Chapter 3
Research Methodology
Rationale of the Study

The major beneficiaries of the research study would be the decision makers in the service sector. Due to the under penetration and good prospects for growth, the service sector has become highly competitive. To differentiate and succeed in such competitive environment, managements needs to use all the resources and tools at their disposal. The research study will add to the existing body of knowledge in the area of Employee branding, which can be a very useful tool at the disposal of management in the service sector. The study will help the decision makers to understand the impact of employee branding on consumers and also provide direction to imbibe the values of the brand in their employees. The primary objective was to study the concept of employee branding. This concept is more applicable in the service sector. Therefore the service organizations in Banking and Hotel Industry were considered for the purpose of the study.

Objectives

On the basis of above literature review, the following Framework was proposed to understand the impact and applicability of Employee Branding Concept on consumer buying behavior in service industry.

The model/framework of employee branding shows four important factors which lead building of employee branding practices in the employees. The factors are 1) Formal Management control 2) Informal management control 3) HRM Practices and 4) Mass Media Brand Congruence. These four factors jointly lead to developing following brand supporting attitudes 1) Brand Identification 2) Brand commitment and 3) Brand Loyalty. If these three supporting attitudes are developed then it leads to an employee reflecting the values of the Brand. This leads to a strong rapport build up with the customers by making the experience more enjoyable for the customer and building a personal connection between employee and customer. This rapport building leads to customer satisfaction in service industry which gets captured through 1) customer loyalty 2) customer referrals and 3) increased spending from the same customer. This satisfaction in turn has a positive effect on business outcomes of 1) Additional revenues or 2) cost reduction.
Insert framework over here
The other objectives of the study were to identify

1. The conceptual framework of Employee Branding and how it falls in the interface of Internal marketing and External Marketing.
2. The impact of employee branding on consumer buying behavior in the Banking sector.
3. The impact of employee branding on consumer buying behavior in the Hotel Industry.
4. The level of understanding that employees have about the significance of employee branding.
5. The media to communicate the values of the brand to the employees.
6. The impact of different mediums of communication to the employees across employee demographics.
7. The expectations of the employees from their employer to have a better understanding of the brand and its values.

**Hypothesis for the research**

With respective to the objectives following hypothesis were tested

1. \( H_0 \) = The perception of the customer about employee branding is independent of the purpose of the visit (i.e. either personal or business).
   \( H_1 \) = The perception of the customer about employee branding is NOT independent of the purpose of the visit (i.e. either personal or business).

2. \( H_0 \) = the perception of the employee about his understanding of the brand and brand consistent behavior is independent of the formal educational training undergone by the employee in the industry.
   \( H_1 \) = the perception of the employee about his understanding of the brand and brand consistent behavior is NOT independent of the formal educational training undergone by the employee in the industry.
On basis of the literature review, following 13 variables were identified as means of imbibing brand values in the employees.

1) Formal Management Control
   a. Official Printed Material
   b. Display Messages
   c. Job description
   d. Formal meeting with managers
   e. Informal interaction regarding performance

2) Informal Management Control
   a. Informal meetings with managers
   b. Senior executives as role models
   c. High degree of initiative allowed

3) HRM
   a. Induction Training
   b. Appropriate Recruitment
   c. Honoring Psychological contract

4) Mass Media Congruence
   a. Mass media awareness
   b. Consistency of internal and external communication

Whether these 13 variables are dependent or independent on demographics of employees or not, was tested using chi-square based hypothesis testing. Following hypothesis were tested

Hypothesis for Bank Employees
3. \( H_0 = \) 13 Variables are independent of employee demographics of organization, location, tenure in organization, total work experience in banking industry, annual income, formal training in banking industry, age, gender and education.
\( H_1 = \) 13 Variables are NOT independent of employee demographics of organization, location, tenure in organization, total work experience in banking industry, annual income, formal training in banking industry, age, gender and education.

**Hypothesis for Hotel Employees**

4. \( H_0 = \) 13 Variables are independent of employee demographics of location, tenure in organization, total work experience in Hotel industry, annual income, formal training in Hotel industry, age, gender and education.
\( H_1 = \) 13 Variables are NOT independent of employee demographics of location, tenure in organization, total work experience in Hotel industry, annual income, formal training in Hotel industry, age, gender and education.

**Sampling Method**

Convenience sampling method was used for the study. Three Private sector Banks (HDFC, Axis and ICICI Bank) were considered for the study from three cities (Vadodara, Surat and Ahmedabad) in Gujarat. Employees and customers of all these three banks were considered for the study. For Hotel Industry, it was not possible to have access to employees and customers of the same hotel through official means in most of the cases. So the employees as well as customers for the Hotel industry were selected from the three cities on purely convenience basis.

**Sample Size and Unit**
Three cities of Gujarat were considered for data collection. Following is the breakup of the sample size.

<table>
<thead>
<tr>
<th></th>
<th>Ahmedabad</th>
<th>Surat</th>
<th>Vadodara</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Customer</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>225</td>
</tr>
<tr>
<td>Hotel Customer</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>225</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Ahmedabad</th>
<th>Surat</th>
<th>Vadodara</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Employee</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>Hotel Employee</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>150</td>
</tr>
</tbody>
</table>

**Research Instruments**

Questionnaire method was used for data collection.

**Statistical tools used for analysis**

Statistical software like SPSS and Excel were used to for data analysis. Various types of statistical tests like Top box analysis, Measures of Central tendency, Dispersion, Kolmogorov-Smirnov, Shapiro-Wilk, Mann-Whitney U, Levene’s F and t-Test, Chi-square testing and Person and Spearman’s correlation analysis were used for analyzing the data.