

# GLOBAL JOURNAL

OF MANAGEMENT AND BUSINESS RESEARCH: E

## Marketing

Virtual Online Sales Assistants

Study on Brand Equity & Purchase

Developing Virtual Online Customers

Highlights

The Flipping of Traditional Economic

Discovering Thoughts, Inventing Future

VOLUME 19

ISSUE 4

VERSION 1.0





GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

---



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

---

VOLUME 19 ISSUE 4 (VER. 1.0)

© Global Journal of  
Management and Business  
Research. 2019.

All rights reserved.

This is a special issue published in version 1.0  
of "Global Journal of Science Frontier  
Research." By Global Journals Inc.

All articles are open access articles distributed  
under "Global Journal of Science Frontier  
Research"

Reading License, which permits restricted use.  
Entire contents are copyright by of "Global  
Journal of Science Frontier Research" unless  
otherwise noted on specific articles.

No part of this publication may be reproduced  
or transmitted in any form or by any means,  
electronic or mechanical, including  
photocopy, recording, or any information  
storage and retrieval system, without written  
permission.

The opinions and statements made in this  
book are those of the authors concerned.  
Ultrapublishing has not verified and neither  
confirms nor denies any of the foregoing and  
no warranty or fitness is implied.

Engage with the contents herein at your own  
risk.

The use of this journal, and the terms and  
conditions for our providing information, is  
governed by our Disclaimer, Terms and  
Conditions and Privacy Policy given on our  
website [http://globaljournals.us/terms-and-condition/  
menu-id-1463/](http://globaljournals.us/terms-and-condition/menu-id-1463/)

By referring / using / reading / any type of  
association / referencing this journal, this  
signifies and you acknowledge that you have  
read them and that you accept and will be  
bound by the terms thereof.

All information, journals, this journal,  
activities undertaken, materials, services and  
our website, terms and conditions, privacy  
policy, and this journal is subject to change  
anytime without any prior notice.

Incorporation No.: 0423089  
License No.: 42125/022010/1186  
Registration No.: 430374  
Import-Export Code: 1109007027  
Employer Identification Number (EIN):  
USA Tax ID: 98-0673427

## Global Journals Inc.

(A Delaware USA Incorporation with "Good Standing"; Reg. Number: 0423089)

Sponsors: *Open Association of Research Society*  
*Open Scientific Standards*

### *Publisher's Headquarters office*

Global Journals® Headquarters  
945th Concord Streets,  
Framingham Massachusetts Pin: 01701,  
United States of America

USA Toll Free: +001-888-839-7392  
USA Toll Free Fax: +001-888-839-7392

### *Offset Typesetting*

Global Journals Incorporated  
2nd, Lansdowne, Lansdowne Rd., Croydon-Surrey,  
Pin: CR9 2ER, United Kingdom

### *Packaging & Continental Dispatching*

Global Journals Pvt Ltd  
E-3130 Sudama Nagar, Near Gopur Square,  
Indore, M.P., Pin:452009, India

### *Find a correspondence nodal officer near you*

To find nodal officer of your country, please  
email us at [local@globaljournals.org](mailto:local@globaljournals.org)

### *eContacts*

Press Inquiries: [press@globaljournals.org](mailto:press@globaljournals.org)  
Investor Inquiries: [investors@globaljournals.org](mailto:investors@globaljournals.org)  
Technical Support: [technology@globaljournals.org](mailto:technology@globaljournals.org)  
Media & Releases: [media@globaljournals.org](mailto:media@globaljournals.org)

### *Pricing (Excluding Air Parcel Charges):*

Yearly Subscription (Personal & Institutional)  
250 USD (B/W) & 350 USD (Color)

# EDITORIAL BOARD

GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH

## *Dr. John D. Theodore*

American Military University JDT Management Consultants, President. D.B.A., Business Economy University of South Africa Ph.D. Aristotelian University Business Administration Ph.D. Administration, University of Kansas United States

## *Professor Maura Sheehan*

Professor, International Management Director, International Centre for Management & Governance Research (ICMGR) Ph.D. in Economics United Kingdom

## *Dr. Carl Freedman*

B.A., M.A., Ph.D. in English, Yale University Professor of English, Louisiana State University, United States

## *Yue-Jun Zhang*

Ph.D. Professor of International Business College of Business Purdue University Northwest Hammond, Indiana United States

## *Dr. Charles A. Rarick*

Ph.D in Policy Analysis and Administration, M.B.A in Management, B.S. in Accounting, Psychology, Purdue University Calumet, United States

## *Dr. Bettina Mrusek*

Ph.D. in Business Administration from Northcentral University, Assistant Professor and Program Chair for the Master's in Aviation Maintenance at Embry Riddle Aeronautical University. United State

## *Dr. Nermeen Fathy Ahmed Shehata*

Ph.D., M.Sc., B.Sc in Accounting, Graduate Teaching Assistant and PhD Researcher Finance and Accounting Group Aston Business School, Aston University, United Kingdom

## *Prof. Moji Moatamedi*

Honorary Vice Chair Ph.D., at The University of Sheffield, MBA, Manchester Business School University of Manchester United Kingdom

## *Dr. Xiaohong He*

Professor of International Business University of Quinnipiac BS, Jilin Institute of Technology; MA, MS, Ph.D., (University of Texas-Dallas) United Kingdom

## *Dr. Ali Dehghan*

Ph.D. in Technology, MS.c. in Engineering Management, MS.c. in Marketing & e-commerce, BS.c in Electrical Engineering, Eastern Michigan University, United States

## *Dr. Afroditi Anagnostopoulou*

Ph.D in Operational Research, BSc in Management Science and Technology, Department of Management Science and Technology, Athens University of Economics and Business, Greece

## *Dr. Mohamed M. Elheddad*

Ph.D, M.Sc in Economics, BA (Honour) in Economics, Hull University Business School, University of Hull, United Kingdom

*Dr. R. Allen Shoaf*

B.A., M.A., Ph.D. Cornell University Cornell University,  
Teaching Assistant in the English Department, University  
of Florida, United State

*Dr. Agni Aliu*

Ph.D. in Public Administration, South East European  
University, Tetovo, RM Associate professor South East  
European University, Tetovo, Macedonia

*Dr. Ivona Vrdoljak Raguz*

University of Dubrovnik, Head, Department of  
Economics and Business Economics,  
Croatia

*Dr. Dodi Irawanto*

Ph.D., M.Com, B.Econ Hons. Department of  
Management Faculty of Economics and Business  
Brawijaya University Malang, Indonesia

*Dr. Yongbing Jiao*

Ph.D in Marketing, Masters Degree in School of  
Management, Ningbo University of Technology,  
China

*Dr. Mohd Norfian Alifiah*

Ph.D in Business Management (Finance), Master in  
Business Administration (Finance), Bachelor of  
Commerce (Accounting), Universiti Teknologi Malaysia,  
Malaysia

*Dr. Gabariel Dwomoh*

Ph.D in Human Resource Management, MBA in  
Finance, Industrial Management, Universidad  
Empresarial De Costa Rica, Ghana

*Dr. Mehdi Taghian*

Senior Lecturer Faculty of Business and Law BL Deakin  
Business School Melbourne Burwood Campus  
Australia

*Dr. Wing-Keung Wonn*

Ph.D., University of Wisconsin-Madison, Department of  
Finance and Big Data Research Center Asia University,  
Taiwan

*Dr. Tsutomu Harada*

Professor of Industrial Economics Ph.D., Stanford  
University Doctor of Business Administration Kobe  
University, Japan

*Dr. Shnke M. Bartram*

Department of Accounting and Finance Lancaster  
University Management School Ph.D. (WHU Koblenz)  
MBA/BBA (University of Saarbrucken), United Kingdom

*Dr. Mohsen Ben Salem Brahmi*

Ph.D in Economics ICT Management (Honors), Campus  
Southern Scientific IAE Business Administration School,  
France

*Dr. Gorzen-Mitka Iwona*

Ph.D in Economic Science, Management Science Specialty  
Czestochowa University of Technology, Faculty of  
Management Internal Auditor - Polish Institute of Internal  
Control, Poland

*Dr. Bhavesh O. Vanparia*

Ph.D in Management, BBA, MBA in Marketing, PGD in  
Research Methodology, Veer Narmad South Gujarat  
University, India

*Dr. Carlos Garcia Pont*

Associate Professor of Marketing IESE Business School, University of Navarra Doctor of Philosophy (Management), Massachusetts Institute of Technology (MIT) Master in Business Administration, IESE, University of Navarra Degree in Industrial Engineering

*Dr. Nigel Raylyn D'Silva*

Ph.D in Econometrics, MBA in International Business, B.Sc in Statistics, N. L. Dalmia Institute of Management Studies & Research, Affiliated to Mumbai University, India

*Dr. Albrecht Classen*

M.A. (Staatsexamen), Ph.D. University of Virginia, German Director, Summer Abroad Program, Medieval Europe Travel Course, Arizona

*Dr. Ramzi Trabelsi*

Ph.D in Economics Master in International Finance and Macroeconomics Bachelor in Economics: Finance, Money and Bank, High business school of Tunisia

*Dr. Bassey Benjamin Esu*

B.Sc. Marketing; MBA Marketing; Ph.D Marketing Lecturer, Department of Marketing, University of Calabar Tourism Consultant, Cross River State Tourism Development Department Co-ordinator, Sustainable Tourism Initiative, Calabar, Nigeria

*Paul Thaddeus Kazibudzki*

Doctor of Economic Sciences (Ph.D) Principal subjects / occupational skills covered Field: Economics Discipline: Management Sciences Name and type of organisation providing education and training Institute of Organization and Management in the Industry, Poland

*Dr. Anas AL-Qudah*

Assistant Professor Ph.D Financial Management Master Degree Financial Management BA Accounting, UBFS- University of Banking and Financial Sciences, Jordan

*Dr. Brandon S. Shaw*

Ph.D in Economics ICT Management (Honors), Campus Southern Scientific IAE Business Administration School, France

## CONTENTS OF THE ISSUE

---

- i. Copyright Notice
  - ii. Editorial Board Members
  - iii. Chief Author and Dean
  - iv. Contents of the Issue
- 
1. The Flipping of Traditional Economic Thinking: Contrasting the Working of Dwarf Green Market Thinking with that of Green Market Thinking to Highlight Main Differences and Implications. *1-9*
  2. Online Behavioral Advertising Avoidance in Online Retailing in Sri Lanka. *11-15*
  3. Effect of Personal Selling on Consumer Impulse buying Behaviors: Evidence from Selected Quoted Foods and Beverages Firms in Nigeria. *17-24*
  4. The Study on Brand Equity & Purchase Intention of Shampoo Market in Sri Lanka. *25-28*
  5. Developing Virtual Online Customers for Testing Virtual Online Sales Assistants. *29-44*
  6. The Impact of Social Media Marketing on Customer Purchase Intention among the Fashion-Wear Customers in Sri Lanka. *45-50*
  7. An Examination of the Celebrity Endorsement towards Consumer Purchase Intention, of Young Females in Sri Lanka (From a Case Study of Fairness Creams): A Pilot Study and Overview of the Findings. *51-57*
- 
- v. Fellows
  - vi. Auxiliary Memberships
  - vii. Preferred Author Guidelines
  - viii. Index





# The Flipping of Traditional Economic Thinking: Contrasting the Working of Dwarf Green Market Thinking with that of Green Market Thinking to Highlight Main Differences and Implications

By Lucio Muñoz

*Abstract-* From the time of Adam Smith(1776) to 2012 UNCSD Rio +20 conference we have lived in a world where government intervention in markets was not welcomed, except in very specific circumstances such as market failures, a feeling at the heart of free-market thinking. From 2012 to now June 2019, we have slowly moved to a world where permanent government intervention is not just welcomed, but also encouraged such as when governments directly intervene in markets to deal with environmental issues. This is indeed a move away from free-market thinking, and towards non-free market thinking as it represents a shift from green market solutions to dwarf green market solutions. In other words, the promotion and implementation of dwarf green market thinking like carbon pricing really require a departure from traditional economic thinking, a practice that is now accepted by today's economists. And this raises questions such as: Has traditional economic thinking been flipped in practice when dealing with the environmental issue? If yes, what are the implications of this in terms of consumption and production in dwarf green markets? How are dwarf green markets then be expected to work?

*GJMBR-E Classification: JEL Code: M30*



THE FLIPPING OF TRADITIONAL ECONOMIC THINKING CONTRASTING THE WORKING OF DWARF GREEN MARKET THINKING WITH THAT OF GREEN MARKET THINKING TO HIGHLIGHT MAIN DIFFERENCES AND IMPLICATIONS

*Strictly as per the compliance and regulations of:*



RESEARCH | DIVERSITY | ETHICS

# The Flipping of Traditional Economic Thinking: Contrasting the Working of Dwarf Green Market Thinking with that of Green Market Thinking to Highlight Main Differences and Implications

Lucio Muñoz

**Abstract-** From the time of Adam Smith(1776) to 2012 UNCSO Rio +20 conference we have lived in a world where government intervention in markets was not welcomed, except in very specific circumstances such as market failures, a feeling at the heart of free-market thinking. From 2012 to now June 2019, we have slowly moved to a world where permanent government intervention is not just welcomed, but also encouraged such as when governments directly intervene in markets to deal with environmental issues. This is indeed a move away from free-market thinking, and towards non-free market thinking as it represents a shift from green market solutions to dwarf green market solutions. In other words, the promotion and implementation of dwarf green market thinking like carbon pricing really require a departure from traditional economic thinking, a practice that is now accepted by today's economists. And this raises questions such as: Has traditional economic thinking been flipped in practice when dealing with the environmental issue? If yes, what are the implications of

this in terms of consumption and production in dwarf green markets? How are dwarf green markets then be expected to work? One of the goals of this paper is to share a green market framework and a dwarf green market framework with the aim of comparing them to highlight the working of green market thinking and that of dwarf green market thinking and provide that way answers to the questions listed above.

## I. INTRODUCTION

### a) *The world of no government intervention*

This is the world of free markets(FM), where free consumer and free producers clear the market at the price where demand cuts supply; and hence the market price is determined internally by endogenous forces, no government intervention exists. This situation is indicated in point 1 in Figure 1 below:

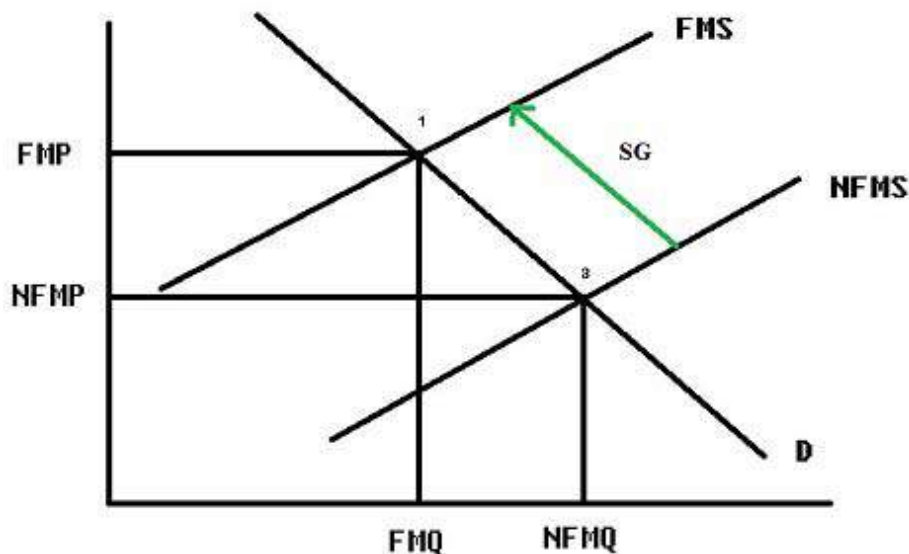


Figure 1: The world of free markets and non-free markets

Notice that at point 1 in Figure 1 above optimal conditions prevail as both free consumption and free production FMQ are optimal as at this point the free market supply(FMS) cuts the demand curve D. We

should expect perfect market behavior and consequences to hold at this point 1 as free prices are determined endogenously and free producers and free consumers follow here free market price signals.

*Author: Independent Qualitative Comparative Researcher/Consultant, Vancouver, BC, Canada. e-mail: munoz@interchange.ubc.ca*

*In summary:* In free markets(FM) we have optimal conditions in production and consumption because free market prices are determined endogenously by the interaction of free consumers and free producers. Government intervention has nothing to do with market price determination in free markets.

*b) The world of permanent government intervention*

This is the world of non-free markets((NFM) where non-free consumer and non-free producers clear the market at an externally decided price which tells the demand D it must cut non-free supply(NFMS) at this set price; and hence the non-free market price NFMP here is determined externally by exogenous forces, full government intervention exists. This situation is indicated in point 3 in Figure 1 above, where the non-free market supply(NFMS) cuts the demand D at the set price(NFMP). Notice that at point 3 in Figure 1 above non-optimal conditions hold as both non-free consumption and non-free production(NFMQ) are not optimal as their interaction is not the force determining the dwarf green market price(DGMP). We should expect non-perfect market behavior and consequences to prevail at this point as non-free prices are determined exogenously and non-free producers and non-free consumers must respond now to non-free market price signals.

Notice that the green arrow in Figure 1 above, going from the non-free market supply(NFMS) to the free market supply(FMS) indicates a sustainability gap(SG) under which the non-free market operates since there is no full costing keeping market externalities still active while production and consumption take place so that  $FMP - NFMP = SG$ .

*In summary:* In non-free markets (NFM) we do not have optimal conditions in production and consumption because prices are determined exogenously by an external intervention such as government intervention so that the interaction of consumers and producers has nothing to do with non-free market price determination as they have no free choice. The external intervention in the pricing mechanism creates a sustainability gap that affects the performance of non-free markets and its optimality.

*c) The need to understand traditional economic thinking flipping to have an idea of how non-free markets like dwarf green markets should be expected to work*

From the time of Adam Smith(Smith 1776) to the publications of "Our Common Future(WCED 1987) to the 2012 UNCSD Rio +20 Conference(UNCSD 2012a; 2012b) we have lived in a world where government intervention in markets was not welcomed, except in very specific circumstances such as market failures, a feeling at the heart of free-market thinking. From 2012 Rio + 20 to now 2019, we have slowly

moved to a world where permanent government intervention in markets is not just welcomed, but also encouraged such as when governments directly intervene in markets to deal with environmental issues(GOC 2017; 2018). Seeking goals such as inclusive green development(WB 2012)become more difficult under government intervention or non-free markets. Ideas about the structure of the perfect green markets(Muñoz 2016), about the consequences of moving away from perfect green market thinking(Muñoz 2017), and about the way green markets are expected to behave under perfect green market competition conditions (Muñoz 2019) have been recently shared. The use of permanent government intervention is indeed a move away from free-market thinking and towards non-free market thinking as this represents a shift from green market solutions to dwarf green market solutions. In other words, the promotion and implementation of dwarf green market thinking like carbon pricing for sure require a departure from traditional economic thinking, a practice that now is accepted by today's economists. And this raises questions such as: Has traditional economic thinking been flipped in practice when dealing with the environmental issue? If yes, what are the implications of this in terms of consumption and production in dwarf green markets? How are dwarf green markets then be expected to work? One of the goals of this paper is to share a green market framework and a dwarf green market framework with the aim of comparing them to highlight the working of green market thinking and that of dwarf green market thinking and provide that way answers to the questions listed above.

*d) The goals of this paper*

a) To introduce a green market structure and use it to point out how green market thinking is expected to work; b) To share a dwarf green market structure and use it to indicate how a dwarf green market is expected to work; c) To compare the green market and dwarf green market structures mentioned above to highlight among other relevant things that dwarf green market thinking results from the flipping of traditional free-market economic thinking.

## II. THE METHODOLOGY

First, the terminology in this paper is introduced. Second, some relevant operational concepts are shared. Third, the world of green markets and that of dwarf green markets are described in general analytically and graphically. Fourth, how green markets are expected to work is stressed. Fifth, how dwarf green markets are expected to work is detailed. Sixth, the working of green markets and that of dwarf green markets are contrasted to answer the questions posted in this article and to indicate other relevant differences.

And finally, some food for thoughts and some specific and general conclusions are provided.

*The terminology*

---

FM = Free market	NFM = Non-free market
TM = Traditional market	TMP = P = Traditional market price
GM = Green market	DGM = Dwarf green market
GMP = GP = Green market price	DGMP = DP = Dwarf green market price
GMQ = Green market quantity	DGMQ = Dwarf green market quantity
GMS = Green market supply	DGMS = Dwarf green market supply
SG = Sustainability gap	ESG = Environmental sustainability gap
EM = Environmental margin	t = Government set pollution cost
D = Market demand	ECM = Economic margin
i = Profit	GI = Government intervention

---

*Operational concepts*

- 
- 1) **Traditional market(TM)**, *the economy only market.*
  - 2) **Green market(GM)**, *the environmentally friendly market.*
  - 3) **Environmental or green margin(EM)**, *to cover the extra cost of making the business environmentally friendly or to cover only the environmental cost of environmentally friendly production or to cover the environmental cost of red market production.*
  - 4) **Economic margin(ECM)**, *to cover only the economic cost of production.*
  - 5) **Economic profit(i)**, *the incentive to encourage economic activity.*
  - 6) **Traditional market price(TMP)**, *general market for profit price ( $TMP = ECM + i = P$ ).*
  - 7) **Green market price(GMP = GP)**, *the for-profit price that reflects both the economic and the environmental cost of production or the price that covers the cost of environmentally friendly production at a profit ( $GP = ECM + i + EM = P + EM$ ).*
  - 8) **Green market knowledge gap(GMKG)**, *the knowledge gap created by the paradigm shift from traditional markets to green markets or when correcting Adam Smith's model to reflect environmental concerns.*
  - 9) **Micro-economics**, *the theory of the traditional firm and consumer.*
  - 10) **Macro-economics**, *the theory of the traditional economy.*
  - 11) **Green micro-economics**, *the theory of the environmentally responsible firm and consumer.*
  - 12) **Green macroeconomics**, *the theory of the environmentally responsible economy.*
  - 13) **The trickledown effect**, *the expectation that traditional markets and growth will sooner or later benefit the poor.*
  - 14) **The green trickledown effect**, *the expectation that green markets and green growth will sooner or later benefit the poor.*
  - 15) **Externalities**, *factors assumed exogenous to a model.*
  - 16) **Full externality assumption**, *only one factor is the endogenous factor in the model: the others are exogenous factors.*
  - 17) **Partial externality assumption**, *not all factors are endogenous factors at the same time in the model.*
  - 18) **No externality assumption**, *all factors are endogenous factors at the same time in the model.*
  - 19) **The dwarf market(DM)**, *a false market, a market unconnected to perfect market pricing, it looks like it is a specific market, but it is not.*
  - 20) **The dwarf market price(DP)**, *the price that clears the dwarf market.*
  - 21) **The dwarf quantity(DQ)**, *the inefficient quantity produced and consumed in dwarf markets.*
  - 22) **The dwarf green market(DGM)**, *a false green market, a market unconnected to perfect green market pricing, it looks like it is a green market, but it is not or any market located below the perfect green market price (GP).*
  - 23) **The dwarf green market price(DGP)**, *the price that clears the dwarf green market.*
  - 24) **The dwarf green quantity(DGQ)**, *the inefficient quantity produced and consumed in dwarf green markets.*
  - 25) **Free-market(FM)**, *a market where the production and consumption price is determined endogenously.*
  - 26) **Non-free market(NFM)**, *a market where the production and consumption price is determined exogenously.*
-



a) *The world of green markets and dwarf green markets*

If we assume that the free market(FM) in Figure 1 is the perfect green market(FM = GM) and that the non-free market(NFM) in Figure 1 is the imperfect dwarf

green market(NFM = DGM), then their supply and demand interactions would look like the ones shared in Figure 2 below:

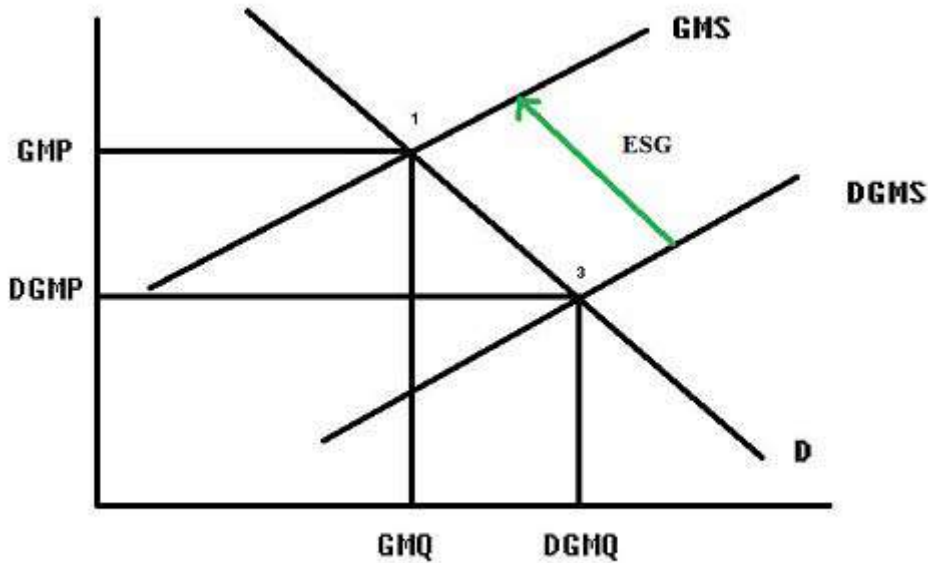


Figure 2: The world of green markets and dwarf green markets

At point 1 in Figure 2 above we have perfect green markets(GM) where green consumers and green producers determine the green market price(GMP) and the optimal quantity to be produced and consumed(GMQ). Notice that the green market price(GMP = GP) at point 1 in Figure 2 above reflects environmental cost internalization or full eco-economic costing; and therefore, in green markets there is no environmental sustainability gap(ESG). And see that at point 1, the green market price(GMP = GP) is determined by the interaction of green supply(GMS) and green demand with no government intervention(NGI). Also you can notice in Figure 2 above that markets placed below green markets(GM) are affected by an environmental sustainability gap(ESG).

At point 3 in Figure 2 above we have now non-perfect green market or dwarf green market(DGM) where consumers and producers must produce and consume at the set price(DGMP = DP). Notice that the non-green price or dwarf green market price(DGMP = DP) does not reflect environmental cost internalization practice or full eco-economic costing as this set price(DGMP) is less than the green market price(GMP) so that  $DGMP < GMP$ . And see that at point 3 in Figure 2 above, the dwarf green market price(DGMP = DP) is not determined by the interaction of dwarf green supply(DGMS) and demand D, but by external forces or by exogenous factors or direct government intervention(GI) as it is price set by an external factor.

Notice that the green arrow in Figure 2 above going from the dwarf green market supply(DGMS) to the green market supply(GMS) indicates an environmental sustainability gap(ESG) under which dwarf green market(DGM) operates since there is no full eco-economic costing leaving the environmental externality still active as we produce and consume so that  $GMP - DGMP = ESG$ .

*In summary:* In green markets(GM), we have optimal conditions in production and consumption because green market prices are determined endogenously by the interaction of green consumers and green producers. Government intervention(GI) has nothing to do with green market price determination in green markets. In dwarf green markets(DGM), on the other hand, we do not have optimal conditions in production and consumption because prices are determined exogenously by external intervention such as government intervention(GI) so that the interaction of consumers and producers has nothing to do with dwarf green market price determination as they have no free choice. The external intervention in the pricing mechanism creates an environmental sustainability gap that affects the performance of dwarf green markets and its optimality.

b) *The expected working of green markets*

Figure 3 below is used here to indicate in detail how perfect green market thinking works:

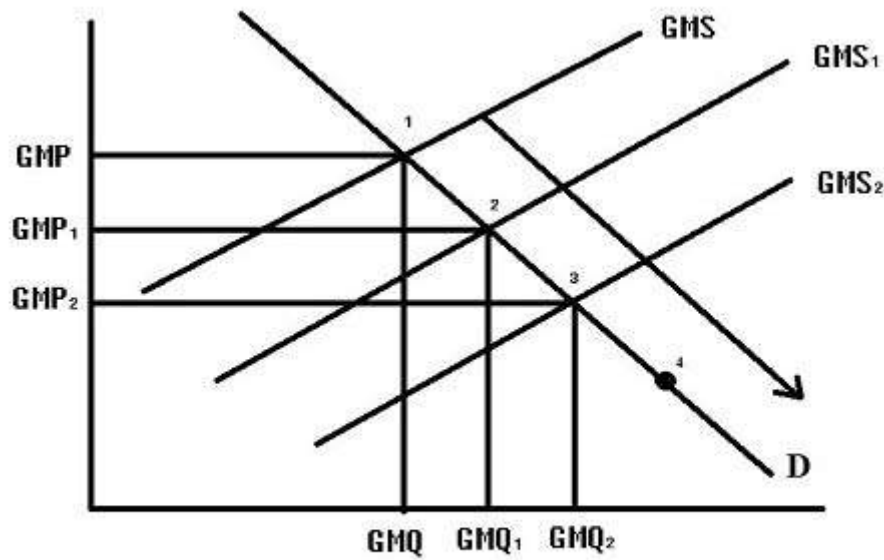


Figure 3: The working of the green market

Some observations to highlight based on Figure 3 above are: a) The initial position of the green market is at point 1 where the green market supply(GMS) cuts the demand D determining the original green market price(GMP); b) market dynamics lead to expanding production and consumption as green prices decrease due to environmental efficiencies and innovations following the green profit-seeking behavior of green firms; c) production and consumption decisions are optimal as the green price decreases as indicated by the continuous black arrow moving down to the right starting from the initial green market supply(GMS) as there is no government intervention(NGI); and d) market actions move from left to right with a clear link to green market culture creating goals or to the need of generating a true green consumer and green producer culture.

Now we can use Figure 3 above to stress the expected working of the green market. At point 1 in Figure 3 above there is full market cost internalization through full costing, the green market price( $GMP = GP$ ) reflects both the economic(ECM) and the environmental cost(EM) of production at a profit so that  $GMP = GP = P + EM$ . At point 1 and the green market price GMP the green quantity produced and consumed is GMQ. As the environmental cost of supplying green products and services decreases due to technological innovations and efficiency, the environmental margin(EM) decreases to  $EM_1 < EM$  leading to a lower green market price( $GMP_1 = GP_1$ ) such as the one at point 2 in Figure 3 above. At a lower green market price  $GMP_1 = GP_1$ , optimal consumption and production of even more environmentally friendly products or less pollution based products increases to  $GMQ_1$ .

As the environmental cost keeps decreasing to  $EM_2 > EM_1 > EM$  we can reach the green price  $GMP_2 = GP_2$  at point 3 in Figure 3 above, and we see again the expansion of optimal consumption and production again to  $GMQ_2$ . The above means that reducing pollutions can be profitable for green firms; and green consumers can expand consumption of even more environmentally friendly products or less carbon based products at lower prices. Notice that  $GMP > GMP_1 > GMP_2$  and therefore,  $GMQ < GMQ_1 < GMQ_2$ .

