



CSR As A Determinant of Purchase Intention: A Case Study
of Ncell Nepal

Mr. Sumit Sharma

A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Business Administration in Marketing
Graduate School of Business

Assumption University

Academic Year 2015

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By

SUMIT SHARMA

A thesis submitted in partial fulfillment of the
requirements for the degree of
Master of Business Administration
Assumption University

Advisor: Dr. Thongdee Kijboonchoo



Master of Business Administration
Graduate School of Business
Assumption University
Bangkok, Thailand

April 2015.

Thesis Title	CSR As A Determinant of Purchase Intention: A Case Study of Ncell Nepal
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Major	Marketing
Thesis Advisor	Thongdee Kijboonchoo, Ph.D.
Academic Year	2015

The Graduate School of Business, Assumption University, has approved this thesis as a partial fulfillment of the requirements for the Degree of Master of Business Administration in Marketing.

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ABSTRACT

Customers are more careful in making purchasing decisions based on what companies do-how they interact with the environment, society, laws and their workers. Companies that have disregarded their environmental footprint have seen a backlash from their stakeholders. For companies Corporate Social Responsibility (CSR) has become an important part of what firms do. It has not only become a way for companies to give back to society but has also become a strategic tool to differentiate itself from its competitors.

This study aims to identify the relationships that may exist between the act of Corporate Social Responsibility by a company with its behavioral effects on customer behavior indicators namely Brand Image, Perceived Price Fairness, Awareness of CSR and Purchase Intention. This study also takes into account Perceived Service Quality and its influence on customer Purchase Intention. The researcher collected primary data from 400 Generation Y respondents from Nepal, and used structural equation modeling on the data to test the set hypotheses. The researcher used AMOS for statistical analysis to achieve the objectives. Although this study is a concrete body of work, it has some limitations, and the researcher expects that these limitations can be overcome by further studies-while taking different variables into consideration.

The findings of the research reveal that there exists a positive relationship between Corporate Social Responsibility, Perceived Price Fairness, Brand Image and Purchase Intention. However, the research uncovered that there exists a negative relationship between Awareness of CSR and Purchase Intention. Perceived Service Quality also has a favorable relationship with Purchase Intention. The findings of the study will help Ncell, if they choose to apply them, they will help channel their CSR efforts into areas that are more important towards their customer base. Focusing on CSR activities which are closer to the hearts of generation Y will help Ncell gain more attention towards their CSR activities, and in turn, those CSR activities will have an influence on the purchasing intention and the brand image of Ncell. The insights of this research will help Ncell build sustainable competitive advantage through the CSR forum onto generation Y in Nepal.

ACKNOWLEDGEMENTS

I am very glad to have received the help and support of so many people during the time this research was conducted; I am grateful and indebted to their knowledge and kindness.

First of all I would like to thank my advisor Dr. Thongdee Kijboonchoo who helped me shape the research into something I could be proud of and for driving me to put out a better paper than I thought myself capable of.

I'd like to thank the distinguished committee members Dr. Ioan Voicu, Dr. Adarsh Batra and the MOE examiner Assoc Prof Wirat Sanguanwongwan, and would like to especially thank the Chairman Dr. Aaron Loh, who has supported this research in more ways than one, and I am very grateful for his help.

I would also like to extend a vote of thanks to Mr. Kittiwat Watcharachatchawan for his numerous hours in helping me understand the intricacies of SEM. I would also like to express gratitude towards Dr. Phillip Nicholls, Dr. John Arthur Barnes, Dr. Ismail Ali Siad, Mr. Nathasorn Boontanorm and Mr. Amulya Bhattarai for all their support.

Excluding the faculty of the university there were friends who were always there as sounding boards, and voices of reason when I struggling to maintain my work pace -these are the people who saw me go into the abyss and come back again-I'd like to thank them, especially Mr. Ajay Shrestha, Ms. Ran Tanaka, Ms. Parnward Banternghansa, Ms. Ketkarn Nakalertkavee, Ms. Liberty Pandey, Ms. Yudina Poudel, Mr. Nay Lin Aung and the members of the Sheng Jing Bing's group. I would also like to thank the friends who I have not mentioned by name, thank you for your support and I am grateful for your friendship.

Finally, I'd like to thank my parents who have inspired me to strive for better things and my sister who has supported me from thousands of miles away.

Sumit Sharma
January 2015

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LIST OF ABBREVIATIONS

ABBREVIATED	NON-ABBREVIATED
CSR	Corporate Social Responsibility
HTML	Hypertext Markup Language
MIS	Management Information System
PSQ	Perceived Service Quality
SEM	Structural Equation Modeling
SERVQUAL	Service Quality
SPSS	Statistical Package for the Social Sciences
CAGR	Compounded Annual Growth Rate
GFI	Good Fit Index

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CHAPTER 1

GENERALITIES OF THE STUDY

1.1 Introduction of the study

Corporate Social Responsibility (CSR) is increasingly becoming an important way for companies to differentiate themselves from the competition. It is also a way for them to engage their stakeholders into doing meaningful things for the society. With the business scape changing so much over the last decade, and people having information about a company's non-core activities like never before, Corporate Social Responsibility has now become an important strategic tool for any organization.

Scholars have been arguing both sides of the CSR issue, there are those who are in support of an organization participating in solving social problems, and there are those who don't think its any of a company's business. Milton Freidman (1962) famously argued that it was a company's duties to lookout for its shareholders, and not society in general.

More recently authors suggest that it is in the company's best interest to be socially responsible. Firms that increase societal obligations and help society end up creating a new marketplace for their products and services (Carroll & Shabana, 2010; Drucker, 1984). With this in mind firms all around the world are embracing Corporate Social Responsibility and are treating it like one of their core functionalities. Considered a long-term investment, it can lead to numerous competitive advantages (Carroll & Shabana, 2010; Kang, 2009; KPMG, 2011; Orlitzky, Schmidt, & Rynes, 2003).

While the concept of CSR has evolved over the last fifty or so years, the world has seen a growth in population which has been characterized into various generations-the baby boomers, generation X, generation Y and generation Z. Generations are not just defined by what age they are, or when they were born, they are defined by what influences them such as wars, politics, scientific discoveries, world culture and education (Meier et al, 2010). The term generation X originated from a book, Generation X: Tales for an Accelerated Culture written by Douglas Coupland (1991). Generation X is considered to be those born after the baby boomer generation, between 1961 and 1979. Generation X was the generation on the threshold to technology. The succeeding generation, Generation Y was born into an age of

technology and knows more about it than the previous generations. Characterized as being born between 1980 and 2000, Generation Y makes up about 59% of the current Nepalese population (CBS National Report, 2012), making it an important part of any growing economy. Understanding what drives this generation is important to consumption decisions and patterns in the future. Generation Y has been brought up in a constantly changing climatic situation and has been taught to care for the environment, our finite resources and each other. Generation Y is one with technology and social activism.

After becoming a republic at the end of a decade long Maoist People's War (1996-2005), Nepal is currently in a state of transition. Having elected two different constitution assemblies, the Nepalese people have been waiting on Government's to initiate plans on growth, development and policy that will benefit industry, services and agriculture. Generation Y is waiting in the wings to take charge of driving the economy, identifying anything relating to their consumption habits will be a big advantage to companies' in the country as well as the country itself.

1.1.1 Corporate Social Responsibility and the Nepalese Context

Culturally, religiously and with similar socio-political background the Nepalese society have a lot of similarities with its Southern neighbor India. Most of our goals while dealing with poverty alleviation, education and development are also the same. With a royal family leading the way, and as a part of the culture Nepal has always been a giving society. Whilst the giving as a society can be traced back decades, the same cannot be said about corporate giving, or corporate responsibility towards society. Without a proper corporate structure in place, and having a lot of private enterprises, Nepal needs to develop better codes of conduct to be practiced, not just in CSR but also in corporate governance, etc. In the words of Chapagain (2008), Nepalese companies still believe that profit is their primary motive, while activities like CSR are optional.

Nepal's corporate history is relatively short. Plagued with labor strikes, lockouts, extortion, load-shedding Nepal is hardly the best place to start any industry. But in recent years there have been reforms in the industry sector, and with a growth in the consumption and demand, companies are again at a place where they can donate a portion of their profits to CSR

initiatives. While still in its preliminary stages, companies in Nepal are embracing the need for CSR, not just as a way to benefit society but as a strategic tool to create brand value as well.

In summary, CSR is not an unknown phenomenon in Nepal. Companies have been well versed in the need to practice CSR and are engaged in CSR activities. These initiatives are helping them associate their brand names with positivity and societal change. A wide variety of CSR programs are in place, from education, to health and entrepreneurship development; but most of these initiatives are just superficial. Only times will tell how the implementation of these programs will help companies and the society in general.

Table 1.1 Snapshot of CSR in Nepal

Company	Activity	Intensity
Dabur Nepal	Social Welfare Youth Integration	*
Samling Group of Industries	Healthcare Education	*
Yeti Airlines	Social welfare Community services	*
Jyoti Group	Transport Healthcare Education	*
Surya Nepal	Health Community Empowerment Environmental Protection	**

* Basic concepts are known and basic things are done **Active and visible player ***Active CSR driver.

1.1.2 Company Background

Nepal is a small South Asian country with a population of 31 million and has agriculture based economy with a Gross Domestic Product (GDP) of \$42.1 billion (World Almanac, 2015). The Nepalese economy consists of three main components, agriculture at 36%, services at 48% and industry at 15%, although there has been growth in the services sector, there has been a sharp decline in agriculture and industry (World Bank: Nepal at a glance, World Bank 2012).

According to the Nepal Telecom Authority (NTA), the regulatory body for the telecommunications industry in Nepal, there are seven telecom service providers providing fixed and mobile telecom connections to the Nepalese public. Nepal Telecom, a state owned telecom along with Ncell Nepal have the largest number of subscribers, making up 21 million of the total 24 million subscribers (NTA MIS, July 2014). As of 2009, the telecom industry has been contributing 1% to the GDP.

The cellular telecom industry of Nepal is made up of four competitors. Nepal Telecom- the state owned telecom operator, Ncell- the large privately held Telecom Company, Smart Telecom Private Limited and United Telecom Limited – a large CDMA telecom company held by Indian and Nepali companies. Ncell has committed itself to Nepal actively investing in infrastructure development projects to increase its capacity as a 3G provider. Ncell is also looking into investing into any 4G LTE spectrums that are to be announced. The telecom sector is seeing large growth Ncell alone has seen a growth in sales, around 15% CAGR (Compounded Annual Growth Rate), resulting in a 2013 sales figure of NRS 46.16 billion. Ncell has shown itself committed to Nepal in more ways than one with investments in CSR activities, community development programs and the ways of sponsorships for sports and other tournaments.

Ncell is the largest GSM mobile operator in Nepal, with a market share of 56% as of June 2014. It is a part of the Telia Sonera group, a Swedish/Finnish telecommunications company with operations in 18 countries, and had revenue of \$14.98 billion in 2013. The headquarters of Ncell Nepal is in Kathmandu, Nepal.

Despite being a largely agricultural economy, Nepal is slowly making strides in promoting service as a major contributor of its GDP. Communications, which are essential in any business, are growing exponentially, for a country that has a mobile penetration of only 13% in 2007 now has 70% in 2013 (<http://www.budde.com.au/Research/Nepal-Telecoms-Mobile-Internet-and-Forecasts.html>). Ncell is a privately owned GSM mobile operator in Nepal offering

2G and 3G services to its customers. By the end of 2010, Ncell Nepal had coverage in all 75 districts, 22% of the landmass and 60% of the people.

Ncell came into the Nepalese market with the slogan 'Here for Nepal', and has since made investments into infrastructure development and shown its more soft side by investing into Corporate Social Responsibility projects. Most of Ncell's CSR efforts have been focused on the new generation and like other companies before it, has heavily invested its CSR into education. Through programs such as 'adopt a school' Ncell has been investing in the recreation of school infrastructure which was lost during the decade long civil war. It has adopted 42 schools in rural Nepal. Ncell has also setup a scholarship scheme for girl children as it in many South Asian countries considered not necessary for girls to have education. Western Nepal is more impoverished than the rest of the country and parents are unable to send all of their children to school. Girls are usually the ones left at home; Ncell has been providing scholarships to twenty girls annually. Ncell also has a digital library program in the works, which helps rural schools link up with modern day educational materials.

Outside of the realm of education, Ncell's other CSR activities include starting a body against the trafficking of women, and charitable giving to various organizations and disaster relief agencies. (<http://www.ncell.com.np/About-Us/CSR/Ncell-Charity>, Retrieved December 1, 2014)

1.2 Statement of the Problems

With Corporate Social Responsibility becoming a more integrated part of business functions, it is important for companies to evaluate the effect they have on the reactions they create in terms of their market base. Not all CSR activities have tangible returns for companies that partake in them, but for more companies to engage in CSR activities it is important for them to see the benefit. The factors used in this research have been adopted as measures of CSR in the Nepalese market place in context with the best target population to understand and evaluate those activities when making decisions. If there is no relationship between the independent variables of this research and the purchase intention, then it can be concluded that the market is not at the point to where it is evaluating CSR actions as an indicator for purchase decisions.

Despite all of its investments in Nepal, Ncell has a negative brand image about it. More people claim they have been victims of Ncell's unfair business practices. This has lead Ncell to

reconsider its brand image, as a part of a larger equation of gaining a stronger foothold in Nepal. Looking towards the future Ncell has made inroads and investments in CSR in the form of scholarships, adopting schools and philanthropic activities, knowing that the next generation of cellular phone users will make their purchase decisions based on more than the quality of service and the price of service.

The questions to be addressed by the research are as follows:

1. Does a relationship exist between Corporate Social Responsibility and Brand Image?
2. Does a relationship exist between Corporate Social Responsibility and Perceived Price Fairness?
3. Does a relationship exist between Corporate Social Responsibility and Purchase Intention?
4. Does a relationship exist between Brand Image and Purchase Intention?
5. Does a relationship exist between Perceived Price Fairness and Purchase Intention?
6. Does a relationship exist between CSR Awareness and Purchase Intention?
7. Does a relationship exist between Perceived Service Quality and Purchase Intention?

1.3 Research Objectives

The objectives of this research are to identify the effects CSR has on brand related attributes of products and services and the purchase intention of services in the Nepalese marketplace. The researcher intends to study the independent variables used in the study to see if the correlation or relationships developed from the framework can be adapted into a real life model, helping firms carry out meaningful CSR activities yet, having a tangible benefit for them from the investment in aforementioned CSR activities.

The objectives of the research are to study:

1. The relationship between Corporate Social Responsibility and Brand Image,
2. The relationship between Corporate Social Responsibility and Perceived Price Fairness,

3. The relationship between Corporate Social Responsibility and Purchase Intention,
4. The relationship between Brand Image and Purchase Intention,
5. The relationship between Perceived Price Fairness and Purchase Intention,
6. The relationship between CSR Awareness and Purchase Intention,
7. The relationship between Perceived Service Quality and Purchase Intention.

1.4 Scope of the Research

The driver behind the research is to see what the effects of having a good CSR portfolio has on Purchase Intention, especially in generation Y, whose buying decisions are swayed by information that is available online about companies' non business activities and a greater awareness of this generations effect on the environment. Companies need to be more socially responsible as they are consuming resources, and contributing to the state of the world, these socially responsible actions are programs will return to them in the form of better brand image and buying behavior in the future.

Independent and Dependent variables in this study are Corporate Social Responsibility, Perceived Service Quality and Purchase Intention respectively. There are also mediating variables that will have an effect on the dependent variable, Brand Image, Perceived Price Fairness and Awareness of CSR.

The target populations for the study were the people born between 1980 and 1999, in other words generation Y. The respondents were all screened with their age, as well as their knowledge of the existence of the Ncell brand. The research was conducted using questionnaires having four parts

- a) Screening Questions
- b) Independent and Moderating Variables
- c) Dependent Variable
- d) Personal Information about the respondent

Upon analysis of the importance of CSR in today's society, the researcher expects a study focused on generation Y would have the most favorable outcome. The research was carried out between March 2014 and December 2014.

1.5 Limitations of the Research

While conducting any kind of research, there are a certain number of limitations that will ultimately affect the final outcome and the effectiveness of the study. In the process of this research, one of the important limitations to have affected the study is the time constraint. Having conducted the research from March 2014 to December 2014, the researcher feels that in order to make a more in-depth and conclusive study the time frame should be enhanced. With only a limited time, the research that could be done to access the effectiveness of the selected dependent and independent variables studied in the research. With a longer time frame, the researcher believes that more variables could be added to the framework to make it more precise than it already is. While the research considers the perceived fairness of Ncell's pricing practices, it does not consider price point as a direct variable in the study. The difference being that PPF is a marketing term, about what consumers feel about the prices being charged, and having a price point is the actual price being charged in the market place by the company.

The circumstances under which the study has been carried out can be called a limitation as well. As Nepal is going through major changes both politically and socially the data collected today may not be relevant in the future. The results that hold true in today's Nepal as a new a country with its corporate structure and industry in stages of infancy may not hold true in the future.

