride'; 'I feel so lucky to have experienced the beautiful Sri Lankan countryside in this way - an experience we will never forget and one that we are eager to repeat!'; 'An absolutely unforgettable experience and not in the least bit scary (you are in very safe hands).'; '.... a life time memory which is absolutely remarkable and unforgettable.'*

Travelers form sentences and expressions that indicate their revisit intension because of the satisfaction and advocacies about Sri Lanka balloon ridding.

*'Hope to see you all again soon.. 🎈🎈🎈🎈'; 'The takeoff, flight and landing were all so calm and serene. Question - Would I do it again - Absolutely 100% I will.'; 'I will do it again, forget the bucket list I'm doing it again! Thanks to all who helped me exit the basket, see you before the end of the year.'*



**Figure 4: Hypothetical Model for Post consumer behavior based on Qualitative Data**

*Source:* Survey results

Exceptional balloon rides in Sri Lanka significantly enhance passengers' experiences by imparting lasting memories. Satisfied consumers have promoted Sri Lankan balloon riding, establishing it in their minds, and will encourage others to experience Sri Lanka's breathtaking landscapes and azure skies. It is imperative to disseminate positive word-of-mouth communication (WOM). The aforementioned figure indicates that travelers plan to return and re-experience hot air ballooning in Sri Lanka.

## 5. CONCLUSION

This study has investigated with aim of examine the traveler's experience on hot air balloon journey. According to that, results revealed that travelers are able to get the experience on ecological beauty, cultural immersion, escapist experience, esthetic of memorial celebration, archeological expedition, and inspirational customer service with happy ending of the balloon journey. Most of the travelers are talking about their experience by using favorable emotions. It proved with the word frequency analysis. According to the 286 coding reference analysis, it was identified some qualitative variables related with post purchase (travel) behavior of travelers; satisfaction, memorability, advocacy, recommendation, and revisit intension.

## 6. DISCUSSION AND RECOMMENDATION

Findings of this study show that travelers are more experiencing more on inspirational customer service. The service is offered in friendly manner and travelers are having high satisfaction on its. The air balloon travelling needs extra safety due to its nature. According to the reviews, it can be clearly seen that Sri Lanka balloon tour have provided safety travelling with minimal risk. It will be a positive signal to the tour agents in order to promote their service to the travelers. As well as travelers also can add that for their travel bucket because of the less psychical risk while they planning their trip at Sri Lanka. Moreover, the service provider needs to maintain the service quality level of its.

Travelers are able to enjoy the escapist experiences through this amazing event since it is provided memorable life values (Vada et al., 2019). While travelling, they feel they as a bird and allow to see the beauty in different views. Therefore, the it will be beneficial to establish good brand image in traveler's mind. The Sri Lankan balloon riding can be promoted as an adventure tourism activity not only for a Dambulla area. The service provider can give a photo to the travelers to keep it as a memory since the results of the study explored that balloon tour was a life time memory to the travelers (Sundbo and Darmer, 2008). In addition, there is a requirement to increase the marketing promotion to give an awareness and evoke the stimulus of potentials and prospectus also. The promotion can be done specially over the digital media platform like social medias, websites and mobile App etc. The content marketing tools like case studies about Sri Lanka ballooning, newspaper articles, games, videos can be uploaded in different context.

As it appears as tools to visit and enjoy the ecological beauty, it can be used to promote the destination. Destination promotion is very talkative concept in tourism industry. According to the reviews, it is clear that travelers can experiencing on cultural immersion, archeological expedition. Therefore, balloon riding can be used as a destination promotion tool as well as knowledge gaining tool (Guzel and Sahin, 2020) in tourism industry since the area has long history with famous heritage places like Sigiriya, Dambulla cave temple and Golden Buddha's Statues, Pidurangala and lake Kandalama. Based on that, the brand equity can be built for the country as well as this place also. The presented results explain that travelers are moving on enjoy their life event while the travelling. It will be a positive signal to the marketers in order to promote their business and can be invited to celebrate birthday, wedding anniversary, wedding honeymoon, vacations and other celebration in their life time. The tour packages can be differentiated according to this and various pricing strategies can be allowed for each. The ballooning is one of the best once in lifetime experiences that lead to

