CHAPTER 3

RESEARCH METHODOLOGY

This section outlines the methodology employed in the study. A description on design of the survey instrument, sampling design, data collection methods, and statistical techniques used for data analysis are discussed in this section.

Research Instrument

The survey instrument was an eight-page close-ended questionnaire. For validation purposes, a pre-test was conducted, in which thirty part-time MBA students completed the questionnaire. The questions were refined, based on the constructive comments from the respondents. Definition of money attitude was provided to the subjects. Subjects were informed that their help was needed with emphasis for their honesty in providing answers on a study being done on buying behaviour as well as their attitude towards money. The incidence of compulsive buying was allowed to emerge naturally. The terms 'compulsive' as well as 'compulsive buying' were never mentioned in the questionnaire, as it was thought that this might sensitise the subjects. The questionnaire comprised three sections. Conditions of anonymity and confidentiality were stated on the cover sheet of the questionnaire.

Measure of Compulsive Buying

In Section 1, the respondents' buying behaviour was measured. This part of the survey contained the Faber and O'Guinn (1992) clinical screener for compulsive buying. The scale measures a person's capacity for compulsive buying on seven items. 5-point scales ranging from 1 for 'Very Often" to 5 for 'Never' were employed. Rigorous scale development and validation by Faber and

O' Guinn (1992) found to scale to be highly reliable with an alpha of 0.95 and uni-dimensional. To identify compulsive buyers from the sample, a weighting scheme for each of the seven items of the scale was utilised. The weighting scheme is developed in the form of a scoring equation and a cut-off point of -1.34 was set to distinguish compulsive buyers. Respondents who scored -1.34 or lower were considered as compulsive buyers.

With reference to the compulsive buying scale, the scoring equation is = -9.69 + (Item 1 x .33) + (Item 2 x .34) + (Item 3 x .50) + (Item 4 x .47) + (Item 5 x .33) + (Item 6 x .38) + (Item 7 x .31). Items 1 to 7 are the screener items which reflect the important characteristics of compulsive buying obtained from the compulsive buying scale. Faber and O'Guinn (1992) derived the scoring rule and cut-off point based on the Maximum Likelihood Model. To discriminate compulsive buyers from other consumers, logistic regression analysis was used in which the seven screener items were entered directly into a logistic regression. The weighting values used in the equation represent the beta coefficients which indicate the effects of seven items on compulsive buying.

Measure of Money Attitude

In the second part of the questionnaire, respondents were presented with a money attitude scale. Items in this section sought to measure the various dimensions of money attitude. Attitude towards money in this study was measured using Money Attitude Scale (MAS) instrument adapted from Gresham and Fontenot's (1989) study. The MAS was first developed by Yamauchi and Templer (1982) and later modified by Gresham and Fontenot (1989). The MAS was chosen for this study because it is an original attempt to measure attitude towards money not derived form other scales unlike other money attitude scales such as MBBS and MES. It was originally developed in a more ethnically diversified region of the United States which can be appropriately tested in this study where sample consisted various ethnic groups of Malaysian consumers.

The more frequently used MBBS (Furnham 1984) has demonstrated questionable reliability (Bailey et al 1994). Another reason for using MAS was its length (33 items), which was about half the length of MBBS (60 items).

The MAS used in this study is a 35-item scale that was used to measure respondents' money attitudes. Subjects were required to respond to each item on a 7-point Likert scale (Always = 1, Never = 7 and Sometimes = 4 as midpoint). Scores of each subscale were reversed and summed so higher scores on the subscales represented a greater presence of the measured construct. Since the MAS instrument by Gresham and Fontenot (1989) was designed for American consumers, the instrument's terminology was revised to suit the local environment. Modifications were deemed necessary as symbolic meaning of money and money attitudes of different ethnic groups of Malaysian consumers are likely to be determined by cultural background and religion. Three new items (Items 33, 34 and 35) were included. The statements added are, "I contribute money for a worthy cause"; "I forgo purchasing unnecessary expensive items and utilise the money for contributions to the less fortunate", and "I buy what I need, not what I want, even though I am exposed to attractive advertisements".

Section III of the questionnaire elicits response on the demographic profile of the respondents. Respondents were required to state their gender, age, income, education, religion, ethnic background, marital status and occupation.

Sampling Design

Convenient sampling procedure was adopted in this study. Respondents comprised mainly part-time Master of Business Administration students at the Faculty of Business and Accountancy, University of Malaya as well as students who have enrolled for other Master's degree courses at various faculties. Other respondents tapped were working colleagues and acquaintances of the above part-time students. These respondents constitute a potential and significant pool of consumers in the urban areas of Klang Valley and Kuala Lumpur. They also

form the main group of white collar professionals who were either self-employed or employed in the public or private sectors and mainly between 20 to 55 years of age. To provide an adequate level of confidence in this study, a sample size of 300 respondents were selected.

Data Collection Procedure

The data relevant to the study were obtained through primary and secondary data search. Primary data was derived using the survey method. A total of 300 questionnaires were distributed. In the data collection effort, the part-time Masters' students answered a self-administered, 51-item survey containing the clinical screener for compulsive buying, modified MAS as well as measures of demographic variables. The completed questionnaires were collected back on the same day. They were then instructed to distribute three sets of questionnaires to any of their acquaintances at their workplace and the completed questionnaires to be collected a week later. This distribution was necessary so as to increase the demographic diversity of the sample. Care was exercised to ensure that the racial composition of respondents reflects the population composition in the urban areas chosen in this study. The survey stretched over three weeks.

Secondary data search was also sourced to gather past and current information on the literature review and theories of compulsive buying behaviour and money attitudes from journals, articles and conference proceedings. The adoption of questionnaire design used in this study was obtained from secondary data.

Data Analysis Techniques

Statistical analysis of data from the survey was accomplished by using the Statistical Package for Social Sciences Programme (SPSS/PC+). The analyses comprised five parts:-

(i) Respondents' demographic profile was tabulated using frequencies and percentage.

(ii) Factor analysis using Principle Components with Varimax-Rotation was performed to condense the 35 Money Attitude Scale items in order to generate the money attitude dimensions. To test whether the money attitude dimensions yielded by factor analysis were appropriate for the present sample, Alpha Cronbach's test for reliability was utilised.

(iii) An independent-samples t-test was conducted to assess significant differences between Chinese and Malays on the money attitude subscales with ethnicity as the independent variable and dimensions of money attitude as the dependent variables. The same analysis was conducted to test for significant differences between gender on the money attitude dimensions.

(iv) Compulsive buying scale was tested for its reliability using Alpha Cronbach's test. To identify the prevalence of compulsive buying in the sample, an estimate was calculated using the scoring equation from the compulsive buying clinical screener. Based on the scoring estimates of compulsive buying, gender comparisons on compulsive buying were tabulated using frequencies and percentage.

(v) To determine whether the relationship between money attitude and compulsive buying, correlation and multiple regression analyses were employed. Correlation analysis was employed to measure the extent to which the money attitude dimensions vary with compulsive buying. Multiple Regression Analysis using simultaneous entry method, with non-compulsive buying as the dependent variable and the factors of the MAS as independent variables were used to determine the influence of each money attitude dimension in explaining the overall relationship. A two-stage regression analysis was conducted to ascertain the strength and importance of these factors.