The direction of the continuous black arrow in Figure 3 above going from the green market supply(GMS) down to the right highlights the continuity of optimality as the green market price( $GMP = GP$ ) decreases. Notice that if at one point like at point 4 in Figure 3 above the environmental margin is minimal(min EM) or zero( $EM = 0$ ) we may be in the world of a dominant or fully renewable energy based economy or clean economy. Hence, a link can be made between green market thinking and clean market thinking as the environmental margin(EM) approaches zero.

c) *The expected working of dwarf green markets*

Figure 4 below is used here to indicate in detail how non-perfect green market thinking work:

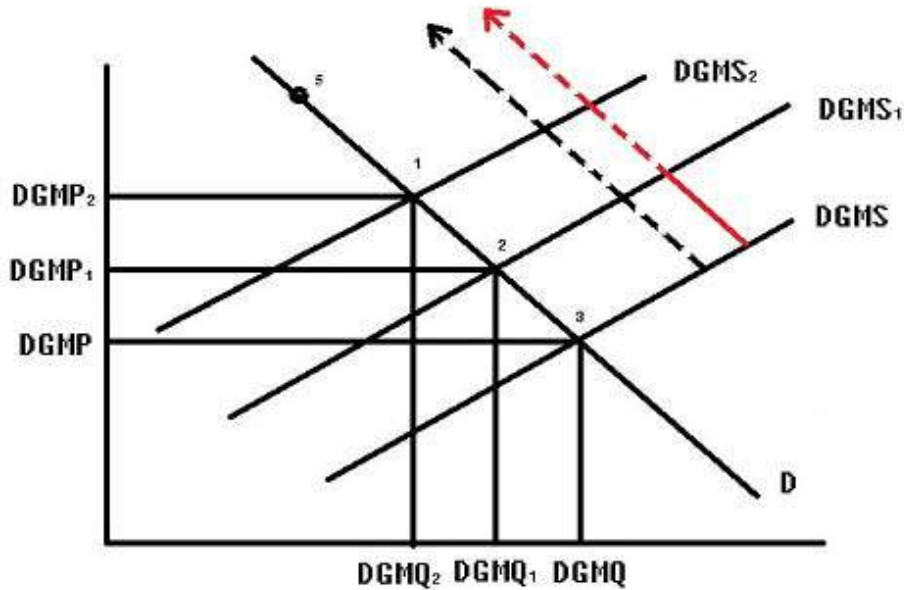


Figure 4: The working of the dwarf green market

Some main observations to stress based on Figure 4 above are: a) The initial position of the dwarf green market is at point 3 at the originally given dwarf green market price(DGMP); b) ongoing external/government intervention(GI) pushes market dynamics to contract production and consumption as dwarf green prices increase due to the setting of higher environmental cost portions to be used by firms as signals and pass it to consumers following the environmental goals that the external factor or the government is pursuing; c) production and consumption decisions are not optimal as the dwarf market price increases are externally determined as indicated by the broken black arrow moving up to the left starting from the initial dwarf green market supply(DMS); and this non-optimality also represents sustainability gap(ESG) pressures; d) Government intervention actions(GI) in the market moves from right to left without a clear link to green market culture creating goals or to the need of a world of green consumers and green producers; and e) some government intervention(GI) or external price setting is sustainable(from point 3 to point 2) as indicated by the continuous portion of the red arrow in Figure 4 above and some government intervention(GI) or external price setting is not sustainable(above point 2) as indicated by the broken section of the red arrow in the same Figure.

A few more things about the nature of the dwarf green market structure in Figure 4 above that can be pointed out are: a) At point 3 in there is no full market cost internalization through full costing, the non-green market price or dwarf price( $DGMP = DP$ ) reflects only a

portion(t) of the environmental cost(EM) of production as set by external factors such as the government so that so that  $EM > t$ , which leads to  $DGMP = DP = P + t$  and therefore,  $GMP = P + EM > DGMP = P + t$  since  $EM > t$ ; b) As external factors such as the government intervention(GI) push the environmental cost portion "t" upwards to force lower desired levels of production and consumption the market should be expected to contract accordingly, but this contractions are only expected to be sustainable up to a point; c) Government intervention(GI) may have a limit, if environmental cost increases force prices to go beyond  $DGMP_1$ , consumption and production contraction can no longer be sustained at these prices as indicated by the broken part of the red arrow moving upwards to the left and then the dwarf market may crash as consumers may no longer be willing to take that higher cost and producers would not be able to pass the higher environmental cost to consumers; d) Hence, the continuous portion of the red arrow in Figure 4above indicates that the range of dwarf market price increases that consumers will take or that can be maintained go from point 3( $DGMP$ ) to point 2( $DGMP_1$ ); and the broken portion of the red arrow indicates the range of price increases that consumers would not take or which are not sustainable, such as all dwarf market price increases  $> DGMP_1$ . For example, consumers would not take the dwarf market price  $DGMP_2$  at point 1 as  $DGMP_2 > DGMP_1$  falls inside the broken part of the red arrow in Figure 4 above and the dwarf market would crash; and e) Finally, the broken black arrow moving upwards to the left from the dwarf green market supply(DGMS) in Figure 4 above indicates

consistent non-optimality regardless of pricing or environmental cost portion 't' and it also represents the existence of an active environmental sustainability gap(ESG) under dwarf green markets at all levels of production and consumption.

Now we can use Figure 4 above to highlight the expected working of the dwarf green market a) The case of contractions of production and consumption that can be sustained: At point 3 in Figure 4 above and at the first set dwarf green market price  $DGMP = P + t$  the dwarf green quantity produced and consumed is  $DGMQ$ . As external factors such as government intervention(GI) increases the environmental cost portion slowly from "t" to "t<sub>1</sub>" the set environmental cost of supplying dwarf green products and services increases leading to a higher dwarf green market price  $DGMP_1 = P + t_1$  such as the one at point 2. At a higher dwarf green market price  $DGMP_1$ , we can see that non-optimal consumption and production as shown in Figure 4 above decreases to  $DGMQ_1$ , since  $DGMQ > DGMQ_1$ . Notice that  $DGMP < DGMP_1$  since  $t < t_1$ . All consumption and productions levels from point 3 to point 2 can be sustained because consumers are willing to take the environmental cost increases government intervention(GI) prescribes for firms to pass to consumers in the dwarf green market as indicated by the continuous portion of the red arrow; and b) The case of contractions of production and consumption that cannot be sustained: firms may not be able to pass any increase in environmental cost portion given by the external factor that are placed higher than t<sub>1</sub> or price  $DGMP_1$ , as then the market then would collapse as consumers would not accept them. For example, if the government wants to force production and consumption such as  $DGMQ_2$  at point 1 in Figure 4 above, then it has to increase the environmental cost to

$t_2 > t_1$ , making  $DGMP_2 > DGMP_1$ , but if consumers are not willing to pay that extra environmental cost  $t_2$ , then producers cannot pass them to consumers, and then the dwarf green market collapses.

Now imagine that government intervention(GI) puts forward an environmental cost so high like  $t_3$  that it is higher than the environmental margin(EM),  $t_3 > EM$  such as the one at point 5, then the dwarf green market(DGM) would collapse right away as firms would not be able to pass such a high environmental cost  $t_3$  to consumers, and such a contraction would fall under the broken part of the red arrow as unsustainable.

Finally, it can be added based on Figure 4 above that the direction of the black broken arrow from the dwarf green market supply(DMS) up to the left highlights the direction of non-optimality as the dwarf green price increases to an area where the market would collapse. And notice that since the environmental cost set by the government or the forced consumption and production levels are not linked to green market prices or to goals like creating a green market culture, then we cannot link the dwarf green market pricing with the idea of minimal or zero environmental margin required in a world of a dominant or fully renewable energy based economy or clean economy. Hence, a clear link cannot be established between dwarf green market thinking and clean market thinking as the environmental sustainability gap is still active.

d) *Contrasting the working of green markets with that of dwarf green markets*

For the purpose of contrasting green markets(GM) and dwarf green markets(DGM) we will assume equal pricing and consumption and productions positions as indicated in Figure 5 below:

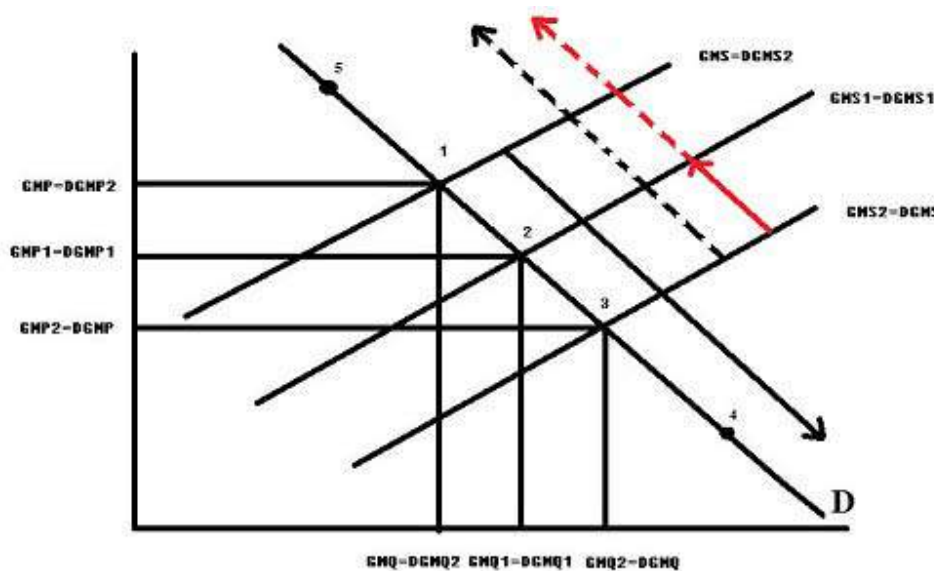


Figure 5: Contrasting the working of the green market with that of the dwarf green market



Some of the main observations that can be made based on Figure 5 above are the following: a) green markets and dwarf green markets work in opposite ways as green market actions move down to the right from point 1 while dwarf green market actions move up to the left from point 3; b) Green markets seek to make pollutions reduction profitable so green firms can expand production of greener products at lower prices while dwarf green markets seek to contract production and consumption by increasing environmental cost portion without a clear link to pollution reduction goals; c) green production and consumption are continuously optimal as indicated by the black continuous arrow going down to the right from point 1 while dwarf production and consumption is continuously non-optimal as indicated by the broken black arrow moving up to the left from point 3; and d) the working of green markets requires a strong green culture and perfect green economic thought while the dwarf green markets do not require that.

Among the specific observations that can be made based on Figure 5 above are: a) green markets require no government intervention(NGI) as they are free markets while dwarf green markets need permanent government intervention(GI) as they are non-free markets; b) Optimality in green markets move along the demand curve as green prices decrease as indicated by the black continuous arrow moving down to the right from point 1 as each consumption and production bundle is optimal while in dwarf green markets non-optimality moves up as consumption and production is contracted by increases in the set pollution cost to be passed to consumers as indicated by the broken black arrow moving up to the left from point 3; c) there is no environmental sustainability gap in green markets due to full eco-economic costing or to full environmental cost of doing business internalization while there is an environmental sustainability gap in dwarf green markets due to partial eco-economic costing or to partial environmental cost internalization; and d) At the point of minimum pollution cost or zero pollution cost green markets can be linked to dominant or fully renewable based economies or clean economies as in point 4 in Figure 5 above while such a clear link to clean economies cannot be made from dwarf green markets as they still have an active environmental sustainability gap.

It is also important to point out now that one main implication of the discussion above is that the working of dwarf green markets is based on traditional economic thinking flipping. In other words, if we flip the way green markets thinking works in Figure 5 above, we arrive at the thinking that support the working of dwarf green markets.

Figure 5 above can be used to highlight that since 2012 UNCSD Rio +20 green markets such as the one at point 1 should have been established, and since

then governments should have aimed regulation and incentives towards promoting them. This together with the help of schools and universities and civil society groups could have put the advance of a green market culture on solid ground. One strong green culture willing to support green consumption and green production in a way that makes pollution reduction a profit-making matching for green firms, expanding this way the consumption choices of green consumers at a lower price while at the same time producing larger government revenues in terms of collecting not just economic revenues from the market, but environmental margins too which can then be used to reinvest in a more efficient green economy. That has not happened yet.

Figure 5 above can also be used to stress the structure of dwarf markets currently being planned; and in some cases being implemented like carbon pricing based markets, which aim at contracting production and consumption by imposing pollution costs. As can be appreciated in Figure 5, consumption and production can be contracted by increasing pollution cost in a sustained fashion, but up to a point. In other words, government intervention(GI) works as long as consumers take the set environmental cost increases pushed by the government. But when consumers are no longer willing to take a set cost increase, especially if there is evidence on the ground showing that environmental problems keep still getting worse, then government intervention(GI) should be expected to fail and lead to dwarf green market collapse.

Figure 5 above can also be used to highlight too something about the role of governments in these markets: a) The buck stops with firms and consumers in free green markets, not with governments: Green markets work without government intervention(NGI). If things do not go well with green market action and the market fails, then governments can intervene as needed, and its action is justified and under those environmental circumstances is welcomed. Governments here are not liable to popular social backlash, the environmental responsibility rest on green firms and consumers; and b) the buck stops with the government in non-free green markets or dwarf green markets, not with firms and consumers: Dwarf green markets work with permanent government intervention (GI). If things do not go well with dwarf green markets, then governments will be blamed for the failure, and be subject to extreme social discontent as they are directly intervening in the market. This is because in this market, environmental responsibility falls on the government as the source of permanent intervention. Firms and consumers regardless of their actual pollution behavior in production and consumption can avoid blame if the dwarf green market fails.

*In summary:* dwarf green markets work in the opposite way of green markets, and they are not aiming at producing and consuming at the lowest environmental cost possible, and they are not free markets as they require permanent government intervention. And therefore, since they are not free markets dwarf green market production and consumption levels are not optimal. Hence since dwarf green markets work in the opposite way green markets do, then this means that the rationale for understanding how dwarf green markets work or should be expected to work is found by inverting or flipping perfect green market economic thinking, a practice that is now accepted by today's economists. In other words, the current promotion and implementation of dwarf green market thinking means that traditional free-market economic thinking has been flipped and brought into a world of non-free markets and non-free decision makers.

e) *Food for thoughts*

a) Can we solve green market issues with dwarf green market theory and tools? I do not think so, what do you think?; b) Is a popular environmental backlash a big treat to dwarf green markets? I think yes, what do you think?; and c) Is dwarf green market thinking consistent with clean market thinking? I think that no, what do you think?

### III. SPECIFIC CONCLUSIONS

First, it was shown that dwarf green markets work in the opposite way as green markets do as they do not seek to encourage firms to produce at the lowest environmental cost possible. Second, it was pointed out that government intervention leads to non-optimal levels of production and consumption. Third, it was stressed that government intervention may have limits if the environmental cost portion is set too high as then the contraction of production and consumption that can be induced is not sustainable, and the dwarf green markets would collapse. As all the above is not consistent with traditional free-market economic thinking, it was indicated that the way a dwarf green market works can be understood simply by flipping traditional free-market thinking. And finally, it was mentioned that today's economists seen to be comfortable with permanent government intervention in markets, something inconsistent with free-market thought a la Adam Smith.

### IV. GENERAL CONCLUSIONS

First, it was stressed that green markets aim at producing at the lowest green cost possible generating an optimal path of production and consumption as the green price decreases, creating in the process a strong green market culture, and it was pointed out as well that green markets are free markets where no government intervention is needed. Second, it was highlighted that dwarf green markets work in the opposite way as green

markets, their production and consumption bundles at all levels of government intervention are not optimal as they are non-free markets. And finally, it was indicated that to be able to justify, plan, implement, and promote dwarf green markets there has been recently a systematic flipping of traditional free-market economic thinking, a practice that appears now to be accepted by today's decision makers, including economists.

### REFERENCES RÉFÉRENCES REFERENCIAS

1. Government of Canada(GOC), 2017. *Technical paper: federal carbon pricing backstop*, Environment and Climate Change Canada, Ottawa ON, Canada.
2. Government of Canada (GOC), 2018. *Pricing carbon pollution in Canada: how it will work*, Environment and Climate Change Canada, Ottawa ON, Canada.
3. Muñoz, Lucio, 2016. Beyond Traditional Market Thinking: What is the Structure of the Perfect Green market? In: *International Journal of Science Social Studies Humanities and Management (IJSSSHM)*, Vol. 2, No. 5., May, Ed. Dr. Maya Pant, India.
4. Muñoz, Lucio, 2017. Is Environmental Externality Management a Correction of Adam Smith's Model to Make it Environmentally Friendly and Shift it Towards Green Markets or is it a Distortion on Top of Another Distortion? In: *International Journal of Economics, Business and Management Studies*, 4(1): 1-16.
5. Muñoz, Lucio, 2019. From Traditional Markets to Green Markets: A Look at Markets Under Perfect Green Market Competition, In: *Weber Economics & Finance (ISSN: 2449-1662)*, Vol. 7 (1) 2019, Article ID wef\_253, 1147-1156.
6. Smith, Adam, 1776. *The Wealth of Nations*, W. Strahan and T. Cadell, London, UK.
7. United Nations Conference on Sustainable Development (UNCSD), 2012a. *Rio+20 Concludes with Big Package of Commitments for Action and Agreement by World Leaders on Path for a Sustainable Future*, Press Release, June 20-22, New York, NY, USA.
8. United Nations Conference on Sustainable Development (UNCSD), 2012b. *The Future We Want, June 20-22*, New York, NY, USA.
9. World Bank (WB), 2012. *Inclusive Green Growth: The Pathway to Sustainable Development*, Washington, DC, USA.
10. World Commission on Environment and Development (WCED), 1987. *Our Common Future*, Oxford University Press, Oxford, UK.

This page is intentionally left blank





GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

Volume 19 Issue 4 Version 1.0 Year 2019

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

## Online Behavioral Advertising Avoidance in Online Retailing in Sri Lanka

By U.P.R.P Udadeniya, M.M.H.H Yalegama, A.K.K.D Wickramasinghe,  
M.Y.S.S Mannapperuma & K.K.N.A Jayasuriya

**Abstract-** As the rapid growth of technology, there're new advertising trends which can deliver the communication messages to the people more accurately. Therefore, every business connecting with the advertising to aware people and to promote their business. Online Behavioral Advertising (OBA) is a trend which developed with the innovation of technology. It's an advertising technique which decides what to show to the audience after tracking their surfing behavior and purchase history. Though these advertisements are beneficial for the business firm to target their audience accurately, the online users tend to avoid these advertisements due to some reasons. However, there are no adequate studies done on finding the factors behind this ad avoidance behavior. Thus this study shed light on this under-researched area focusing on the development of a conceptual framework based on the identified major reasons behind this ad avoidance.

**Keywords:** *online behavioral advertising, privacy concern, goal impediment, ad skepticism negative experience, perceived personalization.*

**GJMBR-E Classification:** JEL Code: L81



*Strictly as per the compliance and regulations of:*



© 2019. U.P.R.P Udadeniya, M.M.H.H Yalegama, A.K.K.D Wickramasinghe, M.Y.S.S Mannapperuma & K.K.N.A Jayasuriya. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License <http://creativecommons.org/licenses/by-nc/3.0/>), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.



# Online Behavioral Advertising Avoidance in Online Retailing in Sri Lanka

U.P.R.P Udadeniya <sup>α</sup>, M.M.H.H Yalegama <sup>ο</sup>, A.K.K.D Wickramasinghe <sup>ρ</sup>, M.Y.S.S Mannapperuma <sup>ω</sup>  
& K.K.N.A Jayasuriya <sup>¥</sup>

**Abstract-** As the rapid growth of technology, there're new advertising trends which can deliver the communication messages to the people more accurately. Therefore, every business connecting with the advertising to aware people and to promote their business. Online Behavioral Advertising (OBA) is a trend which developed with the innovation of technology. It's an advertising technique which decides what to show to the audience after tracking their surfing behavior and purchase history. Though these advertisements are beneficial for the business firm to target their audience accurately, the online users tend to avoid these advertisements due to some reasons. However, there are no adequate studies done on finding the factors behind this ad avoidance behavior. Thus this study shed light on this under-researched area focusing on the development of a conceptual framework based on the identified major reasons behind this ad avoidance.

**Keywords:** *online behavioral advertising, privacy concern, goal impediment, ad skepticism negative experience, perceived personalization.*

## I. INTRODUCTION

In this highly competitive environment, business firms have to do miracles to get the attention of customers. As a result, marketers are vigilant about different types of new technologies that can be incorporated into their marketing messages. Online behavioral advertising (OBA) is such new technology that popular in the business world.

Online behavioral advertising (OBA) is targeted advertising which monitors user's personal information such as purchasing history, browsing history and their preferences by the online retailers to create and deliver personalized or customized ads. There's a small file called cookies which store users online information to make customized ads for each uses preferences (Tene and Polonetsky, 2011). These personalized ads are very effective in the global context, most the online retailers and other businesses such as Amazon, Stitch Fix, eBay, Henrys, Etc. Use those behavioral ads to attract customers (Akinwumi, 2018; Cambra, 2018). As online retailers are doing their online transaction in this way, OBA become a more convenient tool in retailing

*Author α σ ρ ω:* Sri Lanka Institute of Information Technology, New Kandy Road, Malabe 10115. e-mails: rivindu.udadeniya@gmail.com, hiranyayalegama@gmail.com, Kaushala17@live.com, iamsithijayam@gmail.com

*Author ¥:* Supervisor, Sri Lanka Institute of Information Technology, New Kandy Road, Malabe 10115. e-mail: nisha.j@sliit.lk

business(Sanje and Senol, 2012).Pauser (2016) pointed out that personalized ads have a higher click-through rate than the other methods and also 71%of respondents are more attractive towards the tailored shopping habits. In addition to that, the information of the users' behavior is spread more accurately with more relatedness to the customers. Further, Sanje and Senol (2012)said that out of all the advertisements there're only 8% are behavioral advertisement which posted on the internet by the retailers and those have high ability to reach the target audience and more cost-effective than other advertising methods.

Despite the popularity of OBA, the emerging concern on privacy among customers work as a barrier for the growth of online retailing.(Scholz et al., 2019).In addition to that, customer perception of online purchasing work as another insecure in online retailing(Scholz et al., 2019). As a consequence, the privacy tools are being enhanced, and customers increasingly use the ad blocking facility in their online browsing. As a result, created an inability to reach the target customers and loss of online revenue as well (Zhao et al., 2018).

However, what motivates customers to reject these advertisements are still not clear (Li and Huang, 2016). Further, a limited study was done on this topic in the Sri Lankan context. With the purpose to fill that knowledge gap, this study focuses on exploring the factors of online behavioral advertising avoidance in online retailing in within the frame of the western province Sri Lanka.

## II. LITERATURE REVIEW

### a) *Online Behavioral Advertising in Online Retailing*

Online Behavioral Advertising is known as the collection of user data from their computers or devices with regards to their internet activities and behaviors over the periods of time covering multiple web domains under the common objective of using such data to forecast customer interest and preferences in order to present and deliver Online Behavioral Advertisement to those users (Sanje and Senol, 2012). In addition to that, Legge (2015) pointed out OBA is a process which creates an advertisement to the suite with users' needs by understanding their searching behaviors, searching history, and interest. The term called "Cookies" is the specific technology that they use to identify users

searching history and action (Kusumawati and Management, 2017). However, in online retailing, these cookie profiles with concerned information about the interest of users to generate personalized/ behavioral advertisements or suggestions of a purchasing (Legge, 2015). Results of that OBA became a very convenient tool in online retailing (Sanje and Senol, 2012). Because it gives many benefits to the advertisers and the online retailers (Bang and Wojdyski, 2016). However, based on some serious issues like privacy concern, users reject those behavioral ads in first sight (Bang and Wojdyski, 2016)

#### b) Advertising Avoidance

Advertising Avoidance defined as “all actions by media users that differentially reduce their exposure to ad content” (Van den Broeck et al., 2018). According to Munir et al. (2017), that study pointed out three dimensions of advertising avoidance such as cognitive (didn't want to think about the advertisement), affective (viewers hate), and behavioral (viewers reject). Advertising avoidance was happen on traditional media based in demographic characteristic such as age, gender, income and as well as media-related variables and narrow on communication problems in advertising (Speck and Elliott, 1997). Zhao et al. (2018) pointed out advertising avoidance in online platforms are highly different from traditional methods, as reasons they showed internet users are highly goal oriented and also, they concern speed and accessibility. Finally, they focus on two-way interaction with the internet. This study mainly targets on online behavioral advertising avoidance in the online retailing industry. By referring to past studies, there are 66% of users avoid OBA in China (Cho and John Cheon, 2004). 57% of users uncomfortable with customized ads in the USA and 35% avoid that kind of ads (McDonald and Cranor, 2010). In the Australian context, Mathews-Hunt (2016) points out 77% of Australian community do not take any risk of storing their information to generate behavioral advertising. 58% of users were not happy to see those behavioral ads, and 83% were ignoring those ads.

#### c) Privacy Concern

Hossain (2018) pointed out that privacy concern defined as “the degree to which a consumer is worried about the potential invasion of the right to prevent the disclosure of personal information to others.” According to Tene and Polonetsky (2011) online behavioral advertising tracking users data without permission, and they suggested that tradeoff between privacy & economic efficiency should achieve by a discussion among privacy advocate and advertising experts. In OBA, to create customized ads its track users behavior, that tracking negatively effects to the users based on privacy concern (Girona and Korgaonkar, 2018). Munir et al. (2017) mentioned that most of the users highly concern about their privacy in online platforms;

therefore, they neglect to share any information which asked from advertisers. concerning privacy in online platforms, most of the users installing adblocker onto their web browser to avoid the behavioral advertisement (Oger et al., 2015). Some of past studies found that privacy had create a considerable impact on the online advertising avoidance (Li and Huang, 2016, Munir et al., 2017).

#### d) Perceived Personalization

Perceived personalization is been described as the users getting to know that a particular thing is personalized towards the user and is relatable to them hence personalization is the most driver towards the favorable effects of personalization (Li, 2016). Through that personalization, the specific ad carried out the right message to the right person at a right time in online platforms, and it's recognized as web-based personalization (Li, 2016).

In addition to that, Personalized advertising is the new trend in the modern digital market were mostly operated in social media platforms (Girona and Korgaonkar, 2018). As well as Girona and Korgaonkar (2018) mentioned that there is a restriction on personalized ads when considering some reasons based on privacy. However, in online platforms that customized advertisements are more likable, understandable, memorable, attractive, and most importantly effective (Munir et al., 2017). Rendering to Li (2016), if those online advertisements are not personalized as they should, the users tend to avoid those kinds of ads.

#### e) Goal Impediment

According to Hossain (2018) goal impediment defined as “the perception that one's goal while online (e.g., web browsing, searching for content) cannot be met as a result of online ads, hence leading to ad avoidance.” There are two types users that found in online platforms named experienced-oriented and goal-oriented (San Martín et al., 2009). Internet is the goal-oriented platform where users are connecting with a specific work, that can be interrupted by appearing some un useful personalization ads, and it made consumers avoid that kind of personalized ads (Li and Huang, 2016). Also, those distractions build discomforts and displeasure toward the online behavioral ads in online retailing (Hsin Chang and Wang, 2011). Furthermore, Hossain (2018) pointed out, people become frustrated when their specific task interrupt by some unusual online video ads, results of that 56% skipped online video ads exclude without enumerating. Hence, there can be a high probability that the users neglect online ads to achieve their planned goal (Morimoto and Chang, 2009). Speck and Elliott (1997) they found goal impediment was a one of factor effect to the consumers advertising avoidance behavior.

f) *Ad Skepticism*

Ad Skepticism is a one of factor to create ad avoidance that defined as “the general tendency to disbelieve the informational claims of advertising” (Bae, 2018). Baek and Morimoto (2012) mentioned all advertising trends illustrate some disbelief towards ads because customers believe that advertisement has specific actions to attract customers and make a deal with the product. As well the customer who have high skepticism, they try to neglect those ads as possible (Baek and Morimoto, 2012). Ad skepticism was happen any platforms such as TV, Radio, News, and Magazines and also in the online (Khuhro et al., 2017). Furthermore when examine the ad skepticism in online platforms, Ilmudeen (2018) pointed out, customers trust based on what claims in the ads in online, that claim always depend on some factors such as, appeal of the web site, product or service that they offer, quality of service and trust seal, otherwise its turn to skepticism.

g) *Negative Experience*

According to the past research studies, one of the most influential dependent variables is the Negative experience of the customers, and the information processing gets affected through the consumers' previous experiences and the consumers' learning perspective (Li and Huang, 2016). Many of the users have had much negative practice in relating to OBA and hence feeling uncomfortable based on the warnings and guiding provided by their parents as well as the teachers and others about possible virus and malware attacks by clicking those OBA advertisements (Kelly et al., 2010). Also Kelly et al. (2010), further stated that “advertising avoidance is a prior negative experience, which includes instances in which internet advertising is deceptive, exaggerated, incorrectly targeted or leads users to inappropriate sites.”

Li and Huang (2016) discovered that the lack of usefulness and the incentives or benefits are the major causes of the Negative Experiences related to OBA. Boerman et al. (2017) Negative feeling towards OBA caused by higher personalization of the ads and it equals with the theories such as ownership theory, choice theory, and psychological reactance and therefore personalized ads most likely will lead to a perceived loss of choice and control and being a reason for the negative experiences of the OBA. A recent by De Gregorio et al. (2017) study discovered that excessiveness, waste of time towards ads and annoyance to the users are the stronger negative beliefs which will enhance the OBA avoidance.

h) *Privacy Concern and Advertising Avoidance*

Baek and Morimoto (2012) mentioned that there is a positive relationship between privacy concern and advertising avoidance. Not only that, another few studies found there is a positive relationship between privacy and advertising avoidance (Hossain, 2018, Li

and Huang, 2016). However, Zhang et al. (2015) found, privacy concern was not related to advertising avoidance. Therefore, this study will be focusing on privacy concern as a variable in the context of OBA avoidance in online retailing.

i) *Perceived Personalization and Advertising Avoidance*

After referring past studies, Baek and Morimoto (2012), pointed out there is a positive relationship between perceived personalization and advertising avoidance. But Li and Huang (2016) and Munir et al. (2017) mentioned there is a negative relationship between perceived personalization and advertising avoidance. Therefore, this study will be focusing on perceived personalization as a factor in the context of OBA avoidance.

j) *Goal Impediment and Advertising Avoidance*

Cho and John Cheon (2004), showed there is a significant valid impact between goal impediment and advertising avoidance. Also, Hossain (2018) and Li and Huang (2016) mention that relationship goes with positive impact. Therefore, this study is focusing on goal impediment to take as a factor effective OBA in online retailing.

k) *Ad skepticism and Advertising Avoidance*

When exploring the relationship between ad skepticism and advertising avoidance that some of the previous studies mentioned there is a positive relation between ad skepticism and advertising avoidance (Khuhro et al., 2017, Munir et al., 2017, Raziq et al., 2007), Baek and Morimoto (2012) take this ad skepticism as a intervening variable in their study, and also found there is a positive relationship between ad skepticism and ad avoidance. In this study, will looking forward, how the Ad Skepticism impact on the advertising in online retailing.

l) *Negative Experience and Advertising Avoidance*

By referring to past studies, Cho and John Cheon (2004) pointed there is a significant impact between negative experience and advertising avoidance. As well as there is a positive relationship between those two variables (Hossain, 2018, Li and Huang, 2016). Therefore, this study is focusing on negative experience to take as a factor effective OBA in online retailing.

### III. SIGNIFICANT OF THE STUDY

The research conclusions are most significant as they can be used as inputs when processing ideas which are useful in creating strategically essential ways and means to reduce OBA avoidance (Li and Huang, 2016). To build more consumer favorable Behavioral advertising framework, identification of the factors which affects OBA avoidance is a must, and it also allows the marketers and advertisers to redesign their advertising

strategies in a way that decreases the avoidance towards OBA (Li and Huang, 2016).

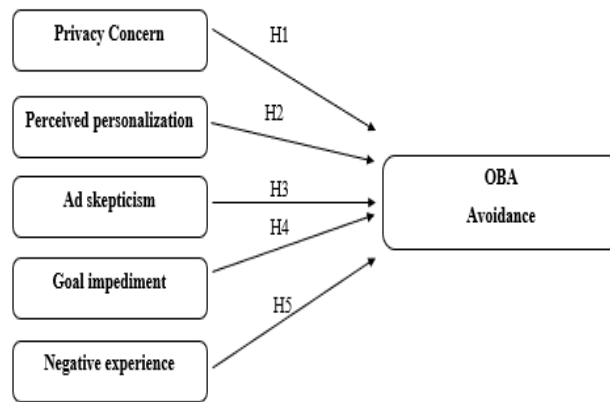


Figure 1: Conceptual Framework (Li and Huang, 2016) and (Munir et al., 2017)

#### IV. CONCLUSION

This article will cover a summarized introduction of the topic and the knowledge gap addressed in this research. And also, research objectives and questions that this study is going to discover, as well the benefits that society gains following by this study. From the literature, it explains what are the academic evidence are used to develop the conceptual model which shows the relationship between OBA avoidance and the factors that effect the evasion.

#### REFERENCES RÉFÉRENCES REFERENCIAS

- Akinwumi, T. 2018. *Hyper-Personalization: 4 Examples of Retailers Doing it Right* [Online]. Shopify. Available: <https://www.shopify.com/retail/hyper-personalization-4-retail-examples> [Accessed 20 2019].
- Bae, M. (2018) Overcoming skepticism toward cause-related marketing claims: the role of consumers' attributions and a temporary state of skepticism. *Journal of Consumer Marketing*, 35 (2), 194-207
- Baek, T.H. and Morimoto, M. (2012) Stay away from me: examining the determinants of consumer avoidance of personalized advertising. *Journal of Advertising*, 41 (1), 59-76
- Bang, H. and Wojdyski, B.W. (2016) Tracking users' visual attention and responses to personalized advertising based on task cognitive demand. *Computers in Human Behavior*, 55 (1), 867-876
- Boerman, S.C.,Kruikemeier, S. and Zuiderveen Borgesius, F.J.J.o.A. (2017) Online behavioral advertising: A literature review and research agenda. 46 (3), 363-376
- Cambra, S.D. 2018. *The Importance of Personalized Ecommerce & 4 Examples of How It's Done* [Online]. investp. Available: <https://www.invespro.com/blog/the-importance-of-personalized-ecommerce-4-examples-of-how-its-done/>[Accessed 20 2019].
- Cho, C.-H. and John Cheon, H. (2004) Why do people avoid advertising on the internet? *Journal of Advertising*, 33 (4), 89-97
- De Gregorio, F.,Jung, J.-H.,Sung, Y.J.O.J.o.C. and Technologies, M. (2017) Advertising avoidance: a consumer socialization perspective. 7 (3)
- Girona, J.T. and Korgaonkar, P.K. (2018) iSpy? tailored versus invasive ads and consumers' perceptions of personalized advertising. *Electronic Commerce Research and Applications*, 29 (1), 64-77
- Hossain, M. (2018) Understanding the attitude of generation z consumers towards advertising avoidance on the internet. *European Journal of Business and Management*, 10 (36), 86-96
- Hsin Chang, H. and Wang, H.W. (2011) The moderating effect of customer perceived value on online shopping behaviour. *Online Information Review*, 35 (3), 333-359
- Ilmudeen, A. (2018). *Consumers' perceived security risks in online shopping : a survey study in Sri Lanka*. Jaffna:Faculty of Management Studies & Commerce, University of Jaffna.
- Kelly, L.,Kerr, G. and Drennan, J.J.J.o.i.a. (2010) Avoidance of advertising in social networking sites: The teenage perspective. 10 (2), 16-27
- Khuhro, R.,Khan, A.,Humayon, A. and Salam Khuhro, A. (2017) Ad skepticisms: antecedents and consequences. *Management Science Letters*, 7 (1), 23-34
- Kusumawati, A.J.J.o.E.T.i.M. and Management (2017) Consumer attitudes toward online



- behavioural advertising: the social media involvement. 1 (1), 88-94
16. Legge, A. (2015) Online behavioural advertising: a comparative study of regulation between the EU and Hong Kong. *Computer Law & Security Review*, 31 (3), 422-429
  17. Li, C. (2016) When does web-based personalization really work? The distinction between actual personalization and perceived personalization. *Computers in Human Behavior*, 54 (1), 25-33
  18. Li, W. and Huang, Z. (2016) The research of influence factors of online behavioral advertising avoidance. *American Journal of Industrial and Business Management*, 06 (1), 947-957
  19. Mathews-Hunt, K. (2016) Cookie consumer: tracking online behavioural advertising in Australia. *Computer Law & Security Review*, 32 (1), 55-90
  20. McDonald, A.M. and Cranor, L.F. (2010) Proceedings of the 9th annual ACM workshop on Privacy in the electronic society [Online] 63-72 Available
  21. Morimoto, M. and Chang, S. (2009) Psychological factors affecting perceptions of unsolicited commercial e-mail. *Journal of Current Issues and Research in Advertising* 31 (1),63-73
  22. Munir, H.,Rana, R. and Tariq Bhatti, U. (2017) Factors affecting advertisement avoidance through mediating role of customer perceived value. *International Journal of Research*, 4 (9), 961-975
  23. Oger, M.,Olmez, I.,Inci, E.,Kücükbay, S. and Emekci, F. (2015) Privacy preserving secure online advertising. *Procedia - Social and Behavioral Sciences*, 195 (1), 1840-1845
  24. Pauzer, H. 2016. *Digital Marketing News & Best Practices - Adlucent Search Pros(e)* [Online]. adlucent. Available: <https://www.adlucent.com/blog/2016/71-of-consumers-prefer-personalized-ads> [Accessed 20 2019].
  25. Raziq, M.M.,Ahmed, Q.M.,Ahmad, M.,Yusaf, S.,Sajjad, A. and Waheed, S. (2007) Advertising skepticism, need for cognition and consumers' attitudes. *Marketing Intelligence & Planning*, 36 (6), 678-693
  26. San Martín, S.,Camarero, C.,Hernández, C. and Valls, L. (2009) Risk, drivers, and impediments to online shopping in Spain and Japan. *Journal of Euromarketing*, 18 (1),47-64
  27. Sanje, G. and Senol, I. (2012) The Importance of online behavioral advertising for online retailers. *International Journal of Business and Social Science*, 3 (18), 114-121
  28. Scholz, M., Brenner, C. and Hinz, O. (2019) AKEGIS: automatic keyword generation for sponsored search advertising in online retailing. *Decision Support Systems*.
  29. Speck, P.S. and Elliott, M.T. (1997) Predictors of advertising avoidance in print and broadcast media. *Journal of Advertising*, 26 (3), 61-76
  30. Tene, O. and Polonetsky, J. (2011) To track or 'do not track': advancing transparency and individual control in online behavioral advertising. *Minnesota Journal of Law, Science & Technology*, 13 (1), 281-357
  31. Van Den Broeck, E.,Poels, K. and Walrave, M. (2018) An experimental study on the effect of ad placement, product involvement and motives on facebook ad avoidance. *Telematics and Informatics*, 35 (2), 470-479
  32. Zhang, L.,Xu, S.,Nyheim, P. and Mattila, A.S. (2015) Predictors of avoidance towards personalization of restaurant smartphone advertising: a study from the Millennials' perspective. *Journal of Hospitality and Tourism Technology*, 6 (2), 145-159
  33. Zhao, S.,Wang, C.,Kalra, A.,Vaks, L.,Borcea, C. and Chen, Y. (2018). *Ad blocking and counter-ad blocking ad blocking and counter-ad blocking: analysis of online ad blocker usage*. Boston: Twenty-third Americas Conference on Information Systems

This page is intentionally left blank



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

Volume 19 Issue 4 Version 1.0 Year 2019

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

## Effect of Personal Selling on Consumer Impulse buying Behaviors: Evidence from Selected Quoted Foods and Beverages Firms in Nigeria

By Jacob Olubukola Oladipo

*Ladoke Akintola University of Technology*

**Abstract-** Consumer's needs are multi-variants, divergent and insatiable. The best communication strategies to get target audience and consumers attention become a serious challenge. This study examined the effect of Personal selling (PS) on Consumer Impulse Buying Behaviour (CIBB) this study makes use of a structured questionnaire which was administered in southwestern states of the country. Descriptive analyses, linear regression, and ANOVA were used to analyze the data. With 0.005% level of significance. The study revealed that personal selling has a significant impact on consumer's impulse buying behavior. Therefore, an organization should implement the best strategy as a competitive advantage in presenting their offering.

**Keywords:** *personal selling, marketing, consumer, buying behaviour, strategy.*

**GJMBR-E Classification:** *JEL Code: M39*



*Strictly as per the compliance and regulations of:*



# Effect of Personal Selling on Consumer Impulse buying Behaviors: Evidence from Selected Quoted Foods and Beverages Firms in Nigeria

Jacob Olubukola Oladipo

**Abstract-** Consumer's needs are multi-variants, divergent and insatiable. The best communication strategies to get target audience and consumers attention become a serious challenge. This study examined the effect of Personal selling (PS) on Consumer Impulse Buying Behaviour (CIBB) this study makes use of a structured questionnaire which was administered in southwestern states of the country. Descriptive analyses, linear regression, and ANOVA were used to analyze the data. With 0.005% level of significance. The study revealed that personal selling has a significant impact on consumer's impulse buying behavior. Therefore, an organization should implement the best strategy as a competitive advantage in presenting their offering.

**Keywords:** personal selling, marketing, consumer, buying behaviour, strategy.

## I. INTRODUCTION

Management focus in every organization is mainly how to get their offering across to their target customers. The main task is the selection of the best tools that will get the total attentions of the target audience, encourage loyalty and increases volume. Best and suitable communication tools must be employed by the organizations to inform the target customer and their prospects about their offerings, the unique benefits, uses and features as well as the price and convenient place of purchases. Chris and Barbara (2011) categorized communication tools into advertising, personal selling, sales promotion of any kind; direct marketing, publicity and public relation. All these tools or mix were employed by different organizations.

Sharma, Mehta and Sharma (2014) categorized consumer buying behaviors into routine response/programmed buying, limited decision buying behaviors, extensive/complex buying behaviors and impulse buying behaviors. Meanwhile, management major tasks are to firstly identify consumer's attitude and then identify the best tools that will strategically influenced the target customers so as to achieve organization objectives. At one time or the other most of these communication tools have being used without ascertained the most effective or significant to organization objectives. Therefore, this study is analyzing the effect of personal selling on consumer's impulse buying behavior.

*Author:* Department of Management and Accounting, Ladoko Akintola University of Technology. P.M.B 4000. Ogbomoso. Oyo State. Nigeria. e-mail: olubukolaoladipo@yahoo.com

## II. PERSONAL SELLING

Personal selling is an ancient art. It is a strategy that involves one on one presentation of ideas or products to the customers, in which the seller influenced or convinced buyer's intention to purchase. Personal sales are two way approach communication between seller and buyer in order to affect the purchase by targeting long-term relationships with all parties involved - SRM. It involves personal contact between the parties, either face-to-face or telephone conversation, such as telephone sales. De Pelsmacker *et al.* (2007) affirmed personal selling contains different kind of after sale activities – such as guidance, supporting, and assistance. At the end, the tools strategically achieved it stated objective.

Today sales personnel have more than instinct, moreover organizations spend millions of dollars yearly to train and retrain their staffs on different methods of analysis and customer management, also to convert them from passive order takers into active business developers. Sales representatives are taught the SPIN method to develop long-term relationships with their customers, Kotler (2012). Since firms understand that consumer has individual differences, it become necessary to thoroughly understand consumer buying behavior so as to make use of appropriate marketing communicate tools to pass the messages. Getting consumers attentions involved direct contact between organization representatives and consumers, this play a significant roles in strengthening the relationship between the parties, in turn influence buying decision.

Therefore, organizations pay more attention to equipment of sales personnel, because their activities are key to the achievement of organization objectives. Personal selling involved face-to-face interactions between company representatives and consumers in order to achieve set goals, which are sales, and build long-term relations with each other's (Kotler & Armstrong, 2013). It also involves eight processes: searching for salespersons, determining the course of action, assessing needs, nature of the offer, method of presentation, dealing with objections, commitment, and follow-up (Spiro, Rich and Stanton 2008). Personal selling is one of the organizations strategies to influence customer's decision towards particular products; by

selling products benefits which will provide them with all the information relating to the products, and eliminating consumer fears about such offering (Laura, 2016).

a) *Elements of Personal Selling*

Personal selling has the following elements:

- i. *Face-to-Face interaction:* It involves a well trained company representative having face-to-face discussion with the prospective buyers
- ii. *Persuasion:* The process involves company representatives persuading the prospective customers to buy the product. Therefore company representative must display convincing roles that will influence customers so that there will be positive attitude towards the product.
- iii. *Flexibility:* Company representatives must be flexible in the selling approaches. Products features and benefit must be explained and products demonstration may be required in other to influenced customers decision.
- iv. *Promotion of sales:* These is another strategies that involved different techniques that will influenced buying decision it may be introduction of gift items, free samples, coupon among others, with main objective of influencing buying decisions.
- v. *Supply of Information:* Through personal selling organization will have access to different and necessary information that can direct the organization vision and missions?
- vi. *Mutual Benefit:* Personal selling allows both parties to derived benefits; while customers enjoyed satisfactions, organization also make profits.

b) *Consumer buying behaviour*

Consumer behavior is an action people involved when obtaining, consuming, and disposing of products and services. In the entire process of buying, apart from being influenced by their lifestyle, income, opinions, play group, culture, and personality. Yakup and Sevil (2011); Zemack, Corus and Brinberg (2012) .Buying behavior is the consumers' decision processes which involved anticipating, convincing, selecting buying and using products or services. The behavior refers to the buying attitudes of the ultimate consumer.

Organization needs to strategize by analyzing its consumers and prospects buying behavior, since buyers actions has a great influence on the organization success, and the concept stresses that a firm should create a marketing mix that satisfies customers. Therefore, what, where, when and how consumer buys need to be analyzed so that organization will perform accordingly. Kotler (2006). Specifically, the following have been identified as the major buying behaviors of the consumer in recent time; routine/programmed buying behavior, limited/variety buying, extensive/complete buying and impulse dissonance.

### III. STATEMENT OF THE PROBLEM

Organizations have come to the term with the significant effect of marketing communication on consumer behaviors in every sector of economy. It has been established that consumer's needs are multi – variants, divergent and insatiable. For organization to achieve their set goals in a situation like this, right messages must flow to consumers in a well understanding manner that will eventually yield expected results. Therefore, best approach and techniques to communicate the offering must be employed to get the target audience attentions, strategy or techniques use is marketing communication. Kotler (2012) define marketing communication as a process of delivering organization offers to the target audience in a clear and unambiguous manner by informing, persuading, educating, and reminding consumers directly or indirectly about the services, products, brands and the packages its sell. While Chris and Barbara (2011) affirmed marketing communication tools are personal selling, advertising, sales promotion of any kind; direct marketing, publicity and public relation all with significant effects on consumer's behaviors.

Despite identification of all the tools, scientifically the best tools that will pass appropriate and clear messages across to the target audience has not been established. This challenge has prompt organization to involve in employment of different tools so as to penetrate the audience, get their attention, build relationship, strengthen customer's loyalty and become the market leaders. But most organization has not really identified relationship between personal selling and consumer impulse buying behaviour, which the study intends to evaluate.

*Hypothesis*

*Ho<sub>1</sub>:* There is no significant relationship between personal selling and consumer buying behavior.

### IV. CONCEPTUAL FRAMEWORKS

The study of the effect of personal selling on consumer impulse buying behaviour, based on other author's findings on the variables. Rudain, (2016) in Jordan Worked on the Personal Selling impact on the Purchasing Behavior towards Clothes: A Case Study of the Youth Category. Structured questionnaire was used for respondents' opinion on personal selling and buying behaviour. The results established opinion on personal selling, and the study suggested the significance of training and qualification for salespersons in personal selling to help them deal truthfully with customers and develop the ability to negotiate, it was also recommended that Salespersons should used their discretion to approve discounts.

Mirela, & Ivana, (2017) in Croatia, studied shopping enjoyment: personal factors, word of mouth



and moderating effects of demographics. It explore influences of personal factors on shopping enjoyment, its impact on the word of mouth communication (WOM) and the moderating effects of demographic variables (gender and education) on these relationships. 1000 respondents' opinion was analyzed with SEM statistical techniques. The results revealed that personal factors positively influence shopping enjoyment, which is positively related to WOM communication. Furthermore, the results confirm the moderating effects of gender and education on the relationship between the shopping enjoyment and WOM.

Empirically, the aforementioned authors have identified personal selling variables and their influence on consumer impulse buying behaviors variables e.g. Routine/programmed buying, Limited/variety buying, extensive/complex buying and impulse/dissonance buying which leads to organization performance.

Therefore, this study conceptualizes as thus;

$$PS = CIBB$$

Where PS = Personal Selling,

CBB = Consumer Buying Behaviour.

## V. RESEARCH DESIGN

Linear regression and ANOVA was used for this research. Linear regression is an approach to modeling

### a) Model Specification

General Model

- $Y = f(x)$
- $Y = f(X_1 + X_2 + X_3 + X_4 + X_5 + \mu)$
- $OP = X_{1PSL} + X_{2IMP} + \mu$
- PSL = Personal Selling
- IMP = Impulse Buying Behaviour
- $\mu$  = Error

### b) Model

Linear regressions analysis was used to evaluate the effect of independent variables on

$$IBB = f(X_1 + X_2 + X_3 + X_4 + X_5 + \mu) \tag{1.2}$$

$$IBB = \beta_0 + \beta_1 CR + \beta_2 FIFA + \beta_3 PP + \beta_4 PD + \beta_5 PA + \mu \tag{1.3}$$

Where

$\beta_0$  = Beta

CR = Company representatives

PP = Products presentation

PA = Peoples advice

$\mu$  = Error

IBB = Impulse buying behaviour

FIFA = Face to face advice

PD = Products display

## VII. RESULTS AND DISCUSSION

The summary of the descriptive statistics of the respondents. A total of four hundred (400) copies of structured questionnaire were administered on respondents across the selected states and collected

the relationship between a dependent variable and independent variable. Analysis of variance (ANOVA) test is a way to find out the variability and degree of significant. Linear regression is to analysis the relationship, this is chosen because of the natures that exist between personal selling and consumer's impulse buying behaviour. Talo Yamani formula was used to arrive at four hundred respondents (400). The questionnaires were administered across Lagos, Ogun, Oyo and Ondo States. ANOVA was used to test the degree of significant of the variables, it was not only been considered as a powerful and strong research instrument but also most recent and efficient analytical methods in handling econometric data of this nature.

## VI. METHOD OF DATA COLLECTIONS AND DATA ANALYSIS TECHNIQUES

Primary data were used to generate necessary information for the purpose of this study. It consists of structured questionnaire wherein respondents opinions were graduated using Likert scale design. Questions in the questionnaire were closed ended. Four hundred (400) copies of the questionnaire were administered on consumers across the selected states.

dependent variables. Personal selling (PS) was assumed to be functions of 5 independent variables which are mathematically expressed as follows:

back by the researchers and all the copied of questionnaires were returned representing 100% of the total. Table 1. Showed the socio-economic characteristics which covered sex, marital status, age, academic qualification, State of residence, Occupations

and the year of buying experience of the respondents. Details of these are subsequently elucidated by showing the frequencies and percentages of respondents. It is obvious from the table that 45% of the respondents are from Lagos state, 30.6% from Ogun, 14.6% are from Oyo while 9.8% are from Ondo. This show that majority of the respondents are from Lagos, and Ogun state the economic hub of the country and the states that host most of the head quarters of the selected firms in Nigeria.

The table also showed that Females formed 65.2% of the respondents while Males formed 36.8%. The results therefore revealed that majority of the respondents were females. It is also observed from the table, in relation to marital status, that majority of the respondents totaling 64.6% are married. The table further revealed that 33.4% are single while a total of 2% picked other option which signified they are divorcee,

widow or widowers. The distribution of respondents by academic qualification reveals that 3.6% of the respondents are OND, NCE and NURSING Certificates holders while 15% are HND degree holders. The table further shows that 54.8% of the respondents are B.Sc./B.Ed. holders, while M.Sc. represents 19.2% of the respondents. This indicates that majority of the respondents were well educated. This table further showed a crucial aspect of the questionnaire which is their buying years of experience. Majority of the respondents have more than 5 years buying experience which is 77.8%, those that fall under the category of less than 2years buying experience, is 8.2% once in a while categories are 7.8%,4.4% of the respondents started buying foods and beverages of resent, while 1.8% where just experiencing buying behaviour for the first very time. Which indicated that majority of the respondent understand buying behaviours.

Table 1: Demographic characteristic of Respondents

Characteristic of Respondents

S/N	Bio data variables	Grouping	Frequency	Percentage
1	Sex	Male	139	34.8%
		Female	261	65.2%
2	Marital Status	Single	133	33.4%
		Married	258	64.6%
		Others	9	2%
3	Age	18-25	29	7.2%
		26-35	59	14.8%
		36-45	208	52%
		46-55	74	18.6%
		56- Above	30	7.4%
4	Academic Qualification	OND/NSC/NURSE	14	3.6%
		HND	52	13%
		B.SC	219	54.8%
		MBA/M.SC	77	19.2%
		Others	38	9.4%
5	State of Residence	Lagos	180	45%
		Ogun	122	30.6%
		Oyo	59	14.6%
		Ondo	39	9.8%
6	Occupations	Civil servant	130	32.4%
		Public Servant	167	42%
		Artisan	81	20.2%
		Farmer	17	4.2%
		Others	5	1.2%
7	Buying years of Experienced	Less than 2years	33	8.2%
		Above 5years	311	77.8%
		Once in a while	31	7.8%
		Of recent	18	4.4%
		My first time	7	1.8%

Source: Field survey, 2018.

Table 2 revealed critical information about personal selling factors influence on consumer's impulse buying behaviors. It shows in the tables that

67% strongly agreed and 23.4% agreed that company representative's efforts has influenced on buying decision on the products in which consumers are not

intending buying. This therefore implies that majority of the respondents agreed that companies representatives efforts influenced consumers impulse buying behaviors. It is further revealed that 40.8% strongly agreed and 23.6% agreed that face to face advice, telephone conversation and cat log advice influence the choice of place to buy products and buying decisions. 15% strongly disagreed, 13% disagreed while 7.6% were indifferent. It implies that impulse buying behaviour can influence the face to face advice, telephone conversation and cat logs advices.

The table also revealed that 67.8% strongly agreed and 23.6% agreed that products presentation and situations around influenced their unplanned buying decisions while 6.6% strongly disagreed and 1.8% disagreed and 2.8% were indifferent. It implies that

products presentations, one of the tools that organization used to educates and sell the benefits to customers has greater influence on consumer's impulse buying behaviors, It further shows that 68.6% strongly agreed and 20.2% agreed on the influenced of products display on products that consumers has no preference for. Also, 6.6% strongly disagreed, 1.8% disagreed and 2.8 indifferent. This implies that products display influence consumers impulse buying behaviors. However, the table revealed that 33.8% strongly agreed and 22.4% agreed that if they need beverages and their choices are not available they will prefer people's advice while 23.4% strongly disagreed, 13.2% disagreed and 7% were indifferent. It implies that though people's advice also influenced consumer's impulse buying behaviors but not at the same level as others factors

Table 2: Explaining effect of personal selling on consumer's impulse buying behavior

S/N	Effect of personal selling on consumers impulse buying behaviour	Responses	Frequency	Percentage
1	I have bought products i do not have intention of buying through the effort of company representatives	SA	268	67%
		A	94	23.4%
		SD	30	7.4%
		D	5	1.4%
		IND	3	0.8%
2	I have choose place to buy products through face to face advice, telephone conversation, cater log advice	SA	164	40.8%
		A	94	23.6%
		SD	60	15%
		D	52	13%
		IND	30	7.6%
3	Products presentation and situation around me do influence my buying decision	SA	272	67.8%
		A	94	23.6%
		SD	19	4.8%
		D	8	2%
		IND	7	1.8%
4	Regarding product that I do not have preference products display do influence my buying decision	SA	275	68.6%
		A	81	20.2%
		SD	26	6.6%
		D	7	1.8%
		IND	11	2.8%
5	When I need beverages and my choice is not available I listen to people advice	SA	135	33.8%
		A	90	22.4%
		SD	94	23.6%
		D	53	13.2%
		IND	28	7%

Source: Field survey, 2018.

*Analysis of the evaluation of the effect of personal selling on consumer's impulse buying behaviors:*

A linear regression established that personal selling could statistically predict consumer's impulse buying behavior. The results( F (5, 494) = 8.91, Prob. > F = 0.0000, R<sup>2</sup>= 0.83.Adjusted R<sup>2</sup> = 0.74 ) estimated that personal selling has positive significant effect on consumer impulse buying behavior, the degree of confidence (73.8%) of variability between personal

selling and impulse buying behavior. The results (( CR: Coeff= .089278, t= 1.86, p = 0.064, FTFA: Coeff =.0995106, t= 3.53, p= 0.000, PP: Coeff= .0331266, t = 0.74, p = 0.461) (PD: Coeff =.207137, t= 5.09p= 0.000, PA: Coeff =-.0031632, t= - 0.11 p= 0.914) ) revealed connectivity and significant relationship between personal selling and consumer impulse buying behaviors. The result further revealed estimated insignificant associated between Consumer Impulse

Buying Behavior and people's advice, at 95% confidence interval.

The coefficient result shows that a percentage increase in proportion of personal selling variables will lead to corresponding increase or decrease in consumer impulse buying behavior. Therefore, this implies that the explanatory variables (i.e. CR, FTFA, PP and PA) have associated significant effect on the consumer's impulse buying behaviors. These results are in agreement with similar studies that used linear regression, Sagini and Haridas (2014) studied

personality- its impact on impulse buying behaviour among the retail customers in India. Rudain (2016) studied the impact of personal selling on the purchasing behavior towards clothes using youth category as a case study in *Jordan*. Likewise, Mirela and Ivan (2017) examined shopping enjoyment: personal factors, word of mouth and moderating effects of demographics also, Effiong and Paul (2015) studied on retail store merchandise assortment, display and their influence on consumer's impulse buying behaviors in north – west region of Nigeria.

**Table 3:** The Regression Results of the Effect of Personal Selling on Consumer's Impulse Buying Behaviors

Dependent Variable	Independent Variables	Coefficient	Standard Error	t.	P > t	95% coefficient	Interval
Impulse Buying Behaviour	CR	.089278	.0480179	1.86	0.064	-.0050666	.1836225
	FTFA	.0995106	.0281838	3.53	0.000	.0441357	.1548855
	PP	.0331266	.0448802	0.74	0.461	-.0550531	.1213063
	PD	.207137	.0406972	5.09	0.000	.127176	.287098
	PA	.0031632	.0291565	-0.11	0.914	-.0604493	.0541229
R Squared	Adj. R-squared	Prob> F	F (5, 494)	Root R squared	MSE		
0.0828	0.80268	0.0000	8.91	.80268			

Source: Researcher computation, 2018.

R-squared = 0.0828

Adj. R-squared = 0.0735

#### a) Analysis of Variance Analysis (ANOVA)

The Analysis of Variance Analysis (ANOVA) was conducted to determine if personal selling was different from groups with different marketing activity levels. Data is mean  $\pm$  standard error. The results (F (4.4.4.4, 4, 479) = 69.539,  $p=q = 0.0018$ ) showed that there was a statistically significant difference between Representatives (q9), Face-to-face-advice (q10), products presentation (q11) and products display (q12) but people advice (q13) is statistically insignificant within the groups)The differences effects between the variables. Therefore, we accept the model; that personal selling has significant difference effect on consumer impulse buying behaviors at 95% level of significant.

These results are in agreement with similar studies that used ANOVA. Sagini and Haridas. (2014, p, 66) studied personality- its impact on impulse buying behaviour among the retail customers in India. Abraham, T. T and Carla, P (2015) studied Factor affecting Consumer in Impulse Buying (On Hypermarket in Makassar City)The results also supported by theory of reason action, Learning theory and stake holders theory.

Reason action model suggests that external stimuli lead to a tendency to modify the person's belief structure. The theory believes that individual behavior is derived from the acquired concepts. In other words, intention to carry out a behavior by an individual is attributed to his attitude and norms.

Therefore, tools put in place by organization will consequently influence consumer's attitude or buying action. Likewise, learning theory encourages consumers to understand their right, awareness of a product or a brand, its availability, its benefits and so on. While products understanding will encourage consumer's impulse buying behaviour. Consumers have to acquire new skills in this high-tech age, with products life cycles getting shorter all the time and new products are becoming more and more advanced. These corroborate with stake holders theory which is to protect the interest of shareholders, customers and communities. Positive customer's attitude will increase revenues and all the parties will benefits from it.

Table 4: Overall significant of the model (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Pro> F
Regression	82.718716	20	4.1359358	7.50	0.0000
Cr	9.62566622	4	2.40641655	4.36	0.0018
Fifa	16.4926446	4	4.12316114	7.47	0.0000
Pp	7.37547781	4	1.84386945	3,34	0.0103
Pd	24.3581145	4	6.08952862	11.04	0.0000
pa	10.4128056	4	2.60320141	4.72	0.0010
Residual	264.281284	479	.551735457		
Total	347	499	695390782		
R-squared	Adj R-squared	Root MSE			
0.2384	0.2066	.742789			

Source: Researcher computation, 2018

## VIII. CONCLUSION

Based on the findings, the study concluded that personal selling has significant effects on impulse buying behaviour, organization should have a clear and better understanding of the strategy to present the company offerings and implement it in away to get total attentions of both customers and prospects. Personal selling will significantly impact on consumers impulse buying behaviour.

## IX. RECOMMENDATIONS

The following recommendations were suggested for this study.

Organization should have better understanding of their environment, customer's orientation level; these are the best tools and strategies that can influence the customers and prospects before deciding on the mix of communicating their prospective customers.

## REFERENCES RÉFÉRENCES REFERENCIAS

- Abdul, B. A. and Velayutham, M. (2016). Consumer Buying Behavior: A literature Review. *IOSR Journal of Business and Management*, 3(2), 08-16 Retrieved from. [www.iosrjournals.org](http://www.iosrjournals.org)
- Agwu, E. (2012). Generations X and Y's adoption of internet and internet banking in Nigeria: A qualitative study. *International Journal of Online Marketing*, Vol. 2, No. 4, pp. 68-81.
- Akwasi, A. (2014) Effects of Advertising on Consumer Buying Behaviour: With Reference to Demand for Cosmetic Products in Bangalore, India. New Media and Mass Communication [www.iiste.org](http://www.iiste.org) ISSN 2224-3267 (Paper) ISSN 2224-3275 (Online) Vol. 27.
- Belch, G.E. and Belch, M.A. (2003). Advertising and promotion: An integrated marketing perspective, (6th ed.), London: The MCGraw-Hill Companies.
- Burnett, J. (2008). Core Concepts of Marketing: The Global Text Project is funded by the Jacobs Foundation, Zurich, Switzerland
- Chris, F. and Barbara, J. (2011). Marketing Communications: Edinburgh Business School Heriot-Watt University Edinburgh EH14 4AS United Kingdom. Website [www.ebsglobal.net](http://www.ebsglobal.net)
- Effiong, E. A and Paul, B. I (2015) Retail store merchandise, display and their influence on consumer impulse buying behaviour in North- West Nigeria. *British Journal of Marketing Studies* vol.3, No. 5, pp.49-60, published by European Center for Research Training and Development UK ([WWW. Eajournals.org](http://WWW.Eajournals.org)).
- Eze, U.C. and Lee, C.H. (2012). Consumers' Attitude towards Advertising. *International Journal of Business and Management*; Vol. 7, No. 13 pp94-108
- Festus, W. (2016) the impacts of sales promotion on organizational performance a case study of Guinness Ghana Breweries Ltd. A thesis submitted to the Department of Marketing and Corporate Strategy, Kwame Nkrumah University of Science and Technology in partial fulfillment of the requirements for the degree of MASTER OF BUSINESS ADMINISTRATION (MARKETING OPTION).



10. Kotler, P. (2006). *Marketing Management*. New Jersey: Person Education
11. Kotler, P., Keller, L. K., Brady, M., Goodman, M. and Hansen,
12. Kotler Philip & Keller Kevin Lane (2012) *Marketing management 14<sup>th</sup> Edition*: Pearson13: 978-0-13-210292-6 ISBN 10: 0-13-210292-7
13. Kotler, P. and Keller, K. L. (2013).*MARKETING MANAGEMENT*, Fourteenth Edition, Horizon Edition, England PEARSON Education Limited.
14. Malembo, A. (2015) the role of advertisement media in the consumer buying behavior in Tanzania the case of Fast Jet Tanzania.
15. Mirela, M. and Ivana, K. M. (2017) Examining shopping, word of mouth and moderating effect of demographics. *Economic Research- Ekonoms kalstrazivanja*, 30: 1, 1300-1317, DoI: 10. 1080/1331677X.2017.1355255
16. Miremadi, A., Ranjbar, T. S, Mozafari O. R. and Mohammadrashidi. S (2015).Scrutiny Analysis on Consumer Buying Behavior and Integrated Marketing Communication Strategy in Iranian Cosmetic Sector. *Research Journal of Recent Science* ISSN 2277-2502 Vol. 4(10), 16-24, *Res. J. Recent Sci.*
17. Najam, U. (2016).The role of advertising on consumer buying decision in Pakistan. *Singaporean Journal f Business Economics and Management studies (SJBEM)* Vol. 5, No. 4.
18. Paul R. H. and Randolph E. B (2015) Effects of Internet Display Advertising in the Purchase Funnel: Model-Based Insights from a Randomized Field Experiment in U S A.
19. Rudain, O. Y. (2016) The impact of personal selling on the purchasing Behaviour towards clothes: A case study on the Youth Category. *International Journal of Marketing Studies; Vol. 8, No. 5; ISSN 1918-719X E-ISSN 1918-7203*. Published by Canadian Center of Science and Education
20. Sagini, T. M. and Haridas, R. (2014) Personality- its impact on impulse buying behavior among the retail, customers in Kochin city. *IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 16, Issue 4. Ver. IV (Apr. 2014), PP 48-55 www.iosrjournals.org*
21. Sharma, M. K. (2014). The Impact on Consumer Buying Behaviour: Cognitive Dissonance. *Global Journal of Finance and Management*. ISSN 0975-6477 Volume 6, Number 9 (2014), pp. 833-840 © Research India Publications <http://www.ripublication.com>
22. Spiro, R., Rich, G., & Stanton, W. (2008), *Management of a Sales Force* (12th ed.). McGraw-Hill Irwin.
23. Stephen, P., Aliyum, U. F. and Ibrahim, A. (2017) impact of sales promotional strategies on Organizational performance in Nigeria. *European Journal of Research and Reflection in Management Sciences* Vol. 5 No. 4, ISSN 2056-5992
24. Ugonna, I, Okolo, Victor. O, Obikeze, C. O, Ohanagorom M, NwodoSylvanusI, Oranusi, Ifeanyichukwu N (2017) Effects of Media Advertising On Consumers' Purchase Intent in Awka, Anambra State: A Study of Hero Beer.*IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 19, Issue 4. Ver. IV , PP 50-60 www.iosrjournals.org*
25. Yakup, D. and Sevil, Z., (2011). An Empirical Study on the Effect of Family Factor on Consumer Buying Behaviors: *Asian Social Science*, Vol. 7, No. 10, October 2011, pp. 53-62.
26. Zemack-R, Y., Corus, C. and Brinberg, D., (2012). The "Response-to-Failure" Scale: Predicting Behavior Following Initial Self-Control Failure, *Journal of Marketing Research*, Vol. XLIX, December 2012, pp. 996–1014.



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

Volume 19 Issue 4 Version 1.0 Year 2019

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

## The Study on Brand Equity & Purchase Intention of Shampoo Market in Sri Lanka

By Perera. K, Wijesekera. B, Priyadarshani. L, Kodippili. N & Jayasuriya. N. A

*Abstract-* For a brand to be successful, strong brand equity is a core. It is this strength that leads the brand to be prominent in the marketplace and shine amidst its competitors. Good brand equity leads the purchase decision process in which led by purchase intention. Brand equity is vital for any business organization in order to boost up its performance. Therefore, brand equity has affects on the purchase intention of consumers. Moreover, brand equity for a brand is crucial to increase its valuation in the market and to increase its market share. Furthermore, purchase intention is the kind of decision making where a customer buys the same brand repeatedly based on their purchase history. Retaining such a customer is crucial since that customer is likely to shift immediately to another brand due to the high choice availability in today's market. The shampoo market as a whole can be identified to be highly fragmented and cluttered with different brands, suppliers, and distribution channels. This research will examine the impact of brand equity on purchase intention of shampoo products in the Colombo region of Sri Lanka.

*Keywords:* brand equity, perceived intention, shampoo, brand awareness, brand association, perceived quality, and brand loyalty.

*GJMBR-E Classification:* JEL Code: M10



*Strictly as per the compliance and regulations of:*



© 2019. Perera. K, Wijesekera. B, Priyadarshani. L, Kodippili. N & Jayasuriya. N. A. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License (<http://creativecommons.org/licenses/by-nc/3.0/>), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

# The Study on Brand Equity & Purchase Intention of Shampoo Market in Sri Lanka

Perera. K<sup>α</sup>, Wijesekera. B<sup>ο</sup>, Priyadarshani. L<sup>ρ</sup>, Kodippili. N<sup>ω</sup> & Jayasuriya. N. A<sup>¥</sup>

**Abstract-** For a brand to be successful, strong brand equity is a core. It is this strength that leads the brand to be prominent in the marketplace and shine amidst its competitors. Good brand equity leads the purchase decision process in which led by purchase intention. Brand equity is vital for any business organization in order to boost up its performance. Therefore, brand equity has effects on the purchase intention of consumers. Moreover, brand equity for a brand is crucial to increase its valuation in the market and to increase its market share. Furthermore, purchase intention is the kind of decision making where a customer buys the same brand repeatedly based on their purchase history. Retaining such a customer is crucial since that customer is likely to shift immediately to another brand due to the high choice availability in today's market. The shampoo market as a whole can be identified to be highly fragmented and cluttered with different brands, suppliers, and distribution channels. This research will examine the impact of brand equity on purchase intention of shampoo products in the Colombo region of Sri Lanka. From the findings done by this research, it will be an advantage for the marketers in the industry to execute effective marketing plans and also for future researchers for their research findings.

**Keywords:** brand equity, perceived intention, shampoo, brand awareness, brand association, perceived quality, and brand loyalty.

## I. INTRODUCTION

A brand is considered to be a crucial tool in any country to uplift its economy. With the help of equity and the name of the brand, the buying behavior of customers can be changed. The brand name of a particular product will help a customer to choose the desired product with ease. With people being more aware and more conscious about brand names, companies should place an easy to recall brand name and image in the minds of consumers. For this research, shampoo (in terms of products) will be taken into consideration. The shampoo market in Sri Lanka is composed of brands made by companies such as Unilever, Hema, L'Oreal, Procter and Gamble, Swadeshi, Johnson & Johnson, etc. It is a selection of sub-brands that customers can choose from for their personal use. Each brand has its own identity and issues of hair care that they focus on providing solutions. Unilever internal sources have further proven that only 70% of consumers use shampoo. The question then raised when researching about this problem is that; why only 70% of people use shampoo and why not the

rest of the 30% do not use shampoo to clean their hair. Past researches were limited to this scenario regarding brand equity on purchase intention of shampoo products, but there are many research's conducted with regards to oral care, skin care, and personal care products. This research is conducted to investigate the issues which are mentioned above. In the case of Shampoo brands in Sri Lanka, there is a vast range from different prices and quantities. Also, they provide a wide range of solutions making a choice even more complicated. In addition to this, there are a few new vendors in the market who import international brands and sell to the local market. This issue affects the purchase intention because consumers tend to shift to those brands- as a common behavioral factor among Sri Lankans.

Sri Lanka is at a very early stage in terms of considering personal care, and a prominent factor is that new brands keep entering the market very frequently.

Thajudeen (2011) states that "Years back in Sri Lanka, consumers were shy to purchase sanitary napkins; flowers and traditional colognes were used as perfumes; talc was used as deodorants; soaps were used as shampoos and conditioners – but today, it has taken a whole new turn – a dramatic change over the past few years."

With Sri Lankan consumers starting to frequently use shampoos, the concern is by how much this trend is followed. As mentioned it is found that only 70% use shampoo in Sri Lanka however, the findings of factors that result in this is very limited. 70% is a huge market to study the patterns of purchase based on brand equity. Analysis can be conducted to find how purchases/ intention for purchase are made of the product/s based on if it was brand awareness, brand loyalty, perceived quality, or brand association. Therefore, this research aims to understand to find the above mentioned in terms of brand equity and purchase intention of Shampoo brands in Sri Lanka so that the marketers can use this as reference and base the findings from this to create strategies that will help improve their marketing activities/decisions.

## II. LITERATURE REVIEW

### a) Brand equity

Brand equity is a set of brand assets and liabilities linked to a brand name and symbol, which add

Author α: e-mail: kusalimperera@gmail.com

to or subtract from the value provided by a product or service (Prophet, 2016). This means that the difference between overall brand preference and multi-attributed preference based on objectively measured attribute levels (Chandani, 2012). Brand equity adds immense value to a company regardless of its intangibility. Brand Equity can result in many benefits to a company such as a customer loyalty, negotiating power, expansion opportunities, competitive advantage, and higher margins.

Forbes (2019) states that “Kevin Lane Keller, a marketing professor at Dartmouth College, stresses to build brand equity, you have to shape how consumers think and feel about your product. These thoughts and feelings are categorized by four stages that represent what consumers subconsciously ask about your brand: Salience (identity), Meaning (performance & imagery), Response (judgments & feelings) and Resonance (relationships).

There is a concern since millennials are not brand loyal due to the increased choice. It means that brands should know to target themselves in the relevant customer pain points to ensure that customers know that it's not a product but has much more value to be present when they need it. In this research, it is about the brand equity shampoo brands have in the market and how each brand's perception affects the purchase of the product.

Shampoo products has a major impact on its brand equity because each shampoo provides a perceived benefit to the consumer. The reason why many people tend to buy various shampoo brands in their course of life is because of general factors such as packaging, pricing, quality, ease of availability, and word of mouth. With the world and FMCG companies stressing on the importance of self-care and personal grooming, it has resulted in a change in overall consumer behavior gradually yet overall significantly.

#### b) *Purchase Intention*

Purchase intention is the willingness of the customer to repeatedly buy a product or a service based on the history of their purchase (MBASKool.com, 2019). Purchase intention is also affected by the changes in the markets. The reason for it is that amidst such a great choice, there are other factors such as price and quantity that play a huge role when it comes to personal care items specifically. With all this information available freely to the customer and the choice presented right in front of the customer, it has led customers to choose from one brand to another.

When considering shampoo, there are a few new vendors in the market who import foreign brands and sell to the local market. This is also an issue that affects the purchase intention because consumers tend to shift to foreign brands- as a common behavioral factor among Sri Lankans.

#### c) *Perceived Quality*

Perceived quality is consumer perception towards the quality of a product Tsiotsou (2005), perceived quality is measured using the four dimensions of Petrick (2002): dependability, reliability, superiority, and consistency. Furthermore, perceived quality is portrayed as a perception by customers. Several related concepts like this can differ from actual quality (the extent which a particular product delivers the superior service), product-based quality (nature of ingredients and features included), and manufacturing quality (conformance to specifications). When a quality standard is provided, a brand opportunity is available to charge a premium. Since perceived quality is a perception and a judgment about what is important to customers, it cannot be objectively determined. In addition to the details given above, perceived quality is an overall feeling about a brand, and it is intangible.

#### d) *Brand Awareness*

Brand awareness permits the consumer to recognize one brand, and also it involves a continuum ranging from an uncertain feeling that the brand is identified to a belief that it is the only one in the product category Suryadi (2015) as cited from (Aaker, 1991). Outbound and inbound marketing efforts can be used to spread brand awareness. Moreover, brand awareness can be one of the business's biggest assets when the competition in an industry is high. Brand awareness has three major characters that help towards the decision making of the consumer. Firstly, the character increases the likelihood of the consumer to select a specific brand. Secondly, it can influence the concern if the consumer meets several choices. Thirdly, it affects the consumer decision making by persuading the creation and strength of brand associations in the brand image Suryadi (2015) as cited from (Keller, 1993).

#### e) *Brand Loyalty*

According to Habib and Aslam (2014) as cited from Oliver (1997), customer's loyalty is a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same -brand or same brand-set purchasing. When you have loyal customers, you will not need to compete on the factors like price and convenience as long as you are delivering the promise. Generally, a consumer buys a product which is more familiar for them or already are used by them and its full fill their requirements. Business industrialists use different creative marketing strategies like loyalty programs, social media, and brand ambassadors to create brand loyalty. Purchase intention can be directly linked to brand loyalty. According to (Habib and Aslam, 2014) as cited from Schultz (2005), loyal customers like to speak about their brand and they often recommend those brands to their close family and friends.

f) *Brand Association*

Brand Association is the mental linkage of consumers to certain brands in products or services. It can provide a point of variation, self-convince to purchase and arouse a sense of comfort. In a well-established brand, one can decrease the motivations of the consumers to try a different brand, because a brand association can influence the purchase intention and give the impact to customer's level of satisfaction Suryadi (2015) as cited from (Aaker, 1992).

III. BRAND LOYALTY AND PURCHASE INTENTION

Consumer buying decisions are very complex to understand. Ragavendran et al. (2009) state that P&G is named for its excellent market research strategy implementation process that led challenges by introducing its Head & Shoulders and Pantene shampoo at affordable prices in the Indian market. If there is no brand loyalty among the consumers, they will purchase other competitive products. According to Hameed and Kanwal (2018) based on the work of Yoon and Kim (2000), a loyal customer will pay an extra price for the product that satisfies his/her needs/wants. Thus, brand loyalty is a substantially effective factor on store selection decisions of the customers (Aaker, 1991).

IV. BRAND AWARENESS AND PURCHASE INTENTION

When consumer choice is influenced by awareness an intention to purchase the product will

arise. Brand awareness is a document that is composed of phenomena and emotions of the customers regarding the brand, and that is in their minds. When a consumer remembers the logo of a brand or the packaging of a certain brand, he/she will quickly get that image into their minds and it will make the consumer purchase that specific brand even though there are many other brands.

Perceived quality, on the other hand, is a crucial determinant affecting customer purchase intention (Vo and Nguyen, 2015). It is known that if a customer has a positive perception of a product or positive perceived quality that their purchase intention becomes positive as well. This factor is confirmed by the research conducted by Saleem et al. (2015) that states this to be true as product perceived quality has direct positive relation with purchase intention and customer satisfaction (as found by their research).

V. BRAND ASSOCIATION AND PURCHASE INTENTION

A research conducted by Grigaliūnaitė and Pilelienė (2017) state brand associations influences purchase intentions. When a consumer associates a brand for a while, it means that it creates loyalty and eventually results in wanting to purchase more of the same brand. The case with shampoos is the same since customers keep going back to their preferred brand- and this happens once they have associated and had a good impression about it.

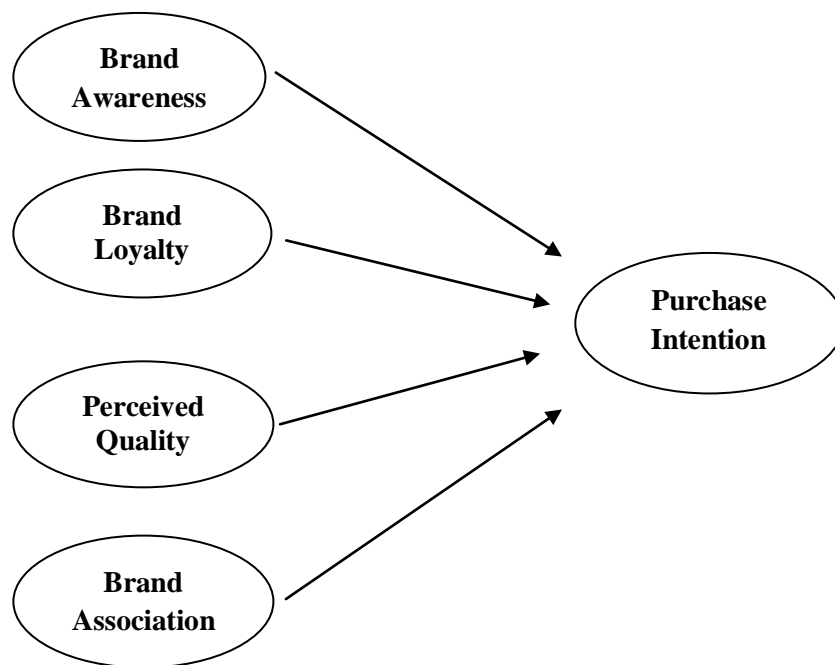


Figure 1: Aaker's brand equity model



## VI. SIGNIFICANCE OF THE STUDY

Since brand equity is one of the most important assets in the company, traders have to influence their consumers to purchase their product and educate consumers that their products/ services are worth. This study will be helpful for future researchers because it will be helpful for their research findings. Also, this study gives a better advantage to marketers in the marketing industry to execute effective marketing plans. Additionally, this study will be useful in understanding the corporate brand equity of shampoos and how it can influence the customer decision-making process. The results from this research can, therefore, affect the image of any company's brand to enhance its consumer reputation and purchase decisions by focusing on the results of this study.

### REFERENCES RÉFÉRENCES REFERENCIAS

1. Aaker, D. (1991) Will consumers' learning motivation affect their brand loyalty? Research on moderating role of brand cognition. *American Journal of Industrial and Business Management*, 6 (11),
2. Aaker, D. (1992) The value of brand equity. *Journal of business strategy*, 13 (4), 27-32
3. Chandani (2012) *Measurement of Customer Based Brand Equity For Shampoo Products in Jakarta*. Sarjana, Binus University Available at: [Accessed: 21<sup>st</sup> February 2019]
4. Forbes (2019) *Building brand equity*. [online], Available at: <https://www.forbes.com/sites/propointgraphics/2017/07/08/building-brand-equity/#d2432e36e8f8> [Accessed: 21<sup>st</sup> February 2019]
5. Grigaliūnaitė, V. and Pilelienė, L. 2017. How do brand associations affect purchase intentions? A case of organic products.
6. Habib, S. and Aslam, S. (2014) Influence of brand loyalty on consumer repurchase intentions of coca-cola. *Business and Management*, 6 (14), 168-175
7. Hameed, S. and Kanwal, M. (2018) Effect of brand loyalty on purchase intention in cosmetics industry. *Research in Business and Management*, 5 (1), 25-35
8. Keller, K. (1993) Conceptualization, measuring, and managing customer-based brand equity. *American marketing association* 57 (1), 1-22
9. MBASKOOL.COM (2019) *Purchase intention*. [online], Available at: <https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10976-purchase-intention.html> [Accessed: 25<sup>th</sup> February 2019]
10. Oliver, R. (1997) *Satisfaction: A behavioral perspective on the consumer* McGraw Hill
11. Petrick, F. (2002) Development of a multi-dimensional scale for measuring the perceived value of a service. *Journal of Leisure Research*, 34 119-134
12. Prophet (2016) *Brand equity vs. brand value: what's the difference?* [online], Available at: <https://www.prophet.com/2016/09/brand-equity-vs-brand-value/> [Accessed: 21<sup>st</sup> February 2019]
13. Ragavendran, P., Devakumar, G. and Upadhyay, S. (2009) A Study on Brand Awareness of Shampoo Products. *Department of Management Studies*, 8 (2), 33-40
14. Saleem, A., Ghafar, A., Ibrahim, M., Yousuf, M. and Ahmed, N. (2015) Product Perceived Quality and Purchase Intention with
15. Consumer Satisfaction. *Global Journal of Management and Business Research*, 15 (1),
16. Schultz, E. (2005) The loyalty paradox. *Marketing Management*, 14 (5), 10-11
17. Suryadi, D. (2015) The impact of brand equity towards purchase intention on PT. X's candy. *iBuss Management*, 3 (2), 1-8
18. Thajudeen, T. 2011. Growth in self-expressive products is surging in Sri Lanka. *Business Times* [online], Available at: <http://www.sundaytimes.lk/110313/BusinessTimes/bt17.html> [Accessed: 2<sup>nd</sup> May 2019]
19. Tsiotsou (2005) Perceived quality levels and their relation to involvement, satisfaction, and purchase intentions. *Marketing Bulletin*, 16 1-10
20. Vo, T. and Nguyen, C. (2015) Factors influencing customer perceived quality and purchase intention toward private labels in the vietnam market: the moderating effects of store image. *International Journal of Marketing Studies*, 7 (4), 51-63
21. Yoon, J. and Kim, H. (2000) An empirical validation of a loyalty model based on expectation and disconfirmation. *Journal of Consumer Marketing*, 17 (2), 120-136



## Developing Virtual Online Customers for Testing Virtual Online Sales Assistants

By Ohud Almutairi & Abdullah Almuttiri

*Shaqra University Riyadh*

**Abstract-** Employing virtual online sales assistants is one way to provide smart services to online customers during their online shopping experience, while visiting an online store. Virtual online sales assistants can resolve the absence of social experienced by visitors to the majority of online stores. Each customer's online shopping behaviour is unique; therefore, the motivations that attract customers to shop electronically are also likely to be different. Employing a virtual online sales assistant can fulfil different needs for the online customers visiting the store. Many developed virtual online sales assistants have disappeared due to not meet the expectations of customers. Therefore, it would be helpful to develop artificial actors to test such an assistant to determine if they can serve online customers satisfactorily. This paper details a novel way to test such an assistant by using Agent-based modelling and simulation (ABMS), which is a powerful simulation tool to simulate autonomous and interactive entities. For our research, we developed four virtual online customer actors with different personalities; e.g. enthusiastic, apathetic, basic, and impatient virtual online customers. These actors then interacted with a representative virtual online sales assistant.

**Keywords:** ABMS, online assistant, online customer, online shopping, online store.

**GJMBR-E Classification:** JEL Code: M31



*Strictly as per the compliance and regulations of:*



RESEARCH | DIVERSITY | ETHICS

# Developing Virtual Online Customers for Testing Virtual Online Sales Assistants

Ohud Almutairi <sup>α</sup> & Abdullah Almuttiri <sup>σ</sup>

**Abstract-** Employing virtual online sales assistants is one way to provide smart services to online customers during their online shopping experience, while visiting an online store. Virtual online sales assistants can resolve the absence of social experienced by visitors to the majority of online stores. Each customer's online shopping behaviour is unique; therefore, the motivations that attract customers to shop electronically are also likely to be different. Employing a virtual online sales assistant can fulfil different needs for the online customers visiting the store. Many developed virtual online sales assistants have disappeared due to not meet the expectations of customers. Therefore, it would be helpful to develop artificial actors to test such an assistant to determine if they can serve online customers satisfactorily. This paper details a novel way to test such an assistant by using Agent-based modelling and simulation (ABMS), which is a powerful simulation tool to simulate autonomous and interactive entities. For our research, we developed four virtual online customer actors with different personalities; e.g. enthusiastic, apathetic, basic, and impatient virtual online customers. These actors then interacted with a representative virtual online sales assistant. The result exhibited the different behaviour patterns that different virtual online customer types might have.

**Keywords:** ABMS, online assistant, online customer, online shopping, online store.

## I. INTRODUCTION

E-commerce, meaning conducting business over the internet, is now an effective way of facilitating transactions. Electronic shopping is a form of business-to-customer ecommerce. It enables customers to buy products or pay for services via the internet in a global context. Shopping electronically was introduced to make people's lives easier; and it is a powerful new business channel.

There have been many attempts to improve online store's websites, to increase customer's trust and intention to shop, and to provide multiple benefits to customers and sellers. In recent years, the option of a virtual online sales assistant (also known as an avatar) has been proposed as a way to provide smart assistance and help visitors on transactional websites. Liu (2008, p.214) described an avatar for an online business as "a graphics entity with 2D or 3D geometry, it can assist users to explore an online product, and it can give some purchasing advices". In addition, Holzwarth et al. (2006, p.19) described online assistants

as "virtual characters that can be used as company representative". Employing such an assistant might also resolve the problem of social absence, which most online stores suffer from. Adding a social dimension to the experience of shopping in an online store could increase customer loyalty, trust, and buying intention (Reynolds and Beatty 1999). Virtual online sales assistants could be perceived as an independent social actor (Sundar and Nass 2000; Keeling et al. 2007). Furthermore, they could positively affect customer's attitude toward products, their desire to buy, and heighten consumer satisfaction with the retailer, much like a salesperson in an offline shop (Redmond, 2002). Therefore, a virtual online sales assistant in an online store should effectively emulate the role of an offline assistant (Keeling, et al., 2010). The seller and buyer relationship is crucial in retail, whether online or offline. Therefore, adopting and implementing a virtual online sales assistant (or avatar) for online retail purposes might be an important consideration when building a satisfying relationship with an online customer. Retailers seek to build a good relationship with customers to increase loyalty, and purchase intentions (Reynolds & Beatty 1999). Therefore, many researchers have worked toward developing and designing online virtual sales assistants that can communicate with online customers (Kießling et al. 2001; Kongthon et al. 2009; Ting et al. 2004; García-Serrano et al. 2004; Liu 2008).

Online customers seek to derive two main values when shopping online. These values are utilitarian and hedonic, as mentioned in Childers et al. (2002), Monsuwé et al. (2004), and Bridges and Florsheim (2008). Utilitarian values motivate customers seeking to minimise effort and derive advantageous outcomes when conducting online shopping whereas hedonic values attract customers who seek out pleasure when engaging in online shopping (Kim and Shim 2002). Virtual online sales assistants can maximise those values by serving online customers, to save time and ensure online shopping is more convenient, as a utilitarian value; as well as maximising hedonic value by providing interaction, and aspects of enjoyment to online customers (Redmond 2002; Holzwarth et al. 2006). Advancements in artificial intelligence technology enable assistants to be developed more efficiently and economically (Kongthon, et al., 2009).

**Author α:** School of Computer Science, Shaqra University Riyadh, Saudi Arabia. e-mail: omalmutairi@su.edu.sa

**Author σ:** SM IEEE, NOKIA, Radio Access Network Design Riyadh, Saudi Arabia. e-mail: a.s.a@ieee.org

However, Ben Mimoun et al. (2012) observes that in some cases, virtual online sales assistants have been abandoned for failing to meet expectations. Furthermore, the reasons for this might be that they have not worked as well as promised. Further they could not work well like salespersons in offline stores and/or did not meet the customer expectations. Moreover, problems might have arisen, because designers focus on the appearance and do not pay sufficient attention to its performance (Ben Mimoun et al., 2012). This could result in a need to develop a method to test virtual online sales assistants to ensure they work in a manner that fits customers' needs.

Our aim is to develop virtual online customers that are able to interact with a representative of virtual online sales assistant for testing purposes. The objectives to pursue to fulfil this aim are to look for the different stages that online customers might go through when engaging in online shopping activities as this helped us to design a conceptual model and determine the state-based behaviour of our actors, implement the virtual online customers with different personalities and behaviour, develop a representation of virtual online sales assistant that could mimic behaviour of real-world virtual online sales assistants from outside, build a simulation environment for interactions between actors, and test the representative of virtual online sales assistant.

In the following section, in section 2, the background to other similar works is provided, as it is important to learn how others test their system. In addition, an overview of Agent-based modelling and simulation is provided as this was employed in our system. In section 3, the conceptual model is described using UML diagrams to provide a clear understanding of the system. The implementation is described in detail in section 4, to clarify how our system's different entities are implemented. In section 5, the validation experiment is illustrated to test the system.

## II. BACKGROUND

### a) Others Works

Many researchers have tested their systems to check the performance of their virtual online assistants. Different methods have been used to conduct these tests. Ting et al. (2004) implemented their proposed e-Salesman system in the online car industry. The customer was able to either browse the website on his own, or ask the virtual online salesperson for assistance by clicking on talk button. García-Serrano et al. (2004) used a number of predefined scenarios, and a checklist containing measurements for the system's performance, to test their system.

Moreover, Kießling et al. (2001) tested the performance of their system using the system they had developed. In addition, the performance of their virtual

online assistant was tested by receiving positive feedback from multiple users, who had heard about the assistant and requested it as a download from the homepage. However, Shimazu (2002) used two databases to test the online expert clerk. In addition, Mumme et al. (2009) tested their system by developing and using a virtual store based on a modified server of OpenSim and a Second Life client, as their online shopping took place in a 3D website environment, to test the virtual online salesperson. The client used to interact with the salesperson is representative of a real person.

Something that has not yet been considered is the use of artificial actors (virtual online customers), programmed with different personalities, to test the assistants. Therefore, we propose using this novel way to test an assistant. Artificial online customers can be used to test virtual online sales assistants in a simulated environment. Furthermore, building a simulation model can offer potential for a deeper insight into the interaction between different online customer types and virtual online assistants. This could assist in the development and design of such an assistant.

### b) Agent-Based Model Method

Agent-Based Modelling and Simulation (ABMS) has been seen as a powerful tool for simulating autonomous and interactive entities. This form of modelling provides a better way of understanding a system's process. It involves modelling and simulation techniques that are used to model complex systems containing independent, interactive, and interdependent components or "agents", to facilitate system assessment (Macal and North 2010). In ABM, the agent is built to emulate a real world object's attributes and behaviour. Each agent in a system might have different attributes and/or behaviours and these might alter during the simulation (Twomey and Cadman 2002). It has been argued that an agent's behaviour can vary from simple to complicated; according to the rules the agent follows (Macal and North 2010). Moreover, agents are seen as active entities with the ability to act autonomously, and to react and respond to their environment and/or the other agents (Macal and North 2010).

Therefore, we have been developing a novel way to test such an assistant using ABMS. In our research, the agents in the model represent virtual online customers and a representative of a virtual online sales assistant. Therefore, the main objective of the study is to develop a number of actors who represent virtual online customers, with different personalities and behaviour, for use to test representatives of a real-world virtual online assistant in a virtual environment using ABMS.



### III. CONCEPTUAL MODEL

#### a) Actors and Use Cases

Use case is a type of Unified Modelling Language (UML) that can provide a general representation and describe the interactions between a user and a system (Fowler, 2004). Therefore, we employed this technique to provide a clear

understanding of the interactions between virtual online customers and virtual online sales assistants, and the type of assistance that could be provided. Most types of assistance provided by virtual online sales assistants are based on a study that conducted by (McGoldrick et al. 2008). Figure 1 shows possible use cases and actors.

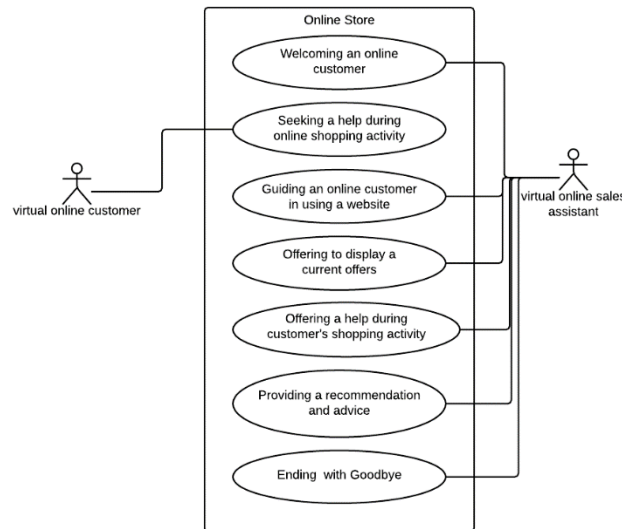


Figure 1: Use case diagram

The use cases: “Welcoming an online customer”, and “Ending with Goodbye”, are initiated by a virtual online sales assistant when greeting a new customer and concluding a customer’s visit politely, respectively.

Moreover, the “Guiding an online customer in using a website” use case could be initiated by a virtual online sales assistant to assist an online customer to browse an online store easily. Further, the “Offering to display current offers” and “Offering help during a customer’s shopping activity” use cases are also initiated by the virtual online sales assistant to supply the virtual online customer with the latest offers, and any help needed during the online customer’s shopping activities. Furthermore, “Providing a recommendation and advice” is a use case initiated by the virtual online sales assistant to provide a recommendation and advice based on a selected product.

This paper considers the “Seeking help during an online shopping activity” use case. The virtual online customer would initiate this use case when entering the online store. It denotes the customer asking for help from the virtual online sales assistant during their online shopping activities. A request for help from an assistant might be made during shopping activities, i.e. when searching for and finding a suitable product, selecting between different products, and/or during the payment process. A virtual online sales assistant could also

interact with the virtual online customer during their entire online shopping session.

#### b) Actor States and Transitions

##### i. Virtual Online Customer

When engaged in online shopping, the virtual online customer might be in different states. These states reflect the process of asking about and looking for information, and conducting the payment process as evidenced in Figure 2.

The different states that the customer might be in during the interaction with a virtual online sales assistant are represented by the boxes, and the arrows represent the transitions (Figure 2). The virtual online customer state chart diagram has a “Seeking Help” state, which represents a customer entering an online store to search for help from a virtual online sales assistant. A “Having Assistant” state symbolises the virtual online customer being assigned a virtual online sales assistant to help. During that state, the virtual online customer could be greeted and/or offered assistance.

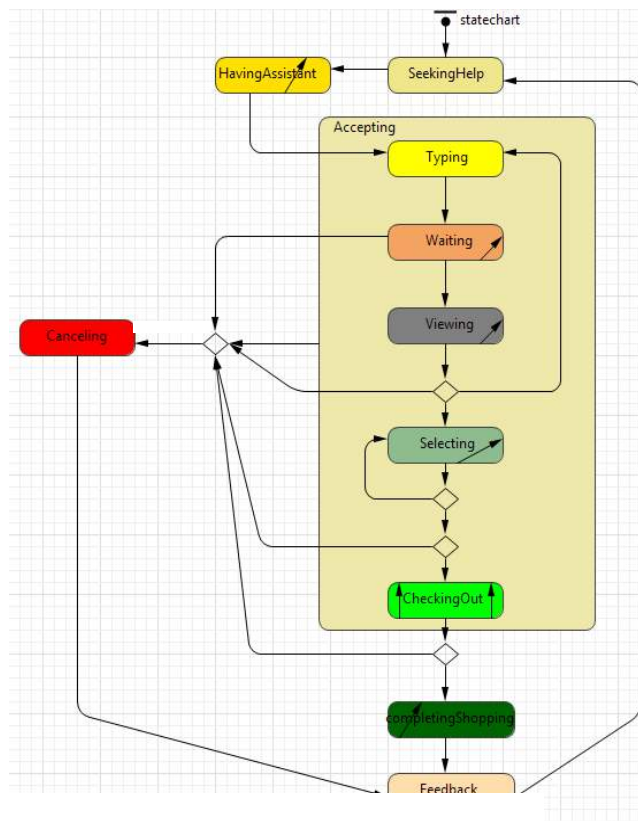


Figure 2: State chart model for an online customer.

Furthermore, the state chart model has an “Accepting” state, which is a composite state comprising other single states. The union of those single states would represent this composite state. It represents that an online customer accepts receiving help from the virtual online assistant, and starts an interaction to gain assistance during their online shopping activities. These states are “Typing”, “Waiting”, “Viewing”, “Selecting”, and “Checking Out”. A “Typing” state indicates that the virtual online customer is typing their request or enquiring about a product; they then send the request to the virtual online sales assistant. A transition into this state is triggered by a message from the virtual online sales assistant offering the virtual online customer assistance. A “Waiting” state represents when the virtual online customer waits for a period of time which is between sending a request and receiving a result. The transition to this state arises after a specified amount of time elapses in the “Typing” state. An internal transition inside a “Waiting” state is triggered by receipt of a message from the virtual online sales assistant that contains up to date online store news, or information concerning latest offers, which could prevent the virtual online customer from becoming annoyed while waiting for a result.

A “Viewing” state indicates that a virtual online customer is receiving and seeing the result of their request. The transition to this state depends on the virtual online sales assistant’s response time following

the virtual online customer’s request; the state is triggered by a message from the assistant containing the result. During the “Viewing” state, the virtual online customer will receive an offer to help if the result is unsatisfactory or incomplete. The virtual online customer is then able to return to a “Typing” state if s/he needs further enquiry about a product and/or is dissatisfied with the result displayed, or go to the “Selecting” state if s/he is satisfied with the result.

A “Selecting” state represents the activity of selecting between different products found and adding items to the shopping cart. During the “Selecting” state, the virtual online customer can ask for further information about the product, and receive information. In addition, during the “Selecting” state, the online customer could receive simple advice and recommendations based on the products selected from the virtual online assistant.

A final single state inside the “Accepting” state is the “Checking Out” state, which indicates the virtual online customer has entered the final stage of the online shopping activity, which is payment. The transition to this state happens after a specified amount of time elapses following the “Selecting” state. An internal transition occurs inside the “Checking Out” state when the virtual online customer receives help and clarification messages during the check-out process, thereby increasing their level of satisfaction and desire to buy (UPS 2012). The second internal transition could occur

with a random truth that possible errors could arise during this state, so the virtual online customer needs to ask for an explanation from the virtual online assistant about possible errors.

Moreover, the online customer has “completing Shopping” state. During this state, the virtual online customer receives a summary of their order and/or a message expressing good wishes at the end of a conversation; then the virtual online customer would leave the online store.

Additionally, the virtual online customer state chart model has a “Cancelling” state, which indicates that they are dissatisfied with the service and/or the information provided. There are four transitions leading to this state. First, a transition from the “Waiting” state, which is triggered when a certain condition is met, which is true when the waiting time exceeds a specific period. Second, a transition from a “Viewing” state, which is triggered by a condition, which is the probability of cancelling increases, if the Viewing-Typing-Waiting round increases, which means that the virtual online customer is dissatisfied with the information provided. Third, a transition from the “Selecting” state is triggered if the virtual online customer sends a message asking for more information about a product, such as the availability of the product in stock, and they have not received a satisfying answer. Fourth, a transition from a “Checking Out” state is triggered if the virtual online customer has not received any clarification of checkout or the customer had sent a message to the virtual online sales assistant to query any errors have occurred during the checkout process but has not received an explanation from the online assistant. In addition, it is triggered if the customer is dissatisfied with the information provided.

The Final state is the “Feedback” state. Feedback concerning the interaction online shopping could be provided here to demonstrate the extent to which the virtual online customer is satisfied with his/her online shopping experience. There are two transitions leading to this state; these range from a “Cancelling” state and a “Completing Shopping” state; both are triggered by a specified amount of time elapsing after the previous states.

Those states that the virtual online customer is in during their shopping activities are the main stages of online shopping online. Moreover, they are also states in which the virtual online sales assistant must provide a satisfactory service. These states are “Waiting” state, “Viewing” state, “Selecting” state, and the “Checking Out” state. When the customer is in “Waiting” state, it is suggested to wait for a virtual online assistant’s result for no more than 15 seconds (Kießling et al. 2001). However, sometimes this waiting time might be increased by overloaded internet connections etc. (Kießling et al. 2001). Therefore, during this waiting period, the virtual online sales assistant should ensure

an online customer does not become bored; e.g. by displaying latest online store news and/or offers.

Moreover, the “Viewing” state and “Selecting” state are seen as important states in which to receive appropriate support. Previous researchers (Kießling et al. 2001; Shimazu 2002; Ting et al. 2004; Garcia-Serrano et al. 2004; Kim and Stoel 2005) have mentioned the significance of receiving a satisfactory help to online customer. The ease of obtaining the information needed and selecting between different options can help online customers during their online shopping journey to increase their satisfaction. Therefore, the virtual online sales assistant should support their online customers by providing them with the necessary information, advice and recommendations to increase their intention to buy.

Furthermore, a “Checking Out” state is also an important online customer state (UPS 2012). The ease of check-out is a good motivator to improve online customer satisfaction regarding an online shopping activity. Therefore, the virtual online assistant should assist the online customer during the payment process (McGoldrick et al. 2008). This can be achieved by indicating important fields to complete, and providing the customer with a brief description of this important stage, clarifying important information such as shipping options, fees, and delivery date (UPS 2012), and resolving any further questions and offering assistance. In addition, if any errors occur, the customer might inquire about it.

#### ii. *Virtual Online Sales Assistant*

A virtual online sales assistant would be in a different state when serving and assisting the virtual online customer (Figure 3).

Figure 3 represents a state chart model for the virtual online sales assistant. The different states that the assistant could be in during their interaction with a virtual online customer are represented by boxes, and arrows represent the transitions. First the virtual online sales assistant is in an “Idle” state, as there is no virtual online customer to serve.

The virtual online sales assistant state chart has a “Helping New Customer” composite state, which contains different single states, which are “Welcoming And Offering Help”, “Receiving Request”, “Searching”, “Displaying Result”, and “Helping In Check Out”. The virtual online sales assistant enters this composite state when a virtual online customer enters an online store and requests assistance. The “Welcoming And Offering Help” state is the virtual online sales assistant’s state when greeting a new customer. It is an important state showing warmth, which could support the online customer-assistant’s interaction (McGoldrick et al. 2008). Also within this state the online assistant sends a message to the virtual online customer to offer her/him help with any enquiries about the products in the online

store. A transition to this state is triggered by a condition of having a virtual online customer.

Further, a "Receiving Request" state for the virtual online sales assistant indicates that the virtual online customer accepts the assistant's offer of help and the assistant is ready to receive their request. Transition to this state happens when the assistant receives an acceptance to be helped kind of message from the virtual online customer. In addition, a composite state for the virtual online sales assistant has a "Searching" state, which is a state that the assistant searches through to acquire results that meet the virtual online

customer's request. Receiving a request message triggers a transition to this state. In addition, before the virtual online sales assistant enters a "Searching" state, a message containing latest online store news, and latest offers is sent to avoid the virtual online customer becoming frustrated during the waiting time.

This is followed by a "Displaying Result" state. The assistant displays the results of the search process in this state. A transition to this state is made after a specified amount of time elapses in the "searching" state.

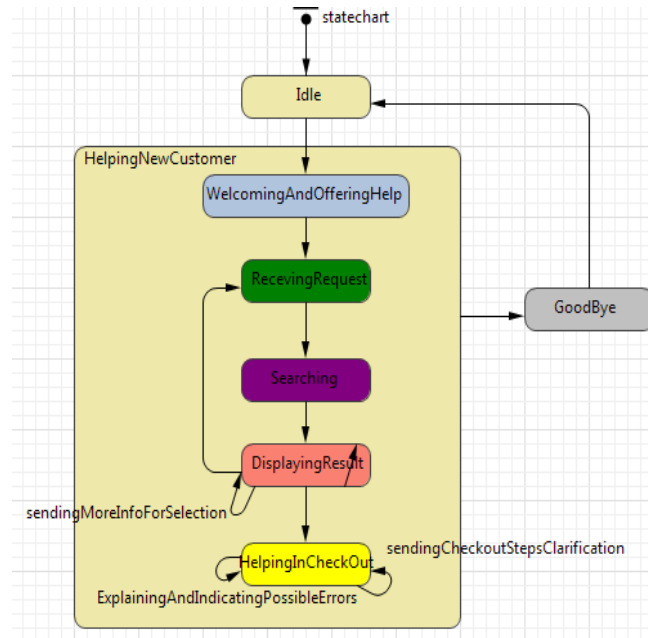


Figure 3: A state chart model of the virtual online sales assistant

One of the internal transitions inside the "Displaying Result" state would be executed by a specified amount of time passing to allow the virtual online sales assistant to check their memory for any previous experience of a customer's cancellation when s/he is in a "Viewing" state and a "Selection" state. This means the online assistant could change their behaviour accordingly by sending another offer to clarify the enquiry in a cancelling situation during the "Viewing" state, and sending simple advice and recommendation message cases of cancelling at the "Selection" state in order to help virtual online customer while selecting between different options. The other internal transition is triggered when the virtual online sales assistant receives a message from the virtual online customer asking for more information about a selected product when the customer is in "Selecting" state. Then the virtual online sales assistant is able to send the information requested.

The last state of the composite state is a "Helping In Check Out" state. In this state, the virtual

online sales assistant helps the virtual online customer during the checkout process. The transition to this state arises when the virtual online customer is in a "Checking Out" state. An internal transition in this state is triggered by a specified amount of time passing to enable the online assistant to check their experience of customer cancellations during the "Checking Out" state, so the virtual online assistant can adapt change its behaviour by sending more assistance and clarification when the online customer is in this state. The other internal transition inside this state is triggered when receiving a message from the virtual online customer asking for an explanation about errors that have occurred during the checkout process.

The virtual online sales assistant state chart diagram also has a "Good Bye" state. This arises when the virtual online sales assistant concludes the virtual online customer's visit by saying "goodbye". A transition to this state is triggered by receiving a "Submit" or "Cancel" message from the virtual online customer. During this state, the virtual online sales assistant can

send a polite phrase to end the conversation if he has received a cancelling message, or a summary of the order and a polite phrase to finish the conversation if it has received a submitting message.

### iii. Actor Interactions

To present a general suggestion of the interaction between the virtual online customer and the

virtual online sales assistant, we provided a sequence diagram (Figure 4). This is a type of UML that presents how a system's component can collaborate (Fowler, 2004). It provides a simplified overview of interaction messages and explains how components could collaborate based on the "Seeking a help during online shopping activity" use case.

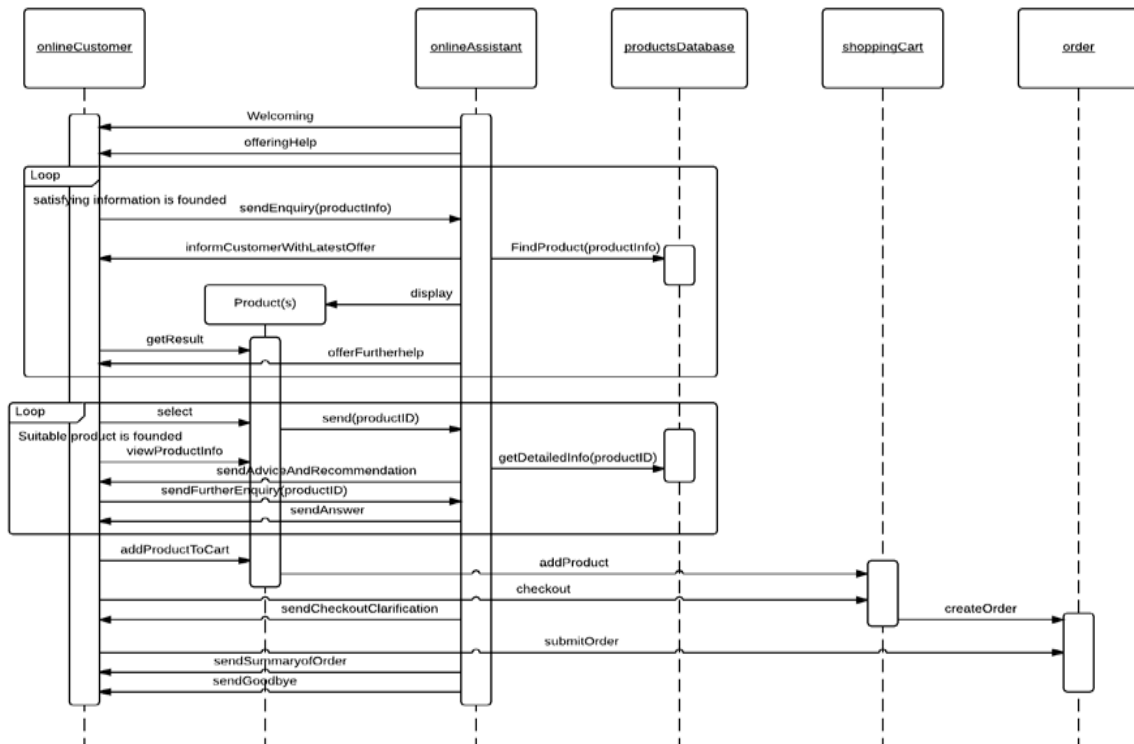


Figure 4: Sequence diagram

## IV. IMPLEMENTATION

Any Logic is regarded as one of the best agent simulation platforms (Any Logic 2013). It is considered a good tool for supporting agent-based modelling, as it offers different incorporated functionalities that could add many beneficial improvements, such as providing a visual and an interactive simulation environment (Any Logic 2013). Therefore, the online store model contains two state chart diagrams as implemented in Any Logic™ v6.8.

### a) Customer Types

As online consumers are not all the same in their online shopping strategies, we have developed several different online customer types for our simulation model. Firstly, we have looked at factors that could distinguish the different customer types from each other. We have then defined the different customer types, based on those factors. Speed, information, and convenience are the main attractions of online shopping (Keeling et al. 2010).

Currently four different types of online customer have been implemented in our simulation model. These are enthusiastic, apathetic, basic, and impatient virtual online customers.

As mentioned before, there are two types of values which motivate online shoppers; these are the utilitarian and the hedonistic (Childers et al. 2002; Monsuwé et al. 2004 ; Bridges and Florsheim 2008). Utilitarian values motivate customers who are seeking maximum outcome for minimum effort, whereas hedonic values attract customers who see online shopping as a source of pleasure (Kim and Shim 2002). Time saving is considered by utilitarian customers as a major factor in online shopping convenience (Rohm & Swaminathan 2004), whereas the enjoyment of hedonic shoppers could increase when the online shopping website provides a more interactive environment (Childers et al. 2002). Therefore, the factors chosen to differentiate between customers are as follows:



### i. *Time Saving*

Customers prefer services that save their time. They also expect to have a prompt response to their requests (Liao and Cheung 2002). The responsiveness of the online retailer affects online customer satisfaction (Lee & Lin 2005). Just as an offline salesperson could assist a customer during their shopping activities and help them to save their time (Beatty et al. 1996), the virtual online sales assistant should assist the online customer in a similar fashion. This factor is seen as one of the functional benefits of the virtual online sales assistant (Keeling et al. 2007). Therefore, finding products that meet customer needs more quickly would achieve that benefit (Keeling et al. 2007). In my model, there are two variables that reflect this factor:

- "Retyping Request": Defines the willingness of a customer to retype their request, to obtain a satisfying result.
- "Waiting Time": Defines the time, which a customer is willing to wait for the result of their request.

### ii. *Interaction Enjoyment*

The virtual online sales assistant could add an enjoyable aspect to the online store (Redmond 2002; Keeling et al. 2007), as social interaction is considered to be one of the hedonic motivations of shopping (Arnold & Reynolds 2003). During the interaction between customers and computer technologies, customers would apply social expectations (Sundar & Nass 2000), and the virtual online sales assistant could be perceived as an independent social actor (Sundar & Nass 2000) (Keeling et al. 2007). Therefore, the interaction between online customer and virtual online sales assistant could add a social presence to the process of online shopping, which is often characterised by social absence. The social benefits of such an interaction are seen as providing a pleasant and positive personal experience (Keeling et al. 2007). Some types of customer (such as the Apathetic customer) do not enjoy shopping activity, and want to minimise the process and finish as quickly as possible (Stone 1954). In this case, interaction with virtual online assistants in an online store could help the customer to achieve that purpose, and make the shopping process more convenient. In our model, the variable that reflects this factor is:

- "Shopping Interaction Enjoyment"; which defines the willingness of different customers to enjoy the engagement with an online assistant in their shopping activities.

As mentioned above, the four different types of customer incorporated in our model are as follows:

- **Enthusiastic customer**

This is a type of online shopper who regards online shopping as a way of recreation (Papatla 2011; Ganesh et al. 2007; Arnold and Reynolds 2003). The level of interaction enjoyment is high, and the customer

would be happy to spend a longer time on the shopping process (Papatla 2011). Waiting Time and Willingness to Retype Request are high compared to other customer types.

- **Apathetic customer**

This is a kind of shopper who is not interested in shopping activities for their own sake (Papatla 2011; Ganesh et al. 2007), but shops purely out of necessity (Stone 1954). The enjoyment motivation is thus much lower (Arnold and Reynolds 2003), and therefore the interaction enjoyment factor is also assumed to be low. Furthermore this type of shopper is concerned about time, and aims to finish shopping activities as quickly as possible (Papatla 2011). Therefore, both Waiting Time and willingness to Retype Request are low.

- **Basic customer**

This is a kind of customer who has a clear idea about what s/he wants (Ganesh et al. 2007). Therefore, s/he opens an online store, buys what s/he wants in the minimum time possible, and then leaves the online store. It has not mentioned that this type has time sensitivity and does not enjoy the online shopping like Apathetic customer. Therefore, this type of customer occupies a position between the Enthusiast and Apathetic types of customer, with moderate scores in all aspects of the online shopping experience (interaction enjoyment, waiting time, willingness to retype their request again).

- **Impatient customer**

This type of online customer requires an immediate and satisfying result; if this customer does not get what s/he wants immediately, s/he will abandon the transaction. As the name suggests, this type of customer is highly time-sensitive; therefore, Willingness to Retype Request and Waiting Time are assumed to be very low. Furthermore, a customer of this type would not be happy to stay long if the online shopping process was too complicated. Interaction enjoyment is assumed to be moderate. In our model, the difference between the Impatient shopper and the Apathetic shopper is that the latter type dislikes the shopping activities, and does it only out of necessity, whereas the former enjoys shopping but does not want to spend too much time on it.

In our model, the variable "Waiting Time" is the time that a virtual online customer is happy to wait until receiving the result. Each online customer type will thus respond to waiting time differently; some would cancel if they did not receive the result immediately, whereas others would be prepared to wait. Nevertheless, the period of time spent by a virtual online assistant in achieving a result should not in any case exceed 15 seconds (Kießling et al. 2001).

The variable "Retyping Request" indicates the willingness of the virtual online customer to retype their request if they receive unsatisfactory results or

incomplete information from the virtual online sales assistant. Not all online customers are willing to do this. Thus, if the loops from typing to receiving a result to typing again increase, so does the probability of the customer cancelling the transaction.

Moreover, the extent to which a customer enjoys interaction with a virtual online sales assistant would depend upon his/her type. Therefore different customer would have different value which is a percentage value that indicates the level of that customer to enjoy such an interaction. The different

values assigned are based on different customers' enjoyment levels.

Further we assumed that possible errors will arise with a probability of 50% during the "Checking Out" state for all customer types to enable the customer to enquire about the errors.

A summary of these different types of customer can be found in Table 1: The values provided here are assumptions that are based on the qualitative information provided earlier in the online shopper profiles.

Table 1: The Factors that Differentiate the Different Types of Virtual Online Customer

Online Customer type	Waiting time	Retype the request	Interaction Enjoyment		
Enthusiastic online customer	High (30-180 second)	high (3 times)	high		
			Min	Mode	Max
			75	85	95
Apathetic online customer	Low (0-15 second)	low (1 time)	low		
			Min	Mode	Max
			10	20	30
Basic online customer	Moderate (15-30 second)	Moderate (2 times)	moderate		
			Min	Mode	Max
			40	50	60
Impatient online customer	Low (0-15 second)	low (0)	moderate		
			Min	Mode	Max
			40	50	60

b) Virtual Online Sales Assistant

In our simulation model, a friendly and helpful online sales assistant is implemented, which mimics the behaviour of a real-world sales assistant from outside.

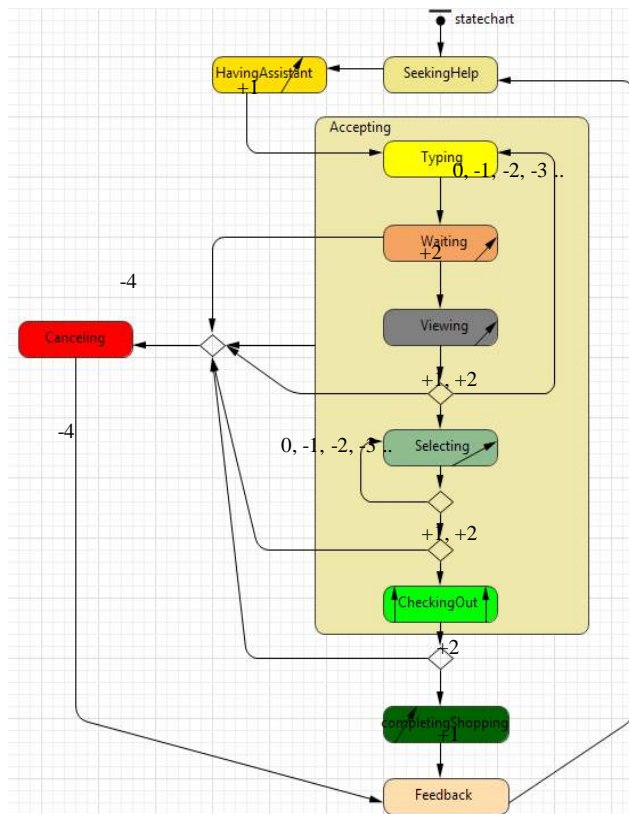


Figure 5: Online customer's state chart and the satisfaction weights

It is designed to greet the virtual online customer with a show of warmth, which aims to support the online customer-assistant interaction (McGoldrick et al. 2008). It would be able to offer a help. Also such the online assistant would keep waiting time to a minimum; provide response to requests within 10 to 15 seconds. It also is able to send virtual online customer a simple and good advice and recommendations; clarify the checkout process. It is able to explain any errors that could occur during checkout process. It could provide the customer with a summary of their order, and express good wishes at the conclusion of the transaction.

The virtual online sales assistant has a text file memory that stores past interaction experiences with virtual online customers. Thus, when a virtual online customer cancels at a specific stage, this stage would be stored in the file. As a result, when the virtual online sales assistant interacts with another virtual online customer, it would benefit from the memory file by checking it, in order to improve its behaviour accordingly.

#### c) *Performance measure*

It is important to measure how well the virtual online sales assistant is working and interacting with different virtual online customer types, in order to provide them with a good service. It is very important to assess how satisfied online customers are with the service provided by the assistant, in order to work toward designing an artificial online sales assistant that could meet the expectations of all customers. Measuring service performance has been studied by building scales that have multiple dimensions, such as in Loiacono (2000), Wolfinbarger and Gilly (2003), and Parasuraman et al. (2005). These studies take the overall process of online shopping into account, focusing on the outcome of this process rather than concentrating on fine detail.

Moreover, evaluating an individual service experience could provide information relevant to overall service performance (Siebers & Aickelin 2011). We have therefore employed a service level index from Siebers and Aickelin (2011) for measuring service experience, using the satisfaction weights, as it is more suitable to be implemented in the state chart diagram of virtual online customer agent on our model. Furthermore, this approach takes every process into account in order to measure levels of satisfaction, which makes it more suitable to our simulation model. It studies the processes that are leading to the outcome so it is, in effect, a process model. The satisfaction weights could be assigned differently, depending on the importance of that state to the customer (Siebers et al. 2008). Thus, this model could enable us to evaluate the satisfaction level of each online customer with regard to their interaction with the virtual online sales assistant during their shopping activities.

In the model, a feedback variable will be incremented or decremented based on the satisfaction weights after each state (See Figure 5). The satisfaction weights reflect how important that state is to the online customer. The final total feedback score would be calculated in the "Feedback" state of a virtual online customer. The final total feedback score relates to the total number of satisfaction weights recorded throughout the interaction. Figure 5 shows the satisfaction weight after each state.

The satisfaction weights after each state are allocated based on a review of the literature regarding how important the different states to the online customer. For example, in (Viewing -> Typing), when the virtual online customer views the information provided by the virtual online sales assistant and returns to the Typing state, that means s/he has not received a satisfying or complete explanation of what s/he needs. In this case, the feedback score would depend on the number of loops that could occur. Thus, during the first loop, the feedback would not increase in value; each subsequent re-typing of the request would decrease the feedback score by -1, then -2, then -3, and so forth – as to send repeated requests for information without receiving a satisfactory response is a serious problem: the greater the effort needed to find a satisfying result, the less satisfaction felt by the online customer (Shankar, Smith, & Rangaswamy, 2003). As has been mentioned in many different research papers (Kießling et al., 2001, Shimazu, 2002, Ting et al., 2004, García-Serrano et al., 2004, and M. Kim and Stoel, 2005), it is vitally important that the online customer should be supported and provided promptly with the information that s/he needs.

To measure the level of social interaction enjoyment, we have introduced an incremental "Social Level" variable, that would increase by 1 point each time an online customer receives any positive response: for example, a satisfactory response to a request; a welcoming greeting at the beginning of the transaction; and/or an expression of thanks and good wishes at its conclusion. These types of friendly response from a virtual online sales assistant could increase the social presence on the online store, support the online customer-assistant interaction, and increase the overall level of customer enjoyment (McGoldrick et al. 2008).

At the close of the interaction, the value of the "Social Level" variable calculated during the runtime would be recalculated, taking into account the type of customer, and the percentage of enjoyment that a specific type of customer might have from social interaction with the virtual online sales assistant virtual (see Table 1). The results could indicate each online customer's level of enjoyment and satisfaction with the social interaction. The total satisfaction score, which reflects the satisfaction level of such a customer, is calculated by using the following equation (1):

$$\sum_{i=0} SW_i + \left(\frac{EL * SL_i}{100}\right) \quad (1)$$

Where SW<sub>i</sub> = Satisfaction Weight after state i, EL= Enjoyment Level value of a customer, SL<sub>i</sub>= Social Level after state i.

The virtual online customer might be very dissatisfied, dissatisfied, neutral, satisfied, or very satisfied, based on the final total satisfaction score that has been calculated at the end of the interaction (See Table 3).

Table 3: Satisfaction Level

The degree of the satisfaction	The number
Very Satisfied	satisfaction score >= 13
Satisfied	13 > satisfaction score >= 10
Neutral	10 > satisfaction score >= 7
Dissatisfied	7 > satisfaction score >= 4
Very Dissatisfied	satisfaction score < 4

### V. VALIDATION EXPERIMENT

The model was tested by letting the virtual online customer interact with the friendly virtual online sales assistant. The probability of the virtual online sales assistant providing unsatisfactory responses was changed from a minimum 10%, to 20%, 30%, 40% ...and so on up to a maximum of 80%. The simulation model was run 100 times for each value, and for each virtual online customer type (3200 runs in total), in order

to obtain a clear picture of all outputs of satisfaction level, and to identify the most frequent states of the completion and cancellation of the online shopping process, for each customer type. The median value of satisfaction score was also calculated. We calculated the median value as it seemed more appropriate for the satisfaction scores, which are not distributed normally. The result is shown in Figure 6.

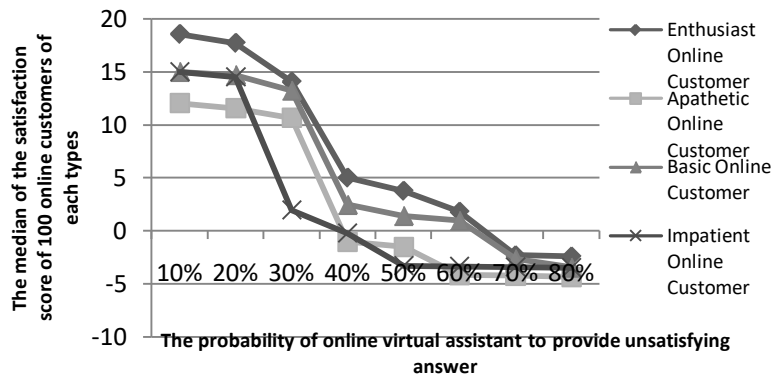


Figure 6: The median of the satisfaction score of 100 virtual online customers of each type when interacting with a friendly virtual online sales assistant

The x-axis represents the probability of the virtual online sales assistant providing unsatisfying responses, and the y-axis shows the median satisfaction score of the virtual online customers. As can be seen from the graph above (Figure 6), the different types of virtual online customers experience different levels of satisfaction during their interaction with the virtual online sales assistant. The graph shows that the more the virtual online sales assistant is able to provide satisfactory responses, the more the virtual online customer is satisfied with the service. When the satisfaction level increases, so does the virtual online customer's intention to revisit the online store.

The following four bar charts illustrate the probability of each virtual online customer type completing or cancelling an online shopping process, based on the ability of the virtual online sales assistant to provide a good service. We have used bar charts to clearly display and compare the frequency of different output categories. The result exhibits different behaviour patterns that different virtual online customer types have (as can be seen in Figures 7, 8, 9 and 10). There are also three types of cancelling state, viz. cancelling after "Viewing", cancelling after "Selecting", and cancelling after "Checking Out". The x-axis shows the probability of the virtual online sales assistant providing an

unsatisfying response, and the y-axis shows the number of virtual online customers.

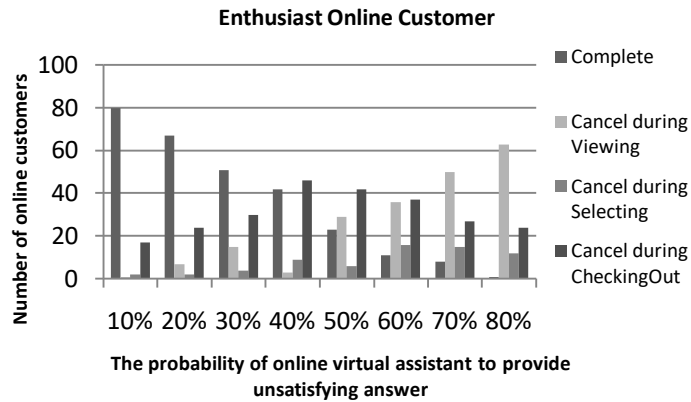


Figure 7: Enthusiast Online Customers during the interaction with virtual online assistant

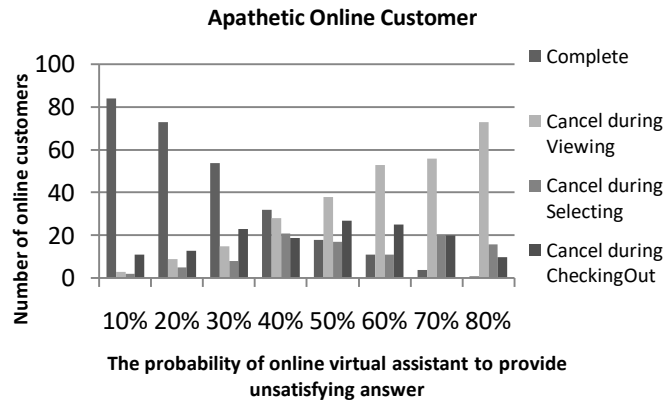


Figure 8: Apathetic Online Customers during the interaction with virtual online assistant

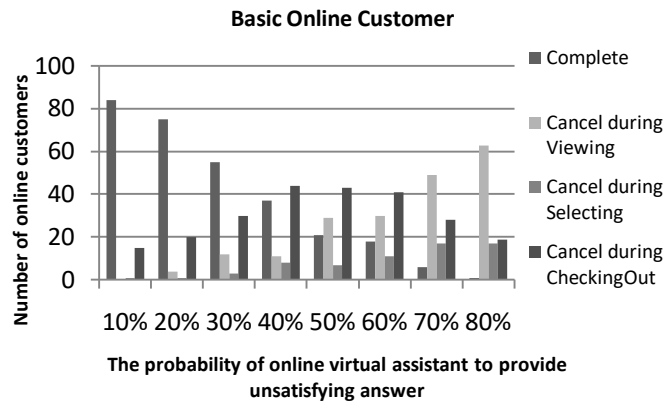


Figure 9: Basic Online Customers during the interaction with virtual online assistant

From the charts (Figures 7, 8, 9, and 10), it is clear that the probability of cancelling the interaction with the virtual online sales assistant decreases in line with the decrease in the probability of the virtual online sales assistant to provide unsatisfying answers. Thus, the probability of completing the process is higher when the probability of the assistant to provide an unsatisfactory response is lower.

Moreover, the probability of the virtual Enthusiast online customer cancelling the process early (ie. during the "Viewing" state), increases in line with the probability of the virtual online sales assistant providing an unsatisfying answer.



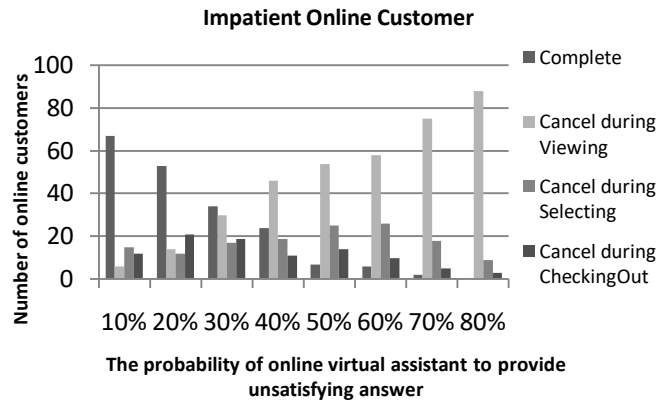


Figure 10: Impatient Online Customers during the interaction with virtual online assistant.

As you can see from the chart (Figure 7), the probability of cancellation during the “Viewing” state decreases dramatically, and is lower than the probability of cancellation during the “Checking Out” state, when the probability of the virtual online sales assistant providing an unsatisfying answer decreases. Further, when the probability of the virtual online sales assistant providing an unsatisfying answer decreases, the probability of the Enthusiast online customer cancelling during the “Checking Out” state is higher than at any other types of cancellation; this demonstrates that the virtual online sales assistant is able to keep the Enthusiast online customer to a later stage. Moreover, the probability of the Enthusiast online customer cancelling during the “Selecting” state fluctuates, but is highest when the probability of the online virtual assistant providing unsatisfying answers increases, although the probability is still lower than with other types of cancellation.

By contrast, the probability of the virtual Apathetic online customer cancelling during the “Viewing” state increases when the probability of the online virtual assistant providing unsatisfying answers increases. As can be seen from the chart (Figure 8), cancellations during the “Viewing” state increase dramatically, when the probability of the virtual online sales assistant providing unsatisfying answers to the Apathetic online customer increases. Compared to the virtual Enthusiast online customer, the probability of the virtual Apathetic online customer cancelling at the beginning of the interaction is higher when the probability of the online virtual assistant providing unsatisfying answers increases, as is the likelihood of the Apathetic customer cancelling before reaching the later stages. Further, when the probability of the virtual online sales assistant to provide unsatisfying answer decreases, the probability of the Apathetic online customer cancelling during the “Checking Out” state would be higher than with the other types of

cancellation. However, the probability of the Apathetic online customers cancelling during the “Selecting” state fluctuates but seems to be lower than with other types of cancellation.

The probability of the Basic virtual online customer cancelling at the beginning of the interaction also increases when the probability of the online virtual assistant providing an unsatisfying answer increases (Figure 9). The level of probability here is similar to that of the Enthusiast online customer, but less than the probability of the Apathetic online customers cancelling at this stage. Cancellation during the “Viewing” state dropped significantly when the probability of the virtual online sales assistant providing an unsatisfying answer decreased. Furthermore, when the probability of the online virtual assistant providing an unsatisfying answer decreased, the probability of the Basic online customer cancelling during the “Checking Out” state increased compared to other types of cancellation. The probability of the Basic online customer being kept to a later stage is higher than with the Apathetic online customers. Moreover, there is a probability of the Basic online customer cancelling during the “Selecting” state, but it is lower than with the other types of cancellation, as can be seen in Figure 9. It is also lower than the probability of the Apathetic online customers cancelling at this stage during the interaction with such an assistant.

However, the probability of the Impatient virtual online customer cancelling at the beginning of the interaction stays high compared to other types of cancellation throughout all the interactions with the online virtual assistant (figure 10). However, it increased when the probability of the online virtual assistant providing an unsatisfying answer increased. The probability of this type of customer cancelling at the beginning of the transaction is also higher than with other types of customer. Moreover, even when the probability of the virtual online sales assistant providing unsatisfying answers decreased, the probability of the

impatient online customer cancelling during the "Checking Out" state still increased, although it was lower than in the case of other types of customer. Thus, it is difficult to keep the Impatient online customers to the end of the process if the virtual online assistant does not have the ability to satisfy them. Further, the probability of the Impatient online customer cancelling during the "Selecting" state is increased when the probability of the online virtual assistant providing unsatisfying answers is high. The probability of Impatient online customers cancelling during the "Selecting" state is higher than the probability of their cancelling during the "Checking Out" state, compared to other types of customers.

All virtual online customer types behaved similarly to real-world online customers of similar types, as we expected. Moreover, the satisfaction levels were different for the different virtual online customers which could be similar in reality (Figure 6). For example, it is logical that the satisfaction level of the Impatient virtual online customer should drop dramatically if s/he does not receive an immediately satisfying answer, whereas the satisfaction level of other virtual online customers decreases more gradually, as they have a willingness to inquire again if the first answer is not satisfying. Further, the Enthusiast and Basic virtual online customers were more likely to be kept to later shopping stages than the other types, as they have, respectively, high and moderate levels of interaction enjoyment. In addition, their willingness to stay in the process even if they have not had satisfying answers is also high and moderate respectively (Table 1). This outcome has thus confirmed our expectations.

However, the level of cancellation during the "Selecting" state for all customer types has not shown as significant an impact as with other types of cancellation. In fact, it was much lower than we had expected.

## VI. CONCLUSIONS

We have introduced a way to test a virtual online sales assistant by developing artificial online customers with different types of behaviour to interact with him/her. This could be a novel way of testing a developed virtual online assistant, instead of using other methods such as real online customers or a developed database. ABMS was employed, as it has been seen as a powerful simulation method to model autonomous and interactive agents. In our research, the aim was to develop virtual online customers who exhibit different types of behaviour. We therefore looked at different online shopping processes, and stages within these processes where an online customer might need support and help. The state chart diagrams were then devised for both virtual online customers and virtual sales assistant based on those online shopping stages. Furthermore, four different online shopping behaviours of online

customers were developed, based on two variables, viz. time saving and enjoyment level. This enabled us to examine the behaviour of different virtual online customers during interaction with a friendly representative of virtual online assistant. This helped to provide us with a deeper insight into the processes of interaction for each customer type.

Further, a simulated environment was created, in order to test the interaction between the artificial online sales assistant and the artificial online customers. By running a simulation model, the different probability values of the virtual online sales assistant providing unsatisfying responses revealed the different patterns of behaviour that each virtual online customer type could exhibit during the interaction between them.

As a next step the virtual online customers would be developed more using fuzzy logic to represent their characteristics and interactions. Moreover we are going to implement different virtual online assistant types, to be tested by our artificial online customers. Further artificial online customers could be provided with a memory that saves their last experience with such an assistant, which could help to indicate the intention of such a customer to revisit an online store. Furthermore, we need to conduct some experiments in order to obtain results that could be useful for software developers and business managers. Our simulation model could be useful to support a business manager to choose the right virtual online assistant, which is able to improve customer satisfaction, to their online store. Therefore developing different types of a representative of a virtual online assistant in order to compare between them would be an example of experiments that could be useful for business manager. That could support the manager to have deep understanding of the important roles and assistance that should their virtual online assistant have to improve different online shoppers' satisfaction which in turn would improve the business income. So the manager could employ the virtual assistant that suits their online store. Moreover software developers who are working on developing such an assistant could benefit from our simulation model to improve the functionality of their developing virtual online assistant and put more emphasis on the online shopping stages that an online customer frequently cancel when s/he is within them and decrease the satisfaction level of the online customers. Therefore using their developed virtual sales assistant to be tested by our virtual online customers and see the result of the interaction in order to improve the assistant could be an example of the experiments that could be useful for software developers.

Developing such virtual customer actors could also be useful for purposes other than testing a virtual online assistant. For example, they could also be used to train a real online sales assistant.

## REFERENCES RÉFÉRENCES REFERENCIAS

1. Arnold, M.J. & Reynolds, K.E., 2003. Hedonic shopping motivations. *Journal of retailing*, 79(2), pp.77–95.
2. Beatty, S.E. et al., 1996. Customer-sales associate retail relationships. *Journal of retailing*, 72(3), pp. 223–247.
3. Bridges, E. & Florsheim, R., 2008. Hedonic and utilitarian shopping goals: the online experience. *Journal of Business Research*, 61(4), pp. 309–314.
4. Childers, T.L. et al., 2002. Hedonic and utilitarian motivations for online retail shopping behavior. *Journal of retailing*, 77(4), pp.511–535.
5. Ganesh, J., Reynolds, K.E. & Lockett, M.G., 2007. Retail patronage behavior and shopper typologies: a replication and extension using a multi-format, multi-method approach. *Journal of the Academy of Marketing Science*, 35(3), pp.369–381.
6. García-Serrano, A.M., Martínez, P. & Hernández, J.Z., 2004. Using AI techniques to support advanced interaction capabilities in a virtual assistant for e-commerce. *Expert Systems With Applications*, 26(3), pp.413–426.
7. Holzwarth, M., Janiszewski, C. & Neumann, M.M., 2006. The influence of avatars on online consumer shopping behavior. *Journal of Marketing*, pp.19–36.
8. Keeling, K., McGoldrick, P. & Beatty, S., 2010. Avatars as salespeople: Communication style, trust, and intentions. *Journal of Business Research*, 63(8), pp.793–800.
9. Keeling, K., McGoldrick, P. & Beatty, S., 2007. Virtual Onscreen Assistants: A Viable Strategy to Support Online Customer Relationship Building? *Advances in Consumer Research*, 34, p.138.
10. Kießling, W. et al., 2001. Design and implementation of COSIMA-a smart and speaking e-sales assistant. In *Advanced Issues of E-Commerce and Web-Based Information Systems*, WECWIS 2001, Third International Workshop on. pp. 21–30.
11. Kim, M. & Stoel, L., 2005. Salesperson roles: are online retailers meeting customer expectations? *International Journal of Retail & Distribution Management*, 33(4), pp.284–297.
12. Kim, Y.-M. & Shim, K.-Y., 2002. The influence of Internet shopping mall characteristics and user traits on purchase intent. *Irish Marketing Review*, 15, pp. 25–34.
13. Kongthon, A. et al., 2009. Implementing an online help desk system based on conversational agent. In *Proceedings of the International Conference on Management of Emergent Digital Eco Systems*. p. 69.
14. Lee, G.-G. & Lin, H.-F., 2005. Customer perceptions of e-service quality in online shopping. *International Journal of Retail & Distribution Management*, 33(2), pp.161–176.
15. Liao, Z. & Cheung, M.T., 2002. Internet-based e-banking and consumer attitudes: an empirical study. *Information & Management*, 39(4), pp. 283–295.
16. Liu, Z., 2008. An Architecture of Intelligent Virtual Avatars for E-Business. In *Innovative Computing Information and Control*, 2008. ICICIC'08. 3rd International Conference on. p. 214.
17. Loiacono, E.T., 2000. *Webqual (tm): a web site quality instrument*, University of Georgia.
18. Macal, C.M. & North, M.J., 2010. Tutorial on agent-based modelling and simulation. *Journal of Simulation*, 4(3), pp.151–162.
19. McGoldrick, P.J., Keeling, K.A. & Beatty, S.F., 2008. A typology of roles for avatars in online retailing. *Journal of Marketing Management*, 24(3-4), pp. 433–461.
20. Ben Mimoun, M.S., Poncin, I. & Garnier, M., 2012. Case study-Embodied virtual agents: An analysis on reasons for failure. *Journal of Retailing and Consumer Services*.
21. Monsuwé, T.P., Dellaert, B.G.C. & De Ruyter, K., 2004. What drives consumers to shop online? A literature review. *International Journal of Service Industry Management*, 15(1), pp.102–121.
22. Mumme, C., Pinkwart, N. & Loll, F., 2009. Design and Implementation of a Virtual Salesclerk. In *Intelligent Virtual Agents*. pp. 379–385.
23. Papatla, P., 2011. Do online shopping styles affect preferred site attributes? An empirical investigation and retailing implications. *Journal of Retailing and Consumer Services*, 18(4), pp. 362–369.
24. Parasuraman, A., Zeithaml, V.A. & Malhotra, A., 2005. ES-QUAL a multiple-item scale for assessing electronic service quality. *Journal of service research*, 7(3), pp. 213–233.
25. Redmond, W.H., 2002. The potential impact of artificial shopping agents in e-commerce markets. *Journal of Interactive Marketing*, 16(1), pp. 56–66.
26. Reynolds, K.E. & Beatty, S.E., 1999. Customer benefits and company consequences of customer-salesperson relationships in retailing. *Journal of Retailing*, 75(1), pp.11–32.
27. Rohm, A.J. & Swaminathan, V., 2004. A typology of online shoppers based on shopping motivations. *Journal of business research*, 57(7), pp. 748–757.
28. Shimazu, H., 2002. ExpertClerk: A Conversational Case-Based Reasoning Tool for Developing Salesclerk Agents in E-Commerce Webshops. *Artificial Intelligence Review*, 18(3-4), pp. 223–244.
29. Siebers, P.-O. et al., 2008. *An Agent-Based Simulation of In-Store Customer Experiences*. arXiv preprint arXiv:0803.1621.
30. Siebers, P.-O. & Aickelin, U., 2011. *A first approach on modelling staff proactiveness in retail simulation models*. arXiv preprint arXiv:1108.3019.

31. Stone, G.P., 1954. City shoppers and urban identification: observations on the social psychology of city life. *American Journal of Sociology*, pp. 36–45.
32. Sundar, S.S. & Nass, C., 2000. Source Orientation in Human-Computer Interaction Programmer, Networker, or Independent Social Actor. *Communication research*, 27(6), pp. 683–703.
33. Ting, M.P., Seth, V. & Gao, J., 2004. The e-salesman system. In *Information Technology: Coding and Computing*, 2004. Proceedings. ITCC 2004. International Conference on. pp. 277–282.
34. Twomey, P. & Cadman, R., 2002. Agent-based modelling of customer behaviour in the telecoms and media markets. *info*, 4(1), pp.56–63.
35. UPS, 2012. *Online Shopping Customer Experience Study*, Available at: [https://thenewlogistics.ups.com/cdn/en-us/whitepapers/Online\\_Shopping\\_Cust\\_Experience\\_Study.pdf](https://thenewlogistics.ups.com/cdn/en-us/whitepapers/Online_Shopping_Cust_Experience_Study.pdf).
36. Wolfenbarger, M. & Gilly, M.C., 2003. eTailQ: dimensionalizing, measuring and predicting etail quality. *Journal of retailing*, 79(3), pp.183–198.



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

Volume 19 Issue 4 Version 1.0 Year 2019

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

# The Impact of Social Media Marketing on Customer Purchase Intention among the Fashion-Wear Customers in Sri Lanka

By Sandunima C.K.K, Bandara H.B.J, Viduranga N.R.D, Kodagoda H.K.  
& Jayasooriya K.K.N.A.

*Abstract-* Social media provide new varieties of communication between marketers and consumers. The amount of information available to consumers' increases day-by-day, resulting in being expose to different types of information via social media. Most of the marketers want to find some way to follow their target audience with a small period. Customers make use of information published on different social media applications such as Facebook, Twitter and, Instagram as a guide for their future purchases. When considering about the purpose of the study, mainly this study target to give information and knowledge for future researchers and people who are interested in fashion. Moreover, how the Facebook impact on purchase intention among customers is also concentrate in this study. Furthermore, this study important for academic purpose and which use for business purpose also. This research also has some limitations. The main limitation is less number of availability of past researchers. Moreover, less concentrate on how the Facebook impact on fashion wears customers is also considering as a limitation of this study.

*Keywords:* social media, facebook, online fashion-wear, firm- created communication, user- generated communication, sri lankan customers purchase intention.

*GJMBR-E Classification:* JEL Code: M39



THE IMPACT OF SOCIAL MEDIA MARKETING ON CUSTOMER PURCHASE INTENTION AMONG THE FASHION WEAR CUSTOMERS IN SRI LANKA

*Strictly as per the compliance and regulations of:*



RESEARCH | DIVERSITY | ETHICS

© 2019. Sandunima C.K.K, Bandara H.B.J, Viduranga N.R.D, Kodagoda H.K. & Jayasooriya K.K.N.A.. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License (<http://creativecommons.org/licenses/by-nc/3.0/>), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.



# The Impact of Social Media Marketing on Customer Purchase Intention among the Fashion-Wear Customers in Sri Lanka

Sandunima C.K.K.<sup>α</sup>, Bandara H.B.J.<sup>σ</sup>, Viduranga N.R.D.<sup>ρ</sup>, Kodagoda H.K.<sup>ω</sup> & Jayasooriya K.K.N.A.<sup>¥</sup>

**Abstract-** Social media provide new varieties of communication between marketers and consumers. The amount of information available to consumers' increases day-by-day, resulting in being expose to different types of information via social media. Most of the marketers want to find some way to follow their target audience with a small period. Customers make use of information published on different social media applications such as Facebook, Twitter and, Instagram as a guide for their future purchases. When considering about the purpose of the study, mainly this study target to give information and knowledge for future researchers and people who are interested in fashion. Moreover, how the Facebook impact on purchase intention among customers is also concentrate in this study. Furthermore, this study important for academic purpose and which use for business purpose also. This research also has some limitations. The main limitation is less number of availability of past researchers. Moreover, less concentrate on how the Facebook impact on fashion wears customers is also considering as a limitation of this study.

**Keywords:** social media, facebook, online fashion-wear, firm- created communication, user- generated communication, sri lankan customers purchase intention.

## I. INTRODUCTION

“The media has got huge development within the past years. Recent statistics indicate that the number of users accessing the internet exceeds two billion four hundred thousand, i.e., 34% of the world's population” (Mangold and Faulds, 2009). The advantages of social media have transformed traditional one-way communication into multi-dimensional, two-way, peer-to-peer communication (Berthon and Campbell, 2015). According to the past researchers, 70% of consumers have visited social media sites to get information, 49% of these peoples have made a purchase decision based on the information they found through social media sites. (Deiworldwide.com, 2008). Social media communication is a one of the best opportunity for small businesses to market their product and services with minimum cost. “This research try to fill a gap in the literature and concerning to understanding

**Author α σ ρ ω:** Marketing specialization Marketing specialization, SLIIT Business School, New Kandy road, Malabe. e-mails: chamodisandunima@gmail.com, hashanikodagoda.hk@gmail.com, hiran.bandara@my.sliit.lk, rovin.viduranga@wow.lk

**Author ¥:** Supervisor, Marketing specialization Marketing specialization, SLIIT Business School, New Kandy road, Malabe. e-mail: nisha.j@sliit.lk

the effects of firm-created and user-generated communication on social media (Schivinski and Dabrowski, 2016).

When considering the fashion industry, marketing is gaining ground in recent years, in terms of both business-to-consumers and consumers to consumers, the latter is evidence through the growth in the sample size. Facebook/lea markets (Sihvonen and Turunen, 2016). “Recent reports maintain apparel retailers' websites are powerful drivers of online sales; In the United States, for example, online apparel sales for 2008 versus 2007 increased to \$26.6 billion, which exceeded both computer and automobile sales; Estimates U.S. online sales will rise by 17% to \$204 billion in the near future” (Park *et al.*, 2012). Social media marketing is good opportunity for individual small businesses to enter the market. E.g., Vivy Yusof's dUCkscarves is a luxury brand and has gotten worldwide attention ever since it came out; Sophia Amoruso's Nesty Gal is online fashion wear and faster-growing retailer in New York; Zara is a major international fashion-wear retailer. Moreover, most of the ways fast fashion 'principles, provides evidence in which retailers source globally.

However, in Sri Lanka, social media the most valuable thing for marketers and customers. For example, when it's come to Sri Lanka 65.88% Facebook accounts, 9.1% of Twitter accounts, 3.97% of YouTube users & 1.69% Instagram accounts (Statcounter, 2019). According to this analysis, Facebook is the most prominent marketing site. Because most peoples in Sri Lanka link with Facebook. In witnessing the increase of the fashion industry, the retail market is prefer to grow by 50% of the number of pieces made or displayed and sold (Sunimalee Dias, 2011).

### a) Social media marketing

According to the past research articles, they investigated social media activates positively affected organizations profitability. Furthermore, they mentioned, how social media effect to various industries includes fashion-wear.

According to the UK study, “A powerful tool of social media is differentiating e-commerce from social commerce; social commerce is the use web 2.0 applications to support that users to the acquisition of

service and product” (Liang and Turban, 2011) Individuals can market their product through the online (Chen, Xu and, Whinston, 2009).

Based on Australian study, the Internet reaches a potential audience of over 11 million users of which more than 70% use a social network; Facebook has over 6 million registered users and Twitter has 800,000 registered followers; that active users reading blogs grew from 54%-77% within two years (Comscore, 2009) Hover Italy study investigate, “Social media allows firms to achieve many goals that go beyond simply having a direct relationship with customers; For example, these include recognition of new business opportunities, delivery of commercial and institutional content, collection of customer feedback and the creation of communities” (Michaelidou, Siamagka and, Christodoulides, 2011). The important role is social media developing strong market knowledge and data required to deal with competitive challenges have been quickly relocated from published and proprietary sources to open social platforms (Bharati, 2015).

*b) Facebook marketing*

Through the development of technology, most people have a Facebook account. Therefore, it becomes a new element for a marketer to attract customers. Among the Facebook communication, marketers can influence consumer behavior, create awareness, and build trust. To compare with the current market trend, every luxury brand has their own Twitter account or Facebook account (Converse, Victoria secret, Adidas Originals, Nike football, Zara, Levis, Burberry) (Gautam and Sharma, 2017).

In additionally when compare with Thailand study, joining a Facebook fan page and its simple activities have impact to a rather high popularity on numerous valuable fast-fashion brands social network platforms (demonstrated as the number of “likes”), the lack of fans actual and long-term engagement still remains a problem that may harm the brand-customer relationship (Pöyry, Parvinen and Malmivaara, 2013). Additionally, fast-fashion brands via company-hosted Facebook fan pages, using the survey data collected in Taiwan where the Facebook using rate gets high value 83.8% (Internet world stats, 2016). “Fans continuance intention of usage in the context of company-hosted Facebook fan pages may influence on the performance of organizations, including sales, future purchase and potential value of community members who might be non-buyers at present” (Pöyry, Parvinen and Malmivaara, 2013).

However mention in USA study, Facebook advertising consists of multiple forms of advertising including officially sponsored advertisements on the right column of each profile page, explicit promotional messages by companies or brands and implicit product

placement or promotional posts endorsed or shared by ordinary Facebook users (Jin and Ryu, 2018).

*c) Online fashion-wear industry*

Most of the users are using different online formats to communicate the audience. Fashion-Wear is a very specific and high involvement product in every country.

According to the Taiwan study, scholar's analyses, “Businesses implement online marketing strategies to achieve their marketing objectives” (Chiang, 2013).

When considering the UK study in 2003, these include access to a wide audience, cost savings, direct communication, increased personalization with the consumer and the web sites will be available to consumers on every day. (Jones and Biasiotto, 2002). It recognized that costs incurred by established retailers in attracting web customers are lower than those for online-only operators (B, Barsh. JCrawford.B and, Grosso, 2000). Furthermore, Hong Kong study investigated in 2008, consumer behavior suggests that consumers behave and perceive value differently in an online environment than in an offline because of C to C interactions (Chan and Li, 2010) and they task-specific use of online shopping (Overby and Lee, 2006).

However, USA study, concerning shopping in an online environment has typically stressed the relevance of the functionality and accessibility of the online platform and website (Jiang, Yang and, Jun/2013) and e-trust (Chaudhuri and Holbrook, 2003). However the role of the fashion industry, e-WOM is increasingly gaining importance as more and more fashion houses are selling their products online, and recognizing the importance of e-WOM (Kim and Ko, 2012).

When compared with Bangladesh study, Online platforms such as blogs, customer's online reviews, and social networking websites are consumers to discuss and share information regarding various aspects of fashion clothing” (Rahman and Mannan, 2018).

*d) Firm-created social media communication on customer purchase intention*

Presently, most of the companies are taking advantage of web 2.0 technology by using social media communication to market their brands.

According to the Poland study (2015) investigated companies are now aware of the imminent need to focus on developing a personal two-way relationship with consumers to foster interactions (Li, 2011). Firm-created social media communication is include in the companies promotion mix” (Mangold and Faulds, 2009).

In contrast, traditional firm-created social media communication has recognized as a mass phenomenon with an extra demographic appeal (Kaplan and

Haenlein, 2010).“Although the firm created social media communication is increasing, it is still a relatively new practice among advertises” (Nielsen, 2012).This popularity of the implementation of social media communication among companies can be explained by the viral dissemination of the information via the internet (li, 2010) and greater capacity for reaching the general public compared with traditional media (Keller, 2013).

Consumers require instant access on demand to information at their own convenience (Mangold and Faulds, 2009).

This study understanding the firm-created Facebook advertising how customers influence purchase intention and how companies involve for reach customers through Facebook marketing. When considering the conceptual framework is an impact on firm-created Facebook marketing communication how influence in customer purchase intention. Firm-created communication is the dependent variable in customer purchase intention.

e) *User-generated social media communication on customer purchase intention*

According to the USA study, “the development and growing popularity of these sites has led to the notion that we are in the Web 2.0 era, therefore user generated communication has more priority for interaction with other customers and get information(Winer, 2009). “The Internet and Web 2.0 have improve consumer behavior in the information and purchase process” (Daun,Gu, 2008).

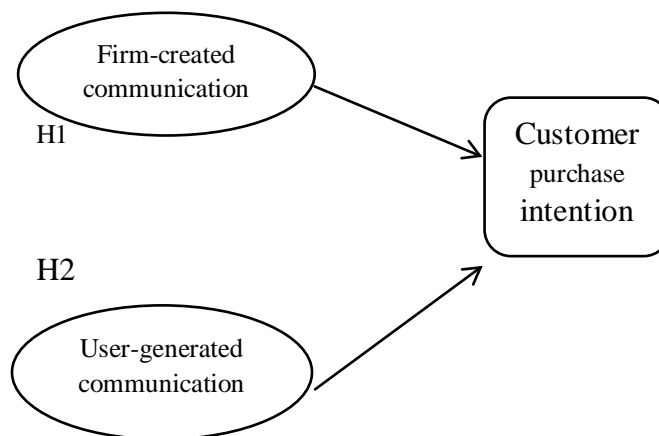
In additionally UK study investigated, “The increase of online brand communities and social

networking sites, has influenced the improvement of user-generated social media communication” (Gangadharbatla, 2013).

When an address in Poland study, "UGC is focusing on the consumer dimension, which is create through the general public more than by marketing professionals and is basically distributed on the internet"(Schivinski and Dabrowski, 2016).User-generated content is a benefit of practical processes for marketers to communicate managers and can use UGC to pool the ideas of interact with consumers while keeping communication costs low compared to traditional channels (Krishnamurthy and Dou, 2013).Moreover, UGC and e-WOM are related to consumers and brands, with no commercially oriented intentions and not controlled by companies; UGC also suggested that consumers involve to the process of content applying for reasons such as self-promotion, intrinsic enjoyment, and desires to change public perceptions (Berthon and Campbell, 2015).

This study focuses on user-generated Facebook advertising on how customers influence purchase intention and how they are involved in reaching customers through Facebook marketing. When considering the conceptual framework is an impact on user-generated Facebook marketing communication, how to influence customer purchase intention. User-generated communication is the dependent variable in customer purchase intention.

## II. CONCEPTUALIZATION



### III. HYPOTHESIS OF THE STUDY

The following hypothesis was developed according to the conceptual framework,

*H1:* Firm-created Facebook communication positively influences customer purchase intention in Sri Lanka.

*H2:* User-generated Facebook communication positively influences customer purchase intention in Sri Lanka.

*H3:* There are differences between firm created and user-generated Facebook communication on customer purchase intention in Sri Lanka.

### IV. THE SIGNIFICANT OF THE STUDY

This study contributes towards advancing knowledge in online fashion-wear in firm-created and user-generated businesses by showing the effect that Facebook communication has on how consumers perceive brands and consequently on the online fashion-wear purchase intention. Furthermore, in evaluating past study can identify more advantages in online fashion-wear industry. In UK online sales of fashion have increased to account for 24% of total spends in 2017, up from 17% in 2013; "Over the next five years, the online fashion market will continue to see strong double-digit growth, with the market forecast to increase a further 79% by 2022, reaching just under £29 billion." (*Mintel press office*, 2017). The internet is a more different shopping medium and it is used for a new set of rules and expectations between the online shopper and the fashion retailer (*Business and management horizon*, 1997). "These have ability to announce the wide audience, increase the cost savings, direct communication improve the personalization with the consumer and the web sites will be available to consumers on every day" (Rowley, 2011). "It is recognized that costs incurred by established retailers in attracting web customers are lower than those for online operators" (Rao, 2000). "Additional value-added features offered to the online shopper include in-depth product information, two-way communication, demonstration of products and services in real time and up to date online information" (Rowley, 2011).

However, when considering the academic side there are fewer numbers of research done in the fashion-wear field. Sri Lankan fashion retail sector is creating a home for retailers where growth and success are in the forefront, less amount of research has been done so far to assess different issues involved in the industry (Ranaweera H.R.A.T and Halwatura R.U, 2014).

### V. SUMMARY

The fashion industry has more awareness among the people. With technological development, online fashion becomes a new trend. This study tries to understand how the importance of customer purchase

intention regarding user-generated communication and firm created communication. Conceptual framework based on two dependent variables; they are firm-created communication and user generated communication. Independent variable mentioned as customer purchase intention. In addition, focus on what are the benefits gained from user generated and firm created. The sample based on a probability sampling method and distributing online survey through Facebook to gather data. The size of the sampling is 300 Facebook users who are, using regularly Facebook. After that, using SPSS for analyze data which was gathered.

### VI. LIMITATIONS

There was limited time for gathering information, which is relevant to the research proposal and lack of availability of the previous study in Sri Lanka.

### REFERENCES RÉFÉRENCES REFERENCIAS

1. B.; Barsh. J; Crawford.B; Grosso, C. (2000) *how e-tailing can rise from the ashes 2000*. Available at: <https://www.questia.com/library/journal/1G1-64333807/how-e-tailing-can-rise-from-the-ashes>.
2. Berthon, P. and Campbell, C. (2015) 'Ad Lib : When Customers Create the Ad', 50(4), pp. 6–30.
3. Bharati, P. (2015) 'Better Knowledge with Social Media? Exploring the Roles of Social Capital and Organizational Knowledge Management', (January).
4. *Business and management horizon* (1997). Available at: <https://www.worldcat.org/title/business-and-management-horizon/oclc/37440950>.
5. Chan, K. W. and Li, S. Y. (2010) 'Understanding consumer-to-consumer interactions in virtual communities: The salience of reciprocity', *Journal of Business Research*. Elsevier Inc., 63(9–10), pp. 1033–1040. doi: 10.1016/j.jbusres.2008.08.009.
6. Chaudhuri, A. and Holbrook, M. B. (2003) 'The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty', *Journal of Marketing*, 65(2), pp. 81–93. doi: 10.1509/jmkg.65.2.81.18255.
7. Chen, J., Xu, H. and Whinston, A. B. (2009) 'Moderated Online Communities and Quality of User-Generated Content', *Ssrn*, (September). doi: 10.2139/ssrn.1481772.
8. Cheung, C. M. K., Chan, G. W. W. and Limayem, M. (2011) 'A Critical Review of Online Consumer Behavior', *Journal of Electronic Commerce in Organizations*, 3(4), pp. 1–19. doi: 10.4018/jeco.2005100101.
9. Chiang, W. (2013) 'To establish online shoppers' markets and rules for dynamic CRM systems', *Internet Research*, 22(5), pp. 613–625. doi: 10.1108/10662241211271572.



10. Coe, N. M. and Wrigley, N. (2007) 'Host economy impacts of transnational retail: The research agenda', *Journal of Economic Geography*, 7(4), pp. 341–371. doi: 10.1093/jeg/lbm012.
11. Comscore (2009). Available at: [http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/3E432D34F3E6CC36CA25763A0018B941/\\$File/41020\\_astseptember2009.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/3E432D34F3E6CC36CA25763A0018B941/$File/41020_astseptember2009.pdf).
12. Daun, Gu, and W. (2008) *User Generated Branding*. Available at: [https://books.google.lk/books/about/User\\_Generated\\_Branding.html?id=DpRxXHxc7BgC&redir\\_esc=y](https://books.google.lk/books/about/User_Generated_Branding.html?id=DpRxXHxc7BgC&redir_esc=y).
13. Deiworlwide.com (2008) *Engaging Consumers Online, DEI worldwide*. Available at: <http://www.deiworlwide.com/files/DEIStudy-EngagingConsumersOnline-Summary.pdf,2008>.
14. Gangadharbatla, H. (2013) 'Facebook Me ', *Journal of Interactive Advertising*, 8(2), pp. 5–15. doi: 10.1080/15252019.2008.10722138.
15. Gautam, V. and Sharma, V. (2017) 'The Mediating Role of Customer Relationship on the Social Media Marketing and Purchase Intention Relationship with Special Reference to Luxury Fashion Brands', *Journal of Promotion Management*. Taylor & Francis, 23(6), pp. 872–888. doi: 10.1080/10496491.2017.1323262.
16. *Internet use and its social impacts in Korea* (2008). Available at: [file:///I:/new research papers/38702002 \(3\).pdf](file:///I:/new research papers/38702002 (3).pdf).
17. Internet world stats (2016). Available at: <http://www.internetlivestats.com/internet-users-by-country/>.
18. *Internet World Stats* (2015). Available at: <https://internetworldstats.com/>.
19. Jiang, L. (Alice), Yang, Z. and Jun, M. (2013) 'Measuring consumer perceptions of online shopping convenience', *Journal of Service Management*, 24(2), pp. 191–214. doi: 10.1108/09564231311323962.
20. Jin, S. V. and Ryu, E. (2018) 'Celebrity fashion brand endorsement in Facebook viral marketing and social commerce', *Journal of Fashion Marketing and Management: An International Journal*. doi: 10.1108/jfmm-01-2018-0001.
21. Jones, K. and Biasiotto, M. (2002) 'Internet retailing: current hype or future reality?', *The International Review of Retail, Distribution and Consumer Research*, 9(1), pp. 69–79. doi: 10.1080/095939699342688.
22. Jorge Arenas-Gaitán (2013) 'Social identity, electronic word-of-mouth and referrals in social network services'.
23. Kaplan, A. M. and Haenlein, M. (2010) 'Users of the world, unite! The challenges and opportunities of Social Media', *Business Horizons*, 53(1), pp. 59–68. doi: 10.1016/j.bushor.2009.09.003.
24. Keller, K. L. (2013) 'Building strong brands in a modern marketing communications environment', *The Evolution of Integrated Marketing Communications: The Customer-Driven Marketplace*, 15(July), pp. 65–82. doi:10.4324/9781315872728.
25. Krishnamurthy, S. and Dou, W. (2013) 'Note from Special Issue Editors', *Journal of Interactive Advertising*, 8(2), pp. 1–4. doi: 10.1080/15252019.2008.10722137.
26. li, C. (2010) 'Groundswell. Winning in a World Transformed by Social Technologies', *Strategic Direction*, 26(8), pp. 27–32. doi: 10.1108/sd.2010.05626hae.002.
27. Li, C. B. (2011) *Groundswell: Winning in a World Transformed by Social Technologies*. Available at: <https://www.goodreads.com/book/show/2896061-groundswell>.
28. Liang, T.-P. and Turban, E. (2011) 'Introduction to the Special Issue Social Commerce: A Research Framework for Social Commerce', *International Journal of Electronic Commerce*, 16(2), pp. 5–14. doi: 10.2753/jec1086-4415160201.
29. Mangold, W. G. and Faulds, D. J. (2009) 'Social media: The new hybrid element of the promotion mix', *Business Horizons*, 52(4), pp. 357–365. doi: 10.1016/j.bushor.2009.03.002.
30. McCormick & Livett (2012) 'Analysing the influence of the presentation of fashion garments on young consumers' online behaviour', *presentation of fashion garment online*.
31. *Mintel press office* (2017). Available at: <https://www.mintel.com/press-centre/fashion/uk-online-sales-of-clothing-fashion-accessories-and-footwear-grow-by-17-in-2017>.
32. Nielsen (2012) *State of the media: The social media*. Available at: [https://www.nielsen.com/content/dam/corporate/t3/vietnam/reports/Nielsen\\_Social\\_Media\\_Report\\_2012\\_FINAL.pdf](https://www.nielsen.com/content/dam/corporate/t3/vietnam/reports/Nielsen_Social_Media_Report_2012_FINAL.pdf).
33. Overby, J. W. and Lee, E. J. (2006) 'The effects of utilitarian and hedonic online shopping value on consumer preference and intentions', *Journal of Business Research*, 59(10–11), pp. 1160–1166. doi: 10.1016/j.jbusres.2006.03.008.
34. Park, E. J. et al. (2012) *Apparel product attributes, web browsing, and e-impulse buying on shopping websites*, *Journal of Business Research*. Elsevier Inc. doi: 10.1016/j.jbusres.2011.02.043.
35. Pöyry, E., Parvinen, P. and Malmivaara, T. (2013) 'Can we get from liking to buying? Behavioral differences in hedonic and utilitarian Facebook usage', *Electronic Commerce Research and Applications*, 12(4), pp. 224–235. doi:10.1016/j.elerap.2013.01.003.
36. Rahman, M. S. and Mannan, M. (2018) 'Consumer online purchase behavior of local fashion clothing



- brands', *Journal of Fashion Marketing and Management: An International Journal*, 22(3), pp. 404–419. doi: 10.1108/jfmm-11-2017-0118.
37. Ranaweera H.R.A.T and Halwatura R.U (2014) 'ANALYSIS OF TOURISM AND FASHION RETAILING; A SRI LANKAN PERSPECTIVE'.
38. Rao, A. S. (2000) 'Technology Absorption: An Overview', *Global Business Review*, 1(1), pp. 101–111. doi: 10.1177/097215090000100107.
39. Rowley, S. (2011) 'Nursing Practice Review Infection control', *Nursing Times*, 240914(39), pp. 12–14. Available at: [www.antt.org.uk](http://www.antt.org.uk).
40. Schivinski, B. and Dabrowski, D. (2016) 'The effect of social media communication on consumer perceptions of brands', *Journal of Marketing Communications*, 22(2), pp. 189–214. doi: 10.1080/13527266.2013.871323.
41. Sihvonen, J. and Turunen, L. L. M. (2016) 'As good as new – valuing fashion brands in the online second-hand markets', *Journal of Product and Brand Management*, 25(3), pp. 285–295. doi: 10.1108/JPBM-06-2015-0894.
42. Statcounter (2019) *statcounter*. Available at: <http://gs.statcounter.com/>.
43. Sunimalee Dias (2011) *future market*. Available at: <http://www.sundaytimes.lk/111218/BusinessTimes/bt11.html>.
44. Winer, R. S. (2009) 'New Communications Approaches in Marketing: Issues and Research Directions', *Journal of Interactive Marketing*. Direct Marketing Educational Foundation, Inc., 23(2), pp. 108–117. doi: 10.1016/j.intmar.2009.02.004.



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E  
MARKETING

Volume 19 Issue 4 Version 1.0 Year 2019

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

# An Examination of the Celebrity Endorsement towards Consumer Purchase Intention, of Young Females in Sri Lanka (From a Case Study of Fairness Creams): A Pilot Study and Overview of the Findings

By R. S. Bandaranayake, P.S.C. Kularathne, H.C. Pathirage, D. P. S. H. Perera  
& Dr. Kingsley Bernard

**Abstract-** Considering the constant rivalry visible in the fairness cream industry and the celebrity endorsement based hyper-competition of public media advertisement techniques, this study aimed at identifying the variables which affect to purchase intention of young females in Sri Lanka. Depending on their age categories, education level and the duration of exposure to media the research had executed. This paper review the literature on celebrity endorsement and the three of the most common variables- attractiveness, expertise, and trustworthiness had been applied in the past researches and especially the "celebrity's country of origin" on affecting consumer's purchase intention is being brought forward as a variable to study for the first time related to the fairness cream industry. Numerous fairness cream companies use both local and foreign celebrities in their advertisements and measuring the effectiveness of the two categories can affect the advertising tactics of companies.

**Keywords:** *celebrity endorsement, attractiveness, expertise, trustworthiness, country of origin, purchase intention, young females, fairness creams.*

**GJMBR-E Classification:** JEL Code: M30



Strictly as per the compliance and regulations of:



© 2019. R.S. Bandaranayake, P.S.C. Kularathne, H.C. Pathirage, D.P.S.H. Perera & Dr. Kingsley Bernard. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License (<http://creativecommons.org/licenses/by-nc/3.0/>), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

# An Examination of the Celebrity Endorsement towards Consumer Purchase Intention, of Young Females in Sri Lanka (From a Case Study of Fairness Creams): A Pilot Study and Overview of the Findings

R. S. Bandaranayake <sup>α</sup>, H.C. Pathirage <sup>ο</sup>, P.S.C. Kularathne <sup>ρ</sup>, D. P. S. H. Perera <sup>ω</sup> & Dr. Kingsley Bernard <sup>¥</sup>

**Abstract-** Considering the constant rivalry visible in the fairness cream industry and the celebrity endorsement based hyper-competition of public media advertisement techniques, this study aimed at identifying the variables which affect to purchase intention of young females in Sri Lanka. Depending on their age categories, education level and the duration of exposure to media the research had executed. This paper review the literature on celebrity endorsement and the three of the most common variables- attractiveness, expertise, and trustworthiness had been applied in the past researches and especially the "celebrity's country of origin" on affecting consumer's purchase intention is being brought forward as a variable to study for the first time related to the fairness cream industry. Numerous fairness cream companies use both local and foreign celebrities in their advertisements and measuring the effectiveness of the two categories can affect the advertising tactics of companies. The study has designed enveloping in-depth study on variables besides the common quantitative aspect and this method can reveal critical and more reliable results compared to past studies.

**Keywords:** celebrity endorsement, attractiveness, expertise, trustworthiness, country of origin, purchase intention, young females, fairness creams.

## I. INTRODUCTION

This study is going to find out the impact of celebrity endorsement on the purchase intention. Celebrity endorsement is a strategy including a celebrated individual to offer an item; Purchase intention is the idea of how consumers willingly tend to purchase the products. Once marketers use celebrities to their marketing promotion campaigns; it will help consumers to grab the message which needs to deliver to the consumers from the marketers' side. Celebrity endorsement can use as a brand promotional technique. When we are using the famous and well-fitted celebrity for a brand or product we can have faith in increasing the sales and the market value towards that brand or product. Here we use celebrity endorser to for the promotional campaign and the celebrity endorser is a universal feature which mostly used in the modern marketing (McCracken & , 1989).

When marketers use celebrities for promotion campaigns; they can gain a strong brand value, brand

control as advantages. Therefore organizations can enable them to accomplish bigger deals and benefits.

Celebrity endorsement is very important to build a positive or negative impact on consumers' minds. When marketers use celebrities who are maintaining a good image in their careers, then it will affect positively to the brand. Thereby this fact is mostly based on the celebrity who acts in the advertisement and also pay attention to the relevance of the celebrity to the product. Furthermore, when saying about the celebrity that person ultimately become the brand ambassador position within that organization where the product was launched. Celebrity has vast power on promoting products; therefore, we called them 'star -power'. The range of celebrities can impact to the majority in any capacity is conceivable. These people have been utilizing their 'image' to advance different items and administrations throughout recent years.

It is a fact that all marketers tend to spend money in an infinity way for the promotions which can promote by getting involvement from celebrities. Therefore this has become the trending fact in all over the world. Since celebrity endorsement has the high demand in the field of advertising product promotion also happens automatically; Because of that advertising has been changed enormously over the past years (Wei, et al., 2013).

## II. SIGNIFICANCE

Celebrity endorsement is a reputed and also well famous advertising method, which has used in years. Therefore, as marketers, all should have a well-accomplished knowledge in this area. Celebrity endorsement has a huge ability in making awareness toward the brand in consumers' minds. Moreover, this celebrity endorsement is not a new idea; this will help marketers to tackle the consumers in very strategically. This is a fundamental logic to promote brands. Since this celebrity endorsement has become to the trending level; marketers able to create a proper position about the brand in consumers' minds. Therefore, this will be

*Author α:* Sri Lanka Institute of Information Technology.  
e-mail: randinithi.bandaranayake@my.sliit.lk

hugely impacted as a strategy in brand positioning. It helps to create brand loyalty if the celebrity who used to promote the brand has good recognition in society also. Using well famous people for brand promotion now has been a fact that is spreading throughout the world rapidly and also it is not just utilizes for tangible products or brands; even for the places, services, or an event can get an advantage of using celebrity to the advertisement. Furthermore, celebrity endorsement can make an impact positively towards the stock prices in the market. Moreover, it was a found fact that firms spend lots of amount of money as in \$50 billion annually on celebrity endorsement thing for their brand promotions (Zamudio & César, 2016).

Though the celebrity endorsement majorly trending in other regions in several sectors; when it comes to the Sri Lankan context there was no study based on fairness cream and the celebrity endorsement concern Sri Lanka. As an Asian country, Sri Lanka has a good market for this fairness cream and beauty products; meanwhile, fair skin has come to a very important factor for a human being in Sri Lanka in this era. Thereby it is very important and useful to do a study on this area to find out the impact of celebrity endorsement towards consumers purchase intention from a case study fairness cream. Although there is a lot of the number of researches has conducted on celebrity endorsement with the fairness cream industry internationally (Chi, et al., 2011). In Sri Lankan context there are very fewer researches has been executed. On the contrary, the fairness cream brands in Sri Lanka are striving on celebrity endorsement to gain customer attention towards the ultimate goal of affecting positively for the consumers' purchase intention. The final results of the research based on Sri Lankan context can be different than international studies. Besides the explorations done on overseas regions, more of Sri Lankan based researches should conduct towards disclosing actual impact and reasons behind the celebrity endorsement Sri Lanka. By generating 100% reliable and applicable results according to the study, the marketers can get an exact idea.

### III. PROBLEM STATEMENT

Currently, fairness cream popularity and the competition of its market is widely increasing in Sri Lanka. Among various tactics used in advertising, celebrity endorsement has become a critical factor for increasing sales of fairness cream brands. The celebrity used marketing practices, which are being appeared through media in day-to-day life is evidencing the success of those methods related to a celebrity endorsement. The fairness cream brands in Sri Lanka seem to be focusing on popular local, and foreign (Especially Bollywood) actors and sometimes the marketers use both actors. It is interesting to explore the

reason behind this practice, which had never subject to any research, conducted in Sri Lanka.

Fairness cream is a product which is used to increase beauty by a fairer skin. Therefore, celebrities' personalities (based on appearance, social image, and, etc.) are being affected to the customer purchase intention (Priyankara, et al., 2017). In Sri Lanka, both local and foreign celebrities' advertisements are broadcasted. The success of these two types of celebrities should be measured and analyzed in Sri Lankan context towards getting a conclusion to find out the impact of celebrity endorsement on customer purchase intention of fairness creams. A proper investigation can fill this gap and assist marketers in their decisions towards success.

Although there are several pieces of researches that have been conducted on celebrity endorsement with the fairness cream industry internationally (Chi, et al., 2011). Based on Sri Lankan context, there are fewer researches that have been executed. On the contrary, the fairness cream brands in Sri Lanka are striving on celebrity endorsement to gain customer attention towards the ultimate goal of affecting positively for the consumers' purchase intention. The final results of the research based on Sri Lankan context can be different than international studies. Besides the researches based on overseas regions, more of Sri Lankan based studies should also be conducted on disclosing actual impact and reasons behind the celebrity endorsement Sri Lanka. By generating 100% reliable and applicable results according to the study, the marketers can get an exact idea about successfully application and management of celebrity endorsement towards influencing positively for the purchase intention of the fairness cream customers in Sri Lanka.

### IV. INITIAL LITERATURE REVIEW

With the advancement of product diversity and the competition among products and services, has gradually expand the amount that spent on promotional initiatives by multitudinous organizations. Besides, several organizations are driven to invest heavily in their marketing communication efforts orderly to compete.

Muda(2014) has mentioned in their study that, Celebrities are individuals who well known to the public due to their accomplishments in areas such as sports, entertainment, politics, broadcasting, corporate, etc. From the Frame of reference of celebrities, Endorsement presents a remunerative auxiliary income, which for some celebrities' contemptible earnings far above what they made in their actual field of work (Ilicic, et al., 2011). Celebrities are not only selling products or services; they are involving to make a powerful impact across all surfaces of approved culture and public life, Influencing customer attitudes and perceptions. Illicic(2011) mentioned in their study, by diminishing a

brand with a celebrity, Brand can leverage unique and positive secondary brand associations from a celebrity and gain consumer awareness. Most contemporary researches on celebrity endorser influence have intensive on endorser qualities, as an example: source Credibility or a match between certain product and the endorser (Singh, et al., 2018). The source credibility describes the level of impact that can make an attitude change of certain consumers. This attitude changes are very much critical when it comes to the advertisement – effectiveness measuring. Agrawal's (1995) study has discovered that company announcements for an associate with celebrities as a spokesperson may have a noticeable effect on the expected future revenue. Celebrity endorsement affects the market share of the particular product as well as it influences higher purchase intention among consumers.

a) *Celebrity endorsement*

McGuire (1985) mentioned Celebrities are individuals who are well known is because of the accomplishments of their respective areas such as Sports, Movies, Tele dramas, etc. McGuire (1985) has given the most frequently referenced precision for celebrity endorsement. A single personality who enjoys public recognition and which uses that awareness in the interest of customer goodwill by visible in an advertisement. Celebrity Endorsement is a heavily engaged scheme in advertising because it is more fruitful than not Celebrity endorsement in terms of making a desirable outcome for the sponsors. When it comes to the determinants under celebrity endorsement, there are plenty of them. The determinants described by Priyankara(2017) are credibility expertise, trustworthiness, attractiveness, similarity, liking, familiarity, and the consonance with the particular product. According to Priyankara(2017) source credibility, depends on trustworthiness. Source attractiveness depends on familiarity, liking, and similarity.

i. *Attractiveness*

The source attractiveness model derives the endorser's communication dimensions into an effective level. Diversely. The source attractiveness model introduced from McGuire's (1985) source valence model. This model has attractiveness as the third component of source credibility. Attractiveness mentioned the perceived attractiveness of the source (Ohanian & , 1991). The number of past researches has emphasized the attractiveness of the source is an important object of source effectiveness and subsequently, credibility. Leung (2013) found that consumers are skillful to memorized celebrity endorsers whom they determined as attractive, fun, and demonstrative. Suppose to attractiveness related product, a physically attractive celebrity strengthen the spokesperson's credibility, and a positive frame of mind

towards the advertisement (Kamins & , 1990). A study has found out that using an attractive celebrity to endorse a product is more effective than using an unattractive celebrity (Busler, et al., 2000).

ii. *Expertise*

Braunsberger(1996) found a celebrity who high in expertise as compared to one who lows in expertise makes positive intention towards consumer's minds and also discovered celebrity had perceived expertise directly impact the consumer's purchase intention, regardless of whether the product is personal use or for gift-giving. Fruitful celebrity endorsers who are perceived to have expertise in particular areas can create consumers more willing to purchase the advertised product (Ohanian & , 1991). Expertise celebrities are more tend to identify the attributes, which need to advertised and specifically highlight those and they are highly occupied when it comes to the commercial operations (Leung, et al., 2013). When it comes to the special advertising appeals consumers are expected to have a fully described understanding of the persuasive intent of advertisements.

iii. *Trustworthiness*

Trustworthiness, or which extend we trust someone is crucially determined when it comes to the source of celebrity-endorsed into a certain brand (Hovland & , 1951). Declaration about the object or issue and trustworthiness was determined as the degree of consumer's faith in the communicator's objective to communicate the statements he or she regulate most valid. Trustworthiness is a statement of dignity, believability, and honesty possessed by the endorser personality and observed by the consumers who hang on the target audience's perceptions (Erdogan & Zafer, 1966). When it comes to the consumers' belief that the source is trustworthy, they also assume that the communicated idea is a higher inaccuracy, and it is credible. Accordingly, an integrated brand advertising strategy inbounded with celebrity endorser personality who consumers perceive as honest, believable and dependable. Also, the self-efficacy of an endorser may directly convey from the considerable perceived trustworthiness of the celebrity by the customer (Stephen, et al., 2016). Trustworthiness is closely measured when it comes under the celebrity endorsement theory to determine the level of success in any promotional campaign, which uses celebrities.

iv. *Origin of the celebrity*

Furthermore, most of the companies around the world now started their brand expansions beyond their country bounds. Chao (2005) expands global marketing as a feasible business expansion theory, is because of that increment, consumers around the world can taste many products from different origins. When this brand expansion happens in the global market place, firms are facing several critical decision alternatives, including



entry modes, advertising and, promotions, cultural issues, etc. When determining the celebrity endorsement in international brands, it also has a significant impact on consumer's product evaluation (Chao, et al., 2005). Determine that state, more studies have found out how the country of origin (COO) has an impact on celebrity endorsement strategies. Earlier COO models are using single cue models, which utilize one variable, which contain fundamental.

COO information. When it comes to the multi cue models are tend to overcome the weaknesses previously happened, and also it becomes more realistic than the previous model and consumers are more rely on COO information to make their buying decisions.

*b) Consumer Purchase Intention*

Apart from the variables discussed so far consumer purchase intention is the crucial element

when talking about celebrity endorsement. A consumer's attitude, assessment, and external factors construct consumer purchase intention, and it is a critical factor to predict consumer behavior. Purchase intention can measure the possibility of a consumer to buy a product, and the higher purchase intention is, the higher a consumer's willingness is to buy a product (Chi, et al., 2011). Purchase intention indicates that consumer's willingness is to buy a product (Chi, et al., 2011). Moreover, consumers' brand attitude and purchase intention will be higher when a product has a high prediction image and informality (Chi, et al., 2011). Therefore this a proven fact that should consider much as possible when collaborating with the celebrity endorsement. Since this fact is too personal, it needs to pay more attention. Furthermore, Purchase intention is an individual action tendency relating to the brand.

Variables	Definition	Source
<b>Attractiveness</b>	The source attractiveness model derives the endorser's communication dimensions in to an effective level(Stephen, et al., 2016). Diversely, the source attractiveness model introduced from McGuire's(1985) s source valence model .	(Stephen, et al., 2016)
<b>Trustworthiness</b>	Trustworthiness, or which extend we trust someone is crucially determined when it comes to the source of celebrity which endorsed in to a certain brand (Hovland & , 1951).	(Hovland & , 1951) (Pornpitakpan & , 2004)
<b>Expertise</b>	Braunsberger (1996) found a celebrity who high in expertise as compared to one who low in expertise is make positive intention towards consumer's mind and also discovered celebrity has perceived expertise directly impact to the consumer's purchase intention, regardless of whether the product is personal use or for gift-giving(Braunsberger & Karin, 1996).	(Braunsberger & Karin, 1996)
<b>Country of Origin</b>	Furthermore, most of the companies around the world now started their brand expansions beyond from their country bounds. Chao (2005)Expand the global marketing as a feasible business expansion theory, is because of that increment, consumers around the world can taste many products from different origins(Chao, et al., 2005).	(Chao, et al., 2005)
<b>Consumer Purchase intention</b>	Apart from the above-mentioned variables consumer purchase intension is the crucial element when talking about the celebrity endorsement(Ohanian & , 1991).	(Ohanian & , 1991)

Figure 1: Summary of selected variables

## V. PROPOSED CONCEPTUAL FRAMEWORK

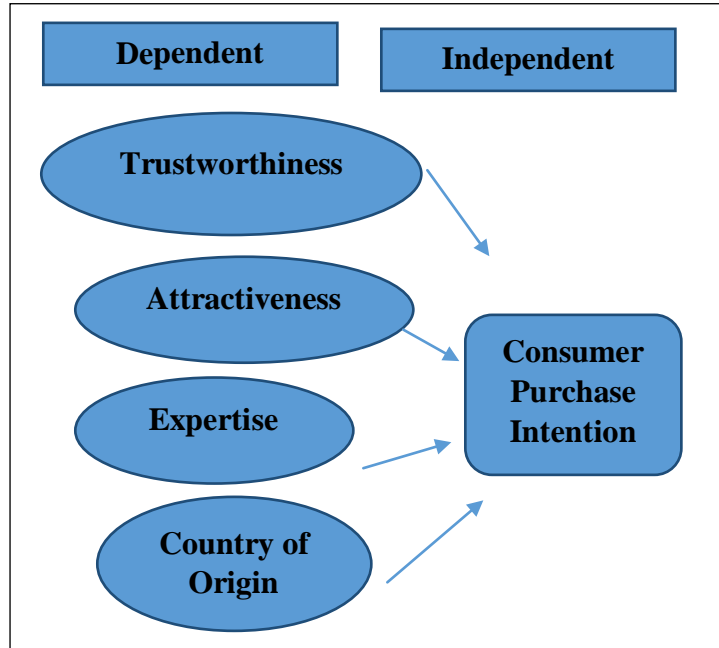


Figure 2: Conceptual Framework

## VI. METHODOLOGY

### a) Sample

This study aims at young females aged between 18 and 25 residing in Sri Lanka. A pilot survey for the quantitative survey questionnaire was conducted by researchers on 32 respondents. A convenient random sampling method is to be selected to execute the study targeting 300 respondents for the quantitative survey and 50 in-depth interviews for observing the qualitative data.

### b) Research Instrument

A three paged self-administrated survey questionnaire consisting of three sections is used to observe the quantitative data. Section "A" contains the respondent profile to categorize them on demographic and behavioral variances. Section "B" consists of questions that assist with tracking the respondents' general opinions on celebrity endorsement. The section "C" is measuring the intensity of the respondent's perspective based on four variables discussing in this study - expertise, attractiveness, trustworthiness, and country of origin. The values of this section are measured on five-point Likert scales, fixed to "strongly agree" to "strongly disagree" continuum.

To ensure the reliability of the survey responses, personal guidance is given to each respondent while marking answers. The survey forms are given in both Sinhala and English language mediums according to the respondents' preference to avoid any obstacles

derived from the language variances. The targeted sample is approached covering respondents with different backgrounds (different ages, educational levels).

52 in-depth interviews will be completed to examine the qualitative perspective of the study. In this procedure, the respondents will state their open opinions about the four variables of celebrity endorsement in the study - expertise, attractiveness, trustworthiness, and country of origin.

### c) Questionnaire and survey administration

The questionnaire is pre-tested by a pilot survey, which participated in 32 respondents. From that survey, the SPSS Cronbach's alpha amount was 0.98. The required amount for reliability is 0.7 to prove the survey questionnaire is reliable and doable.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.909	.904	19

Figure 3: Reliability Statistics

This mini-survey accomplished objective 1 of the study.

Item	Frequency
<b>Age Group</b>	
18 -21 21-25	1 (3.0)
	31 (93.9)
<b>Level of Education</b>	
completed or reading G.C.E.AL	1 (3.0)
	27 (81.8)
completed or reading	4 (12.1)

Figure 4: Demographic profile of the respondents (Young)

Profile of the sample selected for the pilot survey has mentioned above. According to the majority of young females are selected in the age group between 21 and 25. Also, when it comes to the level of education, most of them are from a category, which named as completed or reading a degree. By looking into demographic profile summary can take an idea of how demographic factors may connect with the dependent variables and get a conclusion about celebrity endorsement towards consumers to purchase intention.

## VII. LIMITATIONS AND FUTURE RESEARCH

According to the results obtained by the pilot survey, further steps of the research can be conducted as proposed previously. One of the limitation that we encountered while doing this research was limited time duration. This research area much more related to the qualitative, because of that, if we got more time to do these survey questionnaires by targeting more respondents, it could be more effective to the final answer.

Apart from that, when it comes to the objectives, we can add another objective as, how celebrity endorsement may influence the purchase intention of people from different geographical areas such as different districts.

Hence, in this pilot survey, we have selected a few respondents around 32. If we increase the number of respondents, we can have a clear and effective answer in the final analysis.

For the future researchers can select more respondents from different geographical areas to getting a more effective and developed answer.

## REFERENCES RÉFÉRENCES REFERENCIAS

1. Agrawal, Jagdish, Kamakura & Wagner, A., 1995. The Economic Worth of Celebrity Endorsers: An Event Study Analysis. *Journal of Marketing*, pp. 56-62.
2. Braunsberger & Karin, 1996. The effects of source and product characteristics on persuasion.
3. Chao, et al., 2005. Celebrity and foreign brand name as moderators of country-of-origin effects. *International Journal of Advertising*, 24(2), pp. 173-192.
4. Chi, et al., 2011. The influences of perceived value on consumer purchase intention: the moderating effect of advertising endorser. *Journal of International Management Studies*, 6(1), pp. 1-6.
5. Erdogan & Zafer, B., 1966. Celebrity Endorsement: A Literature Review. *Journal of Marketing Management*, 15(4), pp. 291-314.
6. Hovland & C. L., 1951. The Influence of Source Credibility on Communication Effectiveness\*. *Public Opinion Quarterly*, 15(4), pp. 635-650.
7. Ilicic, Jasmina, Webster & C. M., 2011. Effects of multiple endorsements and consumer-celebrity attachment on attitude and purchase intention. *Australasian Marketing Journal (AMJ)*, 19(4), pp. 230-237.
8. Kamins & M. A., 1990. An Investigation into the "Match-up" Hypothesis in Celebrity Advertising: When Beauty May Be Only Skin Deep. *Journal of Advertising*, 19(1), pp. 4-13.
9. L. N., Y. C., K. L. & E. K., 2013. Impact of celebrity endorsement in advertising on brand image among Chinese adolescents. *Young Consumers*, 14(2), pp. 167-179.
10. McCracken & G., 1989. Who Is the Celebrity Endorser? Cultural Foundations of the Endorsement Process. *Journal of Consumer Research*, 16(3), pp. 310-321.
11. McGUIRE & William, 1985. Attitudes and Attitude Change: Handbook of Social Psychology, Vol. 2, L Gardner and A Elliot. *Newyork: Random House*.
12. Muda, et al., 2014. Celebrity Entrepreneur Endorsement and Advertising Effectiveness. *Procedia - Social and Behavioral Sciences*, Volume 130, pp. 11-20.
13. Ohanian & R., 1991. The impact of celebrity spokespersons' perceived image on consumers' intention to purchase. *Journal of advertising Research*, 31(1), pp. 46-54.
14. Pornpitakpan & C., 2004. The Effect of Celebrity Endorsers' Perceived Credibility on Product Purchase Intention. *Journal of International Consumer Marketing*, 16(2), pp. 55-74.
15. P. et al., 2017. Celebrity endorsement and consumer buying intention with relation to the

- Television advertisement for perfumes. *Management Studies*, 5(2), pp. 128-148.
16. S., R. P., B. & N., 2018. Exploring the Influence of Celebrity Credibility on Brand Attitude, Advertisement Attitude and Purchase Intention. *Global Business Review*, 19(6), pp. 1622-1639.
  17. S. . W., A. C. & W. N., 2016. Celebrity Endorsement in the Airline Sector. *Journal of advertising research*.
  18. T., B. D., Busler & M., 2000. The Match-Up Hypothesis: Physical Attractiveness, Expertise, and the Role of Fit on Brand Attitude, Purchase Intent and Brand Beliefs. *Journal of Advertising*, 29(3), pp. 1-13.
  19. T., C., J. & T. D., 1994. The Effects of Multiple Product Endorsements by Celebrities on Consumers' Attitudes and Intentions. *Journal of Consumer Research*, 20(4), pp. 535-547.
  20. W., K. K., W. & Y. L., 2013. Measuring the impact of celebrity endorsement on consumer behavioural intentions: a study of Malaysian consumers. *International Journal of Sports Marketing & Sponsorship*, 14(3), pp. 157-178.
  21. W. et al., 2017. Consumers' attitude of endorser credibility, brand and intention with respect to celebrity endorsement of the airline sector. *Journal of Air Transport Management*, Volume 60, pp. 10-17.
  22. W., S. W., S. & A. C., 2017. Trustworthiness Trumps Attractiveness and Expertise. Enhancing Brand Credibility Through Celebrity Endorsement, pp. JAR-2017-042.
  23. Z. & C., 2016. Matching with the stars: How brand personality determines celebrity endorsement contract formation. *International Journal of Research in Marketing*, 33(2), pp. 409-427.

# GLOBAL JOURNALS GUIDELINES HANDBOOK 2019

---

[WWW.GLOBALJOURNALS.ORG](http://WWW.GLOBALJOURNALS.ORG)



## FELLOWS

### FELLOW OF ASSOCIATION OF RESEARCH SOCIETY IN BUSINESS (FARSB)

Global Journals Incorporate (USA) is accredited by Open Association of Research Society (OARS), U.S.A and in turn, awards “FARSBA” title to individuals. The 'FARSBA' title is accorded to a selected professional after the approval of the Editor-in-Chief/Editorial Board Members/Dean.



- The “FARSB” is a dignified title which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., FARSBA or William Walldroff, M.S., FARSBA.

FARSBA accrediting is an honor. It authenticates your research activities. After recognition as FARSBA, you can add 'FARSBA' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, and Visiting Card etc.

*The following benefits can be availed by you only for next three years from the date of certification:*



FARSBA designated members are entitled to avail a 40% discount while publishing their research papers (of a single author) with Global Journals Incorporation (USA), if the same is accepted by Editorial Board/Peer Reviewers. If you are a main author or co-author in case of multiple authors, you will be entitled to avail discount of 10%.

Once FARSBA title is accorded, the Fellow is authorized to organize a symposium/seminar/conference on behalf of Global Journal Incorporation (USA).The Fellow can also participate in conference/seminar/symposium organized by another institution as representative of Global Journal. In both the cases, it is mandatory for him to discuss with us and obtain our consent.



You may join as member of the Editorial Board of Global Journals Incorporation (USA) after successful completion of three years as Fellow and as Peer Reviewer. In addition, it is also desirable that you should organize seminar/symposium/conference at least once.

We shall provide you intimation regarding launching of e-version of journal of your stream time to time.This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.





Journals Research  
indexing researchers

The FARSBA can go through standards of OARS. You can also play vital role if you have any suggestions so that proper amendment can take place to improve the same for the benefit of entire research community.

As FARSBA, you will be given a renowned, secure and free professional email address with 100 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders, Auto-Responders, Email Delivery Route tracing, etc.



The FARSBA will be eligible for a free application of standardization of their researches. Standardization of research will be subject to acceptability within stipulated norms as the next step after publishing in a journal. We shall depute a team of specialized research professionals who will render their services for elevating your researches to next higher level, which is worldwide open standardization.

The FARSBA member can apply for grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A. Once you are designated as FARSBA, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria. After certification of all your credentials by OARS, they will be published on your Fellow Profile link on website <https://associationofresearch.org> which will be helpful to upgrade the dignity.



The FARSBA members can avail the benefits of free research podcasting in Global Research Radio with their research documents. After publishing the work, (including published elsewhere worldwide with proper authorization) you can upload your research paper with your recorded voice or you can utilize chargeable services of our professional RJs to record your paper in their voice on request.



The FARSBA member also entitled to get the benefits of free research podcasting of their research documents through video clips. We can also streamline your conference videos and display your slides/ online slides and online research video clips at reasonable charges, on request.





The FARSBA is eligible to earn from sales proceeds of his/her researches/reference/review Books or literature, while publishing with Global Journals. The FARSBA can decide whether he/she would like to publish his/her research in a closed manner. In this case, whenever readers purchase that individual research paper for reading, maximum 60% of its profit earned as royalty by Global Journals, will be credited to his/her bank account. The entire entitled amount will be credited to his/her bank account exceeding limit of minimum fixed balance. There is no minimum time limit for collection. The FARSC member can decide its price and we can help in making the right decision.

The FARSBA member is eligible to join as a paid peer reviewer at Global Journals Incorporation (USA) and can get remuneration of 15% of author fees, taken from the author of a respective paper. After reviewing 5 or more papers you can request to transfer the amount to your bank account.



## MEMBER OF ASSOCIATION OF RESEARCH SOCIETY IN BUSINESS (MARSBA)

The ' MARSBA ' title is accorded to a selected professional after the approval of the Editor-in-Chief / Editorial Board Members/Dean.

The “MARSBA” is a dignified ornament which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., MARSBA or William Walldroff, M.S., MARSBA.



MARSB accrediting is an honor. It authenticates your research activities. After becoming MARSBA, you can add 'MARSBA' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, Visiting Card and Name Plate etc.

*The following benefits can be availed by you only for next three years from the date of certification.*



MARSBA designated members are entitled to avail a 25% discount while publishing their research papers (of a single author) in Global Journals Inc., if the same is accepted by our Editorial Board and Peer Reviewers. If you are a main author or co-author of a group of authors, you will get discount of 10%.

As MARSBA, you will be given a renowned, secure and free professional email address with 30 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders, Auto-Responders, Email Delivery Route tracing, etc.





We shall provide you intimation regarding launching of e-version of journal of your stream time to time. This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.

The MARSBA member can apply for approval, grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A.



Once you are designated as MARSBA, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria.

It is mandatory to read all terms and conditions carefully.



## AUXILIARY MEMBERSHIPS

### Institutional Fellow of Open Association of Research Society (USA)-OARS (USA)

Global Journals Incorporation (USA) is accredited by Open Association of Research Society, U.S.A (OARS) and in turn, affiliates research institutions as “Institutional Fellow of Open Association of Research Society” (IFOARS).

The “FARSC” is a dignified title which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., FARSC or William Walldroff, M.S., FARSC.



The IFOARS institution is entitled to form a Board comprised of one Chairperson and three to five board members preferably from different streams. The Board will be recognized as “Institutional Board of Open Association of Research Society”-(IBOARS).

*The Institute will be entitled to following benefits:*



The IBOARS can initially review research papers of their institute and recommend them to publish with respective journal of Global Journals. It can also review the papers of other institutions after obtaining our consent. The second review will be done by peer reviewer of Global Journals Incorporation (USA) The Board is at liberty to appoint a peer reviewer with the approval of chairperson after consulting us.

The author fees of such paper may be waived off up to 40%.

The Global Journals Incorporation (USA) at its discretion can also refer double blind peer reviewed paper at their end to the board for the verification and to get recommendation for final stage of acceptance of publication.



The IBOARS can organize symposium/seminar/conference in their country on behalf of Global Journals Incorporation (USA)-OARS (USA). The terms and conditions can be discussed separately.

The Board can also play vital role by exploring and giving valuable suggestions regarding the Standards of “Open Association of Research Society, U.S.A (OARS)” so that proper amendment can take place for the benefit of entire research community. We shall provide details of particular standard only on receipt of request from the Board.

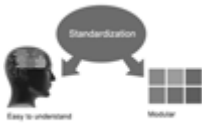


The board members can also join us as Individual Fellow with 40% discount on total fees applicable to Individual Fellow. They will be entitled to avail all the benefits as declared. Please visit Individual Fellow-sub menu of GlobalJournals.org to have more relevant details.





We shall provide you intimation regarding launching of e-version of journal of your stream time to time. This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.



After nomination of your institution as “Institutional Fellow” and constantly functioning successfully for one year, we can consider giving recognition to your institute to function as Regional/Zonal office on our behalf. The board can also take up the additional allied activities for betterment after our consultation.

**The following entitlements are applicable to individual Fellows:**

Open Association of Research Society, U.S.A (OARS) By-laws states that an individual Fellow may use the designations as applicable, or the corresponding initials. The Credentials of individual Fellow and Associate designations signify that the individual has gained knowledge of the fundamental concepts. One is magnanimous and proficient in an expertise course covering the professional code of conduct, and follows recognized standards of practice.



Open Association of Research Society (US)/ Global Journals Incorporation (USA), as described in Corporate Statements, are educational, research publishing and professional membership organizations. Achieving our individual Fellow or Associate status is based mainly on meeting stated educational research requirements.

Disbursement of 40% Royalty earned through Global Journals : Researcher = 50%, Peer Reviewer = 37.50%, Institution = 12.50% E.g. Out of 40%, the 20% benefit should be passed on to researcher, 15 % benefit towards remuneration should be given to a reviewer and remaining 5% is to be retained by the institution.



We shall provide print version of 12 issues of any three journals [as per your requirement] out of our 38 journals worth \$ 2376 USD.

**Other:**

**The individual Fellow and Associate designations accredited by Open Association of Research Society (US) credentials signify guarantees following achievements:**

- The professional accredited with Fellow honor, is entitled to various benefits viz. name, fame, honor, regular flow of income, secured bright future, social status etc.



- In addition to above, if one is single author, then entitled to 40% discount on publishing research paper and can get 10% discount if one is co-author or main author among group of authors.
- The Fellow can organize symposium/seminar/conference on behalf of Global Journals Incorporation (USA) and he/she can also attend the same organized by other institutes on behalf of Global Journals.
- The Fellow can become member of Editorial Board Member after completing 3yrs.
- The Fellow can earn 60% of sales proceeds from the sale of reference/review books/literature/publishing of research paper.
- Fellow can also join as paid peer reviewer and earn 15% remuneration of author charges and can also get an opportunity to join as member of the Editorial Board of Global Journals Incorporation (USA)
- • This individual has learned the basic methods of applying those concepts and techniques to common challenging situations. This individual has further demonstrated an in-depth understanding of the application of suitable techniques to a particular area of research practice.

**Note :**

//

- In future, if the board feels the necessity to change any board member, the same can be done with the consent of the chairperson along with anyone board member without our approval.
- In case, the chairperson needs to be replaced then consent of 2/3rd board members are required and they are also required to jointly pass the resolution copy of which should be sent to us. In such case, it will be compulsory to obtain our approval before replacement.
- In case of “Difference of Opinion [if any]” among the Board members, our decision will be final and binding to everyone.

//



# PREFERRED AUTHOR GUIDELINES

**We accept the manuscript submissions in any standard (generic) format.**

We typeset manuscripts using advanced typesetting tools like Adobe In Design, CorelDraw, TeXnicCenter, and TeXStudio. We usually recommend authors submit their research using any standard format they are comfortable with, and let Global Journals do the rest.

Alternatively, you can download our basic template from <https://globaljournals.org/Template.zip>

Authors should submit their complete paper/article, including text illustrations, graphics, conclusions, artwork, and tables. Authors who are not able to submit manuscript using the form above can email the manuscript department at [submit@globaljournals.org](mailto:submit@globaljournals.org) or get in touch with [chiefeditor@globaljournals.org](mailto:chiefeditor@globaljournals.org) if they wish to send the abstract before submission.

## BEFORE AND DURING SUBMISSION

Authors must ensure the information provided during the submission of a paper is authentic. Please go through the following checklist before submitting:

1. Authors must go through the complete author guideline and understand and *agree to Global Journals' ethics and code of conduct*, along with author responsibilities.
2. Authors must accept the privacy policy, terms, and conditions of Global Journals.
3. Ensure corresponding author's email address and postal address are accurate and reachable.
4. Manuscript to be submitted must include keywords, an abstract, a paper title, co-author(s) names and details (email address, name, phone number, and institution), figures and illustrations in vector format including appropriate captions, tables, including titles and footnotes, a conclusion, results, acknowledgments and references.
5. Authors should submit paper in a ZIP archive if any supplementary files are required along with the paper.
6. Proper permissions must be acquired for the use of any copyrighted material.
7. Manuscript submitted *must not have been submitted or published elsewhere* and all authors must be aware of the submission.

## Declaration of Conflicts of Interest

It is required for authors to declare all financial, institutional, and personal relationships with other individuals and organizations that could influence (bias) their research.

## POLICY ON PLAGIARISM

Plagiarism is not acceptable in Global Journals submissions at all.

Plagiarized content will not be considered for publication. We reserve the right to inform authors' institutions about plagiarism detected either before or after publication. If plagiarism is identified, we will follow COPE guidelines:

Authors are solely responsible for all the plagiarism that is found. The author must not fabricate, falsify or plagiarize existing research data. The following, if copied, will be considered plagiarism:

- Words (language)
- Ideas
- Findings
- Writings
- Diagrams
- Graphs
- Illustrations
- Lectures



- Printed material
- Graphic representations
- Computer programs
- Electronic material
- Any other original work

## AUTHORSHIP POLICIES

Global Journals follows the definition of authorship set up by the Open Association of Research Society, USA. According to its guidelines, authorship criteria must be based on:

1. Substantial contributions to the conception and acquisition of data, analysis, and interpretation of findings.
2. Drafting the paper and revising it critically regarding important academic content.
3. Final approval of the version of the paper to be published.

### Changes in Authorship

The corresponding author should mention the name and complete details of all co-authors during submission and in manuscript. We support addition, rearrangement, manipulation, and deletions in authors list till the early view publication of the journal. We expect that corresponding author will notify all co-authors of submission. We follow COPE guidelines for changes in authorship.

### Copyright

During submission of the manuscript, the author is confirming an exclusive license agreement with Global Journals which gives Global Journals the authority to reproduce, reuse, and republish authors' research. We also believe in flexible copyright terms where copyright may remain with authors/employers/institutions as well. Contact your editor after acceptance to choose your copyright policy. You may follow this form for copyright transfers.

### Appealing Decisions

Unless specified in the notification, the Editorial Board's decision on publication of the paper is final and cannot be appealed before making the major change in the manuscript.

### Acknowledgments

Contributors to the research other than authors credited should be mentioned in Acknowledgments. The source of funding for the research can be included. Suppliers of resources may be mentioned along with their addresses.

### Declaration of funding sources

Global Journals is in partnership with various universities, laboratories, and other institutions worldwide in the research domain. Authors are requested to disclose their source of funding during every stage of their research, such as making analysis, performing laboratory operations, computing data, and using institutional resources, from writing an article to its submission. This will also help authors to get reimbursements by requesting an open access publication letter from Global Journals and submitting to the respective funding source.

## PREPARING YOUR MANUSCRIPT

Authors can submit papers and articles in an acceptable file format: MS Word (doc, docx), LaTeX (.tex, .zip or .rar including all of your files), Adobe PDF (.pdf), rich text format (.rtf), simple text document (.txt), Open Document Text (.odt), and Apple Pages (.pages). Our professional layout editors will format the entire paper according to our official guidelines. This is one of the highlights of publishing with Global Journals—authors should not be concerned about the formatting of their paper. Global Journals accepts articles and manuscripts in every major language, be it Spanish, Chinese, Japanese, Portuguese, Russian, French, German, Dutch, Italian, Greek, or any other national language, but the title, subtitle, and abstract should be in English. This will facilitate indexing and the pre-peer review process.

The following is the official style and template developed for publication of a research paper. Authors are not required to follow this style during the submission of the paper. It is just for reference purposes.



### ***Manuscript Style Instruction (Optional)***

- Microsoft Word Document Setting Instructions.
- Font type of all text should be Swis721 Lt BT.
- Page size: 8.27" x 11", left margin: 0.65, right margin: 0.65, bottom margin: 0.75.
- Paper title should be in one column of font size 24.
- Author name in font size of 11 in one column.
- Abstract: font size 9 with the word "Abstract" in bold italics.
- Main text: font size 10 with two justified columns.
- Two columns with equal column width of 3.38 and spacing of 0.2.
- First character must be three lines drop-capped.
- The paragraph before spacing of 1 pt and after of 0 pt.
- Line spacing of 1 pt.
- Large images must be in one column.
- The names of first main headings (Heading 1) must be in Roman font, capital letters, and font size of 10.
- The names of second main headings (Heading 2) must not include numbers and must be in italics with a font size of 10.

### ***Structure and Format of Manuscript***

The recommended size of an original research paper is under 15,000 words and review papers under 7,000 words. Research articles should be less than 10,000 words. Research papers are usually longer than review papers. Review papers are reports of significant research (typically less than 7,000 words, including tables, figures, and references)

A research paper must include:

- a) A title which should be relevant to the theme of the paper.
- b) A summary, known as an abstract (less than 150 words), containing the major results and conclusions.
- c) Up to 10 keywords that precisely identify the paper's subject, purpose, and focus.
- d) An introduction, giving fundamental background objectives.
- e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition, sources of information must be given, and numerical methods must be specified by reference.
- f) Results which should be presented concisely by well-designed tables and figures.
- g) Suitable statistical data should also be given.
- h) All data must have been gathered with attention to numerical detail in the planning stage.

Design has been recognized to be essential to experiments for a considerable time, and the editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned unrefereed.

- i) Discussion should cover implications and consequences and not just recapitulate the results; conclusions should also be summarized.
- j) There should be brief acknowledgments.
- k) There ought to be references in the conventional format. Global Journals recommends APA format.

Authors should carefully consider the preparation of papers to ensure that they communicate effectively. Papers are much more likely to be accepted if they are carefully designed and laid out, contain few or no errors, are summarizing, and follow instructions. They will also be published with much fewer delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and suggestions to improve brevity.





## FORMAT STRUCTURE

***It is necessary that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.***

All manuscripts submitted to Global Journals should include:

### **Title**

The title page must carry an informative title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) where the work was carried out.

### **Author details**

The full postal address of any related author(s) must be specified.

### **Abstract**

The abstract is the foundation of the research paper. It should be clear and concise and must contain the objective of the paper and inferences drawn. It is advised to not include big mathematical equations or complicated jargon.

Many researchers searching for information online will use search engines such as Google, Yahoo or others. By optimizing your paper for search engines, you will amplify the chance of someone finding it. In turn, this will make it more likely to be viewed and cited in further works. Global Journals has compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

### **Keywords**

A major lynchpin of research work for the writing of research papers is the keyword search, which one will employ to find both library and internet resources. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining, and indexing.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy: planning of a list of possible keywords and phrases to try.

Choice of the main keywords is the first tool of writing a research paper. Research paper writing is an art. Keyword search should be as strategic as possible.

One should start brainstorming lists of potential keywords before even beginning searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in a research paper?" Then consider synonyms for the important words.

It may take the discovery of only one important paper to steer in the right keyword direction because, in most databases, the keywords under which a research paper is abstracted are listed with the paper.

### **Numerical Methods**

Numerical methods used should be transparent and, where appropriate, supported by references.

### **Abbreviations**

Authors must list all the abbreviations used in the paper at the end of the paper or in a separate table before using them.

### **Formulas and equations**

Authors are advised to submit any mathematical equation using either MathJax, KaTeX, or LaTeX, or in a very high-quality image.

### **Tables, Figures, and Figure Legends**

Tables: Tables should be cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g., Table 4, a self-explanatory caption, and be on a separate sheet. Authors must submit tables in an editable format and not as images. References to these tables (if any) must be mentioned accurately.



## Figures

Figures are supposed to be submitted as separate files. Always include a citation in the text for each figure using Arabic numbers, e.g., Fig. 4. Artwork must be submitted online in vector electronic form or by emailing it.

## PREPARATION OF ELETRONIC FIGURES FOR PUBLICATION

Although low-quality images are sufficient for review purposes, print publication requires high-quality images to prevent the final product being blurred or fuzzy. Submit (possibly by e-mail) EPS (line art) or TIFF (halftone/ photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Avoid using pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings). Please give the data for figures in black and white or submit a Color Work Agreement form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution at final image size ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs): >350 dpi; figures containing both halftone and line images: >650 dpi.

Color charges: Authors are advised to pay the full cost for the reproduction of their color artwork. Hence, please note that if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a Color Work Agreement form before your paper can be published. Also, you can email your editor to remove the color fee after acceptance of the paper.

## TIPS FOR WRITING A GOOD QUALITY MANAGEMENT RESEARCH PAPER

Techniques for writing a good quality management and business research paper:

**1. Choosing the topic:** In most cases, the topic is selected by the interests of the author, but it can also be suggested by the guides. You can have several topics, and then judge which you are most comfortable with. This may be done by asking several questions of yourself, like "Will I be able to carry out a search in this area? Will I find all necessary resources to accomplish the search? Will I be able to find all information in this field area?" If the answer to this type of question is "yes," then you ought to choose that topic. In most cases, you may have to conduct surveys and visit several places. Also, you might have to do a lot of work to find all the rises and falls of the various data on that subject. Sometimes, detailed information plays a vital role, instead of short information. Evaluators are human: The first thing to remember is that evaluators are also human beings. They are not only meant for rejecting a paper. They are here to evaluate your paper. So present your best aspect.

**2. Think like evaluators:** If you are in confusion or getting demotivated because your paper may not be accepted by the evaluators, then think, and try to evaluate your paper like an evaluator. Try to understand what an evaluator wants in your research paper, and you will automatically have your answer. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

**3. Ask your guides:** If you are having any difficulty with your research, then do not hesitate to share your difficulty with your guide (if you have one). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work, then ask your supervisor to help you with an alternative. He or she might also provide you with a list of essential readings.

**4. Use of computer is recommended:** As you are doing research in the field of management and business then this point is quite obvious. Use right software: Always use good quality software packages. If you are not capable of judging good software, then you can lose the quality of your paper unknowingly. There are various programs available to help you which you can get through the internet.

**5. Use the internet for help:** An excellent start for your paper is using Google. It is a wondrous search engine, where you can have your doubts resolved. You may also read some answers for the frequent question of how to write your research paper or find a model research paper. You can download books from the internet. If you have all the required books, place importance on reading, selecting, and analyzing the specified information. Then sketch out your research paper. Use big pictures: You may use encyclopedias like Wikipedia to get pictures with the best resolution. At Global Journals, you should strictly follow here.



**6. Bookmarks are useful:** When you read any book or magazine, you generally use bookmarks, right? It is a good habit which helps to not lose your continuity. You should always use bookmarks while searching on the internet also, which will make your search easier.

**7. Revise what you wrote:** When you write anything, always read it, summarize it, and then finalize it.

**8. Make every effort:** Make every effort to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in the introduction—what is the need for a particular research paper. Polish your work with good writing skills and always give an evaluator what he wants. Make backups: When you are going to do any important thing like making a research paper, you should always have backup copies of it either on your computer or on paper. This protects you from losing any portion of your important data.

**9. Produce good diagrams of your own:** Always try to include good charts or diagrams in your paper to improve quality. Using several unnecessary diagrams will degrade the quality of your paper by creating a hodgepodge. So always try to include diagrams which were made by you to improve the readability of your paper. Use of direct quotes: When you do research relevant to literature, history, or current affairs, then use of quotes becomes essential, but if the study is relevant to science, use of quotes is not preferable.

**10. Use proper verb tense:** Use proper verb tenses in your paper. Use past tense to present those events that have happened. Use present tense to indicate events that are going on. Use future tense to indicate events that will happen in the future. Use of wrong tenses will confuse the evaluator. Avoid sentences that are incomplete.

**11. Pick a good study spot:** Always try to pick a spot for your research which is quiet. Not every spot is good for studying.

**12. Know what you know:** Always try to know what you know by making objectives, otherwise you will be confused and unable to achieve your target.

**13. Use good grammar:** Always use good grammar and words that will have a positive impact on the evaluator; use of good vocabulary does not mean using tough words which the evaluator has to find in a dictionary. Do not fragment sentences. Eliminate one-word sentences. Do not ever use a big word when a smaller one would suffice. Verbs have to be in agreement with their subjects. In a research paper, do not start sentences with conjunctions or finish them with prepositions. When writing formally, it is advisable to never split an infinitive because someone will (wrongly) complain. Avoid clichés like a disease. Always shun irritating alliteration. Use language which is simple and straightforward. Put together a neat summary.

**14. Arrangement of information:** Each section of the main body should start with an opening sentence, and there should be a changeover at the end of the section. Give only valid and powerful arguments for your topic. You may also maintain your arguments with records.

**15. Never start at the last minute:** Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

**16. Multitasking in research is not good:** Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

**17. Never copy others' work:** Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

**18. Go to seminars:** Attend seminars if the topic is relevant to your research area. Utilize all your resources.

**19. Refresh your mind after intervals:** Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

**20. Think technically:** Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.



**21. Adding unnecessary information:** Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

**22. Report concluded results:** Use concluded results. From raw data, filter the results, and then conclude your studies based on measurements and observations taken. An appropriate number of decimal places should be used. Parenthetical remarks are prohibited here. Proofread carefully at the final stage. At the end, give an outline to your arguments. Spot perspectives of further study of the subject. Justify your conclusion at the bottom sufficiently, which will probably include examples.

**23. Upon conclusion:** Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium through which your research is going to be in print for the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects of your research.

## INFORMAL GUIDELINES OF RESEARCH PAPER WRITING

### **Key points to remember:**

- Submit all work in its final form.
- Write your paper in the form which is presented in the guidelines using the template.
- Please note the criteria peer reviewers will use for grading the final paper.

### **Final points:**

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

*The introduction:* This will be compiled from reference matter and reflect the design processes or outline of basis that directed you to make a study. As you carry out the process of study, the method and process section will be constructed like that. The results segment will show related statistics in nearly sequential order and direct reviewers to similar intellectual paths throughout the data that you gathered to carry out your study.

### **The discussion section:**

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to prior workings.

Writing a research paper is not an easy job, no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record-keeping are the only means to make straightforward progression.

### **General style:**

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

**To make a paper clear:** Adhere to recommended page limits.

### *Mistakes to avoid:*

- Insertion of a title at the foot of a page with subsequent text on the next page.
- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.



- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

#### **Title page:**

Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

**Abstract:** This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite references at this point.

An abstract is a brief, distinct paragraph summary of finished work or work in development. In a minute or less, a reviewer can be taught the foundation behind the study, common approaches to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study with the subsequent elements in any summary. Try to limit the initial two items to no more than one line each.

*Reason for writing the article—theory, overall issue, purpose.*

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

#### **Approach:**

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

#### **Introduction:**

The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

*The following approach can create a valuable beginning:*

- Explain the value (significance) of the study.
- Defend the model—why did you employ this particular system or method? What is its compensation? Remark upon its appropriateness from an abstract point of view as well as pointing out sensible reasons for using it.
- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
- Briefly explain the study's tentative purpose and how it meets the declared objectives.





**Approach:**

Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done. Sort out your thoughts; manufacture one key point for every section. If you make the four points listed above, you will need at least four paragraphs. Present surrounding information only when it is necessary to support a situation. The reviewer does not desire to read everything you know about a topic. Shape the theory specifically—do not take a broad view.

As always, give awareness to spelling, simplicity, and correctness of sentences and phrases.

**Procedures (methods and materials):**

This part is supposed to be the easiest to carve if you have good skills. A soundly written procedures segment allows a capable scientist to replicate your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order, but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt to give the least amount of information that would permit another capable scientist to replicate your outcome, but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section.

When a technique is used that has been well-described in another section, mention the specific item describing the way, but draw the basic principle while stating the situation. The purpose is to show all particular resources and broad procedures so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step-by-step report of the whole thing you did, nor is a methods section a set of orders.

**Materials:**

*Materials may be reported in part of a section or else they may be recognized along with your measures.*

**Methods:**

- Report the method and not the particulars of each process that engaged the same methodology.
- Describe the method entirely.
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures.
- Simplify—detail how procedures were completed, not how they were performed on a particular day.
- If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

**Approach:**

It is embarrassing to use vigorous voice when documenting methods without using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result, when writing up the methods, most authors use third person passive voice.

Use standard style in this and every other part of the paper—avoid familiar lists, and use full sentences.

**What to keep away from:**

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings—save it for the argument.
- Leave out information that is immaterial to a third party.

**Results:**

The principle of a results segment is to present and demonstrate your conclusion. Create this part as entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Use statistics and tables, if suitable, to present consequences most efficiently.

You must clearly differentiate material which would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matters should not be submitted at all except if requested by the instructor.



**Content:**

- Sum up your conclusions in text and demonstrate them, if suitable, with figures and tables.
- In the manuscript, explain each of your consequences, and point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation of an exacting study.
- Explain results of control experiments and give remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or manuscript.

**What to stay away from:**

- Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
- Do not include raw data or intermediate calculations in a research manuscript.
- Do not present similar data more than once.
- A manuscript should complement any figures or tables, not duplicate information.
- Never confuse figures with tables—there is a difference.

**Approach:**

As always, use past tense when you submit your results, and put the whole thing in a reasonable order.

Put figures and tables, appropriately numbered, in order at the end of the report.

If you desire, you may place your figures and tables properly within the text of your results section.

**Figures and tables:**

If you put figures and tables at the end of some details, make certain that they are visibly distinguished from any attached appendix materials, such as raw facts. Whatever the position, each table must be titled, numbered one after the other, and include a heading. All figures and tables must be divided from the text.

**Discussion:**

The discussion is expected to be the trickiest segment to write. A lot of papers submitted to the journal are discarded based on problems with the discussion. There is no rule for how long an argument should be.

Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implications of the study. The purpose here is to offer an understanding of your results and support all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of results should be fully described.

Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact, you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved the prospect, and let it drop at that. Make a decision as to whether each premise is supported or discarded or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."

Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work.

- You may propose future guidelines, such as how an experiment might be personalized to accomplish a new idea.
- Give details of all of your remarks as much as possible, focusing on mechanisms.
- Make a decision as to whether the tentative design sufficiently addressed the theory and whether or not it was correctly restricted. Try to present substitute explanations if they are sensible alternatives.
- One piece of research will not counter an overall question, so maintain the large picture in mind. Where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.



**Approach:**

When you refer to information, differentiate data generated by your own studies from other available information. Present work done by specific persons (including you) in past tense.

Describe generally acknowledged facts and main beliefs in present tense.

## THE ADMINISTRATION RULES

Administration Rules to Be Strictly Followed before Submitting Your Research Paper to Global Journals Inc.

*Please read the following rules and regulations carefully before submitting your research paper to Global Journals Inc. to avoid rejection.*

*Segment draft and final research paper:* You have to strictly follow the template of a research paper, failing which your paper may get rejected. You are expected to write each part of the paper wholly on your own. The peer reviewers need to identify your own perspective of the concepts in your own terms. Please do not extract straight from any other source, and do not rephrase someone else's analysis. Do not allow anyone else to proofread your manuscript.

*Written material:* You may discuss this with your guides and key sources. Do not copy anyone else's paper, even if this is only imitation, otherwise it will be rejected on the grounds of plagiarism, which is illegal. Various methods to avoid plagiarism are strictly applied by us to every paper, and, if found guilty, you may be blacklisted, which could affect your career adversely. To guard yourself and others from possible illegal use, please do not permit anyone to use or even read your paper and file.



CRITERION FOR GRADING A RESEARCH PAPER (COMPILATION)  
BY GLOBAL JOURNALS

Please note that following table is only a Grading of "Paper Compilation" and not on "Performed/Stated Research" whose grading solely depends on Individual Assigned Peer Reviewer and Editorial Board Member. These can be available only on request and after decision of Paper. This report will be the property of Global Journals.

Topics	Grades		
	A-B	C-D	E-F
<i>Abstract</i>	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form  Above 200 words	No specific data with ambiguous information  Above 250 words
<i>Introduction</i>	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
<i>Methods and Procedures</i>	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
<i>Result</i>	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
<i>Discussion</i>	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
<i>References</i>	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring



# INDEX

---

---

## **A**

Abandoned · 29  
Apathetic · 37, 38, 39, 43, 44

---

## **C**

Colognes · 24  
Component · 35

---

## **D**

Derived · 17, 21  
Dissonance · 17

---

## **E**

Endogenous · 1, 3  
Enthusiastic · 28, 37  
Exogenous · 2, 3, 4

---

## **G**

Greeted · 31

---

## **I**

Impediment · 11, 12, 13  
Implications · 1, 2, 47  
Insatiable · 16, 17  
Intervene · 1, 2, 9

---

## **P**

Persuading · 17, 25  
Prior · 13  
Prominent · 24

---

## **R**

Relatable · 12  
Relevant · 2, 3, 25, 40

---

## **T**

Triggered · 32, 33, 34, 35

---

## **U**

Utilitarian · 29, 37

---

## **V**

Vigilant · 11

---

## **W**

Willing · 7, 8, 9, 37, 38





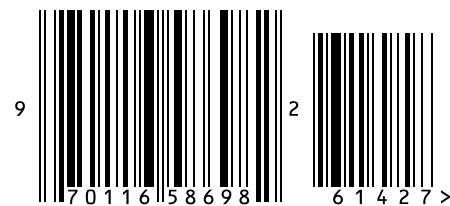
save our planet

# Global Journal of Management and Business Research

Visit us on the Web at [www.GlobalJournals.org](http://www.GlobalJournals.org) | [www.JournalofBusiness.Org](http://www.JournalofBusiness.Org)  
or email us at [helpdesk@globaljournals.org](mailto:helpdesk@globaljournals.org)



ISSN 9755853



© Global Journals