arousal of emotions such as 'love, romanticism, passion, enjoy, breathtaking feelings' The word frequency results provide supportive evidences that strengthen the possibility of personal emotional arousal. The well-organized balloon tour with professional pilot and staff will allow to lead positive emotions with high satisfaction. It will allow for establishing better positioning the Sri Lanka ballooning on travelers' mind. Moreover, travelers describe ballooning as a safe experience after witnessing a secure and smooth landing with well trained staff. It shows that getting an experience on hot air balloon riding is not a fear to take on.

The travelers with satisfaction create memorable experience since today generation are focusing it as highlighted by Pine and Gilmore (2012). It was lead for their advocacy about Sri Lankan ballooning with recommendation, and revisit intension. In line with these findings, Sri Lanka hot air balloon contribute to creation of memorable destinations which can call the visitors back to the region and continuation of competitive advantage in tourism market as suggested by the study of Novotn and Kunc (2020).

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**THE IMPACT OF SOCIAL MEDIA INFLUENCER ATTRIBUTES ON TRAVEL  
INTENTION WITH SPECIAL REFERENCE TO THE GENERATION Z  
SOCIAL MEDIA USERS IN SRI LANKA**

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**ABSTRACT**

Influencer marketing has gained popularity globally, driven by the rise of social media platforms and the diminishing effectiveness of traditional advertising methods. The study aims to contribute to the understanding of how influencers attributes affect Generation Z consumers travel intentions. In the digital era, social media influencers (SMIs) have become a significant force in marketing, particularly within the travel industry. This The quantitative Research methodology was utilized in this research study. This research focuses on four key attributes of SMIs: attractiveness, trustworthiness, familiarity, and expertise, and their influence on the travel intentions of Generation Z. the variable were tested against the validity and reliability of the measurement properties. Data were collected using a structured questionnaire from a sample of 384 Gen Z social media users in Sri Lanka, through the simple random sampling technique and data collection was conducted via an online survey and physical method. The data were analyzed using SPSS software, revealing four influencer attributes, among which attractiveness, trustworthiness, and familiarity, Expertise showed a significant positive impact on travel intention. The study tested five hypotheses using Pearson's correlation and multiple regression analyses.

**Keywords:** Social media influencers (SMIs), Generation Z, Travel intention, Influencer marketing, Attractiveness, Trustworthiness, Familiarity, Expertise

## 1. INTRODUCTION

### *1.1 Background of the study*

Day by day, we are advancing toward a digital era. The rapid growth of interactive digital technology has impacted almost every aspect of Generation Z's (Gen Z) daily lives. Gen Z is considered the first global generation because they were born in the digital era from 1995 to 2010 and are digital natives, highly educated, creative, innovative, and technology savvy (Priporas et al., 2017). The concept of social media can be traced back to the early days of the internet. Social media is an interactive computer intermediary technology that facilitates the creation and sharing of information, ideas, occupations, hobbies, interests, and various other forms of expression through virtual communities, digital environments, and online platforms (Kietzmann et al., 2011).

"Social media influencers" has recently become one of the new trending topics in marketing, with the growth of their importance and role in the business world. When discussing influencer marketing, influencers appear to be divided in two main categories: celebrity endorsement and social media influencers. Influencer marketing is a popular social media strategy used by many organizations to try to influence consumers' decisions (Léa et al., 2018). social media influencer is generally a common individual who becomes famous on social media for his expertise and knowledge on a particular subject such as travel, food, fashion, music, sports, etc. (Lou & Yuan, 2019). They consistently share information with their followers through their social media channels.

