

**EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON
BRAND EQUITY OF LISTED COMPANIES IN KENYA**

KHAMAH HASSAN ALI

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**A Thesis Submitted to the Institute of Postgraduate Studies, Kabarak
University in Partial Fulfillment for the Requirements for the Degree
of Doctor of Philosophy Business Administration (Marketing)**

AUGUST, 2015

DECLARATION

The research thesis is my own original work and to the best of my knowledge it has not been presented for the award of a degree in any university or college.

Student Signature _____

Student Name _____

Admission No: _____

RECOMMENDATION

To the School of Business:

The thesis entitled “Effects of Corporate Social Responsibility on Brand Equity of Listed Companies in Kenya” and written by Khamah Hassan Ali is presented to the School of Business of Kabarak University. We have reviewed the research project and recommend it be accepted in partial fulfillment of the requirement for the **PhD degree of Business Administration (Marketing Option)**.

Prof. Bernard Kamau Njehia

Associate Professor-Department of Agribusiness Management & Trade,
Kenyatta University

Prof. Lilly Wanjiku Njanja

Associate Professor-Department of Business Administration,
Kabarak University

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DEDICATION

I dedicate this work to my dear wife Aisha Boi for her true love, support and understanding throughout my entire study period. To my daughter Najma Khamah and my baby boy Luqman Khamah, GOD keep you long enough to come and read this noble work in order to trigger your minds in searching for more knowledge and prosperity.

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ABSTRACT

Corporate social responsibility (CSR) is one of the marketing strategies that are widely used in the industrial arena for the purposes of creating customer awareness, enhancing product penetration into the market and boosting firm's profitability. The overriding question, therefore, the study asked was what effects CSR has towards sales volume increase, product extension into the market and consumer increase in numbers in organizations? The specific objectives guiding the research were; to establish the understanding of CSR among company practitioners on brand equity among listed companies; to assess the effect of CSR on sales volume increase among listed companies; to determine the effect of CSR on product extensions in the market among listed companies and to evaluate the extent to which CSR affect consumer increase in numbers among listed companies. This timely study was carried in the area of CSR because it is so rich, current, on going and challenging. The study is underpinned on the theory of Corporate Social Responsibility or Carroll's four-part model. A census technique of 52 listed companies was used. Data was mainly collected through questionnaires and analyzed through descriptive and inferential statistics. A Multiple Linear Regression Analysis was employed on testing of the hypotheses. With regard to volume increase, the findings revealed that, there is a weak positive linear relationship between CSR and sales volume increase because $P > .073$. Similarly, there was a weak positive linear relationship between the CSR and product extension into the market since $P > .216$. The third variable indicated that there is a strong positive linear relationship between the CSR and consumer numbers increase in the market because $P = .001$. In summary, CSR enhances brand equity of firms. These findings therefore are important indicators that brand managers and marketers should relook the CSR practice and effectively tailor it to build a company's brand equity, which is the backbone of any successful business venture. This study was carried out to contribute to the growing knowledge in the field of marketing, especially in the area of CSR as a marketing strategy and how it should be utilized by companies to generate more profits; as opposed to the perception that it is just a mere tool for publicity. It is upon the CSR practitioners to use the correct dimensions based on their objectives to achieve the desired outcomes. Finally, there is need for a replica of the same study, but now looking at other companies in Kenya that are not listed to see if similar results would be obtained for further generalizations of the findings.

Key words: CSR; Brand Equity; Sales Volume Increase; Product extension and Consumer Numbers Increase.

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ABBREVIATIONS AND ACRONYMS

BE	Brand Equity
CLV	Customer Lifetime Value
CNI	Customer Numbers Increase
CSM	Corporate Societal Marketing
CSR	Corporate Social Responsibility
GM	Genetically Modified
IFRs	International Financial Reporting Standards
MLRA	Multiple Linear Regression Analysis
NCST	National Council of Science and Technology
NSE	Nairobi Stock Exchange
PE	Product Extension
PR	Public Relations
R&D	Research and Development
SMEs	Small and Medium-size Enterprises
SRI	Socially Responsible Investment
SVI	Sales Volume Increase
UNRISD	United Nations Research Institute of Social Development

OPERATIONAL DEFINITION OF TERMS

Corporate Social Responsibility:

A marketing strategy about how companies manage the business processes to produce an overall positive impact on society (Kotler and Armstrong, 2008).

Corporate Social Responsibility Dimensions:

A composite of tactics, items or activities that comprise of CSR strategy.

Brand Equity:

The value that a company realizes from a product or brand after some marketing efforts have been done to it (Jobber, 2007).

Marketing Environment:

Set of forces within and without an organization, which affect on its daily activities either positively or negatively (Armstrong and Kotler, 2009).

Listed Companies:

Organizations registered at the Nairobi Securities Exchange and trade their shares or stocks to the public.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

1.1.1 Corporate Social Responsibility

Undoubtedly, Corporate Social Responsibility (CSR) is a technique which has and continues to be used in many organizations to communicate with the public indirectly about the existence of a certain firm and its products and/or services being offered. In most cases CSR is carried out as way to show gratitude to the community by giving back. CSR, therefore, is a marketing concept often used in Kenya and indeed globally by many organizations to engage in philanthropic work by giving back to the community aiming at being seen as a good neighbour by the immediate community next to the organization in question. Quite often than not, CSR has been implemented in many organizations majorly to help the society and not the companies necessarily benefiting from the exercise; but only to enhance favourable view of the public (clients or customers) towards that particular firm (Kotler and Armstrong, 2008).

Globally, with businesses focusing on generating profits, sustainability was not a popular concern among companies up until recently. Now, in an era of globalization, multinational corporations (those that conduct business in more than one country) and local businesses are no longer able to conduct destructive and unethical practices, such as polluting the environment, without attracting negative feedback from the general public (Jatana and Crowther, 2007). With increased media attention, pressure from non-governmental organizations and rapid global information sharing, there is a surging demand from civil society, consumers, governments, and others for corporations to conduct sustainable business practices (Barkin, 2002). In addition, in order to attract

and retain employees and customers, companies are beginning to realize the importance of being ethical while running their daily operations. The corporate response has often meant an adoption of 'a new consciousness', and this has been known as CSR since the 1970s (Hoeffler and Keller, 2002).

Sorsa (2008) argues that in any case, companies are now expected to perform well in non-financial areas such as human rights, business ethics, environmental policies, corporate contributions, community development, corporate governance, and workplace issues. Some examples of CSR are safe working conditions for employees, environmental stewardship, and contributions to community groups and charities. Moser and Miller (2001) further reveal that the problem is that many companies that claim to be socially responsible often do not live up to such a standard. Because CSR is becoming more commonplace among corporations, there are concerns that some companies promote an image of CSR whether or not they have a true strategy in place and the results to show for. Accountability and transparency are key to conducting business in a responsible manner (Kapoor and Sandhu, 2010).

In Africa, for example, the Nigerian government has come up with a legislation which, if passed, will make it mandatory for companies to pay 3.5% of their gross profit to corporate social responsibility initiatives (Idemudia, 2011). The proposed Corporate Social Responsibility Bill allows for a great deal of state meddling in companies' affairs and suggests onerous punishments for noncompliance, including hefty fines. CSR is generally viewed as the building of schools, clinics, soccer pitches, offering bursaries and others (Ite, 2004). These ad hoc interventions just feed the view that such spending is window dressing for exploitative business behaviour that produces outrageous

profits. But many budgets are significant and could be harnessed more meaningfully for development and growth in collaborative engagement between government and companies.

In Kenya today CSR is well practiced but not as regulated as in Nigeria. There are a variety of organizations doing businesses, ranging from product-oriented marketing and service-oriented marketing. The notable companies that have come out strongly in this initiative of “giving back to the society” are Kenya Airways, Safaricom, Airtel, Kenya Power (KP), East African Breweries Limited (EABL), Kenya Television Networks (KTN), Nation Television (NTV), Co-operative Bank, Equity Bank, Coca Cola, Brookside, New Kenya Cooperative Creameries (KCC), to mention but a few. All these companies and many others operating in the country in one way or another, do practice CSR. Hence, the area of CSR has been chosen because it is so rich, current, on going and challenging. In one way or another, organizations are involved in the CSR as they continue to do the business. If so, what are their goals and objectives of doing so? Are they doing it for sake of doing it or for the purposes of profiting the organization as well? If it is for the purposes of the later, then how best and ethically can it be carried out, to the sense that both parties (a company and customers) can benefit from the concept.

In looking at CSR growth, the changing scenario of business across the world due to globalization has instigated governments to regulate business and develop policies compliant with this emerging situation. These policies target traditional corporate performance variables such as environmental performance, working conditions and marketing ethics etc. (Butler, 2006). According to its advocates, globalization is

promoting democracy as well as economic growth. Companies can work with local communities for sustainable development programs by conveying clear values and principles, and accepting responsibility for workplaces and workplace conduct. Companies cannot only build trust and mutual understanding with stakeholders but can also support the role of governments (Ant, 2008). As for its detractors, globalization can be contained by encouraging CSR as a foil for runaway commercialism and exploitative business practices. This is a rare convergence in support of CSR from completely opposing perspectives. Customers can either be other businesses or individual consumers.

There is an increasing awareness among business leaders in the developed economies that practicing corporate responsibility affects their corporate reputation and brand image. Demand for disclosure has increased over time from the customers, investors, regulators, and community groups, environmental activists and trading partners, which have resulted in a variety of social audits that explain the social performance of an organization (Choi and Grey, 2008). Non-Government Organizations (NGOs) have also played a major role in turning the spotlight on the corporate practices creating pressure for the non-compliant organizations and boosting the activities of the organizations practicing or planning the CSR strategy (Cavett-Goodwin, 2007). Also there has been a rapid growth in the 'CSR industry' of consultants and accounting firms who are driving the social reporting trend, portraying the driving force as actually coming from the organization's stakeholders. Companies that base their business decisions on profit margins alone and ignore their impact on stakeholders can pay a heavy price in both the court of public opinion and the stock markets (Branco and Rodrigues, 2006).

A surprising number of companies already regard CSR as a platform for growth and differentiation. This is because over two-thirds (68%) of the business leaders surveyed in this study reported to be focusing on CSR activities as a way of creating new revenue streams. While over half (54%) believe that their companies' CSR activities are already giving them an advantage over their top competitors. When aligned with business objectives, companies are beginning to see that CSR can bring competitive differentiation, permission to enter new markets, and favorable positioning in the talent wars Pohle and Hittner (2011).

Corporate Social Responsibility is based on the shareholder theory of the firm, which contends that companies are not managed purely in the interests of their shareholders alone. Rather, there is a range of groups (stakeholders) that have a legitimate interest in the company as well. Following this theory a stakeholder of a company is an individual or group that either is harmed by or benefits from the company or whose rights can be violated, or have to be respected by the company. Other groups, besides shareholders who typically would be considered stakeholders, are communities associated with the company employees, customers of the company's products and suppliers. The key point is that stakeholder theory holds that the company has obligations not only to shareholders but to other parties that are affected by its activities (Jobber, 2007).

Since CSR is one of the marketing strategies used by organizations in an effort to create interest among customers and potential clients towards firm's products and/or services; thus strategy alone without some tactics is unrealistic. This is so because it is argued by Baker (2000) that strategy without tactics is the slowest route to victory, while tactics without strategy is the noise before defeat. Hence, marketing strategy is something that

helps companies achieve marketing objectives. Marketing objectives on the other hand help achieve corporate objectives and the corporate objectives aim at achieving a competitive advantage over rival organizations. Marketing strategy is all about how to achieve marketing objectives, marketing tactics is how to implement strategies, and administration holds the whole thing together (Baker, 2000).

Generally, CSR is understood to be the way organizations integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the organization to create wealth and improve society they reside in. Actually it is continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of workforce and their families as well as those of the local community and society at large (Soch and Sandhu, 2008).

From the foregoing discussions, therefore, there is no doubt that CSR is a world wide accepted concept in business today mainly used for building company image in the target markets as well as among potential customers. What is not known, however, is whether CSR can as well be used by organizations to build on their brand equity as they continue practicing it, or has it become a “fashion” that each and every firm wants to be seen practicing it (CSR) without a focused objective in mind? The understanding of CSR among the practitioners is thus a major concern of this study; and how to make good use of CSR to attain the brand equity or benefits accrued as a result of a good strategy.

1.1.2 Brand Equity

A brand is a name, an idea or symbol used to identify the source of a product. When developing a new product, branding is an important decision. The brand can add significant value when it is well recognized and has positive associations in the mind of the consumer. This concept is referred to as brand equity Kotler and Armstrong, (2008).

Therefore, brand equity refers to the marketing effects or outcomes that accrue to a branded product compared with those that would accrue if the same product did not have the brand name. And, at the root of these marketing effects is consumers' knowledge (Jobber, 2007). In other words, consumers' knowledge about a brand makes manufacturers/advertisers respond differently or adopt appropriately adept measures for the marketing of the brand. The study of brand equity is increasingly popular as some marketing researchers have concluded that brands are one of the most valuable assets that a company has. Brand equity is one of the factors which can increase the financial value of a brand to the brand owner (Leone et al, 2006).

According to Kotler and Keller, (2006) brand equity is defined further as a set of five categories of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm or to that firm's customers, or both. These categories of brand assets are brand loyalty; brand awareness; perceived quality; brand associations, and other proprietary assets such as patents, trademarks, and channel relationships. These assets, in turn, provide various benefits and value to the firm.

CSR is one of the marketing strategies that a company can employ in its efforts to enhance profitability in its day to day running of the firm. Similarly, brand equity can also be achieved through CSR as long as the business environment is favourable. There is thus a strong correlation between CSR practices and brand equity development in an organization (Cecil, 2010).

Considering the foregoing, no study so far has been done on the effect of CSR on brand equity. This formed the basis of this study, to determine how best CSR can be implemented to build brand equity of a given firm in today's competitive business environment. Equally, the study sought to establish understanding of the concept of CSR among company practitioners.

1.1.3 Nairobi Stock Exchange (NSE)

In Kenya, dealing in shares and stocks started in the 1920's when the country was still a British colony. However the market was not formal since there were no rules and regulations to govern stock broking activities. Trading took place on a 'gentleman's agreement.' Standard commissions were charged with clients being obligated to honour their contractual commitments of making good delivery, and settling relevant costs. At that time, stock broking was a sideline business conducted by accountants, auctioneers, estate agents and lawyers who met to exchange prices over a cup of coffee. Because these firms were engaged in other areas of specialization, the need for association did not arise (www.nse.co.ke, 2011, visited on 12/7/2011).

In 1954 the Nairobi Stock Exchange was constituted as a voluntary association of stockbrokers registered under the Societies Act. Since Africans and Asians were not permitted to trade in securities (until after the attainment of independence in 1963) the

business of dealing in shares was confined to the resident European community. At the dawn of independence, stock market activity slumped, due to uncertainty about the future of independent Kenya (www.nse.co.ke, 2011, visited on 12/7/2011). The study was done at NSE because companies are both publicly and privately owned. The NSE offered a wide representation of companies from diverse fields from agriculture to manufacturing, and services. Secondly, it is believed that those companies are liquid enough to practice CSR. However, this does not mean those companies, which are not trading their shares in the NSE are not practicing CSR or are poor. NSE was chosen for the study due to its centrality of the firms as well as the shared characteristics of the companies involved.

1.2 Statement of the Research Problem

Due to marketing environmental trends, which are ever changing and very unpredictable in nature because of stiff competition, rivalry in a market and globalization tend to dictate that businesses have to cope with dynamism (Kotler and Armstrong, 2008). For a company to gain or maintain a sustainable competitive advantage, it must be ever vigilant, watching for changes in the business environment. It must also be flexible to adapt and agile enough to alter its strategies and plans when the need arises. Failure to do that may relegate organizations to unfamiliar territories of business loss. Proper utilization of CSR can accrue tremendous and far reaching benefits to a business firm as opposed to merely functioning as public relations (PR) method or social concern. Business organizations aiming at building brand equity of their firms by targeting particular audiences can accelerate their success by engaging in ethical CSR practices and not the opposite. Previous researches on CSR has found that CSR leads to enhanced corporate image and reputation (Foster et al, 2009; Krishnan

and Chaudhry, 2007), while (Antoni and Portale, 2010) found out that the adoption of good practices of CSR in social cooperatives has a very important role in determining the impact on workers' social capital; and (Kapoor and Sandhu, 2010) on their study discovered that there is no detrimental impact or penalty from allocating some resources towards corporate social actions, rather such investments might be beneficial in terms of more profits. Given this situation, it is not known in Kenya with certainty the perception of the marketers or other practitioners in various organizations about CSR. The overriding question, therefore, the study asked was what effects CSR has towards sales volume increase, product extension into the market and consumer increase in numbers in organizations?

1.3 Research Objectives

The general objective of the study was to establish the effect of CSR on brand equity among listed organizations in NSE in today's competitive marketing environment. The specific objectives guiding the research were;

- i. To establish the understanding of CSR among company practitioners on brand equity among listed companies.
- ii. To assess the effect of CSR on sales volume increase among listed companies.
- iii. To determine the effect of CSR on product extensions in the market among listed companies.
- iv. To evaluate the extent to which CSR affect consumer increase in numbers among listed companies.

1.4 Research Question

- i. What is the understanding of CSR among company practitioners on brand equity among listed companies?

1.5 Research Hypotheses

H_{O1}: CSR does not significantly trigger increase in sales volume.

H_{A1}: CSR does significantly trigger increase in sales volume.

H_{O2}: CSR does not significantly affect product extension in the market.

H_{A2}: CSR does significantly affect product extension in the market.

H_{O3}: CSR does not significantly affect consumer increase in numbers.

H_{A3}: CSR does significantly affect consumer increase in numbers.

1.6 Justification of the Study

This timely study was carried in the area of CSR because it is so rich, current, on going and challenging. In one way or another, organizations are involved in the CSR as they continue to do business. If so, what are their goals and objectives of doing CSR? Are they doing it for sake of doing it or for the aim of profiting the organization as well? Due to this Baker, (2000) posits that strategy without tactics is the slowest route to victory, while tactics without strategy is the noise before defeat.

The study was conducted among listed companies in NSE; it is because the NSE offered a wide representation of companies from diverse sectors such as commercial and services, and industrial and allied to mention but a few. Thus it was easier for generalizations of the findings to be made since views from various firms were compared at the same time. This further gave a true picture of current situation with

regard to how companies deal with CSR and what should exactly be done for prosperity.

1.7 Significance of the Study

The study is expected to benefit a number of stakeholders in the community:

The marketers and public relations managers of various companies will have a different approach on how to handle the CSR to meet their objectives of helping the community, while at the same time strengthening their firms' brand equity. This way, CSR will not only be taken as a social concern or public relations strategy for their companies.

The study aimed at finding out the effect of CSR on companies' brand equity, owing to the fact that CSR is one of the strongest public relations tool and a commonly used marketing strategy by many companies to get in touch with their publics. It was thus vital to find out how effectively and efficiently organizations can make use of CSR for their own good in order to remain relevant to their customers and achieve business prospects.

The study is also expected to add onto the new knowledge in the business area in general and marketing in particular concerning the effectiveness and benefits of practicing CSR in the organization; hence, bridging the existing gaps in the study area. Furthermore, it will provide an elaborate view on how CSR in organization should be handled for the good of both concerned parties in the business, the marketer and the customer.

1.8 Scope and Limitations of the Study

1.8.1 Scope of the Study

The study was conducted among quoted or listed companies in NSE and considered both product-oriented and service-oriented businesses. The study was done in Nairobi, where most of the companies under study have their headquarters. It concentrated mainly in assessing how CSR has been used to build brand equity growth of organizations and others. The study was conducted for a period of twelve months (12) from August 2011-October 2012.

1.8.2 Limitations of the Study

Like any other research, the study faced some limitations. To begin with, some respondents in the target companies were reluctant to divulge the much required information for the study and this was a big challenge. The study, however, made use of supportive documents from relevant authorities to prove that the activity was a genuine research case carried out purposely for academic reasons. In addition, during the study respondents were assured that all responses would be treated with utmost confidentiality they deserved.

Some of the respondents were very hostile and unapproachable. However, the study went ahead and worked with those who were willing to participate in the study and thus formed the response rate; that is why out of the targeted 52 respondents, 46 complied, which represented 88.5% response rate, while 6 (11.5%) did not.

1.9 Assumptions of the Study

The following assumptions were made; the respondents would cooperate all the way until the end in order to obtain accurate data required in the research work. The data collected would be impartial and not inclined to the researcher's point of view but rather to the respondent's views. Permission for accessibility of respondents by the various company managements would be provided without hitch.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter highlighted relevant literature based on the study objectives. It looked into both theoretical and empirical literatures. It further dealt with theory the study is based on, the conceptual framework and the operationalization of variables. Though CSR has been studied for many years, there is no consensus on what constitutes virtuous corporate behavior and as an area of inquiry, CSR is still evolving. The majority of scholarly work has been normative and positions range from conservative economic stewardship to progressive decision making based on inclusion and diversity. CSR, therefore, is one of the old marketing strategies, which is mainly used by organizations as a way to give back to the community, so that one can be seen as a ‘good neighbour’ (Armstrong and Kotler, 2009).

Chaudhry and Krishnan, (2007) and Sharp, (2006) hold that corporate social responsibility (CSR) could be referred to as; corporate responsibility, corporate accountability, corporate ethics, corporate citizenship, sustainability, stewardship, triple bottom line and responsible business, to name just a few. CSR is thus an evolving concept that currently does not have a universally accepted definition.

Kotler and Keller (2006) assert that raising the level of socially responsible marketing calls for a three-pronged attack based on proper Legal Behaviour where the society must use the law to define as clearly as possible, those practices that are illegal, anti-social or anti-competitive. Organizations must ensure that every employee knows and observes any relevant laws. For instance, sales managers can check that sales representatives know and observe the law, to an extent that they can guide sales people

that it is illegal to lie to customers or mislead them about advantages of buying a product. The other aspect, ethical Behaviour, requires that companies should adopt and disseminate a written code of ethics, build a company tradition of ethical behaviour and hold its people fully responsible for observing ethical and legal guidelines (Kotler and Keller, 2006).

Finally, Social Responsibility Behaviour demands that marketers practice a 'Social Conscience' in specific dealings with customers and stakeholders. Increasingly, people say that they want information about a company's record on social and environmental responsibility to help decide which companies to buy from, invest in, and work for (Kotler and Keller, 2006).

The premise of customer-based brand equity model holds that the power of a brand lies in what customers have seen, heard, learned, thought and felt about the brand over time. In other words, the power of a brand lies in the minds of existing and potential customers and what they have experienced directly and indirectly about the brand (Paul, 2010). A brand is said to have positive customer-based brand equity when consumers react more favourably to a product and the way it is marketed when the product is identified as compared to when it is not. On the other hand, a brand is said to have negative customer-based brand equity if consumers react less favourably to marketing activity for the brand under the same circumstances (Lund-Thomsen, 2005).

2.2 Review of Theoretical Literature

This section highlights the theories underpinning the study, which comprise of Corporate Social Responsibility theory or Carroll's four-part model of CSR and stakeholder theory.

2.2.1 The Nature of Corporate Social Responsibility

A useful way of examining the nature of corporate social responsibility is Carroll's four-part model of CSR. Carroll views CSR as a multilayered concept that can be divided into four interrelated concepts that can themselves be further sub-divided into four interrelated responsibilities; Economic, Legal, Ethical and Philanthropic. The presentation of these responsibilities is in the form of layers within a pyramid and the full achievement of CSR occurs only when all four layers are met consecutively (Jobber, 2007).



Figure 1: Carroll's Pyramid of Social Responsibility

Source: Jobber (2007) Pg 202

Using Carroll's model, Baker, (2000) and Jobber, (2007) recognized that the principle role of a firm was to produce goods and services that people wanted and in so doing be

as profitable as possible. Economic responsibilities include maintaining a strong competitive position, operating at high levels of efficiency and effectiveness, and aiming at consistently high levels of profitability. Without the achievement of economic responsibilities, the other three would thus be redundant since the firm would go out of business.

On legal responsibilities, Carroll argues that companies must pursue their economic responsibilities within the framework of the law. Laws reflect society's principles and standards that are enforceable in the courts. Occasionally, the drive to maximize profits can conflict with the law. Meeting legal responsibilities is therefore an important requirement of CSR (Jobber, 2007) and (Armstrong and Kotler, 2009).

Furthermore, Carroll highlights the importance of ethical responsibilities. Establishment of laws may be founded on ethical considerations, for instance, the selling of genetically modified (GM) products, which may raise ethical questions and yet be legal issue. Ethical responsibilities mean that in order to achieve corporate objectives, companies should operate in a manner consistent with the principles and values of society and prevent compromise on ethical norms. Ethical responsibilities therefore, comprise what is expected by society over and above economic and legal requirements (Jobber, 2007) and (Baker, 2000).

