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Adoption of physical presence by pureplay e-tailers and its' impact on online purchasing determinants of the Sri lankan Consumer: The case of anythin.lk

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Abstract
Purpose :
As per Google India the market potential for e-commerce in Sri Lanka is estimated at LKR 3Bn , approximately 1% of its' retail market spend, with an annual growth projection of 25-30% p.a until the dawn of 2020. In Sri Lanka e commerce is gaining vast interest yet has failed to generate significant sales as a channel, where it lags at 1% of retail spend whilst globally the share is set at 11%. However, big online retailers have shown increasing interest in offline shopping by heavily investing in brick and mortar stores. Pureplay online retailers such as Warby Parker.com have achieved signifcant incremental sales and successful click conversions after establishing physical presence.. Multiple research conducted in developed nations identify physical presence as having a significant impact on online purchsing intention determinants. Anythin.lk is a pureplay online etailer which also has experienced a similar phenomenon of having significant incremental onlone sales following the establishment of physical presence. This study was commissioned to establish whether physical presence of anythin.lk has a significant impact on the online purchasing intention determinants of the sri lankan consumer.
Findings- *The research established that physical presence has a significant impact towards certain online purchasing intention determinants such as online trust, brand awareness, product consumpton experience, perceived risk, vendor reliability and perceived control.*
Keywords – Online purchase intention, physical presence, shopping orientation, online trust, Internet shopping, buying behaviour retailing

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I. INTRODUCTION

With the introduction of the Internet , many believed that there would be huge explosion in global retail marketing, where a barrier free transaction super highway will be created. Many retail B2C giants such as Amazon, ebay, Rakuten, Alibaba became successful via their innovative strategy. Although it is the popular thought that e-commerce has been steadily penetrating the traditional brick and mortar retail transactions, even two decades after the introduction of e-commerce , yet it is unable to grab more than 8% of the total retail market. Even developed countries such as U& US the rates barely exceed the 18% threshold. More intriguingly, at the point where Amazon celebrates its second decade in business , a critical strategic decision had been arrived at by their management to open a physical retail store at Amazon's birthplace in Seattle. The most fundamental business concept of brick and mortar presence being challenged by Amazon, two decades down the line has been challenged. The e-commerce foundation has published a report on global B2C e-commerce. As per the report the value of e commerce based transaction value is 7% of the total value of retail goods being transacted. The total B2C e commerce turnover is estimated at 2,671Bn, where 1,436Mn of online shoppers which represent around 26% of global population over 15 years. Out of the total e-commerce turnover 38% constitute of services and the balance 62% consist of goods. Asia Pacific (fueled by China) takes the major part of the cake by having a transaction value of over 1,057Bn, closely followed by North America 644Bn and Europe in 03rd position at 505Mn. The top 10 list of countries, China currently leads with a total transaction value of 766Bn, USA 595Bn and UK at 174Bn. Focusing on the trend, Germany has lead the band wagon in 2012, followed by Japan, Canada in 2014 and by 2016 end UK might lead the online market as per the projections.

In the world, Sweden is being ranked as the best performing economy. For 18 consecutive years, the Swedish retail market has been experiencing strong positive retail growth where almost 40% of the expenditure is on retail from an average household income stream. Still in Sweden the e-commerce ratio to the total retail expenditure is lying merely at 6% (SEK 50Bn) and only has shown a growth of 19% from 2006 to 2015.

Before 2010 predominantly, the majority of online purchases were on the purchasing of airline tickets, where the airlines also have been in an attempt to get rid of the traditional general service agents. However, with increased smartphone penetration in Sri Lanka , the tendency to move towards e & m commerce is extremely high.

Relevance of the research and its contribution

The objectives of our study would be

a) To review the past literature on the concepts and constructs under this specific subject b) To empirically test the role of physical presence of pureplay online retailer towards the determinants of online purchasing intention among Sri Lankan consumers.

II. LITERATURE REVIEW

As per Wikipedia, the phenomenon of E-tailer shopping more affectionately now referred to as e-tailing , was a phenomenon which flourished in 1980's. The re-known English entrepreneur Michael Aldrich is believed to be the founder of e-tailer shopping in 1979. His systems ensured connectivity with a customised television set to a real-time transaction processing computer via communication line. Aldrich was of the opinion that this invention of a modified domestic TV technology with a simple menu-driven interface, was a '"new, universally applicable, participative communication medium — the first since the invention of the telephone". This enabled 'closed' corporate information systems to be opened to 'outside' correspondents not just for transaction processing but also for emessaging and information retrieval and dissemination, later known as e-business. His definition of the wide communication media as 'participative' was fundamentally different from the traditional definitions of mass communication and mass media and a precursor to the social networking on the World Wide Web 25 years later. In March 1980 he launched Redifon's Office Revolution, which allowed consumers, customers, agents, distributors, suppliers and service companies to be connected on-line to the corporate 3 systems and allow business transactions to be completed electronically in real-time. During the 1980's he designed, manufactured, sold, installed, maintained and supported many e-tailer shopping systems, using AV technology. These systems which also provided voice response and handprint processing pre date the Word Wide Web and the World Wide Web, the IBM PC, and Microsoft MS-DOS, and were installed mainly in the UK by large corporations.

The first World Wide Web server and browser, created by Tim Berners-Lee in 1990, opened for commercial use in 1991. Thereafter, subsequent technological innovations emerged in 1994: e-tailer banking, the opening of an e-tailer pizza shop by Pizza Hut,Netscape's SSL v2 encryption standard for secure data transfer, and Intershop's first e-tailer shopping system. The first secure retail transaction over the Web was either by Net Market or Word Wide Web Shopping Network in 1994. Immediately after, Amazon.com launched its e-tailer shopping site in 1995 and eBay was also introduced in 1995. Alibaba's sites Taobao and Tmall were launched in 2003 and 2008, respectively. Retailers are

increasingly selling goods and services prior to availability through "pretail" for testing, building, and managing demand. Internet based retailing, customer perceptions towards e-tailing and related studies on behavioural habits and trends In 1995, according to Burstein and Kline , as sighted by Javenpaar & Todd referred to the Word Wide Web as the "marketing superhighway", which many to this date tend to embrace as an all- time sooth saying. The initial cannon to the traditional brick and mortar dominated retail space was fired by the introduction of "as seen on TV" shopping , popularly referred to as infomercials invented by Ron Popeil , the ig Nobel Price laureate for consumer engineering 1993 (source: www.ronpopeil.com, accessed on 23/12/16). However, the Word Wide Web soon surpassed the catalogue and TV infomercial landscape due to the two way communication capability being offered by the former according to Hoffman, Novak and Chatterjee , 1996).

The e-commerce sales globally will be most probably hit the USD 2 trillion mark as per eMarketer magazine , sighted by www.statistica.com accessed on 23/12/2016, a magnanimous growth compared to the counterpart figure merely two decades ago fairing at a disappointing USD 132 million. 4 As per Javenpaar & Todd (1995), the factors which influence the consumers to shop through electronic shopping mechanisms, product perceptions, shopping experience and customer service. As per Darden and Lusch , " The perceptions of the products to be found at a given vendor are one key determinant of where consumers choose to shop". Perceptions include Price , Product Quality, and Product Variety as sighted by Javenpaar and Todd , referencing the work of many researchers in their article " Consumer reactions to electronic shopping on the

world wide web". Low prices generally tend to attract a customers to try new products or new ways of purchasing . Product quality is the standard expected of the product or the service. Variety is the assortment or range of products / services available from a given retailer. The shopping experience is described by Halt as an important social and personal activity. Javenpaar & Todd have concluded that for electronic retail channels the shopping experience factors might be translated in to effort , compatibility and playfulness. Park and Kim in their work on "Identifying key factors affecting consumer purchasing behaviour in an e-tailer shopping context" argue that information quality , user interface quality and security perceptions affect information satisfaction and relational benefit that in turn are significantly related to each consumer's site commitment and actual purchase behaviour. As per Uzun and Poturak , the consumers consider convenience and trust as two of the most important variables in deciding whether to purchase from a web mall. Price and quality of the product become the next important factors. If the Word Wide Web and the physical store's prices are similar , the consumers will then look at the selection of goods available at each of the options.

Furthermore, they argue that the consumer's experience from the previous interaction with the site. Hong Yul Ha in his paper argues that security, privacy , brand name, word of mouth recommendation, and impressive experience of specific websites contribute to building a strong brand trust online. Boulay, Faultrier and Feenstra sight an interesting phenomenon on the purchasing habits of six to twelve year olds , where the respondents in the said category actually seem to prefer the offline / brick & mortar

stores as against e-tailer shopping. Very disturbingly these digital natives perceive e-tailer shopping as something very negative and dishonest.

Online trust needs to be there when personal financial information and personal data is shared while making a purchase online (Egger, 2006). Online trust is based on the perception of the risks or benefits of the online transaction (Teo and Liu, 2007). In the Indian context, the influence of the online trust as of mediating effect has been studied on customer online purchase intention (Ganguly et al., 2009).

In an article by Jose Costa the group president of driven brands quotes that " while the effect of the digital revolution ignited by the brick-and-mortar retail has been considerable, as the dust begins to settle all of us see that this age-old model is undeniably here to stay". As per the article , Sandeep Mathrani, CEO , of General Growth Properties, announced the possibility of Amazon looking at potentially opening 300 to 400 in-real-life storefronts. The e-tailer giant Amazon have not explicitly endorsed back the claim, and indications are evident that they might enter the space in much cautioned pace. Most of the readers will recall bookstore chains like Borders, B. Dalton and Crown Books with affectionate memories, but those brands have largely become obsolete in the modern age. Much peculiarly Amazon is now looking at the void to play in the vacuum they left behind.

