

THE INFLUENCE OF SPATIAL MARKETING STRATEGIES ON CONSUMER BEHAVIOR: LESSONS LEARNED FROM PAMUNUWA TEXTILE MARKET, SRI LANKA

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Abstract: Markets are places of public interaction. Every market is unique, and the arrangement of spatial and non-spatial elements of marketplaces influences public interaction, especially the vendor-consumer interaction. Focusing on a mostly overlooked topic in current scholarly work, this study investigates the spatial marketing strategies adopted by mobile, semi-permanent, and permanent vendors operating in the Pamunuwa Textile Market, Sri Lanka. In addition, the study examines how these strategies affect consumer behaviour. Drawing from a combination of literature review, field study, and surveys, the research identifies how spatial dimensions such as booth layout, product segregation, accessibility, and sensory stimuli affect purchasing behaviour and overall market dynamics. The study reveals that variety and value are still highly valued by customers, whereas standards for better organization, visual presentation, and mobility are of great importance. Permanently located traders who have well-presented and attractively laid out stalls attract more customers than semi-permanent or mobile traders, a sign of the growing power of physical space design on vendor-consumer interaction

Keywords: *Consumer Behaviour; Pamunuwa Textile Market; Spatial Marketing Strategies; Vendors.*

1. Introduction

Spatial design marketing is a combination of marketing and the presentation of tangible and intangible spaces that provide an experience for customers, mainly aiming for cultural sensibility. It operates through sensation, emotion, cognition, behaviour, and relationships, which means spatial marketing is about designing spaces that make customers feel something special (Kim & Park, 2021).

Pamunuwa Market plays a key role as a landmark that contributes to the city's identity of Maharagama Town. Pamunuwa is undergoing a comparable transition, where the rise of new fashion shops and modern spatial marketing strategies challenges the traditional textile market character, making it difficult to trace the evolution of spatial marketing practices. These changes pose risks not only to the social and cultural identity of the market but also to the broader urban identity of Maharagama town.

Accordingly, this study aims to investigate the spatial marketing strategies adopted by various types of vendors (mobile, semi-permanent, and permanent) in the Pamunuwa Textile Market, Sri Lanka, and their influence on consumer behaviour. There are no existing studies that combine spatial marketing strategies and consumer behaviour in market contexts like Pamunuwa. By examining these evolving strategies, the study provides practical insights for key stakeholders, including local authorities, municipalities, small and medium enterprises, urban planners, and policymakers, to support both economic sustainability and cultural integrity of the market, without compromising its traditional nature. That will help to preserve the social and cultural identity of the Pamunuwa Textile Market and the Maharagama city, ensuring that improvements to the market while maintaining its character.

2. Literature Review

2.1. MARKET PLACES

Markets are valuable nodes of economic activity, social gathering, and cultural identity that exemplify local lifestyles, heritage, and society. Markets facilitate the exchange of both local and international goods while enabling social interaction among individuals of various backgrounds, enabling urban marketplace vibrancy through emotional, social, and sensory experiences (Ghaper et al., 2014). Small firms in informal marketplaces pursue unique marketing approaches. Informal microbusinesses, such as street vendors who sell food, capitalize on lower prices, which enhances the convenience of customers, who appreciate flexible timings and cooking demonstrations (Khan, 2017). Informal markets include street vendors and different vendor typologies. These markets function as commercial schemes with specific modes and characteristics. Informal markets include mobile markets, which complement formal open-air markets that supply basic products. They also include concentrations, where some vendors are mobile while others have permanent locations, as well as bazaars (Peña & The Florida State University, 1999).

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2.2 MARKETING

Kotler and Armstrong (2018) describe marketing as a process through which firms engage with customers, build strong relations, and build customer value in order to create mutual value capture. Martoyo et al. (2025) emphasize that market attractiveness and resource uniqueness have a strong impact on market strategies. They identify technological changes and human resources having key roles to enhance effectiveness. Market positioning directly affects marketing performance. Lund (2021) also asserts that retailers' community engagement fosters word-of-mouth and customer loyalty, in the specific case of the outdoor apparel industry in mainland China, where offline marketing strategies exploiting physical stores and community-building activities prevail. Informal traders, Williams and Martinez-Perez (2014) prioritize affordability and hence state price becomes the consumer's decision driver. Marketers thrive by leveraging local knowledge and direct interaction with consumers, which allows them to act quickly on shifting tastes and competition trends. Sheth (2011) describes that the actors in informal markets exhibit high responsiveness and resiliency in the lack of institutional support. These pressures lead to marketing practices that are experiential, adaptive, and grounded in local socio-economic contexts.

