

**UNIVERSITY OF KWAZULU-NATAL**

**The role of CSR in brand equity: Case of selected Woolworths stores in  
Pietermaritzburg**

**By**

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## DECLARATION

I, *Simangaliso Bayabonga Zulu*, declare that:

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## DEDICATION

This thesis is dedicated to my beloved mother, *Fikile Florence Ngcamu*, for her endless love and support. May the dear Lord bless her abundantly.

Thank you!

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**[To God be the Glory]**

## **ACRONYMS**

ANOVA – Analysis of Variance

CBBE – Consumer-Based Brand Equity

CBD – Central Business District

CSR – Corporate Social Responsibility

HSSREC – Human Social Sciences Research Ethics Committee

IMC – Integrated Marketing Communications

JSE – Johannesburg Stock Exchange

MC – Marketing Communication

NGO – Non-Governmental Organisation

NPO – Non-Profit Organisations

OECD – Organisation for Economic Co-operation and Development

PSL – Premier Soccer League

SABC – South African Broadcasting Channel

SACSI – South African Customer Satisfaction Index

SIT – Social Identity Theory

SPSS – Statistical Package for the Social Sciences

UKZN – University of KwaZulu-Natal

WHL – Woolworths Holding Limited

WFS – Woolworths Financial Services

WBCSD – World Business Council for Sustainable Development

## ABSTRACT

Corporate Social Responsibility (CSR) is a multifaceted concept. There is no single accepted definition of CSR. It means different things to different authors, academics and business-people. CSR has attracted a growing interest from business scholars and authors. CSR is described as a commitment by companies to invest and manage their social programs for the wellbeing of the society. These companies aim to make a difference in the community they operate in. On the other hand, brand equity refers to a value premium that a company generates from a product with a recognisable name when compared to a generic equivalent.

The problem is that companies spend on CSR activities partly to build goodwill, but it is unclear whether CSR activities contribute to brand equity in the South Africa context. This study explored ways to overcome this issue by saying it is mandatory for companies to allocate a certain portion of their net profit to CSR projects. This is a crucial initiative for companies to build their brand equity and not harm the environment. The primary objective of the study was to examine the relationship of CSR and brand equity.

The data were collected by means of a quantitative survey. Sampling design was used when choosing a sample of population. The researcher selected non-probability sampling method—convenience sample. Sample size was 120 participants. The researcher used descriptive and inferential statistics in the analysis of the data. Key findings of this study reveal that CSR initiatives are the major source of building brand image and customer loyalty which ultimately enhance brand equity of the company. In addition, the findings revealed that CSR is an effective organisational tool when it comes to attracting interest from consumers. This study recommends that companies need to: educate customers about CSR; need to be proactive in socially responsible oriented businesses; increase customer engagement and sponsorship, adopt a focused CSR approach, and participates in events that promote giving. The limitations of this study include the questionnaire format, the geographic location and the non-probability sampling technique used. This study concludes with remarks encouraging companies to design and implement CSR programmes in the communities that they operate in.

**Key Words:** *CSR, brand equity, CBBE, customer satisfaction, customer loyalty*

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# **CHAPTER ONE**

## **BACKGROUND INFORMATION**

### **1.1 INTRODUCTION**

Corporate Social Responsibility (CSR) is not a new concept in the 21<sup>st</sup> century business environment. It dates back to the ancient times of philosophers such as Plato. It is a multifaceted concept that has no single universally accepted definition. In the competitive contemporary business environment buyers become aware of a product or service through social activities initiated by companies. It is in this environment where buyers notice the company and go back and buy from that company. Customers are no longer interested in companies that only pursue business with an aim of achieving profit (Albus and Ro, 2013). Instead, customers are expecting of firms to act as good corporate citizens and not just make a profit (Albus and Ro, 2013). Consequently, this research examines the relationship between CSR and brand equity.

The purpose of the study was to examine the effect of CSR on brand equity, to determine consumer perceptions towards CSR, to determine what kind of CSR activities are considered by consumers to be adequate to qualify as socially responsible behaviour and to determine whether CSR affects customer loyalty. To enable the achievement of these objectives the researcher formulated research questions and framed hypotheses to answer these questions. The latest results from Morgan (2018) show that in 2017, Woolworths, a retailer in South Africa, gained 32.2% of the total grocery market (including fresh food), an increase of 0.8% since 2016. The Coles Group in South Africa achieved 28.8% share, up by only 0.1% point because the company was able to deliver good quality products consistently over time (Morgan, 2018).

Firstly, this study was carried out by consulting and reviewing literature in this regard to obtain information about CSR and customer-based brand equity. This literature search included an analysis of past research that is related to the topic at hand. Moreover, this study was mall intercept based. Mall interview is a research method in which mall visitors are stopped for conducting an interview (Alan, 2020). Furthermore, a quantitative empirical approach, in the form of a survey, was designed to gather new information from actual consumers about their perceptions towards CSR and what kind of CSR activities they consider to be adequate to qualify as socially responsible behaviour. This data was gathered by the researcher by means of a questionnaire.

## **1.2 BACKGROUND OF THE STUDY**

The European Commission describes CSR as a concept whereby companies observe social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Lai, 2015). An image of CSR can have a positive effect on corporate image and brand image in society. A company committed to economic development, ethics in the organisation, supporting employees and their families, supporting non-profit groups and supplying in the needs of society, has a far better image in the mind of society than other firms (Esmaeilpour and Barjoei, 2016). The implementation of moral principles is an important aspect of CSR. An organisation with moral obligation towards its customers and employees has a more positive image in the community (Arendt and Brettel, 2010). A company's commitment to social responsibility can impact the customer perception and evaluation of the company (Esmaeilpour and Barjoei, 2016).

Because of increased competition in the 21st business environment companies are viewing CSR as an important component and a strategic tool to improve brand equity. Buttressing, Zerk (2017:8) argues that in contemporary markets customers are aware of goods and services companies offer as compared to ancient times. Consumers associate with brands that do not only focus on their own benefits and profitability but also take into consideration other issues like the environment, pollution, community and employees' problems. In today's business environment there are environmentally conscious consumers that are more likely to buy from businesses that are environmentally conscious (Zerk, 2017). The importance of CSR is increasing with the increase in global business and the increased movement of goods between countries with different cultures. Therefore, companies invest in social campaigns to create an awareness of their products and corporate image (Zerk, 2017).

## **1.3 RESEARCH PROBLEM**

While CSR is an extensively studied phenomenon across marketing and business management literature, there still exists a lack of clarity in terms of the outcomes associated with investment in CSR. Although companies spend on CSR activities partly to build goodwill it is vague whether CSR activities contribute to brand equity in the South African context. This indistinct and gap in knowledge motivated the researcher to conduct this study. The proposed study aims to bridge this apparent gap by providing greater insight on the relationship between CSR and brand equity. Specifically, this research examines how CSR is related to BE, whether certain types of CSR initiatives have a more positive impact on brand equity than others, and why certain types of CSR activities are considered by consumers to be adequate to qualify as

socially responsible behaviour. From a marketing perspective, brand equity represents the power and reputation that an organisation has in the marketplace and ultimately, due to its consumer experience and behaviours, will influence a firm's financial performance (Yang and Basile, 2019).

#### **1.4 PURPOSE OF THE STUDY**

In an effort to bridge the apparent gap, the main purpose of the current study was to examine the relationship between CSR and brand equity. This study investigates the impact of CSR on brand equity and applied the consumer-based brand equity theory. The consumer-based brand equity theory approaches brand equity from the perspective of the customer – whether customer is an individual or an organization (Keller, 2013). The theory provides a unique point of view as to what brand equity is and how it should best be built, measured and managed. In addition, Keller (2013) argued that the power of a brand lies in what customers have learned, felt, seen and heard about the brand as a result of their experiences over time. Therefore, the major challenge for marketers such Woolworths and others are to ensure that customers have the right type of experiences with their products and services. In order to achieve this goal, companies are to create socially responsible programs in way that best fit into customers' mind and linked the brand to the desire customers' feelings, thoughts, actions and beliefs (Keller, 2013).

#### **1.5 OBJECTIVES OF THE STUDY**

The secondary research objectives include the following:

- To determine the effects of CSR on brand equity.
- To determine consumer perceptions towards CSR.
- To determine what kind of CSR activities are considered by consumers to be adequate to qualify as socially responsible behaviour.
- To determine whether CSR affects customer loyalty.

#### **1.6 RESEARCH QUESTIONS**

- What influence does CSR have on brand equity?
- What perceptions do consumers have towards CSR?
- What kind of CSR activities are considered by consumers to be adequate to qualify as socially responsible behaviour?
- How does customer loyalty impact CSR?



## **1.7 HYPOTHESIS**

To achieve the objectives of this research, the following hypotheses was formulated. The researcher presented the hypothesis in an alternative hypothesis form. Datta (2018) contended that alternative hypothesis is assumed to be true when the null hypothesis is false and is often symbolized by  $H_a$  or  $H_1$ . “It is a statistical hypothesis that states the existence of a difference between a parameter and a specific value, or states that there is a difference between two parameters” (Datta, 2018:1).

H1: There is a significant relationship between CSR and brand equity.

H2: There is a significant impact of overall CSR perception on brand equity.

H3: There is a significant relationship between CSR and consumers’ expectations.

H4: There is a significant relationship between CSR and customer loyalty.

## **1.8 REVIEW OF LITERATURE**

### **1.8.1 Corporate Social Responsibility**

In this current dynamic business environment, CSR is considered a strategic approach whose purpose is to contribute to social change (Ramesh et. al., 2018). Simultaneously, CSR initiatives also comprise a wide range of activities, including cause promotion, societal marketing, corporate philanthropy, cause-related marketing, and community volunteering (Yoon, Kim and Lee, 2019). In addition, the existing gap that encouraged the researcher to conduct this study is centred on the notion that past studies (Niazi, Haider, Islam and Rehman 2012) and (Yang and Basile, 2018) have not investigated the different elements of CSR. In addition, no research has been conducted in this regard in South Africa. Study by Niazi et. al., (2012) focused on firms’ CSR activities with brand equity and the mediating role of corporate reputation. Niazi et. al., (2012) found that that in this highly competitive business environment, the majority of companies have used corporate social responsibility as a strategic instrument to give feedback to expectations of various stakeholders such as the media, non-government organisations, public opinion, and consumers, in order to ultimately develop a significant corporate image. Therefore, studying the dimensions of CSR encouraged the researcher to explore elements (environment, ethical, stakeholder and development) of CSR as a vehicle to improve brand equity.

Furthermore, customers buy products or services as a solution to their specific problems. Since so many products are available, a brand is chosen after careful evaluation of its attributes

(Ramesh, Saha, Goswami, Sekar and Richa, 2018), favourable brand image (Shamma and Hassan, 2011), and favourable brand attitude (Ramesh et. al., 2018); they also react to advertisements and other stimulating factors (Wu and Wang, 2014). When customers are aware about the CSR activities, Ramesh et. al., (2018) established that the recognition of the brand goes up.

Firms are increasingly found to be integrating their CSR programmes into their business strategies to generate brand equity (Ramesh et. al., 2018). CSRs can be found everywhere across a variety of businesses in diverse countries and industrial settings (Singh and Del Bosque, 2008). As discussed, past researchers (Ramesh, Saha, Goswami, Sekar, Dahiya, 2018, 2018), (Yang and Basile 2018) have acknowledged CSR as a brand building element in today's business settings and have determined that CSR leads to brand loyalty, positive brand relations, and perceived quality contributing holistically towards the growth of brand equity.

Due to the increase in public demand for transparent CSR activities (Wan et. al., 2015), most companies with an interest in public welfare commit themselves to business activities bringing change to society, and CSR has become the legal, legitimate, and critical endeavour for business leaders (Ramesh et. al., 2018). Customers hold onto a brand with more CSR-laden emotional values and are less likely to turn toward the competitive offerings (Lynch and De Chernatony, 2004). When evaluating two similar brands, customers may consider a brand with societal reputation (Hea and Laib, 2014). CSR activities will in the long run create a favourable attitude and behaviour, purchase intention, and employment seeking, and it will also strengthen advocacy behaviour of stakeholders (Du et. al., 2010).

In a study conducted by Saunders (2006:77), it was established that “52% of consumers are more likely to recommend a brand that supports a good cause over the one that does not. Meanwhile 55% of consumers contend that in a recession they will buy from brands that support good causes even if they are not necessarily the cheapest.” Companies that have made CSR a central part of their businesses are reaping the benefits in the form of company sustainability thereby reducing liabilities and insurance costs, and improving brand image (Saunders, 2006). Today, corporations recognise that CSR is inextricably linked to their reputation and brand identity (Raman, Lim and Nair, 2012). The consumers' perception of a company comprises two broad categories, namely brand performance and brand equity. Brand equity refers “to a value premium that a company generates from a product with a recognizable name when compared to a generic equivalent” (Attest, 2019:1). Brand performance describes

“how well the product or service meets customers’ more functional needs” (Keller, 2013:111). Raman, Lim and Nair (2012) relate brand performance to tangible and measurable outcomes that a brand possesses regarding the economic value of a company.

Woolworths is the top retailer in the food retailing industry in South Africa (Businesstech, 2020). Bronkhorst (2020:4) agrees that “the company is one of the top food retailing company in the country and as a result they are aware of the socio-economic issues such as poor access to sanitation, poverty, hunger, financial obstacles to access education in secondary and higher institutions hence the company needs to act to resolve the situation through CSR activities.” Consequently, Woolworths is one of the big companies in the country that have used and still need to use CSR as a strategic marketing tool to improve the lives of communities in which they operate (Businesstech, 2020). A WHL (2018:38) report revealed that “they design and implement certain strategies to enable their company to run better and benefit the surrounding environment”. Woolworths is a company based on a system of good ethics and morals and has employees who obey and honour the values of the company.” Woolworths addresses the social issues through, for example, schools as hubs of community development and contribute towards education through working with the National Collaboration Trust and Woolworths Educational programmes (WHL, 2018:40).

### **1.8.2 Brand Equity**

In the past, giving away branded articles to customers would get businesses recognised by customers and the community at large (Raman, Lim and Nair, 2012:75). Today, corporations recognise that CSR is linked to their reputation and brand identity (Holding and Pilling, 2006). Raman, Lim and Nair (2012) state that customer loyalty is linked to brand equity. Stated differently, this means that there is a possible relationship between CSR and loyalty through brand equity. CSR efforts by a company can enhance its brand equity and thus overall consumer loyalty.

Smith, Gradojevic and Irwin (2011) assert that developing brand equity is one of the most interesting marketing factors that most private companies are indulging in. Raman, Lim and Nair (2012) argue that most companies are distinguished by their brand thus they are evaluated based on how they perform in the eyes of society. This is further substantiated by the fact that technology and web-based intelligent sources assist consumers in verifying indexes about a particular company vis-à-vis its social responsibility. Smith, Gradojevic and Irwin (2011) also suggest that brand equity can impact loyalty and that CSR initiatives can drive these two factors.

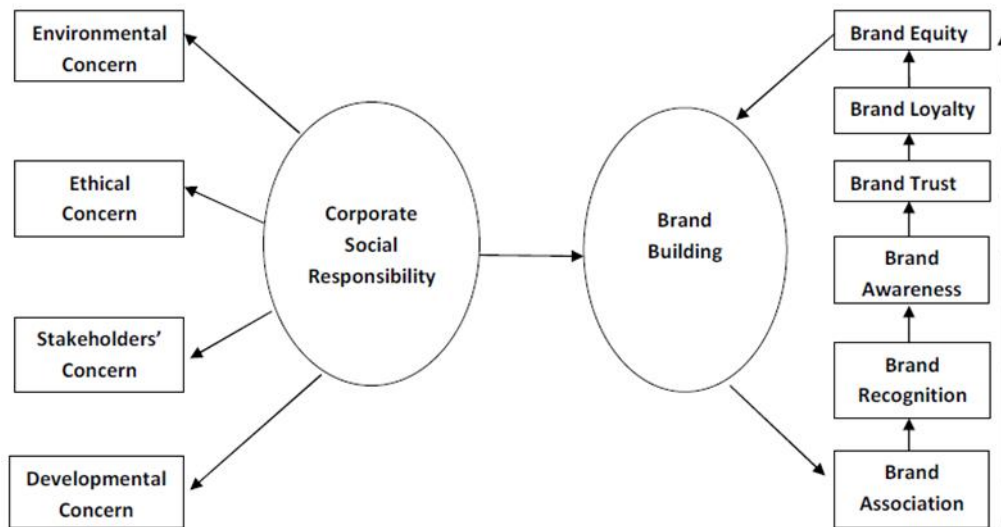
Other researchers such as Balsara (2009) calls for making CSR compulsory in relation to a company's overall brand strategy. The author adds that CSR can be used to not only promote a cause but also help to create unique brand equity for the company. Raman, Lim and Nair (2012:77) suggest that “customers affiliate themselves with a particular brand based on the value of its brand.” Upon such significant relationship with the brand, a company can establish a unique identification between the customer and the brand. This discussion implies that a possible relationship exists between consumer loyalty, brand equity and CSR initiatives.

In addition, brand equity embodies brand awareness, brand image, perceived quality, and brand loyalty. Brand awareness is characterised as the quality of a brand's essence in the consumers' mind. Brand image is remarkable and separates a firm from its rivals. Beckwith and Lehmann (2010:88) argued that “a favourable brand image encourages customers to maintain cognitive consistency and avoid discrepancies.” In addition, quality is a vital element in business strategy. Perceived quality is “defined as a buyer's estimate of a product's cumulative excellence” (Morgado, Benito and Partal, 2016:18). Perceived product quality is a key variable in the consumer decision process, and it is considered an important determinant of shopping behaviour and product choice. Lastly, brand loyalty means being loyal to the company and buying often from them – not from their competitors. Behavioural loyalty is desirable from a financial perspective, for example, because superior brand performance outcomes such as greater market share and price premiums relate to customer brand loyalty (Morgado, Benito and Partal, 2016:25).

## **1.9 CONCEPTUAL FRAMEWORK**

The conceptual model in this study was designed using the constructs of brand equity and CSR practices that facilitate and assist different companies to build and improve their brand equity (Keller, 2019).

**Figure 1. 1: CONCEPTUAL FRAMEWORK**



Source: <https://shodhganga.inflibnet.ac.in/bitstream/10603/136119/4/chapter2.pdf>

Figure 1.1 highlights the conceptual framework used in this study. The above conceptual framework consists of two main constructs which are CSR and brand equity. These two constructs contain various variables. CSR consists independent variables, while brand equity consists dependant variables. CSR variables are environment, ethical, stakeholder and developmental concerns. The environmental concern considers the environment where the business organisation survives. The business practices should be developed in such way that it should not harm the environment (Nicolae and Sabina, 2021). Therefore, businesses should concentrate on developing practices in an environmentally friendly manner. The stakeholder dimension ensures good relationship with its entire stakeholders mainly with local communities, suppliers, customers and employees in the organisation (Nicolae and Sabina, 2021). The smooth running of business is possible only if the organisation has cordial relationship among its stakeholders. Ethical dimension of CSR refers to behaviours and activities that are permitted or prohibited by organization members, community, society, even if they are not codified by law (Nicolae and Sabina, 2021). Nicolae and Sabina (2021:238) stated that “the basic mission of any business is to produce, with profit, goods and services, making the business to achieve its maximum contribution to society and, in fact, to be socially responsible.” Social responsibility cannot be just a response to problems when they arise. Only if the firm includes ethical concerns since its the foundation and includes ethics in businesses strategy the ethical aims can be achieved (Nicolae and Sabina, 2021). Developmental concern

is concerned with fairness and proper sharing of dividends among shareholders. In return, this provides good faith to shareholders, attract new investors and improve brand name recognition between all members involved with the company (Rama, Lim, Nair, 2012).

Brand equity is defined as “the added value given to any product through brand” (Niazi et. al., 2012). Brand equity is also known as brand building. Brand equity variables consist brand loyalty, brand trust, brand awareness and recognition, and brand association. Brand equity is a dependable variable. It influences overall brand building through CSR practices with environmental, ethical, stakeholders’ and developmental concerns (Raman, Lim and Nair, 2012). Brand equity is strategic; it is the base for competitive advantage as well as long-term profitability (Darpan, 2010). In order to achieve brand equity, a good CSR initiative cannot be overstated. Darpan (2010:2) “viewed brand equity as a multidimensional concept which is made up of perceived qualities, brand loyalty, brand awareness, brand association and other propriety assets”. Darpan (2010) further explained that brand loyalty has to do with the level of devotion a consumer has to a brand. Brand awareness has to do with the ability of a potential buyer to identify a brand among a product category. Perceived quality deals with the consumer’s perception of the brands total quality or superiority. Brand association is anything that is connected in a consumer’s memory of a brand. The other proprietary brand asset has to do with patents and trademarks. In addition, brand recognition is the extent to which a consumer can correctly identify a particular product or service just by viewing the product or service's logo, tag line, packaging or advertising campaign (Shiao, 2019).

#### **1.10 SIGNIFICANCE OF THE STUDY**

This study contributes to the existing body of knowledge on CSR and brand equity. In addition, this study supports and promotes the culture of giving back to the community through CSR actions by companies. Furthermore, it encourages companies to design and implement CSR programmes in the communities in which they operate. This research also contributes to literature by examining the relationship between CSR and brand equity and adds value to the social identity theory by “showing the relevant role of consumer-company identification on the effect of CSR on brand equity” (Treple, 2006:56). Brand equity is evidenced in this research as a critical variable extracted from the impact of CSR programmes.

#### **1.11 RESEARCH METHODOLOGY**

There are two types of research methods, namely qualitative and quantitative. For the purpose of this study a quantitative research method was employed. According to DeFranzo (2018:5) “quantitative research is used to quantify a problem by way of generating numerical data or

data that can be transformed into usable statistics. It is used to quantify attitudes, opinions, behaviours, and other defined variables and generalises results from a larger sample population.” Quantitative research gathers information from existing and potential customers by means of sampling methods (DeFranzo, 2018).

### **1.12 SAMPLING**

“Sampling means selecting a given number of subjects from a defined population as representative of that population” (Pandey and Pandey, 2015:76). Since it is not possible to conduct research with the whole population, a small group is selected to represent the population under investigation. A sample makes an exhaustive and intensive study possible with much less time, money and material. Sampling was used to help the researcher select participants that were already available and accessible at the time of the collection of data.

Non-probability sampling method – a convenience technique was employed in this study. This technique allowed the researcher to draw his own respondents that were available to participate in the study. Jha (2018:5) posited that in a convenience sampling technique “the researcher selects the closest live persons as respondents. Subjects who are readily accessible or available to the researcher will be recruited to participate in the study.” In other words, the researcher chose any respondents (customers) who usually do their shopping at Woolworths in Pietermaritzburg. This technique allowed the researcher to select respondents who were at the store at the time of data collection and who qualified and were obviously interested to be part of the sample. The researcher met participants at the following Woolworth branches in Pietermaritzburg: Woolworths at Scottsville, Woolworths in Boshoff Street and Woolworths at Liberty Mall and requested them to complete the survey questionnaires. The South African Woolworths business consists of full-line fashion, home and beauty stores, many of which incorporate a premium food retail offering. Stand-alone food stores and "Food Stops" attached to Engen petrol stations are also located in urban areas. Woolworths operates 218 full line stores and 430 food stand-alone stores in South Africa, with 64 stores throughout the rest of Africa. This study used Woolworths that consists of full-line fashion, home and beauty and premium food retail offering only. The questionnaires were completed within the selected Woolworths stores at an information table, whereby the respondents were requested to complete the questionnaires. This study specifically targeted customers that usually do their shopping at Woolworths.