Online purchases are still considered to be risky compared to offline retail purchases (Laroche et al., 2005). In an online shopping environment, prior online purchase experience leads to the reduction of uncertainties and eventually leads to an increase in the customer purchase intention (Shim and Drake, 1990). Online shoppers who have bought products online are more open and inclined to shop online than others (Lee and Tan, 2003). Shim et al. (2001a, b) found that past satisfactory online purchase will lead to future online purchase. Shopping orientations and customer online purchase orientation Shopping orientations are defined as a general disposition toward the acts of shopping (Brown et al., 2001). Swaminathan et al. (1999) asserted that shopping orientation is one of the prime indicators of making online purchases. The concept of shopping orientation refers to a specific segment of lifestyle that is operationalized by various activities, interests and opinion statements relevant to shopping (Li et al., 1999). Being regarded as a multi-dimensional construct, shopping orientation comprises of many constructs referring to different attitudes and opinions. Vijayasarathy and Jones (2000) segmented the shoppers into seven distinct varieties namely: in-home shoppers, economic shoppers, mall shoppers, personalized shoppers, ethical shoppers and convenience shoppers. They found in-home shoppers more inclined to online purchase and having higher purchase intention than the rest of the classes. Seven shopping orientation types identified by Gehrt et al. (2007) are recreation, novelty, impulse purchase, quality, brand, price and convenience. Of all the seven shopping orientations, impulse purchase orientation, quality orientation and brand orientation were perceived as more important from the web

retailer perspective and often investigated together (Ling et al., 2010). These three orientations were chosen for this study. a. Impulse purchase orientation. Impulse purchase behavior happens when a customer feels the urge to purchase something at the very instant without any more evaluation (Rook, 1987). According to Piron (1991), Impulse purchase behavior is an action done without any prior plan as a result of a stimulus. With the rampant growth of online shopping, the studies made by Donthu and Garcia (1999) have found that impulse purchase orientation is a default characteristic of an online shopper. Brand orientation, In internet transactions, customers use trusted corporate and brand names in place of product information while purchasing online (Ward and Lee, 2000). Jayawardhena et al. (2007) have established from their study that there is a significant effect of brand orientation on customer online purchase intention. On Quality orientation. Bellenger and Korgaonkar (1980) found that one of the things that recreational shoppers tend to take into

consideration is quality when choosing stores for shopping. In an online shopping context, Gehrt et al. (2007) found that customers who shop for recreation online are significantly associated with quality.

It can be easy, while embracing this new digital economy, to short circuit the concept of face-to-face transactions that occur in the bowels of a physical building. From Circuit City to the Virgin Megastore, brick-and-mortar retail has been able to sustain more than its fair share of sad casualties in recent decades. Many of those affected in the process, while ushered along through the new digital era, were actually a market-based catalyst. In some cases, it was always problems with the specific companies, and not the business model, were to blame. We can also consider the story of Tower Records, recounted in the 2015 documentary All Things Must Pass. The documentary unwinds the tale of a mainstream brand that was short-circuited by a digital file sharing and the rise of Napster and, later iTunes. But, it also carefully outlines the brand's imminent failures, including to a somewhat stubborn reluctance to enter the digital space that it could have owned, its misguided growth projections, unrealistic pricing strategies, uncontrollable generational shifts and not in the least its bad investment decisions in the long run.

Intelligence on the Sri Lankan cyber market space Quite contrarily , the cyber market space in Sri Lanka isn't deserted now as it was many a few years ago. As per Google India , the total Sri Lankan e commerce market potential value by 2015 end was around LKR 3Bn which is around 1%of the total Sri Lankan retail market size of LKR 300Bn. As per a research conducted by Kaymu.lk (www.daraz.lk/research, accessed on 27/12/2016) Sri Lanka approximately has 4.8Mn Word Wide Web users, and having a penetration rate of almost 22%. Kaymu has established that the 25-34 years age bracket is the most interested age group in e-commerce for Sri Lanka which is almost 45% of the total e-commerce interested population. It is closely followed by the 35-44 year age bracket which stands at around 20%. Gender wise the male population dominates the e-commerce savvy population by almost

68%. Colombo dominates the total volume of e-commerce transactions by almost 60% , and Kandy and Galle follows closely with 15% and 12% respectively. Popular search strings for e-commerce in Sri Lanka include purchasing consumer electronics & mobile phones, followed by used motor vehicles, employment, apparel & accessories, real estate/residential properties for sale, education/post-secondary education, travel/hotels & accommodations, dating services, computers & peripherals and motor vehicles by brand respectively.

The ecommerce market in Sri Lanka has been growing steadily where in 2014 the YoY growth was recorded at approximately 30%, and 2015 and 2016 projections touching the 50% and 70% mark respectively. Starting with Anything.lk &Wow webmalls by Suntel , today an average facebook account of a private user is bombarded with almost five sponsored or tagged adverts of webmalls selling everything from USB powered mini ACs to the 24000BTU inverter air conditioners, and the all time sweetner being the deep discounted prices.