Spatial marketing can be classified into direct and indirect types, based on how space is utilized in marketing practices. Direct marketing spaces treat the physical space itself as the product, such as apartments, studios, or rental shops, where the company sells or rents the space to consumers. In contrast, indirect marketing spaces use the physical environment as a tool to promote products, brands, or corporate identity. These include production spaces, which reflect spaces where companies make their products, such as Factories and Corporate offices. Consumer spaces used Aesthetic design, Activity zones, Multicultural or entertainment spaces to attract crowds and make people stay longer (which increases sales), which are called shopping malls and experience stores. Consumer benefit spaces, such as flagship stores, brand museums, and exhibition halls, showcase a brand's story, culture, and values, often located in prime central areas. Even without immediate purchases, these spaces strengthen brand identity, foster emotional connections, and enhance long-term customer loyalty, making them a powerful tool in modern marketing (Kim & Park, 2021)

Spatial marketing, discussed by Dines (2007), deals with optimum market layouts that encourage interactions among customers. Kim and Park (2021) emphasize the impact of spatial design in shopping districts on shopping experiences. Effective spatial marketing employs sensory strategies, as noted by Anand et al. (2024), enhancing emotional connections with customers and affecting purchasing behaviour through the five senses. Basic tangible elements, including structural and ambient elements, are instrumental in consumer behaviour formation and marketing effect maximization in selected areas.

The Identity Element is the distinctive branding and cultural identity of a place, and welcoming bargaining. The Solidarity Element builds community values and economic relationships, linking vendor-customer relationships. The Harmonious Element is interested in the market's embedding in societal and spatial contexts, showing how modern shops are blended with traditional shops without altering the nature of the market. The Developmental Element focuses on the evolving nature of the marketplace, creating a unique identity from its history and multi-sensory experiences. The Experiential Element engages the five senses, illustrating how the sights, sounds, and atmosphere of the market create memorable experiences.

The literature collectively highlights that marketplaces function as vital social, cultural, and economic systems shaped by both formal and informal actors. Informal markets examine the street vendors, mobile markets, concentrations, and bazaars. Studies on marketing emphasize customer engagement, affordability, and responsiveness to changing consumer preferences, while spatial marketing literature underscores the role of physical layouts, sensory experiences, and place identity in shaping consumer behaviour. Together, these works indicate that marketing and spatial design interact to influence marketplace vibrancy, community relations, and overall consumer experiences, forming a foundation for understanding how spatial marketing strategies operate within dynamic market environments.

3. Research Design

The Stimulus-Organism-Response (S-O-R) model (Mehrabian & Russell, 1974) explains how environmental stimuli influence consumer behaviour through emotional and psychological responses. In this study, the model is applied to the Pamunuwa Textile Market, where Stimulus (S) represents spatial marketing factors across six dimensions: Structural, Identity, Solidarity, Harmonious, Developmental, and Experiential. Organism (O) represents the consumer's mental and emotional responses to each stimulus. Response (R) refers to changes in consumer behavior, including increased shopping time, loyalty, spending, or positive word-of-mouth. Vendors utilize spatial marketing strategies to engage consumer emotions, which in turn shape behavior, forming the basis of this study's conceptual framework.

The Pamunuwa Textile Market, located in Maharagama town, was established in the 1980s by Mr. R. Premadasa, pioneering the local garment industry by combining production and sales in one location. The market boosted the industrial sector, created employment opportunities, and became known for offering a wide variety of locally produced garments and low-cost products, forming its core identity. The market operates in two phases: early morning (from 2 a.m.) with temporary vendors along old Kottawa Road and nearby parking areas, and later in the day with permanent vendors resuming after 9

a.m. The market closes around 8 p.m. Its activities significantly contribute to Maharagama town's economy and urban character.

The Pamunuwa Textile Market was selected for research due to its unique mix of vendors, consisting of mobile vendors, semi-permanent vendors, and permanent outlets. There are three primary categories of sellers. The spatial organization of the vendors serves as the basis for their classification.