Baker and Hart, (2008) note that the philanthropic responsibilities of firms are corporate actions that meet society's expectations that businesses be good corporate citizens. This includes promoting human welfare or goodwill, such as making charitable donations, sports sponsorship, building of schools, hospitals or digging of wells for the local populace and many others. The key difference between philanthropic

and ethical responsibilities is that the former is not expected in ethical sense. Communities may desire companies to contribute to their well being but do not consider them unethical if they do not.

On the other hand, Jobber, (2007) and Kotler and Keller, (2006) argue that philanthropic responsibilities are presented at the top of the pyramid since they represent the icing on the cake i.e. actions that are desired by the society but not expected or required. For example, the Kenya Co-operative and Equity banks are known to have sponsored a good number of young bright poor citizens in the country to realize their dreams of acquiring university education. In a nutshell, the strength of the four-part model of CSR is in its realism in recognizing that without the fulfillment of economic responsibilities a company would not have the capacity to engage in ethical and/or philanthropic activities.

2.2.2 Stakeholder Theory

Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world Kotler and Keller, (2006). It lists and describes those individuals and groups who will be affected by the company's actions and asks, "What are their legitimate claims on the business?" Or "what rights do they have with respect to the company's actions?" Simply put, stakeholder theory affirms that those whose lives are touched by a corporation hold a right and obligation to participate in directing it Kotler and Keller, (2006). For example, when a factory produces industrial waste, a CSR perspective attaches a responsibility directly to factory owners to dispose of the waste safely. By contrast, a stakeholder theorist begins with those living in the surrounding community who may find their environment poisoned, and begins to talk about business ethics by insisting that they have a right to

clean air and water. Therefore, they're stakeholders in the company and their voices must contribute to corporate decisions.

The five cardinal stakeholders mainly include but not limited to shareholders, workers, customers, suppliers, and community Kotler and Armstrong, (2008). It is therefore, upon the organizations before, during or after carrying out the CSR to be as transparent as possible; because this is an important value for those promoting stakeholder ethics. Baker, and Hart, (2008) assert that what's certain is that stakeholder theory obligates corporate directors to appeal to all sides and balance everyone's interests and welfare in the name of maximizing benefits across the spectrum of those whose lives are touched by the business. CSR is likely to lose its value if the stakeholders are not fully involved or left unaware of the facts.

2.2.3 Theoretical Framework

The theoretical framework expresses the conceptualization of the elements of the theories discussed above and as is summarized in the figure below.

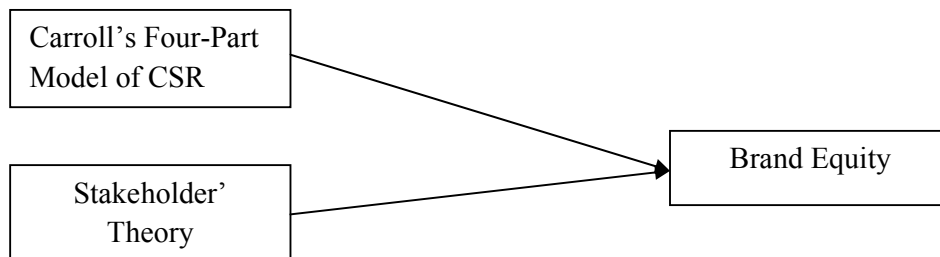


Figure 2: Elements of Theoretical Framework

Source: Researcher, (2014)

2.2.4 Basic Marketing Strategies

Many firms blend their corporate social responsibility initiatives with their marketing activities. This is cause-related marketing, a marketing that links the firm's contributions to a designated cause to customers' engaging directly or indirectly in revenue, which is, producing transactions with the firm (Baker, 2000). Cause-marketing has also been called a part of Corporate Societal Marketing (CSM), which is the marketing that has at least one non-economic objective related to social welfare and use the responses of the company and/or its partners. They also include other activities such as traditional and strategic philanthropy and volunteerism as part of CSM (Jobber, 2007).

Baker, (2000) and Kotler and Keller, (2006) argue that at a very simple level we can isolate three basic marketing strategies: First, an undifferentiated strategy which exists when the supplier offers the same or undifferentiated product to all persons or organizations believed to have a demand for a product of that type. Second, a differentiated strategy exists where the supplier seeks to supply a modified version of the basic product to each of the major sub-groups which comprise the basic market. Third, concentrated strategy where the organization concentrates its marketing effort on one particular segment. In this case, the firm develops a product that caters for the needs of that particular group (Armstrong and Kotler, 2009).

Christensen and Murphy, (2004) hold that societal marketing has direct effect on people both in the form of consumers and society in general. Thus societal marketing takes into account consumers' and societies' wider interests rather than their short-term consumption. One aim of societal marketing is to consider consumers' needs and long-

term welfare and society's long-term welfare as keys to satisfying organization's objectives and responsibilities. Hence, it aims to rectify potential conflicts between consumers' short-term needs and their long-term health (Paul et al, 2010).

In doing so the marketer will develop a different marketing mix in terms of the product's characteristics, its price, promotion and distribution, although attempts will often be made to standardize on one or more of these factors in the interest of scale economies (Solomon, 2009). Such differentiation is only possible for very large firms which can achieve a sufficient volume in each of the segments to remain competitive. Smaller producers select one of the major market segments and concentrate all efforts upon it. As demand begins to decline due to competition from new or substitute goods, the maintenance of a concentrated or differentiated strategy may become uneconomic and suppliers may revert to an undifferentiated strategy (Armstrong and Kotler, 2009).

From the above arguments it is clear that the firm's selection of a marketing strategy will influence and affect everything it does. To this extent then marketing strategy and corporate strategy are inextricably interlinked. Thus marketers have to make maximum use of them in order to get desirable results for prosperity of the firms.

2.2.5 Marketing Decisions

According to Kotler and Armstrong, (2008) there are five significant marketing decisions or objectives to consider when planning the marketing approach: First, market leader can maintain his/her position as market leader in one of three ways: Through expanding the total market by increasing the total number of users; Lead the way by finding a new market or creating a new use for an old product; Look for new

markets in other demographics; or expand into more locations. Second, defend your current share of the market.

One can enhance his/her product offerings, as in as a supermarket adding banking services or video rental. Another option is to reduce weak products or services and build up the strongest ones. Third, expand the market share by aggressively attacking the competitor through a variety of strategies, such as offering coupons, promote sales and advertise benefits that the competitor doesn't have, such as longer shop-hours or more personalized services Kotler and Keller, (2006).

Secondly, if one is the challenger in the market, they should look for a small, unmet need that the business can fill. For instance, an e-books reseller may have quite a bit of competition, but as an e-books reseller, who specializes in books on basketball, may have significantly fewer competitors. Thirdly, being a market follower, which capitalizes on a market already identified and researched by your competitors. Watch your competitors for weaknesses, and then provide better solutions such as longer store hours or free training. Good examples include full-service restaurants offering take-out or delivery, interior design service included with furniture purchase or two hours of technical support included with the purchase of new software (Kotler and Keller, 2006) and (Baker, 2000).

Fourthly market niche; becoming a niche marketer enables one to research and respond better to a smaller, fine-tuned segment. This works especially well for small companies who are nimble and able to make quick decisions in reaction to market trends. For example, one can decide to serve the demographic of women ages between 55 to 70 years (Baker, 2000).

Finally, forming alliance marketing; this strengthens the firm's marketing by partnering with a product, service or company that is compatible with, but not a competitor of, the business. For example a child care center may partner with any number of after-school activities to offer an enriched experience. Therefore, planning of the marketing strategies well will ensure financial success (Kotler and Armstrong, 2008).

Based on these objectives, therefore, an organization can opt for a certain strategy and/or tactic that it believes it will propel it into greater heights in the business. These decisions are also closely dictated by the impact of the current marketing environment on the organization.

2.2.6 Tests of Effective Core Strategy

Baker, (2000) argues that there are six tests of an effective core strategy. First, the strategy must be based upon a clear definition of target customers and their needs. Second, an understanding of competitors is required so that the core strategy can be based on a competitive advantage. Third, the strategy must incur acceptable risk. Challenging a strong competitor with a weak competitive advantage and a low resource base would not incur acceptable risk.

Fourth, the strategy should be resource and managerially supportable. The strategy should match the resource capabilities and managerial competences of the business. Fifth, core strategy should be derived from the product and marketing objectives established as part of the planning process. Finally, the strategy should be internally consistent. That is, elements should blend to form a coherent whole. Therefore, for a strategy to be effective in any given situation it has to address those six fundamentals for it to achieve the desired results (Baker, 2000).

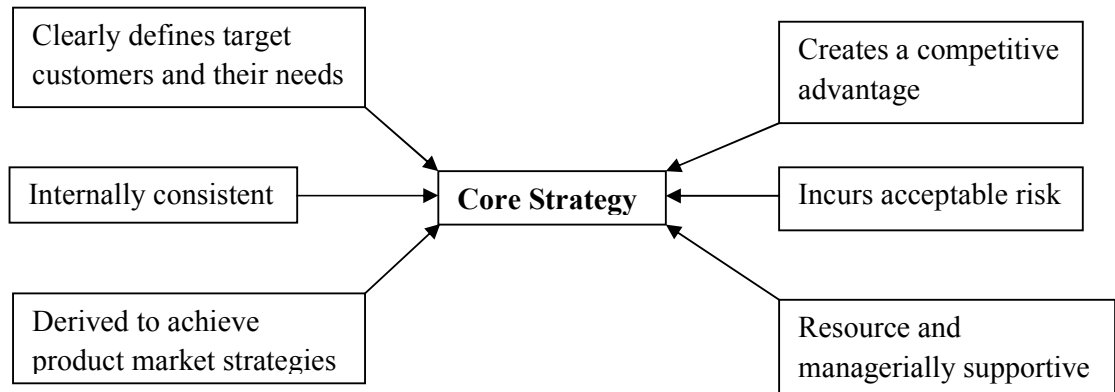


Figure 3: Testing Core Strategy

Source: Baker, (2000) Pg 55

2.2.7 Brand Equity Measurement Perspectives

According to Leone et al, (2006) and Blowfield, (2004) there are at least three perspectives from which to view brand equity or measure it. One way to measure brand equity is to determine the price premium (this leads to sales volume) that a brand commands over a generic product. For example, if consumers are willing to pay \$100 more for a branded television over the same unbranded television, this premium provides important information about the value of the brand. However, expenses such as promotional costs must be taken into account when using this method to measure brand equity.

A successful brand can be used as a platform to launch related products. The benefits of brand extensions (product extensions or penetration) are the leveraging of existing brand awareness thus reducing advertising expenditures, and a lower risk from the perspective of the consumer. Furthermore, appropriate brand extensions can enhance the core brand (Sharp, 2006). However, the value of brand extensions is more difficult to quantify than are direct financial measures of brand equity.

It is also argued by researchers like Rahim et al, (2011) and Moore, (2001) that a strong brand increases the consumer's attitude strength (consumers' increase) toward the product associated with the brand. Attitude strength is built by experience with a product (Bond, 2008). This importance of actual experience by the customer implies that trial samples are more effective than advertising in the early stages of building a strong brand. The consumer's awareness and associations lead to perceived quality, inferred attributes, and eventually, brand loyalty (Pohle and Hittner, 2011).

Armstrong and Kotler, (2009) assert that many firms have introduced customer relationship marketing programs to optimize customer interactions. Some marketing observers encourage firms to formally define and manage the value of their customers. The concept of customer equity can be useful in that regard (Baker, 2000). Although customer equity can be calculated in different ways, one definition of customer equity is in terms of "the sum of lifetime values of all customers". Customer lifetime value (CLV) is affected by revenue and cost considerations related to customer acquisition, retention, and cross-selling (Kotler and Keller, 2006).

2.2.8 Marketing Environment

Marketing environment is a marketing term that refers to all of the forces outside of marketing that affect marketing management's ability to build and maintain successful relationships with target customers (Baker, 2000). The marketing environment surrounds and impacts upon the organization. There are three key perspectives on the marketing environment, namely the 'macro-environment,' the 'micro-environment' and the 'internal environment' (Armstrong and Kotler, 2009).

All factors that are internal to the organization are known as the 'internal environment'. They are generally audited by applying the 'Five Ms' which are Men, Money, Machinery, Materials and Markets/Minutes. The internal environment is as important for managing change as the external. Marketers call the process of managing internal change in a firm as 'internal marketing' (Jobber, 2007; Armstrong and Kotler, 2009).

The micro-environment is internal factors close to the company that have a direct impact on the organizations strategy. Micro tends to suggest small, but this can be misleading. In this context, micro describes the relationship between firms and the driving forces that control this relationship. It is a more local relationship, and the firm may exercise a degree of influence. These factors include customers, employees, suppliers, shareholders, media and competition (Baker, 2000 and Jobber, 2007).

The macro-environment includes all factors that can influence any organization, but that are out of their direct control (Kotler and Keller, 2006). In many occasions, a company does not generally influence any laws although it is accepted that they could lobby or be part of a trade organization. Thus this environment is continuously changing, and the company needs to be flexible to adapt. Also there may be aggressive competition and rivalry in a market. Globalization means that there is always the threat of substitute products and new entrants. Since the wider environment is ever changing, the marketer needs to compensate for changes in socio-culture, politics, economy, legal, government, ecology and technology, geographic and demographic (Baker, 2000 and Jobber, 2007).

Therefore, for a company to gain or maintain a sustainable competitive advantage, it must ever be vigilant, watching for changes in the business environment. It must also be agile enough to alter its strategies and plans when the need arises, and this can be done through environmental scanning (Solomon et al, 2009). On the other hand, Kotler and Armstrong, (2008) argue that environmental scanning usually refers just to the macro-environment, but it can also include industry and competitor analysis, consumer analysis, product innovations, and the company's internal environment.

2.3 Review of Empirical Literature

This section critically reviews previous studies done in the area; more importantly addressing the areas of concern in terms of the objectives under study, summary and gaps to be filled by the study, conceptual framework and operationalization of the variables.

2.3.1 CSR Dimensions

Traditionally, CSR has a multiple dimensions, but some like community involvement and rural development are closely related. In this study, in order to avoid Collinearity (closeness) in the variables, the study found it imperative to come up with only five groups that will be discussed below.

Etzel et al, (2008) assert that a key priority for a socially responsible business is to develop and maintain strong and mutually beneficial relationships with its community. Businesses that take an active interest in community well-being can generate community support, loyalty and good will. This is often referred to as building your “social license to operate”; an important business objective for any business. Baker and Hart, (2008) further argue that businesses engaging in community relations or

community involvement typically conduct outreach to the community aiming to prevent or solve problems, foster social partnerships, and generally contribute to the community quality of life. They also participate in community relations to help improve their business by getting valuable community and other stakeholder input. These sentiments are also held by Jobber, (2007) and Armstrong and Kotler, (2009).

On social and consumer dimensions of CSR, Werther and Chandler, (2005) and Prieto-Carron et al, (2006) argue that social concerns that business has sought to address are the basis for the support of local and wider communities. Although social and consumer dimensions are distinct, as their key issues differ, the two dimensions are analyzed together as marketing's major response, that is, societal marketing, which embraces both Cappellin and Giuliani, (2004).

Human resources (HR) play a critical role in ensuring that the company adopts CSR programs. HR can also manage the CSR plan implementation and monitor its adoption proactively, while documenting and celebrating its success throughout the company. The HR function has the potential to drive significant business benefit through adopting a CSR approach and embedding CSR practices such as provision of employees better working conditions in the business Dibb et al, (2012).

The environmental dimension of corporate social responsibility refers to the business's impact on the environment (Baker, 2000). The goal, as a socially responsible company, is to engage in business practices that benefit the environment. For example, one might choose to use recycled materials in his/her packaging or add renewable energy sources like solar power to his factory (Kotler and Armstrong, 2008). Kotler and Keller, (2006) argue that the stakeholders are all of the people affected by the company's actions.

These include employees, suppliers and members of the public. When considering the stakeholder dimension of corporate social responsibility, consider how the business decisions affect these groups. For example, one might be able to increase his/her output by having employees work more, but one should consider the impact it will have on them, not just the bottom line.

Anderson and Narus, (2007) argue that listening to, and engaging, the customers are the first steps to building good customer relations. As a starting point, many businesses measure their customers' satisfaction to determine their expectations and assess their experience, including such factors as service, price, quality, value, product or service experience, and broader social responsibility matters in order to improve their customer relations, foster goodwill and inform continuous improvement of the customer experience. Pelozo and Shang, (2011) further assert that another good practice is to provide mechanisms for customer feedback via comment cards or a dedicated email address. By effectively listening to the customers and acting upon their feedback the firm will get insight into customer needs and build customer loyalty. Engaged and satisfied customers are more likely to give repeat business and recommend the business to others.

In the product innovation cycle, businesses have the opportunity to consider how to adapt or design their products and services so that their use directly contributes to social sustainability. Jobber, (2007) observes that affordable and accessible products and services promote social inclusion; contributing donations to a community group for each item sold advances the charitable cause; and selling fair-traded goods supports third world producer incomes and family educations. Customers are very responsive to social cause products and such initiatives can help a business build and sustain market

share. Additionally, many of the customers for whom the product is adapted or designed become prospective new “markets” for the small business Baker, (2000).

Understanding CSR impact on development is not only crucial for theoretical advancement but also critical for the daily lives of the intended beneficiary of CSR practices. It is important to note that some significant efforts have been made with regard to measuring the impact of CSR on sustainable development (Mohr and Webb, 2005; Moore, 2001 and Smith, 2003).

From the discussions it can be deduced that CSR as a strategy becomes meaningless if it does not encompass the dimensions or activities which are clearly specified and spelt out in organizations as they undertake to operationalize the strategy into fruition. When management of various firms are planning to carry out CSR for the betterment of their positions in the marketplace, they should carefully identify which dimension(s) they would like to use in their social responsibility for maximum brand equity realization.

2.3.2 CSR on Sales Volume

Studies have generated varying results with regard to the effects of CSR on sales volume in an organization. Active debates regarding financial issues of CSR mainly stem from Lee and Park (2010) who assert that a corporation’s core responsibility is to increase shareholders’ value and not to be responsible for societal issues. Eisingerich et al, (2011) argue that a corporation can maximize its company value only by voluntarily taking actions on external issues, specifically pollution.

On the other hand, Mugisa, (2011) found out that there is no direct positive effect noted where an increment in CSR corresponded to an increment in net profit. Rather the opposite was noted where an increase or decrease in CSR activities corresponded to an opposite movement in net profit. Pohle and Hittner, (2011) remark that today, a surprising number of companies already regard corporate social responsibility as a platform for growth and differentiation.

Some brands such as Coca cola, Tusker, Mercedes-Benz, Safaricom etc, have become larger-than-life icons and have maintained their power in the market for years, even generations. High brand equity therefore provides a company with many competitive advantages. A powerful brand enjoys a high level of consumer brand awareness and loyalty (Mohr and Webb, 2005), and because consumers expect stores to carry the brand, the company has more leverage in bargaining with resellers. Since the brand name carries high credibility, the company could have more launch line and brand extensions. A powerful brand offers the company some defense against fierce price competition (Bilson, 2010).

In conclusion, CSR should not be viewed as a drain on resources for carefully implemented CSR policies can help organizations in many ways such as winning new business; increasing customer retention; improving business reputation and standing, and differentiating oneself from competitors among others.

2.3.3 CSR on Product Extension

When doing business, branding or product awareness among customers and potential customers is very imperative and as Armstrong and Kotler, (2009) remark, a powerful brand has high brand equity. Brand equity is the positive differential effect that knowing the brand name has on customer's response to the product or service (Burton, 2006). It is a measure of brand's ability to capture consumer preference and loyalty. As Prieto-Carron et al, (2006) assert brands vary in the amount of power and value they hold in the marketplace.

According to Kotler and Armstrong, (2008) brands identify the source or maker of a product and allow consumers either individuals or organizations to assign responsibility to a particular manufacturer or distributor. Consumers may evaluate the identical product differently depending on how it is branded. Consumers learn about brands through past experiences with the product and its marketing programme. They find out which brands satisfy their needs and which ones do not. As consumers lives become more complicated, rushed and time-starved, the ability of a brand to simplify decision making and reduce risk is invaluable (Baker and Hart, 2008).

Industrial marketers now increasingly recognize the value of branding; yet, how to achieve industrial brand equity is still unclear. Some researchers have investigated the components of brand equity in industrial markets (Michell et al 2001). It is widely recognized that industrial companies benefit from investing in branding to reap the benefits of brand equity (Van Riel et al 2005).

Corporate reputation and industrial brand equity also have partial mediating effects on the relationship between CSR and brand performance. From these revelations, therefore, CSR can only create brand or product penetration or awareness among its target markets if it is pursued with clear objectives. Hence, focus should be maintained throughout the CSR implementation period.

2.3.4 CSR on Consumer Numbers

Customer loyalty seems to be one of the most reliable measures for predicting sales and financial growth, and it is certainly an important goal of most companies. Veerapongi, (2011) held that customer loyalty seems to be one of the most reliable measures for predicting sales and financial growth, and it is certainly an important goal of most services companies. By linking CSR activities with increased customer value, or developing new sources of customer value, companies can gain a competitive advantage (Peloza and Shang, 2011). Lambardo, (2011) further reports that consumers give more responsibilities to firms, expect environmental-friendly behaviour from them but do not give an appropriate weight to the CSR activities in their purchase behaviour.

Socially responsible companies mostly enhance their brand image and reputation which generate strategically important goodwill and enhanced customer loyalty from a CSR perspective (Dibb et al, 2012). Typically, a consumer is drawn to a company and a brand that has a good reputation for providing service and products and delivering value, as defined by the customer. Although essentially all successful companies can do this, if a company can do it in a socially responsible way, they can differentiate themselves from the competition (Chapple and Moon, 2005). A company known as being socially responsible can also benefit from its reputation within their community

by having the ability to attract consumers and trading partners (Anderson and Narus, 2007).

2.3.5 Arguments For and Against Corporate Social Responsibility

There are varied arguments, for and against CSR programmes. Foster et al, (2009) note that the economists viewed it as a manager's responsibility to generate profits for their shareholders, thus to act in any other way would be a betrayal of this special responsibility. They saw addressing social problems as being the province of government rather than company managers. Economists did not believe that managers should spend other people's money on some perceived social benefit, and thought that to do so was misguided (Michell et al, 2001). Eisingerich et al, (2011) further argue that a corporation's core responsibility is to increase shareholders' value and not to be responsible for societal issues. On the other hand, Bryer, (2010) aver that a corporation can maximize its company value only by voluntarily taking actions on external issues, specifically pollution.

The other criticism is that CSR is too costly. Spending of company's money brings with it the lost opportunity to spend the money on other priorities, such as research and development (Moser and Miller, 2001). CSR also encourages consumer cynicism, that is, many consumers regard CSR initiatives as little more than public relations exercises (Jobber, 2007). Furthermore, CSR is a form of risk management in that there are real penalties for companies that are not environmentally or socially responsible. For instance, media criticisms of companies such as Nike, that they involve child labour in the developing countries could be harmful since they could be perceived as being irresponsible (Moore, 2001; and Sorsa, 2008).

Foster et al, (2009) further observe that apart from the said criticisms, CSR leads to enhanced brand or corporate image and reputation. A strong reputation in environmental and social responsibility can help a company build trust and enhance the image of its brands. Also if a company is moving to a new area or new market, or enhancing a new site such as distribution centre, store or factory, it helps to be seen as trustworthy and a 'good neighbour' (Kotler and Keller, 2006).

Finally, CSR improves access to capital i.e. organizations that are committed to CSR have access to socially responsible investment (SRI), where investors take into account considerations such as a company's environmental and socially responsible activities. Currently the strength of the arguments for CSR programmes are driving companies increasingly towards the adoption of socially and environmentally responsible strategies (Moser and Miller, 2001).

The practice of CSR is subject to much debate and criticism. Proponents argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits (Akpan, 2006). Critics, however, argue that CSR distracts from the fundamental economic role of businesses (Amalric et al, 2004 and, Anderson and Bieniaszewska, 2005).

Others such as Blowfield and Frynas (2005) and Barrientos (2008) argue that it is nothing more than superficial window-dressing while to some, it is an attempt to preempt the role of governments as a watchdog over powerful multinational corporations. CSR has been redefined throughout the years. However, it is essentially supposed to aid

an organization's mission, acting as a guide to what the company stands for and will uphold to its consumers (Arora and Puranik 2004; and Barkin, 2002).