In the present era, social media platforms play a crucial role in destination marketing strategies by enabling travelers to share their real-time travel experiences (Kilipiri et al., 2023). Travel and destination companies are collaborating with travel influencers. This strategy aims to expand their target market and ensure long-term customer retention (Wellman et al., 2020). Sri Lanka is having the utmost success through the travel influencers such as, Christina Plate, Travel with wife, Senuri Ranathunga and Melissa etc. According to (Cholprasertsuk et al., 2020), travel influencers have become a popular source of information for making travel decisions and planning experiences through their posts, reviews, blogs, stories, and videos.

The Source Credibility Model basically states that the effectiveness of a message depends on perceived level of expertise and trustworthiness of an endorser (Hovland & Weiss, 1951)(Sertoglu et al., 2014). In recent studies attractiveness of the source is also accepted as a dimension of credibility (Ohanian, 1990)(Goldsmith et al., 2000). Erdogan noted in 1999 that the credibility of a famous person leads positively influenced the perception of

the brand, the product and purchasing behavior, and explained that Trustworthiness denotes the honesty, credibility, reliability and integrity of the supporter as perceived by the public the target or consumers, and that the hereafter is the extent to which the proponent is viewed as a source Correct information (Erdogan, 1999).

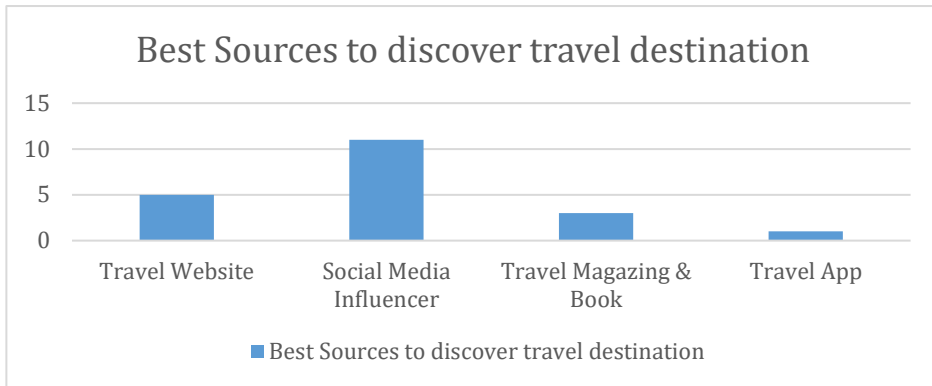
Considering the above information this study aims to find the impact of social media influencer attributes on generation Z travel intention.

### ***1.2 Problem Statement***

A variety of techniques have been used by most businesses to interact with their customers. Businesses utilize marketing methods to advertise their goods and services to customers. Social media marketing is one part of Internet marketing. The popularity can be explained by the fact that there were 7.20 million and 4.9 billion social media users in Sri Lanka and the world in 2023 (data report 2023 Sri Lanka; top social media statistics and trend 2024). Social media has changed the arena of marketing and the latest form of marketing popularly known as 'Social Media Influencer Marketing' has appeared (Cox et al., 2009). Travel/destination companies are partnering with travel influencers and change their traditional working agreements for influencers to harness influencer and follower relationships to extend their target market and retain them for the long term (Wellman et al., 2020).

For these reasons, the researcher decided to gain some understanding of Sri Lankan context, this by conducting a pilot study consisting of 20 members in undergraduates of Rajarata University of Sri Lanka (Generation Z) for members for this study. And researcher get their opinion about travel intention. Accordingly, consumers' opinions were asked about the sources that people use to have a form travel intention and find travel destinations.

Based on the results of the pilot study, it is clear that most university students use social media influencers to find travel destinations. Specifically, 55% of the students trust social media influencers for travel ideas. This shows that influencers have a big impact on students' travel choices. On the other hand, 25% of students prefer travel websites, which provide detailed information and reviews. Travel magazines and books are used by 15% of students, while only 5% rely on travel apps. These results suggest that social media influencers are the most popular source for travel inspiration among university students, making them an important tool for marketers in the travel industry. Considering all these facts, it appears that the customer pays more attention to social media influencer on travel intention.



