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CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter serves as an outline which provides guidance to the investigator on how the research is conducted. In the words of Goddard and Melville (2010) research methodology is an integral part of the research. This chapter briefly discusses the philosophical background of the research and provides rationale for the philosophical settings. It provides a research design in which the study is carried out. This chapter allows the reader to gain insights about the research related concepts and get aware of the methods used in this research.

Different sampling methods are discussed along with sampling techniques which are used in for this research. Research approach and its importance are discussed in details. Data collecting methods, instruments which have been used in this research are discussed and the methods to analysis the collected data have also been highlighted. Finally, this chapter also deals with the limitation faced by the investigator while carrying out this study.

3.2 Research Philosophy

To explain the data construction of the research a certain research paradigm is assembled, this data is constructed with the motive of understanding conceptual links and the purpose of the research. According to Merriam (2009), there are three main research philosophies which include: realism, positivism and interpretivism. The widely used philosophies in research paradigm are positivism and interpretivism. The basis of positivism is that it is an empirical and quantitative research philosophy where the

relationships between the variables of the research are tested through the hypothesis constructed for the research (Johnson and Clark, 2006). Realism is based on the assumptions that reality remains independent of the external environment, opinions and feelings of the investigator are not taken into account. Data needs to be analysed crucially (Saunders, et al., 2012). In interpretivism the data is constructed through the social interaction between the researcher and the respondent. It depends upon the perception and interpretation of an individual in any event and occasion.

In this research, the researcher has utilised positivism philosophy as it allows the researcher to develop the understanding of the research from the quantifiable and measurable techniques through empirical evidences. The positivism theory further allows the researcher to gather insights on customer behaviour and focus on facts regarding online purchases to the simplest elements. However, this also allows the researcher to test the relationship between customer behaviour and online purchases with the large sample size to validate the research.

3.3 Research Approach

As expressed by Maxwell (2012), there are two primary types of research approaches, which are commonly utilized by researchers, inductive and deductive research approaches. Pickard (2012) further contemplated that deductive approach is utilized when the investigator explains and intends to test already existing theories. The hypotheses of the deductive approach are constructed before the study is carried out and it is tested through various instruments of the research. Deductive approach is used when there is a time and budget constraint therefore making it difficult for the investigator to draw conclusions and avoid risks associated with the research.

In contrast, in the inductive research approach, data collected from the research is used to generate a new theory, and the following approach usually begins with the specific analysis of the topic slowly moving towards general findings (Bernard and Bernard, 2012). In this approach the investigator searches for common details and outlines to develop a new theory.

The researcher has chosen deductive approach in this research study as the chosen investigation type allows the researcher to set hypothesis statement for the research which is generated in the favour of customer behaviour as they have formulated on the basis of theories and models studied in the literature. The hypothesis statement has the test the relationship between two variable dependent and independent which has examined the outcome of the test.

3.4 Research Design

As opined by Harwell (2011), research design, for a study, can be broken into three prominent and distinct categories; qualitative, quantitative and mixed method research designs. Qualitative research design is used when the occurrence is not explained in numeric values. Whereas, quantitative research design is used when the investigator needs to measure the feelings, behaviour and attitude of the participants of the study, and obtain the necessary information to answer the research problem. This mode of research design primarily uses in-depth interviews and focus groups (Creswell, 2012).

On the other hand there are various instruments that can be used to collect quantitative data, namely: surveys and questionnaires. The third approach uses both

quantitative and qualitative data for the research and is called the mixed method research design.

The researcher has used quantitative method in this research keeping in mind the nature of the study. The quantitative research design helps the researcher in gaining insights about the consumer behaviour and how it affect the online purchases of products from an online website. Furthermore, the quantitative design enabled the researcher to test the hypothesis which was formulated in the favour of dependent and independent variable.

3.5 Type of Investigation

There are three methods of investigation in a research study, as identified by Sauder's et al. (2012), exploratory, explanatory and descriptive research. Explanatory research elaborates existing theories and draws its literature from the former studies on the topic. This research method explains the relationship between the independent and dependent variable.

In contrast, exploratory research is conducted to generate fresh, raw and supporting concepts of a research topic which are absent from the literature (Kumar, 2010). In contention to both, explanatory and exploratory investigation types, descriptive investigation is carried out to merely simply and further explain an already mentioned and researched phenomenon.

The nature of this research is explanatory; it seeks to analyse the impact of customer behaviour on the online purchases. This research has explained the relationship between these two variables and further elaborates on the fact that how the customers are influenced by their online purchases in the case of purchasing from online websites. The explanatory researcher allows the readers to gain the insights about the research study and guide towards future direction of the study.

3.6 Data Collection Method

According to Kumar (2012), there are two methods of collecting data for a research, primary data collection and secondary data collection methods. Primary data collection method includes discussions, interviews, questionnaires, focus groups for gathering the data. Primary data collected is the first hand information provided for the research by the study participants (Cooper and Schindler, 2006).

The secondary data collection method is when the investigator extracts data from the existing published articles and research papers, in order to gather relevant data for the research. However collecting data from primary sources is considered to be more authentic for the research since the investigator is able to extract relevant and valuable information (Wilcox, et al. 2012).

For this research the investigator has used both primary and secondary data to carry out this research. Primary data is collected by distributing questionnaires and conducting the necessary tests whereas secondary data is used to extract literature from the previous studies and to develop relevant hypotheses. The primary data is collected from the survey questionnaires which were distributed between the consumers so as to gain insights about their behaviour when they purchase from the online websites such as Jing Dong and Taobao.