Many firms have introduced customer relationship marketing programs to optimize customer interactions. Some marketing observers encourage firms to formally define and manage the value of their customers (Leone et al, 2006). The concept of customer equity can be useful in that regard. Although customer equity can be calculated in different ways, one definition of customer equity is in terms of “the sum of lifetime values of all customers”. Customer lifetime value (CLV) is affected by revenue and cost considerations related to customer acquisition, retention, and cross-selling (Barrientos, 2008). Several different concepts and approaches relevant to the topic of customer equity have been put forth.

Lee and Park, (2010); Bond, (2008) and Biggs and Ward, (2004) argue that social responsibility of corporations should be monitored by the state, not corporations whose fundamental principals are the interests of their owners, employees and customers, rather than society as a whole. In this view, a CSR practice by a corporation is a waste of resources, that is, practicing CSR is not a way to maximize resources because the issue lies outside corporate responsibility but within government purview. Finally, the third group of researchers has not found any particular relationship between CSR and a firm’s financial performance. They found no particular impact of CSR on risk-adjusted stock return (Amalric et al, 2004).

Kluge and Schomann (2008) remark that management initiatives concerning CSR clearly show that companies understand that it is in their own interest to consider public opinion, particularly when it comes to the social and environmental dimensions. Multinational companies (MNCs) are especially vulnerable in this regard, due to the nervous reactions of the stock exchange, public and consumer opinion. In an electronically connected world, the ability to react to developments immediately and wherever one might be represents an ever present danger to companies that come to be associated with, for example, violating basic rights or some other form of misbehavior. Consequently, there is a strong motivation to take sensitive investor relations seriously and not only in traditional business terms. This is the view held by Arora and Puranik, (2004).

Idemudia (2011), however, holds that there are three principal factors showing that the emerging critical perspective to CSR is yet to achieve its full potential in Africa; and efforts to address these shortcomings would help move the situation. The first problem is the tendency to adopt a piecemeal focus to analysis. This piecemeal analytical focus in the South-centered CSR research agenda is reflected in the unintended tendency to separately emphasize the relationship between CSR and either context, development or practices in existing research works. This problem also partly explains the concerns raised by Ite (2004) that we are still unable to discern in clear terms the exact impact of CSR on sustainable development.

From these studies, three general schools of thought exist; there are those that see a positive, negative, or no relationship between CSR and a firm's financial performance. Therefore, there is no consensus on what constitutes virtuous corporate behavior and as an area of inquiry; CSR is still emerging and very challenging.

However, previous researches on CSR have found out that it leads to enhanced corporate image and reputation Foster et al, (2009); Krishnan and Chaudhry, (2007), while Antoni and Portale, (2010) found out that the adoption of good practices of CSR in social cooperatives has a very important role in determining the impact on workers' social capital.

A growing body of evidence further asserts that corporations can do well by doing good corporate job (Pohle and Hittner, 2011). Well-known companies have already proven that they can differentiate their brands and reputations as well as their products and services if they take responsibility for the well-being of the societies and environments in which they operate. These companies are practicing CSR in a manner that generates significant returns to their businesses (Smith, 2010; Porter and Kramer, 2002). Banerjee, (2001) notes that empirical results show that both the adoption of CSR formal instruments and the implementation of a multi-stakeholder ownership are positively related to the creation of social capital intended as cooperative social network, trust, and relational skills.

The profitability argument asserts that doing good (CSR) leads to doing well (improved financial returns). However, the empirical support for this claim is inconclusive (Paul et al, 2010). Kapoor and Sandhu, (2010) maintain that firms already pursuing strategies based on these intangible assets are more likely to use CSRs to enhance these assets than other firms; and firms with already strong reputations or high levels of brand equity are most likely to benefit from the impression of being socially responsible. Lai et al, (2010) on other hand hold that CSR and corporate reputation have positive effects on industrial brand equity and brand performance. However, Godfrey et al, (2010) observe that doing good CSR leads to doing well (improved financial returns).

Furthermore, several studies outlining the theoretical mechanisms that could drive such a relationship have been done, including improved reputation (Moore, 2001), brand equity (Mohr and Webb, 2005; McWilliams and Siegel, 2000), better employee relations (Soch and Sandhu, 2008), or the overall quality of management (Sorsa, 2008; Biggs and Ward, 2004). Firms already pursuing strategies based on these intangible assets are more likely to use CSRs to enhance these assets than other firms, and firms with already strong reputations or high levels of brand equity are most likely to benefit from the impression of being socially responsible (Paul et al, 2010). On the other hand Lee and Park, (2010) argue that when CSR is tightly integrated to the management operations, both economical and social targets become easier resulting in improvement in the social and financial performance (in terms of profitability) of the company. These are same sentiments echoed by Porter and Krammer, (2002) and Blowfield, (2004).

Bashar, (2010) indicates that there is a weak linear relationship between CSR activities and consumers' buying behaviour, meaning that CSR activities have very little influence on consumer's pattern of buying or loyalty. These sentiments are echoed by Rahim et al, (2011) who further observe that beside CSR components, there are many other factors that might also influence consumer buying behaviour; such as product characteristics, pricing strategy, marketing and productions, and the availability of substitutes. Pelosa and Shang, (2011) on the other hand argue that CSR activities have the potential to create several distinct forms of value for customers. It is the customer perception of this value that mediates the relationship between CSR activities, positive marketing outcomes, and subsequent financial performance. By categorizing major CSR activities and the different types of stakeholder value each can create, this report

provides guidance for business leaders embarking in CSR programs for their companies.

Prieto-Carron et al, (2006); Lee and Park, (2010) and Perry and Singh, (2002) hold that CSR increases organizations ability to attract and retain employees, that is, many employees are attracted to employers who are active in social issues. Kapoor and Sandhu, (2010) argue that there is no detrimental impact or penalty from allocation of some resources towards corporate social actions, rather such investments might be beneficial in terms of more profits. Firms should therefore give adequate consideration to their social responsibility (Idemudia, 2011). The managers should not think CSR as an optional activity rather it should be integrated with business strategy like other business issues (McWilliams and Siegel, 2000).

This seems to suggest that policy strategy aimed at fostering the adoption of CSR practices by social cooperatives would also positively affect the creation of workers' social capital. To this end, Smith, (2003) and Mandl, (2005) affirm that possible strategies could be the inclusion and adoption of CSR practices among the criteria for obtaining public works contracts that are relevant in social cooperative business and fiscal incentives. Nevertheless, to avoid the risk of perverse incentives, fiscal concessions should be limited to the specific costs strictly connected with the adoption of CSR instruments, such as consultancy or verification costs associated with the implementation of a CSR management system. This view is shared with Barrientos and Smith, (2007), Paul (2001) and United Nations Research Institute for Social Development (UNRISD), (2003).

Furthermore, Young and Thyil, (2009) and Jatana, (2007) argue that CSR is a significant new dimension in organization's rhetoric. But it is clear that organizations vary in their approach to corporate governance and the extent to which a broad view of social responsibility incorporating labour is integrated into values, statements and organizational policies. The importance of recognizing labour as a stakeholder in improving organizational performance has been highlighted by a number of researchers and supported by a range of arguments based on strategy, morals, ethics and relationships. For example, Ite (2004), Idemudia (2011) and Lund-Thomsen (2005) hold this view.

On the other hand, Smith, (2010) remarks that CSR influences job satisfaction and employee retention in an organization. It is no secret that many employees consider it a benefit, working for a socially responsible employer (Jenkins, 2005). Aware of this, CSR-engaged employers say employee satisfaction is a major reason behind their CSR efforts. A PricewaterhouseCoopers survey found that 56% of employees say attractiveness to employees has a 'considerable impact' on their approach to CSR (Butler, 2006). In addition, attraction of talent, loyalty to a particular firm and employee motivation have all been reasons explaining why CSR can be a source of competitive advantage for a firm (Eisingerich, 2011).

From the studies, it can be concluded that CSR is a well researched area but what is lacking in these arguments is the effects of its dimensions on brand equity enhancement in the organizations (in terms of sales volume, product extension and consumer numbers increase) more specifically in the Kenyan perspective. This is basically what this research was intended to achieve as knowledge-gap measure.

2.4 Conclusion and Summary of Gaps

The context for this research is that a great deal of research has now been conducted on CSR in Western countries, Asia and Africa but relatively little focuses on Kenya. Moreover, relatively little CSR research has compared national systems of CSR and even less has been comparative within Kenya. Although the concept of CSR has been extant in business and business research and education for many decades, it has enjoyed something of a revival in the past decade, as noted by many researchers who commented that corporate social responsibility is an idea whose time has come.

From the fore going discussions, therefore, a lot has been done on the effects of CSR in various fields such as social capital creation in social cooperatives (Antoni and Portale, 2010); the impact of CSR and transformational leadership on brand community (Chaudhry and Krishnan, 2007; Kapoor and Sandhu, 2010), and an empirical examination of impact of CSR on financial performance. What has not been explored, however, is the effect of CSR on building brand equity of a concerned organization with a specific emphasis on Kenyan scenario. In trying to fill this gap, the study looked at a number of issues; if CSR affect sales volume, product penetration into the market and consumer numbers increase (buying behaviour). It is therefore, hoped that the findings of the study will change how corporate social responsibility is perceived and handled by various company practitioners; in the light of their understanding of CSR and its effect on brand equity enhancement in organizations.

2.5 Conceptualization

The model below (figure 3) has three phases. Phase one is the independent variable, which is CSR involving a number of dimensions such as community involvement and rural development, human resources and environmental contributions to mention but a few. If CSR is effectively practiced depending on the objectives of the firm in question, it is expected to result in the building of company's brand equity, which is the dependent variable. Thus, it is highly anticipated that aspects that will benefit the organization, such as financial increase, product extensions and consumer increase or equity are will emerge. In as much as CSR enhances brand equity of the organization, the market environment influences this relationship between the two. Therefore, depending on the type of the market environment, which impacts greatly on the organization due to changes such as internal, micro and macro environments within and from without the firm, CSR can be strategically carried out to realization or building of an organization's brand equity in terms of financial increase, product extensions and consumer equity. Similarly, if the marketing environment is not well checked it can impact negatively to the detriment of the organization.

2.6 Conceptual Framework

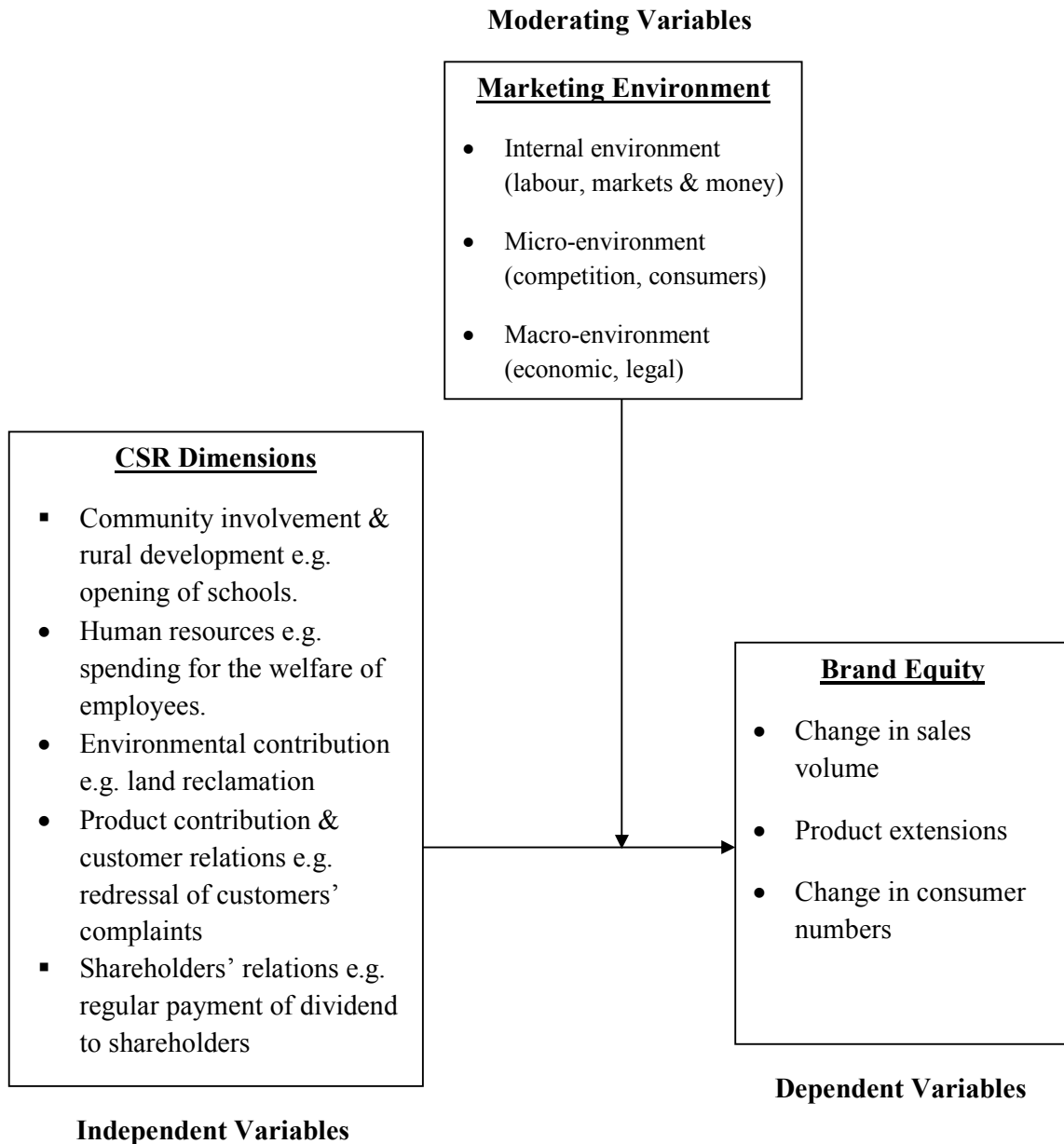


Figure 4: The Effect of CSR on Building Brand Equity

Source: Researcher, (2011)

2.7 Operationalization

Table 1 below shows the operationalization of the research variables used in the study. The aim of this operationalization was to present the work in a pictorial form, thus demonstrating how the various items under study were indicated and dimensioned. It also indicates data instrument used to get particular information on the variables in question and how they were measured to give the final results for the study.

Table 1: Operationalization of the Research Variables

Variables	Indicators	Measurement	Data Instrument	Analysis Method
Independent CSR	• Community involvement & rural development	Perceptions	Questionnaire	Regression Analysis
	• Human resources	”	”	”
	• Environmental contributions			
	• Product contribution & customer relations	”	”	”
	• Shareholders' relations			”
		”	”	
Dependent Brand Equity (BE)	• Change in sales volume	Perceptions	Questionnaire	Regression Analysis
	• Product extensions	”	”	”
	• Change in consumer in numbers	”	”	”

Source: Researcher, (2011)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with methodology used in the research, thus it incorporates a number of aspects which show the entire approach towards realization of the project. The items are research design, target population, sampling design, data collection instruments and procedure, data analysis and presentation, validity and reliability of research instruments and the analytical model to be used. The above mentioned aspects were employed in line with the research objectives and the hypotheses to be tested.

3.2 Research Design

The study adopted a cross-sectional survey research design, whereby information was gathered on a population at a single point in time because a pre-determined set of questions was used to elicit a set of feelings and answers from the respondents based on the objectives of the study. A cross-sectional survey research design was appropriate for this study because it involves a close analysis of a situation at one particular point in time to give a ‘snap-shot’ result and it allows for generalization of information related to the target population (Collis and Hussey, 2003). The main objective of this type of design was to obtain insight into the relationships between variables and new ideas relating to the research problem. Furthermore, the design was to capture the feelings of a large target audience for easy generalization of results. This type of design has previously been successfully used by Antoni and Portale, (2010); Kapoor and Sandhu, (2010) and Chaudhry and Krishnan, (2007). The study was conducted in Nairobi among quoted or listed companies in NSE. The choice for this location was informed

by the fact that Nairobi is the business and financial hub of Kenya and East Africa, and a good number of companies and organizations have their headquarters in the city.

3.3 Target Population

The population of study consisted 52 quoted or listed companies in NSE (NSE Website, 2011) (Appendix 5). These companies were chosen since they gave a wide representation of business interests ranging from agriculture, commercial and services, telecommunication and technology, automobiles and accessories, banking, insurance, investment, manufacturing and allied, construction and allied and energy and allied. This combination gave a balanced representation of the target population sample. The 52 respondents of the study were company personnel who were in charge of CSR practices in their organizations.

3.4 Sampling Design

Given the nature of the target population, the study adopted a census technique, whereby all companies listed in the NSE were involved in the study. This is because the respondents' number was too small to be sampled and manageable within the constraints of the study (Gupta and Gupta, 2009). Hence this formed a frame for the study of 52 personnel in the listed companies who were directly in charge of CSR practices. These company personnel were preferred because they were the most suitable to give the much needed information as per the dictates of the study objectives.

3.5 Data Collection Instruments and Procedure

The study used primary data collected using questionnaires, which had both unstructured (open-ended) and structured (closed-ended) questions. The open-ended questions were used to elicit the respondents' feelings towards the subject under

investigation, while the closed-ended were employed to limit the respondents on giving their answers in precise manner. In some instances, personal interviews were used to supplement the questionnaire, especially to elicit more responses on the subject matter. The survey instruments were self administered on the basis of drop and pick-up later for a period of three (3) days. This was done in order to give enough time to the respondents to work on the questionnaires appropriately.

3.6 Validity and Reliability of Research Instruments

3.6.1 Validity of Research Instruments

In order to obtain the validity of the research instrument, content validity, which measured the degree to which the test items represent the domain of the trait being measured, was employed Nassiuma and Mwangi, (2004). Items were randomly chosen from this content that accurately represented the information in all areas. The study then obtained a group of items which was representative of the content of the trait or property to be measured.

3.6.2 Reliability of Research Instruments

For reliability to be obtained on the survey instrument, pre-testing was done in five (5) companies that were not listed in NSE as a sample size for the pilot study. This was a 10% of the target population Mugenda, (2008), thus internal consistency method was used. The most popular internal consistency reliability estimate was given by Cronbach's alpha reliability coefficient. Coefficiency of 0.70 or higher was considered "acceptable" in most social science research situations (Nassiuma and Mwangi, 2004). Thereafter, an analysis was done to ascertain the reliability and consistency of the

research instrument. The analysis was found to give consistent results and was henceforth adopted for the final study.

3.7 Data Analysis and Presentation

After the data had been collected, it was edited to detect errors and omissions and correct them. Coding followed where the questionnaires were assigned numerals so that responses could be put into a limited number of categories. Thereafter classification was done to reduce raw data into homogeneous groups to get meaningful relationships. Finally, descriptive and inferential statistics were used to present findings into frequencies and percentages. Then the information was presented in form of charts, tables and graphs to make it more meaningful. This was followed by discussions.

3.7.1 Multiple Regression Analysis

In testing the hypotheses, the study employed Multiple Linear Regression Analysis (MLRA) to examine the effect of CSR on brand equity (i.e. sales volume, product extensions and consumer numbers). The reason for using this statistical tool was that other researchers have used it before, for instance, Kapoor and Sandhu, (2010) and Chaudhry and Krishnan, (2007). This was therefore considered a reliable test to adopt for the study. The formula for this was;

$$y_i = \beta_0 + X_1CI + X_2RD + X_3EC + X_4PCCR + X_5SR + \varepsilon$$

Where:

y_i Brand Equity (value of dependent variable)

β_0 Constant variable

X_1 Community Involvement and Rural Development

X_2 Human Resources e.g. retirement fund benefit plans

X_3 Environmental Contributions

X_4 Product Contribution and Customer Relations

X_5 Shareholders' Relations e.g. payment of dividend to shareholders

ε An error term

3.8 Ethical Issues

The research adhered to all ethical standards in the course of the study by protecting the sources of the information which was critical and sensitive. The information obtained was used purely for academic purpose and for the benefit of organizations at large and other stakeholders affected by CSR in one way or another. The researcher also requested for authority from the University and National Council of Science and Technology (NCST) to conduct the research and collect data and at the same time adhered to laid down standards of confidentiality.

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF RESULTS

4.0 Introduction

This chapter gives the general findings of the study based on the research objectives and hypotheses. The data was analyzed both qualitatively and quantitatively. Descriptive and inferential statistics were used in form of frequencies and percentages, and the results of the findings were presented in form of tables, charts and graphs to enhance understanding. Out of 52 questionnaires that were issued to respondents, only 46 were successfully completed and returned for analysis hence giving the study 88.5% response rate. Those who failed to participate were 6 respondents comprising of 11.5%.

4.1 Reliability Test Results

Table 2: Reliability Test

Independent Variables	Cronbach Alpha
CSR & Sales Volume	0.710
CSR & Product Penetration	0.705
CSR & Consumer Increase	0.856

Source: Research Data

It is evident from the table 2 above that Cronbach's alpha coefficient for each of the independent variables is well above the lower limit of acceptability of 0.70 (Nassiuma and Mwangi 2004). The results indicate that the questionnaire used in this study has a high level of reliability as each of the items relates to the identified factor.

Table 3: Response Rate

Respondents	Number of respondents	Percentage (%)
Expected responses	52	100
Received responses	46	88.5
Un-received responses	6	11.5

Source: Research Data (2012)

4.2 Descriptive Analysis

4.2.1 Nature of Practicing CSR in the Companies

The results revealed that 100% of the respondents were fully practicing CSR as they do their businesses. No respondent reported that they don't practice CSR. This therefore shows that CSR is a very crucial marketing strategy for any serious organization, which intends to do some good business for a longer period and enhance a long lasting relationship with both the target and potential target audience.

4.2.2 Companies' Views on CSR

With regard to the companies' collective view on CSR undertakings in their organizations, the research revealed that 100% of the respondents held that practicing CSR is very important. This is a clear indication that CSR practice will continue being relevant in modern day business. The salient concern however, is how significantly it can be done to effectively bring the desired proceeds into the firms.

4.2.3 Levels of CSR Perception by Companies

The study was interested in evaluating the perception held by firms on the effects of CSR on specific aspects. Those aspects are discussed individually in order to clearly see the managers' actual perception against each of the aspect as shown below:

4.2.3.1 Companies' Perception of CSR as a Social Concern

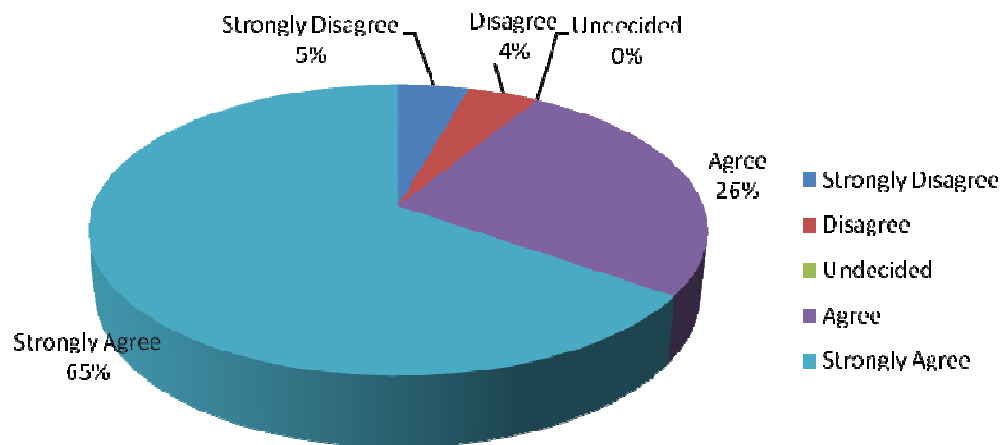


Figure 5: Companies' Perception of CSR as a Social Concern

Source: Research Data (2012)

Majority of the respondents, about 65%, strongly agreed that CSR is only done as social concern, whilst 26% agreed that CSR is mainly executed in firms as a social concern. Those who strongly disagreed with that notion comprised of 5%, whereas 4% just disagreed with the view. This implies that in many companies CSR strategy is only done for the sake of doing it, just to create a good perception among the publics (customers) but not for the purposes of boosting profits in the long run.

4.2.3.2 Influence of CSR on Increase in Consumer Numbers

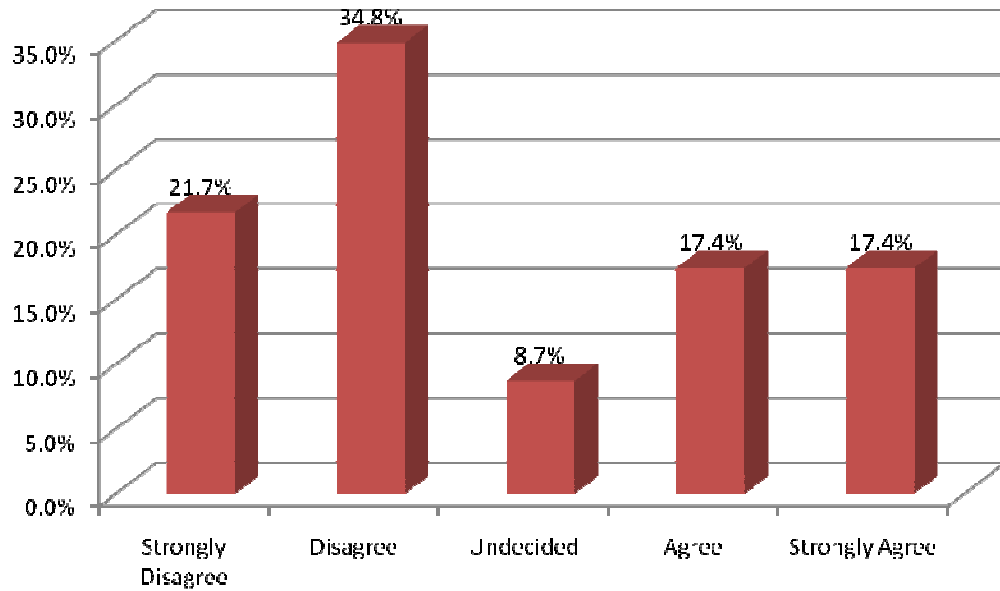


Figure 6: Influence of CSR on Increase in Consumer Numbers

Source: Research Data (2012)

On the influence of CSR on increase in consumer numbers, especially after CSR activities have been carried out in a certain area, the study found out that 21.7% of the managers strongly disagreed that CSR does not influence increase in consumer numbers, while 34.8% just disagreed with that view. Some substantial number of managers expressed contrary opinion; with about 17.4% indicating strongly agreed and agreed that CSR does influence increase in consumers' numbers. Surprisingly, though, there were 8.7% of the managers who were undecided as to what really happens. This shows that as a practice in an organization, CSR as a strategy, at this time and age, is not yet fully understood by quite a number of business practitioners.

4.2.3.3 Effects of CSR on Company Sales Volume

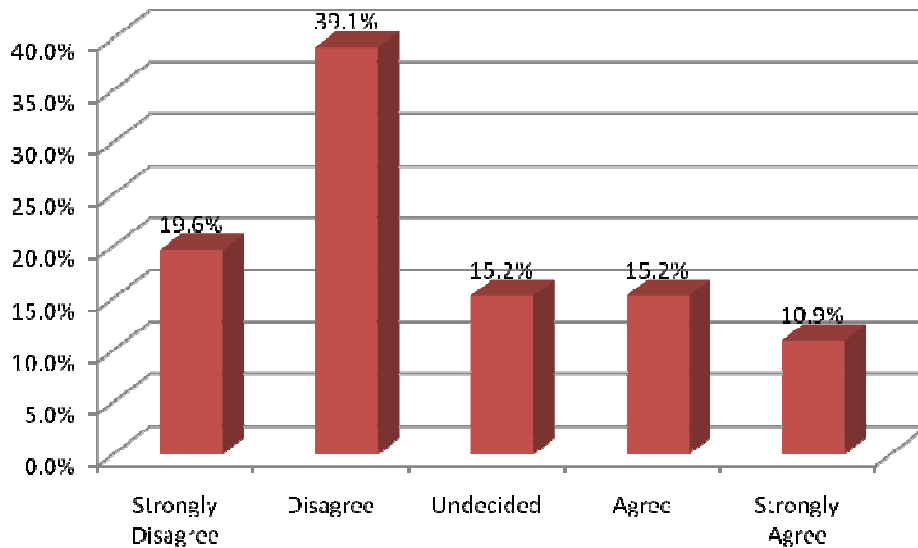


Figure 7: Effects of CSR on Company Sales Volume

Source: Research Data (2012)

In assessing how CSR, when being offered somewhere, affects company sales volume, the results showed that 39.1% of the respondents disagreed that CSR enhances company sales volume, while 19.6% strongly disagreed, whereas 15.2% of the respondents agreed that CSR has an effect on sales volume of a firm, whilst 10.9% also strongly agreed. . However, 15.2% were uncommitted to the situation. This is alarming because of the big number disagreed, not knowing about the strategy (i.e. $19.6\%+39.1\%+15.2=73.9\%$). This calls for proper and aggressive induction on how to apply the strategy both for organizations as well as the society's benefit.

4.2.3.4 Effects of CSR on Product Extension

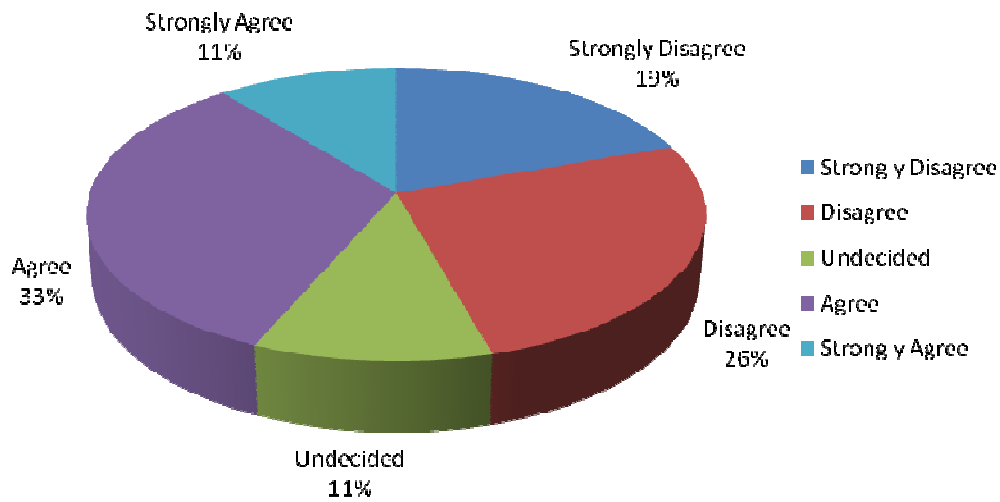


Figure 8: Effects of CSR on Product Extension

Source: Research Data (2012)

On the aspect of effects of CSR on a firm's product extension or penetration into the market, it was established that 11% of the respondents strongly agreed that when CSR has been done to the public it has an effect to some extent on the product's penetration into the market. However, 33% of the respondents just agreed it has some effect. On the other hand, 19% strongly disagreed that CSR has any effect on product's extension into the market, whereas 26% disagreed with the proposition. Some 11% of the respondents were uncommitted to the matter. Since there is a slight variation between the two sides, agreeing and disagreeing, that is 44% (33%+11%) and 45% (26%+19%) respectively, this still portrays that how application of CSR as a strategy in organizations has not been fully embraced and understood.

4.2.3.5 Effects of CSR on Enhancing Firm's Image

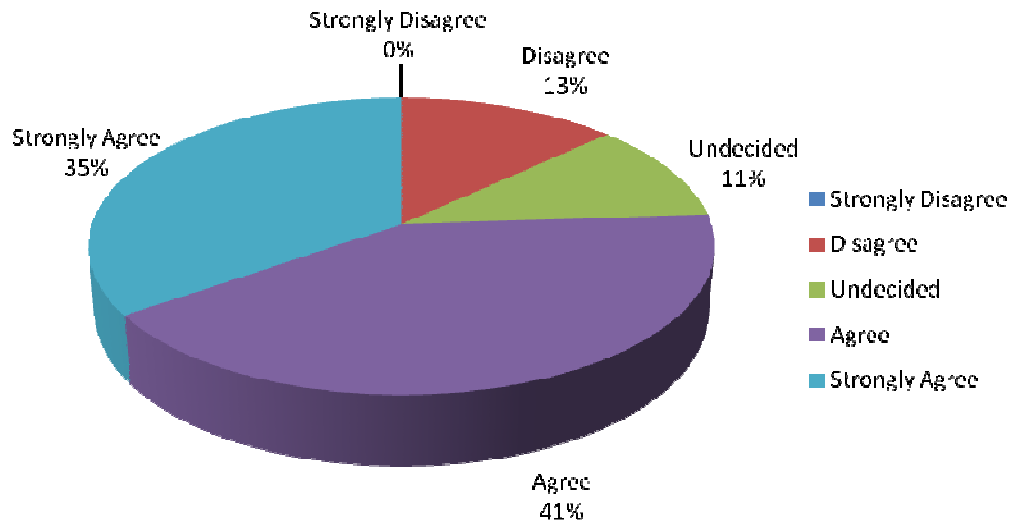


Figure 9: Effects of CSR on Enhancing Firm's Image

Source: Research Data (2012)

It was the interest of the study to further determine if carrying out CSR enhances company's image among the public. The findings were very interesting, showing that 35% and 41% of the firms' managers held that they strongly agree and agree respectively that indeed CSR enhances company image before the public once it has been conducted. Whereas only 13% of them disagreed to the idea, 11% were not sure. This implies that although there is majority consent on the effects CSR has on company's image; it is still disturbing to find that up to now there are those practitioners who do not know the importance of CSR to an organization. Unless there is serious sensitization and education towards its use, chances are that it may be neglected by many organizations in future.

4.2.3.6 Perception of CSR as a Waste of Resources

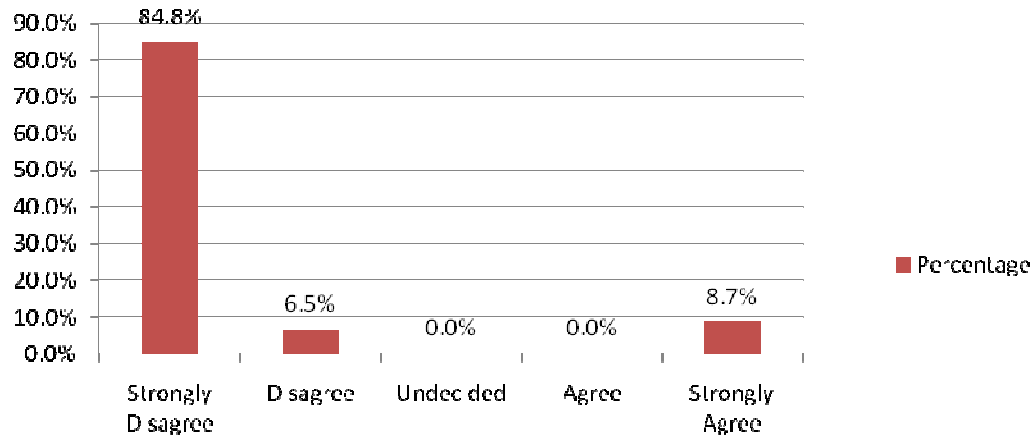


Figure 10: CSR Perceived as a Waste of Resources

Source: Research Data (2012)

The study intended further to establish the industry practitioners' perception on CSR against resources. The findings positively showed that CSR does not waste organizations' resources. This is so because an overwhelming majority of 84.8% strongly disagreed with that view, while 6.5% also disagreed and only a paltry 8.7% strongly agreed that indeed implementation of CSR is a waste of company's resources. Though not consistent with the previous findings, this is a good picture. This means quite a good number of company management do not really know how to deal with CSR as a strategy to take care of consumers' satisfaction, firm profits and society's well being. Hence, serious awareness needs to be initiated for full adoption of CSR practices in companies.

4.2.4 Effects of CSR on Brand Equity Indicators

The study tried to establish the effects of CSR on BE indicators, that is, change in increase in sales volume, product penetration or extension and change in increase in customer numbers. The findings are as follows;

4.2.4.1 Change in Increase in Sales Volume

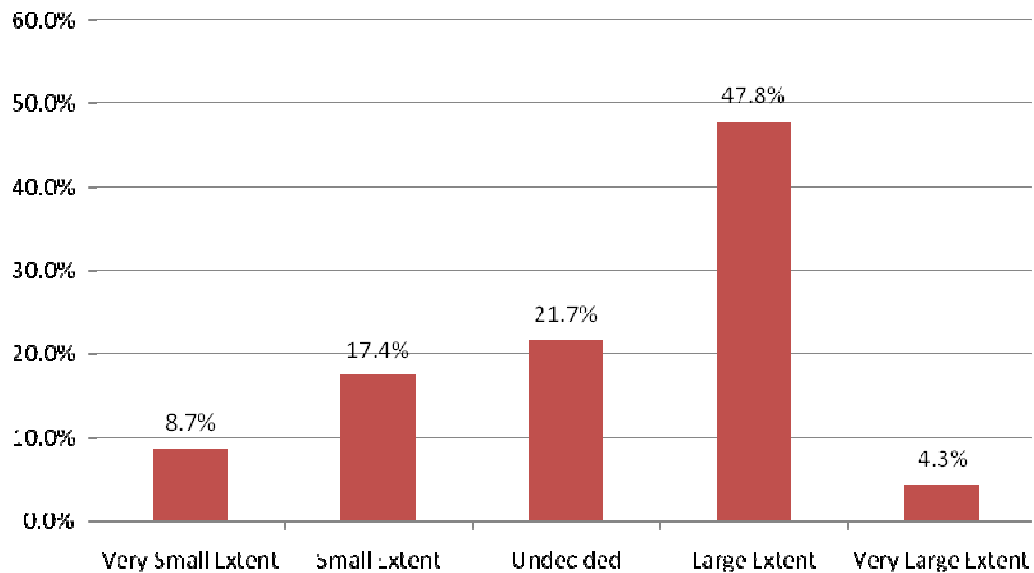


Figure 11: Change in Increase in Sales Volume

Source: Research Data (2012)

In as far as CSR's effects on change in increase in sales volume is concerned, the study revealed that after the CSR has been performed at a particular area, to a large extent it triggers an increase in sales volume. This view was held by 47.8%, whilst 4.3% felt that it affects to a very large extent. About 8.7% were of the opinion that to a very small extent CSR does affect the change and 17.4% of the respondents reported that change is just to a small extent. A substantial amount of the respondents about 21.7% were

undecided. Once again, although companies practice this strategy (CSR) up to now they are not pretty sure of its role in business and the effects it should trigger in a company if implemented properly. This calls for a serious re-awakening on the proper use of CSR in companies; that it should be meant for profit generation and that it is by no means a mismanagement of company's resources.

4.2.4.2 Product Extension

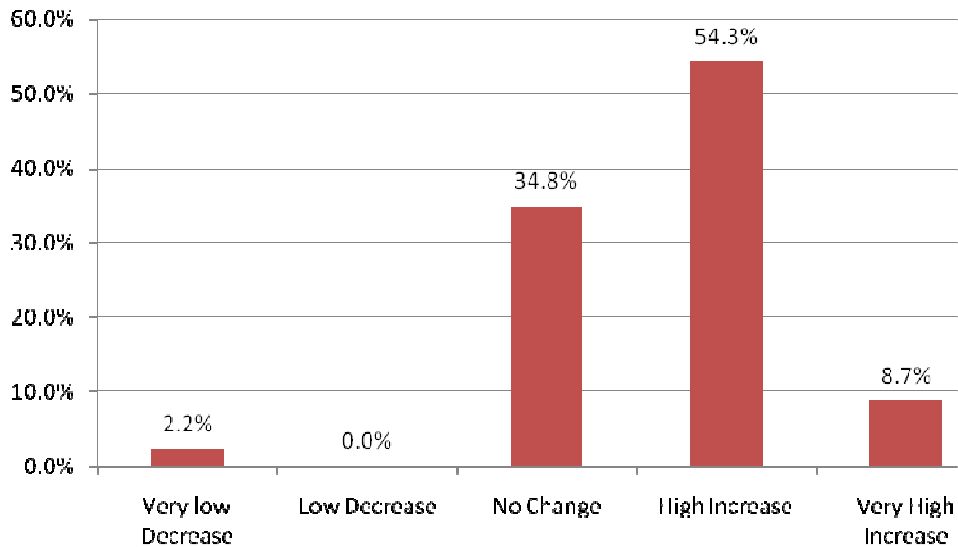


Figure 12: Product Extension

Source: Research Data (2012)

As far as the product extension into the market when CSR has been implemented is concerned, the findings showed that 2.2% of the respondents believed that product is extended to the market, that is, it is embraced though at a very low rate. None (0%) held the view that there is a decrease in product penetration, while 34.8% maintained there was no change in the product penetration into the market. However, a considerable number of the managers, 54.3% held that there is a high increase of product penetration the moment CSR has been carried out somewhere and 8.7%

maintained that there is a very high increase of product extension into the market. This implies that a substantial percentage (54.3% +8.7%=63%) believe CSR has an effect on product penetration into the market if well implemented. Therefore, it is upon organizations to do it (CSR) correctly with the purpose of spearheading the penetration of the product deep into the market. By so doing, it will generate the desired results of profits realization in the long-term.

4.2.4.3 Change in Increase in Consumer Numbers

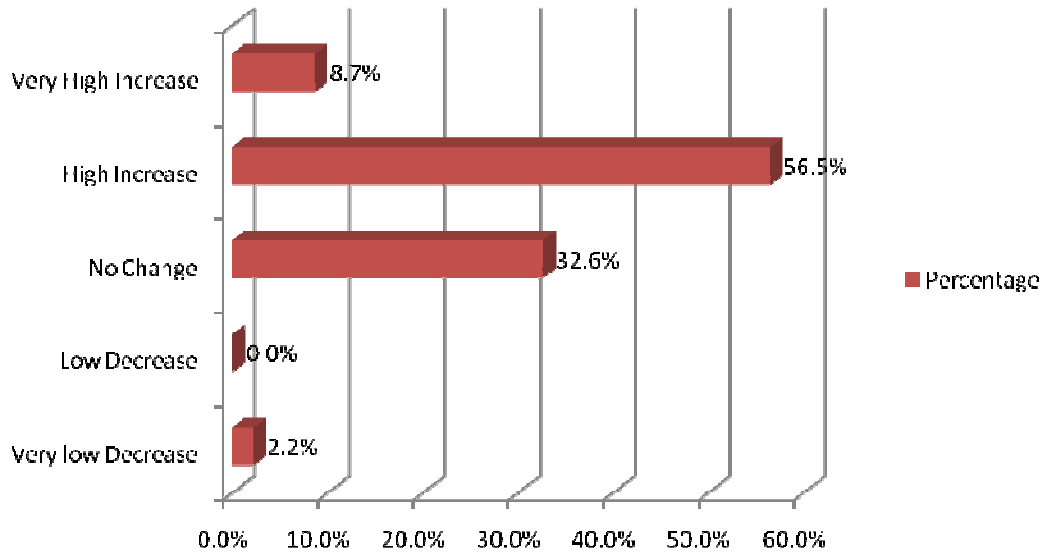


Figure 13: Change in Increase in Consumer Numbers

Source: Research Data (2012)

In trying to establish if CSR, after it has been carried out, has any impact on customer numbers, the results revealed that 8.7% indicated that there is a very high increase in customer numbers, whilst 56.5% asserted that there is a high increase in numbers. About 32.6% of respondents observed that there is no change realized after the exercise. There was 0% response on low decrease, while a meager 2.2% of the

respondents believed that there is a very low decrease in customers increase. This implies that CSR in deed influences customers' buying behavior (customer numbers) if professionally implemented. The defining factor here is how a company carries out the practice among their targeted public, what it's meant for and how it is understood.

4.2.5 Extent to which CSR Affects the Brand Equity Indicators

The study evaluated the extent to which CSR affects BE indicators, which included sales volume, product extension and customers increase in numbers. The results revealed varied views as shown below;

4.2.5.1 Extent of Change in Increase in Sales Volume

Table 4: Extent of Change in Increase in Sales Volume

Responses	Frequency	Percentage (%)
Very Small Extent	4	8.7
Small Extent	8	17.4
Undecided	10	21.7
Large Extent	22	47.8
Very Large Extent	2	4.4
Total	46	100

Source: Research Data (2012)

According to the findings, 8.7% argue that to a very small extent CSR increases sales volume. While 17.4% held that to a small extent CSR affects sales volume of a firm if performed. It was also attested by 47.8% that to a large extent CSR affects the sales and only 4.4% of respondents described the impact as very large. A significant portion of respondents, about 21.7% was uncommitted. Based on these findings therefore, CSR does influence a company's increase in sales volume albeit at a relatively small margin

(i.e. 47.8% +4.3=52.1%). Again, more sensitization on the proper implementation of the strategy is required among the organizations' managers.

4.2.5.2 Extent of Product Extension

Table 5: Extent of Product Extension

Responses	Frequency	Percentage (%)
Very Small Extent	4	8.7
Small Extent	10	21.7
Undecided	8	17.4
Large Extent	17	37.0
Very Large Extent	7	15.2
Total	46	100

Source: Research Data (2012)

Evaluating CSR's effects on product extension into the market, the study revealed that 8.7% of the respondents believed that to a very small extent CSR does help product to penetrate into the intended market, 21.7% asserted that it does to a small extent, while 17.4% were undecided. However, a convincing portion of 37% said to a large extent CSR does help push the product further into the market, whereas 15.2% were convinced that to a very large extent there is product extension deeper into the target markets. There is a somehow positive reflections (i.e. 37%+15.2%=52.2%) that CSR influences product penetration among consumers. However, this can only be achieved if CSR is properly implemented differently from the old fashion of just "being seen as a good neighbour" to the society.

4.2.5.3 Extent of Change in Increase in Consumer Numbers

Table 6: Extent of Change in Increase in Consumer Numbers

Responses	Frequency	Percentage (%)
Very Small Extent	3	6.5
Small Extent	8	17.4
Undecided	9	19.6
Large Extent	21	45.7
Very Large Extent	5	10.8
Total	46	100

Source: Research Data (2012)

In trying to determine to what extent CSR influence consumer numbers on incremental basis, about 6.5% of the respondents held that to very small extent customers do increase in numbers as a result of CSR implementation in an area. While 17.4% said to large extent customers do increase, 19.6% were non-committal. A good number of respondents 45.7% believed that to a large extent CSR pushes customer numbers up whilst 10.8% maintained to a very large extent CSR influences increase in customer numbers. This is a clear testimony that CSR if well employed can yield good proceeds to organizations as it has the ability to influence consumers' buying behaviour.

4.2.6 Influence of Marketing Environment on CSR

It was the study's concern to identify how the various factors in marketing environment affect the implementation of CSR in the organizations. The findings on each factor are discussed below;

4.2.6.1 Availability of Money to do CSR

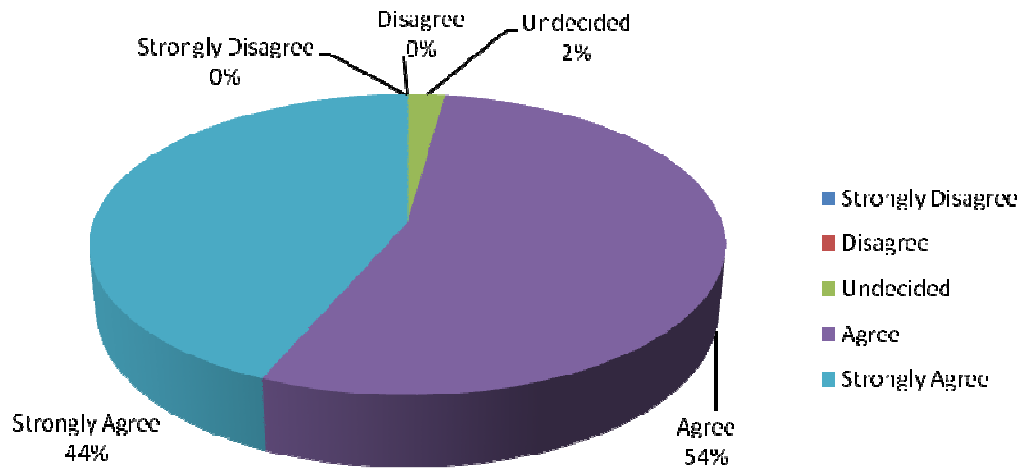


Figure 14: Availability of Money to do CSR

Source: Research Data (2012)

Assessing how money influences the performance of CSR in firms, 54% of the managers agreed that availability of money is a key factor affecting the implementation of CSR effectively and efficiently, while 44% also strongly agreed that without money CSR is hard to pursue. Only 2% of them were undecided on the matter. No one among the practitioners opposed the idea in any way. This implies that without financial resources in an organization, implementation of CSR programme is absolutely unattainable. Similarly, during the carrying out of the CSR in a company money should not be wasted through unworthy cause(s). Instead the CSR activities done should be able to have either a short or long-term effect for the benefit of the firm in question.

4.2.6.2 Availability of Markets to do CSR

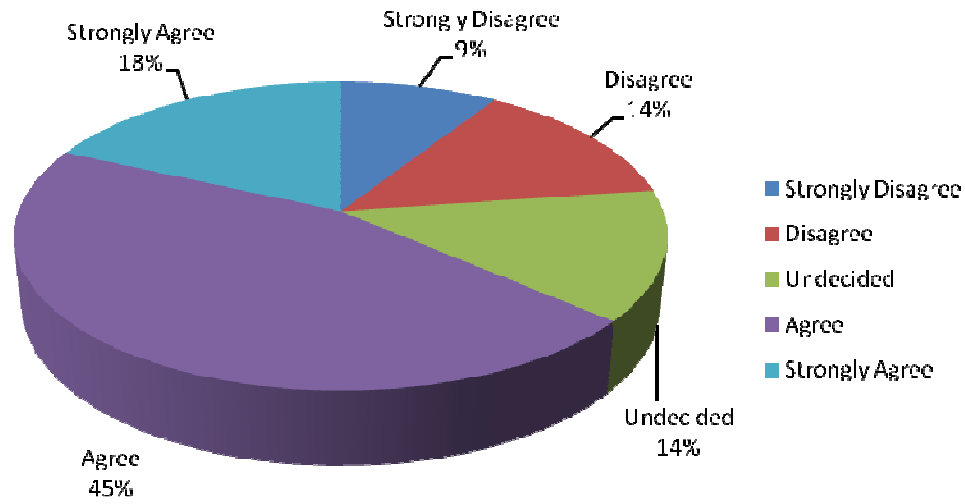


Figure 15: Availability of Markets to do CSR

Source: Research Data (2012)

On the question of availability of markets to do CSR, the findings revealed that 45% of the respondents concurred that markets (buyers) are paramount in influencing the locality for CSR activities, while 18% strongly agreed. However, there were those who refuted this claim, with about 9% strongly disagreeing and 14% just disagreeing. Those that were undecided on the matter constituted about 14%. This shows that without the presence of customers (markets) doing CSR activities in an area would be futile. A company should first establish the presence of buyers before implementing any CSR because it is intended to drive them (publics) to some action later in favour of that firm.

4.2.6.3 Availability of Labour/Man power

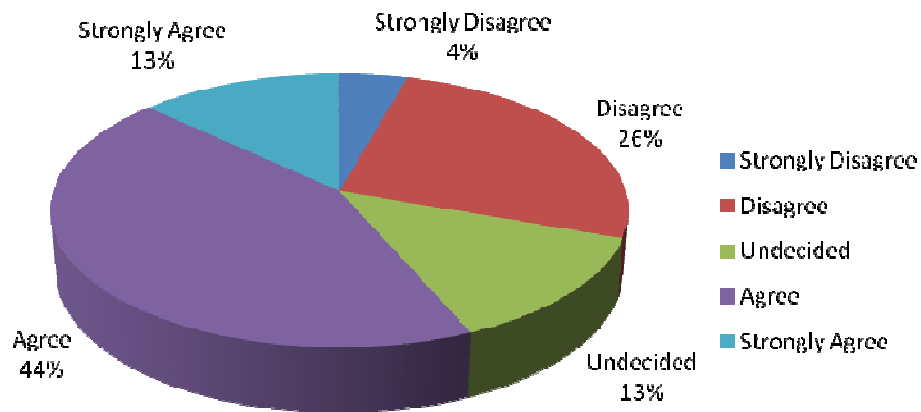


Figure 16: Availability of Labour/Man Power

Source: Research Data (2012)

About 44% of the respondents agreed that without manpower it would be difficult if not impossible to carry out the CSR effectively and efficiently, 13% echoed the same strongly. Some CSR practitioners though, about 4% disagreed very strongly while 26% disagreed as well. 13% of respondents were uncommitted. This therefore, shows that proper CSR implementation needs well organized labour force to be able to effectively and efficiently leave an impact among the intended target audience.

4.2.6.4 Stiff Competition on CSR

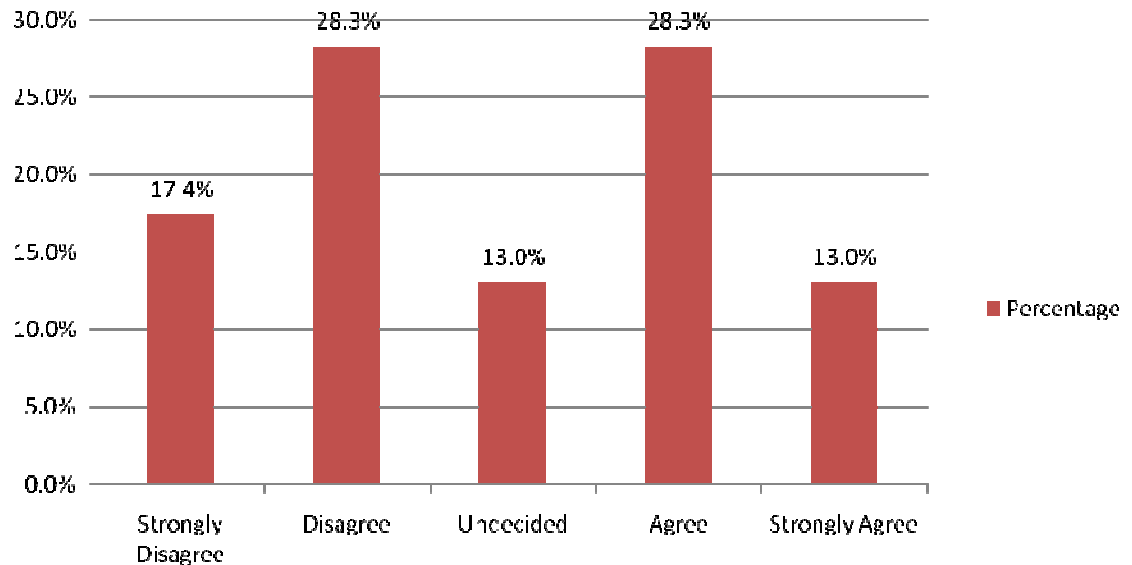


Figure 17: Stiff Competition on CSR

Source: Research Data (2012)

The study was also to determine what role competition plays in as far as doing of CSR is concerned. It was noted that about 28.3% agreed and 13% strongly agreed that stiff competition from other firms is a hindrance while undertaking the CSR initiatives in an area. However, 13% of the management was undecided regarding the issue, while 28.3% disagreed and a further 17.4% strongly refuted that stiff competition has any negative effects on the implementation of CSR. This therefore shows that there is a balanced view in as far as the competition is concerned. However, it is better to be avoided or carefully checked than be overlooked since it could have dire consequences on business performance.

4.2.6.5 Media coverage on the Event/CSR

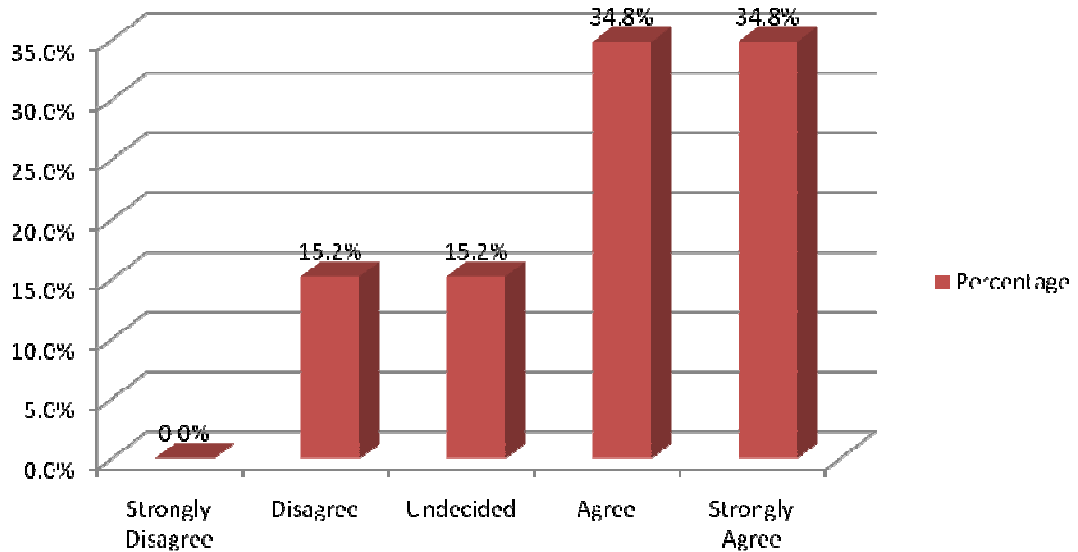


Figure 18: Media Coverage on the Event/CSR

Source: Research Data (2012)

On media coverage of the CSR events done, there was a tally in response between those who agreed and strongly agreed, (34.8%), that media coverage is very essential when carrying out a CSR activities. However, some respondents about 15.2% were undecided. There were also 15.2% of the managers who disagreed with the thesis that media coverage does affect in anyway the implementation of the CSR in an organization, and none strongly disagreed. This is a clear indication that for a CSR to have that desirable impact, it should be thoroughly covered by the media as this would greatly help to convey the message attached to the CSR to the target audience.

4.2.6.6 Shareholders' Belief on CSR

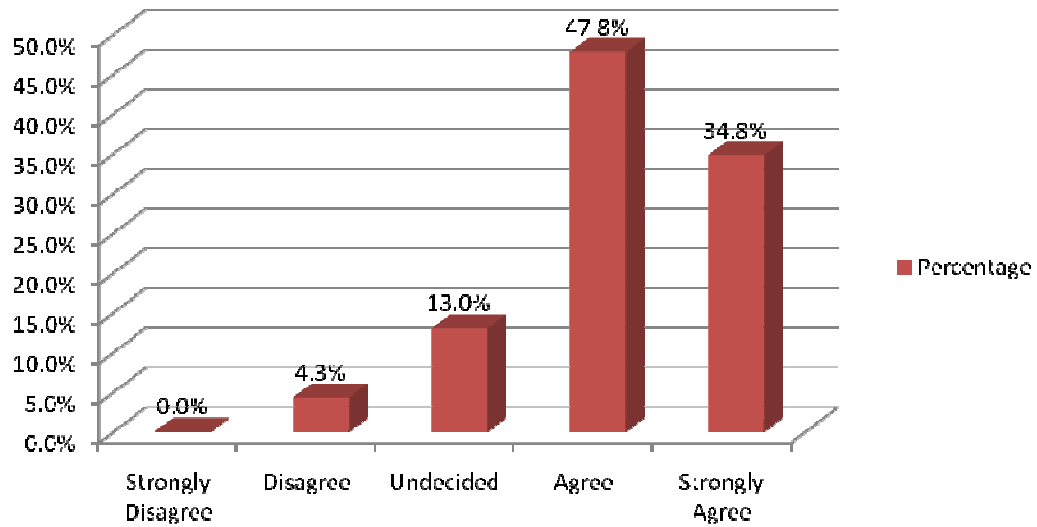


Figure 19: Shareholders' Belief on CSR

Source: Research Data (2012)

It was also further noted that shareholders' beliefs about a firm's CSR activities have a significant role in the full implementation of the strategy. About 47.8% of respondents agreed with this, whereas 34.8% strongly echoed similar sentiments. A meager 4.3% of respondents disagreed with the fact that shareholders hold any sway into the implementation of any CSR in an organization, while 13% of the managers were non-committal. This implies that shareholders in an organization are very crucial to the realization of a company's objectives because of the wealth and influence they hold. Thus, looking down upon shareholders' views on any weighty matter to be carried out in the company would be very detrimental to an organization's success.

4.2.6.7 Employees' ability to Work on CSR

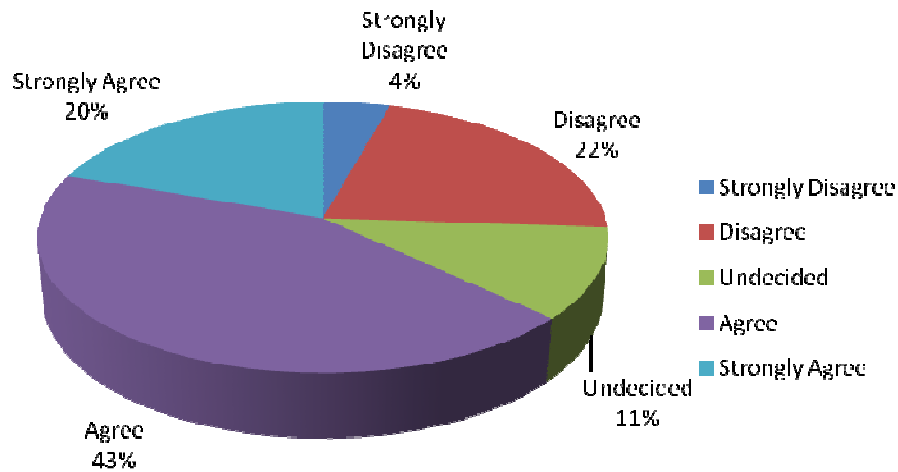


Figure 20: Employees' Ability to Work on CSR

Source: Research Data (2012)

On employees' ability to work on CSR, the study revealed that 43% of the respondents agree that CSR cannot be fully realized without employees' input, while 20% strongly concurred on the same. However, 22% disagreed with the notion that employees' ability can affect in any way, CSR implementation in an organization and a further 4% strongly disagreed. Managers comprising 11% were undecided with regard to this. This shows that for CSR implementation to be done effectively and efficiently, appropriate manpower or labour force is essential or else it could end up being a flop and wastage of company resources.

4.2.6.8 Consumers' purchasing power

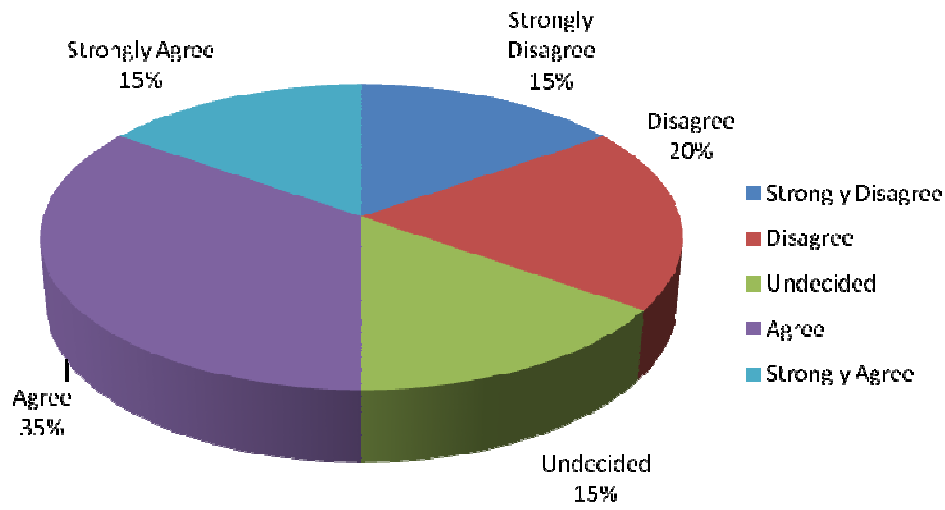


Figure 21: Consumers' Purchasing Power

Source: Research Data (2012)

The study further assessed if consumers' purchasing power influences CSR implementation and the results showed that 35% of the firm managers under study agreed that it does have an influence. While 15% strongly agreed about the influence 20% disagreed and an extra 15% strongly disagreed. 15% were undecided on the matter. This portend that CSR should not be done in a vacuum or haphazardly but on a specific target group of customers or potential customers in order to enhance their purchase behaviour towards the company's products and/or services.

4.2.6.9 Prevailing Economic Conditions

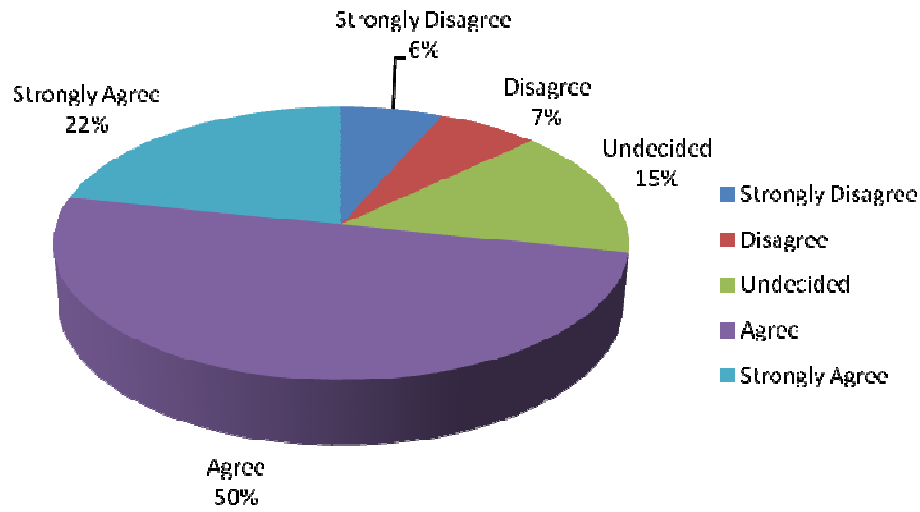


Figure 22: Prevailing Economic Conditions

Source: Research Data (2012)

There was an overwhelming agreement of 50% and strong agreement of 22% that the prevailing economic conditions matter a lot when carrying out a CSR. However, 6% strongly disagreed with that notion, whilst 7% disagreed. An addition 5% of respondents were undecided on the matter. This tells the management that it will be in vain to carry out CSR if the economy is not promising. This is so because serious CSR implementation needs a sound budgeting for meaningful effects in the long-run.

4.2.6.10 Current Political Situation

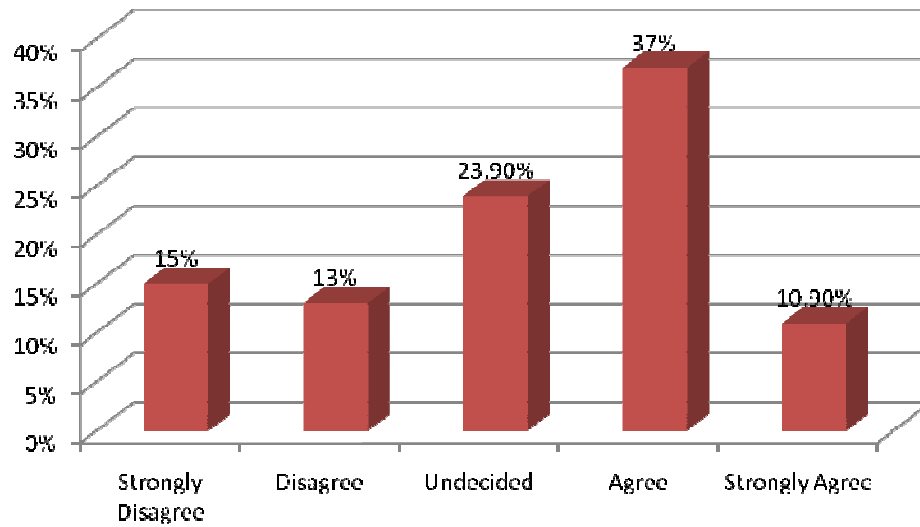


Figure 23: Current Political Situation

Source: Research Data (2012)

The study also sought to identify how current political situation of a country can influence CSR performance. The findings revealed that 15% strongly disagreed that current political situation has any impact on CSR implementation, 3% also disagreed while 23.9% were totally undecided. 37% of respondents, however, agreed, and a further 10.9% strongly agreed that politics can be very ruinous if not checked in advance. It is therefore important for the management to critically analyze the current political trends before embarking on a major CSR activity to determine whether or not it is conducive for business.

4.2.6.11 Technological Availability to do CSR

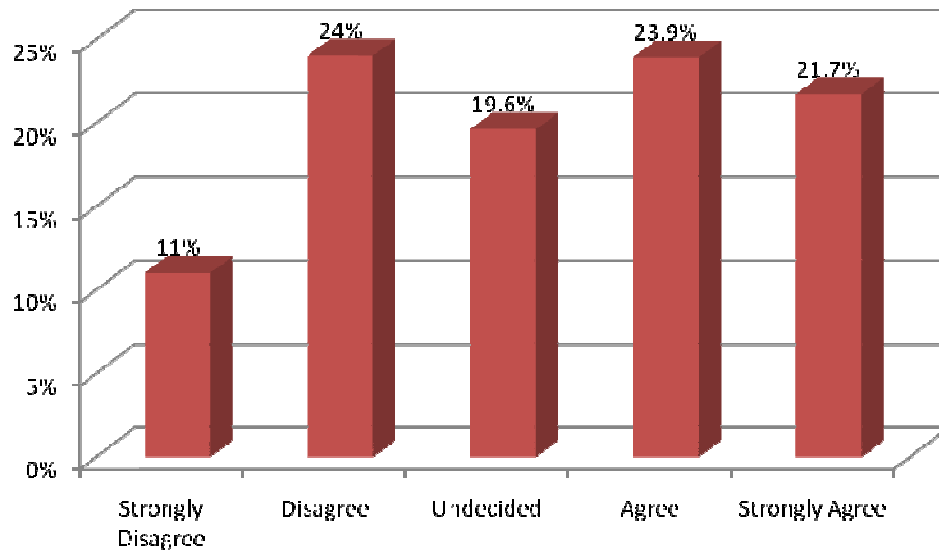


Figure 24: Technological Availability to do CSR

Source: Research Data (2012)

In today's modern business operations technology has taken a center a stage, thus the study was interested in finding out how it influences the CSR implementation. The results showed that 11% strongly disagreed, 24% disagreed that technology availability is related in any way to CSR implementation, whereas 19.6% were undecided on the issue. However, 23.9% and 21.7% agreed and strongly agreed respectively that technology is crucial to any meaningful CSR implementation. Therefore, it is upon any organization to have the necessary technology in order to be effective and efficient in terms of delivery.

4.2.6.12 Legal Restrictions in Place

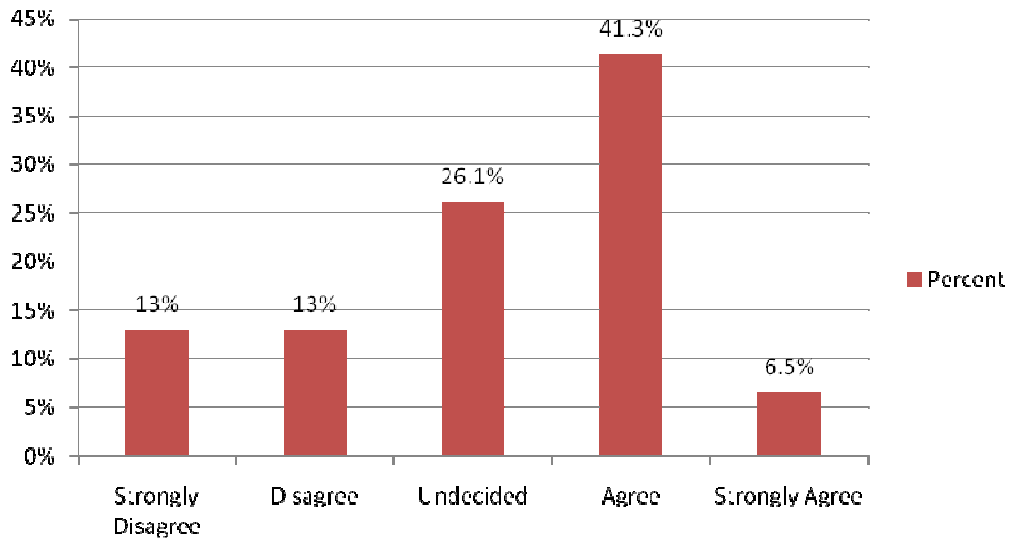


Figure 25: Legal Restrictions in Place

Source: Research Data (2012)

In as far as legal restrictions are concerned while carrying out CSR, it was revealed that 13% both disagreed and strongly disagreed that legal restrictions can pose any impediment to CSR implementation, whereas 26.1% were openly undecided on the matter. However, 41.3% of the company managers said that legal restrictions impede the smooth operations of the CSR, while 6.5% strongly agreed with the notion. This shows that legal forces cannot be overlooked when carrying the CSR implementation as this will help avoid government inspection and/or prosecution. Hence it is better to check on them in advance than to ignore them.

4.2.6.13 Socio-cultural Influence of the Target Audience

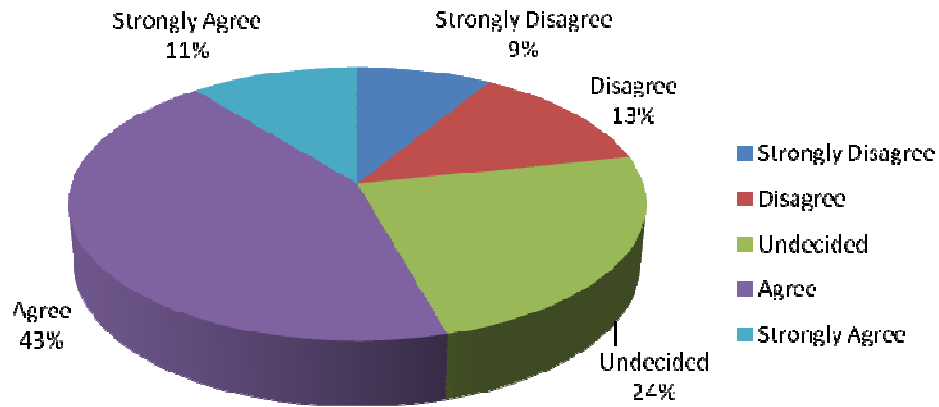


Figure 26: Socio-Cultural Influence of the Target Audience

Source: Research Data (2012)

Socio-cultural factors on target audience have a part to play on CSR implementation. The findings show that 43% agreed and 11% agreed strongly that social-cultural forces can make CSR done somewhere to be perceived correctly or wrongly; while 13% disagreed and 9% strongly disagreed with that view. Additional 24% of the respondents were undecided. This implies that social and cultural aspects of the community are vital and a company doing CSR should first acclimatize with them lest they make mistakes unknowingly and the public judge them harshly.

4.2.6.14 Demographic Presentation of the Target Audience

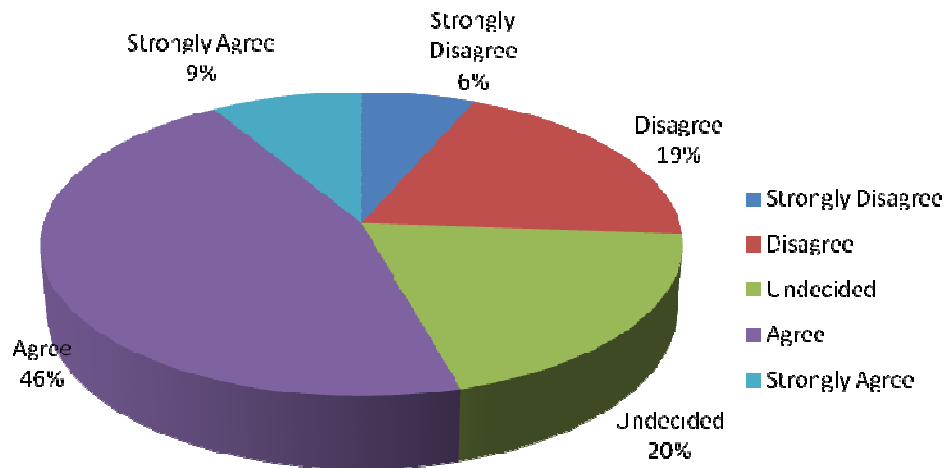


Figure 27: Demographic Presentation of the Target Audience

Source: Research Data (2012)

As part of the marketing environment, the demographic presentation of customers was considered to play a key role on CSR implementation in the sense that 41% of the respondents said they agree that it influences, whilst 9% strongly agreed. Those who disagreed with this notion were 19% and 6% strongly disagreed as well. A substantial proportion of 20% was undecided. This shows that demographic composition is very important if CSR has to be fruitful in future. This is because doing something without good target markets for the organization is pointless.

4.2.6.15 Geographic Coverage for the CSR

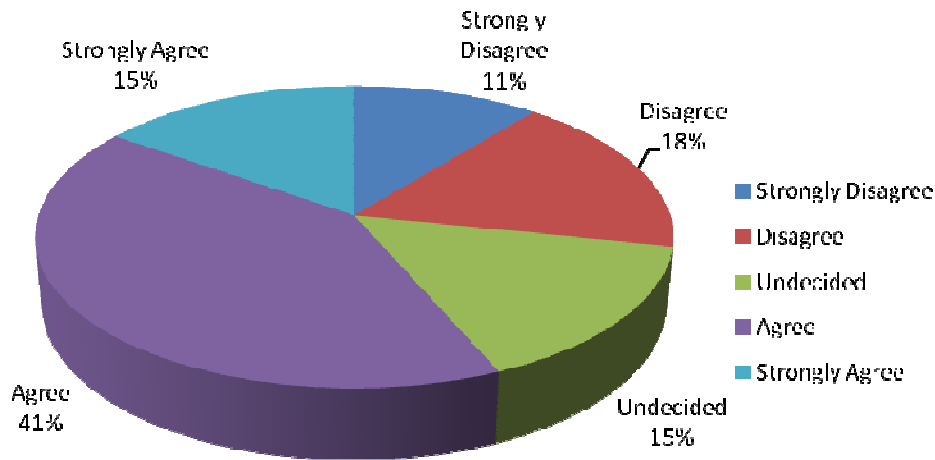


Figure 28: Geographic Coverage for the CSR

Source: Research Data (2012)

The research was interested in establishing the role geographic coverage play on CSR implementation in organizations. The findings exhibited that 41% of the respondents agreed that geographical coverage for CSR performance matter a lot and 15% strongly agreed with the same. On the contrary 18% disagreed, whereas 11% strongly disagreed on the view, and an addition 15% of the managers were undecided on the matter. This therefore, implies that CSR when done should cover quite a good ground (wider coverage) and should not only be done at a particular area every time.

4.2.7.1 Relationship between CSR and Marketing Environment on Brand Equity

The study went a step further to evaluate if there is any relationship between CSR implementation and marketing environment on Brand Equity (BE) enhancement in organizations and the results are discussed below as follows;

4.2.7.2 CSR and Marketing Environment Work Together in Enhancing Brand Equity

Table 7: CSR and Marketing Environment Work Together in Enhancing Brand Equity

Responses	Frequency	Percentage (%)
Strongly Disagree	0	0
Disagree	1	2.2
Undecided	4	8.7
Agree	18	39.1
Strongly Agree	23	50.0
Total	46	100

Source: Research Data (2012)

The study revealed that there is a very strong relationship between CSR and marketing environment with regard to enhancing brand equity in organizations. This is so because 50% of the managers strongly agreed, while 39.1% also agreed and only a paltry 2.2% disagreed with the view. However, 8.7% of the managers were undecided on the issue. This shows that CSR cannot be well implemented if the marketing environment is not conducive for business, as this is tantamount to loss of firms' resources.

4.2.7.3 CSR and Marketing Environment cannot Work Together in Enhancing Brand Equity

Table 8: CSR and Marketing Environment cannot Work Together in Enhancing Brand Equity

Responses	Frequency	Percentage (%)
Strongly Disagree	24	52.2
Disagree	14	30.4
Undecided	3	6.5
Agree	4	8.7
Strongly Agree	1	2.2
Total	46	100

Source: Research Data (2012)

It was confirmed by the study that CSR and marketing environment do work together in enhancing brand equity of an organization. This is because 52.2% strongly disagreed that CSR and marketing environment do not work together in enhancing brand equity, and 30% of the respondents disagreed on the same. There was 6.5% who were undecided, 8.7% agreed and 2.2% strongly agreed that CSR and marketing environment do not work together in enhancing brand equity. This again is a clear manifestation that CSR cannot excel where the marketing environment is not supportive and encouraging to operate.

4.2.7.4 CSR Alone is enough to Enhance Brand Equity

Table 9: CSR Alone is enough to Enhance Brand Equity

Responses	Frequency	Percentage (%)
Strongly Disagree	12	26.1
Disagree	23	50.0
Undecided	2	4.3
Agree	5	10.9
Strongly Agree	4	8.7
Total	46	100

Source: Research Data (2012)

A concern was raised as to whether CSR alone can enhance brand equity, and the results showed that 26.1% strongly disagreed, 50% also disagreed, and 4.3% were uncommitted on the issue. Furthermore, there were those who agreed with the statement about 10.9% and 8.7% strongly agreed as well. This therefore, implies that in an organization one cannot entirely depend on CSR strategy as the only means to boost company's revenues but has to combine with other strategies in order to achieve the desired brand equity.

4.2.7.5 Marketing Environment alone is enough to Enhance Brand Equity

Table 10: Marketing Environment Alone is enough to Enhance Brand Equity

Responses	Frequency	Percentage (%)
Strongly Disagree	8	17.4
Disagree	22	47.8
Undecided	4	8.7
Agree	11	23.9
Strongly Agree	1	2.2
Total	46	100

Source: Research Data (2012)

It was further demonstrated that about 65.2% (i.e.17.4%+47.8%) disagreed that marketing environment alone is enough to enhance brand equity in a company. 8.7% of the respondents were undecided whilst 23.9% agreed that marketing environment alone is sufficient to boost a firm's brand equity, and 2.2% strongly agreed with the same. This shows that marketing environment though critical, alone cannot help much unless it is blended with other factors to produce some satisfactory results in the organization's brand equity realization.

4.2.7.6 CSR and Marketing Environment are not Important in Enhancing Brand Equity

Table 11: CSR and Marketing Environment are not Important in Enhancing Brand Equity

Responses	Frequency	Percentage (%)
Strongly Disagree	0	0
Disagree	1	2.2
Undecided	3	6.5
Agree	19	41.3
Strongly Agree	23	50.0
Total	46	100

Source: Research Data (2012)

The study was interested in identifying whether CSR and marketing environment are not important in enhancing brand equity and the findings revealed that 50% said they are not important, while 41% agreed with the same. However, 6.5% were not sure of the relationship and 2.2% were of different opinion, refuting that CSR and marketing environment are not important in enhancing brand equity. None of the respondents strongly disagreed. This therefore, demonstrates that there is no correlation between CSR implementation and the marketing environment. Although they can supplement each other to a very small extent, they should not be completely neglected.

4.2.7.7 CSR and Marketing Environment are Important in Enhancing Brand

Equity

Table 12: CSR and Marketing Environment are Important in Enhancing Brand Equity

Responses	Frequency	Percentage (%)
Strongly Disagree	28	60.9
Disagree	13	28.3
Undecided	2	4.3
Agree	3	6.5
Strongly Agree	0	0.0
Total	46	100

Source: Research Data (2012)

The opposite of the above statement was asked to see if there is any consistency in the answers from the respondents, and the results showed that 60.9% strongly disagreed that CSR and marketing environment are important in enhancing brand equity, whereas 28.3% also disagreed as well. There were those who were undecided, about 4.3%, while 6.5% agreed with the proposition and none strongly supported it. Again this shows that there is no correlation between the two, CSR and marketing environment in enhancing brand equity in the organizations.

4.2.8 Challenges Facing Implementation of CSR on Brand Equity

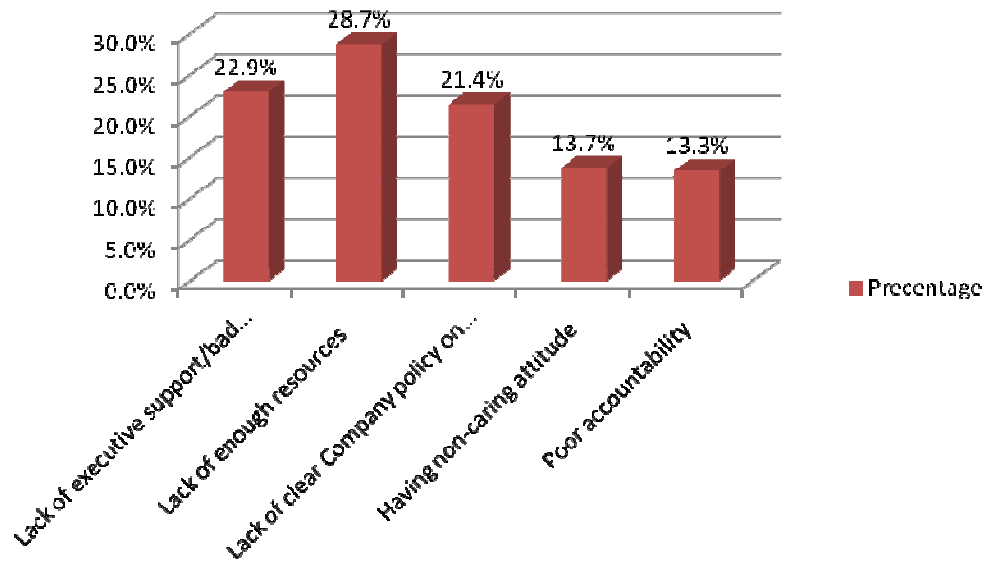


Figure 29: Challenges Facing Implementation of CSR on Brand Equity

Source: Research Data (2012)

The research was further interested in establishing which challenges companies face in trying to practice CSR, and it was identified that lack of enough resources in the organization led the pack with 28.7%, followed closely by lack of executive support or bad philosophy in the CSR at 22.9%. The third challenge was lack of clear company policy on CSR at 21.4%, while having a non-caring attitude had 13.7%, and lastly was poor accountability in the organizations at 13.3%. This therefore, implies that lack of enough resources in terms of finance and human play a critical role in the CSR implementation in many organizations.

4.2.9 Measures Put in Place to Counter the Challenges Faced

Table 13: Measures Put in Place to Counter the Challenges Faced

Measures	Frequency	Percentage (%)
Establishment of CSR department	15	32.6
Creating staff Awareness	10	21.7
Rebranding exercises	6	13.0
Setting up funds for CSR	6	13.0
Budgeting for CSR	5	10.9
Auditing resources used	4	8.7
Total	46	100

Source: Research Data (2012)

After establishing the kind of challenges the companies face, the study went a step further to find out some of the measures these firms have put in place to counter those challenges. The findings revealed that 32.6% advocated for the establishment of CSR department, 21.7% voiced for staff awareness of CSR and its benefits both for the customer and the organization. Rebranding exercises was also fronted with 13% same as with setting up of funds (kitty) specifically for CSR. Further 10.9% advocated for budgeting for CSR activities while 8.7% were for auditing the resources used for CSR. This therefore confirms that CSR is being employed in organizations, only that it appears that it is not systematically carried out because of lack of staff awareness about it and lack of properly constituted department fully in charge of it. If these are put in operations, smooth implementation of CSR would be realized and hence desired results to the companies.

4.2.10 Extent of the Effects of the Challenges Faced

After establishing the challenges affecting the CSR implementation in organization, the study further evaluated the extent to which these challenges affect the whole exercise.

The findings were as follows:

4.1.10.1 Lack of Executive Support/Bad Philosophy

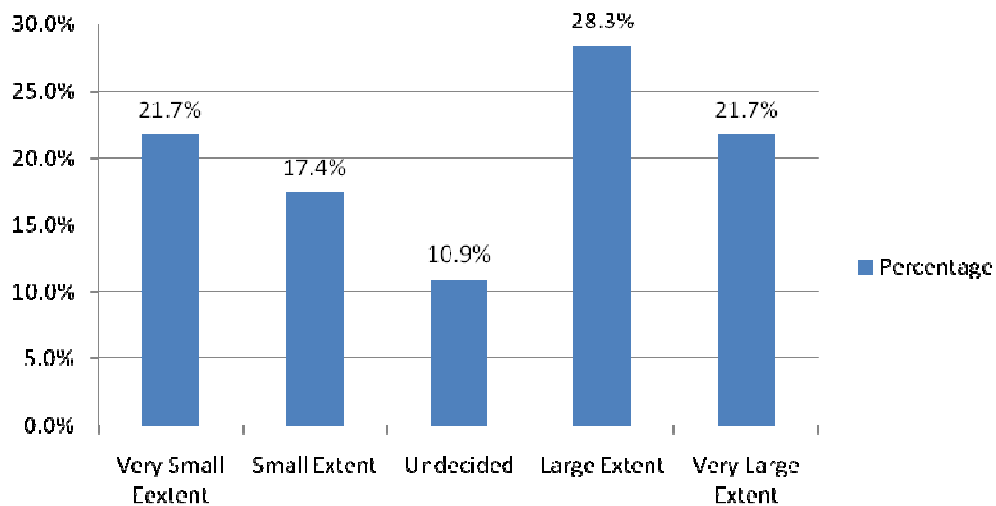


Figure 30: Lack of Executive Support/Bad Philosophy

Source: Research Data (2012)

In as far as lack of executive support or bad philosophy is concerned, 21.7% maintained that to a very small extent this challenge affects the operations of CSR, 17.4% said it affects to just small extent while 10.9% were undecided. There were those who held that lack of executive support affected implementation to a large extent, i.e. 28.3%, whereas 21.7% attested that it affected to a very large extent. This shows what the company stands for and believes in matters a lot in the implementation of the CSR strategy.

4.2.10.2 Lack of Enough Resources

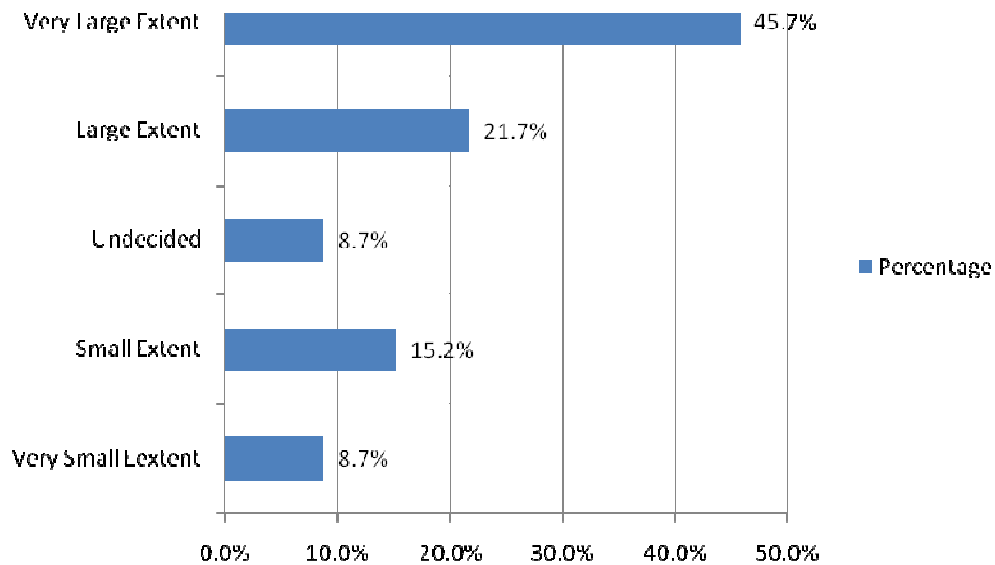


Figure 31: Lack of Enough Resources

Source: Research Data (2012)

It was also discovered that lack of resources plays a particularly significant role, with 45.7% of respondents confirming that to a very large extent it impacts negatively on CSR realization, whereas 21.7% also argued that it does to a large extent. However, 8.7% were undecided, whilst 15.2% believed to a small extent there is an effect and 8.7% maintained to a very small extent. This is a clear testimony that for any successful strategy implementation, every company needs adequate amounts of resources (money and people).

4.2.10.3 Lack of Clear Company Policy on CSR

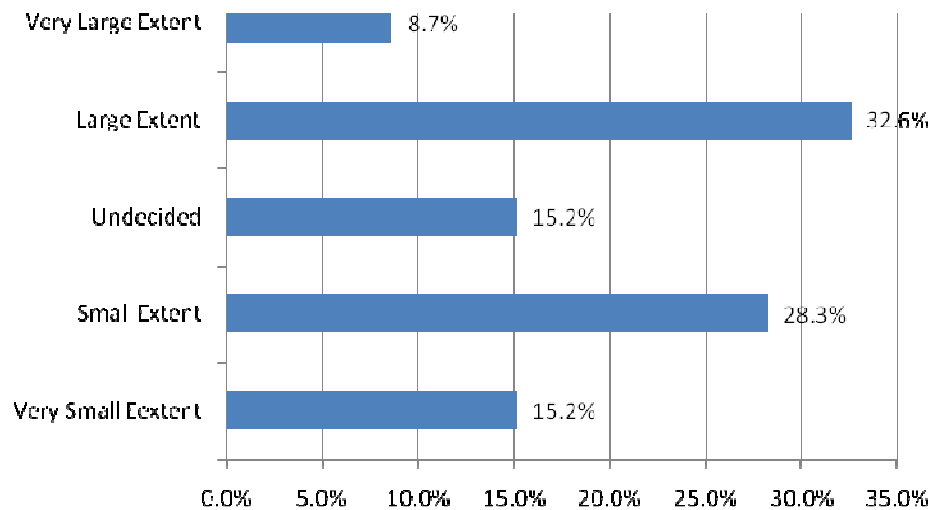


Figure 32: Lack of Clear Company Policy on CSR

Source: Research Data (2012)

Lack of clear Company policy on CSR implementation is another challenge. Managers totaling to 15.2% rated it to a very small extent, while 28.3% asserted that to a small extent it poses a challenge. 32.6% maintained the challenge is to a large extent and 8.7% to a very large extent, whereas 15.2% were undecided on the matter. This shows there is no precision over which side this challenge falls, but it is important that policy formulation on an issue implementation is properly done for direction.

4.2.10.4 Having Non-Caring Attitude

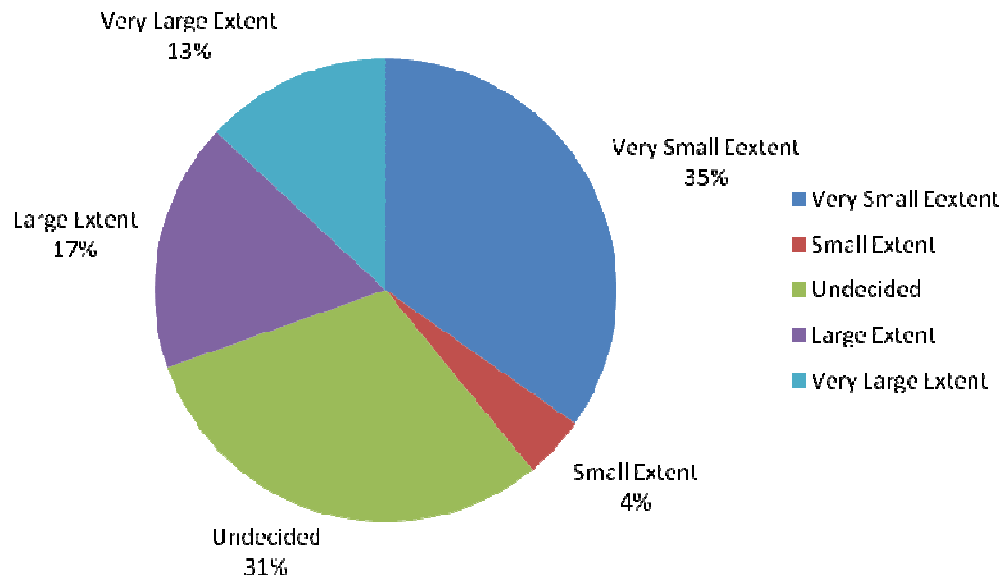


Figure 33: Having a Non-Caring Attitude

Source: Research Data (2012)

There were mixed reactions with regard to whether non-caring attitude affects CSR. 31% of the respondents were undecided about the issue while 17% and 13% of interviewees said to large extent and to very large extent respectively. 35% felt the effect was to very small extent it affects and only 4% believed to small extent it does affect the operations. This shows that although non-caring attitude is a challenge, it does not significantly affect implementation of CSR towards enhancing brand equity.

4.2.10.5 Poor Accountability

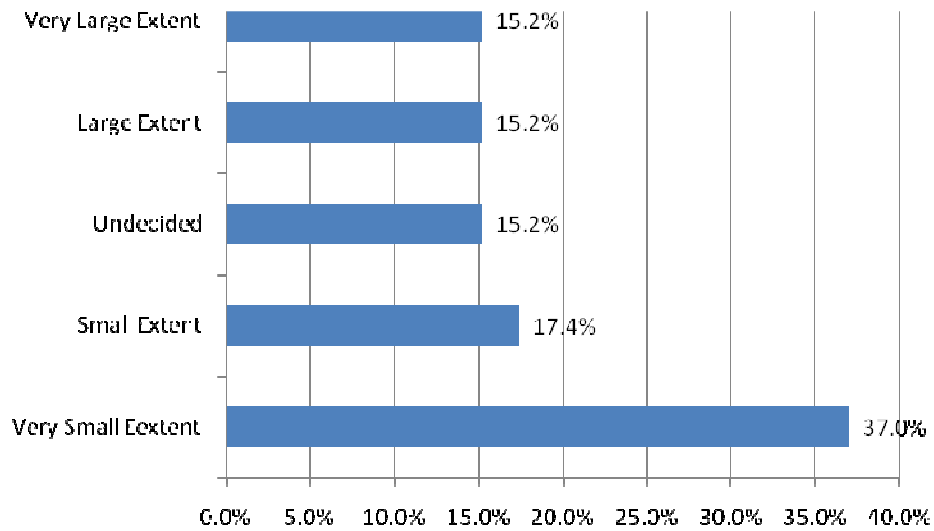


Figure 34: Poor Accountability

Source: Research Data (2012)

Poor accountability does not hamper brand equity enhancement. 37% of the respondents held that it does but to a very small extent, 17.4% to a small extent while 15.2% were undecided. On the other hand, 15.2% of interviewees were convinced that to a large and very large extent, poor accountability can affect CSR's performance. This therefore, shows that accountability is very critical from every quarter of the organization for proper follow-up on implementation of the strategy.

