THE IMPACT OF ONLINE BRAND COMMUNITY ENGAGEMENT ON PURCHASE INTENTION

WITH SPECIAL REFERENCE TO THE BANKING INDUSTRY OF SRI LANKA



By:

HERATH MUDIYANSELAGE PIYUMI SEWWANDIKA HERATH

REG NO: EU/IS/2016/MS/020

INDEX NO: MS 1870



A Project Report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration (BBA), Specialization in Marketing Management.

DEPARTMENT OF MANAGEMENT

FACULTY OF COMMERCE AND MANAGEMENT

EASTERN UNIVERSITY, SRI LANKA

2021

ABSTRACT

Globally, starting nearly from 2010 the researches interest on online brand community engagement area was grown where two scholars have done two researches to explain the dimensions of OBC engagement which at present stands as the most validated measurement scales. The scholars have mentioned this area of the subject should be investigated more and the scales introduced should be tested in different categories. Locally, there's only one research done on this area. With the gradual increase in internet penetration in Sri Lanka the need of having more confidence on how a brand should act on an OBC is important. The study objectives are to identify the level of impact of online brand community engagement, on purchase intention, to identify the relationship between online brand community engagement on purchase intention, to identify the impact of online brand community engagement on purchase intention, to identify the online brand community engagement dimension, which have the most significant impact on Purchase intention with special reference to the banking sector in Sri Lanka. A quantitative approach with a questionnaire-based sample analysis is the base of this study with an online survey and printed questionnaire. As the sample population, any teachers in the Polonnaruwa area who has an active Facebook account and are follow on any Facebook page related to the banking sector are considered. For this purpose, the survey questionnaire was considered as a tool to get responses from 371 teachers.

In this study, the statistical tools that were used to analyze the levels of variables are mean and SD values, while relationships were measured by Pearson coefficients, impacts were measured by simple linear regressions and multiple linear regressions for measured the most significant dimension. This study concludes that the result shows significant positive associations among all the variables, by denoting a positive relationship between online brand community engagement and purchase intention too, also the most significant dimension is the helping dimension. Hence, this study will help to the extent to which community activities affect the purchase intention of the Sri Lankan banking sector through new internet penetration as well as engaging the business community for further research on the use of social media and to consider new approaches to this.

Keywords: Online Brand Community Engagement, Purchase Intention

ii

TABLE OF CONTENTS

1

Page No:

ACKNOWLEDGEMENTi
ABSTRACTii
TABLE OF CONTENTS iii
LIST OF TABLES viii
LIST OF FIGURE
ABBREVIATIONS
Chapter 1 - INTRODUCTION1
1.1 Background of the Study1
1.2 Problem Statement / Research Gap4
1.3 Research Questions
1.4 Research Objectives5
1.5 Significance of the Study
1.6 Scope of the Study7
1.7 The Organization of the Chapter7
1.8 Chapter Summary
Chapter 2 - LITERATURE REVIEW
2.1 Introduction
2.2 Purchase Intention
2.3 Brand Community and Online Brand Community10
2.3.1 Brand Community10
2.3.2 Online Brand Community
2.3.3 Brand Community vs Online brand Community12
2.4 Online Brand Community Engagement14
2.5 Social Media17
2.6 Facebook

10
2.7 Sri Lankan Banking Industry19
2.8 Supporting Theories of Study
2.8.1 Customer Value Theory
2.8.2 Social Identity Theory
2.9 Hypothesis Supported by Literature
2.9.1 The Impact of Online Brand Community Engagement on Purchase
Intention
2.9.2 The Impact of Connecting on Purchase Intention
2.9.3 The Impact of Helping on Purchase Intention
2.9.4 The Impact of Rewards on Purchase Intention
2.9.5 The Impact of Seeking Assistance on Purchase Intention25
2.10 Chapter Summary
Chapter 3 - CONCEPTUALIZATION AND OPERATIONALIZATION27
3.1 Introduction
3.2 Conceptual Framework
3.3 Variable Relevant to the Conceptual Model
3.3.1 Online Brand Community Engagement
3.3.2 Purchase Intention
3.4 Operationalization
3.5 Hypothesis
3.6 Chapter Summary
Chapter 4 - RESEARCH METHODOLOGY
4.1 Introduction
4.2 Research Philosophy
4.3 Research Approach
4.4 Research Strategy
4.5 Methodological Choice

	4.6 Time Horizon	
	4.7 Research Site/ Area Selection	
	4.8 The Population of the Study	
	4.9 Sampling Technique / Method	
	4.10 Sample Size and Sample Framework	
	4.10.1 Sample Size	
	4.10.2 Sampling Framework	
	4.11 Method of Data Collection and Source	
κ.	4.12 Research Instrument	
	4.13 Source of Instrument	40
	4.13.1 Method of Measurement on Personal Information	41
	4.13.2 Method of Measurement on Research Information	41
	4.14 Pilot Study	
	4.15 Reliability of Instrument	
	4.16 Unit of Data Analysis	
	4.17 Methods of Data Analysis	
	4.17.1 Methods of Data Analysis for Fist Objective	
	4.17.2 Methods of Data Analysis for the Second objective	
	4.17.3 Methods of Data Analysis for Third Objective	
	4.17.4 Methods of Data Analysis for Fourth Objective	
	4.18 Methods of Data Evaluation	
	4.18.1 Univariate Analysis	
	4.18.2 Correlation Analysis	
	4.18.3 Regression Analysis	
	4.18.4 Testing Hypothesis	
	4.19 Data Presentation	49
	4.19.1 Data Presentation for Personal Information	

٠

4.19.2 Data Presentation for Research Information	0
4.20 Ethical Consideration	0
4.21 Chapter Summary5	1
Chapter 5 - DATA PRESENTATION AND ANALYSIS	3
5.1 Introduction5	3
5.2 Analysis of Reliability5	3
5.2.1 Reliability of Online Brand Community Engagement5	4
5.2.2 Reliability of Purchase Intention5	4
5.3 Data Presentation5	4
5.3.1 Data Presentation for Personal Information5	5
5.3.2 Data Presentation for Research Information5	7
5.3.3 Testing Hypothesis	4
5.4 Chapter Summary6	7
Chapter 6 - FINDINGS AND DISCUSSION	
6.1 Introduction	
6.1 Introduction	18
6.1 Introduction	
	58
6.2 Discussion of Personal Information	58 58
6.2 Discussion of Personal Information 6 6.2.1 Gender 6	58 58
 6.2 Discussion of Personal Information	58 58 58
 6.2 Discussion of Personal Information	58 58 58 59 59
 6.2 Discussion of Personal Information	58 58 59 59
6.2 Discussion of Personal Information 6 6.2.1 Gender 6 6.2.2 Currently in the Teaching Profession Level 6 6.2.3 Brand or Brands that Follow Banking Services on Facebook 6 6.2.4 The Most Favourite Banking Service Provider 6 6.3 Discussion of Research Information 6	58 58 58 59 59 59
6.2 Discussion of Personal Information 6 6.2.1 Gender 6 6.2.2 Currently in the Teaching Profession Level 6 6.2.3 Brand or Brands that Follow Banking Services on Facebook 6 6.2.4 The Most Favourite Banking Service Provider 6 6.3 Discussion of Research Information 6 6.3.1 Discussion for Objective One 6	58 58 58 59 59 59 59 70
6.2 Discussion of Personal Information 6 6.2.1 Gender 6 6.2.2 Currently in the Teaching Profession Level 6 6.2.3 Brand or Brands that Follow Banking Services on Facebook 6 6.2.4 The Most Favourite Banking Service Provider 6 6.3 Discussion of Research Information 6 6.3.1 Discussion for Objective One 6 6.3.2 Discussion for Objective Two 7	58 58 59 59 59 59 70 71
6.2 Discussion of Personal Information 6 6.2.1 Gender 6 6.2.2 Currently in the Teaching Profession Level 6 6.2.3 Brand or Brands that Follow Banking Services on Facebook 6 6.2.4 The Most Favourite Banking Service Provider 6 6.3 Discussion of Research Information 6 6.3.1 Discussion for Objective One 7 6.3.2 Discussion for Objective Two 7 6.3.3 Discussion for Objective Three 7	58 58 59 59 59 59 70 71 71

.

Chapter 7 - CONCLUSIONS AND RECOMMENDATIONS
7.1 Introduction77
7.2 Conclusions
7.2.1 First Objective
7.2.2 Second Objective
7.2.3 Third Objective
7.2.4 Fourth Objective
7.3 Contributions of the Study
7.4 Recommendations
7.5 Limitations of the Study80
7.6 Future Research Direction
LIST OF REFERENCES82
APPENDIX 01
APPENDIX 02

0