3.7 Research Instrument

Different instruments are used to collect data which is used for the research study. Survey questionnaires, in-depth interviews and observation tables are the main instrument of collecting primary data (Yin, 2013). Since the following research study has

been formulated in accordance to the principles of a quantitative research design, the researcher utilized a questionnaire survey as the primary research instrument (Macdonald and Headlam, 2011). Questionnaires are the most commonly used method to collect data from the participants due to its simplicity and effectiveness at the same time (Andrew and Halcomb, 2007). The data collected from questionnaires are easy to quantify and analyse.

For this present research, questionnaires are used to study the significance of customer behaviour on online purchases. For this purpose, the researcher has designed close-ended questions which are generated at 1-5 Likert scale to test the results as filled by the respondents of the survey.

3.8 Sampling Method and Technique

Sampling is a method of selecting a small portion of the population which represents the entire population (Battaglia, 2008). According to Kumar (2010) there are two methods of sampling techniques widely used: probability sampling and non-probability sampling. In probability sampling every member of the sample gets an equal opportunity of getting selected in the research study. There are various methods of probability sampling such as simple random, cluster sampling and systematic sampling (Daniel, 2011). In non-probability sampling every member selects the participants by the means of non-random techniques (Saunders, et al. 2007). There are many methods of collecting data by non-probability sampling such as convenience sampling, quota sampling and consecutive sampling.

For the present study the investigator has opted for non-probability convenience sampling to recruit the participants for the study. The aim of the study was to study the significance of customer behaviour on online purchases in case of online websites Jing Dong and Taobao. This

technique is used to eradicate cost and time barriers therefore this approach was considered to be appropriate for the research. This also allowed the researcher to generate authentic and genuine results which helped in the future research.

3.9 Sample Size

The sample size selected for this study 100 consumers who were selected through convenience sampling method as find appropriate for the research.

3.10 Research Variables and Hypothesis

In any research study two variables are identified Independent variable (IV) and Dependent Variable (DV). In this present study, customer behaviour is identified as independent variable and customer behaviour is dependent variable.

For this present study the following hypothesis are prepared:

- Personal factors have a significant impact on customer behaviour in online purchases
- Social Factors have a significant impact on customer behaviour in online purchases
- Psychological factors have a significant impact on customer behaviour in online purchases
- Risk factors have a significant impact on customer behaviour in online purchases

3.11 Data Analysis

Analysis of the data collected is a very significant and crucial step in the research process, as identified by Harwell (2011). It highlights the investigation of the data, builds a relationship between the identified variables and is later used to test the research hypothesis. There are various tools used for data analysis (Saunders, 2007). In the present research study, the researcher has collected quantitative information; therefore to analyze the quantified data SPSS software was used.

The researcher has adopted quantitative data analysis technique which incorporates questionnaire analysis. However, the questionnaires collected from the consumers were analysed through using statistical software SPSS which is most widely used software for the analysis of data and hence provide accurate results. Furthermore, for the analysis of the relationship between the variables, the researcher also applied regression and correlation analysis which examines the relation between customer behaviour and online purchases.

3.12 Ethical Consideration

Ethical consideration plays a very crucial role in conducting a research study. It is necessary for the investigator to follow ethical consideration which indicates the social responsibility of the investigator towards the participants that were recruited to be a part of the research study. The foremost duty of the researcher was to ensure the anonymity of the participants and to protect their identity along with using the collected data only for academic purposes. The participants were communicated about the aims and objectives of the study prior

to the research process and were communicated that they were free to leave the research process if they find it inappropriate.

3.13 Research Limitations

Certain limitations are faced by the investigator while conducting this research.

- The study is limited to a particular region
- Time and budget constraint restricted the acquisition of necessary information, in order to sufficiently analyze the research variables.
- Due to a limited number of participants the researcher faced issues in generalizing the results to a larger population size.

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Factors affecting customer behaviour in online purchases: A Critical Analysis of online retail store Jing Dong and Taobao

Questionnaire

The main aim of this study is to critically analyse the factors affecting customer behaviour on online purchases considering the case of Chinese online retailers Jing Dong and Taobao.

Demographics

1. Gender

- Male
- Female

2. Age

- 20– 24 years
- 25 – 29 years
- 30 – 34 years
- 35 – 39 years
- Above 40 years

Independent Variable: Factors affecting Customer Behaviour

Personal factors

3. The income of the person influences his buying patterns.

- Strongly Agree
- Agree
- Neutral

- Disagree
- Strongly Disagree

4. People prefer to purchase those products online which advocate their role in society.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

5. Purchases from online retail websites reflect a consumer lifestyle.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Social Factors

6. Social class can influence behaviour of the customers on online retail websites.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

7. Friends and family members can influence an online purchase decision of the customers.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

8. Online retail stores motivate the customer to buy the products as it meets their social needs.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Psychological factors

9. The consumer perception towards online products and the brand also influences his buying decision.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

10. Level of motivation towards online products influences the buying behaviour of the consumers.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

11. Online products create a positive attitude of the customers to buy the products from online retail websites.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Risk factors

12. Low risk in the online retail websites can influence the customer behaviour.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

13. Consumer prefers to buy from those online websites which have secured payment system.

- Strongly Agree
- Agree

- Neutral
- Disagree
- Strongly Disagree

14. Consumers prefer to buy from those online websites which have less product risk.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Dependent Variable: Online Purchases

15. Online purchases are largely influenced by consumer attitude towards online retailing store.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

16. The online purchases are influence by cultural and social norms.

- Strongly Agree
- Agree
- Neutral
- Disagree

- Strongly Disagree

17. The performance of the products should meet the expectation of the customers to influence online purchases.

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree