CHAPTER – 3

RESEARCH METHODOLOGY

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RESEARCH METHODOLOGY

The Literature Review extensively undertaken on the subject of “Understanding Customer Awareness, Perceptions and Preferences towards Cause related Marketing” revealed that it is less explored in the Indian context. It was also revealed that the awareness of CRM, preferences towards cause type, preference towards nature of donation, preference towards cause scope and perception towards CRM play a significant role in understanding the Cause related marketing phenomenon. This study has researched the above aspects in the context of Indian market with special focus on the state of Gujarat.

In this Chapter of Research Methodology, the methodology adopted with each of the research objectives of this study has been broadly discussed by including purpose of the study, questionnaire development, validity and reliability, respondents of the research study, data analysis and limitations of this study.

3.1 Purpose of the study

The literature review highlighted the research gaps in the research relating to the domain of the Cause related marketing in the Indian context. Although there is extensive body of knowledge gathered in the domain of CRM but research in Indian context related to CRM practices is still scarce.

This study intends to investigate the antecedents of CRM participation and perception towards CRM in the Indian context. This study also intends to explore the awareness and preferences towards cause type, cause scope along with nature of donation while investigating the antecedents of CRM participation.
3.2 **Significance of the study**

There is extensive body of knowledge gathered during the past decades but research on cause related marketing practices is still scarce and lack of research on CRM practices from Indian perspective in the public domain makes it vital to study. In today’s fiercely competitive world, organizations are discovering it tough to differentiate their offerings. The significance of this topic lies in the fact that insights into this area would particularly help in further positioning and segmentation of the market. There is further analysis warranted because such information substantiates the consumer vision of companies following cause related marketing activities.

More and more Indian companies have started adopting CRM as an effective marketing tool and ultimately paved the way for CRM making substantial impact on companies, charitable institutions and finally the consumers itself. Over the years, consumers are questioning the role and responsibilities that companies have towards the larger community.

Henceforth, Indian companies have developed Cause Related Marketing programs to publicly demonstrate their commitment by addressing charity and societal issues alongside achieving the organizational objectives. The specific domain of consumer awareness, perception and preference study toward cause related marketing activities remains less explored in the Indian context. It would be valuable information for a marketer who would want to formulate strategies for implementing the CRM initiatives for the organization. The marketers would have the utmost need for the better understanding when it comes to individual differences, individual expectations and social aspects, further contributing to the dynamics of overall decision making towards cause related marketing initiatives.
3.3 **Research Objectives**

The main objective of this study is to understand the customer awareness, perceptions and preferences towards cause related marketing.

The sub-objectives are:

1. To study the customer awareness about Cause related marketing.
2. To study the customer aided and unaided awareness of Cause related marketing.
3. To study the customers perceptions towards cause related marketing.
4. To study the preferences of the customers regarding usage of cause related marketing practices.
5. To study the antecedents of Cause related marketing participation.

3.4 **Research Hypothesis**

On the basis of the above mentioned objectives of this research study, the following research hypothesis has been developed:

H1: There is a significant difference in unaided awareness of cause related marketing and Gender.

H2: There is a significant difference in aided awareness of cause related marketing and Gender.

H3: There is a significant difference in source of awareness, unaided awareness and aided awareness of cause related marketing with respect to age.

H4: There is a significant difference in source of awareness, unaided awareness and aided awareness of cause related marketing with respect to education.
H5: There is a significant difference in source of awareness, unaided awareness and aided awareness of cause related marketing with respect to income.

H6: There is a significant association between preferences towards Cause type and Cause related marketing participation.

H7: There is a significant association between preferences towards Cause scope along with nature of donation and Cause related marketing participation.

H8: There is a significant association between CRM awareness and Cause related marketing participation.

3.5 Research Design

Research Design is a framework for research and the research approaches could be classified as three categories of research which are Exploratory, Descriptive and Causal. The Descriptive and Causal Research are more structured compared to exploratory research. Descriptive Research helps in decision making and it is used with large samples by addressing questions like who, what, when, where and how.

In this study, descriptive research has been adopted by the researcher to understand the awareness, perceptions and preferences towards Cause related marketing. In descriptive research, this study has further adopted Single cross-sectional design where data is collected from one sample and only once. The questionnaire measured the awareness towards cause related marketing, perceptions towards cause related marketing and preferences towards cause related marketing.

3.6 Sampling Procedure

Malhotra (2007) describe that the sampling design process constitutes the following three steps:

(a) Defining the target population
(b) Selecting a sampling technique

(c) Determining the sample size

The procedure followed in this research study are enumerated in the sections below:

3.6.1 Defining the Target Population

The target population is defined by Malhotra (2007) as “The collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made”. There are diverse range of customers who come in touch with the CRM activity but perhaps for this research study only respondents of eighteen years or older were allowed to participate in the study. The universe would be the people residing in the state of Gujarat and the target population would be people residing in the five cities identified from the state of Gujarat. Here it consist of people from the five cities which has been represented through geographical coverage of the state of Gujarat (North-Patan, South-Surat, East-Baroda, West-Rajkot and Central-Ahmedabad). This would make the sample representative of the entire Gujarat population.

Sekaran (2003) discusses the term “population frame” to explain the elements in the population from which the sample is drawn for the study. In this research study, the sample was drawn from shopping malls in all the five cities that draw customers from a widespread demographic spectrum. The sampling unit would consist of an individual who is eighteen years above and who becomes a respondent from these selected five cities in the state of Gujarat. The respondents with a mixture of educational background (school education, graduate, post graduate and professional) were allowed to participate in the research study.
3.6.2 Selecting a Sampling Technique

The sampling technique used in this research study is non-probability sampling technique of quota sampling and convenience sampling. The convenience sampling technique allows the selection of the respondents based on the accessibility and convenience as the name suggests. Malhotra (2007) also states that quick results are one of the major reasons why convenience sampling is adopted. On the contrary, convenience sampling is rather considered as less representative (Malhotra, 2007). Accordingly, quota sampling was used with convenience sampling as quota sampling improves representativeness. In quota sampling, a fixed number or quota is taken into consideration to derive better approximation. This sampling technique is used when a large population has to be represented by the researcher (Maylor and Blackman, 2005) and the selection of respondents would be stopped after the prescribed quota is reached.

3.6.3 Determining the Sample Size

Determining the sample size through the statistical formula requires considerations such as confidence level, degree of precision and proportion of the population. The sample size arrived at through this statistical formula is 384, by assuming 95% confidence level, 5% accepted error level and 50% of the population that is aware of the CRM initiatives. The chosen sample size for this study is 500, that is sufficiently large. The data was collected from five cities of Gujarat - Ahmedabad, Baroda, Patan, Rajkot and Surat. The number of respondents was chosen from each of the five cities proportionately based on the population of these cities. The population of the above five cities were taken from the “Socio-Economic Review, Gujarat State, 2014-15” which was prepared by the Directorate of Economics and Statistics, Government of Gujarat. Based on this proportionate population,
the respondents were chosen from the respective cities (160 in Ahmedabad, 90 in Baroda, 30 in Patan, 85 in Rajkot and 135 in Surat). The sample size for non-probability sampling is majorly based on cost benefit considerations because of resource constraints.