**Figure 1: Pilot Study**

However, there are only a few studies conducted to investigate how social media travel influencer marketing affects tourists' travel intention (Xu (Rinka) & Pratt, 2018),(Kapoor et al., 2022), (Szymkowiak et al., 2021), (Asan, 2022).

Here are few research studies can be found in relation to the travel intention of the social media users. However, the impact of social media influencer attributes on the travel intention is yet a less discussed topic in Sri Lankan context. Thus, a deep investigation is required to be done in Sri Lankan context to fill the existing literature gap.

Accordingly, the main research question of this study as follows, the impact of social media influencer attributes on the travel intention of Generation Z in Sri Lanka?

### ***1.3 Research Objectives***

Research goals are brief summaries of what the study is attempting to accomplish. They give the study guidance and a summary of the goals a researcher hopes to accomplish with the project.

#### ***1.3.1 General research objective***

To identify the impact of social media influencers Attribute on Generation Z travel intention

#### ***1.3.2 Specific research objectives***

- To identify the impact of social media influencer's trustworthiness on the travel intention of Generation Z social media users in Sri Lanka.

- To identify the impact of social media influencer's Expertise on the travel intention of Generation Z social media users in Sri Lanka.
- To identify the impact of social media influencer's Attractiveness on the travel intention of Generation Z social media users in Sri Lanka.
- To identify the impact of social media influencer's Familiarity on the travel intention of Generation Z social media users in Sri Lanka.
- To identify the most significant impact influencer attribute on the travel intention of Generation Z social media users in Sri Lanka.

### ***1.4 Significant of Study***

The proposed study on the impact of social media influencer attributes on the travel intention of generation Z in Sri Lanka holds significant academic significance. Firstly, this study addresses a gap in the existing literature by focusing specifically on Generation Z consumers and their travel intentions. By examining the influence of influencer marketing on their travel intention, this study contributes to a better understanding of the factors that shape the consumer behavior of Generation Z. The findings can provide valuable insights for marketers, allowing them to develop more targeted and effective marketing strategies tailored to the needs and preferences of this consumer group.

Secondly, this study extends the understanding of influencer marketing in the context of emerging social media influencer brands in Sri Lanka. While previous research has explored the impact of influencers attribute on travel intention., focusing on elucidating the relationship between influencer content and individuals' propensity to engage in travel-related activities. By examining this relationship, the study aims to provide valuable insights into the mechanisms through which social media influencers influence travel intentions among their followers. Understanding this impact is crucial for destination marketers, travel agencies, and other stakeholders in leveraging the potential of social media influencers to effectively drive and enhance travel intentions within their target audience.

## **2. LITERATURE REVIEW**

Social media is defined as "content crafted by consumers, typically informed by relevant experience, and archived or shared online for easy access by other impressionable consumers" (Seo, 2021). Social media refers to a wide range of online tools that enable individuals to effortlessly connect with others in the digital world. These platforms facilitate the exchange of data and the sharing of information over the Internet (Kaur & Kumar, 2020).

The advertising sector has seen significant transformation over the years, and as a result, they have specialized knowledge in a variety of areas, including travel, fashion, and lifestyle. They began to gain power along with social media's rise to prominence and became more significant than ever. As a result, it is now searching for strategies to increase return on investment. This is the reason influencer marketing, a technique for marketing that focuses on certain individuals rather than the entire target market, has become more popular. Its objective is to persuade potential customers and organize marketing campaigns around influencers (Woods et al., 2016). Globally, both social media and SMIs play significant roles in people's daily lives (Fayez et al., 2022a).

Social Credibility Model was proposed by Ohanian (1990) as a scale to integrate and measure endorsers perceived attractiveness, expertise, and trustworthiness, incorporating the two large models from existing literature. Ohanian (1990) suppose that source credibility is an acceptable trait for advocates that leads to acceptance of the message being disseminated to the target audience. Recent studies have started to employ the components of the source credibility model to measure the credibility of SMIs (Fred, 2015)(Lou & Yuan, 2019).

The term "travel intention" actually highlights a person's commitment to or objectives to travel. Travel intention refers to the degree of willingness, likelihood, and decision to travel (W. Wang et al., 2017). Travel intention is an outcome of a mental process that leads to an action and transforms motivation into behavior (Makhdoomi & Majid Baba, 2019). SMIs, replacing traditional information sources in the same way as the advice of acquaintances, SMIs have the power to affect feelings, thoughts, and purchasing decisions. Finally, according to the previous literature, there are some measurements used to measure the willingness to travel, motivated, keen, committed to travel (Chin et al., 2015) (Caraka et al., 2022).

Generation Z are young adults who were born in 1995 or later (Bassiouni & Hackley, 2014). Generation Z, or Gen Z for short, is the demographic cohort succeeding the Millennials who were born in the period from 1996–2010 (M. Cho et al., 2018). They are the first generation of fully technical users who have benefited from the internet and social media (Özhasar et al., 2021).

Expertise is related to the knowledge and experience that the endorser has on a particular subject (Freire et al., 2018). Further, expertise describes an individual's level of knowledge and can be conceptualized as the level of experience, knowledge and problem solving skills that a person has in a particular field (Wiedmann & von Mettenheim, 2020). Attractiveness refers to the physical appeal or charisma of the influencer, which can enhance their ability to capture and retain audience attention. Influencers who are

considered attractive are more likely to persuade and engage their followers (Ohanian, 1990).

Familiarity refers to the extent to which a customer is acquainted with or has developed experiences with a particular product or service over a period of time (Magano et al., 2022). This attribute is about the extent to which followers recognize and feel connected to the influencer. Trustworthiness can be defined as “the honesty, integrity and believability the endorser possesses” (Van Der Waladt & Wehmeyer, 2009). This attribute indicates the degree to which an influencer is perceived as honest, reliable, and sincere.

### **3. METHODOLOGY**

Researcher has used Positivism as the research philosophy because, this study is based on research questions which are going to be tested and confirmed by relevant hypotheses. Accordingly, this study has utilized the Deductive research approach. A quantitative study will be carried out under the Research strategy, using Survey method. An online questionnaire (Google Form) was circulated among the participants to collect data relevant to the study. The time horizon for the study is considered as single cross sectional. In order to conduct this study a quantitative Approach will be employed as it is the best suited method for conducting a study of this nature. Using 1-5 Likert scale the 04 dimensions were operationalized taking indicators established by Lima and Baudier (2017) into consideration.

The population for this study encompasses all consumers belonging to Generation Z, born 1995 -2010 (M. Cho et al., 2018). It means consumers who are in between age 15 – 29 representing the all nine provinces in Sri Lanka. According this study, there is no credible source to get the total number of Generation Z consumers in Sri Lanka, the population is unknown in this study.

The sample selection for this study involved gathering data from social media platform. the focus was on engaging Generation Z users who actively participate in social media and interact with influencer. Based on the latest available Census and Statistic data from the Department of census and statistic in 2012, the population of Generation Z, defined as individuals aged between 15- 29, is estimated to be approximately 4.6 million (Department of Census and Statistics, 2012). Comparatively, in January 2022, Sri Lanka’s overall population amounted to 21.54 million, with 709 percent falling within the age of 13 to 17, and 10.1 percent within the age range 18 to 24 (Simon Kemp, 2022). Given that the Generation Z population exceeds 10 000, according to the Morgan table, this study has determined a sample size of 384 for analysis.



#### 4. DATA ANALYSIS & RESULTS

Initially, the attributes of tested sample are dissected by descriptive statistic. The reliability was examined to evaluate the validity of the review instruments. Then, at that point the conceptual framework variable were analyses using the mean and standard deviation. the Pearson correlation analysis was utilized to measure the relationship between independent and dependent variables. To investigate the connection between these two variables, the regression analysis was led, where the discoveries from these two insightful strategies were further compared and analyzed. Finally, multiple regression was conducted to analyze the variable of this research study.

##### 4.1 Reliability and Validity

As per the finding, all the variable score Cronbach's Alpha value greater than 0.6 and hence reliability of the variable was satisfied. factor analysis result has shown factor loadings greater than 0.5. hence the variables were considered valid measures. Every independent and dependent variable is acceptable when all of those Cronbach's alpha values are taken into consideration. It indicates that there was satisfactory internal consistency reliability and positive correlation between each other.

##### 4.2 Correlation Analysis

The hypothesis was tested using the correlation coefficient and the Regression Analysis under the significant level of 0.05.

**Table 1: Correlation analysis**

		IVE	IVA	IVF	IVT	DVT
IVE	Pearson	1	.612**	.477*	.486**	.500**
	Correlation			*		
	Sig. (2-tailed)		.000	.000	.000	.000
	N	384	384	384	384	384
IVA	Pearson	.612**	1	.671*	.676**	.588**
	Correlation			*		
	Sig. (2-tailed)	.000		.000	.000	.000
	N	384	384	384	384	384
IVF	Pearson	.477**	.671**	1	.595**	.599**
	Correlation					
	Sig. (2-tailed)	.000	.000		.000	.000
	N	384	384	384	384	384

IVT	Pearson Correlation	.486**	.676**	.595*	1	.554**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	384	384	384	384	384
DV T	Pearson Correlation	.500**	.588**	.599*	.554**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	384	384	384	384	384

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Survey data

### 4.3 Regression Analysis

**Table 2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.679 <sup>a</sup>	.461	.455	.485

a. Predictors: (Constant), Trustworthiness, Expertise, Familiarity, Attractiveness

Source: Survey data

Squared ( $R^2$ ) value is equal to 0.461 which mean that the variance of the independent variable can explain only 46.1% the variance of dependent variable.

**Table 1: ANOVA Table**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	76.159	4	19.040	81.035	.000 <sup>b</sup>
	Residual	89.049	379	.235		
	Total	165.208	383			

a. Dependent Variable: Travel intention

b. Predictors: (Constant), Trustworthiness, Expertise, Familiarity, Attractiveness

Source: Survey data

According to the above table, the significance level less than 0.05 (Sig. value = 0.000) shows that this model is significant to predict dependent variable (travel intention) and that the relationship between the independent variable and dependent variable is statistically significant.

**Table 2: Coefficient Table**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.659	.218		3.022	.003
	IVE	.171	.048	.170	3.525	.000
	IVA	.155	.062	.155	2.502	.013
	IVF	.337	.059	.304	5.752	.000
	IVT	.187	.054	.186	3.484	.001

a. Dependent Variable: Travel intention

Source: Survey data

According to the table All variable Significant value is less than 0.05. so, which can be considered there all variable have the significant impact toward dependent variable travel intention of social media users in gen Z. Influencer Familiarity, B value (0.337) is higher than other variable B (0.171, 0.155, 0.187) values. So that it can be concluded that the most impactful credibility factor toward travel intention of social media users on Gen Z.

## 5. DISCUSSION OF THE FINDINGS

In this study mainly focused on the to identify the impact of social media influencer attribute on generation z travel intention. Therefore, researcher has used 04 independent variables as well as dependent variable to conduct this. For the research purpose data collected through online questionnaire from the users of social media.

After the data Screening and Cleaning, researcher has done the reliability and Validity test for the research data. The reliability of the questionnaire was evaluated using the Cronbach Alpha value, and since each variable was over 0.7, it was clear that the study's items were internally consistent and had higher dependability than average. When the Kaiser-Meyer-Olkin (KMO) test was used to check the validity of the data.