On screen the web malls were deep discounting the prices of electronic merchandise by magnanimous rates of around 50%, certainly would incentivise the most skeptic electronic buyers out there. In my quest to explore the e-tailing market in Sri Lanka , I placed orders for items less than USD 10/- in three webmalls. The first order , at retail genius.com was placed for a in car vacuum cleaner at a deep discounted price of USD7/- . The payment was collected , two days past the quoted delivery date , nothing turns up. The contact number of the etailer is not being picked up and the promise quoted in the website for a maximum 24 hour 7 response time is overdue by atleast another 24 hours. After six emails, countless short messages and emails , two google reviews carrying a single star for service , and a demanding mail to the Bank who apparently was co-advertising the deal , received a short email note asking for my account number for the amount to be re-imbursed with not even an apology for the inconvenience caused. Being soured with the initial experience a second order was being placed at mydeal.lk for another car vacuum cleaner. Carrying the unfriendly experience in the initial order the cash on delivery method was used.

However, the order could be clearly tracked in the system and as promised the merchandise arrived and delivered via a reputed courier entity which was yet 24 hours late , additional delivery charge and to add to that , the product colour was not what was being ordered. The third order being placed at catchme.lk which provided the best discount for the same item in comparison to three other web malls , ensured same day delivery and compliant to the exact specification being ordered. However, challenge was to venture in to process of procuring a large television which is a high involvement product with a considerable fund outflow.

The e-tailers were deep discounting all mainstream brands , even than the reputed wholesale vendors who had reputation for customer friendly pricing. Yet, of many whose advise I sought , were advising me against making the purchase from a e-tailer. Critical points raised were in terms of product quality,

reliability, authenticity, product warranty, trust , etc. The lack of brick and mortar presence was continuously brought forward, as a point where the risk / trust factors were at stake for a high involvement product. My experience with retail genius .com was not helping either as it was one of the main e-tailers offering significant discounts on large screen televisions. After a few references in the web , I was referred to

wow.lk , sri lanka's first e-tailer and also the first to have a brick and mortar presence as well. The fully fledged showroom was being set up and all the merchandise which were appearing in the website , identical to the deep discounted prices in other webmalls the customers could come to the store, and were able to physically experience the product first- hand. The showroom's footfall visually was very impressive and a personalised service was offered to the clients who apparently wre lining up at the set of public computers to place their order at the usual website channel. Wow.lk has been steadily recording a growth of almost 20% year on year , where they will surpass the 600Mn mark easily by the year end , marking revenue growth of 100Mn against last year which is a 22% growth. From being a fuly fledged e-tailer wow sales has been more than quadrupled after the brick and mortar presence has been established.

In an interview conducted by Echelon.lk with the owners of mydeal.lk / mystore.lk , the article quotes that " It is established in the industry now, that if you want to succeed at ecommerce, you have to be omni-channel,". "We have the advantage of being omnichannel from day one." .www.thumbsup.lk (http://www.thumbsup.lk/top-10-ecommercesites-in-sri-lanka, accessed on 27/12/16) ranks wow.lk , kapruka.com and mydeal.lk as the respective most popular e-commerce sites in Sri Lanka. A value approximation places wow's market share at approximately 30-35% of the total market. The phenomenon of the brick & mortar presence in the e-tail industry apparently has fared successful results for many e-tailers in the US. In article appearing in "The Guardian" (https://www.theguardian.com/media-network/2016/jul/07/bricks-and-mortarecommerce-retail

digital, accessed on 27 /12/16) many successful e-tailers such as Warby Parker , Nastygal, Bonobos and Birchbox have doubled their success rate which is attriburtable to launching their brick and mortar presence from the e-tailer presence. The CEO of Warby Parker Neil Blumenthal in his interview quotes that "We believe the future of retail sits at the intersection of e-commerce and brick and mortar," , "The two experiences should be seamlessly integrated and complementary.

The global online retail spend has now reached USD Two trillion , around 7% of the total global retail spend and 25-30% growth potential forecast has been published as per the latest reports from statistica (www.statistca.com) & e-marketer (www.emarketer.com) . Asia Pacific is categorized as one of the fastest growing regions for e-commerce lead by a significant boom in the B2C and C2C markets in China. It is followed closely by India the the largest player in the SAARC region , India merely had an online transaction value of USD 11mn (The Economist, Schumpeter Blogs, e-commerce of India , April 2012) , but where as by 2016 the transaction value was stated at USD 8,800Mn as per the Forrester report in 2012, marking the fastest CAGR between the 2012-2016 period ever by an Asian country. In

2012 The Economist predicted that the number of internet surfers who browse in the intent of locating a purchase deal was increasing by 1.5 million each month. Global players such as Amazon.com , ebay now have their dedicated websites in play to cater exclusively to the ever growing Indian market.

