

**The Impact of Physical Evidence on
Effect Creation:
Special Reference to Modern Trade
Retail Outlets in Sri Lanka**

by

C. Ratnayake

M.Sc/MGT/GS/3446/08

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Thesis submitted to the University of Sri Jayewardenepura,
in partial fulfillment of the requirements for the
Degree of Master of Science in Management

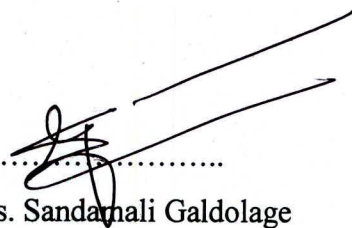
I hereby declare that the work described in this thesis was carried out by me under the supervision of Mrs. Sandamali Galdolage, Senior Lecturer, Department of Marketing Management, Faculty of Management Studies & Commerce, University of Sri Jayewardenepura, and a report on this has not been submitted in whole or in part to any university or any other institution for another Degree/Diploma.

Signature : 

Name : C. Ratnayake

Student No : M.Sc./MGT/GS/3446/08

I certify that the above statement made by the candidate is true and this thesis is suitable for submission to the University for the purpose of evaluation.


.....

Mrs. Sandamali Galdolage

Supervisor

Senior Lecturer

Department of Marketing Management

Faculty of Management Studies & Commerce

University of Sri Jayewardenepura

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ABBREVIATIONS

S.O.R. - Stimulus Organism and Response

W.O.M. - Word of Mouth

ABSTRACT

The supermarket industry in Sri Lanka is growing fast with the change in lifestyle patterns of the citizens from traditional into modern, the increase in female participation in workforce and increase in income levels. The shopping behavior too of consumers has gradually changed to suit their lifestyle patterns, from traditional grocery shops to supermarkets seeking for quality goods with moderate prices and convenience.

The purpose of this research is to find out how physical evidences influence effect creation in supermarkets in Sri Lanka, how the customers experience the service they received from the supermarkets and the products they are offered. The first objective of the study is to find out the general customer behavior in supermarkets. The second objective is to investigate how the elements of physical evidence influence the effect creation and finally to find out the most salient physical evidence variable which influences the effect creation.

In this study, the independent variable; physical evidence consists of three dimensions, namely; Facility exterior, Facility interior and Other facilities. The dependent variable, i.e. effect creation, includes four dimensions; purchase intention, revisit intention, word of mouth promotion and satisfaction.

The answers to the research questions were obtained by conducting a quantitative research. Thus, the empirical work for this study consists of data collected from customers of five supermarket brands in Colombo district. The findings of the research

indicate that consumers prefer convenience. Hence they prefer to do their shopping in a supermarket that located closer to their homes. The consumers mostly buy fast moving consumer goods more than the other items such as vegetables, fish, meat etc.

The findings also indicates that there is a positive moderate impact of physical evidence on effect creation and reveals that the facility interior is the most salient physical evidence variable that influences effect creation in supermarkets.