Figure 1: Location map of selected case study
(Source: Hashinika JAR)

Table 1: Vendor types in Pamunuwa Market
(Source: Hashinika JAR)

A Vendors	B Vendors	C Vendors
No Structure / Mobile Structure	Semi-Permanent Structures	Permanent Structures
		C1 – Frontage Vendors (Vendors utilizing the shop's frontage area to display and sell products.) C2 – Enclosed Shop Vendors (Vendors who operate entirely within the shop space, without outdoor displays.)



Figure 2: A vendor type
(Source: Hashinika JAR)



Figure 3: B vendor type
(Source: Hashinika JAR)



Figure 4: C1 vendor type
(Source: Hashinika JAR)



Figure 5: C2 vendor type
(Source: Hashinika JAR)

This study utilizes three primary data collection methods to ensure comprehensive data collection to achieve its objectives.

- **On-Site Observation:** Field observations will be conducted to identify how vendors use spatial strategies under key spatial marketing elements such as: Structure, Identity, Solidarity, Developmental, Experiential, and Harmonious
- **In-Depth Interviews:** These interviews will help to identify changes in spatial marketing strategies and the impact of those changes. For the in-depth interviews selected sample size is 05. Limiting the sample size was guided by data saturation, which is a widely accepted qualitative research principle. Data saturation is attained when additional interviews or the collection of data no longer yield new information or insight into the questions of study. This sample size reflects the general distribution observed in the field, where permanent and mobile vendors occupy a large part of the market area, while semi-permanent vendors are in smaller quantities scattered throughout the site than other vendor types.

Table 2: Sample of Vendors
(Source: Hashinika JAR)

Mobile Vendors	02
Semi-Permanent Vendors	01
Permanent Vendors	02

- **Structured Questionnaire:** The selected sample size is 30 randomly selected consumers, including different age groups and Shopping status, due to the New Year festival season. The Following table shows the demographic and shopping status of the sample.

Table 3: Age Group in Sample
(Source: Hashinika JAR)

Age Group	
Below 18	2
18 – 25	12
26 – 35	6
35 – 45	5
46 – 60	3
Above 60	2

Table 4: Shopping status in Sample
(Source: Hashinika JAR)

Shopping Status	
More than once a week	0
Once a week	1
A few times a month	11
Occasionally (a few times a year / Season period)	18

The study used narrative analysis to interpret vendor interviews and identify patterns in their spatial marketing practices. Spatial mapping was applied to visually demonstrate how vendors used space and how consumers reacted to different strategies. Descriptive statistical analysis of survey data, including percentages and frequencies, was used to understand consumer preferences. Finally, the SOR framework connected vendors' spatial strategies (Stimulus) with consumers' emotional responses (Organism) and their resulting behaviors (Response).

4. Research findings and discussion

4.1 IDENTIFICATION OF THE SPATIAL MARKETING STRATEGIES USED BY VENDORS IN PAMUNUWA MARKET

This section identifies the spatial distribution of the different vendor types and the spatial marketing strategies adopted by various vendors in the Pamunuwa textile market, according to three vendor categories: A, B, C, and C1, C2. The following figures show the distribution of identified vendor types in the Pamunuwa Market.

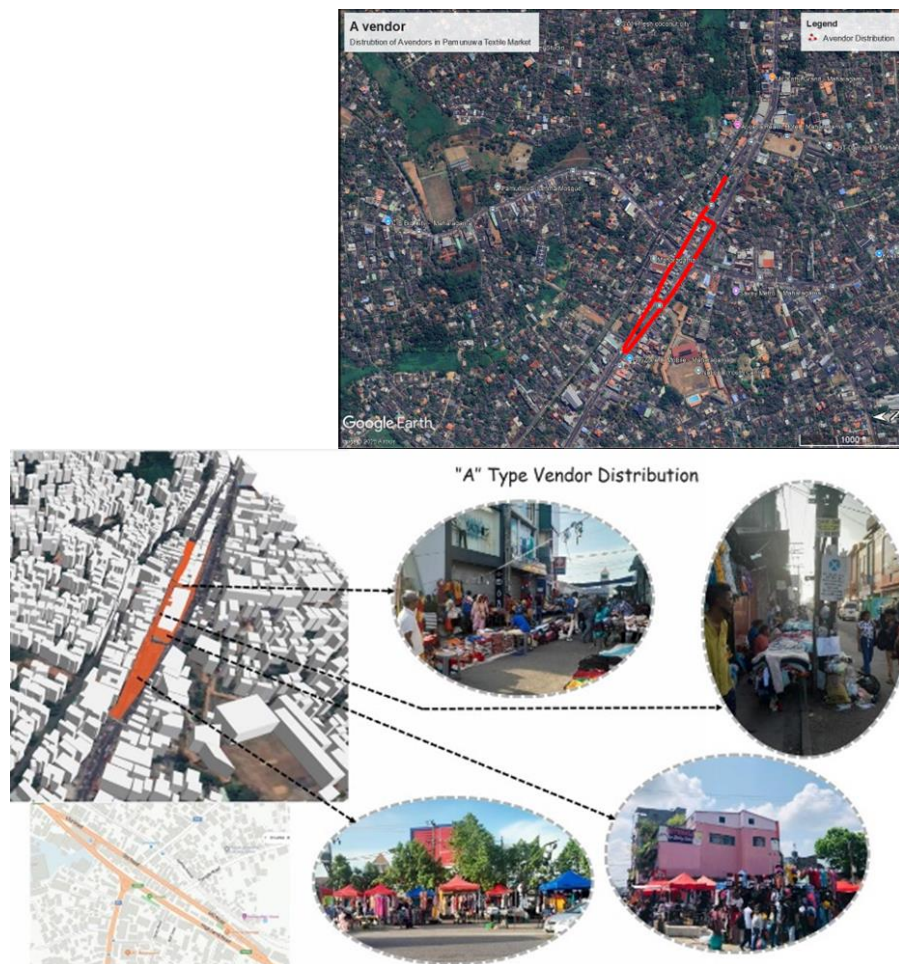


Figure 6: Spatial Distribution of 'A' Type Vendor
(Source: Hashinika JAR)



Figure 7: Spatial Distribution of 'B' Type Vendor
(Source: Hashinika JAR)



Figure 8: Spatial Distribution of 'C' Type Vendor
(Source: Hashinika JAR)

There are five key elements in spatial marketing mentioned by Kim and Park (2021). Following those key elements and key attributes, the identified spatial marketing strategies are in the Pamunuwa Textile Market.

Table 5: Key elements and attributes in Spatial Marketing Strategies
(Source: Compiled by author from literature findings)

Key Elements	Key Attributes
Structural	Vendor structures
	Layout and spatial arrangement
Identity	Branding
Solidarity	Customer-vendor interaction
	Social connections
Harmonious	Blending traditional Market Feel
	Street-market atmosphere maintenance
Developmental	Long-standing traditions & vendor heritage
	Customer emotional connection to the market
Experiential	Sensory engagement (sight, smell, touch, sound)

Note: Kim, J., & Park, E. (2021). The spatial design marketing strategy of global franchises that take into consideration the characteristics of modern consumers—A study involving the global coffee companies of Starbucks and Blue Bottle. *Land*, 10(7), 716. <https://doi.org/10.3390/land10070716>

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This is the summary of spatial marketing strategies according to the five elements.

Table 6: Summary of Identified Spatial Marketing Strategies
(Source : Hashinika JAR)

Spatial Marketing Strategies		A - Mobile Vendors	B - Semi -Permanent Vendors	C - Permanent Vendors
Key Elements	Key Attributes			
Structural	Vendor structures	No permanent structure	Semi-permanent stalls with basic materials (metal sheets), but still provide some stability compared to mobile vendors	Cement-based structures

	Layout and spatial arrangement	Goods are displayed on portable setups (e.g., tables, carts). : The Temporary display nature will change based on Vendor availability and space. And pedestrian pathways along the Kottawa road help to directly connect with customers.	Displays items inside and around the structure. Fully open structure. Located near to Railway station is advantage for attract customers.	Walls, floors, and transparent doors C1: Display items in shop frontage Getting advantage who are located near to Old Kottawa road and Pamunuwa four-way junction.
Identity	Branding	Bargain prices / Low Prices	Bargain prices / Low Prices	Use Business/ Brand Name
Solidarity	Customer-vendor interaction	Fully accessible from all sides, allowing customers to approach and view goods easily from any direction.	The front is allowing the public to provide easy access to goods. Customers can browse freely.	C1: Extend their goods to the street line, allowing customers to check and purchase items from outside. C2: Use mirrors or other visual techniques, encouraging customers to enter the shop to inspect goods.
	Social connections	They build social connections through Street performance	Metal-sheet structured vendors often build long-term relationships with regular customers, leading to richer social interactions.	Providing a comfortable space
Harmonious	Blending traditional Market Feel	Selling low-priced items	Selling low-priced items	C1: Displaying goods shop front (Hybrid spatial marketing methods)
	Street-market atmosphere maintenance	Located near to sidewalks	Located near to sidewalks	C1: Use the Shop frontage
Developmental	Long-standing traditions & vendor heritage	Morning market activity interprets the Pamunuwa Tradition	Patchwork garments: Clothing items made by sewing together different fabric pieces to create a unique, multi-patterned design.	-
	Customer emotional connection to the market	Creating a fast-paced, informal shopping experience where customers can make quick and affordable purchases.	Building long-term relationships with repeat customers by offering affordable yet stable shopping experiences	Providing a Comfortable shopping space
Experiential	Sensory engagement (sight, smell, touch, sound)	Displaying Different Color items, vocally advertising, allows customers to engage directly with the products, feel the fabric, and check the quality.	These vendors may also use visual displays or patterns to draw attention from afar, leveraging the simplicity of their structure to create visual focus. Vocally advertising allows customers to engage directly with the products, feel the fabric, and check the quality.	C1: Displaying different Color items, vocally advertising, Playing Music, and Displaying Sale tags. C2: Distinct interior designs, like displays or lighting.

According to the final findings on spatial marketing strategies, under each spatial marketing element type, there is an evolution of spatial marketing strategies among the three identified vendor types. Some strategies are used equally by different vendor types, and the study has confirmed that the strategies of two types of elements have helped to create certain elements. For example, vendors A and B use strategies under both the Structural and Identity elements to create the Harmonious element. With the evolution of these spatial marketing strategies, other vendors add new methods to it by improving the strategies of vendor A. Also, according to the figure below, the identified Type C vendors do not use some old strategies but do not use some elements either. It thus appears that the market shows only limited diversification in spatial marketing practices, with vendors relying on a core set of strategies to create different spatial and customer interaction outcomes.

This is the result of consumer perception of different spatial marketing strategies used by different vendor types. It emphasizes using the SOR Model. Consumers' first choice goes to A and B vendors, mainly based on a low price strategy.

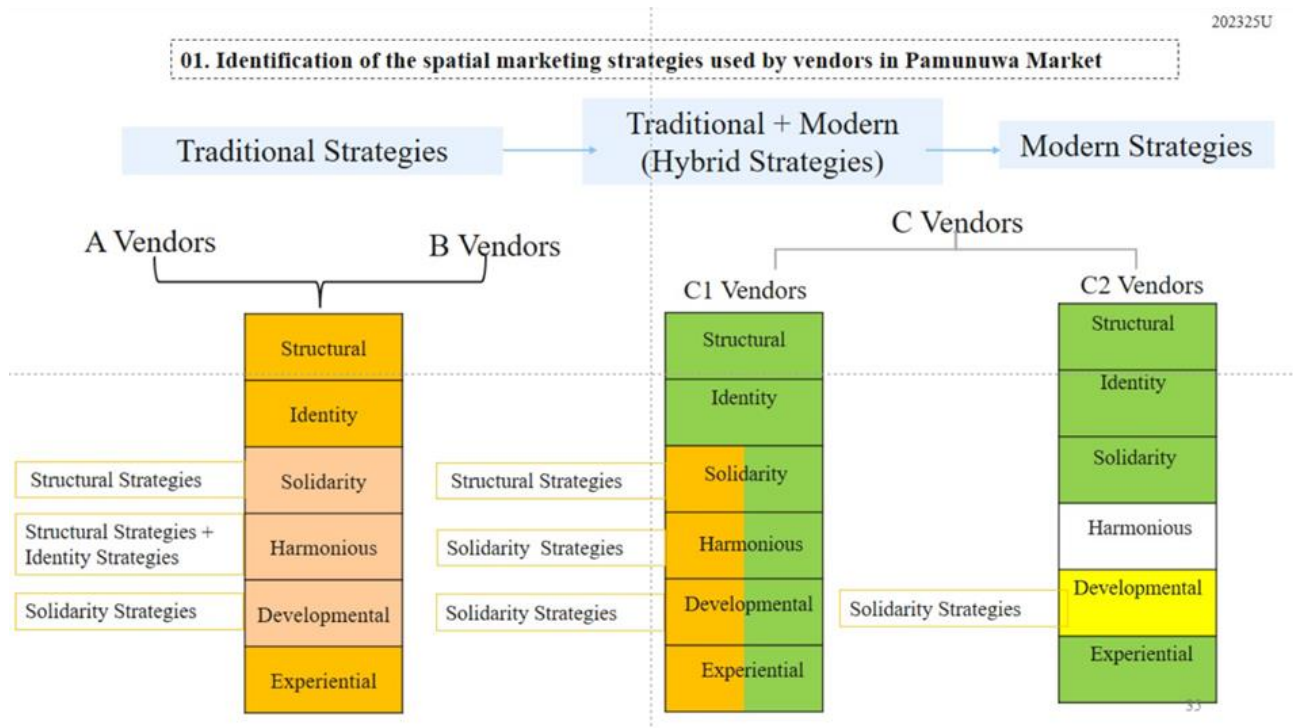
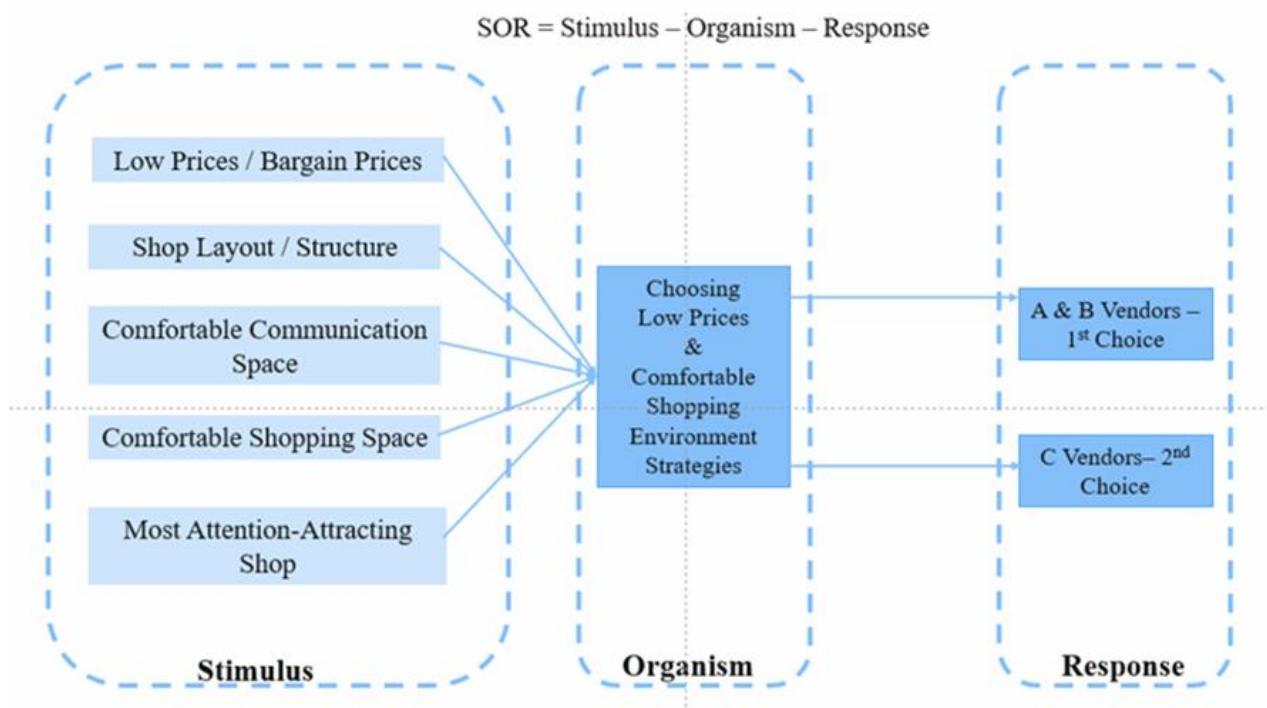


Figure 9 : Spatial Marketing Strategies: Evolution

Figure 10: Final results of consumer reaction to spatial marketing strategies
(Source: Compiled by author according to survey results)

Regarding future modernization of the Pamunuwa market, 82.6% of survey participants prefer a blend of traditional and modern shops, valuing the uniqueness of the market that retains cultural elements alongside modern amenities. Only 13% favored entirely traditional shops, and 4.4% sought a fully modernized environment. So, this identified all results reflects that, there is the evolution of spatial marketing strategies among identified three types of vendors, reflects that there is a chance of changing whole traditional strategies with the modernization, but according to the questionnaire survey, the consumers' preference was rely on low price and comfortable spaces, with opinions on hybrid spatial marketing strategies, that means they prefer the traditional character of Pamunuwa textile market.

Figure 2: Final result of the findings (Source: Hashinika JAR)

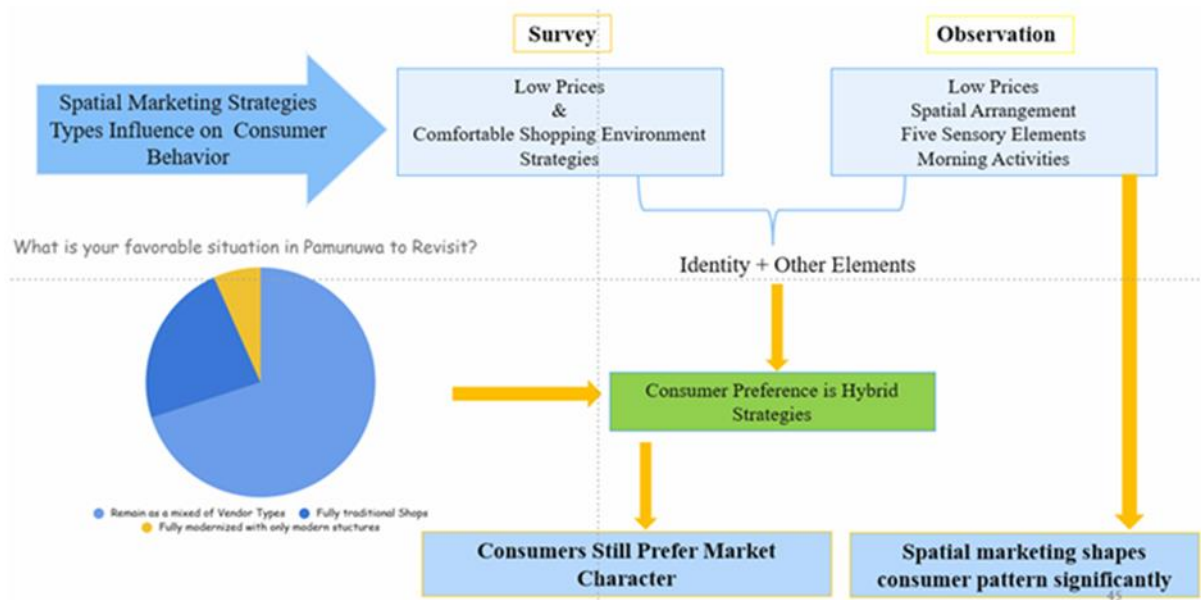


Figure 11: Final result of the findings
(Source: Hashinika JAR)

5. Conclusion

This study analyzed spatial marketing strategies in a textile market and highlighted their impact on consumer behavior. Factors such as low-cost bulk purchasing preferences and attractive shopping environments emerged as key elements. Consumers favor market reforms that improve functionality without sacrificing affordability and informality. Recommendations for planners include considering the market as a community asset, focusing on spatial strategies that balance modernization with preserving its local character to enhance customer satisfaction and vendor competitiveness. Future research should investigate the adoption of spatial marketing strategies in different urban and cultural contexts while assessing market sustainability and trial performance. In addition, exploring digital technologies in traditional markets can enhance consumer experience and maintain market authenticity. Understanding consumer behavior in traditional and online shopping will help urban planning in the digital age. However, this research faced limitations, including time constraints that limited data collection and complete observations due to busy nature of the textile market during the New Year festival.

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