As the closest neighbour of India and being the country which adopted 3G , 4G , 4.5G and 5G (testing) and Wi-max technologies for the first time in South Asia , Sri Lanka inevitably is one of the technological hotbeds for technological adoption in the region. Housing a mere 21.444 million population (Department of statistics , 2017), Sri Lanka boasts an impressive 131.6 handheld devices for every 100 citizens. In Sri Lanka the current active base of mobile subscribers have now surpassed 28.228 Mn who have the minimum capability to transact online (TRCSL statistics, September 2017) with a technology of 3G or higher. The total money supply on the mobile platform has increased up to LKR 490Mn which is virtual cash in circulation to support online and mobile platform transactions (Dialog Digital Services – Ez cash performance report, November 2017). Sri Lanka now has 1.12 Mn fixed broadband subscriptions and 4.515Mn mobile broadband subscriptions enabling a total 7mn on potential customers for online transacting or 33 broadband internet connections for every 100 people. In 2009 , Sri Lanka had 0.3Mn Fixed broadband & narrowband subscriptions which was growing approximately at 20% p.a. and currently residing at 1.12Mn plus the mobile

broadband connections have risen from 91,359 to 4,515,327 in 2017. Apart from Kilinochchi and Mullatiuv all subscribers have ADSL coverage in least couple with CDMA. Colombo , Gampaha , Kalutara, Galle , Matara , Kurunegala , Anuradhapura , Puttalam could be categorized as districts which have a higher density of ADSL or higher quality connection for uninterrupted online surfing capability(TRCSL statistics, September 2017). Hence, it could clearly be denoted that Sri Lanka is one of the countries which has a higher appetite for internet facility adoption and thus in a strong position to facilitate a higher number of potential e-commerce consumers.

The e-commerce retail market in Sri Lanka is valued at LKR 03Bn which is approximately 1% of the total retail spend done by Sri Lankans (LKR 300Bn) (Google – India , e-commerce statistics for Sri Lanka, 2016.As per research conducted by Kaymu – India's research arm 25-34 (Generation Y or Millennials) years age bracket is categorized as the most interested group for e-commerce in Sri Lanka which represents around 45% of the total internet savvy population. The second age group between 35- 44 years (Generation X) represent 20% of the total internet savvy population. District-wise Colombo has the highest volume of e-

commerce transactions which is approximately 60%. Kandy and Galle have the second and third larget transactions volumes of 15% and 125 respectively. The Sri Lankan e-

commerce growth rate is predicted to be at 60% over the next couple of years. The most searched and procured product category is consumer electronics followed by vehicle, employment, apparel and accessories.

In terms of market share, Digital Commerce Lanka which hosts wow.lk web mall is selected as the largest transaction value earner , whilst Mydeal.lk categorized as the largest transaction volume earner. Digital Commerce Lanka was incorporated in 2002 as one of Sri Lanka's pioneer e-commerce start ups. The entity first resumed operations as a business development support / advertising platform for other retailers, manufacturers and distributors. The webmall was widely known as Anything.lk and focussed exclusively on the "daily deals" market where a limited number of vouchers were sold online to avail a certain discount for a product or a service which was merely a promotional effort for the said brand. In 2009 Dialog Telekom acquires a 25% stake in the business , and subsequently completes the full acquisition in 2015. Dialog's acquisition in 2009 results in Anything.lk being renamed as Wow.lk which is a domain previously used by Suntel Lanka , another web mall for B2B and B2B online commerce.

As at September 2017 wow.lk records annual earnings were in the range of LKR 1.3Bn , (Monthly sale of 100Mn out of which 20Mn is accounted as corporate sales) and out of the balance of LKR 80Mn , LKR 35Mn (almost 70%) is now derived from in store sales. Out of the product sales mix for online , 80% constitutes of electronics of which 50% would be large screen televisions. The click conversion rate for online stands currently at 2-2.5% in average but where as sales conversion of footfall is recorded at 78-80%.

In 2009, Digital Commerce Lanka decided to launch a fully fledged Phyiscal outlet for full product display with dedicated sales support agents. Considering the ongoing consumer requests as to whether the products could be physically inspected , the management team obtained a conscious decision to have display samples of all products which are being sold online via the wow.lk webmall. Within the period from 2009 to 2012 , the only major change which occurred in the operation is the acquisition of the showroom on lease. The capital structure largely remained the same with no fresh infusion, no new borrowings , no significant new cycle executions, no remarkable structural , personnel or infrastructure development , no significant web development , no significant change in pricing. (see exhibit 1 for financials). As per the focus group discussion facilitated by AC Nielsen customers have provided clear insights indicating that after establishing the showroom, some of the clients have experienced a sense of additional trust on the business which encouraged them to purchase, and for some it was the ability to first hand experience the products , especially big ticket items in consumer categories. Big ticket items generally in the industry is defined as any electronic item which is over LKR 10,000/- in total invoice value to the final consumer.

The first World Wide Web server and browser, created by Tim Berners-Lee in 1990, opened for commercial use in 1991. Thereafter, subsequent technological innovations emerged in 1994: e-tailer banking, the opening of an e-tailer pizza shop by Pizza Hut,Netscape's SSL v2 encryption standard for secure data transfer, and Intershop's first e-tailer shopping system. The first secure retail transaction over the Web was either by Net Market or Word Wide Web Shopping Network in 1994. Immediately after, Amazon.com launched its e-tailer shopping site in 1995 and eBay was also introduced in 1995. Alibaba's sites Taobao and Tmall were launched in 2003 and 2008, respectively. Retailers are increasingly selling goods and services prior to availability through "pretail" for testing, building, and managing demand. Internet based retailing, customer perceptions towards e-tailing and related studies on behavioural habits and trends In 1995, according to Burstein and Kline (1987), as sighted by Javenpaar & Todd (2000) referred to the Word Wide Web as the "marketing superhighway", which many to this date tend to embrace as an all- time sooth saying. The initial cannon to the traditional brick and mortar dominated retail space was fired by the introduction of "as seen on TV" shopping , popularly referred to as infomercials invented by Ron Popeil , the ig Nobel Price laureate for consumer engineering 1993 (source: www.ronpopeil.com, accessed on 23/12/16). However, the Word Wide Web soon surpassed the catalogue and TV infomercial landscape due to the two way communication capability being offered by the former according to Hoffman, Novak and Chatterjee , 1996). , As per Darden and Lusch (1999) , " The perceptions of the products to be found at a given vendor are one key determinant of where consumers choose to shop". Perceptions include Price , Product Quality, and Product Variety as sighted by Javenpaar and Todd , referencing the work of many researchers in their article " Consumer reactions to electronic shopping on the world wide web". Low prices generally tend to attract a customers to try new products or new ways of purchasing . Product quality is the standard expected of the product or the service. Variety is the assortment or range of products / services available from a given retailer. The shopping experience is described by Halt as an important social and personal activity. Javenpaar & Todd have concluded that for electronic retail channels the shopping experience factors might be translated in to effort , compatibility and playfulness. Park and Kim in their work on "Identifying key factors affecting consumer purchasing behaviour in an e-tailer shopping context" argue that information quality , user interface quality and security perceptions affect information satisfaction and relational benefit that in turn are significantly related to each

consumer's site commitment and actual purchase behaviour. As per Uzun and Poturak , the consumers consider convenience and trust as two of the most important variables in deciding whether to purchase from a web mall. Price and quality of the product become the next important factors. If the Word Wide Web and the physical store's prices are similar , the consumers will then look at the selection of goods available at each of the options.

Furthermore, they argue that the consumer's experience from the previous interaction with the site. Hong Yul Ha in his paper argues that security, privacy , brand name, word of mouth recommendation, and impressive experience of specific websites contribute to building a strong brand trust online. Boulay, Faultrier and Feenstra sight an interesting phenomenon on the purchasing habits of six to twelve year olds , where the respondents in the said category actually seem to prefer the offline / brick & mortar stores as against e-tailershopping. Very disturbingly these digital natives perceive e-tailer shopping as something very negative and dishonest.

Even if a relationship between omni-channel strategy and the firm output variables has been identified, this relationship is not direct. Indeed, this relationship is mediated by certain customer's attitudes toward the company that are affected by the implementation of an omni-channel strategy. These customer variables influence customer's behaviour in an omnichannel environment, and therefore their retention, acquisition and extension. We will refer to these variables as customer mediating variables. First step of any interaction between a retailer and its consumers is the need to create awareness regarding the existence of the retailer and its product offering (Goersch, 2002). Newman and Staelin (1972), talk about retailer's superior location as an advantage to create awareness among consumers. While, Rosen and Howard (2000) emphasize online retailer's expenditure on marketing and advertising activities to create awareness and overcome its disadvantage of not possessing a superior location. Customer awareness impacts customer acquisition heavily in the long run (Goersch, 2002). Along with awareness, trust is another key element that affects consumer purchase intention and according to Tan and Thoen (2000) it is associated with perceived risk. The previous researchers view the lack of perceived trust as one of the crucial factors that adversely affect purchase intention from e-retailer. Jarvenpaa, Tractinsky, Saarinen and Vitale (1999), relates culture with customers perception regarding merchant trustworthiness. Increasing trust is important during the initial phase of interaction between retailers and consumers and it is crucial for acquiring new customers (Goersch, 2002). Trust and perceived risk can be viewed as two complementary variables. Dowling and Stealin (1994) describe risk as the perceived uncertainty that consumers have when purchasing merchandise. Risk affects customer acquisition, retention and extension. Moreover, low level of perceived risk will allow to bypass the search and evaluation phase in the purchase and consumption process (Hauser, Urban, & Weinberg, 1993). In the online field, risk is associated with both personal risk – which is related for example to the payment with credit card – and performance risk – for example when the product does not match the expectations of consumers (Jarvenpaa & Todd, 1996). At the same time, offline shopping is associated with risk in terms of less information accessible (Goersch, 2002). 14 Convenience is another

element that influences customer's attitude in an omni-channel environment. Szymanski and Hise (2000) consider convenience as one factor affecting customer satisfaction while shopping. Satisfied customers will positively impact their retention, acquisition and extension. Convenience implies ease of return items, ease of reaching the merchant location, ease of collecting information, ease of placing orders, and ease of accessing pick up locations (Gehrt, Yale, & Lawson, 1996). Overall, convenience means ease to conduct purchase activities according to customer's preferences. Along with convenience, perceived control is another factor associated with customer satisfaction (Bateson, 1985). Offering different shopping channels may increase consumers perceived control during their purchase and consumption processes. However, when satisfaction towards a specific channel increases, the willingness of the same customers to purchase from other channels provided by the same retailer will decrease (Fornari, Fornari, Grandi, Menegatti, & Hofacker, 2016). This effect is commonly known as cannibalization or stated in other words, having different channels will potentially reduce sales in one channel as a result of the introduction of a new channel. Finally, value-adding activities and supplementary support can contribute to view customers as final producer of their products (Goersch, 2002). In such a way, customers may play a key role in the production process, increasing the level of product customization and therefore the overall level of satisfaction. Innovation toolkits offered through online website are an example of consumer participation in the production process. From the retailer perspective, taking into considerations customer's needs when designing and producing a product would be a plus (Keeney, 1999). Through multichannel exposure, retailer can gather consumer's information in one channel and use that information to tailor their products to consumer needs. This, in turn, will affect consumer retention and extension. Moreover, collecting consumer information through different channels may contribute to customer acquisition (Goersch, 2002)

Conceptual Framework & Hypotheses

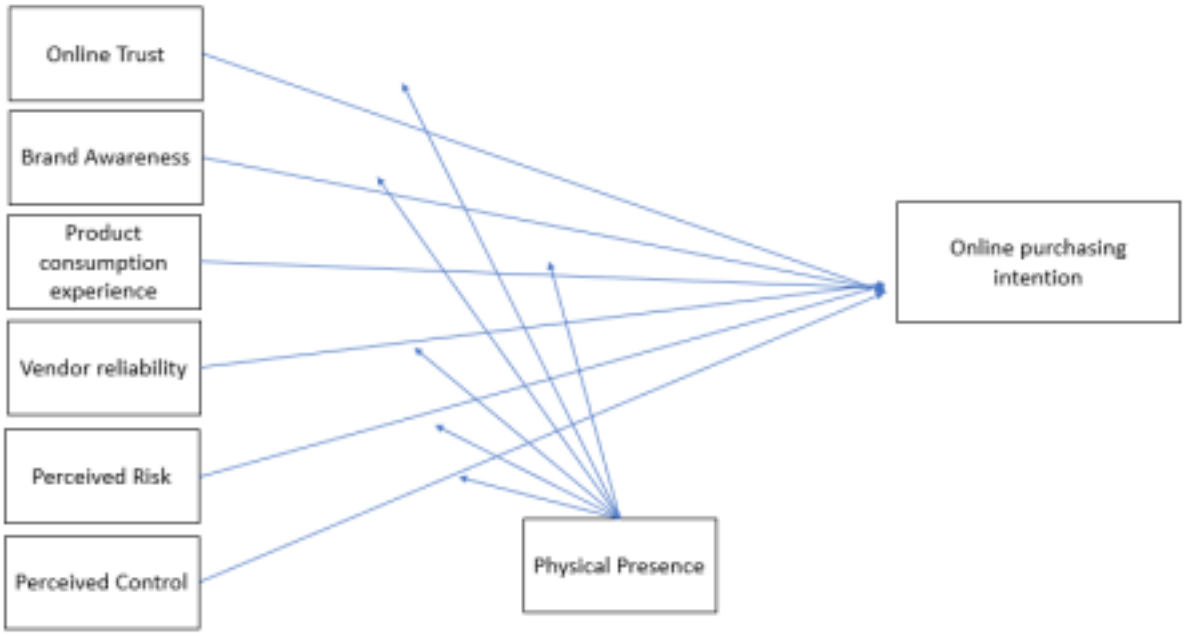

Figure 1 : Conceptual Framework

H1 – Physical presence of the online retailer has a positive effect on online trust towards anythin.lk H2 – Physical presence of the online retailer has a positive effect on brandawareness of anythin.lk
H3 – Physical presence of online retailer has a positive effect on product consumtion experience at anythin.lk
H4 – physical presence of online retailer has a posotive effect on retailer reliability by after sales service by anythin.lk
H5 – Physical presence of online retailer has a positive effect on reducing perveived risk in the online purchaing process towards anthin.lk
H6 – Physical presence of online retailer has a positive effect on enhanced perceived control during the purchasing process with anythin.lk
H7 – Physical presence of online retailer has a positive effect on the online purchasing intention of the customer at anythin.lk

III. RESEARCH METHODOLOGY

A descriptive research design in being used in this area. The questionnaire was developed where it mainly consisted of two parts. The first part verified the gender , age category , internet usage per day, access to electronic payment mode, most frequent category of items purchased over the internet.

The second part of the questionnaire consists of questions which would gage the responses on a series of questions pertaining to the brand orientation, quality orientation, impulse purchase orientation, prior online purchase intention & online trust.

Sampling

A total of 200 participants were invited to take part in the survey which was done by using an assisted questionnaire. All 200 participants were customers who have visited the anythin.lk website prevously but havent made a purchase todate. The sample size of above 30 is sufficient to conduct ANOVA.