1.6 Significance of the Study

The research will help marketers better understand the relationships between strategic CSR initiatives taken by companies, and the effect of their importance on the perception of the companies in public spaces. Many studies have been carried out on CSR and its affect on consumer perception, its relationship with financial performance, and purchase intention. Most of these studies have been conducted in western societies where the development and history of both corporations and CSR is long. In Nepal where corporate culture is still new, and there is a shift from an agricultural economy to a service economy the findings of this research will benefit

managers, researchers, scholars in crafting CSR policy as well as providing necessary tangible numbers to extend the amount invested in CSR activities.

Ncell, whose CSR and services are being used as a platform for this research will benefit from the results as a means to gain insight into one of their most important customer demographics. It will help Ncell focus its CSR spending and help them with changing strategy such that CSR is included as a business process and not as an add-on.

- a) Managers will be able to use the frameworks and the findings of the research to map out a cost/benefit ratio amongst the CSR spending companies have versus the measurable performance based returns. It will help managers quantify their spending and create better company policy related to CSR.
- b) Researchers or scholars interested in Corporate Social Responsibility in the service sector, can use this study as a basis for any further study and research using different industries and variables. With the Nepalese economy slowly growing out of its deficit, the research into different industry sectors could prove to be very valuable in the future.
- c) Policy makers can use the findings of the research to determine the kind of coverage any policy or legislation changes that need to be made to have more active participation in CSR from companies. Thus contributing to societies' general welfare.

Having a long history of philanthropic giving, Nepal needs companies to actively involve themselves in CSR activities. Having been in a decade long people's war and now having a growing economy companies have the ability to contribute in the form of corporate governance and helping social causes.

The researcher expects outcome of the research will help assess the effectiveness of their CSR, thus encourage them to further engage in different kinds of CSR activities. Of the current company's working in Nepal-Surya Nepal, Dabur Nepal, Yeti Airlines and Jyoti Group have the largest CSR footprint (Adhikari, 2012). Although these companies believe in the investment of technology, they also believe in the investment of society and are making headway into the development of CSR programs and initiatives in Nepal. This research aims to help provide support to companies whilst making decisions to invest in technology viz. invest in CSR.

1.7 Definition of Terms

Awareness of Corporate Social Responsibility

Consumers' awareness of CSR mainly discusses whether consumers are aware of CSR activities in real consumptions (Pomeroy and Dolnicar, 2009).

Brand Awareness

Brand Awareness refers to a consumers' ability to recognize and recall a certain brand with which they are familiar (Aaker, 1991).

Brand Image

Brand image comprises the attributes and benefits associated with a brand that make the brand distinctive, thereby distinguishing the firm's offer from competition (Webster and Keller, 2004).

Brand Loyalty

Brand Loyalty can be defined as the degree to which consumers are loyal to a brand and are willing to repurchase the brand or products of the brand. It is a consumers' commitment towards repurchase (Oliver, 1997).

Brand Satisfaction

Brand Satisfaction is defined as a customer's judgments based on a brand's ability to exceed or failure to meet expectations (Oliver, 1980).

Corporate Social Responsibility

CSR is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, and the environment are reflected in the company's policies and actions. (www.csrwire.com, Accessed 2014)

Generation Y

Generation Y is a term used to define that segment of the population born between 1982 and 1999, and are characterized as technologically embedded and socially aware (Xu, 2007).

Perceived Price Fairness

A large body of research suggests that consumers' willingness to pay a higher price for a product depends on their perceptions of how fair that price is (Campbell, 1999a, b; Crawford and Mathews, 2001).

Perceived Service Quality

Perceived Service quality has been defined as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; and Dotchin and Oakland, 1994).

Purchase Intention

Customer Purchase Intention in telecom is defined as the decision to act based upon knowledge of a company's perceived quality, brand image and trust of the company. (Al-Refaie et. al., 2012)

Structural Equation Modeling

Structural equation modeling is a general term that has been used to describe a large number of statistical models used to evaluate the validity of substantive theories with empirical data (Lei & Wu, 2007).

CHAPTER 2

REVIEW OF RELATED LITERATURE AND STUDIES

In this chapter the researcher will discuss the definitions and theories related to the independent and dependent variables. The researcher will further look into the relationships that exist between the independent and dependent variables. Finally, the chapter will be concluded with a summary of previous empirical studies carried out on the subject matter.

2.1 Definition, Theories and Features of Independent Variables

2.1.1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is increasingly becoming a high profile concept and has a great deal of strategic importance to companies. Up to 90% of fortune 500 companies now have and mention having CSR initiatives on their websites and literature (Kotler and Lee, 2004; Lichtenstein, Drumwright and Bridgette, 2004). Companies are engaging in CSR activities different forms, which could be cash donations, in-kind donations, cause marketing and employee volunteering programs.

The term CSR seems to be a new word and a new concept to the corporate world today, but, literature reveals that the concept of CSR has been in existence for several decades and the definition of each decade has supported and evolved the concept of CSR known today.

Between the 1920's and the 1950's, there were several definitions of the term that were coined. Windsor (2001) professes, since the 1920's business leaders have been a part of some of the conceptions of responsibility and responsiveness practices. Other arguments have been made that it started in the 1930's. Meick Dodd in particular cited that it was the community that held the corporations in trust (Boatright, 2003). Bowen in 1953 conceptualized CSR as an obligation borne by the corporation towards the society (Maignan & Farrel 2004). Carroll, one of today's foremost researchers and academics on Corporate Social Responsibility has elevated Bowen's status and has called him the 'father of corporate social responsibility' (Carroll, 1999).

The 1960's are not that favorable towards the concept of CSR as the decades that preceded it. Freidman (1962) declared that businesses had a singular social responsibility, which was to maximize returns for their shareholders.

The concept of CSR gained a lot of attraction in the 1970's. In 1971 the United States Committee for Economic Development described CSR as a concept related to products, jobs, economic growth aimed at improving the social environment of the firm (CED, 2003). The CED model for CSR is often described as an important step in the evolution of CSR. Eells and Walton further described CSR as a representation of the concerns of the needs of society beyond the economic, and since business system of today exist in society, CSR represents business' role in supporting and improving the said society (Eells & Walton in Carroll, 1999).

The 1980's, during processes of defining and refining existing definitions of CSR, a lot of research was done on the subject leading to the emergence of splintered concepts such as public policy, business ethics, stakeholder theory, corporate social performance (Carroll, 1999). CSR as a prominent tool for sustainable development emerged in this decade. It was in the 1980's that the concept of sustainable development was conceptualized and the world conservation strategy was developed.

2.1.1 Theories Related to the Independent Variables

American and European theories on CSR are greatly different. In the USA traditionally, CSR has been defined as a philanthropic model in which companies give back a certain share of their profits to charitable causes. The European model on the other hand is more focused on operating all core business activities in a manner, which is more responsible towards society. Bergkamp (2002) has described CSR as a concept in which companies voluntarily decide to help in bettering society. The definition of CSR has been conceptualized and changed according to the context of the business and the society in which business operates. The following are theories put forth by researchers, which are most relevant in the understanding of Corporate Social Responsibility.

2.1.1.1 CSR Pyramid

After debating for years the legal and economic responsibilities of a corporation, Archie Carroll in 1979 conceptualized a pyramid for CSR, which included economic and legal as well as the ethical and discretionary (philanthropic) responsibilities of a company as well. The main point behind Carroll's concept was that businesses had to address the entire spectrum of

obligations to both the society it operates in and the shareholders towards it is beholden.

Carroll's pyramid is depicted in figure 2.1.



Source: Carroll (1996)

Source: Carroll and Pinkston, Journal of Business Ethics, (1996), pp 199-206

Figure 2.1 Carroll's Corporate Social Responsibility Pyramid

The Economic Responsibility

The most important responsibility of a firm towards its stakeholders is to make money. Before setting forth any other goals a firm must work towards its basic and most important goal, which is to generate economic wealth for its shareholders. All other responsibilities of a firm lay in balance of the results of this one responsibility, without economic responsibility the form will most certainly perish.

The Legal Responsibility

Although a firm's principle responsibility is to make profit, the sound most important responsibility of a firm is to follow the rule of the law while doing so. Firm's are expected to follow the rules and regulations of the land at all times, and are expected not to skirt, curtail or break the law even if the repercussion in doing so is much lower than the income to be generated from it. Businesses are expected to fulfill their end of an unwritten social contract, which holds them responsible to pursue their economic goals within the framework of the law.

The Ethical Responsibility

Ethical responsibility of a firm outlines that a firm is expected to do what is right even when the law does not require it. In certain countries and conditions the law does not state the ethical treatment of workers, the disposal of poisonous waste etc., but firms are expected to do the right thing in this context and be socially responsible. Business ethics movements have made this an important CSR component, which shares a dynamic relationship with the legal responsibility of a firm.

The Philanthropic Responsibility

Firms are expected to contribute to a society's projects even when they do not match the goals of the firm. It is in this instance that firms are to act as corporate citizens and engage in activities that are beneficial for the larger society and not just the business society that firms deal with.

The order of the pyramid is from bottom to top. A firm that cannot generate profit or income cannot be expected to engage in philanthropic needs of the society.

In the case of Nepal as a whole, Philanthropic responsibility is the one that is most easily seen. Due to the country's topographic makeup it often finds itself in natural disasters and corporations and companies are always giving in cash and kind to help those in need. The government also follows the same rule of thumb and only looks at philanthropic responsibility. The scope of Corporate Social Responsibility in Nepal is not yet defined, thus, companies are free to do as much and/or as little as they want.

2.1.1.2 Triple Bottom Line Theory

Elkington coined the term triple bottom line in the mid 1990's. The term lends itself to a framework, which was developed to measure sustainability. It encompasses not just the economic side of things but also incorporates social and environmental impacts of firm's activities. The dimensions of the triple bottom line (TBL) have become known as the 3P's (Profit, Planet and People).

Economic Sustainability

Firms should value long -term profits over risky and short term gains. Larger corporations have a responsibility towards society to draw up business plans allowing for stable investments and actions.

Social Sustainability

Firms must value the balance between the way to do business and the way their business affects the life of people in society. In order for a business to be stable in the long run, opportunities and wealth need to be spread to cover large numbers of the society. Social responsibility doesn't just end with the money distributed or redistributed but also has to do with the way people are treated and respected. The fair-trade movement is a good example of the execution of social sustainability.

Environmental Sustainability

Most of the natural resources at our disposal in order to create wealth are finite and eventually will be depleted. If the rate of depletion is high, then the future generations to come will not be allowed to enjoy the same quality of life as us. Thus, it has become a part of a firm's responsibility to operate in such a way that the impact it has on the environment is minimal and that it works in spheres of environmental protectionism.

In recent years, this approach has come under criticism for being limited and its measures are misleading. It is still used as a measure of corporate social performance.

2.1.1.3 Stakeholder Theory of Corporate Social Responsibility

Companies are being expected not just to be serving the interests of their shareholders but in a larger scope, the interests of their stakeholders too. In case of the stakeholder theory of corporate social responsibility, companies are expected to show the same ethical standards in all the countries they operate (Pilkington & Carroll, 1994). As there is more and more stakeholder involvement in the running of companies, especially transnational companies; companies are expected to fulfill their economic, legal, ethical and philanthropic responsibilities whilst keeping an eye on what they stakeholders want (Sen & Bhattacharya, 2001).

These are the main theories related to Corporate Social Responsibility, additional information regarding the timeline of theories related to Corporate Social Responsibility can be found addressed in the next section.

Table 2.1 Chronologies of Corporate Social Responsibility Theories

Title of Research	Key Ideas	Representative Author
Roots of Business Responsibility	Business leaders must become involved in public and social affairs beyond economic scope of company	Dempsey, 1949
Social Responsibilities of the Businessman	Obligations of a businessman other than economic	Howard R. Bowen, 1953
Social Responsibilities of Business: Company and Community 1900-1960	How businessmen have defined and embraced CSR over sixty years	Morell Heald, 1970
	Corporate Social Responsibility and Corporate Social Responsiveness, Corporate Accountability	William Frederick, 1986
Pyramid of Corporate Social Responsibility	Four Responsibilities, Discretionary, Ethical, Legal and Economical	Archie B. Carroll, 1991
21 st Century CSR	Business practices, including environmental management systems, human resource policy and strategic investment for a sustainable future.	Orgizek, 2001
	Employee relations and diversity programs, ethical materials sourcing, product	Kinder, Lydenberg, Domini, 2004

	design, marketing programs, the environment, human rights, and corporate governance	
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2.1.2 Perceived Service Quality

Today, the quality of service has become an important determinant measuring the success of industries. Service Quality has always been associated with consumers perception of a service and their satisfaction derived from said service. Oliver (1997) describes customer satisfaction as a judgment on a product or service, after favorable consumption, and goes on to describe service quality as the difference between the expectations of service and their perceptions of the service provider. According to Oliver's description, it can be said that if the experience is better than the expectation of service, that service is deemed excellent, if customer's expectations and service experience are the same, then the service is termed as good, but if the expectations of service are higher than the experience of the service, then the service is deemed poor.

Asunonteng et al. (1996) stated that service quality is the difference between the expectations of a service before it is encountered compared to the perceptions of the service after its encounter. Early definitions of service quality are circled around the terms expected service and perceived service.

Grönroos (1984) had proposed a two dimensional approach to service quality, namely technical quality and functional quality. While technical quality is understood as the result attained from the service, the functional quality is defined as the process of how the service was delivered.

Among the new theories related to service quality, the SERVQUAL model is one of the most used. Conceptualized by Parasuraman et. al. (1988), the SERVQUAL model has five dimensions reliability, responsiveness, assurances, empathy and tangibility compared to an earlier two. The model incorporates the differences felt in the expectation of customers and the service performance perceptions held.

Rust and Oliver (1994) developed a new model for service quality with three dimensions, the service product, the service environment and the service delivery. The service product is defined as the primary undertaking purchased by the consumer. The service environment, which is the physical locations where the service is delivered. The service delivery i.e., what customers actually get when the service is purchased.

While businesses use service quality as a measurement of their performance, consumers see service quality as the difference between what they want, what they expect and the actual service they encounter. This experience of the consumer determines if the services provided by the business are matching the consumer's expectations, thus determining the performance of the business.

2.2 Definition, Theories and Features of the Dependent Variable

For this research the dependent variable is Purchase Intention. The researcher will go on to highlight the definition, contributing theories, and features of the dependent variables in this part of the paper.

2.2.1 Purchase Intention

The concept of purchase intention is deeply rooted in psychological and behavioral fields, thus the theory of reasoned action and theory of reasoned behavior are used as concepts to help define purchase intentions. The Theory of Reasoned Action (Fishbein & Ajzen, 1975), contemplates that purchase decisions are solely based on personal behavior and subjective norms.

Espejel et al. have defined purchase intention as a prediction of customer attitudes towards future purchases (Espejel et al., 2008). Their model consists of three main elements: Cognitive element, affective element and a behavioral element.

Kotler and Armstrong (1994) examined the relationship that existed between customer buying behavior and its determinants, namely, cultural, social and psychological factors.

Schlosser (2003) has directed the meaning of purchase intentions towards customers assessments of their purchase behavior, and the way in which customers see themselves interacting with products. Furthermore, Bemmaor (1995) implies that purchase intention is a tool used for measurement by marketing and economics. Thus, it can be said that purchase intention is an approximation of customers' actual purchase of new products. Tanvir and Shahid (2012)

have added that purchase intention is comprised of internal determinants-namely feelings, experiences and thoughts; and external determinants of customer's purchase decisions.

According to Zeithaml et al. (1996), behavioral intentions can be both positive and negative, thus indicating whether or not customers will purchase a new product or not. Eagly and Chaicken (1993), customers purchase intention can be defined as conscious effort to purchase a product based on judgments.

Reference groups are also known to be a determinant of customer purchase intention. For example, a customer may stop using a service provided by a telecom operator on the recommendation of a peer who is using the same or a more superior product.

Customer purchase intention can be swayed by more than one thing, as it is a compilation of internal and external ways for customers to evaluate and decide whether to purchase or defer purchase of a product.

2.3 Definition, Theories and Features of the Moderating Variables

2.3.1 Brand Image

Aaker (1991) defined a brand as a unique identity of a seller or sellers of goods and services, which can be a name and/or a symbol, which differentiates company's offerings to that of its competitors. The driver behind brand creation and development is to produce a symbol, which consumers can believe in and trust.

Brand Image is defined as by the American Marketing Association (AMA), the perceptions and reflections of a brand in people's lives. Its people's emotions combined with their belief of what the brand ought to be (AMA, 2010). Brand Image is considered a reflection of the past performance of the business put together with the present situation feelings of the population in the target market in which it operates.

Brand image is the part of brand equity that influences a customer from their point of view, and thus is considered the most important part of Brand Equity. Brand image is inclusive of four components, namely Brand Awareness, Brand Loyalty, Perceived Quality and Brand Satisfaction (Naqvi et al., 2013).