4.2.11 Factors Influencing Implementation of CSR on Brand Equity

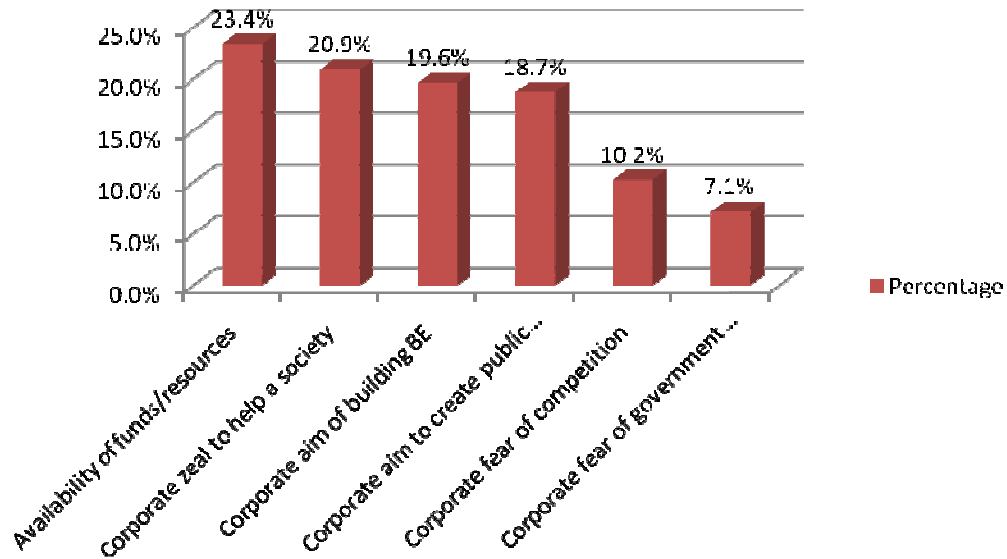


Figure 35: Factors Influencing Implementation of CSR on Brand Equity

Source: Research Data (2012)

The study revealed that availability of funds/resources dominated the pack of factors that influence CSR implementation for brand equity with 23.4%, followed closely by corporate zeal to help a society, with 20.9%. At third position was corporate aim of building brand equity with 19.6%, followed by corporate aim to create public awareness (18.7%). Corporate fear of competition was ranked fifth with 10.2%, and lastly was corporate fear of government inspection with 7.1% of respondents. This implies that each of these factors play a key role at a particular time; hence corporate management should not be too dogmatic, overlooking or over-emphasizing one factor at the expense of the other as this could be disastrous to the entire enhancement of the brand equity in a given organization.

4.2.12 Extent of the Effects of Factors in CSR Implementation on Brand Equity

After establishing which factors influence the implementation of CSR on brand equity, the research further determined the extent to which each factor effects CSR implementation on brand equity, and the findings are discussed below:

4.2.12.1 Availability of Financial Resources

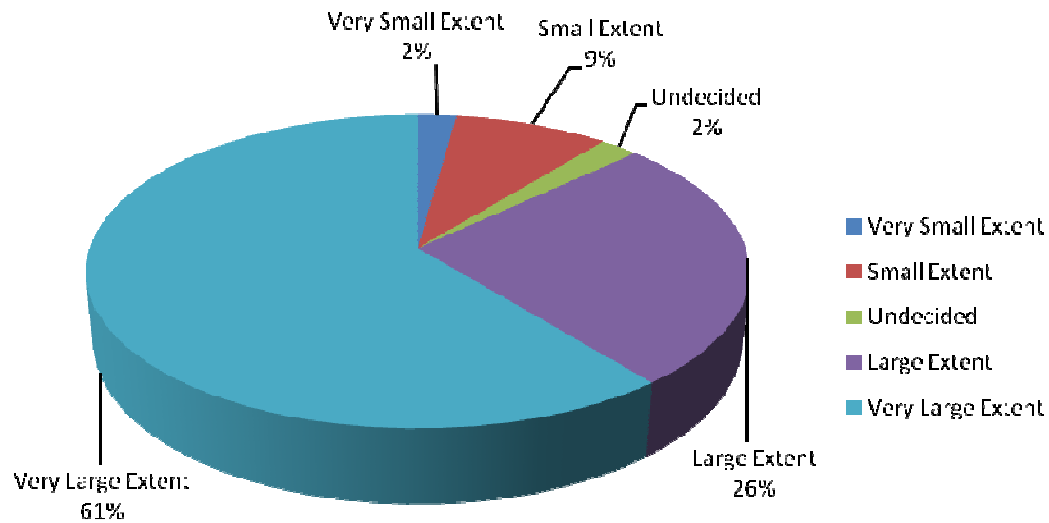


Figure 36: Availability of Financial Resources

Source: Research Data (2012)

Many managers felt that to a very large extent, 61%, and large extent at 26%, availability of funds or financial resources affect CSR implementation towards enhancing brand equity. However, 2% of the respondents were not sure, while 9% and 2% held that financial resources affected the implementation of CSR to a small and very small extent respectively. Therefore, it is a clear indication that CSR implementation needs financial strength for it to be fully carried out in the firm and expected to bring out the desired results.

4.2.12.2 Corporate zeal to help a Society

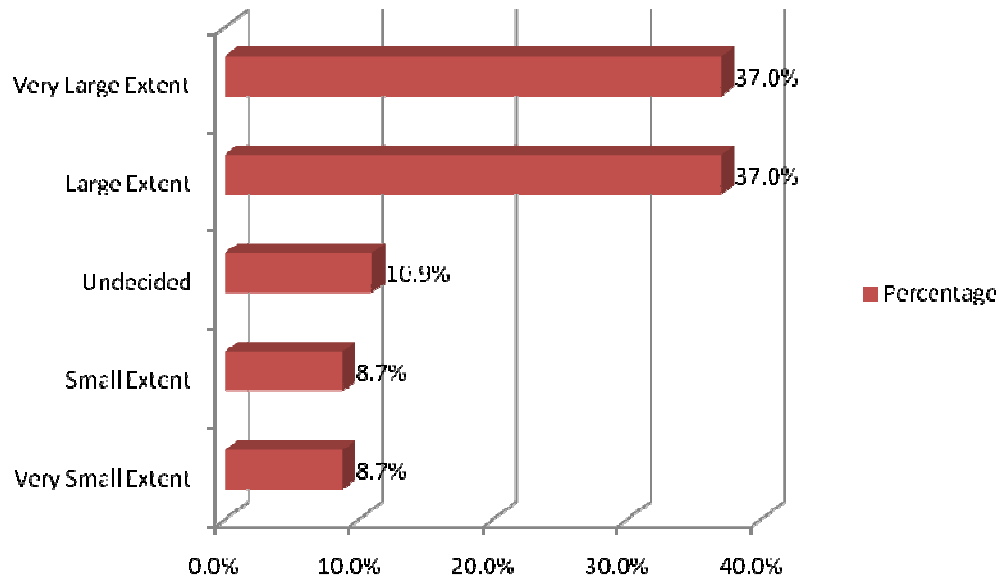


Figure 37: Corporate Zeal to Help a Society

Source: Research Data (2012)

On the part of corporate zeal to help a society as a factor that influences CSR implementation, it was found out that 8.7% of the respondents argued that to a very small extent and small extent it does influence, while 10.9% were undecided and 37% of them maintained to a large extent and very large extent corporate zeal to help a society plays a significant role. This also shows that if the company's top management lacks the passion of implementing the CSR to the public, it will not be done in a way that will create the desired end results, that is of benefiting the organization.

4.2.12.3 Corporate Aim of Building Brand Equity

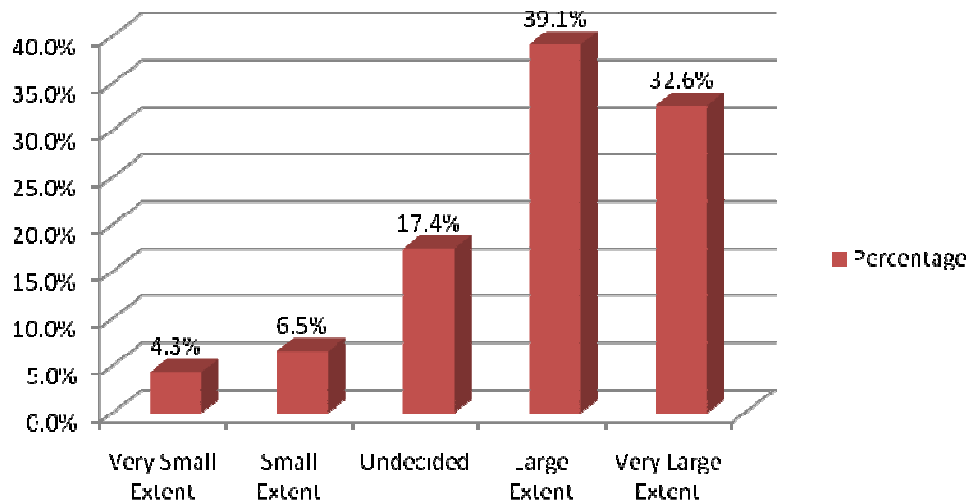


Figure 38: Corporate Aim of Building Brand Equity

Source: Research Data (2012)

The study findings revealed that to a very small extent, (4.3%) corporate aim of building brand equity affects CSR implementation towards enhancing brand equity, those who felt it does to a small extent constituted 6.5% while 17.4% were undecided. However, majority of them about 39.1% believed to a large extent it has an influence, whereas 32.6% rated the influence to a very large extent. This shows that the aim the organization has from the beginning will either make CSR build on the brand equity or fail altogether. Therefore, clear priorities should be set well in advance to realize success.

4.2.12.4 Corporate Aim to Create Public Awareness

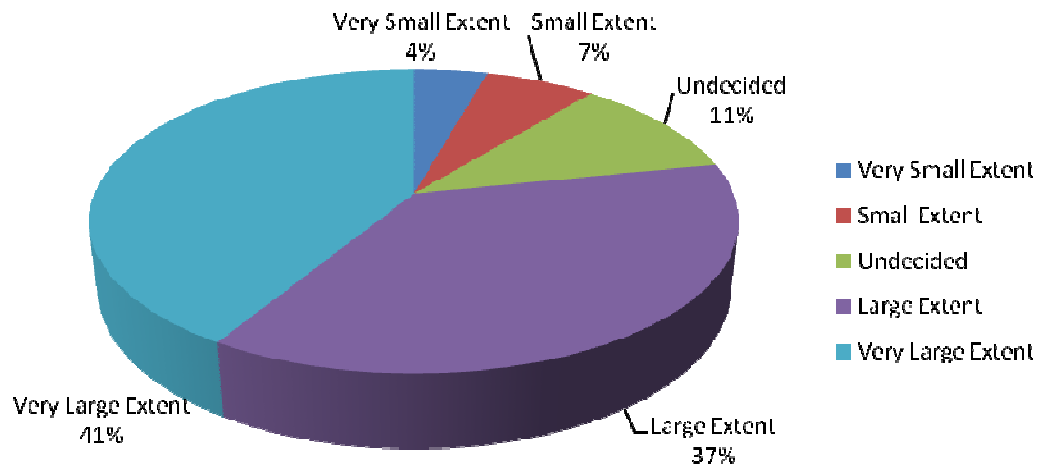


Figure 39: Corporate Aim to Create Public Awareness

Source: Research Data (2012)

It was also established that the corporate aim to create public awareness plays a pivotal role in CSR implementation among companies. This is because 41% and 37% of the respondents asserted that it does affect to a very large extent and to a large extent respectively. 11% were undecided. Some of the respondents, 7%, however, said it was to a small extent and 4% maintained it was to a very small extent. From these findings it can be learnt that public awareness about the firm is very essential in doing business because it is through this that customers are found and retained.

4.2.12.5 Corporate Fear of Competition

Table 14: Corporate Fear of Competition

Responses	Frequency	Percentage (%)
Very Small Extent	14	30.4
Small Extent	20	43.5
Undecided	4	8.7
Large Extent	5	10.9
Very Large Extent	3	6.5
Total	46	100

Source: Research Data (2012)

Majority of the respondents were in agreement that to a small extent by 43.5% and to a very small extent by 30.4%, corporate fear of competition could be a reason for doing CSR. However, some 8.7% were not sure about the situation, while 10.9% and 6.5% maintained it does influence to a large extent and to a very large extent respectively. Although competition appears not to be an important issue here when implementing CSR it should not be misunderstood or taken for granted. What the management of various companies needs to do is ensure they are prepared for competitor's reaction to what they are doing all the time.

4.2.12.6 Corporate Fear of Government Inspection

Table 15: Corporate Fear of Government Inspection

Responses	Frequency	Percentage (%)
Very Small Extent	28	60.9
Small Extent	10	21.7
Undecided	3	6.5
Large Extent	1	2.2
Very Large Extent	4	8.7
Total	46	100

Source: Research Data (2012)

Finally, the study examined the extent to which corporate fear of government inspection could influence the CSR implementation, and the results showed that 60.9% believed it does but to very small extent, 21.7% to a small extent and 6.5% were undecided. However, 2.2% maintained to a large extent and 8.7% to a very large extent it affect the implementation. It is advisable here that as much as a firm may want carry out CSR it needs to be extra careful with the government laws and regulations lest they be found on the wrong side of the law.

4.3 Answer to the Research Question

4.3.1 Understanding of CSR among Company Practitioners

With regard to the companies' understanding of CSR among Company practitioners, the research found out that 100% of the respondents held that practicing CSR is very important. This is a clear indication that CSR practice is being relevant in modern day business. The salient concern however, is how significantly it can be done to effectively enhance brand equity into the firms.

4.4 Hypotheses Testing

4.4.1 CSR on Increase in Sales Volume

The first hypothesis was to establish if CSR significantly trigger sales volume increase in listed companies. The findings revealed that the entire model had $F_{5, 46}=2.206$, $P >.073$ and $R^2=.118$. This showed that there is a weak positive linear relationship between the predictor variables (CSR) and sales volume increase. Table 15 below exhibits the P-value (.073) of sales volume increase as a result of CSR activities in organizations.

Table 16: ANOVA for Sales Volume Increase

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.481	5	.496	2.206	.073 ^a
Residual	8.998	41	.225		
Total	11.478	46			

a. Predictors: (Constant), SR, PC & CR, EC, CI & RD, HR

b. Dependent Variable: Sales Volume Increase

Source: Research Data (2013)

Table 16 below shows the various CSR dimensions understudy and how they scored in terms of their t-tests and p-values on sales volume increase. It is human resources which had a $t=2.155$ and a p value $=.037$, which is strong compared to the rest which had a weak influence on sales volume increase.

Table 17: Effects of CSR on Sales Volume Increase

CSR Dimensions	Beta	t	Sig.	VIF
Constant	2.245	2.843	.007	
Community Involvement & Rural Dev't.	.075	.511	.612	1.091
Human Resources	.354	2.155	.037	1.378
Environment Contribution	.031	.217	.829	1.069
Product Contribution & Customer Relations	.111	.756	.454	1.099
Shareholder Relations	.099	.619	.540	1.308

Source: Research Data (2013)

A correlation matrix was carried out to see if predictor variables under study had any or no correlations amongst themselves and thus affecting the outcome of the results. As shown in table 17 below, each outcome variable was significantly correlated with each other outcome variable. However, it was noted that shareholder relations and product contribution and customer relations had $r = -0$. Environmental contribution again with product contribution also had negative correlation of $r = -0.01$. This therefore, implies that CSR has a significant effect on sales volume in listed companies. Thus the study rejected the null hypothesis.

Table 18: Correlations between Predictor Variables with Sales Volume Increase

	CI & RD	HR	EC	PC & CR	SR
CI & RD	1	0.08	0.163	0.187	0.144
HR	0.081	1	0.184	0.195	.457**
EC	0.163	0.18	1	-0.012	0.064
PC & CR	0.187	0.2	-0.01	1	-0
SR	0.144	.457**	0.064	-0.003	1

** $P \leq 0.01$

Source: Research Data (2013)

4.4.2 Effects of CSR on Product Extension

The second hypothesis was to establish if CSR affect product extension in listed companies. The findings revealed that the entire model had $F_{5, 46}=1.484$, $P>.216$ and $R^2=.051$. This showed that there is a weak positive linear relationship between the predictor variables and product extension into the market. Table 18 below shows the p value (.216) of product extension as a result of CSR activities in organizations.

Table 19: ANOVA for Product Extension

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.028	5	.406	1.484	.216 ^a
Residual	10.929	41	.273		
Total	12.957	46			

a. Predictors: (Constant), SR, PC & CR, EC, CI & RD, HR

b. Dependent Variable: Product Extension

Source: Research Data (2013)

Table 19 below shows the various CSR dimensions and how they scored in terms of their t-tests and p-values on product extension. Community involvement and rural development had a higher $t=1.866$ and a p value =.069, which is strong compared to the rest of dimensions, which had a weak influence on product extension.

Table 20: Effects of CSR on Product Extension

CSR Dimensions	Beta	t	Sig.	VIF
Constant Variable	2.462	3.308	.002	
Community Involvement & Rural Dev't.	.299	1.866	.069	1.214
Human Resources	.151	.964	.341	1.164
Environment Contribution	.061	.388	.700	1.157
Product Contribution & Customer Relations	.037	.248	.805	1.038
Shareholder Relations	-.020	-.128	.899	1.170

Source: Research Data (2013)

After a correlation matrix was carried out to see if predictor variables under study had any or no correlations amongst themselves, it was found that each outcome variable was significantly correlated with each other. This therefore, implies that CSR has a significant effect on product extension into the market in listed companies. This means therefore, that CSR if properly implemented can boost product penetration among both consumers and potential customers. The study thus rejected the null hypothesis.

Table 21: Correlations between Predictor Variables with Product Extension

	CI & RD	HR	EC	PC & CR	SR
CI & RD	1	.365*	0.2	0.019	0.213
HR	.365*	1	0.086	0.068	0.147
EC	0.2	0.09	1	0.145	.328*
PC & CR	0.019	0.07	0.145	1	0.151
SR	0.213	0.15	.328*	0.151	1

*P≤ 0.05

Source: Research Data (2013)

4.4.3 Effects of CSR on Increase in Consumer Numbers

Finally, the research aimed at establishing the effect of CSR on consumer increase in numbers in the listed companies. The findings revealed that the entire model had $F_{5,46}=4.878$, $P=.001$ and $R^2=.301$. This showed that there is a strong positive linear relationship between the predictor variables and consumer numbers increase in the market. The table 21 below exhibits the P-value (.001) of consumer numbers increase as a result of CSR activities in organizations.

Table 22: ANOVA for Consumer Numbers Increase

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.740	5	1.148	4.878	.001 ^a
Residual	9.413	40	.235		
Total	15.152	45			

a. Predictors: (Constant), SR, CI & RD, PC & CR, HR, EC

b. Dependent Variable: Consumer Numbers Increase

Source: Research Data (2013)

Table 22 below shows the various CSR dimensions and their scores in terms of t-test and p-values on consumer numbers increase. Community involvement and rural development had $t=2.173$ and p value $=.036$, while human resources had a $t=2.291$ and a p value $=.027$ and shareholder relations had $t=1.346$ and p value $=.186$. Those three dimensions are playing a pivotal role in influencing on consumers buying behaviour to some extent.

Table 23: Effects of CSR Dimensions on Consumer Numbers Increase

CSR Dimensions	Beta	t	Sig.	VIF
Constant Variable	1.62	2.472	.018	
Community Involvement & Rural Dev't.	.277	2.173	.036	1.049
Human Resources	.314	2.291	.027	1.210
Environment Contribution	.131	.894	.376	1.391
Product Contribution & Customer Relations	.030	.225	.823	1.150
Shareholder Relations	.205	1.346	.186	1.490

Source: Research Data (2013)

A correlation matrix revealed that each outcome variable was significantly correlated with each other outcome variable. The implication for this is that CSR has a significant effect on increase in consumer numbers among listed companies. This can be translated to mean CSR affects consumer buying behaviour. Thus the study rejected the null hypothesis. This therefore, means that CSR had a significant effect on brand equity in

listed companies. If CSR is systematically implemented it has the capacity to bring fortunes to the organizations to some extent.

Table 24: Correlations between Predictor Variables with Consumer Numbers Increase

	CI & RD	HR	EC	PC & CR	SR
CI & RD	1	0.09	0.022	0.199	0.109
HR	0.086	1	.322*	0.216	.371*
EC	0.022	.322*	1	0.219	.504**
PC & CR	0.199	0.22	0.219	1	.292*
SR	0.109	.371*	.504**	.292*	1

*P≤ 0.05 **P≤ 0.01

Source: Research Data (2013)

4.5 Discussion of the Results

The study findings suggest that CSR has statistically significant effect on three aspects of brand equity; sales volume, product extension and consumer numbers increase. In as far as sales volume is concerned, the findings are concurring with what Pohle and Hittner, (2011) hold that today, a surprising number of companies regard CSR as a platform for growth and differentiation. Godfrey et al, (2010) assert that good CSR leads to improved financial returns. However, Godfrey et al, (2010) observe that doing good CSR leads to doing well, that is, improved financial returns. Eisingerich et al, (2011) further posit that a corporation can maximize its company value only by voluntarily taking actions on external issues, specifically pollution. On the other hand, Mugisa, (2011) further agrees that that there is no direct positive effect noted where an increment in CSR corresponded to an increment in net profit. Rather the opposite was

noted where an increase or decrease in CSR activities corresponded to an opposite movement in net profit.

With regard to CSR's effect on product extension, studies are also in agreement with the findings that it leads to enhanced corporate image and reputation,(Foster et al, 2009; Krishnan and Chaudhry, 2007). When doing business, branding or product awareness among customers and potential customers is very imperative and as Armstrong and Kotler, (2009) remark, a powerful brand has high brand equity. Lai et al, (2010) on other hand hold that CSR and corporate reputation have positive effects on industrial brand equity and brand performance. Burton, (2006) posits that brand equity is the positive differential effect that knowing the brand name has on customer's response to the product or service. According to Kotler and Armstrong, (2008) argues that consumers may evaluate the identical product differently depending on how it is branded. Van Riel et al, (2005) echo that it is widely recognized that industrial companies benefit from investing in branding to reap the benefits of brand equity.

In as far as consumer numbers increase due to CSR is concerned, Bashar, (2010) indicates that there is a strong linear relationship between CSR activities and consumers' buying behaviour. These sentiments are supported by Rahim et al, (2011). While Pelozo and Shang, (2011) argue that CSR activities have the potential to create several distinct forms of value for customers, and this is what the study found. A powerful brand enjoys a high level of consumer brand awareness and loyalty (Mohr and Webb, 2005), and because consumers expect stores to carry the brand, the company has more leverage in bargaining with resellers. Since the brand name carries high credibility, the company could have more launch line and brand extensions. A powerful brand offers the company some defense against fierce price competition (Bilson, 2010).

Furthermore, several studies outlining the theoretical mechanisms that could drive such a relationship have been done, including improved reputation (Moore, 2001), brand equity (Mohr and Webb, 2005; McWilliams and Siegel, 2000), better employee relations (Soch and Sandhu, 2008), or the overall quality of management (Sorsa, 2008; Biggs and Ward, 2004). Therefore, CSR has a significant effect on brand equity. The essence of these findings is that CSR as a marketing strategy can be relied upon by various company managements to influence on or enhance their sales volume, product penetration into the market and improve customer numbers. What matters, however, is how and when to use the various CSR activities for effective results. This is because CSR alone can not bring strong positive effects as was found out from the study.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This section looks into the summary of major findings of the study, conclusion of the findings, recommendations based on the findings and suggestions for further studies.

5.1 Summary of Major Findings

The study had four objectives to achieve:

First, to establish the understanding of CSR dimensions among company practitioners on enhancing brand equity among listed companies: In trying to establish whether the companies in NSE are practicing CSR in their operations, the results revealed that 100% of the respondents were all for the idea and thus fully practicing CSR as they do their businesses. This therefore shows that CSR is a very crucial marketing strategy for any serious organization which intends to do some good business for a long period and enhance a long lasting relationship with both the target and potential target audience.

In addition, the research also showed that 100% of the respondents held that practicing CSR is absolutely important. None of the managers or CSR practitioners supported the view that it is a bad idea or otherwise. This is a clear indication that CSR is well understood among company practitioners, true it is an emerging and rich marketing strategy to be carried out in companies. This therefore, implies that corporations in the country practice or have embraced the “societal concept”, where they (organizations) have to balance between society interests, customer needs and company profits; without compromising any at the expense of the other.