IV. DATA ANALYSIS & RESULTS

Profile of respondents

Category	Categories	Frequency	%
Gender	Male	152	76%
	Female	48	24%
Age	Below 30	140	70%

	Above 30	**60**	**30%**
Education	**Below Degree**	**40**	**20%**
	Above Degree	**160**	**80%**

Reliability Test
Reliability test was done on all constructs by calculating the cronbach's alpha where all Cronbach alpha figures exceed 0.5 indicates internal consistency of all scales being used for the survey.
Validity test
The SPSS output shows, the eigen values for all constructs are greater than 1 , and all items are easily discriminated and grouped according to the respective constructs. There were no overlapping items which establish discriminant validity.
Multiple Regression Analysis
The six assumptions of regression analysis is addressed prior to conduct the respective analysis.
a) Normality
b) Linearity
c) Independence of error term
d) Absence of multi-co-linearity
e) Absence of heteroscedasticity
f) Absence of outlier and influential observations
Based on the data analysis the following outcomes have been recorded.

Hypotheses	**Outcomes**
H1 : Physical presence of the online retailer has a positive effect on online trust towards anythin.lk	Supported
H2 : Physical presence of online retailer has a positive effect on brand awarenss at anythin.lk	Supported
H3 : Physical presence of online retailer has a positive effect on product consumption experience at anythin.lk	Supported
H4 : – physical presence of online retailer has a posotive effect on retailer reliability by after sales service by anythin.lk	Supported
H5 : Physical presence of online retailer has a positive effect on reducing perveived risk in the online purchaing process towards anthin.lk	Supported
H6 : Physical presence of online retailer has a positive effect on enhanced perceived control during the purchasing process with anythin.lk	Supported
H7 : Physical presence of online retailer has a positive effect on the	Not supported
online purchasing intention of the customer at anythin.lk	

Managerial Implications
This specific study denotes that physical presence has a significant impact on online trust , brand awareness, product consumption experience, retailer reliabilty, perceived risk, and perceived control. This study will be important to e-tailers, marketing managers, internet marketers & the for the online retail customers as a whole in Sri Lanka.

Impulse purchasing orientations could be influenced via attractive one time deals , limited time bracket offers plus tagging such offers to loyalty schemes. Prior online purchasing experience , could be influenced via having easy interfaces to transact via the web, and encouraging opinion leaders to induce first time users to

open up the arena to indulge in more web transactions. Online trust should be developed by e-tailers by offering SSN security certificates for customers, cash back guarantees, cash on delivery options, tying up with reputed online payment gateways etc.

Limitations and future areas for research

As respective sample consists only of employed youth who predominanltly are engaged in the info-tech and telecommunications sector, whether its' representation of the whole internet savvy population of Sri Lanka may be slightly questionable. In future a more wider level sample which reflects a better representative sample of all Sri Lankan internet savvy parties would make the understanding on the factors more uniform.

The reason as to why quality and brand orientation is not considered as salient , as against other factors in online purchasing should be tested in deep , as it is not in line with the practices of the western counties where identical studies have been carried out.

Notes

1. "Ecommerce Trends Sri Lanka | Report By Kaymu.Lk". *Daraz.lk*. N.p., 2017. Web. 27 Feb. 2017.
2. "Ecommerce Trends Sri Lanka | Report By Kaymu.Lk". *Daraz.lk*. N.p., 2017. Web. 27 Feb. 2017.
3. "Forbes Welcome". *Forbes.com*. N.p., 2017. Web. 27 Feb. 2017.
4. "Forbes Welcome". *Forbes.com*. N.p., 2017. Web. 27 Feb. 2017.
5. "Global B2C Ecommerce Sales To Hit $1.5 Trillion This Year Driven By Growth In Emerging Markets - Emarketer". *Emarketer.com*. N.p., 2017. Web. 27 Feb. 2017.
6. "Retail Sales Worldwide Will Top $22 Trillion This Year - Emarketer". *Emarketer.com*. N.p., 2017. Web. 27 Feb. 2017.

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Annexure One

The following questionnaire has been used to obtain responses from the 200 respondents

	Strongly disagree			← →			*Strongly agree*
	1	2	3	4	5	6	7
Having both an online and offline retail presence increases my knowledge of the retailer.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases my capacity to recognize the retailer's logo in different contexts.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases the retailer's reputation.	☐	☐	☐	☐	☐	☐	☐

Having both an online and offline retail presence increases the retailer's trustworthiness.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases my belief that the retailer will keep its promises and commitments.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases my belief that the retailer will meet my expectations.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases my perception of safeness when making payments through the retailer online website.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases my perception of safeness in submitting my personal data during the purchase process.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases my belief that the information I submit online will not be misused.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence makes the purchase process easier.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence makes the purchase process quicker.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence is useful during the purchase process.	☐	☐	☐	☐	☐	☐	☐
Online and offline channels are easy to use.	☐	☐	☐	☐	☐	☐	☐
Learning how to use the different channels in a complementary way is easy for me.	☐	☐	☐	☐	☐	☐	☐

Having both an online and offline retail presence increases the amount of support that I can receive from the company.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases the personalisation of the promotions I receive.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases the accuracy of product recommendations that I receive from the company.	☐	☐	☐	☐	☐	☐	☐
Having both an online and offline retail presence increases the company ability to tailor parts of their website based on my previous interactions with them.	☐	☐	☐	☐	☐	☐	☐

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