#### **1.12.1 Disadvantages of Non-Probability Sampling**

- Unknown proportion of the entire population is not included in the sample group i.e. lack representation of the entire population.
- Lower level of generalisation of research findings compared to probability sampling.
- Difficulties in estimating sampling variability and identifying possible bias (Saunders et. al., 2012).

#### **1.13 VALIDITY AND RELIABILITY**

Validity and reliability are vital considerations when conducting research. Validity is the extent to which a test measures what it claims to measure (Cooper and Schindler, 2006). There are two types of validity that this study endeavoured to achieve, namely external validity, which is the ability of the data to be generalised across persons, settings and time; and internal validity, which is the ability of the questionnaire to measure what it is supposed to measure (Cooper and Schindler, 2006). “Reliability is a characteristic of measurement concerned with accuracy, precision and consistency” (Cooper and Schindler, 2006:352). To ensure content validity, the researcher extensively examined previously published literature similar to the topic, to ensure the relevance of the items to be included when measuring a construct. Cronbach’s coefficient alpha was used to analyse the reliability of data collection instrument and its results and it was 0.785.

#### **1.14 DATA COLLECTION TOOL**

Any study requires data collection – gathering tools or techniques. “Tools may vary in complexity, interpretation, design and administration” (Pandey and Pandey, 2015:57). For this study, a survey questionnaire was used as a suitable data collection tool. This tool allowed the researcher to collect information that was tested. “A questionnaire is a systematic compilation of questions that are submitted to a sampling of population from which information is desired” (Pandey and Pandey, 2015:61). The word ‘questionnaire’ “refers to a device for securing answers to questions by using a form which the respondent fills in himself” (Pandey and Pandey, 2015: 57). The questionnaire was prepared and distributed to secure responses to certain questions. Questionnaires comprised of likert scale questions. Likert scale survey questions are essential in measuring a respondent's opinion or attitude towards a given subject and was an integral part of this study. Typical multiple-choice questions were created including strongly disagree, disagree, somewhat disagree, neutral, somewhat agree, agree, and strongly agree. This scale was used to measure respondents' agreement with various statements.



#### **1.14.1 Advantages of Using Survey Questionnaires**

- Questionnaires are inexpensive: First, questionnaires are one of the most affordable ways to gather quantitative data. It is a cost-efficient way to collect massive amounts of information from many people in a relatively short time (Survey Anyplace, 2019).
- Questionnaires are practical: Apart from being inexpensive, questionnaires are also a practical way to gather data (Survey Anyplace, 2019).
- Easy analysis and visualisation: Most survey and questionnaire providers are quantitative in nature and allow easy analysis of results (Survey Anyplace, 2019).
- Questionnaires offer actionable data: The more data a researcher gathers, the clearer the picture becomes. All this information gives marketers the capability to create new strategies and to follow trends among their audience (Survey Anyplace, 2019).

#### **1.15 DATA COLLECTION PROCEDURE**

The researcher gathered data from the following Woolworth Stores: Woolworths Boshoff Street in Pietermaritzburg Central Business District (CBD), Woolworths in Scottsville and Woolworths in Liberty Mall. Permission and approval to collect data from the organisation was obtained from the store managers and floor manager. This study has a sample size of 120 participants. The first 20 participants of this study were randomly selected from Woolworths in Scottsville in November 2019. The next 40 participants were randomly selected from Woolworths in Boshoff Street in December 2019. The last 60 participants were randomly selected from Woolworths in Liberty Mall in January 2020. The researcher collected data during the mentioned periods of the month of November 2019 and January 2020. For quality research and results, this study recruited participants from Woolworths in different locations i.e. town (CBD) and urban areas. It was important to receive results of the participants from different locations. In addition, the researcher went into the stores and requested customers who were shopping at the time of the data collection process to complete questionnaires.

#### **1.16 DATA ANALYSIS**

Data analysis embraces a whole range of activities of a quantitative type. “It is usual tendency in behavioural research that much use of quantitative analysis is made, and statistical methods and techniques are employed” (Pandey and Pandey, 2015:70). Data analysis refers to studying the organised material to discover inherent facts. In this study, statistical techniques such as descriptive and inferential statistics were employed. The purpose of data analysis in line with this study was to generate empirical relationships between two constructs - that is CSR and

brand equity. The researcher had no clear idea about the relationship as determined from the collected data. In addition, the researcher constructed a measurement scale. The data obtained from the measurement scales were placed into one of four categories: nominal scale, ordinal, interval and ratio scale.

The researcher used both descriptive and inferential statistics for the analysis of data. Study.com (2019:1) states that “descriptive and inferential statistics each give different insights into the data gathered and together they provide a powerful tool for both description and prediction.” As a result, these two methods were employed to show and summarise data in a meaningful way such that, for example, patterns might emerge from the data. The relationship between the two variables was tested using inferential statistics i.e. correlation – which seeks to describe the nature of a relationship between two variables. A correlation was found, and it indicated a relationship and pattern between the two constructs.

#### **1.17 ANTICIPATED CONTRIBUTION OF THE STUDY**

In the 21st century business environment it is crucial to develop strong brands that are competitive and able to generate revenue. Piontek (2017:4) stated that “in a highly competitive market, developing a strong brand matters in the success of firms. Brand equity is an essential key to building brand value and raising a firm’s competitiveness in the market.” By designing and implementing CSR programmes in the community, companies can gain and attract potential customers and encourage customer loyalty while building a positive company image in the public.

This study makes several contributions to extant literature on CSR and brand equity. This study also contributes to marketing literature by revealing new information on the subject. This research is the first study that directly tests the association between CSR and brand equity. Therefore, this study contributes to the CSR literature by offering evidence to Woolworths to show a positive effect of CSR and its dimensions on brand equity. This study advised the retailer to consider this study factors in their activities and act as champions of CSR for the welfare of the society to strengthen their corporate image. This would further enable the company employees to be motivated to perform beyond their call of duty and feel a sense of achievement by associating with a company that cares about the community they operate in.

#### **1.18 ETHICAL CONSIDERATIONS**

This study adhered to all research protocols and procedures to ensure consistency. Before the study was conducted an ethical clearance was obtained from the UKZN research office.

Respondents were requested to sign an informed consent form before they completed a questionnaire which addressed the issues of confidentiality and anonymity. Issues of confidentiality were addressed on the first page of the questionnaire. The researcher assured participants that any information received in connection with this study will remain highly confidential and would be for academic purpose only, in addition, no participant will be identified in any written report or publication, and that only the total data would be presented.

#### **1.19 SUMMARY**

CSR is a concept whereby companies consider the interest of society and environment instead of their profitability and growth. This chapter presented the background information of the study, the problem statement, the purpose of the study, primary objectives and research questions. This was followed by a brief review of past literature, research methodology, sampling techniques, tools of data collection which were collected from sampling techniques employed in the study, the research methodology, ethical considerations of the study. Lastly, issues of ethical considerations were highlighted. The following chapter presents the literature review in detail.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 INTRODUCTION**

The previous chapter centred on the introduction, background and rationale for the study. The purpose of Chapter Two is to present a conceptual framework and research model for the study, together with all the relevant theoretical aspects that are concerned with the area of corporate social responsibility and brand equity or customer-based brand equity. Firstly, the conceptual framework and research model on which this research is based will be discussed, which is followed by a discussion of CSR and its benefits for both company and consumers. And finally, this chapter will deliberate about brand equity, benefits for consumers of building strong brands, influence of brands on product preference and how to choose brand elements to build equity.

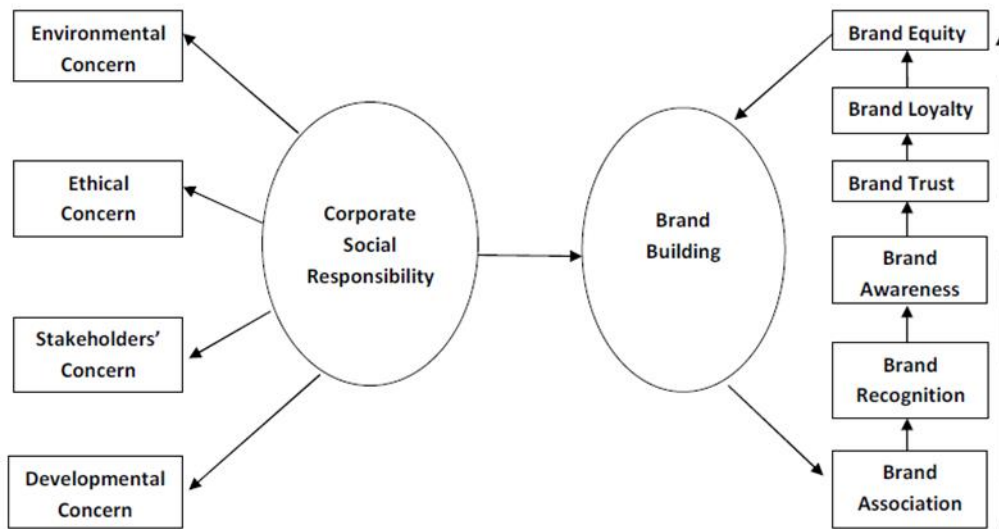
#### **2.2 CONCEPTUAL FRAMEWORK**

The presented conceptual framework is best suited for this study. The CBBE model is a higher-level construct composed of five dimensions. It comprises of brand association, brand recognition, brand awareness, brand trust, brand loyalty and brand equity. It can be argued that the dimensions (environment, ethical, stakeholder, developmental) of CSR affect CBBE by affecting some or all of its five components. CSR has become a major consideration for marketers and organisations, not only in South Africa but around the world. Research from Nielson (2014) underlines that CSR is also referred to as corporate citizenship or conscious capitalism, “CSR is practiced by companies dedicated to making a positive social or environmental impact on society” (Gorman, 2014:1). More and more, consumers expect companies to do one or the other, if not both. According to Gorman (2014) global research on CSR, more than 55% of global consumers around the world are willing to pay extra for a product or service from companies that are committed to positive social and environmental impact. This study argues that when a company is involved in social projects that uplift the lives of people in the community they operate in they will in turn receive more customers that buy their products and services, leading to loyal customers and higher profits margin.

##### **2.2.1 CONCEPTUAL FRAMEWORK DIAGRAM**

The conceptual framework in this study was designed using the constructs of brand equity and CSR practices that facilitate and assist different companies to build and improve their brand equity (Keller, 2019). Presented in Figure 2.1 below is the conceptual framework.

**Figure 2. 1: CONCEPTUAL FRAMEWORK**



Source: <https://shodhganga.inflibnet.ac.in/bitstream/10603/136119/4/chapter2.pdf>

Figure 2.1 highlights the conceptual framework used in this study. The framework is derived from the relevant literature. The framework comprises two major constructs, namely CSR and brand equity. Within each construct are variables. CSR comprises of independent variables. These variables are environmental, ethical, stakeholders' and developmental concerns. Environmental concern involves pollution control, conservation and natural resources. (Raman, Lim and Nair, 2012). Ethical concern covers fair trade practices, fair and legal business practices, and strategies (Raman, Lim and Nair, 2012). Stakeholders' concern means better and improved clientele and fair information about products to the users. It also consists of CSR practices linked with education and literacy, medical facilities, and poverty reduction (Raman, Lim and Nair, 2012). Developmental concern deliberately involves the provision of proper dividend, fair and proper sharing of profit among the shareholders, which in turn, provides a subsequent improvement in goodwill and brand name recognition among all parties directly and indirectly associated with the company (Raman, Lim and Nair, 2012).

Brand equity also means brand building. Brand equity is a dependable variable. It influences the overall brand building through the CSR practices with environmental, ethical, stakeholders' and developmental concerns (Raman, Lim and Nair, 2012). Brand Building is achieved through CSR since brand association with a good cause provides the brand with better brand recognition among its competitors (Raman, Lim and Nair, 2012:24). Lichtenstein et. al., (2013:45) argued that "a CSR practicing firm is recognised over other brands in communities and societies

through increased brand awareness in the marketplace.” The brand awareness and recognition fetch improved brand trust which catches brand loyalty among the customers (Raman, Lim and Nair, 2012). The developed trust and loyalty improve a brand image or provide strong brand equity; hence, brand building is achieved (Raman, Lim and Nair, 2012).

### **2.3 CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility (CSR) is the concept that has gained prominence in business reporting. Every registered corporation in today’s business environment has the policy concerning CSR, which produces a report, annually, detailing its activities (Kapur, 2020). “Every corporation is able to recognize the corporate activity, which is socially responsible and the activities, which are not socially responsible” (Kapur, 2020:5). The comprehensive definition of social responsibility is concerned with what is or should be the relationship between global corporations, governments of countries and individual citizens. More locally, the definition is concerned with the relationship between the corporation and the local society in which it resides or operates (Kapur, 2020). According to Khan et. al., (2014), CSR indicates conducting a business in a socially responsible way whereby the business:

- Undertakes labour by improving workplaces and ethical practices in employment;
- Is concerned in building local communities and communicates with apprehensive communities regarding the effects of its products and policies;
- Spends on building social infrastructure;
- Donates to a cleaner environment, its sustainability and protection; and
- Contributes by the manner of its corporate governance to economic progress at large.

In a highly competitive market, developing a strong brand is essential for the firm’s success. (Sheth and Parvatiyar, 2000). Brand equity is an essential key to building brand value and raising a firm’s competitiveness in the market (Kim and Kim, 2004). Remarkably, Reich, Xu and McCleary (2010) found that CSR can be a way to increase brand equity and promote a company’s positive image while attracting current and potential customers. Woolworths is a good example of a retail company with a positive reputation for CSR. Woolworths successfully differentiated itself and enhanced brand equity with its partnership with Food & Trees for Africa in the EduPlant programme, which encourages schools to grow their own food in a sustainable way. The company also works to improve education outcomes in under-resourced schools through a partnership with the National Education Collaboration Trust and by providing educators with educational resources and experiential activities through the

Woolworths Making the Difference Educational Programme. Woolworths ensures that no food or clothing from their business goes to waste and donate surplus from stores to more than one thousand charity partners. Their partners, amongst a few, include FoodForward SA, Salvation Army, Rural Aid, Lifeline and Foodbank. In addition, through the MySchool MyVillage MyPlanet loyalty-linked programme, the company have raised and distributed funds on behalf of their customers to over 8 000 schools and charities over the years (WHL, 2020).

To complement their food security projects, Woolworths has also partnered, for three years, with FoodForward to address food security. This is a partnership that enable FoodForward to provide an additional 1.2 million meals annually to the needy through redistribution of the edible surplus food collected from producers, manufacturers, wholesalers, and retailers such as Woolworths. FoodForward is an organisation that was formed in 2009. Its main aim is to recover perfectly edible food that would otherwise go to landfill and redirect to the needy (WHL, 2020).

### **2.3.1 Meaning of CSR**

There are a variety of definitions of CSR and no overall agreement exists in this regard. This paper's definition of CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. 'Ethically or responsible' means treating stakeholders in a manner deemed acceptable in civilised societies (Batum and Ersoy, 2013). Stakeholders exist both within and outside a firm. The natural environment is also a stakeholder. Khan, Khan, Ahmed, and Ali, (2012:44) asserted that "the broader objective of social responsibility with regard to CSR is to create higher and higher standards of living, while preserving the profitability of the corporation, for people both within and outside the corporation." CSR therefore means the ethical behaviour of business towards its constituencies or stakeholders (Batum and Ersoy, 2013). Nevertheless, there is a wide variety of concepts and definitions associated with the concept of "corporate social responsibility", but no general agreement of terms exists (Abdolvand and Charsetad, 2013:276). Table 2.1 below provides a glossary of several definitions by various authors that offer additional insight into the concept of CSR.

**Table 2. 1: GLOSSARY OF CSR**

<b>Glossary of CSR</b>	
1. Carroll's definition of CSR is explained as follows: "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time"	(Carroll, 2016:4)
2. "Social responsibility usually refers to the objectives or motives that should be given weight by business in addition to those dealing with economic performance (e.g., profits). Employment of minority groups, reduction in pollution, greater participation in programs to improve the community, improved medical care, improved industrial health and safety-these and other programs designed to improve the quality of life are covered by the broad umbrella of social responsibility."	(Low, 20:2016:63 cited in Backman, 1975)
3. "In general, corporate sustainability and CSR refer to company activities-voluntary by definition-demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders."	(Van Marrewijk, 2003:62)
4. "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"	(WBCSD, 2003:62)



### **2.3.2 Significance of CSR**

The importance of CSR is growing continuously. It may have been possible in the past, but it has now become very complicated for firms to only focus on their profits and not focus on the wellbeing of society (Khan et. al., 2012). Due to globalisation, competition and technological advancement consumers are much more aware and they have alternatives (Wagner and Hansen, 2004). Customers today do not support companies that are involved in any socially irresponsible behaviours (Farah and Newman, 2010), and customers support those firms which are involved in socially responsible behaviour by purchasing the product of such companies (Brown and Dacin, 1997; Bhattacharya and Sen, 2004). The expectations of the customers and the importance regarding CSR are increasing because a number of firms are investing in CSR. In addition, to enable the achievement of the corporate sustainability goals, it is vital to put into operation the sustainable business practices (Kapur, 2020). The sustainable business practices cover five areas. These include, awareness and perceived importance among employees, employee sustainable behaviours, social and community performance, environmental performance and ethical and legal performance (Kapur, 2020). These five areas are significant, as without awareness in terms of them, it is not possible to implement the program in a successful manner. The employees need to acquire adequate awareness in terms of various areas that are necessary for the successful functioning of the organization. The employees need to conduct themselves and implement the behaviours that would enable them to achieve the desired goals and objectives. The environmental conditions need to be pleasant and amiable, which may encourage the employees to work satisfactorily (Kapur, 2020).

In the past, researchers (Yang and Basile 2019); (Hur, Kim and Woo, 2013) determined that a relationship exists between CSR and brand equity. In their study, Hur, Kim and Woo (2013) aimed to investigate the relationships among corporate social responsibility (CSR), corporate brand credibility, corporate brand equity, and corporate reputation. The outcome of their study revealed that CSR has a direct positive effect on corporate brand credibility and corporate reputation. Additionally, the results of their study indicated that corporate brand credibility mediates the relationship between CSR and corporate reputation (Hur, Kim and Woo, 2013). Moreover, corporate brand credibility mediates the relationship between CSR and corporate reputation. In addition, some studies (Maignan, 2001); (Ponder and Golob, 2007) have identified how consumers respond to different forms of CSR. For example, Maignan (2001) studied the customers' evaluation of economic, legal, ethical and philanthropic CSR and their willingness to support the socially responsible companies. A similar study by Ponder and

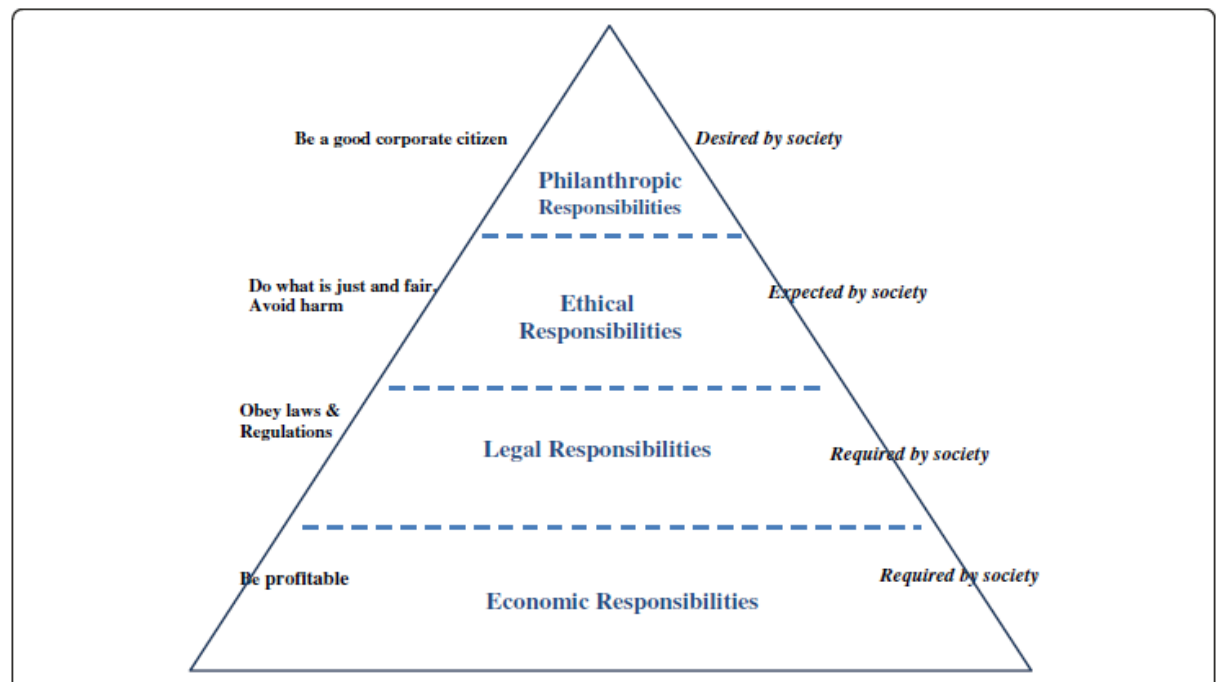
Golob (2007) suggests that legal, ethical and philanthropic CSR activities are more important to customers as compared to economic CSR. But these studies were conducted in the western context. As pointed out by Chapple and Moon (2005), most of these studies were conducted in the European context; very little research has been published in the African or South African context.

Previous research (Khan, et. al., 2014; Farah and Newman, 2010) was usually carried out in the western context hence this study would assist researchers to understand the response of South African customers to corporate social responsibility, especially with respect to Woolworths. There is a significant difference in the cultural, political and economic conditions of countries across the world (Khan et. al., 2014). Due to these differences consumers in the different countries respond differently to different types of CSR activities (Chapple and Moon, 2005; Welford, 2005). South African customers are more collectivists as compared to their western counterparts who are high on individualism; they prefer their self-interest rather than the interest of society (Trompenaars and Turner, 1997). Especially, Khan et. al., (2012) found that past studies have not examined various corporate actions that are part of corporate social responsibility according to the consumer. For these reasons, businesses find it difficult to choose the activities they should focus on to get any benefits from being socially responsible (Khan et. al., 2012). It is very important for organisations to study the impact of CSR on customer behaviour and customer expectations of the CSR; it becomes even more important when competition is severe, and products or services are homogeneous in nature (Khan et. al., 2012). Firms could benefit from investing in CSR activities and in understanding the impact of the CSR on brand equity (Khan et. al., 2012).

### **2.3.3 Dimensions of CSR**

CSR implies that business is conducted in such a way that it creates value for customers as well as for society. According to Carroll (2016:4) “The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time”. Figure 2.2 below revealed these responsibilities. Carroll’s definition of CSR covers all the aspects of business responsibilities - from economic to philanthropic; it is a comprehensive definition hence Carroll’s definition is used in this study, because it is widely accepted in academic literature and it fits with the objectives of this study.

**Figure 2. 2: THE PYRAMID OF CSR**



Source: (Carroll, 2016)

- **Economic CSR**

As a fundamental condition or requirement of existence, businesses have an economic responsibility to the society that permitted them to be created and sustained. At first, Carroll (2016:3) argued that “it may seem unusual to think about an economic expectation as a social responsibility, but this is what it is because society expects, indeed requires, business organizations to be able to sustain themselves and the only way this is possible is by being profitable and able to incentivize owners or shareholders to invest and have enough resources to continue in operation.” In its origins, society views business organizations as institutions that will produce and sell the goods and services it needs and desires. As an inducement, society allows businesses to take profits. “Businesses create profits when they add value, and in doing this they benefit all the stakeholders of the business” (Carrol, 2016:3). The remaining three dimensions of the CSR depend upon the economic dimension of the CSR because without this responsibility, the achievement of other responsibilities is doubtful. In addition, Woolworths supports local communities whilst making a profit. Woolworths ensures that no food or clothing from their business goes to waste and donates surplus from stores to more than one thousand charity partners.

- **Legal CSR**

Every business operating in the society should comply with the law. Carroll (2016:3) stated that “society has not only sanctioned businesses as economic entities, but it has also established the minimal ground rules under which businesses are expected to operate and function. These ground rules include laws and regulations and in effect reflect society’s view of “codified ethics” in that they articulate fundamental notions of fair business practices as established by lawmakers at federal, state and local levels.” Businesses are expected and required to comply with these laws and regulations as a condition of operating. It is not an accident that compliance officers in today’s businesses hold high level positions in many company organisational charts. While meeting the legal responsibilities, Carroll (2016) mentioned the following significant expectations from the businesses:

- Performing in a manner consistent with expectations of government and law.
- Complying with various federal, state, and local regulations.
- Conducting themselves as law-abiding corporate citizens.
- Fulfilling all their legal obligations to societal stakeholders.
- Providing goods and services that at least meet minimal legal requirements.

According to this dimension, businesses are expected to fulfil their economic responsibilities as well as act upon any rules and regulations imposed by national and local governments. Woolworths is a good example as it operates within the legal parameters of the environment by not harming the environment and not polluting the earth. Woolworths successfully differentiated itself and enhanced brand equity with its partnership with Food & Trees for Africa in the EduPlant programme, which encourages schools to grow their own food in a sustainable way.

- **Ethical CSR**

Ethical responsibility of business means that businesses are supposed to refrain from those activities which are considered as being immoral or unethical in a society (Carroll, 1991). The normative expectations of most societies hold that laws are essential but not sufficient. In addition to what is required by laws and regulations, society expects businesses to operate and conduct their affairs in an ethical fashion (Carroll, 2016). Carroll (2016:3) argued that “taking on ethical responsibilities implies that organizations will embrace those activities, norms, standards and practices that even though they are not codified into law, are expected, nonetheless.” Part of the ethical expectation is that businesses will be responsive to the “spirit”

of the law, not just the letter of the law. Another aspect of the ethical expectation is that businesses will conduct their affairs in a fair and objective fashion even in those cases when laws do not provide guidance or dictate courses of action (Carroll, 2016). Therefore, “ethical responsibilities embrace those activities, standards, policies, and practices that are expected or prohibited by society even though they are not codified into law” (Carroll, 2016:5).

The goal of these expectations is that businesses will be responsible for and responsive to the full range of norms, standards, values, principles, and expectations that reflect and honour what consumers, employees, owners and the community regard as consistent with respect to the protection of stakeholders’ moral rights (Carroll, 2016). While meeting the ethical responsibilities, Carroll (2016) mentioned the following significant expectations from the businesses:

- Performing in a manner consistent with expectations of societal norms.
- Recognizing and respecting new or evolving ethical/moral norms adopted by society.
- Preventing ethical norms from being compromised in order to achieve business goals.

Woolworths is a good example in this concern as they do not participate in immoral or unethical activities that put danger to the society. Country Road Group and David Jones support a range of charity partners, and work annually to support a number of causes including cancer research and prevention through David Jones Rose Clinics, Witchery’s iconic White Shirt campaign which raises funds for the Ovarian Cancer Research Foundation (“OCRF”) and MIMCO’s collaboration with “Our Watch”, a not-for-profit organisation dedicated to preventing domestic violence (WHL, 2020).

- **Philanthropic CSR**

Corporate philanthropy includes all forms of business giving. Corporate philanthropy embraces business’s voluntary or discretionary activities (Carroll, 2016). Philanthropy or business giving may not be a responsibility in a literal sense, but it is normally expected by businesses today to perform and is a part of the everyday expectations of the society (Carroll, 2016). Of course, the quantity and nature of these activities are voluntary or discretionary. Carroll (2016:3) argued that “these activities are guided by business’s desire to participate in social programs that are not mandated, not required by law, and not generally expected of business in an ethical sense.” However, businesses do give back to the community out of encouragement and to do what is right for the society. In order to achieve perceived philanthropic responsibilities, Carroll (2016) found that companies need to engage in a variety of giving forms – gifts of monetary resources,

product and service donations, volunteerism by employees and management, community development and any other discretionary contribution to the community or stakeholder groups that make up the community. For example, Woolworths has partnered, for three years, with FoodForward to address food security. This is a partnership that enable FoodForward to provide an additional 1.2 million meals annually to the needy through redistribution of the edible surplus food collected from producers, manufacturers, wholesalers, and retailers such as Woolworths. FoodForward is an organisation that was formed in 2009. Its main aim is to recover perfectly edible food that would otherwise go to landfill and redirect to the needy (WHL, 2020).

This study focused on the customers' opinion according to their perception of what social responsibilities of the businesses encompass. According to the Bhattacharya and Sen (2004), customers are one of the most important stakeholders which critically evaluate the CSR of a business. Forehand and Girer (2003) suggested that the type of CSR activity in which a company is involved can affect the benefit which a company receives from customers as a result of being socially responsible. Therefore, it is vital to understand which dimension of the CSR is important for the customer since it plays a critical role in a firm's formulation of its CSR strategy. On the basis of the above discussion, the researcher hypothesised that customers are able to differentiate between the four dimensions of CSR, namely economic, legal, ethical, and philanthropic.

In addition, other scholars such as Masoud (2017) used Carroll's model of CSR which acknowledges the relative importance of economic, legal and ethical, and philanthropic aspects of the CSR concept. Masound (2017:6) mentioned that "Carrol's model embodied the four different responsibilities - economic, legal, ethical, and philanthropic - which while not mutually exclusive, enabled managers to appreciate the varying types of obligation and the continual tensions between them." Moreover, Masound (2017) supported the model in two ways first, by confirming that there are four empirically inter-related, but conceptually independent components of CSR (economic, legal, philanthropic and ethical); and second, by giving tentative support to the relative weightings which Carroll had earlier assigned to each of the four components (Masound, 2017).

#### **2.3.4 CSR and customer loyalty**

"Customer loyalty is the basic goal of each company, especially in conditions of strong competition, economic crisis, and international scandals. It is considered a vital objective for a company's survival and growth as well as an important basis for developing a sustainable

competitive advantage” (Willys, 2018:1028). Loyalty can be defined “as a customer’s unconditional commitment to the company and his or her strong relationship with the brand, which is not likely to be affected under normal circumstances” (Maheshwari, Lodorfos, and Jacobsen, 2014:16). Customer loyalty can also be viewed as a set of behavioural forms that signal the motivation to maintain the relationship with a certain company, which includes increased spending on the company’s products, positive word of mouth, and repeat purchases (Sirdeshmukh, Japdig, Berry, 2002). Customers are limited and are the most valuable resource of each company that have a direct impact on the company’s profit level. Research revealed that “a 5% increase in customer loyalty could increase profits by 25% to 85%” (Kandampully and Suhartanto, 2000:346). A 2% increase of customer retention has almost the same effect as a 10% cost reduction (Marinkovic, 2012).

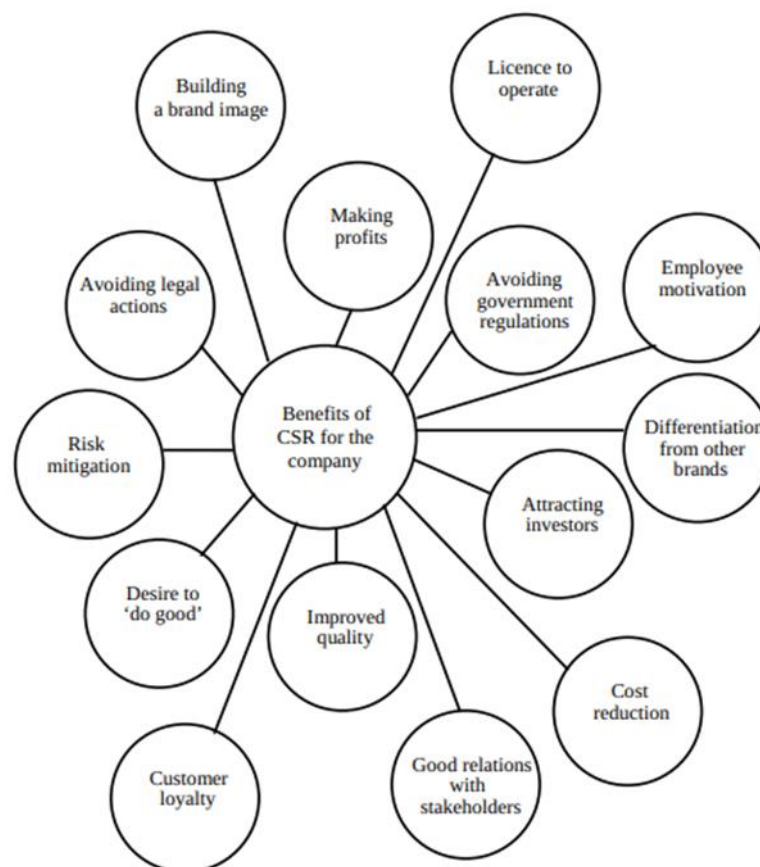
The effects of CSR on customer loyalty have been studied in a direct relationship (Stanisavljevic, 2017). Customer loyalty is one of the most important consumer behaviours companies try to influence by using CSR as a marketing tool. Garcia de los Salmones et. al., (2005) measured the direct and indirect relationship between CSR and customer loyalty in the retail industry. The results revealed that there was no significant direct relation between the two variables. However, CSR appeared to have a significant influence on consumers' valuation services and since the overall service valuation turned out to have a strong positive correlation to customer loyalty, it was concluded that CSR indirectly influences customer loyalty (Garcia de los Salmones, Herrero, Rodriguez del Bosque, 2005). (Liu and Zhou, 2010). performed a study on the perceived CSR and customer loyalty based on the same subject. The results from the regression analysis revealed that product quality, trust, image and satisfaction had a positive influence on customer loyalty, while there was no significant direct correlation between CSR and customer loyalty. Since the authors have identified the impact of perceived CSR on the other four factors in the regression analysis, they concluded that the perceived CSR might have an indirect impact on customer loyalty (Liu and Zhou, 2010).

Nevertheless, there are also studies that revealed a positive correlation between CSR and customer loyalty. In their literature review, Bronn and Vrioni (2001) refer to a study and state that cause-related marketing might be used as a tool for corporations to increase customer loyalty and build reputation (Stewart, 1998, cited in Bronn and Vrioni, 2001). In a study conducted by Du et. al., (2007: 1531) “examined the moderating influence of the extent to which a brand's social initiatives are integrated into its competitive positioning on consumer reactions to CSR.” The authors revealed that consumers tend to have more favourable beliefs

and reward CSR brands to a greater extent, in terms of relational behaviours, such as loyalty and advocacy (Stanisavljevic, 2017). The results revealed that consumers of a brand are more likely to identify with the brand, be loyal to the brand, as well as engage in advocacy behaviours for the brand (i.e. willing to try new products, engage in favourable word-of-mouth) when a brand is coupled to CSR than when it is not (Du et. al., 2007).

## 2.4 BENEFITS OF CSR FOR THE COMPANY

Figure 2. 3: BENEFITS OF CSR FOR THE COMPANY



Source: (Książak, 2017).

- **Increased Employee Satisfaction**

The way a company treats its community says a lot about how a company treats its employees. People that feel respected and supported in their jobs are often more productive and satisfied at work (Cheng, et al., 2014). Giving employees opportunities to volunteer, especially during working hours, creates a sense of community within an organisation, as well as a connection to the surrounding community (Cheng, et. al., 2014). In his study, Hewitt (2015) established that employees will gain motivation and pride in their work through these personal



development opportunities. Employees that are actively involved in the community are also acting as brand ambassadors. The more engaged and invested they are in an organisation, and the greater community, the more productive they will be (Hewitt, 2015).

- **Improved Public Image**

In today's digital era, companies that demonstrate CSR are gaining exposure and praise for their involvements (Ahmad, 2006). Ahmad (2006) determined that a company's brand reputation can only benefit from good deeds in the community. Consumers feel good when they buy products and services from companies that are helping their community (Rashid, 2010). Letting the public know about the company's good deeds will only result in increasing the company's brand public image (Hewitt, 2015).

- **Increased Customer Loyalty**

According to Gorman (2014:7) survey, 56% of participants said "a brand being known for its social value" was a top purchasing driver. And 53% of participants said "a brand with community commitment" was a leading purchasing driver. Customers are more likely to be loyal to the company's brand if their corporate values align with their personal ones. Millennials — the largest population after baby boomers — are currently driving the market (Landrum, 2019). According to Forbes contributor Landrum (2019:3), "millennials prefer to do business with corporations and brands with pro-social messages, sustainable manufacturing methods, and ethical business standards." CSR programmes work to showcase company's corporate values and demonstrate that teamwork and community involvement and engagement are at the top of company core values (Rashid, 2010).

- **Increased Creativity**

CSR activities encourage employees to think outside the box and increase innovation in the organisation (Crane and Matten, 2007). CSR initiatives encourage employees to try new things and get re-energised about their jobs (Crane and Matten, 2007). Through this social involvement, Crane and Matten (2007) established that employees feel empowered to start contributing to the bigger picture and they come up with new ideas about products or internal processes or innovate new problem-solving solutions. When a company demonstrates their company values and passions through giving to the community, employees will feel encouraged and supported to develop new and better ways to do their jobs (Hewitt, 2015).

- **Finding and Keeping Talented Staff**

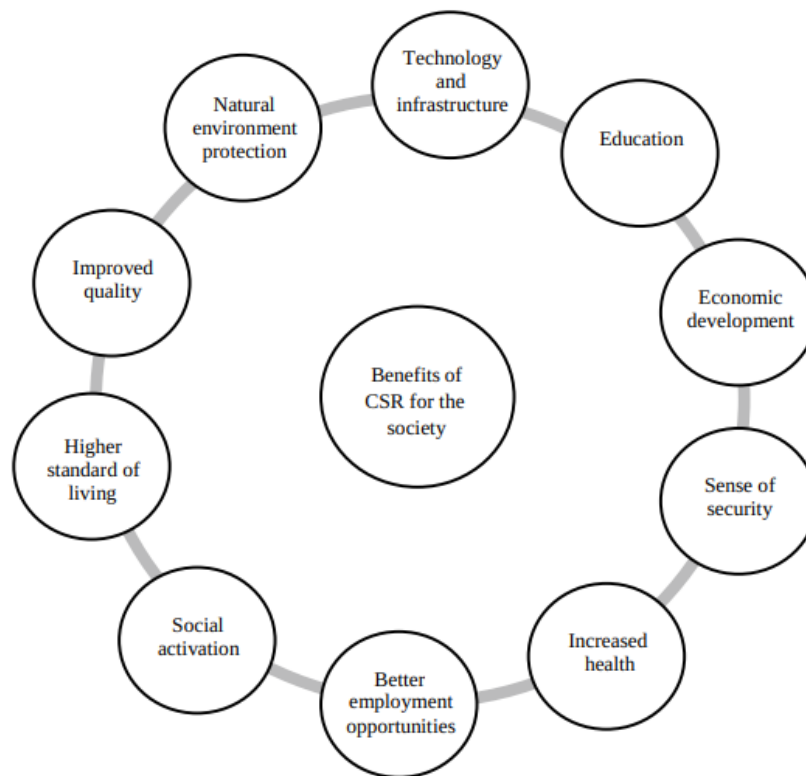
Being a responsible, sustainable business makes it easier for a business to recruit new employees or retain existing ones (Florentine, 2019). “Employees are motivated to stay longer, thus reducing the costs and disruption of recruitment and retraining” (Florentine, 2019: 4).

## **2.5 BENEFITS OF CSR FOR SOCIETY**

Apart from bringing a wide range of benefits for a company, CSR is supposed to, above all, contribute to the wellbeing of society (Almohamad, 2010). Delivering benefits to the whole of society should also be the prominent driver for business to start and continue CSR involvement (Perry and Towers, 2013). Although most researchers focus on the advantages of social responsibility to enterprises and why they should implement it, there are some that mention the gains for society. People who have been helped by a company’s activity are happier and benefit from a higher standard of living. Moreover, seeing that corporations care for communities’ good makes everyone feels safer and significantly decreases corruption within society (Crowther and Aras, 2008). A company’s philanthropic activities generate benefits for the least advantaged, helping the needy and increasing trust (Carrol and Buchholtz, 2008). According to Arnold (2010), CSR also inspires fair competition. Not only companies, but society as well benefit from better quality products. Corporations’ efforts to obey CSR rules assist in them eliminating all the defects at production stage, resulting in diminishing the amount of complaints and increasing customer satisfaction (Mullerat, 2010).

On the other hand, CSR changes in a company may lead to cost reduction, from which customers might also benefit, if it results in price reduction (Carrol and Buchholtz, 2008). In this way, more products might be available to people who could not afford them before. In addition, responsible behaviours of companies inspire people in their surroundings to do the same (Barendsen and Gardner, 2004). Thus, social activation enables them to experience emotional benefits from being involved in helping other people (Carrol and Buchholtz, 2008). It must be noted that a company’s success, which may be secured by implementing CSR, is also a success of local communities (Mullerat, 2010). A richer company can hire more employees on better conditions, and provide substantial perks (Mullerat, 2010).

**Figure 2. 4: BENEFITS OF CSR FOR SOCIETY**



Source: (Książak, 2017)

## **2.6 ADVANTAGES AND DISADVANTAGES OF CSR**

### **2.6.1 Advantages of CSR**

- **Improvement in the image of the corporation**

The most obvious advantage that a corporation can obtain by implementing CSR policies is that of an increased goodwill value (Mark, 2014). According to Mark (2014), this serves a dual purpose – firstly, people will want to buy the product that the corporation is selling because of its good and clean image. Secondly, other enterprises will want to do business and be associated with such a corporation. This increases the corporation’s prestige to such a high level that its name may become synonymous with reliability and goodness (Ciciretti and Hasan, 2009). People always want to be associated with the best and the most popular, so in that respect, the corporation rises in stature and becomes an important player in its market (Mark, 2014).

- **Increased attraction and retention of employees**

Companies with solid CSR commitments find it easier to recruit and retain employees (Ciciretti and Hasan, 2009). People want to work for companies that care about the wellbeing of their employees and provide good working conditions. A compassionate attitude towards employees is highly desired by both new recruits and old employees alike (Mark, 2014). Appraisals,

financial assistance in times of need, and attention given to personal achievements and special days (like birthdays) make employees want to remain with a company (Mark, 2014).

This is a huge advantage when there is a tight labour market. This will reduce the cost of training new recruits and free up incentives for existing employees. Incentives induce efficient work from employees. In short, if the company's workforce is happy, the company gets more profits due to increased efficiency in production (Mark, 2014).

- **Regulatory authorities become less hostile**

A corporation with strong CSR programmes will not be scrutinised by regulatory authorities as much as companies without CSR programmes (Mark, 2014). The authorities will be lenient in their regulation because they feel that the company must be complying with all regulations as it is supported by firms and people alike for its welfare work (Mark, 2014). A company with strong CSR programmes will always work within regulations to get benefits (other than profits) from these CSR programmes. The authorities will give fast-track preference to such companies. It may also forego cumbersome paperwork that is required to set up projects if it thinks that a project is going to help the community to improve (Mark, 2014).

- **Attracts more capital inflow from various sources**

A company's image plays a huge role in attracting investors. If the company is engaged in CSR programmes, its image gets a massive boost, and hence people invest heavily in its operations (Curnow, 2017). Such a company will even attract capital from abroad, thus, helping the country to get valuable foreign exchange. It will also attract investment from other firms and industries, and it will become a name that can be easily trusted. Even the government of a country may be willing to invest in such a company, leading to lesser regulation and red tape (Curnow, 2017).

- **Positive Publicity**

A popular business principle is that any publicity is good publicity. A company should be known to the people for selling a product. A good CSR programme will always give good publicity and even act as an advertisement for the company (Mark, 2014). It also sets the company apart from its competitors. They may be selling a similar product at a lower price, but you are keeping the interests of your environment and community intact, hence people do not mind a little extra charge for this thoughtfulness (Mark, 2014).

- **Increased creativity**

Through this social involvement, Fronetics (2018) argues that employees will feel empowered to start contributing to the bigger picture. “Employees might come up with new ideas about products or internal processes or innovate new problem-solving solutions” (Fronetics, 2018:5). When a business demonstrates its company’s values and passions through community giving, employees will feel encouraged (and supported) to develop new and better ways to do their jobs (Fronetics, 2018).

## **2.6.2 Disadvantages of CSR**

- **Shift from the profit-making objective**

Milton Friedman, an economist, is the biggest critic of CSR. Milton (2018) argues that CSR shifts the focus of the company from the objective that made it a financial entity in the first place – profit-making. Milton (2018) states that the company forgets about its obligations towards its shareholders that they are required to generate profits. Instead of focusing on generating profits, they engage in CSR programmes and replenish funds for community welfare. So basically, instead of an income, the company is affecting the outflow of cash and not fulfilling its profit-making obligations.

- **Company reputation takes a hit**

According to CSR policies, companies must disclose shortcomings even of their own products if they are found to violate the CSR programme. For example, car manufacturing companies recalling their vehicles in large numbers when they find glitches in a model after having sold them wallops their reputation. This creates inconvenience to the customers, and they lose trust in the manufacturer (Business Info, 2019).

- **Increase in cost of production**

Often, CSR programmes increase the expenditure of the company. “This increased expenditure is reflected in the increased prices of the product for which, ultimately, the customers must pay” (Business Info, 2019:6). Some big companies are able to absorb this large expenditure. They may not increase the price of their products, but small businesses have no other option but to increase the price of their products in order to meet their increased expenses (Business Info, 2019).

## **2.7 BRAND**

### **2.7.1 Meaning of a brand**

“A brand is the combination of a name, symbol, colours, design or any combination of them to differentiate the goods of one seller from those of another” (Dapi, 2012:13 cited in Keller, 2008). A brand is more than a product as it includes even those intangible associations that are either created by the marketers of specific brands through marketing communications or those that are formed by consumers upon using them (Keller, 2011). Brands perform a variety of functions for firms that include signalling the quality of the brand, serving as a means of protecting brand features legally, providing ways of endowing certain products with strong favourable and unique associations and as a source of competitive advantage (Keller, 2008). Strong brands must be built by marketers if they are to survive, especially in highly competitive markets.

Furthermore, branding, by definition, is a marketing practice in which a company creates a name, symbol or design that is easily identifiable as belonging to the company (Keller, 2011). This helps to identify a product and distinguishes it from other products and services. Smithson (2015:5) states that “branding is important because it not only makes a memorable impression on consumers, but it allows customers and clients to know what to expect from your company.” It is a way of distinguishing the company from the competitors and clarifying what the company is offering that makes it the better choice (Kakabadse et. al., 2005). A company’s brand is built to be a true representation of who they are as a business, and how they wish to be perceived (Kakabadse et. al., 2005). Brands, if managed appropriately and competitively, can create value and influence for both the company and the consumer (Interbrand, 2004). For the consumer, brands are the promise or essence of what will be delivered by the product as it enables buyers to recognise the product offerings of particular companies. From a business perspective, they are a source of value in the sense that they are a guarantee of future earnings.

### **2.7.2 Why Do Brands Matter?**

A brand is a company’s greatest intangible asset (Percy, 2008). The higher the value associated with that brand such as Gucci, Prada, Luis Vuitton, the more of an asset it is to the company. Brands play an important role, not only to the companies that produce them, but to the consumers that purchase them as well. Woolworths is regarded as one of the leading food retailers in South Africa and a large premium brand in the country. Woolworths succeeds in providing high quality products, convenience and fast service, and its growing presence at fuelling stations has helped Woolworths increase their public image (WHL Report, 2018).