2.3.2 Perceived Price Fairness

With the prices of everything spiraling upwards, consumers have been left asking questions about the validity and the transparency of pricing, they have become more aware of the price they are paying for goods and services versus the value they are deriving from them. If consumers feel that the prices levied upon them are unfair, then the results maybe negative for the seller, leading in decrease in sales, or other intangible damages to the seller (Campbell, 1999).

Of the many ways that consumers evaluate the fairness of prices, assessment of the reasons for higher prices is one of the main determinants of consumer evaluation (Xia et al., 2004). Furthermore, it is a consumer's evaluation between whether the seller's price is the same or different in comparison to a competitor is reasonable, acceptable or not. The perceived price fairness is of consumers is a comparative analysis but customers to compare the price they pay with other buyers and as long as the same price is being paid, they accept the price to be fair (Martins, 1995). Researchers have found Perceived Price Fairness to be an influencer of customer's willingness to purchase goods and services as well as a factor affecting the brand image set forth by companies (Maxwell, 2002).

Perceived value on the other hand has been defined as authors by the tradeoff between benefit and sacrifice, as a uni-dimensional construct, this is a simplified definition of the concept. Authors have differed in opinion and called it a multi-dimensional construct, which includes determinants such as perceived price, quality, benefits and sacrifice (Babin et al., 1994; Holbrook, 1994, 1999).

2.3.3 Awareness of CSR

The concept of Corporate Social Responsibility has been around for more than thirty years, yet there is still not wide spread adaptation and education about it. Researches conducted on CSR and its effects have shown that companies that conducted CSR activities received positive brand and image effects in society. But the positives aspects of conducting CSR don't come along by themselves; companies that don't publicize their CSR initiatives do not get the advantages from it towards their brand image and purchase intention. Consumers need awareness on aspects of CSR, what it is, and what kinds of CSR companies are engaged in.

2.4 Relationship between moderating variables and dependent variable

2.4.1 Brand Image and Purchase Intention

Over the last decade companies have invested large amounts of money in the creation of brands and brand image. The intention behind this brand development is to see the effects it has on consumer behavior namely perception and how a brand image effects factors like purchasing decision and purchase intention. As a brands' ultimate goal is to generate feelings of confidence, strength and trust (Aaker, 1996; Keller, 1993). Previous research has been conducted which link the effects of brand image onto purchase intention although the research and findings are limited. Bian and Moutinho (2011) researched the impact of perceived brand image and its effects on consumer purchase intention with moderating factors as knowledge and involvement. Brand Image and its subsequent effect on buying behavior has also been established by the researches conducted by Johnson and Puto (1987) and Fishbein (1967).

The perceived benefit from purchasing a brand/product is also a factor which influences purchase intention (Kotler, 1999; Puth et al., 1999), so as long as there is a strong brand image the performance of that brand in the marketplace will be superior than that of an inferior brand. When brands have favorable images, the benefits from purchasing the brand are related towards personal egos and associations, thus maintaining a strong brand image is a key influencer for consumer purchasing decisions.

2.4.2 Price Fairness and Purchase Intention

When consumers find the motives of higher prices to be justifiable or for more than profit, they feel that those prices are fair (Mohr & Webb, 2005). Thus, the effect of Perceived Price Fairness on purchasing intentions will depend upon the degree of transparency of the price, and the exposure of the activities towards defining the higher prices (Carvalho et al., 2010).

Even with the research conducted in Perceived Price Fairness and its effect on consumer purchase intention, there have been suggestions that consumer reactions may not only effect purchasing intentions, but also effect other aspects including but not limited to switching to a competitors products/services or complaining about the unfairness in pricing (Xia et al., 2004). When consumers believe price increases to be fair and the motives behind the increases to be just, they are more likely to keep purchasing and less likely to switch and or abandon the brand (Carvalho et al., 2010).

2.4.3 Awareness of CSR and Purchase Intention

Corporate Social Responsibility is becoming more important in today's business world. Companies are taking it as one of the investments they need to make to maintain a healthy relationship with their consumer base and a healthy brand image. The lack of awareness of CSR may be the reason why customers don't consider it in their purchase decisions (Maignan, 2001; Smith, 2000). Therefore, it can be said that the more number of customers know about CSR activities, the more impact it has on purchase intention (Tian et al., 2010).

2.5 Relationship between Independent and Dependent Variables

The researcher in this section reviews the related literature that shows the relationship that exists between Perceived Service Quality, Corporate Social Responsibility and Purchase Intention.

2.5.1 Perceived Service Quality and Purchase Intention

A case can be argued that perceived service quality is a more relevant determinant in the purchase of telecom services than CSR, the latter are related with physiological needs where as CSR is a self-enhancement need (Hezberg, 1966).

The information age has brought about a constant evolution in customers, who are becoming more demanding in the information from what they seek to buy, and on the other hand are willing to pay a higher price for products which they perceive as to having a higher quality (Rodr guez del Bosque, Collado and Herrero, 2005; Ruiz and Sanz, 2007).

It is important for customers to decide whether to choose a service provider or not, not just on economic offerings and service quality alone, but also consider their standing in CSR and Cause-related marketing campaigns. Carrigan and Attala (2001), have mentioned that customers continuously purchase from firms that are unethical because they perform well.

2.5.2 Corporate Social Responsibility and Purchase Intention

First and foremost companies need to be active in CSR activities, secondly their perspective customers need to be aware of those activities in order for it to affect their purchasing decisions. CSR and cause related advertisements in particular are said to have greater

recollection among customers. Not having knowledge of CSR activities can be called a major determinant in the relationship between CSR and customer purchase intent.

Firms with low economic performance and low service quality in addition to poor customer attributions are more likely to have negative corporate character, and thus have negative affect on purchase intentions (Luo and Bhattacharya, 2006). Thus, companies who are more engaged in CSR and cause related behaviors are more likely to be trusted, recommended and patronaged by customers.

Previous studies also show that consumers are willing to pay higher prices for goods and services, if the companies providing them are seen to be socially and ethically responsible (Auger et al., 2003; Barone et al., 2000; Campbell, 1999a, b; Strahilevitz, 1999). The customer has always been king, but now customers have the ability to demand to pay less for products, which they see as unethical and ask to pay more for the products that they see as ethical (Creyer and Ross, 1997 and Trudel and Cotte, 2009).

Yan et al. (2010), using the Theory of Reasoned Action (TRA), researched that customers who felt that companies had a credible CSR program, were more likely to purchase goods and services from those companies. Hyllegard et al. (2012), also using a modified TRA framework found that CSR messages on products also increased the customer's intent to purchase products.

Customers tend to identify with a company that has favorable CSR image (Lichtenstein et al., 2004; Luo and Bhattacharya, 2006). This attractiveness of the brand towards the customer will also affect the behavioral intentions of the customer towards to company, thus becoming a factor in determining purchase decisions.

Sen and Bhattacharya (2001) have mentioned that consumers will only support and consider CSR activities in their purchasing activities is if they believe the trade offs the company has made for the sake of CSR is genuine. Purchase intention can be directly and indirectly affected by the company's CSR activities. Mohr and Webb (2005), also add that consumers who are positive towards a company's CSR activities, also take more responsible purchasing decisions.

CSR of a company only has an effect on customers purchase intention when there is a good fit between the company, its consumer base and its CSR activities. Sen and Bhattacharya (2004), further state that irresponsible corporate behavior has a greater impact on purchase intentions than that of responsible corporate behavior.

CSR initiatives not only helps in improving the brand image but also affects customers purchasing intentions. Creyer and Ross (1997), concluded through research that there existed a positive relationship between the ethics of customers and purchasing intentions. Customers are more likely to purchase goods and services from a company which they see as socially responsible, while being able to recall their CSR efforts.

2.6 Previous Studies

A great number of researches have been conducted on the relationships between sustainability, corporate social responsibility and customer purchase intentions. There have been conflicting results between the relationship between corporate social responsibility and consumer purchase behavior. While some research shows there lies a strong positive relationship between a company's social actions and consumers response to these actions, some researches show that a negative, or no relationship exists between a company's CSR actions and its consumer's purchase intentions.

Pornpratang *et al.* (2013) researched The Impact of Corporate Social Responsibility (CSR) on Consumer Trust and Purchase Intention: A Case Study of Condominium Development in Bangkok Area. The primary focus of the researchers was to examine if there existed any relationships between corporate social responsibility and purchase intention with trust acting as a mediating variable. The research in further depth went to seek resolution among sub variables of each variable, CSR consisting of Environmental Sustainability, Local Community, Green Building Concept; and trust consisting of disposition-based brand trust, affect-based trust, cognition based trust and their relationship with Purchase Intention. The relationships were analyzed using multiple linear regressions. The data were collected using 600 questionnaires distributed among likely buyers of condominiums in Bangkok. The concluding results are that there is a positive relationship between the CSR conducted by companies engaged in condominium development in the Bangkok area, trust and consumers willingness to purchase those condominiums.

Meechoobot and Rittippant (2012) investigated The Effects of Corporate Social Responsibility Activity and Its Influential Factors. With CSR becoming a more important part of a company's business, companies are more willing to make investments not just in CSR but the

advertising and promotion of their CSR activities. Shelly (2008) has stated that companies should publicize their CSR efforts in order to influence customers' purchasing decisions. Thus, the research looks into Purchase Intention based on type of CSR, Consumer personality and moderating variable Perception towards company's CSR by the customer. The relationships among the variables resulted in five hypotheses, which were tested using structural equation modeling. The data was collected via the distribution of questionnaires. After testing the data, the research found that consumers need to understand CSR in order to understand a company's CSR activities. The findings of the research concluded that the perception of CSR activity is significantly effected by type of CSR activity, the perception of CSR activity is not significantly affected by customer personality, the company evaluation is significantly effected by the perception of CSR. Purchase Intention is moderately influenced by perception of CSR. Purchase Intention is moderately effected by company evaluation.

Vlachos P.A. *et al.* (2009), conducted a research on Corporate Social Responsibility: Attributions, Loyalty and the Mediating Role of Trust. While the conducting of CSR activities has become important not just as a part of companies contribution to society but as a factor to give company's competitive advantage. The researchers have used the constructs of consumer perceptions of why a firm participates in CSR activities –namely variables include egoistic driven attributions, stakeholder driven attributions, values driven attributions and strategic driven attributions; and Economic Oriented aspects of a firm's competitive advantage, which includes Perceived Service Quality. Mediated by the variable Trust, the dependent variables of this research are Repeat Purchase Intention and Recommendation Intentions. Based on the variables, the researchers set seven hypotheses, which were tested using Ping's two-step single –indicant estimation method. The results of the research were mostly positive, however it was found that stakeholder driven attributions negatively influenced purchase intentions.

Ali *et al.* (2010) conducted a research on the Effects of CSR on customer retention in the cellular industry in Pakistan. The objective of the research was to define the relationship that exists between corporate sustainability corporate social responsibility and customer purchase intentions. The main constructs for the research are Awareness of CSR activity, and Service Quality. Customer satisfaction is a moderating variable for service quality. The Dependent

variables for the research are Purchase intentions and customer retention. Not all firms that engage in CSR activities advertise them, thus consumers are left in an information void about a companies activities. From the variables set out, the researchers formulated four hypotheses, which were tested using structural equation modeling. The results of the research found that in Pakistan, CSR played less of an important role in customer purchase intention than that of service quality. The results show that consumers don't have sufficient knowledge and awareness of CSR actions of corporations, and thus do not consider it an important factor when making purchasing decisions. The findings were that while people considered CSR as a important aspect of business they didn't consider it an important aspect of their decision making, making the relationship between consumer awareness of CSR and purchase intention insignificant. Researchers' found that service quality has a significant relationship with customer satisfaction, however there is no significant relationship between customer satisfaction and purchase intention and customer retentions. The researchers conclude that customer purchase intention and customer retention are not affected by CSR in the case of the cellular industry of Pakistan.

David P. *et al.* (2009) conducted a research on Corporate Social Responsibility Practices, Corporate Identity, and Purchase Intention: A Dual- Process Model. A company is no longer solely responsible towards its shareholders, but is also responsible on complying with social, legal and ethical standards. The components of the research were CSR Familiarity, Relational CSR actions, Moral CSR actions, Discretionary CSR actions, and their ultimate effect on Purchase Intention. Corporate Identity was used as a moderating variable. Brand Familiarity was also used as an independent variable for the study. The researchers used path analysis to analyze the data gathered from distribution of 359 questionnaires at a university in the mid-western United States. The findings were that corporate identity has a strong relationship with purchase intention. Corporate Identity is seen to be influenced by CSR practices. Brand familiarity and awareness of CSR also had significant effect on purchase intention. The research concluded that companies engaged in CSR get benefits from strengthening of brand and corporate image, the results also concluded that there is a strong positive relationship between CSR and purchase intention.

Dutta and Singh (2013) investigated the ‘Customer Perception of CSR and its impact on retailer evaluations and purchase intention in India’. The research focuses on the impact of CSR on customers’ intentions to purchase good and services from organized retailers in the Indian market. The data were analyzed using principal component analysis, and the findings concluded Indian customers are highly conscious about CSR activities. The awareness of Indian youth towards organization’s non-core activities is phenomenal, much more than that of which has been observed in the region. The implications of this research revolve around the effectiveness of CSR activities as a positioning and strategic tool in the Indian market.

Table 2.2 Summaries of Previous Studies

Author Name	Research Objectives	Survey Method	Analytical Method	Major Findings
Pornpratang <i>et al.</i> (2013)	Research the relationship between consumer trust, CSR and Purchase Intention	Questionnaire 600	Multiple Linear Regressions	Consumers are willing to purchase condominiums based on their concept of CSR
Meechoobot and Rittippant (2012)	Influences of Media and awareness on CSR perception among consumers.	Questionnaire 400	Structural Equation Modeling	Results found that CSR activities have positive effect on customers perception of the company
Vlachos <i>et al.</i> (2009)	Influence of CSR on purchasing decisions based on consumer perception of motives	Questionnaire 830	Ping’s two-step single-indicant estimation method (2SI).	How CSR induced attributions affect customer responses
Ali <i>et al.</i> (2010)	Influence of	Questionnaire	Structural	In the case of

	Product/Service quality, Customer satisfaction and CSR on Purchase intention of cellular services in Pakistan	250	Equation Modeling	cellular service industry n Pakistan Price and Perceived Service Quality play a more significant role in purchase decisions than CSR
David <i>et al.</i> (2009)	Relationship between CSR, Corporate Identity and Purchase Intentions	Questionnaire 359	Path Analysis	The results found that there is a significant relationship between CSR and Purchase Intention. CSR is heavily linked to brand and corporate image
Dutta and Singh (2013)	Impact of CSR on customer Purchase Intention at modern trade retail outlets in India.	Questionnaire 157	Pearson Correlation	Indian consumers are aware of company's CSR activities Thus, companies are using CSR as a way to separate themselves from the competition

2.7 Critical Analysis of Literature Review

During the previous studies, the results obtained by researchers in the context of CSR and its relationships with behavioral intentions has varied. While research carried out in the western and more developed world have found strong relationships existing between CSR and consumer behavioral intentions, whereas the studies in Asia have results that show a low or moderately significant relationship between CSR and behavioral intentions. This could be down to the fact that Asian consumers are not as aware of CSR as are western consumers, and also that they are more conscious about price in their daily consumptions.

While all previous research has clearly stated that CSR activities have an impact on behavioral intention, the researcher would like to test the extent to which the results obtained in different settings can be applied to this research.

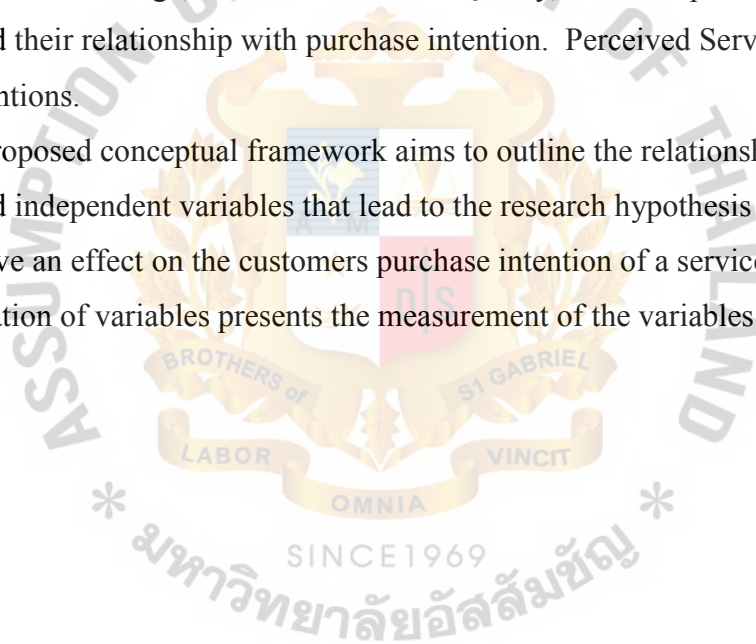
Looking at the results of the studies, the researcher has been able to come up with variables that are essential to the study of the phenomenon of the effects of CSR on consumer behavioral intention such as purchase intentions. The previous researches have shown that when determining factors for purchase that consumers often look towards product/service quality as one of the motivating factors for consumer purchase intention.

CHAPTER 3

RESEARCH FRAMEWORK

The contents of chapter three are divided into four sections namely: Theoretical Framework, Conceptual Framework, Research Hypothesis and Operationalization of the variables considered for the research. The theoretical framework presents the models and the findings that were used by the researcher to develop the current conceptual framework. The theoretical models include Corporate Social Responsibility (CSR) components, CSR constructs with, CSR and Brand Image, CSR and Perceived Quality, CSR and price fairness, CSR awareness and their relationship with purchase intention. Perceived Service Quality and Purchase Intentions.

The proposed conceptual framework aims to outline the relationships between both dependent and independent variables that lead to the research hypothesis that CSR and its perception have an effect on the customers purchase intention of a service. Lastly, the table of operationalization of variables presents the measurement of the variables considered for the research.

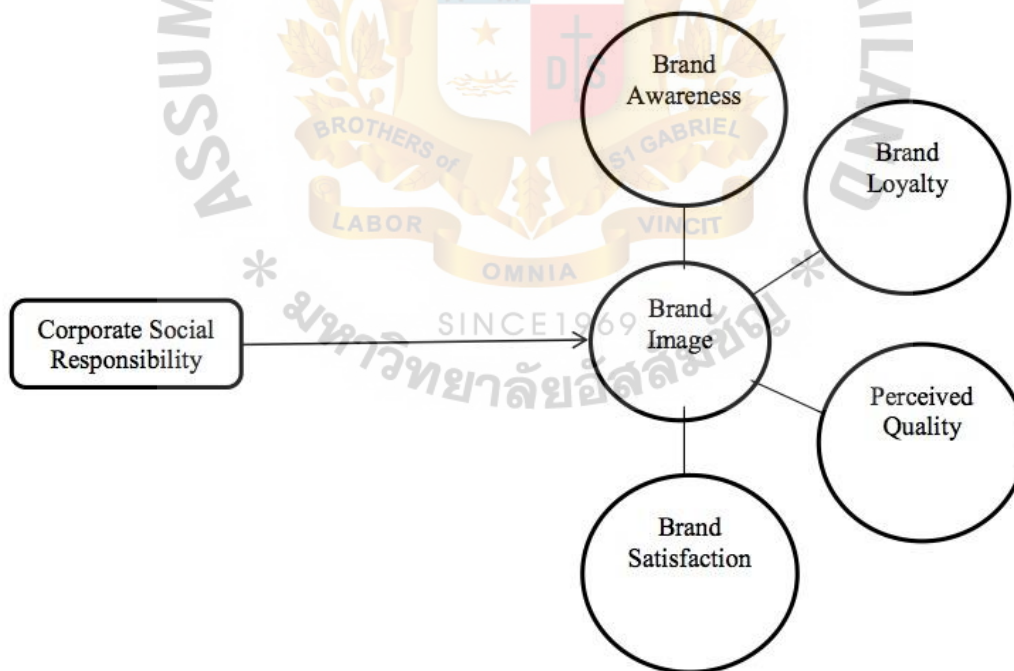


3.1 Theoretical Framework

The researcher has modified and developed the conceptual framework based on variables in five major research models. The first research model is from the research Impact of Corporate Social Responsibility in different FMCG's in Pakistan, Navqi *et al.* (2013). The second research model is from the Effects of e-word of mouth on Brand Image and Purchase Intention, conducted by Jalivand and Samiei (2012). The third model from the research titled Consumer Responses to Corporate Social Responsibility in China by Tien *et al.* (2011). The fourth model from Consumer Reactions to CSR: A Brazilian Perspective, Carvalho *et al.* (2010). The fifth and final model used by the researcher is from the research A Model of customer Loyalty and Corporate Social Responsibility, conducted by Poolthong and Mandhachitara (2011).

All of these theoretical frameworks are vital components in the development of the researchers' conceptual model.

Figure 3.1: Conceptual Model of Corporate Social Responsibility Effects on Dimensions of Brand Image

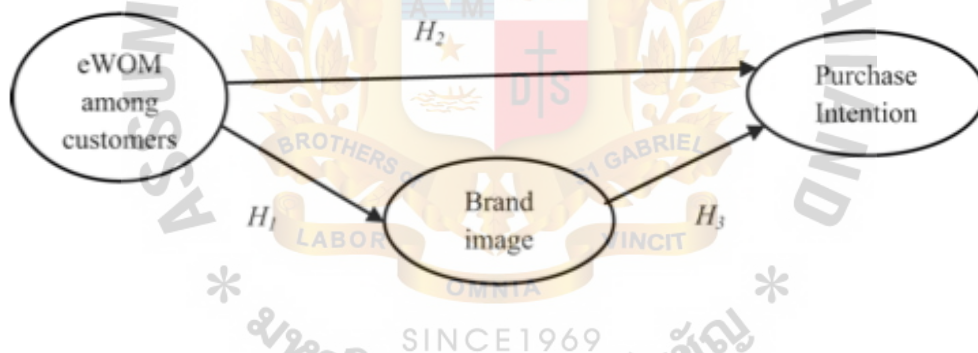


Source: Naqvi S.M.M.R., Ishtiaq M., Kanwal N., Ali M., Inderyas S. (2013). Impact of Corporate Social Responsibility on Brand Image on different FMCG's of Pakistan.

Interdisciplinary Journal of Contemporary Research in Business, 5(1), 79-93

Naqvi et al. (2013) conducted a study on the Impact of Corporate Social Responsibility in different FMCG's in Pakistan. The objective of the research was to examine the relationship between corporate social responsibility and brand identity-which consists of brand awareness, brand satisfaction, brand loyalty and perceived quality in developing markets. From the literature, the researchers set forth four hypotheses. The research was conducted across 22 universities and had a total of 180 respondents, all of whom knew what the concept of corporate social responsibility was. The findings show significant relationships exist between corporate social responsibility and brand image, which consists of brand awareness, brand loyalty, and perceived quality and brand satisfaction.

Figure 3.2: Conceptual framework highlighting the relationship between Brand Image and Purchase Intention.

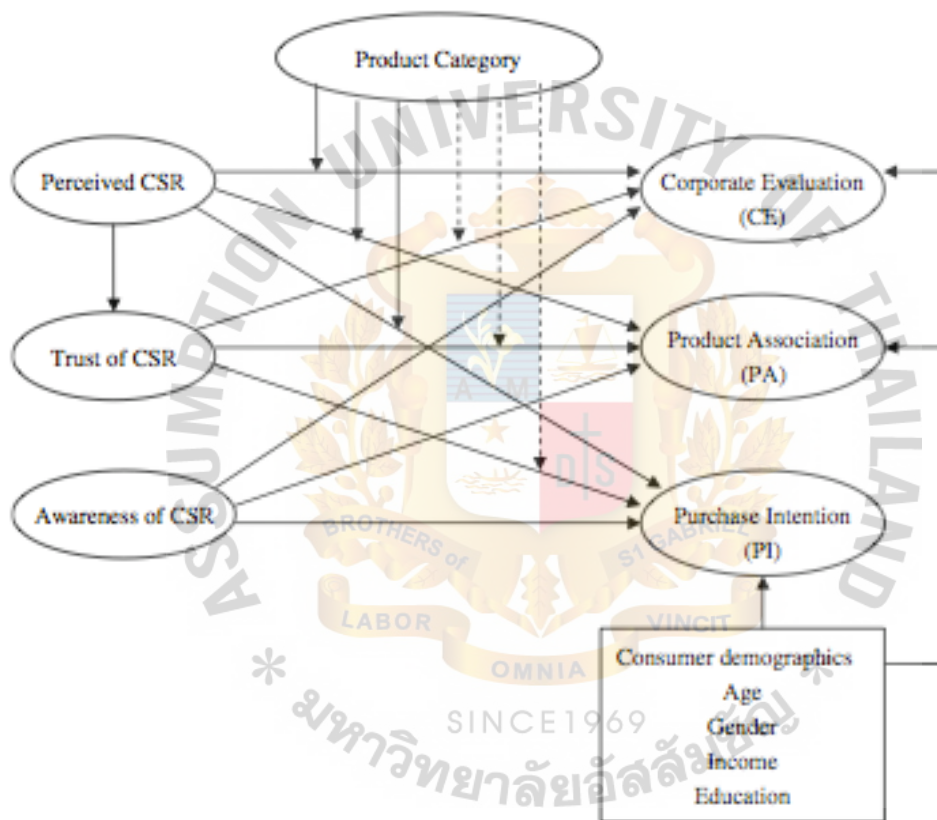


Source: Jalivand M.R., Samiei N., (2012), the effect of electronic word of mouth on brand image and purchase intention, *Management Intelligence Planning*, 30(4), 460-476.

Jalivand and Samiei (2012) conducted an empirical study to research the Effects of e-word of mouth on Brand Image and Purchase Intention. The objective of the study was to determine the relationship between electronic word of mouth and its effect on a brands image and any effect it has on customers purchase intention towards that brand. The researchers set three hypotheses based on the conceptual framework and conducted the research with questionnaires as their research instrument. Out of the 400 questionnaires distributed 341 were found valid and usable. The results showed that there was a significant relationship among the

variables. Its implications are that companies can use social media and emails to enhance its brand image further its missions in the marketplace.

Figure 3.3: Conceptual framework depicting the relationships between CSR, product evaluation, product association and purchase intention.



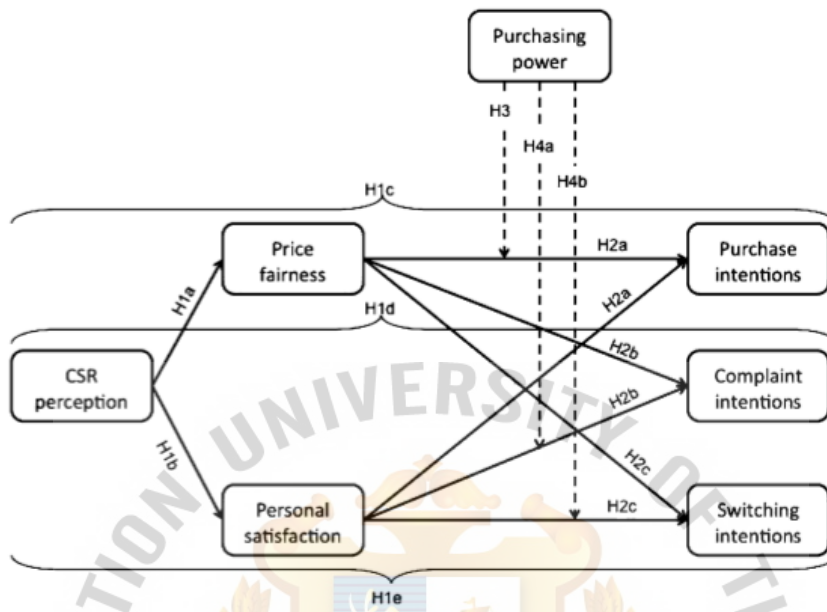
Source: Tian Z., Wang R., Yang W., (2011), Consumer Responses to Corporate Social Responsibility in China, *Journal of Business Ethics*, 101, 192-212.

Tian *et al.* (2011) conducted research into Consumer Responses to Corporate Social Responsibility in China. The research was conducted to investigate the relationship between perceived corporate social responsibility and trust of corporate social responsibility, and awareness of corporate social responsibility with Corporate Evaluation, Product Association and Purchase Intention. The researchers were able to hypothesize eight relationships. A number of

1,022 questionnaires were used for the research across two cities and six industries in China. The results showed that there were positive significant relationships between the variables. The research also highlighted the importance of awareness of CSR activities.



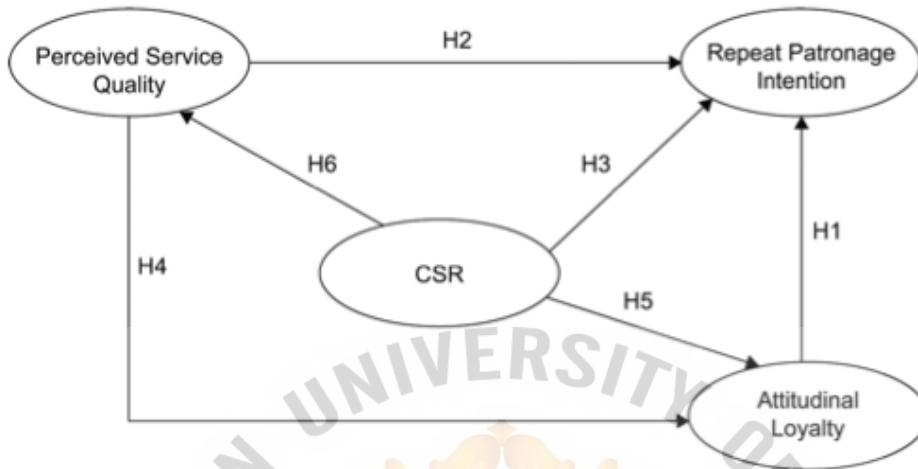
Figure 3.4: Relationship between CSR perception, price fairness, personal satisfaction and purchase intentions.



Source: Carvalho S.W., Sen S., Mota M. O., Lima R.C., (2010), Consumer Reactions to CSR: A Brazilian Perspective, *Journal of Business Ethics*, 91: 291-310

Carvalho *et al.* (2010) conducted a research titled Consumer Reactions to CSR: A Brazilian Perspective. The research was conducted in order to appraise customer's responses to CSR activities and product price increases. The relationships examined were between CSR perceptions, Price Fairness, Personal Satisfaction with Purchase Intentions, Complaint Intentions and Switching Intentions. Four hypotheses were set and 400 respondents answered questionnaires. The results indicated that consumers react in the same manner in Brazil as they do in other cultures, that they are not willing to pay more for companies who have CSR associations unless they see the increase in price as just and fair.

Figure 3.5: Conceptual model of the relationships between Perceived Service Quality, Repeat Purchase Intention and Attitudinal Loyalty

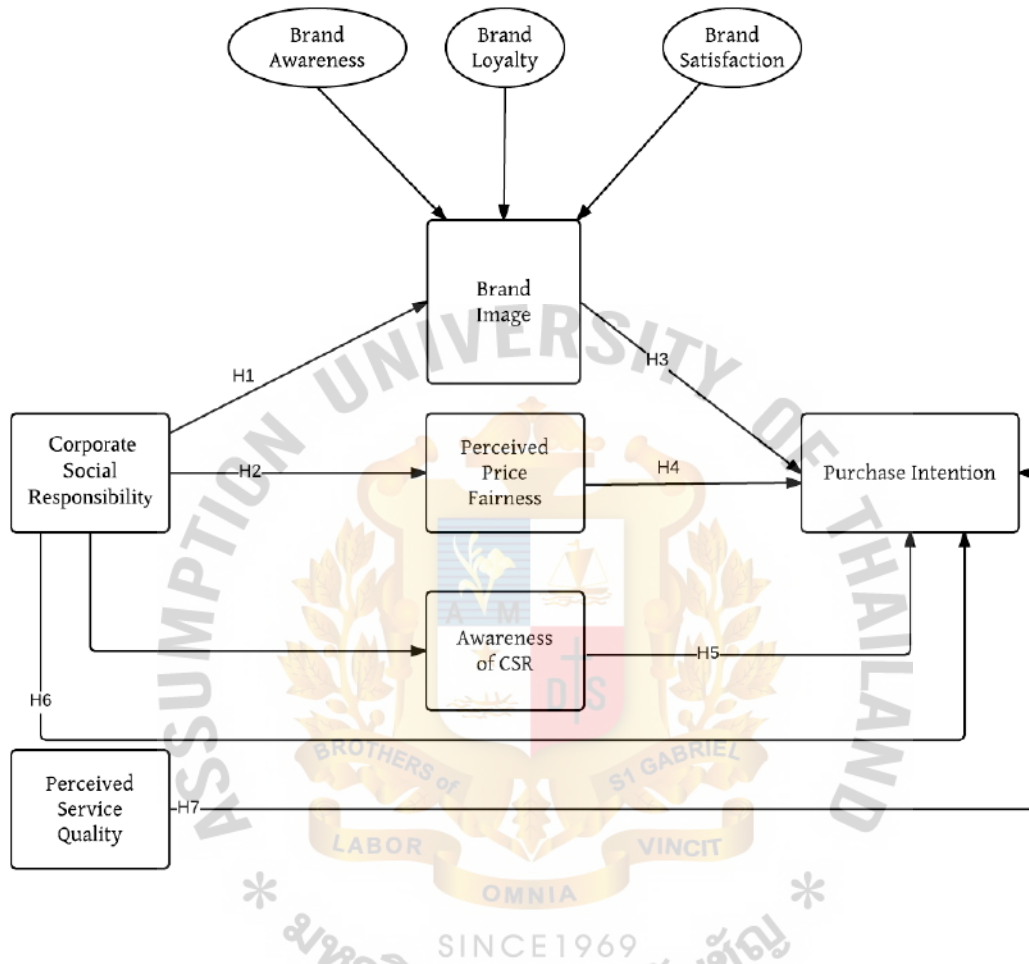


Source: Poolthong Y., Mandhachitara R., (2011), A model of customer loyalty and corporate social responsibility, *Journal of Services Marketing*, 25(2), 122-133.

Poolthong and Mandhachitara (2011) conducted a research in A Model of customer Loyalty and Corporate Social Responsibility. The researchers investigated the relationship between CSR, Perceived Service Quality, Attitudinal Loyalty and Repeat Patronage Intention. The researchers set four hypotheses examining the relationships among the variables. A total of 275 customers filled out questionnaires during the conducting of the research. The research found that positive relationships existed between the variables and that CSR has a positive association with attitudinal loyalty.

3.2 Conceptual Framework

Figure 3.6: The modified conceptual framework



Adapted from: Naqvi S.M.M.R., Ishtiaq M., Kanwal N., Ali M., Inderyas S. (2013), Jalivand M.R., Samiei N., (2012), Tian Z., Wang R., Yang W., (2011), Carvalho S.W., Sen S., Mota M. O., Lima R.C., (2010), Poolthong Y., Mandhachitara R., (2011).

The modified framework consists of a total of seven variables. Corporate Social Responsibility and Perceived Service Quality are the independent variables while Purchase Intention is the dependent variable. The moderating variables are Brand Image, Perceived Price Fairness and Awareness of CSR. Brand Image is considered to be a sum of Brand Awareness,

Brand Loyalty and Brand Satisfaction, as derived from the framework set forth by Navqi *et al.* (2012).

The eclectic model in fig 3.6 has been adapted from few previous studies conducted. The researcher has employed the factors of Corporate Social Responsibility and Brand Image from the research conducted in Pakistan by Naqvi *et al.* (2013), Perceived Price Fairness from Carvalho *et al.* (2010), Awareness of CSR and Purchase Intention from Tian *et al.* (2011), Brand Image and Purchase Intention from Jalivand and Samiei (2012), Perceived Service Quality and Purchase Intention from Poolthong and Mandhachitara (2011).

The eclectic framework highlights the relationships that exist between Corporate Social Responsibility and Purchase Intention as well as the relationship that exists between Perceived Service Quality and Purchase Intention. The researcher has also employed the use of moderating variables to mediate the relationship between the independent and dependent variables. The framework is designed to test the hypotheses in order to determine whether there are significant relationships between the variables.

3.3 Statistical Hypotheses

Apart from the conceptual framework, the researcher developed seven hypotheses to understand and test the relationship that exists between the dependent and independent variables. The researcher will use the hypotheses to test the significance of the relationships between the dependent and independent variables.

Hypothesis 1: Corporate Social Responsibility and Brand Image

Corporate Social Responsibility is being used as an investment to enhance Brand Image, and highlight the company's non-business activities. Corporate Social Responsibility usually results in positive Brand Image effects. (Navqi *et al.*, 2013)

H1o: There is no significant relationship between Corporate Social Responsibility and Brand Image

H1a: There is a significant relationship between Corporate Social Responsibility and Brand Image

Hypothesis 2: Corporate Social Responsibility and Perceived Price Fairness

Customers are more likely to react positively to increases in price; or be less sensitive to higher prices when a company shows its conducting CSR activities with the money earned. (Carvalho et al., 2010)

H2o: There is no significant relationship between Corporate Social Responsibility and Perceived Price Fairness

H2a: There is a significant relationship between Corporate Social Responsibility and Perceived Price Fairness

Hypothesis 3: Brand Image and Purchase Intention

A strong Brand Image will influence Purchasing Intentions, favorable Brand Image perception will reflect positively on Purchase Intention. (Jalivand & Samiei, 2012)

H3o: There is no significant relationship between Brand Image and Purchase Intention

H3a: There is no significant relationship between Brand Image and Purchase Intention

Hypothesis 4: Perceived Price Fairness and Purchase Intention.

Consumers accept higher as fair prices when the motives behind this pricing is different than profit. The hypothesis looks to test if the statement is accurate when it deals with CSR. (Carvalho et al, 2010)

H4o: There is no significant relationship between Perceived Price Fairness and Purchase Intention

H4a: There is a significant relationship between Perceived Price Fairness and Purchase Intention

Hypothesis 5: Awareness of CSR and Purchase Intention

When customers aren't made aware of a companies CSR activities, their purchase decisions are not influenced by it however if there is awareness of CSR among the consumer base, the Purchase Intention maybe postively influenced. (Tian et al., 2011)

H5o: There is no significant relationship between Corporate Social Responsibility Awareness and Purchase Intention

H5a: There is a significant relationship between Corporate Social Responsibility Awareness and Purchase Intention

Hypothesis 6: Corporate Social Responsibility and Purchase Intention

Customers tend to relate themselves with companies having good CSR portfolios and are more likely to purchase goods and services from companies which possess them. (Tian et al., 2011)

H6o: There is no significant relationship between Corporate Social Responsibility and Purchase Intention

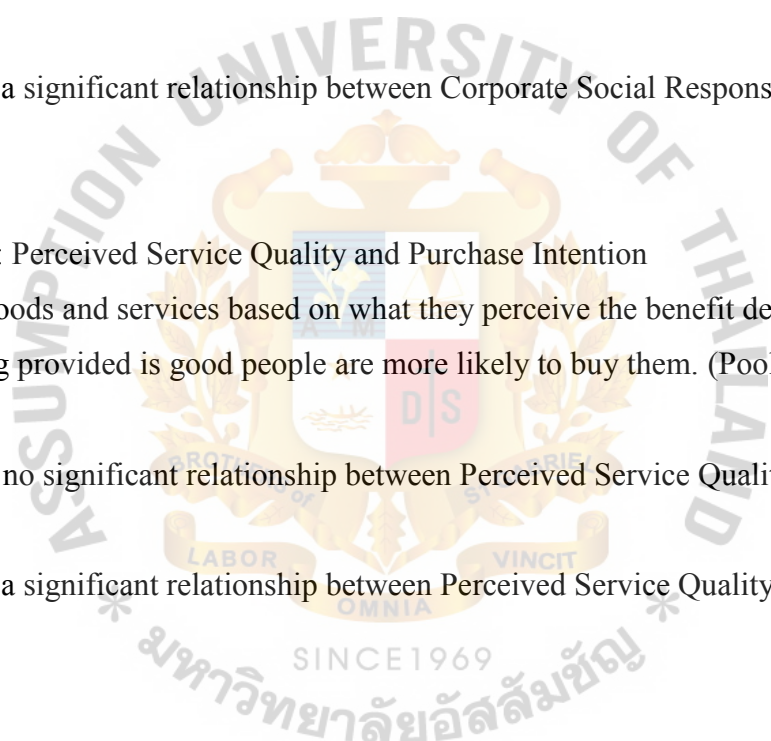
H6a: There is a significant relationship between Corporate Social Responsibility and Purchase Intention

Hypothesis 7: Perceived Service Quality and Purchase Intention

People buy goods and services based on what they perceive the benefit derived. If the perception services being provided is good people are more likely to buy them. (Poolthong & Mandhachitara, 2011)

H7o: There is no significant relationship between Perceived Service Quality and Purchase Intention

H7a: There is a significant relationship between Perceived Service Quality and Purchase Intention



3.4 Operationalization of the Variables

Variables	Conceptual Definition	Operational Components	Measurement Scale
Corporate Social Responsibility	Corporate social responsibility can be defined as a commitment of an organization to improve well being of the society through discretionary business practices and contributions of corporate resources. (Kotler and Lee, 2005).	<ol style="list-style-type: none"> 1. Ncell emphasizes the importance of its social responsibilities to the society. 2. Ncell contributes to schools, Hospitals & Parks according to the needs of the society. 3. Ncell contributes to campaigns and projects that promote the well being of the society. 4. Ncell participates in activities, which aim to protect and improve the quality of the natural environment. 	-Interval Scale

		<p>5. Ncell makes sufficient financial contribution to charities.</p> <p>6. Ncell provides full & accurate information about its products to the customers.</p> <p>7. Ncell tries to help the government in solving social problem.</p> <p>8. Ncell makes investment to create a better life for future generations.</p>	
Brand Image	<p>Levy (1959), suggested that merchandises have both societal and emotional characteristics to which consumers develop emotional connections, this is also called brand</p>	<p>9. The products of Ncell are my first choice</p> <p>10. Even with many choices, I shall not choose alternative brands</p> <p>11. I am loyal to these brands of</p>	-Interval Scale

	image.	<p>Ncell</p> <p>12. The name of Ncell is well-known</p> <p>13. I can recognize Ncell among competitive brands</p> <p>14. Ncell is a leading brand among competitors</p> <p>15. The products of Ncell usually meet my expectations</p> <p>16. The products of Ncell are at the desirable level</p> <p>17. The products and services of Ncell completely satisfy my needs</p>	
Awareness of Corporate Social Responsibility	Consumers' awareness of CSR mainly discusses whether consumers are aware of CSR	18. I care about environmental protection in the daily consumption	-Interval Scale

	activities in real consumptions (Pomering and Dolniar, 2009).	<p>19. I pay attention to some social issues involving firm's charitable donations</p> <p>20. I buy those products that are fine and inexpensive, regardless of whether the provider is socially responsible or not</p> <p>21. I don't have a problem paying a premium to a company who has a good CSR portfolio</p>	
Perceived Service Quality	Gournaris et al. (2003) PSQ construct includes six dimensions: staff competence, service reliability, physical evidence, convenience, product innovation,	<p>22. The network coverage of Ncell is good</p> <p>23. The voice quality of Ncell is good</p> <p>24. The data services (2G/EDGE/3G/LTE) of Ncell are</p>	-Interval Scale

	and value for money.	<p>fast and reliable</p> <p>25. Ncell provides simplified billing resolution of billing issues</p> <p>26. The customer service representatives are courteous and knowledgeable</p>	
Purchase Intention	<p>Purchase intention is defined as the expectance and probability of buying a new product given a reference price in a time-specific frame.</p> <p>(Erdem & Swait, 2004)</p>	<p>27. I would buy Ncell product/services rather than any other brands available</p> <p>28. I am willing to recommend others to buy this Ncell</p> <p>29. I intend to purchase Ncell in the future</p>	-Interval Scale

CHAPTER 4

RESEARCH METHODOLOGY

In this chapter the researcher will discuss the method in which the research will be conducted. Firstly, the researcher will explain the method of the study; the researcher will go on to explain about the selection of respondents and collection of data.

The objective of this chapter is to explain the methods of the research including the selection process of sample test size, data collection and the analysis of the collected primary data.

4.1 Method of Research Used

In order to carry out this study the researcher used descriptive research. Grbich(2007), defined descriptive research as the method used to carry out research such that the data collected can be presented in a meaningful manner. This type of research will enable the researcher the ability to convert the collected raw data into inferential data whose meaning can be analyzed and presented. The use of this methodology seeks to explain common questions relating to who, when, what, where and how of the research (Zikmund, 2003). The researcher has used a sampling methodology to conduct the study. The sampling method will help the researcher to better understand the market population through sampling rather than addressing the entire population. The researcher distributed the questionnaires among the sample population. The collected data will be used for descriptive and inferential analysis.

4.2 Respondents and Sampling Procedures

In this section the researcher will go on to explain who the target population are, the methodology used to determine the respondents, the sampling method and the sample size will all be discussed.

4.2.1 Target Population

The sample consists of representatives of generation Y, who are in Nepal today and they account for 59% of the total population, which is twice the number of generation X

(<http://cbs.gov.np/wp-content/uploads/2012/11/National%20Report.pdf>, accessed August

September 11, 2014). Though smaller in size than the baby boomer generation, it is estimated that the generation Y of today will spend \$10 trillion in their lifetime (<http://www.bcg.com/media/PressReleaseDetails.aspx?id=tcm:12-152907>, accessed September 11, 2014). It is an important segment of the population because they are either in college, or starting out their careers, and will be the ones who are making choices on what to purchase based in their interaction with companies and their activities, both on a business and non-business sphere. Ncell claims that outside its corporate clients, most of its heavy data and services users fall under the categorization of Generation Y. The target population will consist of people who are aware of Ncell products and services and will also be screened on the basis of age with a screening question.

4.2.2 Sample Size

The sample size was determined using the population research sample table, which is attributed to Anderson (1996). With a 95% confidence level used as the standard for the research, out of every 100 respondents, 95 should have similar features to the target population. With the target population the users of Ncell whose user base as of February 2014 is 11 million (MIS Report, 2014). Ncell claims that most of their highest spending users belong to the classification of generation Y. Aside from corporate clients, Generation Y members are the highest consumers of Ncell's internet bandwidth, 3G and text messaging activities. 59% of the total population of Nepal is also estimated to belong to generation Y (CBS National Report, 2012), combined with their online prowess makes them the perfect subjects for a study in the telecommunications sector. With the confidence level at 5%, the number of respondents needed for an accurate sample size is 384. The table below will highlight.

Table 4.1 Theoretical Sample Size of Different Population

Population/ Sampling Frame	Required Sample for Tolerable Error			
	5%	4%	3%	2%
100	79	85	91	96
500	217	272	340	413
1,000	277	375	516	705
5,000	356	535	897	1,622
50,000	381	593	1,044	2,290
100,000	382	596	1,055	2,344
1,000,000	384	599	1,065	2,344
25,000,000	384	600	1,067	2,400

Source: Anderson (1996). *Fundamentals of Educational Research*, p. 202

4.2.3 Sampling Procedure

The selection of the respondents was done using the method of non-probability sampling. Using this method the possibility of selecting a specific targeted individual would be almost zero (Zikmund, 2003). Keeping in mind the limitations of the research among which time has been a major issue; the researcher has used convenience sampling. As previously mentioned, the sample size was 384, but the researcher rounded up the sample size to 400, from the users of Ncell in Nepal who belong to generation Y. The questionnaires were administered online, as one of the

traits of the target population is their presence online. Born into a highly technological advanced age between the age of the personal computer and the internet, Generation Y is more at home online than it is elsewhere, and such prefers to entertain itself, educate, shop and date online (Zakaria et al., 2013).

The researcher has prepared the following table, citing the strengths, weaknesses and strategy to improve accuracy based on online administration of questionnaires.

Table 4.2 Strength's vs. Weakness Analysis of an Online Survey

Strengths	Weaknesses	Compensating Factor
Easy to administer and fast delivery	Response rate	Incentivizing the filling of questionnaires through the use of a competition
Wider coverage, and convenience for respondents	Accuracy-often the accuracy of online questionnaires is questioned	Cover letter explaining the research and its purposes
Non Biased results, not skewing to a particular occupation or income demographic		

Since the population for the research is Generation Y, the researcher believes if the questionnaire cannot be administered online then the research will lose a certain intrinsic value in relation to the target populace.

4.3 Research Instrument

The researcher chose the questionnaire as the instrument to be used to conduct the research. Development of the questionnaire took place over two stages; the first, which was the development of the questionnaire itself and the second, was pretesting to determine the validness of the questionnaire.

The next section will discuss the development of the questionnaire, which will be followed by the pre-testing, and the measurement of Cronbach's Alpha score.

4.3.1 Instrument Development

The questionnaire developed for this research was broadly divided into three parts. The first part containing questions to screen the respondents based on two “Yes or No” questions which determined the validity of the respondents in relation to the scope of the research.

The second part of the questionnaire framed the questions relating to the dependent and independent variables of the questionnaire-namely questions on the subjects of Corporate Social Responsibility, Brand Image, Perceived Price Fairness, Awareness of Corporate Social Responsibility, Perceived Service Quality and Purchase Intention. The subjects of the research were measured on a five point likert scale using the form of “Strongly Disagree” to “Strongly Agree”. The questions of each of the subject matter broached in this research were derived from the researches described in the table 4.3.

The third and final part of the questionnaire is made up of the demographic factors of the respondents, pertaining to gender, age, income level and occupation.

Table 4.3 Research Instrument Design

Part	Variables	Questions No.	Number of Items	Measurement Scale
1. Screening Questions	Heard of Ncell	A	1	Nominal
	Year of Birth	B	1	Nominal
2. Independent Variables	Corporate Social Responsibility	1-8	8	Interval
	Perceived Service Quality	25-29	5	Interval
3. Moderating & Dependent Variables	Brand Image	9-17	9	Interval
	Price Fairness	18-20	3	Interval
	Awareness of CSR	21-24	4	Interval
	Purchase Intention	30-33	4	Interval
4. Demographic	Gender	34	1	Nominal

questions	Age	35	1	Nominal
	Occupation	36	1	Ordinal
	Monthly income/allowance	37	1	Ordinal

Table 4.4 Research Instrument Design- Question Adaptation

Part	Question Numbers	Adapted From	Number of Items	Scale
I Corporate Social Responsibility	1-8	Naqvi S.M.M.R., Ishtiaq M., Kanwal N., Ali M., Inderyas S. (2013)	8	Interval
II Brand Image	9-17	Naqvi S.M.M.R., Ishtiaq M., Kanwal N., Ali M., Inderyas S. (2013)	9	Interval
III Perceived Price Fairness	18-20	Serpa D., (2006)	3	Interval
IV Awareness of CSR	21-24	Tian Z., Wang R., Yang W., (2011)	4 *	Interval
V Perceived Service Quality	25-29	Lim et. al (2006)	5	Interval
VI Purchase Intention	30-32	Tian Z., Wang R., Yang W., (2011)	5	Interval
VII	4		4	Nominal

Personal Data				
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The researcher used a five point Likert scale in which ‘1’ indicates strongly disagree and ‘5’ indicates strongly agree.

4.3.2 Pretesting

A pre-test or pilot test is used to analyze and ascertain the solidity and validity of a research instrument. Being used as an effective measure to weigh the reliability of questionnaires, the results produced by the test must be the same each time it's tested (Yin, 2002). One of the most widely used pre-test criterion for measurement of reliability is Cronbach's Alpha (α), tests items of the questionnaire on a multi-point scale (Sekaran, 2003). The reliability of the questionnaire is determined by the tilt of the Cronbach Alpha value of the questionnaire, when tilted toward 1, the questionnaire is considered highly valid (Sekaran, 2003).

The questionnaires were distributed with the use of social media, and youth forums in order to test the viability of the questionnaire. The respondents had been notified of the aim of the questionnaire being to test its reliability and not as a final data collection method to brush away any confusion that may ensue. While the distribution of the questionnaires and the respondents' answers were collected via a pre-programmed HTML form, the respondents showed no confusion towards the questions, but later adding remarks that one question had been repeated in the process of the programming.

The responses were collected and keyed into SPSS 21.0. The variables being used in this research were checked for reliability and viability. The results showed values ranging from 0.759 to 0.907. With the accepted standard value for the integrity and reliability of questionnaires being held at 0.6, the researcher could infer that all of the questions were valid and viable for the purpose of analyzing the hypotheses set by the research framework. The pretest was conducted between August 6 and 10, 2014. The results are shown in table 4.5.

Table 4.5: Summary of the reliability of research variables

Variables	Number of Items	Cronbach's Alpha (α)
Corporate Social Responsibility	8	.899
Brand Image	9	.858
Price Fairness	3	.907
Awareness of CSR	4	.759
Perceived Service Quality	5	.798
Purchase Intention	3	.871

Table 4.5 illustrates that all parts of the questionnaire are seen as acceptable as all parts have a higher than 0.6 significance, thus making the result of Cronbach's alpha test positive and the relevance of the questions of the questionnaire of the researcher strong.

4.4 Data Collection Procedure

Data collected as a result of the researchers design of the questionnaire or the researcher's own consumer survey and analysis, the data are called primary data (Waller, 2008). The collection of data through the distribution of questionnaires has been considered effective and efficient, limiting the number of errors and the amount of time spent on the procedure. For this study the researcher distributed questionnaires online to the target population, generation Y. The researcher used HTML form survey as the method of deployment of the survey. A link to the questionnaire was generated and youth societies and forums were used to distribute the

questionnaires. Secondary data in the form of research through books, the Internet, journals and magazines were used by the researcher for a sense of direction and support to carry out the research.

4.5 Statistical Treatment of Data

It is important that the data collected from respondents are analyzed using statistical and analytical tools, by which conclusions about the research can be drawn from the raw data at hand. Data analysis on the primary data was carried out with the use of inferential and descriptive statistics. The data collected were analyzed using AMOS (analysis of moment structure), which comes with SPSS 22 for windows and descriptive statistics using SPSS for mac.

4.5.1 Descriptive Statistics

The process of converting raw data into meaningful summaries within the data is known as descriptive analysis (Lyons & Douek, 2010). Having collected demographic data without a measure of it, either central (mean, median or mode), or their range and variance the data are not understandable, but with the application of these statistics a clear picture of the meanings and relationship between the data can be obtained. In this research the descriptive analysis includes gender, age, income level and occupation of the respondents.

4.5.2 Inferential Statistics

Inferential statistics is the process of analyzing the relationships between variables or groups of variables, in order to test a hypothesis or an assumption (Lyons & Douek, 2010). While the types of statistical tests are dependent on the subject matter and the nature of the variables, in this case the researcher is using Structural Equation Modeling (SEM) as a way to interpret and explain the relationships between the dependent and independent variables of this study.

4.5.2.1 Structural Equation Modeling

Structural Equation Modeling (SEM) is a statistical methodology used to test hypotheses about relationships among its variables. SEM is used to test if the theory fits the data, rather than the data fitting the theory as done in exploratory research. SEM is considered to be theory driven,

rather than data driven. SEM allows for the simultaneous testing of the variables. Covariance is considered to be the basic statistic of SEM. SEM specifies why variables are correlated to one another. According to the SEM technique, the implied covariance matrix (from the model) should be equal to the actual covariance matrix (as observed) (Bryne, 2010). Essentially, using SEM the researcher is looking for a relationship between the model specified and the data that are collected.

With SEM, the model is formulated to be about a set of parameters. The parameters could be either fixed or free, free parameters coming from the data gathered and the fixed parameters are typically set at zero. In SEM the equations are tested simultaneously such that the parameters satisfying each of the conditions of the equations can be satisfied.

4.5.2.1.1 Steps of Structural Equation Modeling

1. Review the relevant theory and research literature to support model specification
2. Specify a model (e.g., diagram, equations)
3. Select measures for the variables represented in the model
4. Collect data
5. Conduct preliminary descriptive statistical analysis (e.g., scaling, missing data, collinearity issues, outlier detection)
6. Estimate parameters in the model
7. Assess model fit
8. Interpret and present results.

4.5.2.1.3 Advantages of Structural Equation Modeling

There are reasons why the researcher chose SEM instead of other statistical methods especially regression. Here are three major advantages of why SEM is suitable method for this study. Firstly, SEM allows for multiple dependent variables, in this case there are five moderating variables that can be implied. As for regression, it is restricted to use only single dependent variables. Secondly, SEM allows variables to correlate one another, whereas for regression, it must be adjusted for other variables. Lastly, SEM accounts for measurement error, while regression assumes that the measures are perfect (Bryne, 2010).

CHAPTER 5

PRESENTATION OF DATA AND CRITICAL DISCUSSION OF RESULTS

In this chapter the researcher will present the data analyzed from the sample population of 401 respondents of generation Y in Nepal. The researcher uses statistical analysis tools to explore the relationship of demographic variables, and dependent and independent variables relating to the research hypotheses.

5.1 Descriptive Analysis of Demographic Factors

In this section the researcher will analyze the demographic data used in the research namely gender, age, occupation and income level.

Table 5.1 The analysis of age using Frequency and Percentage

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-23	65	16.2	16.2	16.2
24-29	208	51.9	51.9	68.1
30-33	128	31.9	31.9	100.0
Total	401	100.0	100.0	

Table 5.1 denotes that the highest percentage of respondents' (208) belong to the age group 24-29 years old, accounting for 51.9% of the total. The lowest percentage of respondents' (65) is for the age group 18-23 years old, accounting for 16.2% of the total.

Table 5.2 The analysis of the gender by Frequency and Percentage

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	291	72.6	72.6	72.6
Female	110	27.4	27.4	100.0
Total	401	100.0	100.0	

Table 5.2 denotes that the highest percentage of respondents' (291) is men, accounting for 72.6% of the total. The remainder of the respondents' (110) is female, accounting for 27.4% of the total.

Table 5.3 The analysis of the Income per Month by Frequency and Percentage

Income per Month

	Frequency	Percent	Valid Percent	Cumulative Percent
less than 10000	72	18.0	18.0	18.0
10000-20000	114	28.4	28.4	46.4
20000-30000	107	26.7	26.7	73.1
30,000+	108	26.9	26.9	100.0
Total	401	100.0	100.0	

Table 5.3 denotes that the highest percentage of respondents' (114) belong to the income group of between 10,000 and 20,000 NPR per month, accounting for 28.4% of the total. The lowest percentage of respondents' (72) belongs to the income group of less than 10,000 NPR per month, accounting for 18% of the total.

Table 5.4 The analysis of the Occupation by Frequency and Percentage

Occupation				
	Frequency	Percent	Valid Percent	Cumulative Percent
Student	78	19.5	19.5	19.5
Employee	135	33.7	33.7	53.1
Manager	39	9.7	9.7	62.8
Freelancer	80	20.0	20.0	82.8
Entrepreneur	52	13.0	13.0	95.8
Other	17	4.2	4.2	100.0
Total	401	100.0	100.0	

Table 5.4 denotes that the highest percentage of respondents' (135) is employees, accounting for 33.7% of the total. The lowest percentage of respondents' (65) is other profession, which the respondents' failed to disclose, accounting for 4.2% of the total.

Table 5.5 Summary of Demographic Factors

<i>Variables</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>
Age		
18-23	65	16.2
24-29	208	51.9
30-33	401	31.9
Gender		
Male	291	72.6
Female	110	27.4
Monthly Income		
Less than NPR 10,000	72	18.0
NPR 10,001-20,000	114	28.4
NPR 20,001-30,000	107	26.7
NPR 30,001+	108	26.9
Occupation		
Student	78	19.5
Employee	135	33.7
Manager	39	9.7
Freelancer	80	20.0
Entrepreneur	52	13.0
Other	17	4.2
Total	401	100

5.2 Descriptive Analysis of the Research Instrument

Cronbach's Coefficient Alpha test conducted on the research instrument showed an (α) score higher than 0.6 for of the variables in the research. In this section the researcher will also show the descriptive analysis of the data by using Mean and Standard Deviation.

Table 5.6 Summary of Reliability Test

Variables	Number of Items	Cronbach's Alpha (α)
Corporate Social Responsibility	8	.899
Brand Image	9	.858
Price Fairness	3	.907
Awareness of CSR	4	.759
Perceived Service Quality	5	.798
Purchase Intention	3	.871

Table 5.7 The Analysis of Corporate Social Responsibility using Mean and Standard Deviation

Descriptive Statistics

	N	Mean	Std. Deviation
Ncell emphasizes the importance of its social responsibilities to the society.	401	3.19	.960
Ncell contributes to schools, Hospitals & Parks according to the needs of the society.	401	2.84	1.133
Ncell contributes to campaigns and projects that promote the well-being of the society.	401	2.87	1.104
Ncell participates in activities, which aim to protect and improve the quality of the natural environment.	401	2.59	1.028
Ncell makes sufficient financial contribution to charities.	401	2.85	1.200
Ncell provides full & accurate information about its products to its customers.	401	2.70	1.288

Ncell tries to help the government in solving social problems.	401	2.16	1.041
Ncell makes investment to create a better life for future generations.	401	2.15	1.045
Valid N (listwise)	401		

As per the results of table 5.7, the highest mean of Corporate Social Responsibility is ‘Ncell emphasizes the importance of its social responsibilities to the society’ with a mean of 3.19; similarly the lowest mean of 2.15 is to ‘Ncell makes investment to create a better life for future generations.’ The highest mean indicates that

The lowest standard deviation is ‘Ncell emphasizes the importance of its social responsibilities to the society’ which is equal to .960 and the highest standard deviation is ‘Ncell provides full & accurate information about its products to its customers’ with a standard deviation equal to 1.288.

Table 5.8 The Analysis Brand Image using Mean and Standard Deviation

Descriptive Statistics

	N	Mean	Std. Deviation
The products of Ncell are my first choice.	401	2.52	1.123
Even with many choices, I shall not choose alternative brands	401	4.52	.933
I am loyal to the brands of Ncell.	401	4.52	.933
The brand name of Ncell is well-known	401	4.38	.944

I can recognize Ncell among competitive brands	401	4.38	.944
Ncell is the leading brand among its competitors in the telecom industry.	401	4.08	.975
The products of Ncell usually meet my expectations.	401	2.94	.990
The products of Ncell are at the desirable level	401	3.04	.925
The products and services of Ncell completely satisfy my telecommunication needs	401	3.05	.884
Valid N (listwise)	401		

As per the results of table 5.8, the highest mean of Brand Image is 'I am loyal to the brands of Ncell' with a mean of 4.52; similarly the lowest mean of 2.52 is to 'The products of Ncell are my first choice'.

The lowest standard deviation is 'The products and services of Ncell completely satisfy my telecommunication needs' which is equal to .884 and the highest standard deviation is 'The products of Ncell are my first choice' with a standard deviation equal to 1.123.

Table 5.9 The Analysis of Perceived Price Fairness using Mean and Standard Deviation

Descriptive Statistics

	N	Mean	Std. Deviation
The price charged by Ncell is fair	401	2.10	.879

The price charged by Ncell is acceptable	401	2.39	1.195
The price charged by Ncell is satisfactory	401	2.38	1.143
Valid N (listwise)	401		

As per the results of table 5.9, the highest mean of Perceived Price Fairness is ‘The price charged by Ncell is satisfactory’ with a mean of 2.38; similarly the lowest mean of 2.10 is to ‘The price charged by Ncell is fair’

The lowest standard deviation is ‘The price charged by Ncell is fair’ which is equal to .879 and the highest standard deviation is ‘The price charged by Ncell is acceptable’ with a standard deviation equal to 1.195.

Table 5.10 The Analysis of Awareness of Corporate Social Responsibility using Mean and Standard Deviation

Descriptive Statistics

	N	Mean	Std. Deviation
I care about environmental protection in my daily consumption	401	3.69	1.112
I pay attention to some social issues involving Ncell’s charitable donations	401	2.96	1.083
I buy those products of companies that make an effort to be socially responsible	401	3.24	1.032

I am willing to pay a premium to a company who has a good CSR portfolio	401	3.53	1.022
Valid N (listwise)	401		

As per the results of table 5.10, the highest mean of Awareness of Corporate Social Responsibility is ‘I care about environmental protection in my daily consumption’ with a mean of 3.69; similarly the lowest mean of 2.96 is to ‘I pay attention to some social issues involving Ncell’s charitable donations.’

The lowest standard deviation is ‘I am willing to pay a premium to a company who has a good CSR portfolio’ which is equal to 1.022 and the highest standard deviation is ‘I care about environmental protection in my daily consumption’ with a standard deviation equal to 1.112.

Table 5.11 The Analysis of Perceived Service Quality using Mean and Standard Deviation

Descriptive Statistics

	N	Mean	Std. Deviation
The network coverage of Ncell is good	401	3.73	1.024
The data services (2G/EDGE/3G/LTE) of Ncell are fast and reliable	401	3.37	1.068
Ncell provides simplified billing resolution of billing issues	401	3.09	1.007
The customer service representatives are courteous and knowledgeable	401	3.43	1.091

Valid N (listwise)	401		
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As per the results of table 5.11, the highest mean of Perceived Service Quality is ‘The network coverage of Ncell is good’ with a mean of 3.73; similarly the lowest mean of 3.09 is to ‘The customer service representatives are courteous and knowledgeable.’

The lowest standard deviation is ‘Ncell provides simplified billing resolution of billing issues’ which is equal to 1.007 and the highest standard deviation is ‘The customer service representatives are courteous and knowledgeable’ with a standard deviation equal to 1.091.

Table 5.12 The Analysis of Purchase Intention using Mean and Standard Deviation

Descriptive Statistics			
	N	Mean	Std. Deviation
I would buy this Ncell rather than any other brands available	401	2.82	.970
I am willing to recommend others to buy Ncell	401	3.03	1.080
I intend to purchase Ncell products/services in the future	401	3.05	1.135
Valid N (listwise)	401		

As per the results of table 5.12, the highest mean of Purchase Intention is ‘I intend to purchase Ncell products/services in the future with a mean of 3.05; similarly the lowest mean of 2.82 is to ‘I would buy this Ncell rather than any other brands available’

The lowest standard deviation is ‘I would buy this Ncell rather than any other brands

available' which is equal to .970 and the highest standard deviation is 'I intend to purchase Ncell products/services in the future' with a standard deviation equal to 1.135.



5.3 Structural Equation Modeling and Hypothesis Testing

5.3.1 Path Model

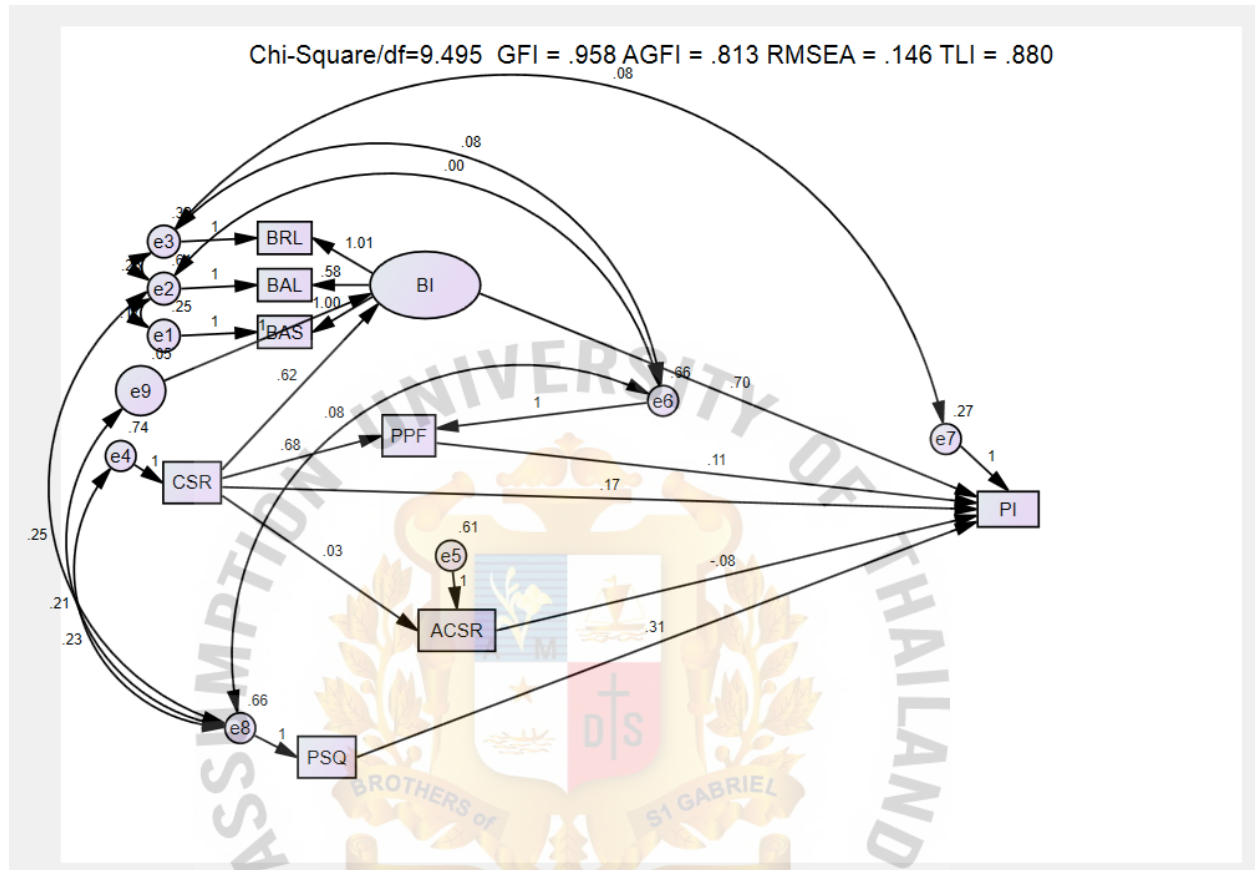


Figure 5.1: Path model for SEM

The path model for the research was constructed using AMOS. The researcher also conducted a confirmatory factor analysis on the model to access the reliability of the measurement model. With a Good Fit Index, GFI=. 958, which is greater than .9. This implies that the measurement model proved to be reliable and was confirmed to fit when run with AMOS.

5.3.2 Hypotheses Testing

This section presents the results of structural equation modeling as the antecedents of purchase intention of Ncell's telecommunications services in the Nepalese market. The hypothesized paths as well as the level of significance are shown in the tables' (5.13-5.18) hereafter.

Hypothesis 1: Corporate Social Responsibility and Brand Image

H1o: There is no significant relationship between Corporate Social Responsibility and Brand Image

H1a: There is a significant relationship between Corporate Social Responsibility and Brand Image

Table 5.13: The result of null hypothesis 1:

Hypothesis		SEM Output				Results
No.	Relationship	Estimate	S.E.	C.R.	P	
H1o	CSR → BI	.659	.030	22.503	***	Rejected

Source: Survey Data 2014, Estimate =|x|, to accept alternate hypothesis, *p<0.05, **p<0.01, ***p<0.001.

The result shows that Corporate Social Responsibility has a significant relationship with Brand Image at an estimate of .659, S.E.=.030, C.R.=8.402, p=.001. Therefore null hypothesis is rejected for Corporate Social Responsibility and Brand Image. Thus, the researcher concludes that there is a significant relationship that exists between Corporate Social Responsibility and Brand Image

Hypothesis 2: Corporate Social Responsibility and Perceived Price Fairness

H2o: There is no significant relationship between Corporate Social Responsibility and Perceived Price Fairness

H2a: There is a significant relationship between Corporate Social Responsibility and Perceived Price Fairness

Table 5.14: The result of null hypothesis 2:

Hypothesis		SEM Output				Results
No.	Relationship	Estimate	S.E.	C.R.	P	
H2o	CSR → PPF	.667	.047	14.061	***	Rejected

Source: Survey Data 2014, Estimate =|x|, to accept alternate hypothesis, *p<0.05, **p<0.01, ***p<0.001.

The result shows that Corporate Social Responsibility has a significant relationship with Perceived Price Fairness at an estimate of .667, S.E.=.047, C.R.=14.061, p=.001. Therefore null hypothesis is rejected for Corporate Social Responsibility and Perceived Price Fairness. Thus, the researcher concludes that there is a significant relationship that exists between Corporate Social Responsibility and Perceived Price Fairness.

Hypothesis 3: Brand Image and Purchase Intention

H3o: There is no significant relationship between Brand Image and Purchase Intention

H3a: There is no significant relationship between Brand Image and Purchase Intention

Table 5.15: The result of null hypothesis 3:

Hypothesis		SEM Output				Results
No.	Relationship	Estimate	S.E.	C.R.	P	
H3o	BI → PI	.870	.223	3.895	***	Rejected

Source: Survey Data 2014, Estimate =|x|, to accept alternate hypothesis, *p<0.05, **p<0.01, ***p<0.001.

The result shows that Brand Image has a significant relationship with Purchase Intention at an estimate of .870, S.E.=.223, C.R.=3.895, p=.001. Therefore null hypothesis is rejected for Brand Image with Purchase Intention. Thus, the researcher concludes that there is a significant relationship that exists between Brand Image and Purchase Intention.

Hypothesis 4: Perceived Price Fairness and Purchase Intention.

H4o: There is no significant relationship between Perceived Price Fairness and Purchase Intention

H4a: There is a significant relationship between Perceived Price Fairness and Purchase Intention

Table 5.16: The result of null hypothesis 4:

Hypothesis		SEM Output				Results
No.	Relationship	Estimate	S.E.	C.R.	P	
H4o	PPF → PI	.122	.033	3.670	***	Rejected

Source: Survey Data 2014, Estimate =|x|, to accept alternate hypothesis, *p<0.05, **p<0.01, ***p<0.001.

The result shows that Perceived Price Fairness has a significant relationship with Purchase Intention at an estimate of .122, S.E.=.033, C.R.=3.670, p=.001. Therefore null hypothesis is rejected for Perceived Price Fairness and Purchase Intention. Thus, the researcher concludes that there is a significant relationship that exists between Perceived Price Fairness and Purchase Intention.

Hypothesis 5: Awareness of CSR and Purchase Intention

H5o: There is no significant relationship between Corporate Social Responsibility Awareness and Purchase Intention

H5a: There is a significant relationship between Corporate Social Responsibility Awareness and Purchase Intention

Table 5.17: The result of null hypothesis 5:

Hypothesis		SEM Output				Results
No.	Relationship	Estimate	S.E.	C.R.	P	
H5o	ACSR → PI	-.079	.029	-2.699	.007	Failed to Reject

Source: Survey Data 2014, Estimate =|x|, to accept alternate hypothesis, *p<0.05, **p<0.01, ***p<0.001.

The result shows that Corporate Social Responsibility Awareness has no significant relationship with Purchase Intention at an estimate of -.079, S.E.=.029, C.R.=-2.699, p=.001.

Therefore null hypothesis is accepted for Corporate Social Responsibility Awareness and Purchase Intention. Thus, the researcher concludes that there is no significant relationship that exists between Awareness of Corporate Social Responsibility and Purchase Intention.

Hypothesis 6: Corporate Social Responsibility and Purchase Intention

H6o: There is no significant relationship between Corporate Social Responsibility and Purchase Intention

H6a: There is a significant relationship between Corporate Social Responsibility and Purchase Intention

Table 5.18: The result of null hypothesis 6:

Hypothesis		SEM Output				Results
No.	Relationship	Estimate	S.E.	C.R.	P	
H6o	CSR → PI	-.010	.144	-.070	.944	Failed to Reject

Source: Survey Data 2014, Estimate =|x|, to accept alternate hypothesis, *p<0.05, **p<0.01, ***p<0.001.

The result shows that Corporate Social Responsibility has no significant relationship with Purchase Intention at an estimate of -.010, S.E.=.144, C.R.=-.070, p=.944. Therefore null hypothesis is accepted for Corporate Social Responsibility and Purchase Intention. Thus, the researcher concludes that there is no significant relationship that exists between Corporate Social Responsibility and Purchase Intention.

Hypothesis 7: Perceived Service Quality and Purchase Intention

H7o: There is no significant relationship between Perceived Service Quality and Purchase Intention

H7a: There is a significant relationship between Perceived Service Quality and Purchase Intention

Table 5.19: The result of null hypothesis 7:

Hypothesis		SEM Output				Results
No.	Relationship	Estimate	S.E.	C.R.	P	
H7o	PSQ → PI	.352	.067	5.269	***	Rejected

Source: Survey Data 2014, Estimate =|x|, to accept alternate hypothesis, *p<0.05, **p<0.01, ***p<0.001.

The result shows that Perceived Service Quality has no significant relationship with Purchase Intention at an estimate of .352, S.E.=. 067, C.R.=5.269, p=. 001. Therefore null hypothesis is rejected for Perceived Service Quality and Purchase Intention. Thus, the researcher concludes that there is a significant relationship that exists between Perceived Service Quality and Purchase Intention.

5.4 Summary of Hypotheses Testing

Table 5.20: Summary of Hypotheses Testing

Hypothesis	Standard Estimate	S.E.	C.R.	P	Results
H1o	.659	.030	22.503	***	Rejected
H2o	.667	.047	14.061	***	Rejected
H3o	.870	.223	3.895	***	Rejected
H4o	.122	.033	3.670	***	Rejected
H5o	-.079	.029	-2.699	.007	Failed to Reject
H6o	-.010	.144	-.070	.944	Failed to Reject
H7o	.352	.067	5.269	***	Rejected

CHAPTER 6

SUMMARY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the findings of the research based on the objectives and the hypotheses, and highlights the results in relation with previous literature and research. It also contains recommendations and conclusions derived from the results of the study as well as suggestions on further study into this field.

6.1 Summary of Findings

Based on the sample size indicated in the Andersen table in chapter 4, the researcher conducted the survey of this research on 401 respondents, selected using convenience sampling. After entering the data into a statistical analysis program and eliminating the missing data, the researcher was able to export the data into AMOS for Structural Equation Modeling.

6.1.1 Summary of Demographic Factors

According to the data collected from the 401 respondents, the researcher found that 72.6% of the respondents were male, and accounted for 291 respondents. Similarly the research also found that of the respondents, 51.9% i.e. 208 respondents belonged to the age group 24-29 years old. The highest number of monthly income of the respondents was 28.4% of total respondents having a monthly income between 10,000 and 20,000 NPR. Of the respondents 135 were employees, accounting for 33.7% of the total.

Table 6.1 Summary of Demographic Factors

Variable	Frequency	Percentage
Age		
24-29	208	51.9%
Gender		
Male	291	72.6%
Income per Month		
10,000-20,000	114	28.4%
Occupation		
Employee	135	33.7%

6.1.2 Summary of the Hypotheses

Hypothesis 1 Corporate Social Responsibility and Brand Image

H1a: There is a significant relationship between Corporate Social Responsibility and Brand Image

Hypothesis 2 Corporate Social Responsibility and Perceived Price Fairness

H2a: There is a significant relationship between Corporate Social Responsibility and Perceived Price Fairness

Hypothesis 3 Brand Image and Purchase Intention

H3a: There is a significant relationship between Brand Image and Purchase Intention

Hypothesis 4 Perceived Price Fairness and Purchase Intention

H4a : There is a significant relationship between Perceived Price Fairness and Purchase Intention

Hypothesis 5: Awareness of CSR and Purchase Intention

H5o: There is no significant relationship between Corporate Social Responsibility Awareness and Purchase Intention

Hypothesis 6 Hypothesis 6: Corporate Social Responsibility and Purchase Intention

H6o: There is no significant relationship between Corporate Social Responsibility and Purchase Intention

Hypothesis 7: Perceived Service Quality and Purchase Intention

H7a: There is a significant relationship between Perceived Service Quality and Purchase Intention

6.2 Discussions and Conclusions

The objective of this research is the study the existence of the relationships between Corporate Social Responsibility, Brand Image, Perceived Price Fairness, Awareness of CSR, Perceived Service Quality and Purchase Intention towards telecommunications products and services of Ncell Nepal. The research data was collected using questionnaires distributed and administered among members of generation Y in Nepal, and the data analyzed using structural equation modeling.

The result of the hypothesis testing indicated that five of the seven hypotheses had significant relationships between the variables and that the remaining two relationships were not significant.

Based on the result of hypothesis one, the researcher uncovered a favorable significant relationship between Corporate Social Responsibility and Brand Image. With a p value of 000 (Table 5.13), which is less than .05, there exists a significant relationship between Corporate Social Responsibility and Brand Image. The result indicates that when the Corporate Social

Responsibility goes up by one standard deviation, Brand Image goes up by .659 standard deviations.

The result is similar with the result conducted by David et al (2009) showing a positive relationship between Corporate Social Responsibility and Corporate Brand Image.

Based on the result of hypothesis two, the researcher uncovered a favorable significant relationship between Corporate Social Responsibility and Perceived Price Fairness; with a p value of 000 (Table 5.14), which is less than .05, there exists a significant relationship between Corporate Social Responsibility and Perceived Price Fairness. The result indicates that when the Corporate Social Responsibility goes up by one standard deviation, Perceived Price Fairness goes up by .667 standard deviations.

The result is in agreement with the results of Carvalho et al. (2010) which concluded that consumers means must be taken into account while CSR based pricing is done by companies, and there exists a positive relationship between the variables Corporate Social Responsibility and Perceived Price Fairness.

Based on the result of hypothesis three, the researcher uncovered a favorable significant relationship between Brand Image and Purchase Intention, with a p value of 000 (Table 5.15), which is less than .05 there exists a significant relationship between Brand Image and Purchase Intention. The result indicates that when the Brand Image goes up by one standard deviation, Purchase Intention goes up by .870 standard deviations.

The result is similar to the result obtained by Jalivand and Samiei (2012), showing that Brand Image has a significant relationship with Purchase Intention.

Based on the result of hypothesis four, the researcher uncovered a significant favorable relationship between Perceived Price Fairness and Purchase Intention, with a p value of 000 (Table 5.16), which is less than .05 there exists a significant relationship between Perceived Price Fairness and Purchase Intention. The result indicates that when Perceived Price Fairness is increased by one standard deviation, Purchase Intention is increased by .122 standard deviations.

The results are similar with the results obtained by Carvalho et al. (2010), which concluded that customers were not willing to pay higher prices just because companies are

engaged in Corporate Social Responsibility activities. This shows a significant relationship between the variables.

Based on the result of hypothesis five, the researcher uncovered that there exists no significant relationship between Awareness of Corporate Social Responsibility and Purchase Intention, with a p value of .007 (table 5.17), which is greater than .05, there exists no significant relationship between the variables Awareness of Corporate Social Responsibility and Purchase Intention. The result indicates that when the Awareness of Corporate Social Responsibility increases by one standard deviation, the Purchase Intention decreases by .079 standard deviations.

The result is in line with the results of Ali et al. (2010), whose results suggest that consumers of telecommunications services are more inclined to factor in the quality of services of the operator rather than the operators CSR activities while making purchase decisions. The result on the other hand goes against the results of Pornpratang et al. (2013), whose results indicate that consumers are willing to purchase based on their knowledge of Corporate Social Responsibility-which each customer has a different definition of.

Based on the result of hypothesis six, the researcher uncovered that there exists no significant relationship between Corporate Social Responsibility and Purchase Intention, with a p value of .944 (Table 5.18), which is greater than .05, there exists no significant relationship between the variables Corporate Social Responsibility and Purchase Intention. The result indicates that when the Corporate Social Responsibility is increased by one standard deviation, Purchase Intention is decreased by .010 standard deviations.

The result is against the results of Pornpratang et al. (2013), Meechboot and Rittipant (2012) and David et al. (2009), whose results all concluded that there exists a positive significant relationship between Corporate Social Responsibility and Purchase Intention.

Based on the result of hypothesis seven, the researcher uncovered a favorable significant relationship between perceived service quality and purchase intention. With a p value of .000, which is less than .05 (table 5.19), there exists a significant relationship between PSQ and Purchase Intention. The result indicates that when the Perceived Service Quality is increased by one standard deviation, the Purchase Intention is increased by .352 standard deviations.

This result is similar with the result uncovered by Ali et al. (2010) showing that there exists a significant positive relationship between PSQ and Purchase Intention in the cellular telecom industry.

This research aimed to study the depth of the relationship that existed between Corporate Social Responsibility, Brand Image, Perceived Price Fairness, Awareness of CSR, Perceived Service Quality and Purchase Intention towards telecommunications products and services of Ncell Nepal by Generation Y. In the process of carrying out the research, the researcher developed an eclectic framework, set hypotheses and tested them using structural equation modeling. The researcher used primary data for this research and had set questionnaires that could be administered online.

6.3 Recommendations

The analysis of the Structural Equation Modeling has given the researcher with the following results:

Based on the result for the testing of hypothesis one, the analysis indicated there exists a significant relationship between Corporate Social Responsibility and Brand Image. Consistent with the previous study by Navqi *et al.* (2012), the results imply that there is a significant relationship between Corporate Social Responsibility and Brand Image. The result shows that when companies increase their CSR spending it has a positive effect on how their brand is perceived in the market place, so much as to make an impact on Brand Loyalty, Brand Awareness and Brand Satisfaction, thus it is the recommendation of the researcher that Ncell continue spending on CSR activities in order to enhance its brand image. Amongst the CSR activities being carried out, the researcher recommends that Ncell try to work with the government to help solve social problems and make necessary investments to create a better life for future generations, which have the lowest means and thus need the most improvement.

Based on the result for the testing of hypothesis two, the analysis indicated that there exists a significant relationship between Corporate Social Responsibility and Perceived Price

Fairness. The results are consistent with the previous study carried out by Carvalho *et al.* (2010). Based on the results the researcher can conclude that customers are conscious about the price they pay, and are not willing to pay extra for companies that have a good CSR portfolio. The evaluations on which customers see as fair and just are different. Customers feel that the prices charged by Ncell towards their products and services are unfair, and thus the researcher recommends that Ncell do a price analysis based on the standard pricing of the market and make necessary adjustments to woo customers in the future, which have the lowest means and thus need the most improvement.

Based on the result for the testing of hypothesis three, the analysis indicated that there exists a significant relationship between Brand Image and Purchase Intention. Based on the results the researcher can recommend that Ncell should focus on their Brand Image as it has a significant effect on their customers purchase intention. Any investment made in enhancing their brand image will result in positive impact on the purchasing behavior of the customers. Ncell should engage in activities to enhance its brand image in the Nepalese market place, by means of advertising, social media, sponsorships and continued CSR programs. Customers feel that although the products of Ncell meet their expectation, Ncell is still not their first choice. That being said, Ncell should focus its attention on services, and activities that will increase its image that will influence purchasing decisions of customers in the marketplace.

Based on the result for the testing of hypothesis four, the analysis indicated that there exists a significant relationship between Perceived Price Fairness and Purchase Intention. Customers are very sensitive towards pricing and are not willing to pay higher rates for the same services when CSR is involved. The researcher recommends that Ncell focus on keeping prices the same while maintaining quality and keeping their commitments towards CSR activities.

Based on the result of the testing of hypothesis five, the analysis indicated that there exists no significant relationship between Awareness of Corporate Social Responsibility and Purchase Intention. The researcher recommends that while Ncell continue its pursuits in CSR activities, it doesn't necessarily need to advertise that it is doing so. The awareness about CSR

and what it is, is not a factor that is affecting purchase intention thus, increasing spending on it doesn't yield in positive results.

Based on the result of the testing of hypothesis six, the analysis indicated that there exists no significant relationship between Corporate Social Responsibility and Purchase intention in the case of Ncell products and services. Akin to the research results by Ali et al. (2010), the researcher concludes that the market is not yet developed enough to judge CSR by itself as a purchase behavior decision maker. The researcher encourages Ncell to continue with their CSR campaigns despite not having direct purchasing behavior attributes. Overtime the market will evolve to more sensitive consumption and that will help engage a new audience.

Based on the result of the testing of hypothesis seven, the analysis indicated that there is a significant relationship that exists between Perceived Service Quality and Purchase Intentions. The results are similar with the research results conducted by Ali et al. (2010) in the telecommunications industry in Pakistan. The results indicate that Ncell should keep focus on the quality of service it provides to its customers and focus on improving its capabilities as an Internet provider.

6.4 Further Study

For this research, the researcher used only six variables to identify the effect of Corporate Social Responsibility and Perceived Service Quality on the Purchase Intention of telecommunications services. For future research more variables can be used which are closely associated with the attitudes and personality of generation Y. Furthermore, growing the scope of the research to include a comparison between the Purchasing Behavior of the Baby boomer generation, Generation X and Generation Y will give a better insight on the factors that affect the purchase intention of each population group.

After the removal of the variables that have negative relationships and have caused a drop in the GFI, the researcher recommends that a framework with the variables as shown in figure 6.1 be used in any future research.

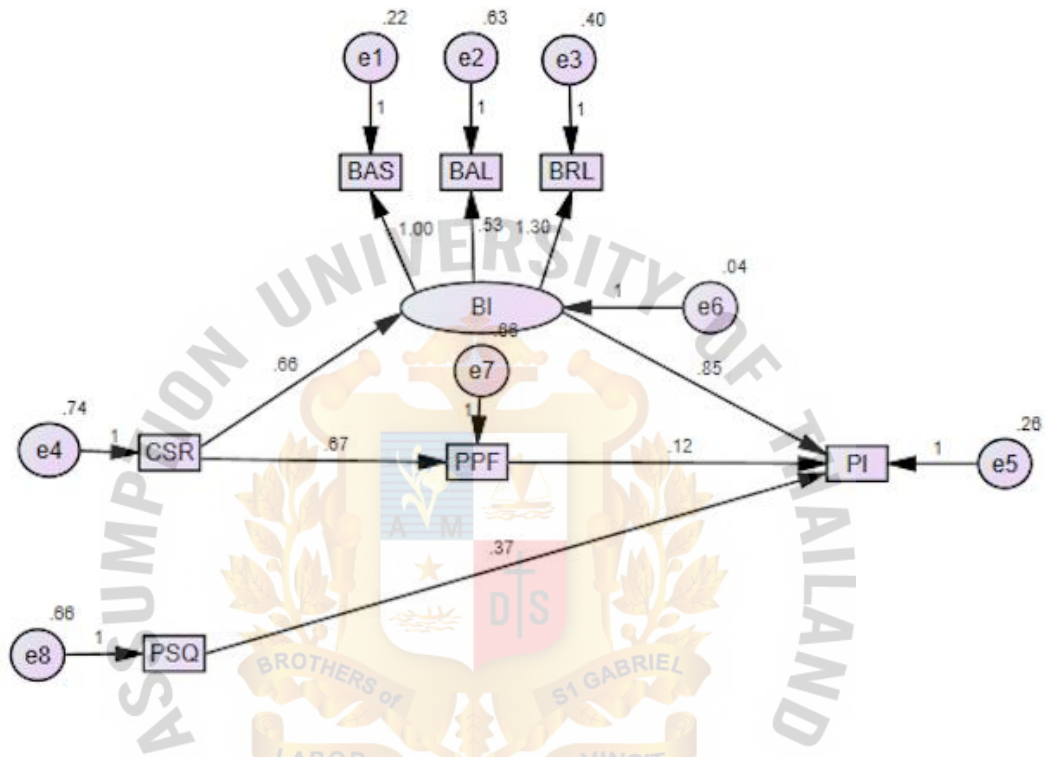


Figure 6.1: Framework after adjusting after SEM

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Confidential Conversations

As per copyrights, the researcher has gathered confidential information from Ncell about its business activities relating with client base, targets, sales volumes etc. from a sales executive for the corporate Communications division, which the researcher has used as a reference but cannot highlight due to said copyright restrictions.

Mr. Nripendra Rana

Sales Executive

Corporate Communications

Ncell Nepal.



APPENDIX A





QUESTIONNAIRE

This questionnaire is made in order to collect data for a study ‘Corporate Social Responsibility as a determinant of Purchase Intention: A case study of Ncell Nepal’. The researcher would like to thank you for your time in filling out this questionnaire.

PART 1: SCREENING QUESTION

Are you aware of Ncell Nepal’s products and services?

Yes ☐ No ☐

Were you born after 1981?

Yes ☐ No ☐

If yes, please continue answering the questionnaire. If no, please return the questionnaire to the researcher.

PART 2: INDEPENDENT VARIABLES

For each statement, please express your opinion by marking the extent to which you believe to be true.

Measurement scale:

1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree

Corporate Social Responsibility

1. Ncell emphasizes the importance of its social responsibilities to the society.	1	2	3	4	5
2. Ncell contributes to schools & parks according to the needs of the society.					
3. Ncell contributes to campaigns and projects that promote the well-being of the society.					
4. Ncell participates in activities, which aim to protect and improve the quality of the natural environment.					
5. Ncell makes sufficient financial contribution to charities.					

6. Ncell provides full & accurate information about its products to the customers.					
7. Ncell tries to help the government in solving social problem.					
8. Ncell makes investment to create a better life for future generations.					

Brand Image

Brand Loyalty					
9. The products of Ncell are my first choice	1	2	3	4	5
10. Even with many choices, I shall not choose alternative brands					
11. I am loyal to these brands of Ncell					
Brand Awareness					
12. The names of these brands are well-known					
13. I can recognize these brands among competitive brands					
14. These are the leading brands among competitors					
Brand Satisfaction					
15. The products of Ncell usually meet my expectations					
16. The products of Ncell are at the desirable level					
17. The products and services of Ncell completely satisfy my telecommunications needs					

Price Fairness

18. The price charged by the brand is fair	1	2	3	4	5
19. The price charged by the brand is acceptable					

20. The price charged by the brand is satisfactory					
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Awareness of CSR

21. I care about environmental protection in the daily consumption	1	2	3	4	5
22. I pay attention to some social issues involving firm's charitable donations					
23. I buy those products of companies that make an effort to be socially responsible					
24. I am willing to pay a premium to a company who has a good CSR portfolio					

Perceived Service Quality

25. The network coverage of Ncell is good	1	2	3	4	5
26. The voice quality of Ncell is good					
27. The data services (2G/EDGE/3G/LTE) of Ncell are fast and reliable					
28. Ncell provides simplified billing resolution of billing issues					
29. The customer service representatives are courteous and knowledgeable					

PART 3 : DEPENDENT VARIABLE

Purchase Intention

	1	2	3	4	5
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30. I would buy this product/brand rather than any other brands available					
31. I am willing to recommend others to buy this product/brand					
32. I intend to purchase this product in the future					

PART 4: DEMOGRAPHIC FACTORS

1. Gender

Female ☐

Male ☐

2. Age

18-23

24-29

30-33

3. Income level (per month):

☐ Less than 10 000 NPR

☐ Between 10 000 to 20 000 NPR

☐ Between 20 000 to 30 000 NPR

☐ More than 30 000 NPR

4. Occupation

☐ Student

☐ Employee

☐ Manager

☐ Unemployed

☐ Freelance

☐ Entrepreneur

APPENDIX B



SPSS

Descriptive Statistics-Age

Statistics

Age

N	Valid	401
	Missing	0
	Std. Deviation	.677

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1=18-23	65	16.2	16.2
	2=24-29	208	51.9	68.1
	3=30-33	128	31.9	100.0
	Total	401	100.0	

Descriptive Statistics-Gender

Statistics

	Gender	Age
N	Valid	401
	Missing	0
	Std. Deviation	.447

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	291	72.6	72.6	72.6
Female	110	27.4	27.4	100.0
Total	401	100.0	100.0	

Descriptive Statistics-Income

Statistics

Income per Month

N	Valid	401
	Missing	0
Std. Deviation		1.065

Income per Month

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1=less than 10000	72	18.0	18.0	18.0
2=10000-20000	114	28.4	28.4	46.4
3=20000-30000	107	26.7	26.7	73.1
4=30,000+	108	26.9	26.9	100.0
Total	401	100.0	100.0	

Descriptive Statistics-Occupation

Statistics

Occupation

N	Valid	401
	Missing	0
Std. Deviation		1.483

Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
1=Student	78	19.5	19.5	19.5
2=Employee	135	33.7	33.7	53.1
3=Manager	39	9.7	9.7	62.8
Valid 4=Freelancer	80	20.0	20.0	82.8
5=Enterprenuer	52	13.0	13.0	95.8
6=Other	17	4.2	4.2	100.0
Total	401	100.0	100.0	

Descriptive Statistics-Corporate Social Responsibility

Descriptive Statistics

	N	Mean	Std. Deviation
Ncell emphasises the importance of its social responsibilities to the society.	401	3.19	.960

Ncell contributes to schools, Hospitals & Parks according to the needs of the society.	401	2.84	1.133
Ncell contributes to campaigns and projects that promote the well-being of the society.	401	2.87	1.104
Ncell participates in activities, which aim to protect and improve the quality of the natural environment.	401	2.59	1.028
Ncell makes sufficient financial contribution to charities.	401	2.85	1.200
Ncell provides full & accurate information about its products to its customers.	401	2.70	1.288
Ncell tries to help the government in solving social problems.	401	2.16	1.041
Ncell makes investment to create a better life for future generations.	401	2.15	1.045
Valid N (listwise)	401		

Descriptive Statistics-Brand Image

Descriptive Statistics

	N	Mean	Std. Deviation
The products of Ncell are my first choice.	401	2.52	1.123
Even with many choices, I shall not choose alternative brands	401	4.52	.933
I am loyal to the brands of Ncell.	401	4.52	.933
The brand name of Ncell is well-known	401	4.38	.944
I can recognize Ncell among competitive brands	401	4.38	.944
Ncell is the leading brand among its competitors in the telecom industry.	401	4.08	.975
The products of Ncell usually meet my expectations.	401	2.94	.990
The products of Ncell are at the desirable level	401	3.04	.925
The products and services of Ncell completely satisfy my telecommunication needs	401	3.05	.884
Valid N (listwise)	401		

Descriptive Statistics-Perceived Price Fairness

Descriptive Statistics

	N	Mean	Std. Deviation
The price charged by Ncell is fair	401	2.10	.879
The price charged by Ncell is acceptable	401	2.39	1.195
The price charged by Ncell is satisfactory	401	2.38	1.143
Valid N (listwise)	401		

Descriptive Statistics-Awareness of CSR

Descriptive Statistics

	N	Mean	Std. Deviation
I care about environmental protection in my daily consumption	401	3.69	1.112
I pay attention to some social issues involving Ncell's charitable donations	401	2.96	1.083
I buy those products of companies that make an effort to be socially responsible	401	3.24	1.032
I am willing to pay a premium to a company who has a good CSR portfolio	401	3.53	1.022

Valid N (listwise)	401		
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Descriptive Statistics-PSQ

Descriptive Statistics

	N	Mean	Std. Deviation
The network coverage of Ncell is good	401	3.73	1.024
The data services (2G/EDGE/3G/LTE) of Ncell are fast and reliable	401	3.37	1.068
Ncell provides simplified billing resolution of billing issues	401	3.09	1.007
The customer service representatives are courteous and knowledgeable	401	3.43	1.091
Valid N (listwise)	401		

Descriptive Statistics-Purchase Intention

Descriptive Statistics

	N	Mean	Std. Deviation
I would buy this Ncell rather than any other brands available	401	2.82	.970
I am willing to recommend others to buy Ncell	401	3.03	1.080
I intend to purchase Ncell products/services in the future	401	3.05	1.135
Valid N (listwise)	401		



APPENDIX C

SEM RESULTS-

Your model contains the following variables (Group number 1)

Observed, endogenous variables

BAS

BAL

BRL

CSR

PI

PPF

PSQ

ACSR

Unobserved, endogenous variables

BI

Unobserved, exogenous variables

e1

e2

e3

e4

e5

e6

e7

e8

e9



Estimates (Group number 1 - Default model)

Scalar Estimates (Group number 1 - Default model)

Maximum Likelihood Estimates

Regression Weights: (Group number 1 - Default model)

Estimate S.E. C.R. P Label

		Estimate	S.E.	C.R.	P Label
BI	<--- CSR	.659	.030	22.209	*** par_3
PPF	<--- CSR	.667	.047	14.061	*** par_4
ACSR	<--- CSR	.034	.045	.742	.458 par_18
PI	<--- PPF	.131	.036	3.670	*** par_5
PI	<--- PSQ	.352	.067	5.269	*** par_6
PI	<--- BI	.870	.223	3.895	*** par_7
PI	<--- ACSR	-.078	.029	-2.699	.007 par_19
PI	<--- CSR	-.010	.144	-.070	.944 par_20

Covariances: (Group number 1 - Default model)

		Estimate	S.E.	C.R.	P Label
e6	<--> e8	.164	.021	7.849	*** par_8
e8	<--> e4	.227	.037	6.211	*** par_12
e7	<--> e8	.127	.025	4.981	*** par_15
e2	<--> e3	.299	.029	10.442	*** par_9
e2	<--> e8	.292	.034	8.660	*** par_10
e1	<--> e2	.124	.017	7.254	*** par_11
e3	<--> e7	.070	.021	3.428	*** par_13
e1	<--> e7	.090	.020	4.506	*** par_14
e3	<--> e5	.079	.016	4.810	*** par_16
e3	<--> e4	-.210	.056	-3.732	*** par_17

Model Fit Summary

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.040	.981	.904	.191
Saturated model	.000	1.000		
Independence model	.331	.366	.185	.285



