

The Impact of Digital Marketing, Sales Promotion, And E-Word Of Mouth On Customer Purchase Intention In Sri Lankan Handicrafts Industry

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Abstract

This study examines about the impact of digital marketing, sales promotion, and e-word of mouth on customer purchase intention in the Sri Lankan handicrafts industry. The study aims to measure how effective digital marketing strategies are on customer purchases in the Sri Lankan handicrafts industry. The study adhered to the quantitative method, Data was collected through a survey of 152 local and international consumers and analyzed by SPSS using different statistical methods such as reliability analysis, correlation analysis, and regression analysis. The findings of the study reveal digital marketing. Sales promotion and E-WOM have a significant impact on customer purchase intention as the strongest influence indicated by the E-WOM, the second is digital marketing emphasizing the importance of online reviews, recommendations, and digital engagements in the handicrafts sector. The study contributes to the literature by identifying how these modern marketing strategies work in niche industries and provides valuable insights for handicraft artisans and businessmen to optimize their business and boost customer engagement.

Keywords: *Customer purchase intention, Digital Marketing, E-WOM (electronic word of mouth), Globalization, Handicrafts industry, Marketing strategies, Sales promotion.*

1. Introduction

Due to increasing globalization and the increasing demand for home accessories, the global handicrafts industry has been expanding over the past years. Also, this has caused the industry competitiveness to grow (Teo et al., 2020). Globalization which can be defined as interconnectedness and interdependency has opened up business opportunities for most businesses and industries, Sri Lankan handicrafts industry is also such kind of industry that has been given the opportunity to face to the global markets and their competition (Koswatte, 2020). Studies show that Globalization has directly affected the global handicrafts market as well, different global studies done by the United States Agency of International Development for global handicrafts have found that the global handicrafts industry kept evolving as it remained at US\$ 75 billion in 1996, and it increased to approximately US\$984 billion by 2023 (Koswatte, 2020).

The studies performed on the Sri Lankan handicrafts industry have been identified as not using proper marketing techniques to sell the products by artisans in the Sri Lankan handicrafts industry. (Kalubowila & Rajapakse, 2021). According to (Kalubowila & Rajapakse, 2021) there is an improvement in using digital media like Facebook, and Instagram to promote Sri Lankan handicrafts yet some of the artisans still use their close contacts and crafts shops near cultural heritages which are not enough to cater to the global demand for the handicrafts. To successfully cater to the demand for the global markets and face the global competition, it has been identified the right utilization of marketing strategies is crucial in the era where most of the customers prefer online buying and selling (Jurnal & Vol., 2022). Even though there are various marketing strategies, with the existing trend of online buying and selling, it has been chosen three marketing strategies digital marketing, sales promotion, and e-word of mouth will be ideal to cater to the global demand in today's digital era for the Sri Lankan Handicrafts Industry (Jurnal & Vol., 2022).

1.1 Research Question(s)

- What is the impact of digital marketing on customer purchase intention in the handicrafts industry of Sri Lanka?
- What is the impact of sale promotion on customer purchase intention in the handicraft industry?
- What is the impact of e-word of mouth on customer purchase intention in the handicrafts industry?.

1.2 Research Objective(s)

- To identify the impact of digital marketing on customer purchase intention in the handicrafts industry.
- To identify the impact of sales promotion on customer purchase intention in the handicrafts industry.
- To identify the impact of E-WOM on customer purchase intention in the handicrafts industry.

1.3 Research Aim

To investigate the influence of digital marketing, sales promotion, and electronic word-of-mouth (E-WOM) on customer purchase intention within the handicrafts industry

2. Literature Review

According to *The Race to the Top – The Story of Globalization* book published by Swedish journalist Thomas Larsson has been defined globalization as the process that creates a world shrinkage or else the distances getting shorter and things moving closer (Larsson, 2001). It has shown how much easier it is for people on one side of the globe to communicate with people on the other, for their mutual advantage. The concept itself essentially talks about the movement of goods, capital, technology, and people beyond the borders of the countries as a result of the integration happen to the domestic economies with international economies through international trade and investment rules. (Majeed, 2018)

Globalization has been able to leverage the global business landscape for various industries with international trade and the advancement of technologies (Larsson, 2001). This created or opened up new business opportunities for various industries worldwide. Even though it seems globalization has created a positive effect by creating new business opportunities it has also affected the industries by creating huge competition for domestic businesses. Moreover, this has been a major reason for changing consumer's taste for products as well, Researchers depict that this has created a negative effect on the traditional industries, for example, the handicrafts sector since the consumer now seeking more fusion crafts that are blended with both traditional and modernized tastes to products (Koswate, 2020).

Studies show that Globalization has directly affected the global handicrafts market as well, different global studies done by the United States Agency of International Development for

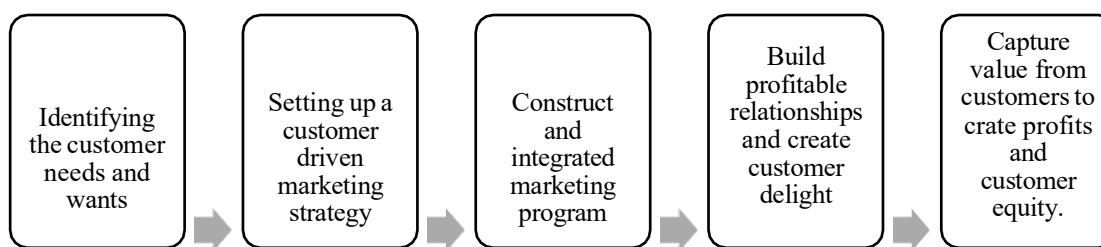
Global Handicrafts have found that the global handicrafts industry kept evolving as it remained at US\$ 75 billion in 1996, and it increased to approximately US\$984 billion by 2023 (Koswate, 2020).

2.1 Marketing strategies

Although the majority think that marketing is only involved with selling and advertising as it can be seen various products have been marketed using TV commercials, sales calls, and e-mail pitches, Marketing is somewhat different from selling and advertising or can be said marketing is a broader concept and selling and advertising is only the tip of the iceberg of marketing. Marketing can be broadly defined as the social and managerial process used to obtain what organizations and individuals need and want through creating and exchanging values with others (Kotler & Armstrong, 2014).

As per the principles of marketing the whole marketing concept can be identified as a five-step process.

Figure 10 Simple Marketing Model



Source: Kotler & Armstrong. (2014).

The above chart is a simple model of marketing that shows how marketing is involved in business by identifying the needs of customers until it creates value for the customers. The first 4 steps are all about understanding the consumer, creating values, and creating solid customer relationships. (Kotler & Armstrong, 2014).

With relation to the proposed it should be evaluated how marketing strategies create an impact on the handicrafts industry in Sri Lanka. As per the previous paragraph, studies have depicted that the Sri Lankan handicrafts sector faces challenges when facing the competitiveness arising from the global handicrafts industry due to globalization. According to (Koswatte, 2020) it has been mentioned that to survive in the global handicrafts sector, as an industry Sri Lankan Handicrafts sector should find effective ways to promote the handicrafts to the global. Also, in the (Kalubowila & Rajapakse, 2021), has shown that Sri Lankan handicraft artisans lack digital marketing knowledge and still rely on close contacts to sell the handicrafts to customers or relying on shops near Sri Lankan famous cultural heritages. Studies show a few uses digital marketing techniques to sell their products in today's era and most people prefer to use digital technologies, e-commerce platforms to buy and sell products. Also, the Sri Lankan artisans don't know about the current consumer trends or the correct demand that should be supplied to the market.

According to marketing, some key strategies can be used to market a product and they are market segmentation which happens to be the step where the organization tries to divide the market into different customer segments by evaluating their preferences, targeting which involves selecting the key customers from the market segments and finally differentiation and position where it involves supplying the demanded product and creating a good impression on consumers mind (Kotler & Armstrong, 2014). So according to the previous paragraph studies performed in the Sri Lankan handicrafts sector show a lack of understanding the customers, selecting the customers, and also, they are lacking in selling and promoting their products to the global markets which are crucial when it comes to the promotions of the handicrafts products.