Descriptive Statistics of the data set evaluated in this analysis and the researcher examined the minimum, maximum, mean, and standard deviation as part of this descriptive analysis (SD). The mean values of the variables are range from between 4.51 to 4.55 and SD values are range from 0.592 to 0.657. The researchers have examined computed values of maximum and minimum regarding each variable. The data set has a range of 1.00 to 5.00.

The researcher proceeded with the correlation analysis following the study of the descriptive statistics. Even this study used explanatory research to determine how independent and dependent variables related to one

another. In this case, the relationship between one variable and another was measured by the researcher using Pearson's correlation.

The correlation analysis and regression analysis results indicated that all of the hypotheses were accepted.

**Table 3: Summary of Results**

Hypothesis	Pearson Correlation	Regression Analysis
H1 There is a significance impact of SMI's Attributes and Gen Z Social media users' travel intention.	Accepted	Accepted
H1 <sub>A</sub> There is a significance impact of SMI's Expertise and Gen Z Social media users' travel intention.	Accepted	Accepted
H2 <sub>B</sub> There is a significance impact of SMI's Attractiveness and Gen Z Social media users' travel intention.	Accepted	Accepted
H3 <sub>C</sub> There is a significance impact of SMI's familiarity and Gen Z social media users' travel intention.	Accepted	Accepted
H4 <sub>D</sub> There is a significance impact of SMI's trustworthiness and Gen Z social media users' travel intention.	Accepted	Accepted

*Source: Authors' Own*

## 6. CONCLUSION & CONTRIBUTIONS

The purpose of the research study was to examine impact of social media influencer attribute on travel intention special reference to the generation Z in Sri Lanka.

To examine the levels of the travel intention, researcher identified four independents' variables. Those are expertise, attractiveness, familiarity, trustworthiness. social media users travel intention is the dependent variable. Therefore, researcher selected social media users who travel intention special reference to the generation Z in Sri Lanka under this selected social media user of following influencers the population and selected the sample through the convenience sampling method. So, the researcher collected data through using structured questionnaire and used SPSS software to analyze and evaluate data.

Collected data were entered SPSS software to analyze and calculate final results. Before running the major functions, the first reliability test and validity test have been done and results were up to the recommended level and then descriptive statistics were done and get standard deviation and mean. After the researcher was done the correlation analysis.

The study is beneficial to the destination marketers, advertising agencies, hotel and accommodation provides, social media influencers and general public. Therefore, the findings of the study can directly apply to the social media users to change the travel intention. Therefore, following recommendations can be made. The findings of the study are beneficial to the destination marketers to promote the destinations to the target customer base by directly focusing on most attractive influencers. According to the findings of the study, social-media influencers are one type of promotional media that must be developed favorably in order to boost a tourist destination's image.

The study also provides important insights to the advertising agencies to effectively implement their digital marketing campaigns. The findings of the study revealed that, Instagram is having more attraction than Facebook, hence digital marketing experts can use these insights to incorporate their digital marketing campaigns via Instagram platform. On the other hand, hotels, accommodation provides can use the findings of the study to grow their business with the use of influencers by tracking the most attractive social media platforms.

Social media influencer marketing is a critical channel for engaging today's consumers, especially in the travel and tourism sector. In Sri Lanka, companies strategically collaborate with social media influencers (SMIs) to enhance marketing efforts. The study highlights that familiarity has the strongest influence on travel intention, with a correlation of 0.599, followed by attractiveness (0.588), trustworthiness (0.554), and expertise (0.500). This indicates that well-known, trustworthy influencers with appealing and expert content can significantly inspire Generation Z's travel plans.

The findings offer valuable insights for destination marketers, advertising agencies, hotels, and accommodation providers. Marketers should prioritize collaboration with influencers who exhibit the key attributes identified, as genuine and relatable content resonates strongly with audiences. For influencers, maintaining authenticity, trustworthiness, and expertise is crucial for long-term success. Companies can mitigate risks by carefully selecting influencers aligned with proven impact factors, ultimately driving destination awareness and customer engagement.

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