Secondly, to assess the effects of CSR dimensions on sales volume in a given period among listed companies. In as far as this objective was concerned the study revealed that after the CSR has been performed at a particular area, 8.7% were of the opinion that there is a very high increase in customer numbers, whilst 56.5% asserted that there is a high increase in numbers. 32.6% said normally there is no change on the situation, meaning things remain the same with or without CSR implementation. There was 0% response on low decrease, while a meager 2.2% of the respondents believed that there is a very low decrease in customers increase. This shows that CSR dimensions, if well carried out in organizations, could have the ability to bring change in sales volume increase and thus positioning firms in a very stable place in terms of revenue.

The third objective was to determine the effect of CSR dimensions on product extensions in the market among listed companies: On the part of product extension or product penetration into the market when CSR has be implemented, the findings showed that 2.2% of the respondents were of the view that a product is extended to the market, that is, it is embraced at a very low rate. 0% held the view that there is a low decrease of product penetration, while 34.8% of them maintained there was no change in the product penetration into the market; meaning whether one carries CSR or not things remain the same. However, majority of the managers, 54.3% held that there is a high increase of product penetration the moment CSR has been carried out somewhere, and 8.7% maintained that there is a very high increase of product extension into the market. This implies that it is upon organizations to do CSR objectively with the purpose of spearheading the penetration of the product deep into the market. By doing this, firms will generate the desired results of profits realization in the long-term.

To determine the extent CSR strategy influences consumers' numbers on incremental basis, the results indicate that about 6.5% of the respondents held that to a very small extent customers do increase in numbers as a result of CSR implementation in an area. While 17.4% said to large extent customers do increase, 19.6% were non-committal and majority of about 45.7% believed that to a large extent CSR pushes customers' numbers up. 10.9% maintained to a very large extent CSR influences in increase in customers numbers. This implies that CSR has the power to influence consumers' buying behaviour especially if the publics have seen the impact of it (CSR) in their lives.

In testing the hypotheses; firstly, was to establish whether CSR affects the change in sales volume in listed companies. The findings revealed that the model had $P > .073$. This showed that there is a weak positive linear relationship between CSR and sales volume increase. This therefore means CSR does trigger sales volume, however, to a small extent.

Secondly, was to establish the effect of CSR on product extension in the market; and the findings showed that the $P > .216$. This signified that there is a weak positive linear relationship between the CSR and product extension into the market. This posits that CSR affects firms' product penetration deeper into the targeted markets or territories.

Finally, was to establish if CSR affects consumer increase in numbers among listed companies. The findings, therefore, revealed that $P = .001$. This connotes that there is a strong positive linear relationship between the CSR and consumer numbers increase in the market. Conclusively, CSR affects brand equity of any organization so long as it is

done or implemented with clear objectives in mind, in a transparent and professional manner.

5.2 Conclusion

From the observations made in the course of this study it revealed that in all the companies studied, CSR is being carried out; it was also established that all the managers and/or practitioners consider CSR to be an important marketing strategy to be practiced in organizations. The study further discovered that CSR has a weak positive linear effect on both change of sales volume and product penetration or extension into the markets. In as far as CSR effect on increase in consumer numbers is concerned; findings showed that there is a strong positive effect between the two. In conclusion, therefore, CSR affects brand equity of a given company. However, practicing of CSR in a firm is a therefore a tactful balancing act between company profits, consumer needs and societies' interests without compromising any.

CSR is a reliable strategy to be adopted in firms for brand equity enhancement. But since CSR involves a variety of tactics (dimensions or activities), none among them can be used alone to bring desirable proceeds unless they are integrated with the others. It is therefore, imperative to note that apart from combining CSR activities other strategies such as sales promotion, personal selling, advertisement, direct marketing and public relations and publicity should be brought on board. Thus 'coordinated marketing' should be emphasized for successful outcomes in business operations.

5.3 Recommendations

Based on the findings of this study the following are recommended;

To the company top management: CSR should be implemented with a different approach of “brand equity building” for the company, as well as taking interests of the society without compromising customer’s needs and wants. Managers should drop the mentality that CSR is only done so as to be seen as ‘a good neighbour’.

Furthermore, it is imperative upon each company managers to adopt a different approach to CSR implementation through establishing CSR department, instead of combining it with other departments like human resources, public relations and marketing as in the case of many organizations. Doing this will give CSR department autonomy in carrying out the various CSR activities in a more planned, focused and organized way.

To company marketers and public relations managers: For CSR to work effectively and efficiently to produce the desired results in an organization, various CSR dimensions should be integrated. Coordinated marketing should be highly emphasized, whereby the various marketing functions such as sales promotion, brand and product management, personal selling, advertising, direct marketing and public relations and publicity should be integrated. The CSR practitioners should not be too dogmatic emphasizing one CSR dimension or a few over the others.

Since all the forces in the internal, micro and macro-environments matter a lot for successful carrying out of CSR in an organization, it is incumbent upon the marketers to carefully study and monitor the marketing environment to establish whether or not it

is conducive for CSR implementation lest it impact negatively on organization's long-term plans.

To brand managers and company managers: Since CSR strategies affect the brand equity indicators (i.e. sales volume increase, product extension and increase in customers' numbers) differently, brand managers can use CSR dimensions based on the pressing need at the moment in order to achieve the intended objectives in their organizations.

Managers should also in the first place have passion for CSR for it to work and get embraced fully in the organizations where they work. The support for this should not be wavering or else nothing concrete would be achieved from it (CSR implementation). Thereafter, they should create awareness among their employees on CSR and its role in the concerned company.

Finally, Managers should also ensure that CSR dimensions are carried out in companies and as they do that, they should remain smarter because the market and customer tastes are very dynamic. Thus they should ever remain vigilant to move with the market trends for the betterment of the business.

5.4 Suggestions for Further Study

Since the study looked only at the effects of CSR on brand equity of listed companies in Kenya, this study suggests the following areas for further study:

There is need for further research on influence of CSR dimensions on sustainability of organizations' competitive advantage.

There is need for further research on effects of consumers' perception of CSR implementation on their buying behaviour patterns.

There is also a need for a comparative study between CSR implementation in Kenya and the rest of the world.

Finally, there is also need for a replica of the same study, but now looking at other companies in Kenya that are not listed to see if similar results would be obtained for further generalizations of the findings.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION



INSTITUTE OF POST GRADUATE STUDIES & RESEARCH

Private Bag - 20157
KABARAK, KENYA
E-mail: directorpostgraduate@kabarak.ac.ke

Tel: 0203511275
Fax: 254-51-343012
www.kabarak.ac.ke

16th January, 2012

Ministry of Higher Education Science and Technology
National Council for Science and Technology
P.O. Box 30623 – 00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH BY KHAMAH HASSAN ALI - GBD/M/0416/9/09

The above named is a Doctoral Student at Kabarak University in the School of Business. He is carrying out research entitled "*Effects of Corporate Social Responsibility on Brand Equity of Listed Companies in Kenya*"

The information obtained in the course of this research will be used for academic purposes only and will be treated with utmost confidentiality.

Kindly, provide the necessary assistance.

Thank you.

Yours faithfully,



Dr. Kageni Njagi
DIRECTOR - (POST-GRADUATE STUDIES & RESEARCH)

Kabarak University Moral Code

*As members of Kabarak University family, we purpose at all times and in all places, to set apart in our hearts, Jesus as Lord.
(1 Peter 3:15)*

APPENDIX 2: RESEARCH AUTHORIZATION

REPUBLIC OF KENYA



NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Telegrams: "SCIENCETECH", Nairobi
Telephone: 254-020-241349, 2213102
254-020-310571, 2213123
Fax: 254-020-2213215, 318245, 318249
When replying please quote

P.O. Box 30623-00100
NAIROBI-KENYA
Website: www.ncst.go.ke

Our Ref: **NCST/RCD/14/012/58/4**

Date:
13th February, 2012

Khamah Hassan Ali
Kabarak University
Private Bag – 20157
KABARAK

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Effects of corporate social responsibility on brand equity of listed companies in Kenya*" I am pleased to inform you that you have been authorized to undertake research in Nairobi Province for a period ending *30th September, 2012*.

You are advised to report to the **Chief Executive Officers of the 52 listed Companies in Nairobi** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf form** of the research report/thesis to our office.

A handwritten signature in black ink, appearing to read 'M. K. Rugutt'.

DR. M. K. RUGUTT, PhD, HSC
DEPUTY COUNCIL SECRETARY

Copy to:

The Chief Executive Officers
52 listed Companies
NAIROBI



APPENDIX 3 RESEARCH CLEARANCE PERMIT

PAGE 2

PAGE 3

THIS IS TO CERTIFY THAT:

Prof./Dr./Mr./Mrs./Miss..... KHAMAH HASSAN

..... ALI

of (Address) KABARAK UNIVERSITY

P.O BOX PRIVATE BAG, KABARAK

has been permitted to conduct research in

..... Location,

..... ALI

..... District,

..... NAIROBI

..... Province,

on the topic... EFFECTS OF CORPORATE SOCIAL

RESPONSIBILITY ON BRAND EQUITY,

OF LISTED COMPANIES IN KENYA.....


.....

for a period ending 30th SEPTEMBER 2012

Research Permit No. NCST/RCD/14/012/58

Date of issue 13th FEBRUARY 2012

Fee received KSHS.2000



Khamah Hassan
Applicant's
Signature

N. Mwangi
Secretary
National Council for
Science and Technology

APPENDIX 4: RESEARCH QUESTIONNAIRE

PART A: Respondent's Bio-Data

1. Which category does your firm fall in the Nairobi Securities Exchange (NSE)?

- Agriculture ()
- Commercial & Services ()
- Telecommunication & technology ()
- Automobiles & accessories ()
- Banking ()
- Insurance ()
- Investment ()
- Manufacturing and allied ()
- Construction and allied ()
- Energy and Petroleum ()

2. For how long have you been in this business as a firm?

- 0-10 years ()
- 11-20 years ()
- 21-30 years ()
- 31-40 years ()
- 41 years and above ()

PART B: Influence of CSR on Brand Equity building

1. Do you practice Corporate Social Responsibility (CSR) in your organization?

- Yes ()
- No ()

2. What is your view on practicing CSR in the Company?

- It's Very Important ()
- It's Not Important ()
- Undecided/Not sure ()
- Others (Specify)

3. Indicate the extent you agree or disagree against each statement below to show the level of your understanding on practicing CSR in your organization. **Please tick (✓) appropriately using the weights given below;**

1= Strongly Disagree

2= Disagree

3= Undecided

4= Agree

5= Strongly Agree

CSR Practitioners' Views on CSR	1	2	3	4	5
CSR is mainly done as a social concern/ as a society's good neighbour or just giving back to the community.					
CSR is mainly done to influence consumers' buying behaviour/consumer's perception over the product/service offered.					
CSR is mainly done to enhance/generate company's sales.					
CSR is mainly done to enhance product/service penetration in the market.					
CSR is mainly done to enhance firm's image to the public.					
CSR is a waste of firm's resources unnecessarily.					

4. Indicate your perception how the following CSR dimensions could affect change in **increase in sales volume** in a firm when done. **Please tick (✓) appropriately using the scale provided below;**

1=Very low decrease

2= Low decrease

3= No change

4= High increase

5= Very high increase

Effects of CSR Dimensions on Sales Volume	1	2	3	4	5
Community involvement & rural development e.g. opening up schools, provision of drinking water facilities etc.					
HR e.g. spending for the welfare of employees, provision of employees better working conditions.					
Environmental contribution e.g. land reclamation & afforestation.					
Product contribution & customer relation e.g. quick redressal of customers' complaints etc.					
Shareholders' relations e.g. Regular payment of dividend to shareholders					

5. Indicate your opinion how the following CSR dimensions could affect **product extensions/penetration** to the market when done. *Please tick (√) appropriately using the scale provided below;*

1=Very low decrease

2= Low decrease

3= No change

4= High increase

5= Very high increase

Effects of CSR Dimensions on Product Extension	1	2	3	4	5
Community involvement & rural development e.g. opening up schools, provision of drinking water facilities.					
HR e.g. spending for the welfare of employees, provision of employees better working conditions.					
Environmental contribution e.g. land reclamation & afforestation.					
Product contribution & customer relation e.g. quick redressal of customers' complaints etc.					

Shareholders' relations e.g. Regular payment of dividend to shareholders					
--	--	--	--	--	--

6. How do you view the following CSR dimensions on affecting change in **increase in consumers' numbers** in a firm when done? *Please tick (√) appropriately using the scale provided below;*

1=Very low decrease

2= Low decrease

3= No change

4= High increase

5= Very high increase

Effects of CSR Dimensions on Consumers' Numbers	1	2	3	4	5
Community involvement & rural development e.g. opening up schools, provision of drinking water facilities.					
HR e.g. spending for the welfare of employees, provision of employees better working conditions.					
Environmental contribution e.g. land reclamation & afforestation.					
Product contribution & customer relation e.g. quick redressal of customers' complaints etc.					
Shareholders' relations e.g. Regular payment of dividend to shareholders					

7. As a company, what happens on the following indicators of brand equity when a CSR has been done by your firm somewhere? *Please tick (√) appropriately using the scale provided below;*

1=Very low decrease

2= Low decrease

3= No change

4= High increase

5= Very high increase

Effects on Brand Equity Indicators	1	2	3	4	5
Change in increase in sales volume					
Product extensions/penetration in kg/tones					
Change in increase in consumers numbers					

8. To what extent does CSR done in your firm affects the following brand equity indicators? *Please tick (√) appropriately using the scale given below;*

1= To a very small extent

2= To a small extent

3= Undecided

4= To a large extent

5= To a very large extent

Extent of the Effects on Brand Equity Indicators	1	2	3	4	5
Change in increase in sales volume					
Product extensions/penetration to the market					
Change in increase in Consumers numbers					

PART C: Influence of Marketing Environment on Brand Equity building

9. Below are various marketing environments that can influence on company's brand equity building positively or negatively: In your opinion indicate the level of influence against each on brand equity. *Please tick (√) appropriately using the scale provided;*

1= Strongly Disagree

2= Disagree

3= Undecided

4= Agree

5= Strongly Agree

Effects of Marketing Environmental variables on CSR	1	2	3	4	5
Availability of money to do CSR					
Availability of markets to do CSR					
Availability of labour/man power					
Stiff competition on CSR					
Media coverage on the event/CSR					
Shareholders' belief on CSR					
Employees' ability to work on CSR					
Consumers' purchasing power					
The prevailing economic conditions					
The current political situation					
Technological availability to do the CSR					
Legal restrictions in place					
Socio-cultural influence of the target audience					
The demographic presentation of the targeted market					
The geographical coverage for the CSR					

PART D: Relationship between CSR & Marketing Environment on Brand Equity

10. Indicate a weight against each statement to show the level of relationship between CSR and marketing environment on enhancing brand equity in your organization. *Please tick (✓) appropriately using the scale given;*

5=Strongly Agree

4=Agree

3=Undecided

2=Disagree

1=Strongly Disagree

Effects of CSR and Marketing Environment	1	2	3	4	5
CSR & marketing environment work together in enhancing brand equity in an organization.					
CSR & marketing environment cannot work together in enhancing brand equity in an organization.					
CSR alone is enough to enhance brand equity in a Company.					
Marketing environment alone are enough to enhance brand equity in a Company.					
CSR & Marketing environment are important in enhancing brand equity in a Company.					
CSR & Marketing environment are not important in enhancing brand equity in a Company.					

PART E: Challenges facing the implementation of CSR on Brand Equity building

11. Below are some challenges that an organization would face in trying to implement CSR, on your view as you practice CSR what is your main challenge? Please rank them from 1-5, where 1 is the least challenging point, while 5 is the highest challenging point. ***Do not repeat a rank twice.***

Lack of executive support/bad philosophy ()

Lack of enough resources e.g. finances, personnel etc. ()

Lack of clear company policy on CSR ()

Having non-caring attitude ()

Poor accountability ()

12. Indicate the extent of the effects of each challenge faced in the implementation of CSR in your organization. Below are weights against each extent's effect: ***Please tick (✓) appropriately.***

1= To a very small extent

2= To a small extent

3= Undecided

4= To a large extent

5= To a very large extent

Challenges faced in the implementation of CSR	1	2	3	4	5
Lack of executive support/bad philosophy					
Lack of enough resources e.g. finances, personnel etc.					
Lack of clear company policy on CSR					
Having non-caring attitude					
Poor accountability					

13. What measures have you put in place to check on these challenges so far?

.....
.....
.....

PART F: Factors influencing the implementation of CSR in enhancing Brand Equity

14. Below are some factors believed to be playing some major role in the implementation of a CSR by the firm. In your view kindly rank the following factors from 1-6, where 1 is the least determining factor, while 6 is the most determining factor. *Do not repeat a rank more than once anywhere.*

- Availability of funds/resources ()
- Corporate zeal to help a society ()
- Corporate aim of building brand equity ()
- Corporate aim to create its public awareness ()
- Corporate fear of competition ()
- Corporate fear of government inspection ()

15. Indicate the extent of the effects of each factor in the implementation of CSR in your organization. *Please tick (✓) appropriately using the scale provided;*

5= To a very large extent

4= To a large extent

3= Undecided

2= To a small extent

1= To a very small extent

Factors influencing CSR Implementation	1	2	3	4	5
Availability of funds/resources					
Corporate zeal to help a society					
Corporate aim of building brand equity					
Corporate aim to create its public awareness					
Corporate fear of competition					
Corporate fear of government inspection					

Please: Company Rubber

Stamp.....

I sincerely thank you for having found sometime to answer my questionnaire very objectively.

APPENDIX 5: CSR MEASUREMENT INSTRUMENTS

Community Development & Rural Development

- Money used for opening up or contributing towards educational institutions, Aid to flood/drought/disaster victims, Construction of roads, Provision of drinking water facilities and opening up or contributing towards healthcare organizations or organizing health camps.
- Amount used for opening up dispensaries, hospitals or organizing medical camps in rural areas, schools/colleges in rural areas, providing safe drinking water facilities and promotion of rural income generation schemes.

Human Resources

- Amount used for frequent training/development programmes for employees, Retirement fund benefit namely, gratuity, provident fund and leave encashment.
- Money spent for the welfare of employees like providing medical facilities to employees.

Environmental Contribution

- Money going for land reclamation and afforestation and rain harvesting programmes.

Product Contribution and Customer Relations

- Money used in investing in R&D for improving product quality/new product/new process development.

Shareholders' Relations

- Amount used for regular payment of dividend to shareholders.

APPENDIX 6: LISTED COMPANIES IN NSE

Agricultural

1. Eaagads Ltd
2. Kapchorua Tea Co. Ltd
3. Kakuzi
4. Limuru Tea Co. Ltd
5. Rea Vipingo Plantations Ltd
6. Sasini Ltd

Commercial and Services

1. Express Ltd
2. Kenya Airways Ltd
3. Nation Media Group
4. Standard Group Ltd
5. TPS Eastern Africa (Serena) Ltd
6. Scangroup Ltd
7. Uchumi Supermarket Ltd
8. Hutchings Biemer Ltd

Telecommunication and Technology

1. Access Kenya Group Ltd
2. Safaricom Ltd

Automobiles and Accessories

1. Car and General (K) Ltd
2. CMC Holdings Ltd
3. Sameer Africa Ltd
4. Marshalls (E.A.) Ltd

Banking

1. Barclays Bank Ltd
2. CFC Stanbic Holdings Ltd
3. Diamond Trust Bank Kenya Ltd
4. Housing Finance Co Ltd
5. Kenya Commercial Bank Ltd
6. National Bank of Kenya Ltd
7. NIC Bank Ltd
8. Standard Chartered Bank Ltd
9. Equity Bank Ltd
10. The Co-operative Bank of Kenya

Insurance

1. Jubilee Holdings Ltd
2. Pan Africa Insurance Holdings Ltd
3. Kenya Re-Insurance Corporation Ltd
4. CFC Insurance Holdings

Investment

1. City Trust Ltd
2. Olympia Capital Holdings Ltd
3. Centum Investment Co Ltd
4. Trans-Century Ltd

Manufacturing and Allied

1. B.O.C Kenya Ltd
2. British American Tobacco Kenya Ltd
3. Carbacid Investments Ltd
4. East African Breweries Ltd
5. Mumias Sugar Co. Ltd
6. Unga Group Ltd
7. Eveready East Africa Ltd
8. Kenya Orchards Ltd
9. A. Baumann CO Ltd

Construction and Allied

1. Athi River Mining
2. Bamburi Cement Ltd
3. Crown Berger Ltd
4. E.A. Cables Ltd
5. E.A. Portland Cement Ltd

Energy and Petroleum

1. KenolKobil Ltd
2. Total Kenya Ltd
3. KenGen Ltd
4. Kenya Power & Lighting Co Ltd

Source: NSE Kenya Website, (2011, visited on 12/7/2011)

APPENDIX 7: RESEARCHER'S PROFILE

Preamble: Khamah is a meticulous, well versed and highly experienced educationist, consultant and marketer-entrepreneur and motivational speaker and researcher. Self-starter, self-driven, disciplined, confident, and an extrovert personality: A very reliable human capital in delivering goods thoroughly, effectively and efficiently at anytime of his working career.

Publications:

- 1) Analysis of the Effects of Corporate Social Responsibility on Product Extension Among Listed Companies In Kenya, International Journal of Research in Management, Issue 5, Vol. 1, January 2015, http://rspublication.com/ijrm/ijrm_archive.htm-Issue 5 Volume 1: January 2015
- 2) Investigating Effect of Corporate Social Responsibility on Consumer Buying Behaviour-A Survey of Listed Companies in Kenya, International Journal of Economics, Commerce and Management, Vol. III, Issue 1, Jan 2015, <http://ijecm.co.uk/volume-iii-issue-1/>
- 3) Corporate Social Responsibility and Its Effects on Sales Volume of Listed Companies in Kenya, Vol. 16, No. 02 February 2015, Journal of the International Association of Advanced Technology and Science-Journal of Applied Management Studies, www.jiaats.com.

Successfully Supervised MBA Researches:

- 1) Jane Muthoni Kimani, Bus-3-7418-2/2012: Analysis of Factors Affecting Sustainability of Technopreneurship in Kenya: A Survey of registered Micro and Small Technopreneurs in Nairobi County.
- 2) Shadrack Mutuku Ndambuki, BUS -3-7561-3 /2012: An Investigation into the Effects of Employee Downsizing on Performance of Surviving Employees in Parastatals: A Case Study of Kenya Airways Limited.
- 3) Jane Njeri Wainaina, BUS-3-7427-2/2012: Influence of Human Resource Strategies on Management of Generation 'Y' Workforce in the Hotel Industry: A Survey of 3 Star Hotels in Mombasa County.

- 4) Luciana Wachia Mwachoki, BUS-3-7568-3/2011: Competitive Strategies Adopted to Influence Organization Performance: A Case of Container Freight Stations in Mombasa County, Kenya.
- 5) Philip Wanje Ziro, BUS-3-7591-3/2013: Influence of financial strategies on sustainability of public wage bill in Kenya: A case study of county government of Kwale.
- 6) Daniel Githurwa Wainaina, BUS-3-7513-3/2013: Factors influencing implementation of strategic plans in public secondary schools in Mombasa County.
- 7) Bernadine Mundui, BUS-3-7584-3/2013: Competitive Strategies Affecting Organizational Performance in Kenya Airways.
- 8) Mercy Kabachia, BUS-3-7490-3/2013: Strategic Factors Influencing Organizational Performance of the Tea Industry in Kenya: A Survey of Tea Export Companies in Mombasa County.
- 9) John Mumba Jembe, BUS-3-7583-3/2013: Management Strategies Influencing Education performance of KSCE among Youth in Kilifi County.
- 10) Joseph Patterson Okhako, Bus-3-7390-2/2013: Effects of Emerging Change Management Approaches on Service Delivery of Selected Public Organizations in Mombasa County.
- 11) Violet Mokeira Mugambi, Bus-3-7211-1/2013: An Investigation into the Factors Influencing Small Business Start Ups in Kenya: A Survey of Youth Entrepreneurs in Mtwapa, Kilifi County.
- 12) Richard Mutavi Kinovi, Bus-3-7100-1/2013: Effect of Direct Marketing on Profitability of Service Sector in Kenya: A Survey of Beach Hotels in Mombasa County.

Ongoing MBA Researches:

- 1) Alex Mutuma, BUS-3-7127-1/2014: Determinants Influencing E-Entrepreneurship Development in Mombasa County: A Survey of Airlines in Mombasa County.

- 2) Hadijah Khalid, BUS-3-7041-1/2014: Factors Influencing Development of Selected Muslim Women Entrepreneurs in Mombasa County.
- 3) Donata Kaari, BUS-3-7039-1/2014: Effects of Strategic Leadership Alignment on Sustainability of Competitive Advantage of Safaricom Kenya Ltd.
- 4) Beatrice Ratemo, BUS-3-7401-2/2013: Competitive Strategies Affecting Procurement Process at Kenya Ports Authority, Mombasa County.