From the marketing perspective, it has been chosen three promotion strategies such as, digital marketing, sales promotion, and E-WOM to evaluate their impact on the customer purchase intention in the Sri Lanka handicrafts industry. The three strategies are effective in understanding the consumer,

getting informed about the market trends which helps to select the right consumers, and finally creating good brand awareness and exposure for the local and global markets.

2.2 Digital Marketing

Digital marketing can be defined as a new field of marketing that involves making an impact on consumers using different online channels such as social media, mobile apps, blogs, emails, and search engine optimization (SEO) (García et al., 2019). The whole process aimed at closer communication with the customer using different types of advertising. (García et al., 2019).

In the (Jurnal & Vol, 2022), it has been analyzed whether there is a positive impact on digital marketing and customer purchase intentions, and it has been found out there is a positive impact on using digital marketing towards customer purchase intentions. It drives people to buy products more, also the study done by Ryan and Jones (2009), depicts that online trading has a huge growth and also it has created a variety of choices for digital marketing.

Moreover, various studies performed in the digital marketing sector have proved that there is a positive impact between digital marketing and brand awareness, digital marketing and brand building, etc., For example, a study has evaluated the “effectiveness of digital marketing in the challenging age: An empirical study” with focusing on the effectiveness of digital marketing by evaluating various forms of digital marketing on organizations sales. Also, the study conducted on “Raising brand awareness through Internet Marketing Tools critically analyzed digital marketing tools such as organizations’ websites, internet advertising, social media, and search engine optimizations to evaluate their impact on brand awareness. All the studies have shown that there is a positive impact of digital marketing on customer purchase intentions, brand awareness, brand building, etc.

When it comes to the Sri Lankan handicrafts industry in information development flow article (Koswatte, 2020) article has highlighted the need for digital strategies for the Sri Lankan handicrafts industry to promote the products to global markets. Even though it has been mentioned the requirements of digital strategies, there is no research has been done to evaluate the impact of digital marketing on the Sri Lankan handicrafts industry. Therefore, it has been examined the studies performed under the same subject manner but in different countries' handicrafts sectors to get a good insight into what digital marketing strategies should be ideal for handicrafts. After analyzing (Guha et al., 2021) it has been chosen social media networks have as a digital marketing strategy that would be ideal for the Sri Lankan context as it already examined in the Indian context..

2.3 Sales Promotion

Sales promotion is a crucial component that can be found in the promotional mix along with advertising, personal selling, public relations, and direct marketing. Sale promotions involve creating extra value for the products and services offered by a particular organization or business to persuade

consumers to purchase them. Moreover, activities involved in sales promotions are planned for a shorter period.

According to the Institute of Sales and Promotions, it has been identified as “the practice of offering additional values for a brand or the products to achieve the defined marketing objectives. According to the (Aykaç & Yilmaz, 2020), those activities have been identified using three different categories and they are, monetary incentives for example, cash discount coupons, savings cards, etc., chance to win a prize for example contests, sweepstakes lotteries, etc., and finally product promotions for example sampling, free in the mail, etc.

When comes to the implementation of sales promotion activities companies should remember to implement the planned sales promotion activities well since have a high effect on consumers' demand, their purchase intentions, and consequently on sales.

According to Aykaç & Yilmaz (2020), sales promotions can increase store visitation, increase product purchases, and change consumer behaviors and intentions. The purpose of the sale promotion activities is the same as the promotional element as it informs, persuades, and reminds the customers about the product.

In the marketing chapter it has been identified there is a lack in understanding the customers and selecting the customers and also, they are lacking in selling and promoting their products to the global markets which are crucial when it comes to the promotions of the handicraft's products. Therefore, as a solution sales promotions could be used since they can increase consumer purchases by influencing consumer intentions. Not only that according to (De Pelsmacker et al. 2010) sales promotion activities can attract potential customers as well.

2.4 Electronic Word of Mouth (E-WOM)

According to studies performed in various industries on the E-WOM on customer purchase intention, it has been identified that there is a positive relationship between the two variables. As mentioned the proposed study is also going to research the impact of E-WOM such as (online reviews, and recommendations) on customer purchase intention, as the theory itself argues changing the subjective norms and perceived behavioral control can influence the behaviors of the individuals towards the increment of customer purchase intention. (Jurnal & Vol, 2022).

2.5 Customer Purchase Intention

Customer purchase intentions can be described as being ready to engage in a behavior Fishbein & Ajzen (2010) or else it can further understand which product or service a consumer is inclined to buy. Overall, with relation to the above definition it can be further understood the customer purchase intentions as the consumer readiness to buy a particular product or a service. When it comes to consumer purchase intentions, the term itself has been recognized using many different names. Some

of them are, “likelihood of purchases, willingness to purchase, intention to buy, etc. According to Wee et it can be said that to understand why consumers purchase particular r products or services can only be understood by trying to understand the consumer purchase intentions. Also, studies show that consumer purchase intentions are related to consumer behaviors, perceptions, and attitudes as well. Hence it proves that choosing the theory of planned behavior is ideal for identifying the customer purchase intentions and how they are influenced by the independent variable factors. (Aykaç & Yilmaz, 2020).

According to the mentioned studies it can be said that consumer purchase intentions are directly related to the consumer purchase and can be influenced by the above-mentioned marketing strategies which are digital marketing, sales promotion, and E-WOM as mentioned in the above paragraph when it comes to the Sri Lankan handicrafts industry it will be very important to evaluate the customers purchase intentions within the handicrafts industry to promote them more.

Moreover, customer purchase intentions are backed by the theory of planned behavior since the theory of planned behavior provides a sound framework to identify the behaviors of individuals based on their attitudes, subjective norms, and perceived behavioral control. This theory has been used to identify the relationship between each independent and dependent variable of the proposed study. (Ajzen, 1991)..

2.6 Handicrafts Industry In Sri Lanka And Global

Before moving on to the handicrafts industry in Sri Lanka it should have an understanding of the global status of the handicrafts industry. As the studies show with the effects of globalization the global handicrafts industry has evolved creating huge competition in developing countries' handicrafts industries. Studies conducted by the United States Agency of International Development for global handicrafts have identified there is a priority on low-end (low prices) markets are expanding and those markets were captured mainly by China and India through their mass production. Their mass production can produce lower-cost products and also, they create more western designs. Numerous studies done by (Koswatte, 2020) have identified that the global handicrafts industry kept evolving as it remained US\$ 75 billion in 1996 and increased to approximately US\$984 billion by 2023.

When it comes to the Sri Lankan handicrafts industry has a thousand-year history back from the current years as per (Sri Lanka China Business Council,2018). However, the industry itself has a thousand-year back history it remains a cottage industry as per studies. The main reasons for it to remain as it involves using traditional techniques or old outdated techniques to create handicrafts and also uses unrefined raw materials to produce them. These techniques and the use of raw materials have conserved the purity and the classical abilities of the handicraft industry and its products since artisans still value those things. (Teo et al., 2020)

Wooden masks, rush goods, lacquer works, cutworks, brassware, handlooms textiles, batik, reed weaving, and woodcarvings are the primary good types produced in the Sri Lankan handicrafts sector. Ceramics are considered the oldest handicraft in Sri Lanka (Growlanka, 2018). Sri Lankans widely use handicrafts made out of kitchen utensils, pots and pans, terracotta figurines, and sculpted ceramic vases (Lanka, 2018) (Teo et al., 2020). The pottery is done by using clay and pottery wheel to mend the clay into pots by hand. Then using a traditional brick kiln the pot is oven-heated to make pottery (Srilankaheritages.net, 2011) (Teo et al., 2020). New developments in the pottery industry are glazing and pattern-drying wet clay (News.lk, 2014) (Teo et al., 2020).

Items that are made by batik artisans are unique designs and have various colors (Lanka, 2018) (Teo et al., 2020). Hydrochloric acid will keep the hue of the colors of the fabric after the bubbles are removed. The sun will make the colors of the batik lighter when evaporated. The number of times the batik is applied can be understood by the number of colors. Batik was originally a village business and later it was taken to labs in the Sri Lankan central region and southwest coastline areas (Fiber2fashion, 2015) (Teo et al., 2020).

Moreover, handloom is also a famous handicraft in Sri Lanka. Handloom was initially produced in a smaller industry by using country ladies as the workers. The handlooms' spun cotton and dynamic colorful patterns captured the locals' taste and also foreigners' attention towards the handloom, because of that now both batiks and handlooms are produced in a more larger scales industries rather than only relying on small, scaled businesses to cater to the demand of global markets.

2.7 Literature Gap

From globalization to the Sri Lankan handicraft industry, it has been discussed about all the specific subjective areas taken into account when performing this research concerning the various studies carried out on each term mentioned. For each independent and dependent variable, there can be found various studies to show the relationship between those variables concerning different industries in different countries. Some of the studies were performed in the same industry, which is handicrafts.

Even though researchers have done to other geographical contexts it was hard to find any research done to evaluate the impact of marketing strategies (digital marketing, sales promotion, E-WOM) on customer purchase intentions in the Sri Lankan handicrafts industry. There were studies on promoting handicrafts to the global markets, assess the competitiveness in the Sri Lankan handicrafts industry, and also developing information flow for the handicrafts industry in Sri Lanka. Hence, it can be said that the proposed area was not covered properly by any existing study and therefore there is an existing literature gap on evaluating the Impact of the impact of digital marketing, sales promotion, E-WOM on customer purchase intentions in Sri Lankan handicrafts industry.

3. Methodology

This research was conducted using a deductive approach and the quantitative method for data collection. Data was collected through a structured survey questionnaire administered to a sample of 152 handicraft customers (both local and foreign) from the Colombo, Negombo, and Galle areas. A convenience sampling method was employed to select participants, ensuring accessibility and feasibility in reaching respondents within the specified regions.

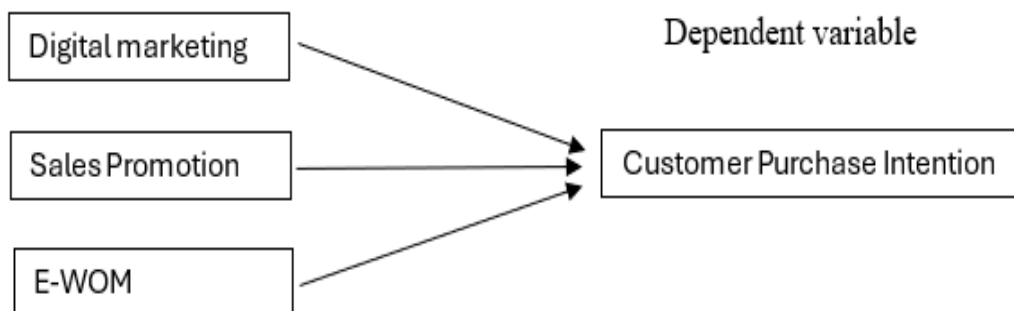
The questionnaire consisted of a demographic segment and four questions per variable for each independent and dependent variable. All questions were developed using a Likert scale, where 1 represents "strongly disagree" and 5 represents "strongly agree."

The collected data was analyzed using SPSS software, employing descriptive analysis, reliability analysis, and multiple regression analysis to draw meaningful insights and conclusions.

3.1 Conceptual Framework

Figure 11 Conceptual Framework

Independent variables



3.2 Hypothesis

H1: There is a significant impact of digital marketing on customer purchase intention in the handicraft industry of Sri Lanka.

H2: There is a significant impact of sales promotion on customer purchase intention in the handicraft industry of Sri Lanka.

H3: There is a significant impact of E-WOM on customer purchase intention in the handicraft industry of Sri Lanka.

3.3 Operationalization

Table 18 Operationalization Table

Variable	Measure	Source	Scale
Digital Marketing	• Discovery	(Sivasankaran, S. 2013)/ De (Pelsmacker et al. 2018)	Likert scale
	• Quality		
	• Comparison		
	• Interaction		
Sales promotion	• Preference	(Aykaç and Yilmaz, 2020)	Likert scale
	• Savings		
	• Choice		
	• Research		
E-WOM	• Accuracy	(Hanandeh et al., 2019)	Likert scale
	• Helpfulness		
	• Confidence		
	• Reassurance		
Customer purchase intention	• Influence	Author developed	Likert scale
	• Attraction		
	• Trust		
	• Confidence		

4. Data Analysis

Data analysis was performed to transform the data into meaningful and usable insights from the gathered data from respondents. The demographic segment of the questionnaire was constructed using four areas. They are gender, age, buyer type, and income levels to ensure the ideal balance of the handicraft's buyer samples. And to showcase how it affects the purchase in the Sri Lankan handicrafts industry. SPSS software has been used to derive meaningful insights into how each independent variable contributes to the purchase intention of customers in the Sri Lankan handicraft industry.

4.1 Descriptive Analysis

According to the descriptive analysis, the demographic profile of respondents provides valuable context for understanding the impact of digital marketing, sales promotion, and e-word of mouth (E-WOM) on customer purchase intention in the Sri Lankan handicrafts industry. Among the 152 respondents, 89 (58.6%) were females, and 63 (41.4%) were males, indicating that women represent a significant portion of the customer base. This highlights the importance of tailoring digital marketing and promotional strategies to appeal to female customers, who may exhibit distinct preferences in handicraft purchasing behavior.

In terms of age distribution, the majority of respondents were aged 18–24 years (38.8%), followed by those aged 25–34 years (29.6%), while the least represented group was 55 years and above (11.8%).

This suggests that younger customers form the primary target audience for handicraft businesses, making it essential for digital marketing and E-WOM strategies to resonate with a tech-savvy, youthful demographic.

Regarding residency, 112 respondents (73.7%) were residents, while 40 (26.3%) were non-residents. This finding emphasizes that local customers are the primary market for Sri Lankan handicrafts, but non-residents, likely including tourists, represent a substantial secondary market. Therefore, sales promotions and E-WOM campaigns should be designed to address both local and international customer preferences.

Lastly, income distribution shows that respondents were fairly evenly split among income levels, with 49 earning below LKR 50,000, 55 earning between LKR 50,000–100,000, and 48 earning above LKR 100,000. This diversity suggests that marketing and sales promotion strategies should accommodate customers across varying income groups, ensuring affordability and perceived value to drive purchase intention effectively.

By connecting the demographic insights to the research objectives, this analysis underscores how different customer segments can influence and respond to digital marketing, sales promotions, and E-WOM in the Sri Lankan handicrafts industry.

4.2 Reliability Analysis

The overall reliability of the conceptual framework was measured using reliability analysis. Cronbach's value came as 0.900 representing a high level of internal consistency between the variables. And also, the reliability analysis of each variable is also at an acceptable level.

Table 19 Reliability Analysis

The Variable	Cronbach's Alpha	Reliability	Conclusion
Digital Marketing	0.811	$0.811 > 0.7$	Reliable
Sales Promotion	0.840	$0.840 > 0.7$	Reliable
E-WOM	0.799	$0.799 > 0.7$	Reliable
Customer Purchase Intention	0.831	$0.831 > 0.7$	Reliable

4.3 Correlation Analysis

Correlation Analysis was performed to identify the relationship between independent and dependent variables. According to the correlation analysis below, conclusions have been made. Since digital marketing has a r value of 0.742, it can be said that digital marketing has a very strong positive correlation with customer purchase intention. Since sales promotion has a r value of 0.680, it can be said that sales promotions have a strong positive correlation with customer purchase intention. Since E-WOM has a r value of 0.780, it can be said that E-WOM has a very strong positive correlation with customer purchase intention.

Therefore, it can be said that with 95% confidence, there is a significant relationship between digital marketing, sales promotion, E-WOM, and customer purchase intention.

Table 20 Correlation Analysis

Independent variable	Pearson correlation value (r)	P value	Significance of the relationship	Type of the relationship
Digital marketing	0.742	0.000	Significant	Very strong positive
Sales promotion	0.680	0.000	Significant	Strong positive
E-WOM	0.780	0.000	Significant	Very strong positive

4.4 Regression Analysis

Model summary generated from using the SPSS software is there to identify changes in dependent variables as how much of a change occurred to it due to the independent variable. For this study, the R-squared shows 0.704 which is 70.4% it can be concluded that the model is better, and these independent variables are strong predictors of consumer purchase in the Sri Lankan handicrafts industry.

Table 21 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839a	.704	.698	.34086

The analysis of variance or else the ANOVA table is there to analyze the significance of the model.

Table 22 ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.934	3	13.645	117.439	.000b
	Residual	17.196	148	.116		
	Total	58.130	151			

According to the ANOVA table, the p-value is 0.000 which is less than 0.05 which is the Alpha value, therefore the H0 is rejected. In summary, it can be said that this model is significant with a better R-squared and adjusted R-squared value.

4.5 Hypothesis testing

Hypothesis testing is where the identification happening on a predetermined hypothesis of the research has been achieved or not. To test this, it is again considering the 'p' value approach where if the $p < \text{Alpha}$, H0 gets rejected, and if the $p > \text{Alpha}$, H0 gets accepted. Apart from that the unstandardized coefficient (B) is there to determine the expected change to the dependent variable in this case customer purchase intention by increasing an independent variable by one unit while the standardized coefficient (Beta) depicts the importance of each variable when determining the outcome. The following is the regression coefficient table derived from the regression analysis.

Table 23 Coefficient Table

Variable	Unstandardized coefficient	Standardized coefficient (Beta)	P value	Hypothesis status
Digital marketing	0.358	0.337	0.000	H0 rejected, H1 accepted
Sales promotion	0.196	0.205	0.001	H0 rejected, H1 accepted

E-WOM	0.440	0.404	0.000	H0 rejected, H1 accepted
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4.5.1 Hypothesis 1

H0 - There is no significant impact of digital marketing on customer purchase intention in the handicraft industry of Sri Lanka.

H1 – There is a significant impact of digital marketing on customer purchase intention in the handicraft industry of Sri Lanka.

According to the table, the unstandardized coefficient for digital marketing indicates 0.358, meaning the dependent variable which is customer purchase intention will increase by 0.358 when digital marketing increases by one unit. The standardized coefficient (Beta) for digital marketing is 0.337 which is an indication of the positive influence on the dependent variable (customer purchase intention).

Finally, since the $P < \text{Alpha}$ value with H0 is rejected, and with 95% confidence it can be said that there is a significant impact of digital marketing on customer purchase intention in the handicrafts industry of Sri Lanka.

4.5.2. Hypothesis 2

H0 - There is no significant impact of sales promotion on customer purchase intention in the handicraft industry of Sri Lanka.

H2 – There is a significant impact of sales promotion on customer purchase intention in the handicraft industry of Sri Lanka.

According to the table, the unstandardized coefficient for sales promotion indicates 0.196, meaning the dependent variable which is customer purchase intention will increase by 0.196 when Sales promotion increases by one unit. The standardized coefficient (Beta) for the Sales promotion is 0.205 which is an indication of the positive influence on the dependent variable (customer purchase intention). Finally, since the $P < \text{Alpha}$ value with H0 is rejected, and with 95% confidence it can be said that there is a significant impact of sales promotion on customer purchase intention in the handicrafts industry of Sri Lanka.

4.5.3. Hypothesis 3

H0 – There is no significant impact of e-word of mouth on customer purchase intention in the handicrafts industry of Sri Lanka.

H3 – There is a significant impact of e-word of mouth on customer purchase intention in the handicrafts industry of Sri Lanka.

According to the table, the unstandardized coefficient for the e-word of mouth indicates 0.440, meaning the dependent variable which is customer purchase intention will increase by 0.440 when the e-word of mouth increases by one unit. The standardized coefficient (Beta) for the e-word of mouth is 0.404 which is an indication of the positive influence on the dependent variable (customer purchase intention). Finally, since the $P < \text{Alpha}$ value with H_0 is rejected, and with 95% confidence it can be said that there is a significant impact of e-word of mouth on customer purchase intention in the handicrafts industry of Sri Lanka.

5. Discussion

Valuable insights are provided by the above regression analysis regarding the importance of digital marketing, sales promotion, and E-WOM on customer purchase intention. Among those variables, the strongest impact is shown from the E-WOM while digital marketing falls as the second influential variable and sales promotion as the last one.

5.1. E-WOM

Existing literature has proved that E-WOM on purchase intention is a consistent behavior. This shows the power of online reviews, recommendations, and social media discussions in the process of shaping customer behavior. Trust and authenticity play a crucial role in the handy craft industry. Hence, E-WOM plays a crucial role in building credibility and driving sales.

5.2. Digital Marketing

Customer purchase intention is shaped by the influence of digital marketing. Businesses that are looking to enhance their customer base are relying on online platforms, advertising, content marketing, and social media engagement. This is important mainly in the handicraft sector due to the high impact of visual appeal and storytelling.

5.3. Sales Promotion

Compared to E-WOM and digital marketing the effect of sales promotion on purchase intention is comparatively weaker even though there is a positive impact. Hence, this suggests that even though promotions and discounts can stimulate short-term sales they might not have the same long-lasting impact.

6. Conclusion

This research was conducted to measure the impact of digital marketing, sales promotion, and electronic word of mouth (E-WOM) on customer purchase intention in the Sri Lankan handicrafts industry. The study was primarily aimed to bridge the knowledge gap in the existing literature by measuring the impacts of these modern marketing strategies (digital marketing, sales promotion, and E-WOM) on customer purchase intention in a traditional sector like handicrafts in Sri Lanka where a visible undergrowth of digital adaptation existing.

6.1. Summary of findings

The study was conducted by collecting responses through a survey questionnaire. From the 152 responses gathered, the analysis showed that all three independent variables have an impact on customer purchase intention. However, the level of the impact varies between the independent variables. As found out E-WOM has the strongest impact while digital marketing comes as second and sales promotions come at last. These results suggest that consumers highly rely on peer views and recommendations on products in a niche industry like handicrafts while digital marketing is also an essential tool for creating brand awareness and maintaining brand awareness. These results are well aligned with existing literature as well.

Finally, it can be concluded that these findings confirm the initial hypothesis since the analysis suggests E-WOM and digital marketing will have a significant impact on customer purchase intention while the sales promotion is well suitable to accomplish the short-term sales goals of the handicrafts business.

6.2. Limitations of the study

The major limitation of the study is the smaller sample size, and it is limited to only 152 responses. Even though the sample size is sufficient to derive statistical data it may not be a full representation of consumers of handicrafts industry. So, there could be variations when drawing conclusions about the whole population based on this small sample.

Another limitation is the bias of data. Since the questionnaire is self-reported, respondents would have added biased responses to the questionnaire which could be a reason to make conclusions based on non-accurate inputs of respondents. Finally, the research is only concerned with three marketing strategies while other factors like quality of handicrafts products, brand loyalty, etc. could have a significant impact on customer purchase intention in the Sri Lankan handicrafts industry.

6.3. Future research areas

Future researchers can explore the other factors that have an impact on customer purchase intention in the Sri Lankan handicrafts industry by considering, factors like price, cultural significance, etc. Or else

the same research could be done in a different industry. Finally, they can measure the impact of emerging technologies like Augmented reality (AR), and virtual reality (VR) on handicrafts.

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