3.7 Data Collection

The data collected has been from both primary and secondary sources for realizing the objectives of this study which is described as follows:

Primary Data

The primary data for this research study was collected from respondents residing in the five cities of Gujarat - Ahmedabad, Baroda, Patan, Rajkot and Surat. In this study, as mentioned in the research design section, descriptive research has been adopted by the researcher to understand the Cause related marketing phenomenon. The questionnaire method was adopted to collect the primary data from the respondents. A structured questionnaire was prepared for collection of data after following with a pilot study with fifty respondents to pre-test the questionnaire. The pretesting of the questionnaire was conducted among respondents similar in the profile to the final sample of this study. The comments and the feedback of respondents were taken into consideration and finally adjustments were incorporated in the questionnaire. The primary data was collected from 538 respondents out of which 38 were rejected after scrutiny, due to incomplete or missing details in the questionnaire. The questionnaire used the Likert Scale to measure the awareness towards cause related marketing, perceptions towards cause related marketing and preferences towards cause related marketing. The sources of information for studying the CRM extent of awareness has been adopted from Barnes (1992). The three print advertisements chosen for examining aided awareness were based on on-going CRM activities and all the three print advertisements are there in the questionnaire, which is attached in the Annexure 1. The questions on cause type, nature of
donation and cause scope were based on the extensive literature review done on the antecedents of CRM participation. The question on CRM perception were examined with the help of 10 perception statements which were verified in the pilot survey executed. These statements were based on literature review from previous studies. All these statements were measured on a Likert scale from 1-5 rating scale, with 5 representing “Strongly Agree” and 1 representing “Strongly Disagree”. The respondents were administered with structured questionnaire in all the five above mentioned cities of Gujarat and the respondents were requested to fill up the questionnaire based on their judgements and beliefs. The method of sampling used for this current research study is Quota sampling and Convenience sampling as mentioned earlier.

Secondary Data

The secondary data for understanding the awareness, perception and preference towards cause related marketing has been collected and reviewed from sources such as books, periodicals, journals, research reports, magazines along with searching internet through Google and Google Scholar. All the sources are appropriately outlined in the bibliography section of the thesis. The researcher has personally visited the IIMA library and Ahmedabad University library for the collection of the secondary data.

3.8 Assumptions

The following assumptions were made:

1. The respondents will see the print advertisement shown to them and respond to the aided awareness questions accordingly.
2. The respondents will answer the questions with honesty and entirety.
3. The respondents will not be biased and hence, respond to the question without any intentional bias.
4. The respondents will understand the questions asked to them and the scales adopted in the research instrument.
5. It is assumed that CRM participation would be based on both the genders.

3.9 Reliability and Validity of the Research Instrument

The pretesting of the questionnaire was completed before administering the final questionnaire to the respondents. The reliability of the scale, which is a measure of how a scale used in the questionnaire could be relied on to produce similar measurements every time we use the scale, was done through SPSS. Cronbach’s alpha was employed to perform reliability analysis of a scale that consists of various items/variables used in the study. The alpha value is considered a good scale if the value of the scale is 0.7 or more (Nargundkar, 2008; Malhotra, 2004). The value of Cronbach’s Alpha is 0.883 for the current research study. The validity was ensured by giving high priority on not asking ambiguous questions and elaborating the statement wherever necessary thereby ensuring the items exhibited on the questionnaire are clear and understandable. Additionally, pilot testing with groups of respondents assured that the questionnaire helped to assess the requirements of the respondents.

3.10 Data Analysis

The data analysis for this research study was undertaken by using the SPSS software (Version 21) and AMOS software (Version 21). Based on the objectives of this study, the hypothesis testing methods used including the Chi square and Structural equation modelling. The first question was analysed by using the frequency count as a part of the analysis. The responses of second question to eighth question were collected through Likert scale. In this research study, factor analysis of perception statements in the eighth question led to data reduction and summarisation ultimately leading to “factors” or “dimensions”. The structural equation modelling was adopted and the observed variables and latent variables were defined. There were three first order level latent variables, one second order latent and 18 indicators. To observe the latent variable (CRM participation), the model was developed to express
the latent variables in terms of observed variables. To arrive at this, firstly an exploratory factor analysis was carried out to reduce the number of variables and to examine the underlying constructs in the data. The data obtained was again checked whether it is suitable for this sort of analysis. Secondly, based on the research questionnaire, confirmatory factor analysis was used to evaluate the validity and reliability of the constructs of measurement scales (Hair et al., 2006). Lastly, a sequence of steps using structural equation modelling was employed to test the hypothesis.

3.11 Limitations

This present study conducted has several limitations that lead to further opportunities for future research in the area of Cause related marketing. Firstly, the use of convenience sampling as a sampling technique in research study has its own limitations. Secondly, the size of the sample has its own limitations as it might not be able to represent the whole universe of the state of Gujarat. Thirdly, as a part of this research study, it was aimed to develop a model which highlights the antecedents of CRM participation but it could always be incorporated with further investigations of other antecedents of CRM participation. Fourthly, the study has only taken limited demographic variables into consideration and further investigations could be undertaken to include more demographic variables and examine the consequence on cause related marketing phenomenon. Lastly, this study was undertaken in the various cities of Gujarat state and replication of this study in other states in India would further the generalizability and validity of the results.
3.12 Research Framework

Table 3.1: Framework for Research

<table>
<thead>
<tr>
<th>Stage</th>
<th>Thesis Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem Discovery and Definition</td>
<td>Chapter 1 : Introduction</td>
</tr>
<tr>
<td></td>
<td>Chapter 2 : Literature Review</td>
</tr>
<tr>
<td>2) Planning the research and design</td>
<td>Chapter 3 : Research Methodology</td>
</tr>
<tr>
<td>3) Sampling</td>
<td></td>
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<tr>
<td>4) Data Collection</td>
<td></td>
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<tr>
<td>5) Data Processing and Analysis</td>
<td>Chapter 4 : Results and Findings</td>
</tr>
<tr>
<td>6) Drawing Conclusions</td>
<td>Chapter 5 : Discussion and Conclusion</td>
</tr>
</tbody>
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The Table 3.1 represents the research process developed by Zikmund (2003) and as followed by the researcher in this research study, chapter 1 and 2 are dedicated to discovery of the problem and defining the problem. Likewise, chapter 3 are dedicated to planning the research design, sampling and data collection methods adopted. Similarly, chapter 4 is dedicated to results and findings which is related to the analysis stage. Lastly, chapter 5 is dedicated to the discussion and conclusions derived.

3.13 Definitions of the Terms used in the Thesis

**Associative learning theory**: The associative learning theory deals with the relationship and associative links between the organization and the charity or cause and deals with the creation of a mutually beneficially relationship through the link (Till and Nowak, 2000).

**Brand**: "A distinguishing name and/or symbol (such as a logo, trademark or package design) intended to identify the goods or services of either one seller or group of sellers and to differentiate those goods or services from those of competitors" (Aaker, 1997).
Cause related marketing (CRM): CRM is defined as “a process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives” (Varadarajan and Menon, 1988).

Corporate Social Responsibility (CSR): CSR is a ‘business commitment to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life’ (Kotler and Lee, 2005).

Expectations: It deals with individual’s way to interpret information in a particular manner.

Participation: It is the act of taking part in CRM activity and from the management perspective it means more of decision making.

Partnership: A partnership is an agreement where the partners decide to collaborate for their mutual interests.

Past experience: It deals with the response based on individuals past experience.

Perception: Perception is summarized by as the process by which an individual selects, organizes and interprets stimuli into a meaningful and rational picture of the world (Schiffman and Kanuk, 2007)

Philanthropy: Philanthropy is a type of giving where a direct or lump sum amount is contributed towards a charity or a specific cause.

Preference: Preference is defined to “serve as a cognitive marker that reminds people how to interact with various aspects of their environment” (Druckman and Lupia, 2000)
**Purchase triggered donation:** Purchase triggered donation is related to the purchase of a product or brand would trigger a certain amount of donation to a specific cause.

**Scepticism:** Scepticism is the questioning of knowledge or opinions expressed or doubt expressed on the claims that are taken for granted.

**Selectivity:** It deals with the selection of the task for an individual and the individual’s concentration in the subject matter.

**Subjectivity:** It deals with the individual viewpoint of the world which is exclusive to that individual.
REFERENCES