The South African Customer Satisfaction Index (SAcsi) for supermarkets indicates that South African consumers are once again most satisfied with Woolworths, which has also achieved top spot the previous year. Omarjee (2017) posits that among the driving factors for this achievement was Woolworths' ability to provide quality products. The survey, conducted by Consulta, looked at the combined results of the Customer Expectations Index, Perceived Quality Index and the Perceived Value Index, all of which have a score out of 100. It measures customers' experience with a brand, the degree to which a product meets or falls short of their expectations and how well the actual experience compares with expectations. The survey compared retailers, namely Woolworths, Shoprite, Pick n Pay, Spar and Checkers. The industry average was at 76.2%, up from 75.7% in 2015. Woolworths' score was higher than the industry average at 82.1%, up from its score of 80.7% (Omarjee, 2017). This demonstrates that Woolworths brand is doing well and differentiates itself from its major competitors. Woolworths, the forward-thinking company, has and continues to pave the road forward in South Africa in many regards, be it in regard to strategy, employee benefits or technology.

SAcsi also revealed that loyalty declined across all supermarket brands. The overall score decreased from 76.4% in 2015 to 74.2%. Woolworths led in the loyalty category with a score of 77.3%, followed by Shoprite with a score of 74.9%. Pick n Pay scored 74.6%, Spar scored 73.5% and Checkers scored 72.5% (Fin24 News, 2017).

### **2.7.3 Significance of brands to companies**

- **Branding gets recognition**

Branding is critical not only to Woolworths but to every company because of the overall impact it has on the company. Branding is very important to a business since it serves as a means for a company to get recognition and become known to consumers (Taylor, 2017). The logo is the most important element of branding since it is essentially the face of the company. Therefore, a professional logo design should be powerful and easily memorable, like that of Woolworths, making an impression on a person at first glance. Printed promotional products are a way of getting this message across (Taylor, 2017).

- **Branding increases business value**

Branding is important when trying to generate future business. "A strongly established brand can increase a business' value by giving the company more leverage in the industry" (Taylor, 2017:9). This makes it a more appealing investment opportunity because of its firmly established place in the marketplace (Taylor, 2017).

- **Branding generates new customers**

A good brand will have no trouble drumming up referral business (Taylor, 2017). Strong branding generally means there is a positive impression of the company amongst consumers, and they are likely to do business with the company because of the familiarity and assumed dependability of using a name they can trust. Once a brand has been well-established, word of mouth will be the company's best and most effective advertising technique (Taylor, 2017).

- **Improves employee pride and satisfaction**

When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do (Taylor, 2017). Working for a brand that is reputable and held in high regard amongst the public makes working for that company more enjoyable and fulfilling. Having a branded office, which can often help employees feel more satisfied and have a sense of belonging to the company (Taylor, 2017).

- **Creates trust within the marketplace**

A professional appearance and strategic branding will help the company build trust with consumers, potential clients and customers (Porter & Kramer, 2006). People are more likely to do business with a company that has a polished and professional image (Taylor, 2017). Being properly branded gives the impression of being industry experts and makes the public feel as though they can trust a company, the products and services it offers and the way it handles its business (Taylor, 2017).

#### **2.7.4 Significance of brands to consumers**

- **Identification of manufacturer**

For customers, first and foremost, brands provide a means of identification of the manufacturer of a product and allow consumers to assign responsibility of that product to that maker (Percy 2008). Also, when consumers find themselves in a purchase or usage situation, and they see a brand that they recognise, they do not have to go through the entire process of analysing information and other products so that they can make a choice of the product that they want (Keller, 2008). For example, if a consumer walks into a grocery store in need of a chicken braai pack, and they see refrigerators filled with a variety of choices and the one that they easily recognise is Rainbow mixed portions, chances are they will go with that option.



- **Reduction of search costs**

Brands also reduce the search costs that consumers are faced with when they have to choose from a variety of products (Keller, 2008). This choice relates to the adage 'knowledge is power'. Consequently, if consumers are given more knowledge about a specific product, they are more likely to choose that product over others. The cost of goods changes frequently and unexpectedly hence consumers sometimes feel the need to search for more favourable prices. Well-branded products often result in consumers selecting them over others as all the necessary information about them are provided.

- **Signal of quality**

Popular and well-recognisable brands also serve the purpose of being an indication of quality. Consumers often assume that manufacturers of branded products know better than to lend their valuable brand name to a product with a low-quality standard. This means that consumers see brands as a promise of consistency and reliable standards of quality (Aaker and Joachimsthaler, 2000). Ideally, when customers see a brand on the shelf, they immediately understand the brand's promise and have confidence in its quality. Consumers need to believe in all brand promises for marketing communications to be effective and successful (Ha et. al., 2011).

- **Familiarity**

According to psychologists, familiarity induces liking (Thomson, MacInnis and Park, 2005). Even consumers who have never actually used a product or done business with a company but have encountered the brand or company identity on several occasions may even be willing to recommend it to others (Yudkin, 2012). For example, when consumers see the Woolworths logo on billboards, see pens with the brand logo and hear adverts on radio or see adverts on television, they may believe in the efficacy of their products even though they may not have any personal experience (Sabine et. al., 2006).

- **Risk reduction**

Popular and well-established brand names reduce the risks for consumers especially when they are buying new brands. This is true in the case of brand extensions as well (Yudkin, 2012). Companies that have proven track records find it easier to introduce other products to consumers who know that they can deliver. For example, when Woolworths introduces a new product, consumers will expect that it will also be as good, in terms of quality and taste, as the rest of the company's products (Sabine et. al., 2006).

## **2.8 THE BENEFITS OF BUILDING STRONG BRANDS**

There are endless benefits of building and maintaining a strong brand. Building strong brands in the 21<sup>st</sup> century business world has become a marketing priority for many organisations, Woolworths is no exception. “The presumption is that building a strong brand yields several marketing advantages” (Dapi, 2012:18). Retailers are likely to carry strong brands since they can be more confident that they will be able to sell them than those that are not. Since retailers carry a variety of products and many different brands in the same product category, the manufacturer must ensure that their brand is one that the retailer will want to carry since it is competitive enough. Retailers have the responsibility of making sure that in the eyes of the manufacturer, and ultimately the retailer, their products are a cut above the rest (Dapi, 2012).

- **Increased ability to diversify into new product or service categories**

Consumers are likely to adopt a new product with an existing brand name because if they have used a product with the same brand name before, they know how that brand performs, and if that product had positive brand associations, then those associations are likely to be transferred to the new product (Yudkin, 2012).

- **Improved ability to attract and preserve high quality employees**

A highly competitive brand would attract the kind of employees that are likely to succeed as well as the brand. If employees can see that the product they are marketing is a strong one on the market then they are likely to work as hard as they can to ensure that the product does well (Yudkin, 2012). Furthermore, it is easier to persuade employees to join a team that has a highly respected and competitive brand than one that does not.

- **Creation of unique identities**

Another primary benefit of branding is that it allows the creation of unique identities for a product or a group of products which in turn will allow for favourable brand positioning (Dahlen, Lange and Smith, 2010). Creating brand identities has become more and more important as some product categories have become more and more crowded. In creating these brand identities, Madhavaram, Badrinarayanan, and McDonald (2005) argued that it is the responsibility of the marketer to create positive brand associations in the consumers’ minds that will in turn work in their favour in the event that the customer is to have an experience with the brand. Brand positioning allows marketers to create positive perceptions for their brands in consumers’ minds relative to that of competitors.

Farjam and Hongyi (2015) stated that there is no doubt that the building of strong brands have innumerable benefits. However, in recent years, due to advance technological upgrades, branding has become more challenging. Consumers are now more knowledgeable than ever on the choices that they have (Kotler, 2008). The information that is at the disposal of consumers has grown more and more. Savvy consumerism, brand proliferation, media fragmentation, increased competition, increased costs and the need for greater accountability have come together to influence the way that marketers treat their brands (Keller, 2008). Marketers therefore spent most of their time developing strategies that will add value to the brand. This focus on brand value led to the development of the concept of brand equity.

## **2.9 INFLUENCE OF BRANDS ON PRODUCT PREFERENCE**

Brands play a central role in the development of a meaningful relationship between a manufacturer and a consumer (Pitt, 1998; Keller, 2008) since brands are the physical object that producers offer, and consumers receive. They offer consumers convenience in shopping because they provide easy identification and they take away the need for consumers to try a variety of products of unknown quality, attributes and benefits just to find the right fit (Percy, 2008). When a consumer walks into Woolworths Food store, he or she must be able to easily identify Woolworths branded products or any promotional set-up. When consumers establish their preference for a certain brand, they have faith that that the particular brand will perform consistently and provide just as much satisfaction over time (Pitt, 1998; Keller, 2008).

Another reason why brands are important in the establishment of brand preference is that they reduce the perceived risk that customers often associate with lesser known or non-branded products (Keller, 2008). The most common types of risk that consumers worry about are functional risk, which is the fear that a product will not perform to expectations; and financial risk, which is the fear that the product will not be worth the price that the consumer paid for it (Keller, 2008). Consumers tend to handle these risks by opting for well-known brands with which they or others that they know have had favourable past experiences with. The lower the perceived risk associated with the product, the more likely brand insistence will be achieved (Dapi, 2012).

In addition, Keller (2008:8) found that “brands can also serve as a symbolic device which allows consumers to project their self-image.” Different types of brands are often associated with certain types of people hence consumers believe that they reflect certain values and traits. It helps people to define to themselves and others who they are and communicates something about who they are (Fournier, 1997). For example, the handbag and luggage brand Gucci are

associated with affluence and being part of the “in crowd” therefore it is often seen in the possession of the rich and famous when they are travelling. This desire to project their self-image may play a significant role in consumers insisting on a particular brand (Romanuick and Sharp, 2004). Marketing communications which highlight these types of associations go a long way in establishing brand preference. They can play a significant role in the way that consumers relate to brands (James, 2012).

## **2.10 BRAND EQUITY**

A discussion on the topic of brand equity has to first start with understanding what brand is. The American Marketing Association (2014:3) explained “brand as a name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers to differentiate them from those of competitionl.” Shariq (2018) posited that at its root a brand is a mark of distinction that differentiates one thing from another: at one level, it is a material act; on the other, a philosophic process. “A product is something that offers a functional benefit (e.g., a toothpaste, a life insurance policy, or a car). A brand is a name, symbol, design, or mark that enhances the value of a product beyond its functional purpose” (Shariq, 2016:330).

According to Shariq (2018:318) contended that “brand equity is the added value with which a given brand endows a product and as a set 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 and/or to that firm’s customers.” Brand equity exists in the hearts and minds of the customers in the marketplace. Customer brand equity is only part of the whole: there are other customers along the chain, the sellers have brand equity and so do outside influencers (Shariq, 2018). It is important to realize that brand equity is the intangible asset created by marketing endeavour (Ambler, 1997).

Furthermore, brand equity can be summed up as the value generated by a brand, by virtue of its name and the associations and emotional connection that the consumer has in his/her mind (Shariq, 2018). Brand equity imparts competitive advantages to the firm. First, Shariq (2018) found that a strong brand provides a platform for new products and for licensing. Second, a strong brand has the resiliency to endure crisis situations, periods of reduced corporate support, or shifts in consumer tastes (Farquhar, 1989). Brand equity has the potential to add value for the firm by generating marginal cash flows in at least half a dozen ways. First, it can enhance programs to attract new customers or recapture old ones. Second, the last four brand equity dimensions can enhance brand loyalty. Third, brand equity will usually allow higher margins

by permitting both premium pricing and reduced reliance upon promotions. Fourth, brand equity can provide a platform for growth via brand extensions. Fifth, brand equity can provide leverage in the distribution channel. Finally, brand equity assets provide a competitive advantage that often presents a real barrier to competitors (Shariq, 2018).

According to Kenton (2018), brand equity has three basic components: consumer perception, negative or positive effects and the resulting value. Foremost, consumer perception, which includes both knowledge and experience with a brand and its products, builds brand equity. The perception that a consumer segment holds about a brand directly results in either positive or negative effects. If the brand equity is positive, the organisation, its products and its financials can benefit. If the brand equity is negative, the opposite holds true (Kenton, 2018).

**Table 2. 2: FURTHER DEFINITIONS OF BRAND EQUITY**

<b>Researcher</b>	<b>Definition</b>
Farquhar (1989)	Added value endowed by the brand to the product
Aaker (1991)	Set 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 and/or to that firm's customers.
Keller (1993)	The differential effect of brand knowledge on consumer response to the marketing of the brand
Simon and Sullivan (1993)	Cash flow differences between a scenario where the brand name is added to a company product and another scenario where the same product does not have brand name.
Rangaswamy et. al., (1993)	Favorable impressions, attitudinal dispositions, and behavioral predilections
Lassar, Mittal and Sharma (1995)	The enhancement in the perceived utility and Desirability a brand name confers on a product
Park and Srinivasan (1994)	The difference between overall brand preference and multi attributed preference based on objectively measured attribute levels
Yoo et al., (2000)	The difference in consumer choice between a branded and unbranded product, given the same level of features
Vázquez et. al., (2002)	The utility that the consumer associates to the use and consumption of the brand.
Ailawadi et. al., (2003)	Outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name"

Baldauf et. al., (2003)	Reflection of the premium price the firm charges for a strong brand combined with the sales it is able to attract compared to other average brands in the same product category
Clow and Baack (2005)	Set of characteristics that make a brand unique in the marketplace
Kotler and Keller (2006)	A bridge between the marketing investments in the company's products to create the brands and the customers' brand knowledge
Yasin et. al., (2007)	Consumers' favoritism towards the focal brand in terms of their preference, purchase intention and choice among brands in a product category, that offers the same level of product benefits as perceived by the consumers.

Source: (Farjam and Hongyi, 2015)

- **Brand equity example**

A general example of a situation where brand equity is important is when a company wants to expand its product line. If the brand's equity is positive, the company can increase the likelihood that customers might buy its new product by associating the new product with an existing, successful brand. For example, if Knorr releases a new soup, the company is likely to keep it under the same brand name rather than inventing a new brand. The positive associations customers already have with Knorr make the new product more enticing than if the soup has an unfamiliar brand name.

## **2.11 BRANDING EQUITY OF RETAIL FOOD OUTLETS**

Brand equity is the power of the brand that is built in the minds of the consumers on the basis of what they have learnt, seen, felt and heard about the brand (Keller, 1998). Brand equity is a critical factor in company profitability (Chieng and Goi, 2011). Musekiwa, Chiguvu and Hogo (2013:45) argued that “the concept of retail brand equity has become a competitive tool for successful retailers in today's competitive market characterised by increase in demands by customers, increased competition and shrinking disposable income.” Most stores have realised that it is cheaper to retain than to attain new customers through brand equity. This research sought to examine the relationship between Woolworths brand equity and CSR. Woolworth supermarkets are one of the biggest retail chains in South Africa by number of outlets and market share along with big players like Checkers, Food Lovers Market, Makro and Pick n Pay.

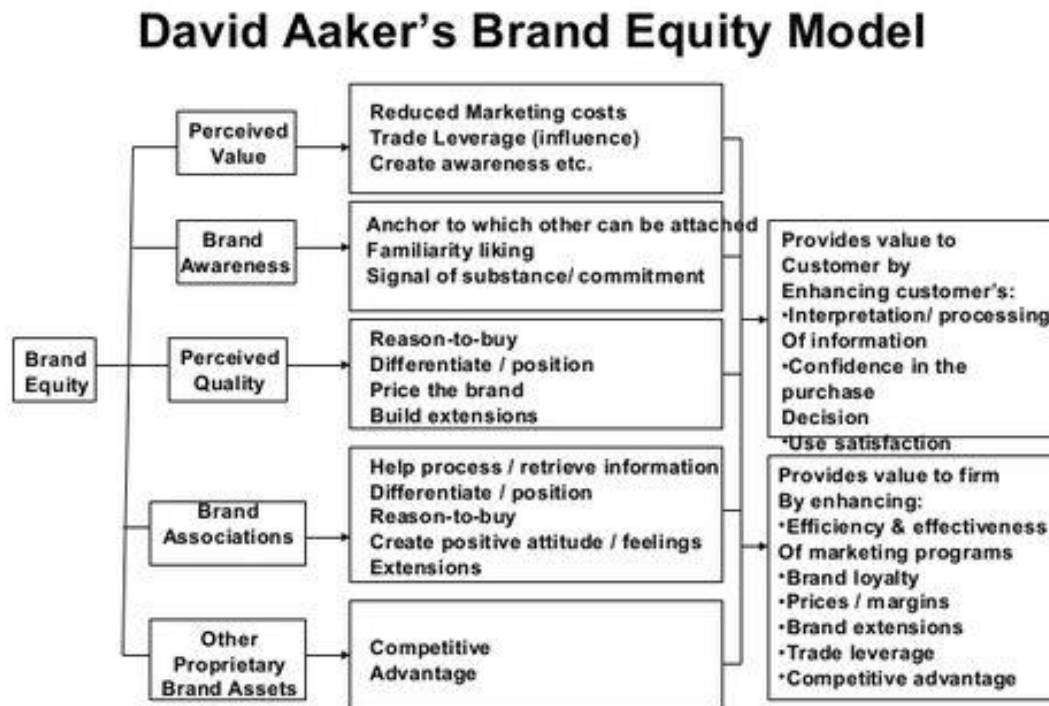
On the other hand, the increase in consumer demands, competition and slow market growth are some of the factors that have complicated the marketing environment (Musekiwa, Chiguvu and Hogo, 2013). As a result, retail brand equity has become a strategic issue in the business performance. Retailer equity provides benefits like the retailer can charge premium price, guaranteed repeat purchases, it provides competitive advantage where competing products provide same benefits, and the retailer can successfully develop private labels which over the years have contributed a large proportion to sales with some cases of 70% of sales (Musekiwa, Chiguvu and Hogo, 2013). Musekiwa, Chiguvu and Hogo (2013) study on retail equity dimensions revealed that store awareness and store association had a positive correlation confirming positive relationship between perceived quality and brand equity.

## **2.12 AAKER'S BRAND EQUITY MODEL**

A powerful brand enhances the positive attitude of consumers toward all products related to that brand (Khan and Nomani, 2006). The positive attitude results from involvement with and experiencing the product. Customers' awareness of and constant relation with the brand lead to the perceived quality, complete perception of the product, and finally, their loyalty toward the brand (Aghaei, et. al., 2013). In addition, Aaker (1996:67) "defined brand equity as the brand assets (or liabilities) linked to the brand's name and symbol that add to (or subtract from) a product or service" – to put it simply, brand equity derives from consumers' perceptions of a brand, product or service. Brand equity is reflected in the way consumers act, think and feel with regards to the brand as well as in the price, market share and profitability that the brand commands.

Aaker (1992) provided the most comprehensive brand equity model which consists of five different assets that are the source of the value creation. These assets include brand loyalty; brand name awareness; perceived brand quality; brand associations in addition to perceived quality; and other proprietary brand assets - e.g., patents, trademarks, and channel relationships (Farjam and Hongyi, 2015 cited in Aaker, 1992). Brand equity is strategic; it is the base for competitive advantage as well as long-term profitability. Brand equity needs to be measured and monitored constantly. Various brand equity models exist, however, in relation to this study the researcher selected the models of Aaker and Keller. Firstly, Aaker's model will be discussed which consists of four dimensions: brand awareness, perceived quality, brand associations and brand loyalty which is then followed by a discussion of Keller's model.

Figure 2. 5: AAKER'S BRAND EQUITY MODEL



Source: Aaker's (1992, 1996)

#### 2.12.1 Brand awareness

Brand awareness involves brand recognition and brand recall. The value of brand awareness is often not given enough attention. Dapi (2012) asserted that awareness can lead to familiarity, and it seems that people prefer the familiar. Brand awareness is the extent to which a brand is known among the public, which can be measured by the following parameters:

- Familiarity and likeability.
- Anchor to which associations can be attached.
- Commitment to a brand.
- Brand to be considered during the purchasing process (Dapi, 2012).

For instance, when it comes to brand awareness, Woolworths has completely been dominating the market with their organic products in food retail stores. Woolworths offers organic food that naturally grew from agriculture without assistance of chemicals. Woolworths is the popular brand in the eyes of the public with their simple logo (white and black). Woolworths has been offering customers online purchase of grocery items from their website. This is a "click and collect" and home delivery service for Woolworths supermarkets. These customers buy food,



sticking to their budget and to their timing. They find all the items that they need rapidly and easily. Customers products gets delivered on time (WHL, 2020). In addition, one can even argue that it is not the products itself that has made Woolworths one of the most recognisable brands in the country, but its brilliant marketing strategies.

### **2.12.2 Perceived quality**

Perceived quality relates to a consumer's opinion on the extent to which a particular product will be able to meet his/her expectations. Perceived quality has a massive effect on profitability and influences brand associations Dapi (2012). According to Timothy (2012), the extent to which a brand is considered to provide good quality products can be measured based on the following criteria:

- Availability in different sales channels (Are products widely available?)
- The number of line/ brand extensions
- Level of differentiation / position in relation to competitor brands
- Price
- The quality offered by the product/brand is a reason to buy it (Dapi, 2012).

For instance, Woolworths has an undeniable sense of perceived quality associated with the brand. Woolworths specialises and offers quality grocery products (vegetables, fruit, meat, packaged foods, etc.), but also sells magazines, DVDs, health and beauty products, household products, pet and baby supplies, and stationery. In addition, Woolworths offers quality clothing such as babies, children, men and women clothing (t-shirts, dresses, pants, suits, shoes, belts, underwear's, accessories), homeware and financial services (Taylor, 2016).

### **2.12.3 Brand associations**

Brand association provides meaning to a brand. Associations are key to any brand since brand managers/leaders have the task to determine what associations should be developed and created (Dapi, 2012). What associations do leaders/managers want to adopt? Associations include user imagery, product attributes, organisational associations, brand personality as well as symbols (Gillian and Wilson, 2009). Aaker (1996) asserted that associations triggered by a brand can be assessed on the basis of the five following indicators:

- The extent to which a brand name is able to 'retrieve' associations from the consumer's brain.
- The extent to which associations contribute to brand differentiation in relation to the competition.

- The extent to which brand associations play a role in the buying process.
- The extent to which brand associations create positive attitudes/feelings.
- The number of brand extensions in the market (Aaker, 1996).

For instance, Woolworths partners with many organisations. An example of an organisation that is associated with Woolworths is FoodForward SA. The company has associated itself with FoodForward to address food security. This is a partnership that will enable FoodForward to provide an additional 1.2 million meals annually to the needy through redistribution of the edible surplus food collected from producers, manufacturers, wholesalers, and retailers such as Woolworths. FoodForward is an organisation that was formed in 2009. Its main aim is to recover perfectly edible food that would otherwise go to landfill and redirect to the needy.

#### **2.12.4 Brand Loyalty**

The heart of a brand's value. The goal should be to strengthen the size and intensity of loyalty segments. Aaker (1996:89) contended that "a brand with a small but intensely loyal customer base can have significant equity." The extent to which people are loyal to a brand is expressed in the following factors:

- Reduced marketing costs (Hanging on to loyal customers is cheaper than charming potential new customers).
- Attract new customers – current customers can help boost name awareness and bring in new customers.
- Trade leverage – loyal customers represent a stable source of revenue for the distributive trade.
- Time to respond to competitor threats – loyal customers that are not quick to jump to another brand give a company more time to respond to competitive threats (Aaker, 1996).

Woolworths has created an emotional connection with its customers through their philanthropic actions. Woolworths distributes their products to not-for-profit organisations that focus on early childhood development, skills development, care for abused women and children and, homes for the elderly. In essence they look after the vulnerable communities. Two good example of a not-for-profit organisation are the Khumbulani Health, Education, and Resource Centre and the Sozo Foundation which focus on feeding children, skills development and training and the, wellbeing of the community. Therefore, customers know the passion and

dedication that go into making Woolworths branded products and customers feel the emotional connection when owning one because of their philanthropic action.

### **2.13 KELLER'S CUSTOMER-BASED BRAND EQUITY (CBBE)**

Building a strong brand is the goal of many organisations (Keller, 2011). "Building a strong brand with significant equity is seen as providing a host of possible benefits to a firm, including greater customer loyalty, and less vulnerability to competitive marketing actions" (Keller, 2011:59) and marketing crisis, larger margins as well as more favourable customer response to price increase or decreases, greater trade or intermediary cooperation and support, increase marketing communication effectiveness, licensing and brand extension opportunities (Keller, 2011).

- **Four steps of customer-based brand equity**

Brand equity is the holy grail in the subject of branding. The ultimate objective of a branding team is to increase the brand equity of an organisation (Bhasin, 2018). This can be done in various ways, and one of the ways is to use the Keller's Brand Equity Model or CBBE model. As marketing evolved, companies prioritise their customers and view them as their main focus. Companies know that if they keep their customers happy, they will profit. But how do these companies make a connection with their customers? They build a strong brand (Bhasin, 2018). In retailer's news by Taylor (2016:8), Woolworths marketing manager of Woolworths Food Daisy Masiangoako argued that "Woolworths is a brand built on good values and is committed to doing things sustainably. Our good business journey means that Woolworths is socially and environmentally responsible. We want to contribute to economic development and give back to communities while ensuring that we are treading lightly on the planet. Woolworths wants to offer customers value that is produced with values. Sustainability is at the top of our agenda." If there is a connection between the brand and the consumer, it results in positive brand equity and the company has a better chance of acquiring and sustaining customers, thereby giving a huge advantage to the companies and products which are considered as "brands".

Moreover, the concept behind the brand equity model is simple: in order to build a strong brand, a company must shape how customers think and feel about their brand. A company must build the right type of experiences around their brand, so that customers have specific, positive thoughts, feelings, beliefs, opinions, and perceptions about it (Investopedia, 2019). When a company has strong brand equity, customers will increase their purchasing from that company, and they will even recommend it to other people, they are more loyal, and the company is less

likely to lose them to competitors (Investopedia, 2019). The model, seen in Figure 2.5 below, illustrates the four steps that a company needs to follow to build strong brand equity.

**Figure 2. 6: KELLER’S CUSTOMER BASED BRAND EQUITY MODEL**



Source: Keller, 2008

### 2.13.1 Brand Identity

Brand identity is the way customers look up to a brand and how they distinguish brands from others. It is how the brand defines itself in the eyes of the customer. When someone introduces himself to others it includes telling people about him and what he does. A similar concept applies to building a brand identity (Brakus, Schmitt and Zarantonello, 2009). Bhasin (2018) states that brand identity is built when customers are unaware of the company's products. The brand needs to build a strong brand identity for the benefit of the brand and to attract the customers (Bhasin, 2018). Because brand identity is the first step in Keller's Brand Equity Model, it is the most important step and serves as the base of the brand equity pyramid. If the base is strong, the pyramid will be stronger. Thus, once brand identity is built strongly from the start it would be better for the brand (Bhasin, 2018).

- **How to use brand identity to build equity?**

Nowadays many online companies spend billions on advertising and create awareness even before they have profits in the firm (Blitzer, 2017). This assists in creating a brand identity and

build brand awareness right from the start. A massive advertising campaign right at the start ensures that every target customer is aware of the brand and its values are being communicated directly to the customer (Bhasin, 2018). As a result, there is no misinformation and the promise going to the customer comes directly from the brand. A customer starts perceiving the brand through its communication and this builds brand identity. This is clearly the awareness and identity creation stage and the brand is more involved in telling customers “Who they are” (Bhasin, 2018).

### **2.13.2 Brand meaning**

When you meet someone and know who she/he is other questions starts forming in your mind. What do they do? Where are they working? How well is their life? Just like these questions come to the mind, customers want to know more about brands as well (Acharya, 2018). Once a customer is aware of a brand, s/he wants to know more about the brand. The customer would like to know whether the brand is reliable, whether it is good to use over a long period of time, if it has good customer service and other such important information (Acharya, 2018). The customer is trying to understand the brand and get to know more about it.

This second level of Keller’s Brand Equity Model is divided into 2 parts – factors which define the brand meaning for customers:

a) Brand Performance – The performance of the brand is important for the customer. Companies like Bosch, Samsung, Huawei and many others have become the brands that they are today because of their performance over time. Similarly, services like Google, Microsoft, Apple operating systems are loved and trusted because of their performance over time (Akgun, Kocoglu and Imamoglu, 2013). The following are five factors that are considered in performance:

- Product features
- Product reliability
- Customer service
- Style and design
- Pricing of the product or service (Bhasin, 2018)

b) Brand Imagery – What is the image of the brand in the eyes of the customer? How does the customer perceive the brand if it were to be human? Does he think the brand is rugged, or does he think the brand is soft? (Bhasin, 2018). For instance, BMW as a brand needs to be rugged,

but Barbie needs to be soft as a brand. Sandstrom and Norton (2013) argued that targeted marketing and word of mouth can build a strong brand image for the brand.

### **2.13.3 Brand response**

Once a customer buys a company's product, they build up expectations towards the brand and the purchase (Bhasin, 2018). If the reality matches their expectations, then the customer is very happy and has positive feelings about the brand (Bhasin, 2018). If the product goes beyond expectations, it generates huge word of mouth and may turn the customer into becoming a brand advocate (Bhasin, 2018). Such positive experiences generate "feelings" in the minds of customers. However, if the experience is bad, the customer is left with negative feelings toward the brand which are known as "judgements" (Deibert, 2017). As per Keller's Brand Equity Model, Bhasin (2018:27) argued that "a brand which has more feelings than judgements is a brand which benefits in building brand equity." Hence, the brand response is higher up in the brand equity pyramid.

Therefore, based on various experiences of the customers, Bhasin (2018) argued that customers build positive feelings or negative judgements towards the brand and respond accordingly. The balance between "judgements and feelings" is important for the brand to build brand equity (Douce and Janssens, 2013). If there are too many customers holding negative judgements for the brand, the company may try their level best to sell their products, but the products will not sell in the market due to these judgements (Douce and Janssens, 2013). Douce and Janssens (2013) asserted that a company needs to have a higher amount of positive "feelings" to counter the negative judgements. As a result, the measurement of post-sale behaviour and brand response in the market is essential for a company that is serious about building brand equity (Bhasin, 2018). Companies need to build positive feelings for which they need holistic marketing so that the customer is happy at the various touch points of the brand.

### **2.13.4 Brand resonance**

Brand resonance sits at the top of the brand equity pyramid because it is the most difficult – and the most desirable level to reach (Bhasin, 2018). A company has achieved brand resonance when their customers feel a deep, psychological bond with its brand (Fischer, 2015).

Bhasin (2016) cited in Keller (2011) breaks resonance down into four categories:

- Behavioural loyalty: This includes regular, repeat purchases.
- Attitudinal attachment: Your customers love your brand or your product, and they see it as a special purchase.

- Sense of community: Your customers feel a sense of community with people associated with the brand, including other consumers and company representatives.
- Active engagement: This is the strongest example of brand loyalty. Customers are actively engaged with your brand, even when they are not purchasing it or consuming it. This could include joining a club related to the brand; participating in online chats, marketing rallies, or events; following your brand on social media; or taking part in other outside activities.

#### **2.14 MEASURING CUSTOMER-BASED BRAND EQUITY MODEL**

De-Chernatony and Cottam (2006:619) “suggested that instead of using one comprehensive methodology to evaluate brand success, a range of financial and non-financial measures should be applied that collectively provide the necessary insight”. Agarwal et. al., (1996) explain two different approaches to measure brand equity; the direct approach and indirect approach. The direct approach tries to assess the added value of the brand and appears to be the accepted definition of brand equity (Farquhar, 1989; Keller, 1993). The indirect approach tries to identify the potential sources of brand equality. An understanding of these sources for a firm’s own and competitive brands is critical for the brand manager (Keller, 1993).

Agarwal et al., (1996) argue that both these authors (Aaker and Keller) suggested a variety of indirect measures and methods to estimate brand equity based on their frameworks. For example, Aaker (1991) suggests using repurchase rates, switching costs, level of satisfaction, preference for brand and perceived quality on various product and service dimensions as potential measures among others. Likewise, Keller (1993) suggested correct top-of-mind recall, free associations, ratings of evaluations, and beliefs of associations as some of the measures of brand knowledge. Ravi (2005) argued that developing further insights into the measurement of consumer-based brand equity is important in the face of the prominence of branding. “Understanding the dimensions of brand equity, then investing to grow this intangible asset raises competitive barriers and drives brand wealth” (Yoo, Donthu and Lee, 2000:104). How to measure brand equity is very important in assessing the value of brands.

#### **2.15 CHOOSING BRAND ELEMENTS TO BUILD STRONG BRAND EQUITY**

Every brand has a variety of elements that make up its identity (Farhana, 2012). As with all the other marketing aspects of the marketing communications programme, brand elements need to be chosen such that they facilitate the formation of strong, favourable and unique brand associations. According to marketing theorists (Keller, 2008; Zheng, 2010,) six criteria are generally to be considered when choosing brand elements:

- **Memorability**

Memorability refers to the ability of a brand element to be easily recalled or recognised under different situations (Keller, 2008). It is easy for a brand to be retained in the mind of a consumer if it is unforgettable or attention grabbing. Memorability is necessary for recall and recognition (Dapi, 2012). Brand elements should be selected in a way that consumers will easily recall them when the need arises. This goes a long way in developing brand awareness and brand equity (Prem, 2012). Marketing communications that are memorable help in the building of memorable brand elements. For example, Television show called Afternoon Express playing weekdays at 17:00pm on SABC 3, show chefs cooking different kinds of cuisine. One Chef, Clement Pedro revealed all the steps that cooks need to make in a plant-based curry. Chef Pedro takes cooks through all the steps, from roasting spices to creating a moreish ed result, like delicious pumpkin and curry. Woolworths advertised the ingredients that are required for the roasted pumpkin and this strategy increase their memorability to the customers. An Afternoon Express is a lifestyle show that gives women an opportunity to interact and engage daily, gaining many ideas from cooking, fashion, well-being and even finance (Afternoon Express Website, 2020).

- **Meaningfulness**

This brand element should provide meaning for the consumer while simultaneously communicating general or specific information about the product. Firstly, the brand element should have a descriptive meaning that implies or suggests something about the product category under which that brand falls (Dapi, 2012). The consumer must be able to identify the product category based on more than one element and that element should be credible for that product category (Keller, 2008). For example, Woolworths has revamped its Fresh Food People campaign, leveraging the brand's association with quality produce.

In addition, a brand element should provide specific information about the attributes and the benefits of that brand (Kim and Johnson, 2011). This means that something about the ingredients, functional uses or type of user should be communicated by that brand element. For example, Woolworths has been growing its WooliesX division, which uses data to improve its digital offerings, such as mobile apps and scan-and-go shopping (Pash, 2019). This provides customers with meaningfulness such when they pay for a particular item they can just scan and go.



- **Likeability**

Likeability refers to the ability of the brand element to be aesthetically appealing (Zheng, 2010). The consumers must be able to find the brand element appealing, both visually and verbally. Brand elements need to be entertaining and interesting while at the same time being rich in imagery and inherently fun (Keller, 2008). The primary advantage of likeable brand elements is that they reduce the burden on the marketing department of having to constantly do brand awareness campaigns (Kim and Johnson, 2011). This can be ascribed to the fact that the brand element will have been descriptive enough to provide all the necessary product benefits. Likeability is critical in product categories where actual product differentiation is not possible (Kim and Johnson, 2011). For example, although most consumers believe that Woolworths is different from other premium clothing and food stores, the look and feel of the actual clothes and food are not different from other competing brands such as Food Lovers, Walmart, Target Corporation, Kroger and Cape Union Mart. Brand elements that differentiate will be essential and will be helpful in creating positive brand associations which will develop customer-based brand equity (Kim and Johnson, 2011).

- **Transferability**

Transferability refers to the ability of the brand element to be transferred to other products under the same brand (Dapi, 2012). This means that a brand element must be able to add to the brand equity of a new product. When the opportunity to extend a brand arises, the brand element should not be such that a name change is necessary or that a new name for the extension is created (Zheng, 2010). For example, it would be difficult for Toys “R” Us to extend to other product categories since the name suggest that it sells toys whereas Amazon.com is able to sell a variety of products since the name does not suggest what products are being sold. A further consideration for transferability of a brand element is its ability to add brand equity across different geographic boundaries and market segments (Keller, 2008).

- **Adaptability**

Another important criterion when selecting brand elements is adaptability, which refers to the ability of the brand element to be changed over time (Dapi, 2012). This is important due to changing social trends and consumer values and opinions over time. The brand element needs to be flexible and adaptable so that is easier to update, and as such the marketing communications of that brand are also easy to adapt (Dapi, 2012). For example, the Betty Crocker spokesperson image has been changed eight times in 60 years so as to make her look more modern by giving her modern clothes and accessories (Dapi, 2012). It is very important

for brand elements to move with the times and seasons as it makes the company seem more innovative. In addition, Woolworths' muffins are like cupcakes, but customers can eat them for breakfast. These particular muffins are also vegan and include some delicious berries (Woolworths Website, 2020).

- **Protectability**

Protectability refers to the extent to which a brand element can be protected legally, and also from competitors (Prem, 2010). If the brand element such as the name, colour and packaging is something that can be easily copied, especially in the absence of a trademark, then that element will lose its uniqueness (Dapi, 2012). It is therefore necessary for brand elements to be protected legally so as to avoid competitors using them and the company losing billions of sales from consumers who believe that the competing product belongs to the family brand. Not only should the brand element be protected locally but internationally as well (Dapi, 2012). By selecting appropriate brand elements, Dapi (2012) states that marketers can mix and match these elements according to the different roles that each brand element plays in the brand building process. Ultimately, when all these brand elements are put together, they need to create the desired and appropriate brand identity. These elements need to be consistent with each other in order to create the appropriate brand identity (Dapi, 2012). Woolworths is a registered brand and is protected.

## **2.16 SUMMARY**

This chapter provided an extensive review of literature relating to the study which focuses on CSR and brand equity. CSR and brand equity were explained in detail. This chapter further presented a conceptual framework. The CBBE models by Keller (2008) and Aaker (1996) respectively were presented as the theoretical framework. These models illustrated how CSR can be used in the four stages of brand building to develop customer-based brand equity. The following chapter will discuss the Woolworths brand and how the above-mentioned conceptual framework are applied practically in their brand building.

## **CHAPTER THREE**

### **WOOLWORTHS LIMITED BRAND**

#### **3.1 INTRODUCTION**

The preceding chapter reviewed the related literature on corporate social responsibility and brand equity. It further outlined the conceptual framework, dimensions of CSR and presented brand equity models of Aaker and Keller. The purpose of Chapter Three is to present a brief history and overview of Woolworths as a brand. The chapter will include a discussion of Woolworths brand elements such as its logo, symbol and brand name, integrated marketing communication tools that are employed by Woolworths Company in South Africa to market their products, and the impact that they have on the image of the brand and as a result, on brand equity.

#### **3.2 BRIEF HISTORY**

Woolworths was founded by Max Sonnenberg and his son Richard. Woolworths South Africa first opened its doors on 30 October 1931 in Plein Street, Cape Town, in what was previous the stately dining room of the famous old Royal Hotel. While Sonnenberg had no affiliation with Woolworths in Europe, North America or Australia, his plan was to develop a chain of stores based on Woolworths Australasia (Woolworths Non-Confidential Report, 2016).

Furthermore, a pivotal point in Woolworths' history came after World War II when the company established its relationship with Marks & Spencer (M&S) of London. Sonnenberg and Sir Simon Marks, son of M&S founder, became good friends which led to M&S buying all unissued share capital of Woolworths in 1947. Later, David Susman, Woolworths' managing director, married Ann Laski, Lord Marks' niece. David Susman became a non-executive director of M&S, a position he held for nearly 30 years. Although M&S ultimately sold its shares of Woolworths, the two companies maintained close personal ties and had a formal technology agreement in place (Woolworths Non-Confidential Report, 2016).

In addition, Woolworths merged with Truworths in 1981 to form the Wooltru Group (JSE: WLO). Over a twenty-year relationship the company underwent many transformations that significantly improved sales and profits, before it was partially unbundled from the group in 1997. In 1998, the company bought a controlling interest in an Australian clothing retailer, Country Road. Woolworths became fully independent again in 2001 (Woolworths Non-Confidential Report, 2016).

Simon Susman, David's son, became Chief Executive of Woolworths in 2000. David Susman died on 11 May 2010 at the age of 84. Simon Susman resigned from his post as CEO at the end of 2010 (Woolworths Non-Confidential Report, 2016).

In 2014, Woolworths acquired Australian department store David Jones for \$2.15 billion. Woolworths then announced that CEO of Country Road Iain Nairn would succeed Paul Zahra as chief executive. Following the takeover, to fund part of the purchase, Woolworths offered the iconic 1938 Market Street store for sale (Woolworths Non-Confidential Report, 2016).

### **3.3 OVERVIEW OF WOOLWORTHS**

Woolworths Holding Limited (WHL) consists of three major operating divisions:

- Woolworths based in South Africa and operating across eleven countries in Sub-Saharan Africa.
- David Jones based in Australia and New Zealand, and
- Country Road Group based in Australia and trading in Australia, New Zealand and South Africa.

In addition, “Woolworths Financial Services (WFS) is a joint venture between Woolworths and Barclays Africa Group, with Barclays Africa Group owning 50% +1 share. The WFS board is constituted with directors from both WHL and Barclays Africa Group, with discretion on credit policy, risk and funding aspects received from Barclays, and direction on customer integration from WHL” (WHL Report, 2016:16).

### **3.4 WOOLWORTHS VISION, MISSION AND VALUES**

The vision of WHL is to be the leading retail group in the southern hemisphere. Its mission is to be the first choice for customers who care about value, innovation and sustainability in the southern hemisphere (WHL Report, 2016).

WHL values inform and underpin the way it does business across the group. From value-based leadership to passionate brand advocacy, WHL seeks to embed its values across all dimensions of its business. The following are core values of WHL:

- Quality and style – always exceptional
- Value – always value with values
- Service – always customer first
- Innovation – create the difference
- Integrity – do what you say you will do and be transparent

- Energy – be passionate and deliver
- Sustainability – build for a better future (WHL Report, 2016).

### **3.5 WOOLWORTHS SOUTH AFRICA**

Woolworths is a South African-based retailer with operations across the southern hemisphere. It is one of the top 40 companies listed on the JSE Limited Securities Exchange (JSE) (WHL Report, 2016). “The Woolworths brand incorporates a series of food stores, some of which are attached to department stores, while others stand alone or are attached to Engen fuelling stations in prosperous urban areas” (WHL Report, 2016:58). Some branches include an in-store restaurant, branded as "Cafe W". Woolworths’ goods are sold at 149 corporate stores, 51 international franchise stores throughout the rest of Africa and the Middle East and 69 South African franchise stores nationwide. Woolworths sells clothing and accessory items under several premium brands, namely Country Road, Witchery, Mimco and Trenery (WHL Report, 2016).

The chain was named after the United States chain F. W. Woolworth Company, and the name was adopted legally without permission as a result of the trademark laws of the time (WHL Report, 2016). No financial connection ever existed between the companies. Similarly, Woolworths Holdings Limited is not to be confused with Woolworths Limited, an Australian retail company.

### **3.6 WOOLWORTHS BRAND ELEMENTS**

Woolworths Supermarkets (also known as “Woolies”) is a supermarket/grocery store chain in South Africa (WHL Report, 2016).

#### **3.6.1 Brand Name**

Right now, Woolworths is a very prestigious and famous quality brand in South Africa. However, compared to its main competitors like Food Lovers Market, Checkers and Pick n Pay, the brand name is too long to be easily remembered. To deal with that, the company gave itself a nickname, Woolies. It is a very subtle move because even a child is easily able to read the name.

#### **3.6.2 Logo and Symbol**

The logo of Woolworths is an English letter “W” which, obviously, stands for Woolworths. The word “Woolworths” is written in bold white/black so that it is clearly visible and easily recognisable to customers.

**Figure 3. 1: WOOLWORTHS LOGO**



Source (Woolworths Logo, 2018)



Source: (Woolworths Logo, 2018)

**Figure 3. 2: SYMBOL**

Another important symbol of Woolworths is its store arrangement and the image in the front of the store.



Source: (Woolworths website, 2017)



Source: (Woolworths website, 2017)



Source: (Woolworths website, 2017)

### 3.7 INTEGRATED MARKETING COMMUNICATION OF WOOLWORTHS

Marketing consists of marketing mix strategies that organisations develop to transfer value, through exchange, to their customers (Dinnie, Melewar, Seidenfuss, and Musa, 2010). “Communication is a process that conveys shared meaning between individuals, or between organisations and individuals.” (2010:388). When combined, marketing communication

represents all the elements of the marketing mix that facilitate exchanges by targeting the brand to a group of customers, positioning the brand as being distinct from competitive brands and sharing the brand's meaning and unique differences with the product's target audience. By maintaining a consistent message over time and across various forms of communication media, a brand can achieve a competitive market share (Dinnie et. al., 2010).

Furthermore, integrated marketing communication (IMC) is an essential part in the process of the organisation's pursuit to increase their market share, introduce new products to the market and increase sales volume (Lemon and Verhoef, 2016). Weinstein and Ryan (2010) posit that when a plan is designed based on the identified needs and implemented very well, then the organisation will not regret actions taken to introduce a new product in the market. It is with this view in mind that the following illustration provides details of the IMC for Woolworths.

**Figure 3. 3: INTEGRATED MARKETING COMMUNICATION**



Source: (Stark, 2018)



Before any product is sold to the customer it needs to be communicated through different methods of communication such as at trade fairs, advertising via radio, newspaper, billboards or television, or selling the product directly to the customer. IMC addresses a strategic process for brand communication (Ots and Nyilasy, 2015). IMC requires marketers to broadcast a coherent story through different methods of communication and platforms as mentioned above to reach consumers across several touch points (Iacobucci, 2013).

According to Killian and McManus (2015:542), IMCs that performs well are steered by four principles:

- Consistency – organisational alignment and consistent messages across all marketing communication platforms. For example, in their Facebook account, Woolworths shows beauty insider, Rushana Isaacs, followers and beauty products customers how to prepare, prime and apply a shimmering spring look. The tutorial video is also available on Woolworths Instagram account (Woolworths Facebook, 2020).
- Commitment – to the platform and understanding the audience engaging with the brand on the platform, and the conversations that are being conducted. For instance, Woolworths show commitment by engaging with its audience on Facebook. Make-up artist, Renee de Wit, recommended switching up skincare to protect skin while wearing a mask during the coronavirus pandemic (Woolworths Facebook, 2020). The tutorial video was posted on Woolworths website.
- Customisation – tailored brand messages that build a personal connection with consumers. There are four seasons yearly, namely spring, summer, autumn and winter. During the spring season for instance, Woolworths celebrates the season with the gorgeous blooms that customers can buy to add a pop of plant-life to their homes (Woolworths Facebook, 2020).
- Caution – responding with caution to consumer commentary on social media platforms. For example, when a customer is inquiring something live on Facebook page, the Facebook administrator comments and requests the customer to download the Woolies app since its customer friendly and convenient. Alternatively, customers are requested to kindly contact Woolworths for further assistance on 0860 022002 (Woolworths Facebook, 2020).

In addition to these guiding principles, an effective IMC approach assesses the desires of the target market and understands how to communicate with consumers through suitable channels.

Once understood, an action plan should be developed to align the organisation with its IMC approach (Wienclaw, 2015).

### **3.8 COMMUNICATION OBJECTIVES**

The fundamental objective of marketing communication (MC) is to communicate, compete and convince customers. In addition, the aim of MC is to communicate ideas to the target audience (Hong, 2016). Moreover, according to Rohini (2018:9) “defined marketing communication as the strategy used by a company or individual to reach their target market through various types of communication. Marketing communication includes advertising, direct marketing, branding, packaging, sales presentations, trade show appearances etc.” Furthermore, Rohini (2018) argued that marketing communication objectives are long term goals where marketing campaigns are intended to drive up the value of a brand over time. “In contrast to sales promotions, which are short-term inducements to buy, communication goals succeed when you persuade customers through consistent reinforcement that your brand has benefits they want or need.” (Rohini, 2018:10). Moreover, whatever “is communicated should be accurate, truthful, and useful to the parties involved. Because of the pervasiveness of marketing communication, it has a unique responsibility to communicate with integrity. Discussed below are communication objectives” (Rohini, 2018:11).

#### **3.8.1 Positioning strategy**

Positioning strategy is a technique that is employed in order to allow a brand to have a distinct place in the market and in consumers’ mind (Howard, 2008). It is a strategy that is utilised so that marketing is effective (Howard, 2008). Positioning strategy entails the identification of points of parity and points of difference that allow the product to meet standards as well as present products of added value based on price, quality, functionality and innovation aspects (Blankson et. al., 2012). In order to have an effective positioning strategy, the organisation must have a clear message. For instance, the message that Woolworths has selected “Fresh Food People.” The message implies that Woolworths products are fresh and meant for people. This must be communicated through an appropriate channel in order to reach the targeted segment (Wang, 2016). Another example, Woolworths offers baby rompers that are made with pure combed cotton to be soft and comfy all day. Many mothers today have social media accounts and Woolworths uses appropriate communication channels such as Twitter, Facebook, Youtube and Instagram to communicate their messages.

### **3.8.2 Price-quality strategy**

The strategy that is suggested for positioning is the price-quality approach. An organisation must set their prices on the new product in such a manner that it is favourable to the customers and that the price does earn some proceeds for the organisation (Simola, Hyena and Kuisma, 2015). The price that is affordable will encourage customers to buy the product. In tandem with the price is quality, an organisation must ensure that alongside the favourable price, the product must be of quality (Wong and Wu, 2013). Woolworths' products are associated with high quality brands hence this strategy is employed by the organisation. The higher the price, the higher the quality the organisation offers to its customers (Hollensen, 2015). The aspect of quality when augmented with an affordable price make customers loyal to the price. The customer base gets to increase and in the end the sales volume also increases thus translating to high proceeds (Hollensen, 2015). Additionally, these two aspects of quality and price lead to the curving of a niche that can never be broken by competitors (Blankson et. al., 2012).

### **3.9 PROMOTIONAL TOOLS TO MARKET WOOLWORTHS**

The present market strategy of Woolworths is geared towards food and clothing for consumers (Morales, 2013). In addition, it emphasises providing a diversity of products for its target markets with customers of various incomes. Further, Woolworths' consumers are derived from all over the country (Romaniuk and Thiel, 2012). With regard to promotion, the company employs different media such as the print media i.e. catalogue, social media i.e. Facebook, the internet and TV in the promotion and advertisement of its products. Public relations are also another strategy applied to promote the company. The following are current promotional tools employed by Woolworths:

- Television and radio advertisements;
- Product and brand placement during popular television shows such as; MasterChef and My Kitchen Rules;
- Print advertisements at bus stops, on buses, newspaper inserts and magazines;
- Famous brand ambassador endorsements i.e. #PharrellWithWoolies
- Promotional material and flyers.

For instance, not so long-ago "Woolworths retailer collaborated on the "Are you With Us?" campaign with US musician, producer and philanthropist Pharrell Williams across a series of sustainability-focused projects. The campaign had four layers: pure entertainment, showcasing young talent, fundraising for education, and driving sustainable fashion. The global superstar put on a private concert for 5 000 Woolworths customers. Woolworths W

Rewards, Credit and MySchool cardholders won tickets to an exclusive, one-night-only performance in September 2015” (Mail&Guardian, 2015:2).

### **3.9.1 Advertising**

Advertising is one of the most employed techniques in the communication mix of Woolworths. It encompasses all the messages that an organisation uses to ensure that the information reaches the targeted segment. Woolworths spends a sizeable amount of their budget on this form of communication (WHL, 2016). Therefore, in the initial planning stage, Woolworths set a reasonable budget for its strategy. Irrespective of the fact that this type of strategy is expensive, it is employed because the organisation has complete control of the delivered information (WHL, 2016). Also, the message reaches a wider spectrum of customers in the target segment and hence is very effective (Parente and Strausbaugh-Hutchinson, 2014).

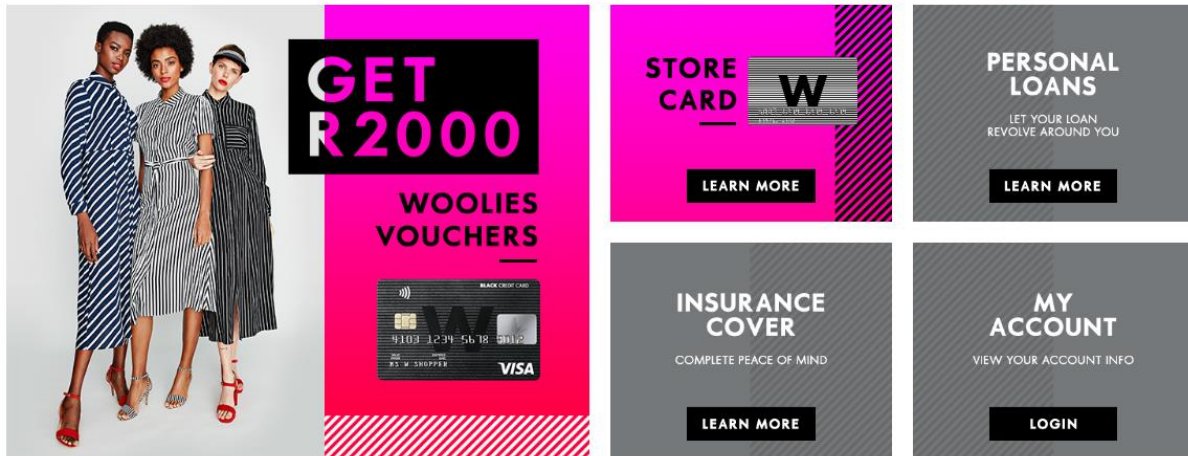
### **3.9.2 Personal selling**

In this strategy the organisation opts to sell its product to the customers on a face-to-face basis. It is done concurrently with direct marketing. The advantage of the method is that customers are able to meet face-to-face with the sellers, the product being sold can be demonstrated to the customers on the spot, there is direct meeting with the customers hence one can have a feel of the target segment and would be in a position to advise accordingly (Sachdeva, 2020). The seller is able to place emphasis on the value of the product as well as the benefits that a client can enjoy from buying the product (Helm and Gritsch, 2014).

Moreover, Figure 3.4 below revealed a variety of financial services products offered by Woolworths such as a store card – the feature or benefit of this type of card is automatic rewards. As a Woolworths Store Cardholder, the customer is automatically part of the great WRewards programme that offers a customer an extra 5% off all WRewards promotions when they pay with their Woolies card, as well as other benefits. Another financial service that Woolworths offers is credit cards. There are three types of credit cards that Woolworths offers, namely black, gold, and silver. With a Woolworths credit card, a customer earns WRewards quarterly vouchers each and every time they swipe. As a Woolworths credit cardholder, the customer is automatically part of the great WRewards programme that offers its members exclusive special lower prices and other benefits. Woolworths also offers other services such as insurance and personal loans to customers. All of these financial services are normally being sold through direct marketing at Woolworths Stores (Woolworths Website, 2019). Customers are approached personally on whether they need the service or not. This happens normally at the store or via direct emails (Woolworths Website, 2019).

**Figure 3. 4: WOOLWORTHS FINANCIAL SERVICES**

**WOOLWORTHS FINANCIAL SERVICES**



Source: <https://www.woolworths.co.za/wfs>

### **3.9.3 Discounts and promotions**

Products under this strategy gets promoted with the use of paid communication. The organisation pays for the communication so that customers can become aware of the discounts and promotions that the organisation is offering. The strategy consists of coupon rebates or percent-off deals. Additionally, Woolworths uses in-store signage and exterior signs as a way of alerting customers to the offered deals. The aim of the strategy is to increase proceeds and flow of cash, attract customers and clear unfinished stock (Parente and Strausbaugh-Hutchinson, 2014). The strategy is efficient when it is well-executed through proper planning and attracts a large number of customers (Parente and Strausbaugh-Hutchinson, 2014). For example, when the researcher had a discussion with the customers at Woolworths they indicated that products with discount deals attracts their attention and they consequently buy. One customer further informed the researcher that they are a WRewards Member Exclusive and that at this time they received a 10% discount on any Givenchy, Marc Jacobs or Issey Miyake fragrances. Plus, they got an extra 5% discount as they paid with their Woolies card!

### **3.9.4 Public relations**

In this strategy the organisation creates a positive image of the organisation through good passage of the organisation's products to the target market. It entails the use of good personal relationship between the customers and the organisation. The method is different from the others in that one does not pay for the passage of information. A disadvantage of the method is that one does not have control over the message (Quirke, 2012). If the media is used as a

form of propagation of the message, the message can in most cases be changed and distorted in a negative manner to the target market and hence may have a negative impact in the market segment (Quirke, 2012). For example, in Figure 3.5 presented below, Woolworths made a positive impact in making a difference by planting a virtual seedling at the Design Indaba Conference and Expo. In addition, The Sanlam Virtual Cape Town Marathon is associated with Woolworths, and the company had a need to need to feed, to give runners what they need to succeed and take the lead. Selected Woolies stores, as shown in Figure 3.6, assisted runners across their virtual finish line with feeding stations spread out across the country (Twitter, 2020). This creates a positive image about the company.

**Figure 3. 5: WOOLWORTHS TRUST LIVING WALL**



Source: <http://www.designindaba.com/people/woolworths-pr>

**Figure 3. 6:** The Sanlam Virtual Cape Town Marathon



### **3.9.5 Event sponsorship**

This strategy is another component of the marketing mix. An organisation pays for a function in order to have some presence at the event, for example, in sports or cultural events. There are benefits that emanate from the use of event sponsorship like giving out samples and gifts. (Quirke, 2012). Sponsorship of events can be particularly successful as a promoting technique since it can be used for getting to an extensive variety of customers. It can be especially valuable for organisations that participate in a variety of events, since sponsorship rises above social and dialect hindrances (Parente and Strausbaugh-Hutchinson, 2014). Given the affinity of buyers to partner support with the occasion they advance, it is critical for organisations to choose occasions that are suitable with their item or corporate image (Parente and Strausbaugh-Hutchinson, 2014).

A developing number of advertisers presume that corporate sponsorship is more successful than any other strategies since it provides means to measure client reaction to items promptly. Occasions permit entrepreneurs to relate directly with their clients, while they give clients the chance to experiment with the results of an organisation first-hand (Nissa and Mishra, 2016). When examined, promoting research techniques, for example, centre gatherings are typically exorbitant and may not concentrate on the right sort of individuals, while advertising studies

or surveys generally do not permit forthcoming clients the chance to experiment with items (Nissa and Mishra, 2016).

This type of promotion is effective since it allows access to a bigger population and particularly to the organisations that take part in big events. The functions allow owners of businesses to relate directly with consumers, present the opportunity to the clients to taste the product (Jha et al., 2016). It creates high visibility due to its positive publicity which raises its visibility and gives wide exposure (Jha et al., 2016). As a matter of fact, Woolworths sponsored the Commonwealth Games 2018. Woolworths has supported many major events in the country over their long history.

### 3.9.6 Print media

Print media is an important communication strategy of Woolworths. Woolworths utilises this strategy to communicate to the customer because of the many benefits associated with this type of media mix. This is the form of strategy where a message gets passed to the customers by means of printed materials. The approach is used by Woolworth because it is tangible. Customers like to feel real content in their hands (Pouya, 2015). This strategy has the ability to trigger feelings of sense and smell, especially when the paper used can change colour when subjected to certain types of environments (Pouya, 2015). In addition, Woolworths uses high quality newspaper for their target market. Figure 3.6 below depicted the printed catalogue that the company is using to communicate their products to customers.

**Figure 3. 7: WOOLWORTHS FOOD CATALOGUE**



Source: Woolworths Website, 2020

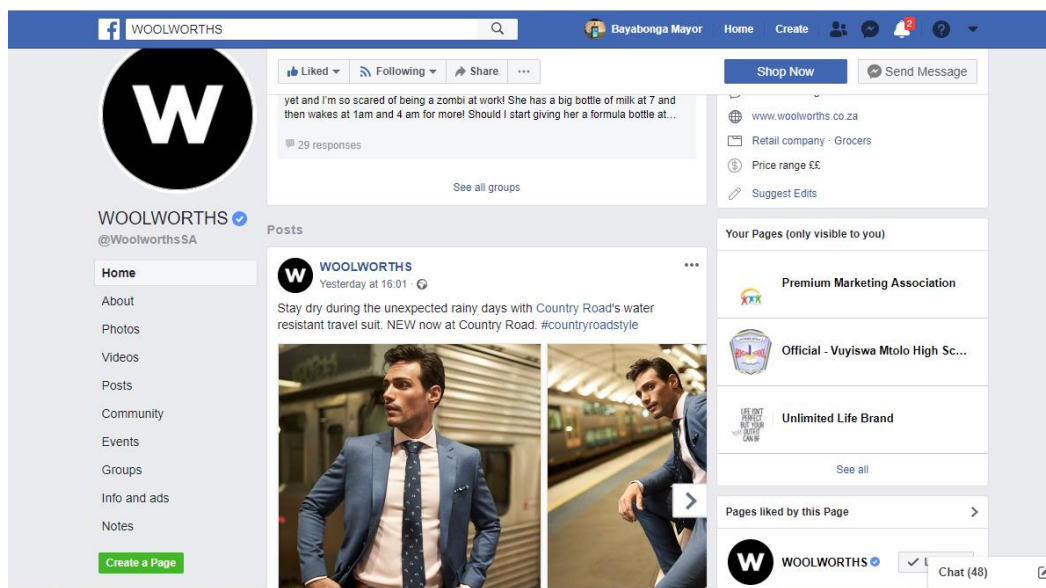


### **3.9.7 Social media**

This is a type of media mix where an organisation uses any form of social media sites in the promotion of their products. There are many forms of social media such as Facebook, Twitter among others. The advent of technology facilitated the growth of this type of media (Nissa and Mishra, 2016). An organisation will use this media mix because it has the potential to increase brand awareness and to be cost-effective since the only requirement for the organisation is the creation of the company profile (Nissa and Mishra, 2016). Also, social media has the potential of increasing inbound traffic and hence assist the organisation to get customers even those who are not loyal to the product (Nissa and Mishra, 2016). This is made possible by synchronising the content on many platforms which will allow people not loyal to reach the organisation's product (Nissa and Mishra, 2016).

The use of social media makes for increased customer satisfaction. Messages are customised and clients are able to comment and ask for suggestions or information concerning a product. Hence through feedback, customers are satisfied as they get direct interaction with the organisation's information page (Jha et. al., 2016) According to Marketing Company News (2017), TMI announced that Ornicor (a media monitoring company) and Africa Brand Index have named their client, Woolworths, as the third-best social media platform on the African continent and the best retail social media platform. This prestigious award was announced in 2017 by the South African leader board of the Africa Brand Index, which ranks the most successful social brands on the continent in terms of social media performance across the world's top social networks: Facebook, Twitter, YouTube and Instagram (Marketing Company News, (2017). Figure 3.8, Figure 3.9, Figure, 3.10, Figure 3.11 below depicted the company's social media accounts, namely Facebook, Twitter, Instagram and Youtube.

Figure 3. 8: WOOLWORTHS FACEBOOK PAGE



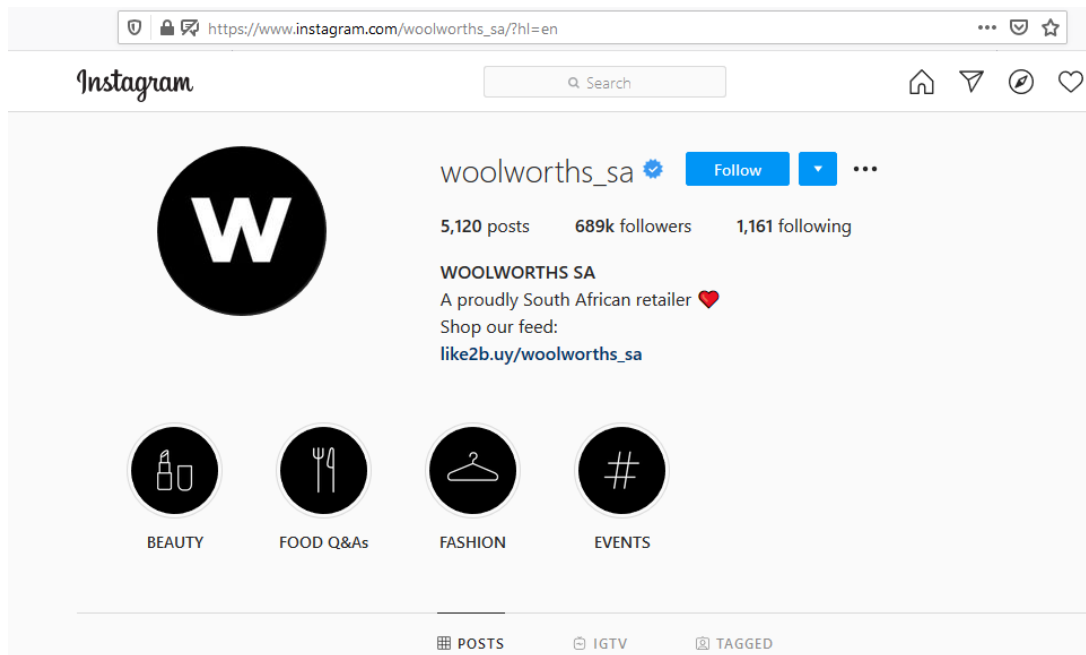
Source: Woolworths Facebook Page

Figure 3. 9: WOOLWORTHS TWITTER ACCOUNT



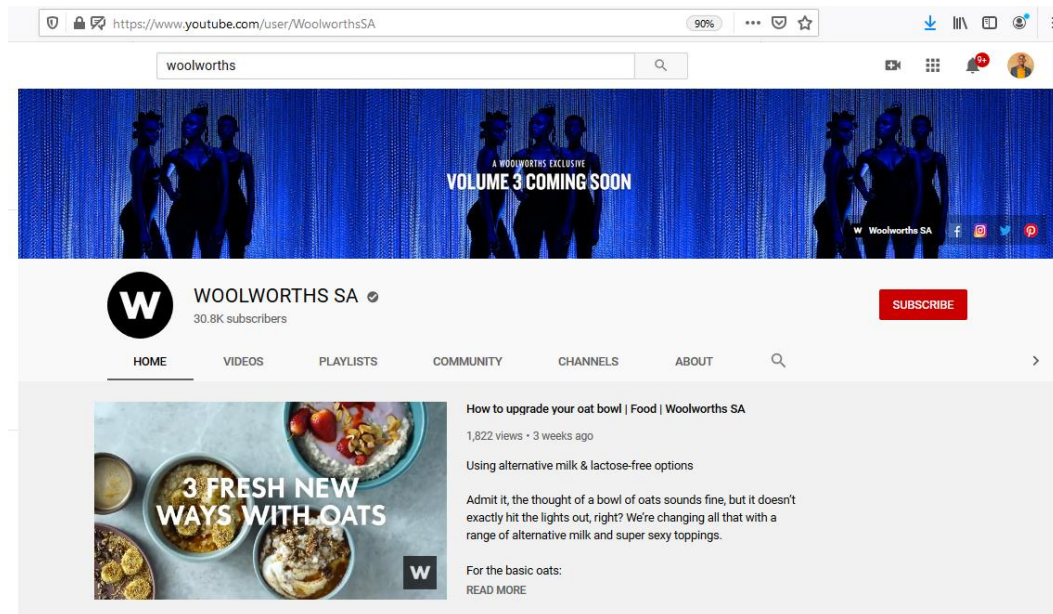
Source: Woolworths twitter page, 2020

**Figure 3. 10: WOOLWORTHS INSTAGRAM ACCOUNT**



Source: Woolworths Instagram page, 2020

**Figure 3. 11: WOOLWORTHS YOUTUBE ACCOUNT**



Source: Woolworths Youtube page, 2020

### 3.10 COMPETITORS

Woolworths considers itself to be active in the market for food and grocery retailing. This market includes a range of differentiated retailers such as the large retail chains (Pick n Pay, Shoprite/Checkers and Spar), smaller retail chains and independent retailers, among others.

Although Woolworths faces competition from several retailers, it identifies its three biggest competitors as the three largest retail chains (Pick n Pay, Shoprite/Checkers and Spar) (WHL Report, 2016). This is corroborated in Woolworths market research, which indicates that a higher proportion of customers, who account for the vast majority of Woolworths food and grocery revenue, shop at Pick n Pay and Checkers than at Woolworths (WHL Report, 2016).

Woolworths cannot reasonably expect to compete head-to-head with these large retail chains on the prices of all products since there are differences in sale (WHL Report, 2016). Woolworths does, however, seek to compete with these and other chains through a differentiated and complete product offering by focusing on location, branding and innovative product offerings (WHL Report, 2016).

### **3.11 TRACKING WOOLWORTHS SUCCESS WITH BRAND EQUITY**

Brand equity is a major indicator of company strength and performance, specifically in public markets. Often companies in the same industry or sector compete on brand equity. Woolworths has succeeded in providing high quality products such as David Jones – a premium and luxury international and private label brand of clothing; and Woolworths Food and convenience service, and its growing presence at fuelling stations (Fin24, 2017)

- **Customer expectation**

Customer expectation measures whether a customer's expectations are met by the actual supermarket experience. Woolworths scored 78.3% in terms of customer expectation. This high value indicates that Woolworths must continue to work hard and maintain the standards they have established (Schreuder, 2017).

- **Perceived quality**

South African customers believe they receive great value from Woolworths (Fin24, 2017). Its perceived quality score is at 87% and its perceived value score is at 80.6%, both of which are above industry averages of 80.3% and 76.5% for perceived quality and perceived value respectively. According to Gorman, (2014), convenience and location are a top influencer for a consumer's choice in supermarket. This is followed by speed, high quality fresh produce, product availability and then price and promotions. Research shows that customers are willing to pay for quality products if they can afford to. "A shopping experience is determined by so many factors and supermarkets need to demonstrate their ability to meet their ever-changing customer needs, consistently and reliably," (Omarjee, 2017:15). In addition, supermarkets have introduced customer loyalty programmes, premium products and till point promotions to help

improve the customer experience (Fin24, 2017). Woolworths scored 50% - 18% higher than the average of 32%. Checkers, which is the least recommended retailer, scored 26% on the Net Promotor Score (NPS). Spar's NPS score was 28%, Pick n Pay scored 31% and Shoprite scored 37%. "A high likelihood to recommend demonstrates that customers appreciate supermarkets such as Woolworths that deliver on their expectations and continues to innovate to address evolving needs," (Omarjee, 2017:19).

### **3.12 WOOLWORTHS CSR INITIATIVES**

Woolworths continuously strives to find new ways to conduct their business and have a positive impact on the societal needs of those areas in which they operate in and to use their resources to maximise shared value creation. In 2003, Woolworths' CSR strategy was formalised in line with global best practice through the formation of The Woolworths Trust. The company uses this legal entity as a vehicle for CSR activities and it is managed by a Board of Trustees.

As part of their initiatives, Woolworths have partnered with Food & Trees for Africa in the EduPlant programme, which encourages schools to grow their own food in a sustainable way. Moreover, Woolworths is also working to improve education outcomes in under-resourced schools through a partnership with the National Education Collaboration Trust and by providing educators with educational resources and experiential activities through the Woolworths Making the Difference Educational Programme. Through the MySchool MyVillage MyPlanet loyalty-linked programme, the company have raised and distributed funds on behalf of their customers to over 8 000 schools and charities over the years.

To complement their food security project, Woolworths also ensure that no food or clothing from their business goes to waste and donate surplus food from stores to over 1500 charity partners. One of its charity partners is FoodForward SA. "Woolworths announced that it is joining forces with national non-profit organisation (NPO), FoodForward SA to increase access to food across the country. The new partnership, which includes a R3 million commitment over the next three years, will focus on increasing the organisation's capacity to re-distribute the edible, surplus food it collects from producers, manufacturers, wholesalers and retailers. This equates to FoodForward SA being able to deliver an additional 1.2 million meals per year to the needy." (WHL, 2020:1). FoodForward is an organisation that was formed in 2009. Its main aim is to recover perfectly edible food that would otherwise go to landfill and redirect to the needy. In turn, these socially responsible actions by Woolworths improves

Woolworths image, corporate identity and brand equity. Customers who notice these actions can become loyal to the company and possibly recommend the company to others.

### **3.13 SUMMARY**

The chapter provided a brief overview of the Woolworths brand. Woolworths Holding Limited is an African-based retailer with operations across the southern hemisphere. It is one of top 40 companies listed on the JSE Limited Securities Exchange. Woolworths is a well-known brand in South Africa and is generally known for its high-quality products and service. Their branding carries this through with clean images, often with a white or black background and clean fonts and advertising. Woolworths consists of three major operating divisions: Woolworths, David Jones and the Country Road Group. The brand elements that make up the brand's identity of Woolworths such as the brand name, logo and symbols were also discussed together with the different promotional mixed tools that are employed by Woolworths. The following chapter will discuss the research methodology and sampling techniques employed in this study.

## **CHAPTER FOUR**

### **RESEARCH METHODOLOGY**

#### **4.1 INTRODUCTION**

Some questions cannot be answered by literature. Therefore, in order to attempt to answer and address those questions, the researcher collected primary data. Primary data are data that are collected from first-hand sources by means of methods like surveys, interviews, or experiments. This chapter begins by restating the research problem. The purpose of this chapter is to present a discussion of the research problem, research questions and primary objectives of the study. This chapter will also discuss data collection techniques that were employed in this study. Furthermore, a description of the sample, sample framework and the sampling method used in the study as well as the methods used for the analysis of the data and research instruments will be presented. The chapter will conclude with a discussion of the statistical tests that were employed to analyse and interpret the data and the ethical considerations that were taken into account during the collection of data.

#### **4.2 RESEARCH PROBLEM**

It is problematical that companies spend on CSR activities partly to build goodwill, and yet it is unclear whether CSR activities actually contribute to brand equity in the South African context. Although companies spend on CSR activities partly to build goodwill it is vague whether CSR activities contribute to brand equity in the South African context. This indistinct and gap in knowledge motivated the researcher to conduct this study. The proposed study aims to bridge this apparent gap by providing greater insight on the relationship between CSR and brand equity. Specifically, this research will examine how CSR is related to BE, whether certain types of CSR initiatives have a more positive impact on brand equity than others, and why certain types of CSR activities are considered by consumers to be adequate to qualify as socially responsible behaviour. From a marketing perspective, brand equity represents the power and reputation that an organisation has in the marketplace and ultimately, due to its consumer experience and behaviours, will influence a firm's financial performance (Yang and Basile, 2019).

In addition, firms that engage in CSR activities can be viewed as “good corporate citizens” (Jeurissen, 2010) and make active efforts to communicate their CSR initiatives (Luo and Bhattacharya, 2006) in order to build and enhance their image in the minds of their key stakeholders i.e. customers. This is an important initiative for businesses to build their brand

equity but also to control those business activities which have a harmful effect on society. Previous studies by Srivastara et. al., (2017:130) have established the following CSR activities: “promoting education; eradicating poverty and malnutrition; ensuring environmental sustainability; ecological balance; protection of national heritage, setting up public libraries among others.” In addition, the mentioned contributions can be extended to eradicate the problem outlined above.

#### **4.3 PURPOSE OF THE STUDY**

Despite the significant investment in research on CSR, there still exists a lack of clarity in terms of how different types of CSR activities lead to the outcomes of a firm desires with their investment in CSR. Therefore, in an effort to bridge the apparent gap, the main purpose of this study was to examine the relationship between CSR and brand equity. This research employed consumer-based brand equity theory which notably includes managerial practices and theoretical advances in understanding customers attitudes and behaviours (Pham, 2019). The theory provides a unique point of view as to what brand equity is and how it should best be built, measured and managed. In addition, Pham (2019:3) stated that the “antecedents of consumer-based brand equity denote the differential effect of brand knowledge on the consumers’ response to marketing efforts of a brand.” As suggested by the extensive literature reviewed in this study, customer-based brand equity happen when the customer has a relatively high level of familiarity and awareness with the brand in question and holds unique, strong, and favourable brand associations win memory (Pham, 2019).

#### **4.4 OBJECTIVES OF THE STUDY**

The secondary research objectives include the following:

- To determine the effects of CSR in brand equity.
- To determine consumer perceptions towards CSR.
- To determine what kind of CSR activities are considered by consumers to be adequate to qualify as socially responsible behaviour.
- To determine whether CSR affects customer loyalty.

#### **4.5 RESEARCH QUESTIONS**

- What influence does CSR have on brand equity?
- What perceptions do consumers have towards CSR?
- Which CSR activities are initiated by Woolworths?
- How does customer loyalty impact CSR?



#### **4.6 RESEARCH METHODOLOGY**

In understanding the quantitative methodology, Apuke (2017:40) asserted that “it is imperative to give an overview of what research is all about. Thus, research deals with the search for knowledge.” Since research deals with academic activity, it is pertinent to define it in a more technical way (Apuke, 2017). Therefore, Kothari, (2004:67) described research “as a scientific and systematic search for pertinent information on a specific topic”. “Research also involves creativity that is carried in a systematic way in order to improve knowledge which consists of human knowledge, culture, and society” (Apuke, 2017 cited in OECD, 2002). This implies that research is the process to search facts, confirm results and provide solutions for existing or new issues. Research also support and build theories (Apuke, 2017).

Furthermore, research involves knowledge building, carrying out experiments to find out the cause and effect of something as well as to provide the basis for further studies. Moreover, research is also systematic because it follows certain guidelines such as thoroughly defining an objective, formulating research questions, analysing of data and communicating findings. These guidelines familiarise researchers on what should be included in and removed from their research as well as the manner in which research should be conducted (Apuke, 2017).

Apuke (2017) described research methodology as the holistic steps a researcher employs in embarking on a research work. Research methods in social sciences are split into two main categories: quantitative and qualitative methods. This study employed a quantitative research method. A quantitative research method deals with the quantifying and analysis of variables in order to get results (Apuke, 2017). Apuke (2017:41) further maintained that “quantitative method involves the utilization and analysis of numerical data using specific statistical techniques to answer questions like who, how much, what, where, when, how many, and how.” Expatiating on this definition, Aliaga, and Gunderson (2002:89), “described quantitative research methods as explaining an issue or phenomenon through gathering data in numerical form and analysing with the aid of mathematical methods; in particular statistics.” Going by the above definition it could be deduced that the first thing research tackles or deals with is to explain an issue, be it qualitative or quantitative.

The next aspect in the above definition of quantitative research involves the collection and analysis of numeral data by means of statistical methods. On the other hand, Apuke (2017:41) cited in Leedy and Ormrod (2010) stated that “quantitative research involves the collection of data so that information can be quantified and subjected to statistical treatment in order to

support or refute alternative knowledge claims”. Furthermore, Williams, (2011) remark that quantitative research starts with a statement of a problem, generating of a hypothesis or research question, reviewing related literature, and generating a quantitative analysis of data. Similarly, Williams (2011:18) stated that “quantitative research employ strategies of inquiry such as experiments and surveys and collect data on predetermined instruments that yield statistical data.” Having known to an extent what quantitative research is all about, it is important to analyse the difference between quantitative and qualitative research. Table 4.1 below provides a vivid description of the differences between qualitative and quantitative research.

**Table 4. 1: QUALITATIVE VERSUS QUANTITATIVE RESEARCH METHODS**

<b>Criteria</b>	<b>Qualitative Research</b>	<b>Quantitative Research</b>
Group Studied	Smaller & not randomly selected.	Larger & randomly selected.
Variables	Study of the whole, not variables.	Specific variables studied
Variables	Study of the whole, not variables.	Specific variables studied
Form of Data Collected	Qualitative data such as open-ended responses, interviews, participant observations, field notes, & reflections.	Quantitative data based on precise measurements using structured & validated data-collection instruments.
Type of Data Analysis	Identify patterns, features, themes.	Identify statistical relationships.
Objectivity and Subjectivity	Subjectivity is expected.	Objectivity is critical.
Role of Researcher	Researcher & their biases may be known to participants in the study, & participant characteristics may be known to the researcher.	Researcher & their biases are not known to participants in the study, & participant characteristics are deliberately hidden from the researcher (double blind studies).
Results	Particular or specialized findings that is less generalizable.	Generalizable findings that can be applied to other populations.
Scientific Method	Exploratory or bottom-up: the researcher generates a new hypothesis and theory from the data collected.	Confirmatory or top-down: the researcher tests the hypothesis and theory with the data.
View of Human Behavior	Dynamic, situational, social, & personal.	Regular & predictable.
Most Common Research Objectives	Explore, discover, & construct.	Describe, explain, & predict.

Focus	Wide-angle lens; examines the breadth & depth of phenomena.	Narrow-angle lens; tests a specific hypothesis.
Nature of Observation	Study behavior in a natural environment.	Study behavior under controlled conditions; isolate causal effects.
Nature of Reality	Multiple realities; subjective.	Single reality; objective.
Final Report	Narrative report with contextual description & direct quotations from research participants.	Statistical report with correlations, comparisons of means, & statistical significance of findings.

Source: (Johnson and Christensen, 2008: 34; Lichtman, 2006: 7-8)

Table 4.1 above revealed the difference between qualitative and quantitative methodology. The table revealed the objective of qualitative research is to understand and interpret social interactions while quantitative deals with the testing of a hypothesis, looking at cause and effect as well as making a prediction. Furthermore, Fraser Health Authority (2011:6) viewed quantitative research “as research based on traditional scientific research which generates numerical data and usually seeks to establish causal relationships (or association) between two or more variables, using statistical methods to test the strength and significance of the relationships”. Buttressing this, Gelo et. al., (2008:76) advocated that “quantitative and qualitative research approaches clearly differ in terms of how data are collected and analysed.” “Quantitative research requires the reduction of phenomena to numerical values in order to carry out the statistical analysis” (Apuke, 2017:38).

#### **4.7 RESEARCH STRATEGY**

“A research strategy introduces the main components of a research project such as the research topic area and focus, the research perspective, research design, and research methods” (OpenLearn, 2009:3). It refers to how the researcher proposes to answer the research questions set and how the researcher will implement the methodology. Jenny (2014) stated that research strategy is a step-by-step plan of action that gives direction to the researcher’s thoughts and efforts, enabling a researcher to conduct research systematically and on schedule to produce quality results and detailed reporting. In this study, a quantitative survey was used to collect data. Surveys often gather quantitative data but can also gather qualitative information through open-ended questions. A survey was carried out on a sample of respondents from a selected population by means of a questionnaire. The questionnaire was done face to face. The research

strategy enabled the researcher to examine the relationship between CSR and brand equity and allowed the researcher to achieve the objectives of the study and answer the research questions.

#### **4.8 RESEARCH DESIGN**

The research design refers to the overall strategy that a researcher choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring the effective address of the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data (De Vaus, 2016). Answering the research questions and testing a hypothesis were the central purpose of the study. Descriptive research can be explained as a statement of affairs as they are at present with the researcher having no control over variables. Moreover, “descriptive studies may be characterised as simply the attempt to determine, describe or identify what is, while analytical research attempts to establish why it is that way or how it came to be” (Ethridge, 2004:89). Furthermore, Fox and Bayat (2007:45) stated that descriptive research is “aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method.” Thus, a descriptive research design was an appropriate choice for this study since it aimed to determine the effect of CSR on brand equity. Descriptive studies are closely associated with 1) survey research, 2) correlational research, 3) experimental research and 4) causal-comparative research (Apuke, 2017). In this study, the researcher employed survey research as follows:

##### **4.8.1 Survey**

Survey research technique according to Apuke (2017) encompasses the use of a scientific sampling method with a designed questionnaire to measure a given population's characteristics through the utilisation of statistical methods. More succinctly Apuke (2017) further describes a survey as a form of quantitative research that is concerned with ‘sampling questionnaire, questionnaire design, questionnaire administration’ for the sake of gathering information from the group/population. In addition, Apuke (2017) outlined three basic tenets in survey research. These three basic tenets are survey is used to describe quantitatively a sectional aspect of a given population, data are obtained from respondents, and lastly, a survey samples a part of population which is later used to generalise the whole population.

Surveys may be used for descriptive, explanatory and exploratory research. A descriptive survey design was used in this study. A survey obtains information from a sample of respondents by means of self-report, that is, respondents respond to a series of questions posed by the researcher (Apuke, 2017). In this study the information was collected through self-

administered questionnaires distributed personally to the participants by the researcher. Moreover, the self-administered questionnaire that was used in this study incorporated 25 questions. Four of these questions were demographic based, namely, age, gender, occupation and income. Then, the rest of 21 questions, were structured questions and, were associated with the study. The reason the researcher decided to use the survey questionnaire method to the predefined group was because of its ability to provide structured responses. This method was useful in describing the characteristics of a large population. No other research method could have provided this broad capability, which ensured a more accurate sample to gather targeted results in which to draw conclusions (DeFranzo, 2019). Moreover, this method was used because it was flexible enough to afford the researcher an opportunity to write down questions to ask participants and collect responses from.

#### **4.9 SAMPLING METHODS**

In order to answer the research questions, it is doubtful that the researcher should be able to collect data from all cases (Taherdoost, 2016). Therefore, there is a need to select a sample. The entire set of cases from which researcher sample is drawn in is called the population. Since the researcher neither had time nor the resources to study the entire population, the sampling technique was applied to reduce the number of respondents. The number of respondents were more than 1000 (from Woolworths store database based on approximate customers who come to the store in a week) however, sampling method was applied to reduce the number of cases to 120 sample size. In addition, sampling can be described as the method of selecting a representative subset of the population called sample (Jha, 2018)). A sampling design was used to choose a sample of population to study. Due to limited time, resources and other factors the researcher was unable to select the full population to study thus, a sampling design was applied to help the researcher select convenience participants that were available at the time of the data collection stage.

##### **4.9.1 Sample selection criteria**

Convenience sampling refers to participants that are consecutively selected in order of appearance according to their convenient accessibility (also known as consecutive sampling). “Convenience sampling is selecting participants because they are often readily and easily available. Typically, convenience sampling tends to be a favoured sampling technique among students as it is inexpensive and an easy option compared to other sampling techniques (Ackoff, 1953). Convenience sampling often helps to overcome many of the limitations associated with

research. For example, using friends or family as part of sample is easier than targeting unknown individuals.” (Taherdoost, 2016:22 cited in Ackoff, 1953)

In addition, the sampling process comes to an end when the total number of participants (sample saturation) or the time limit (time saturation) are reached. In this study, when the sample saturation was reached the data collection process stopped. Since different branches had its own sample saturation, when the number of required participants was reached the collection process ceased. In the last week of November 2019, 20 completed questionnaires were received. These 20 questionnaires were received on the 25<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> November 2019 from Woolworths at Scottsville and the data collection process ceased on the 27<sup>th</sup> November 2019. Moreover, in the second week of January 2020, to be specific on the following dates 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> January 2020 the researcher received 40 completed questionnaires from Woolworths in Boshoff Street. Data collection process ceased on the 11<sup>th</sup> of January 2020. The last batch of completed questionnaires were received on the last week of January 2020, to be specific on the following dates 21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup>, 25<sup>th</sup>, and 26<sup>th</sup> January 2020 from Woolworths in Liberty Mall. Data collection process ceased on the 26<sup>th</sup> of January 2020.

#### **4.9.2 Sampling technique**

Unlike the probability sampling method, non-probability sampling technique uses non-randomised methods to draw a sample. In this type of sampling technique, the researcher preferred to select participants as per his own convenience. The study was also mall-intercept survey based. The central reason for this was that there were many persons readily available to sample and from whom to gather data. “A mall intercept is a quantitative research survey method of data collection in which interviewers in a shopping mall stop or intercept a sample of those passing by to ask them if they would be willing to participate in a research study.” (Kolb and Bonita, 2008:27). Those who agree to participate are typically taken to an interviewing facility that has been set up in the mall where the interview is conducted. Mall intercepts method employ convenience sampling and require respondents to be in the mall while data is being collected. Kolb and Bonita (2008) stated that to reduce the impact of sampling bias, some surveys use the format of a mall intercept outside of other public locations, such as grocery stores and municipal buildings. Researchers can also administer their intercept at various times of the day or near different mall attractions to ensure as accurate a sample as possible (Jonathan (2016).

In convenience sampling, participants who were readily accessible and available to the researcher were selected. For example, the researcher chose any customers who were shopping

at selected Woolworths stores in the Pietermaritzburg region to participate in the study. In other words, in this type of non-probability sampling method, whoever met the researcher at the time of data collection process qualified to be the part of the sample. The researcher met the participants in the stores and requested them to complete the questionnaires.

The researcher selected participants from three Woolworths stores in Pietermaritzburg, namely, Woolworths in Liberty Mall, Woolworths in Scottsville Mall, and Woolworths in Boshoff Street in Pietermaritzburg Central Business District (CBD) after obtaining the approval to conduct research from the branch store managers. The researcher carried the questionnaires, arranged an information table desk inside the store and requested customers who were coming to the store for shopping to complete the questionnaires.

#### **4.9.3 Sampling frame**

“A sampling frame is a list or other device used to define a researcher's population of interest” (Bassey, 2010:9). The sampling frame defines a set of elements from which a researcher can select a sample of the target population. It is a list of all those within a population who can be sampled, and may include individuals, households or institutions (Sarnda, Swensson and Wretman, 2011). Some challenges were experienced during the sampling frame in terms of access to an exhaustive database that could identify customers that shop at Woolworths. The brand manager of each store generalised the number of customers who walked in the store in a day. The number of customers who walk in the store in the middle of the month are not the same as the number of customers who walk in the store at the end of the month or during festive season. The researcher noted the differences. In this study, the researcher carried the questionnaires and requested customers who were coming to the store for shopping to complete the questionnaires.

Prior to data collection day, the researcher had a discussion with the branch managers of each selected Woolworth stores in Pietermaritzburg. Each branch store manager outlined their number of customers who come in the store per day. Table 4.2 below revealed the number of customers who walk in the store per day. Store managers indicated that days of the month are not the same therefore, the number of customers who visits the store differs. For example, month end the store is usually packed while during the month it is usually quiet or normal. When these managers were asked to provide a database of framework of customers who enter the store per day, they provided the following framework:

**Table 4. 2: SAMPLE FRAMEWORK**

<b>Branch store</b>	<b>Number of customers (Monday to Friday)</b>	<b>Sample size</b>
Woolworths Scottsville	400	20
Woolworths Boshoff Street	800	80
Woolworths at Liberty Mall	1800	60

Table 4.2 above presented the number of customers who come into the store on a day in the middle of the month. The number of customers was obtained from the branch managers. The study was conducted in four days a week per store. In the last week of November 2019, the researcher collected data at Woolworths in Scottsville. Then in the second week of January 2020 the researcher collected data at Woolworths in Boshoff Street and the last week of January 2020 at Woolworths in Liberty Mall.

#### **4.9.4 Sampling size**

A convenience sample of 120 participants was selected for the study. This large number of respondents was used to ensure that although a convenience sampling method is used, the results would be generalisable to the larger population. However, few questionnaires were not completed adequately by the respondents; the researcher only recorded 117 completed questionnaires in the data analysis. It was essential for this study to select the sample size that is appropriate. The sample size was good for this study because it answered the research questions and achieved the objectives of the study.

#### **4.10 DATA COLLECTION PROCEDURE**

The researcher collected data from the following Woolworth Stores: Woolworths Boshoff Street in Pietermaritzburg Central Business District (CBD), Woolworths in Scottsville and Woolworths in Liberty Mall. These Woolworths branches are located in different areas. Woolworths in CBD is located in Boshoff street in Pietermaritzburg town. Woolworths in Scottsville was situated in Sidewalk Shopping Canter. Scottsville is a developed and urban area. Woolworths Midlands Mall also known as Liberty Mall is located at the shopping mall in Pietermaritzburg. The permission and approval to collect data from these branches was received from the store floor managers of each store. In the last week of November 2019, the researcher received 40 questionnaires from the respondents. These 20 questionnaires were



received on the 25<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> November 2019 from Woolworths in Scottsville. Moreover, in the second week of January 2020, to be specific on the following dates 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> January 2020, the researcher collected data from 40 respondents from Woolworths in Boshoff Street. The last 60 questionnaires were returned by respondents on the last week of January 2020, to be specific on the following dates 21<sup>st</sup>, 22<sup>nd</sup>, 23<sup>rd</sup>, 24<sup>th</sup>, 25<sup>th</sup>, and 26<sup>th</sup> January 2020 from Woolworths in Liberty Mall.

The researcher collected data during the abovementioned periods of the month of November 2019 and January 2020. For quality research and results, notably the researcher selected participants from Woolworths in different locations i.e. town (CBD) and urban areas. It was important to receive the results of the participants from different locations. The researcher requested customers to complete the questionnaires in the store which took about 10 minutes to fill each questionnaire. The researcher presented questionnaires to customers (respondents) that usually do their shopping at the above-mentioned Woolworths stores. Customers who qualified and were willing to be surveyed were selected to participate and informed about the study.

#### **4.11 PILOT TESTING**

Before the questionnaire was administered to the entire sample, it was pilot tested. The purpose of the pilot study was to ensure validity and reliability of the research instrument. According to Saunders and Rojon (2014:5) “a pilot test is a rehearsal of the final research project that ensures that the procedures will allow the collection of data needed for the study. It is further argued that the purpose of pilot test is to refine the questionnaire so that respondents will have no problems in answering the questions and there will be no problem in recording the data” (Sekaran, 2003). Before the actual study was conducted, five participants from Woolworths in Pietermaritzburg were requested to complete the questionnaire to ensure that the questions are understandable and relevant. Before the actual study, the researcher visited Woolworths at Scottsville on the 15<sup>th</sup> of November 2019 personally and introduced a few questionnaires to some respondents. The researcher had a discussion with the respondents in terms of understanding the questions, number of questions, and the language used. The feedback from most of the respondents was positive. Four out of five respondents were satisfied with the questionnaire which was enough to prove the validity of the questionnaire.

#### **4.12 DATA COLLECTION INSTRUMENT: QUESTIONNAIRE**

In this study, the researcher used a survey questionnaire research instrument. The use of the questionnaire allowed the researcher to collect a high proportion of usable answers from a

sample size. There are three procedures for eliciting opinions and beliefs that have been used extensively in opinion research: (1) the Thurston Technique; (2) the Likert Method; and (3) the Semantic Differential (Benson, 2010). To answer research questions and fulfil the objectives of the study the questionnaire included the Likert Scale Method, since this was of a more appropriate level for the scope of the study. A questionnaire was chosen as a data collection tool. "A questionnaire is a printed self-report form designed to elicit information that can be obtained through the written responses of the subjects." (Burns and Grove, 2011:353). In a survey questionnaire questions are normally presented in a consistent format and the opportunity for bias is less.

Furthermore, data were collected with the aid of questionnaires to evaluate consumers' knowledge and views about Woolworths CSR and social programmes. Questionnaires were decided upon because of the following:

- They ensured a high response rate as the questionnaires were distributed to respondents to complete and were collected personally by the researcher.
- They required less time and energy to administer.
- They offered the possibility of anonymity because subjects' names were not required on the completed questionnaires.
- There was less opportunity for bias as they were presented in a consistent manner.
- Most of the items in the questionnaires were closed, which made it easier to compare the responses to each item (Mathers, Fox and Hunn, 2009).

Apart from the advantages that have been listed above, questionnaires have their weaknesses; for example, there is the question of validity and accuracy (Burns and Grove, 2011). Additionally, respondents might not reflect their true opinions but might answer what they think will please the researcher, and valuable information may be lost as answers are usually brief.

The questionnaires consisted of closed-ended questions and one open-ended question. This enabled the researcher to gather factual information and gave insight into the respondents' frame of reference and possibly their reasons for their responses. In the open-ended question, the respondents were required to respond in writing, whereas closed-ended questions had options which were determined by the researcher (Burns and Grove, 2011). An open-ended question was included because it allowed respondents to respond to the question in their own

words and provided more detail. Closed-ended questions were included because they are easier to administer and to analyse (Burns and Grove, 2011).

#### **4.12.1 Questionnaire administration**

The questionnaire was designed in June and July 2019 and then administered in November 2019 and January 2020. It vital for the researcher to take into account and align the research questions for the questionnaire with the objectives of the study. Before the questionnaires were administered to the sample they were first pilot tested. Before the actual study, the researcher visited Woolworths at Scottsville on the 31<sup>st</sup> of October 2019 personally and introduced a few questionnaires to respondents. The researcher discussed with respondents the language used and the level of understanding questions of the questions and how long it would take them to complete the questionnaire. During the pilot testing stage, the respondents were all informed of the nature, scope and purpose of the study. An informed consent document accompanied each of the questionnaires. The following conditions were stipulated by the document:

1. Respondent's names were not to be included in the results of the study.
2. Confidentiality and anonymity for each respondent was to be maintained for the duration of the research.
3. Participation was completely voluntary.
4. The study will not provide any risks or discomforts to the participants.
5. The study will provide no direct benefits to participants.
6. Participants had the right to withdraw at any stage of the process.

The researcher approached 120 participants. In addition, many of the respondents were willing to complete the questionnaire but they were later discouraged by the length of the questionnaire. The researcher did not provide any incentive for completing the questionnaire since this would have affected the reliability of the results. A total of 120 questionnaires were handed out and 120 questionnaires were returned. Three of these questionnaires were not completed adequately. This resulted in 117 questionnaires being included in the data analysis.

#### **4.13 TARGET POPULATION**

Every research that involves primary data collection needs to have a set of elements from which this data will be collected. Any group of individuals, places or objects that share common characteristics that are relevant to the research purposes are known as the population (Fox and Bayat, 2007). The target population is the specified group of people from which questions will be asked in order to develop the required data structures and information needed in the research (Asiamah, Mensah, and Oteng-Abayie, 2017). The target population for this study were

customers that shop at selected Woolworth stores in Pietermaritzburg region and who live in KwaZulu-Natal, South Africa. Respondents for this study were selected from this population.

#### **4.14 VALIDITY**

A vital consideration to be taken into account when conducting research is its validity and reliability. Validity is the extent to which a test measures what it claims to measure (Sherry, 2008). The research tried to ensure two types of validity, namely external validity, which is the ability of data to be generalised across persons, settings and time; and internal validity, which is the ability of the questionnaire to measure what it is supposed to measure (Cooper and Schindler, 2006). The validity in this case was concerned with how well the questionnaire revealed information about the perceptions that the respondents have about the impact of CSR activities and how well the respondents will reveal their attitudes towards the Woolworths brand. The researcher carried five questionnaires and personally visited Woolworths in Scottsville on the 31<sup>st</sup> of October 2019 to pilot test whether the respondents were able to answer the questions appropriately and to frame the length of time it takes to answer the questionnaire. During this time the researcher discovered that the questions were too long, and respondents took about 15 times to fill in each questionnaire. Initially the questions were 30 in total and the researcher deleted 5 questions to allow respondents to complete the questionnaires at least in about 10 minutes time frame.

#### **4.15 RELIABILITY**

Reliability is “a characteristic of measurement concerned with accuracy, precision and consistency” (Cooper and Schindler, 2006:352). The reliability of the study was measured to ensure that the correct data were collected, and the method of collection is not compromised. Its reliability is important for the results of the study since it can ensure that they are commercially significant or can be used for academic purposes. Cronbach’s Coefficient Alpha was used to analyse the reliability of the data collection instrument and the results. The coefficient that obtained was 0.785.

#### **4.16 DATA ANALYSIS**

After the field work was completed, the next step was to record and analyse the data. The primary purpose of data analysis was to “break up” the data into smaller, much more manageable patterns, themes, trends and relationships (Dayaneethie, 2006). The main “aim of this data analysis is to understand the various constitutive elements of one's data through an inspection of the relationship between concepts, constructs or variables, and to see whether there are any patterns or trends that can be identified or isolated, or to establish themes in the

data” (Dayaneethie, 2006:156). Statistical analysis was used in order to provide descriptive and inferential information on the data. After the data was collected it was recorded using the Statistical Package for the Social Sciences (SPSS). The statistics that were provided by the SPSS analysis were descriptive and inferential statistics.

#### **4.17 DESCRIPTIVE ANALYSIS**

Descriptive statistics enabled the researcher to organise and summarise the data in a meaningful way that allowed for easy interpretation. “Descriptive statistics include both specific numbers and ways of presenting data in tabular form in order to make the information succinct but clear to the reader” (Cohen, Manion and Morrison, 2011:622). Cohen, Manion and Morrison (2011) further stated that the most prevalent apparatuses of descriptive statistics include frequency distributions, together with measures of central tendency and measures of variability. These aspects are further discussed below.

##### **4.17.1 Frequency distributions**

Frequency distributions are defined as visually depicted summaries of how frequently different scores occur within a sample of scores (Manikandan, 2011). They help to depict the number of times each response has been selected in each category. For example, on a question on gender, frequency distributions revealed how many or what percentage of the respondents were male and how many were female. They were used to categorise information so that it was easy for information to be interpreted quickly and visually (Pallant, 2008). The two popular methods for representing frequency distributions that were used in the study were percentage breakdowns and bar graphs. Percentage breakdowns are numerical representations of different question categories whilst bar graphs are visual representations of the information (Cohen, Manion and Morrison, 2011).

##### **4.17.2 Measures of central tendency**

“A measure of central tendency is a single value that seeks to describe a set of data by identifying the central position within that data” (Leard Statistics, 2012). Measures of central tendency were used to represent a group of scores. The measures of central tendency that were calculated in this study were the mean, the median and the mode. The mean is the sum of all the values in a data set divided by the number of values in the data set (Leard Statistics, 2012). The median on the other hand is the middle value when the values in a data set are arranged by increasing magnitude. The mode is the most selected response in the data set (Leard Statistics, 2012). The mode allowed the researcher to determine the most frequently selected response selected by respondents.

#### **4.18 INFERENCE STATISTICS**

Inferential statistics allows the researcher to generalise about the population with data gathered from a representative sample (Pallant, 2008). Cohen, Manion and Morrison (2011:625) suggested “that inferential statistics should allow researchers to draw inferences from a sample that can be applied or generalized to the population from which the sample came”. During quantitative research it is of paramount importance for the researcher to determine the relationships between variables and between groups in a data set (Cohen, Manion and Morrison, 2011). Below are the inferential statistics techniques that the researcher employed in this study to further interpret data.

##### **4.18.1 T-test**

T-tests are parametric tests used when there are two groups in the study and the researcher wishes to compare the mean score on a continuous variable (Pallant, 2008). For this study, the independent sample t-tests were done to measure whether significant differences exist amongst males and females in the variables of brand recognition, brand awareness, brand equity, customer loyalty and personal relevance. The value that is obtained for the t-test indicates the magnitude and differences of the respective means between groups, if a value of zero is obtained, then the means are identical (Cohen, Manion and Morrison, 2011).

##### **4.18.2 Correlations**

“Correlation is a quantitative methodology used to determine whether, and to what degree, a relationship exists between two or more variables within a population (or a sample)” (Apuke, 2017:32). The degree of relationships is expressed by correlation coefficients (Apuke, 2017). Coefficients range from +1.00 to -1.00. Higher correlations (coefficients closer to +1.00 or -1.00) indicate stronger relationships. Correlation in this study was used to determine the strength and the direction of the relationship between the variables (Pallant, 2008). For the purpose of this study, the Pearson product-moment correlation coefficient was selected. Cohen, Manion and Morrison (2011) contended that a value of +1 indicates a perfect positive linear relationship, reflecting the fact that the higher the score on X, the higher the score on Y and vice versa. Conversely, a negative value of Pearson indicates that low scores on X go with high scores on Y. In other words, positive correlations indicated that as the values associated with one variable go up, so do the values associated with the other, for example, CSR is associated with higher brand equity. Butressing on this, Leedy and Ormrod (2010) remarked that the correlation method of research deals with creating relationship amid two or more variables in the same population.

#### **4.18.3 Chi-square tests**

The chi-square test for independence was used to determine the relationship between two categorical variables. P ranges from 0 to 1 and indicates the strength of a relationship similarly to the correlation tests (Pallant, 2008).

#### **4.18.4 Cronbach coefficient alpha**

According to Sekaran (2003) and Fox and Bayat (2007), the reliability of a questionnaire is measured by how well it measures that which it purports to measure. Cronbach Alpha Coefficient is a reliability test which measures the internal consistency of a multi item measurement scale (Sekaran, 2003). Ideally, the Cronbach Alpha Coefficient value should be above .7 because the closer to 1 the coefficient value is, the higher the internal consistency (Pallant, 2005). In this study, Cronbach coefficient alpha was above .7 which resulted in higher consistency.

#### **4.18.5 Analysis of variance (ANOVA)**

Analysis of variance (ANOVA) compares the variability in score between different groups with the variability within groups (Pallant, 2005). It is a bivariate statistical test which is commonly referred to as 'one way', since there is only one independent variable. ANOVA differs from the t-test in that it allows for simultaneous measurement of differences in more than two independent groups (Pallant, 2005). ANOVA was employed in this study.

#### **4.19 ETHICAL CONSIDERATIONS**

To ensure that this research was conducted within the appropriate parameters, an ethical clearance, reference number: HSS/0507/018D was obtained from the University of KwaZulu-Natal Humanities and Social Sciences Research Ethics Committee (HSSREC) before the data collection process. This letter served to inform an interested party that the research being conducted met the ethical requirements as outlined in the University code of ethics which binds all researchers. The purpose of this was to determine whether the research and the methods that were used to collect the data were morally and ethically acceptable.

An informed consent document was given to all the participants to ensure that they knew that their involvement in this study was entirely voluntary and that they had the right to withdraw from the study when they saw fit. This consent document was also used to inform the participants that their involvement in the study was entirely confidential. It was also mentioned that the study provides no risks or discomforts to the participants.

Academic integrity is crucial. Hence ethical considerations in research are critical as these norms distinguish between right and wrong. This research paid careful attention to ensure that information is not plagiarised and that respect for intellectual property is given. All information and ideas that were borrowed were appropriately and properly referenced using Harvard style. There was no form of discrimination during data collection. Everyone who qualified to participate was selected. In addition, all policies and regulations stipulated by Woolworths were adhered to.

#### **4.20 SUMMARY**

The purpose of this chapter was to restate the problem statement, the objectives of the study and the research questions. This was followed by a discussion of research methodology. The study was determined to be quantitative in nature. This method was selected as it was expected to yield objective, statistical results that are reliable and valid. The data collection instrument that was used – a survey questionnaire – and data analysis was explained. The different statistical tests used to test for statistical significance were then followed and discussed. The following chapter will present the findings of this study.



## CHAPTER FIVE

### PRESENTATION OF RESULTS AND STATISTICS ANALYSIS

#### 5.1 INTRODUCTION

The previous chapter presented the research method and statistics tools that were employed in this study. This chapter will present the results of the study in a format that facilitates easy comparison and understanding, based on the data that were collected by the researcher through the survey questionnaire. The total number of respondents for the study was 120, who were selected using the convenience sampling method. Data were collected, coded, captured and analysed using SPSS. In addition, the demographic profile of the sample will be presented followed by descriptive and inferential statistical analysis.

#### 5.2 RESPONSE RATE

The response rate is defined as the ratio of the number of usable questionnaires to the legible respondents in the sample (Fincham, 2008). The researcher and research assistants distributed 120 questionnaires to the respondents. Respondents returned 117 usable and completed questionnaires, yielding a response rate of 97.5%. This high response rate is attributed to the simplicity and the length of the questionnaire (questions were structured very well and were simple to complete), and the way in which the questionnaire was administered (respondents were given the questionnaires and were told that once they had completed it, they could return them to the researcher). Three (3) questionnaires were discarded due to inaccuracies and hence data from only 117 respondents were captured and analysed.

**Table 5. 1: RESPONSE RATE**

<b>Organisation (Woolworths)</b>	<b>Questionnaires distributed</b>	<b>Questionnaires completed</b>	<b>Response rate (%)</b>
Woolworths in Boshoff Street	40	38	96
Woolworths in Sidewalk Centre	40	39	98
Woolworths in Liberty Mall	40	40	100
Aggregate	120	117	97,5

Table 5.1 above revealed that out of the 120 survey questionnaires that were distributed to the outlined Woolworths stores/branches above, the researcher only received 117 completed and

usable questionnaires. These returned questionnaires constituted a 97.5% response rate which was adequate for this study's validation and inquiries. The 3 (2.5%) non-respondent figure denoted to non-cooperation by the respondents. Fincham (2008:17) commented "that there is no generally agreed norm as to what is or what may not be perceived as an acceptable and reasonable response rate." Draugalis, et. al., (2008:89) however, mentioned that "in most instances, 20% is too low, and 80% and above is very high". Dillman (2000) argued that 50% and below is the minimum respondent rate which does not validate the study. The response rate of 97.5% for this study was the maximum acceptable response rate. This was achieved because the researcher personally administered the questionnaires. The share response rate was calculated based on the number of completed questionnaires.

$$\begin{aligned}
 \text{Response Rate (RR)} &= \frac{\text{Completed Questionnaires}}{\text{Distributed Questionnaires}} \times 100 \\
 &= \frac{117}{120} \times 100 \\
 \text{RR} &= \underline{97.5 \%}
 \end{aligned}$$

### 5.3 RELIABILITY OF THE RESEARCH INSTRUMENT

Cronbach's alpha test was conducted to assess the reliability of the questionnaire and internal consistency adopted for the study (Taber, 2017). In the business arena and social sciences research, the acceptable Cronbach's coefficient alpha score ranges from 0.70 to 0.80 (Taber, 2017).

**Table 5. 2: CRONBACH'S ALPHA INDEX**

Section	Valid cases (N)	No. of Items	Cronbach's alpha coefficient	Comment
A	117	26	0.785	Internally reliable

The statistic in Table 5.2 above revealed 25 items that had Cronbach alpha index of 0.785 which is above 0.7. This result indicated good internal consistency of the research instrument used. The questionnaire was reliable. The researcher concluded that the number of questions

in the questionnaire document might have contributed to this high figure. This implied that the questionnaire results could be subjected to further analysis.

#### 5.4 DEMOGRAPHIC PROFILE

Salkind (2010:45) “defined demographics as a statistical data about the characteristics of a population, such as the age, gender and income of the people within the population.” Table 5.3 below provided data regarding research participants and this is necessary for the determination of whether the individuals in a particular study were a representative sample of the target population for generalisation purposes (Salkind, 2010). Moreover, Table 5.3 below revealed a summarised demographic profile (age, gender, occupation and income levels) of the sample categorised by gender since it is one of key variables in the study. Despite the sample being skewed towards the older and middle or high-income earners consumers, all the other groups were represented in the study.

**Table 5. 3: DEMOGRAPHIC PROFILE OF RESPONDENTS BY GENDER**

Demographic variables	Category	Male n=48		Female n=69	
		Frequency	Percentage (%)	Frequency	Percentage (%)
Age	20 – 30	11	8.9 %	9	6.9 %
	31 – 40	19	15.3 %	21	16.9 %
	41 – 50	14	10.9 %	29	22.2 %
	51 >	4	3.0 %	10	7.6 %
Occupation	Student	3	2.4 %	8	6.1 %
	Self-employed	8	6.5 %	4	3.0 %
	Government servant	20	16.2 %	33	26.6 %
	Employer	9	7.1 %	21	16.8 %
	Other	5	3.8 %	3	2.3 %
Income	R1000 – R10 000	2	1.5 %	4	3.0 %

R11 000	– 8	6.6 %	8	6.2 %
R20 000				
R21 000	– 12	10.0 %	12	9.1 %
R31 000				
R31 000	– 13	10.5 %	22	17.7 %
R41 000				
R41 000	– 23	18.3 %	13	10.5 %
R50 000				
R50 000 >	14	11.2 %	10	7.6 %

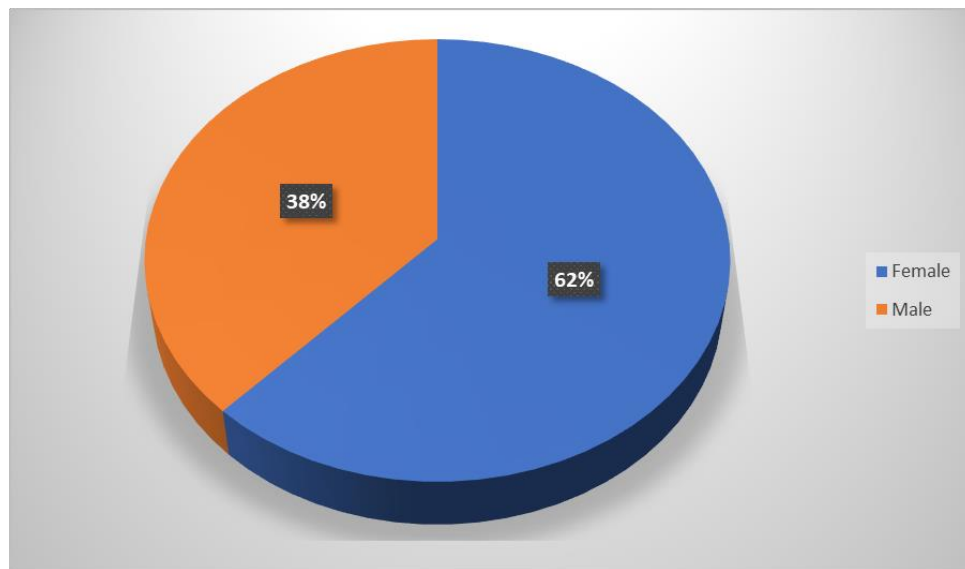
#### 5.4.1 Gender

Referencing Figure 5.1 below and Table 5.4 below, of the 117 respondents included in this study, 62% (69) were female and 38% (48) were male. This served as a good representation of both genders although females were a majority, the reason being that females generally do the shopping. This result indicates that women are more likely to, for an instance, spray a perfume sample on themselves on their way to, maybe, making a purchase. Woman spends time looking perusing the product in the store and possibly purchase it. On the other hand, for most men, shopping is a mission. They are out to buy a targeted item and flee the store as quickly as possible. Some men send their female partners, sisters or daughters to make a purchase for them. So, that is the reason the percentage of male who participated in this study is lower than female. This statistic also revealed that women react more strongly than men to personal interaction with sales associates. Men are more likely to respond to more utilitarian aspects of the experience such as the availability of parking, whether the item they came for is in stock, and the length of the checkout line. This result is a good indication that females were more accessible and willing to participate in the study. In order to ensure clarity, the frequency distribution of respondents based on their gender is illustrated in Table 5.4 below and is presented in Figure 5.1 below.

**Table 5. 4: FREQUENCY – PERCENTAGE DISTRIBUTION OF RESPONDENTS ACCORDING TO GENDER**

Gender	Frequency	Percentage (%)
Female	69	62
Male	48	38
Total	117	100

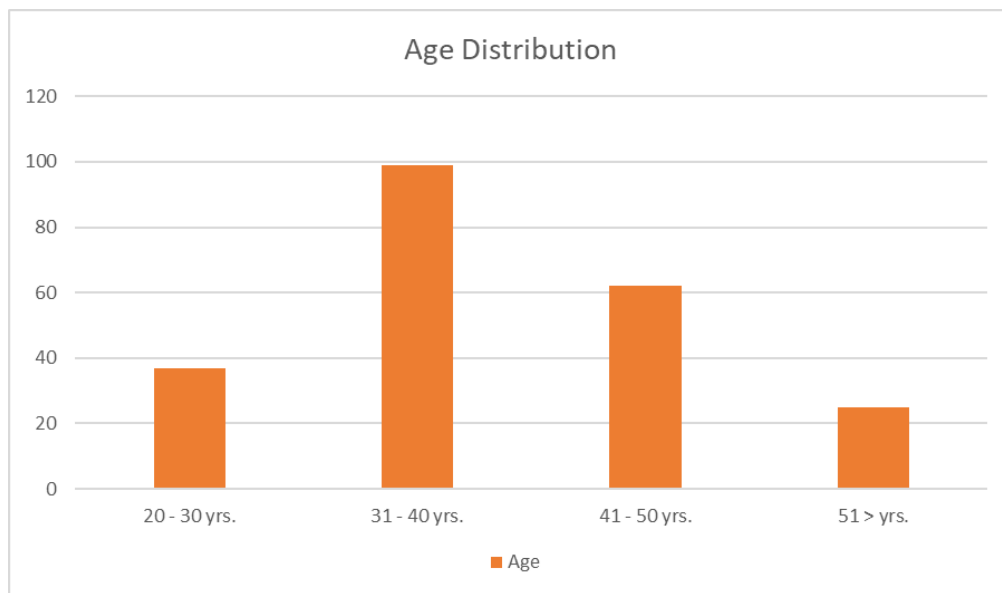
**Figure 5. 1: PIE CHART – GENDER DISTRIBUTION OF THE RESPONDENTS**



#### **5.4.2 Age**

The result in Figure 5.2 below revealed that the majority (50.4% of the respondents) were between the ages of 31 and 40 years, while 27.7% and 10.9% were from the 20 - 31 years and 20 – 30 years age groups respectively. Table 5.2 below demonstrates that there were more people in the age category of 31 – 40 years whilst the age range of 51+ had the lowest number of respondents. This is attributed to the fact that majority of customers who visit the store are in the age category of 31 and 40 years. The customers who were at the stores during the period of data collection were between the age range of 31 and 40 years.

**Table 5. 5: AGE DISTRIBUTION**



The y-axis represented the number of respondents per age group and the x-axis represented the age group.

Statistics in Table 5.6 below further illustrated age distribution by gender to enhance clarity.

**Table 5. 6: AGE DISTRIBUTION BY GENDER**

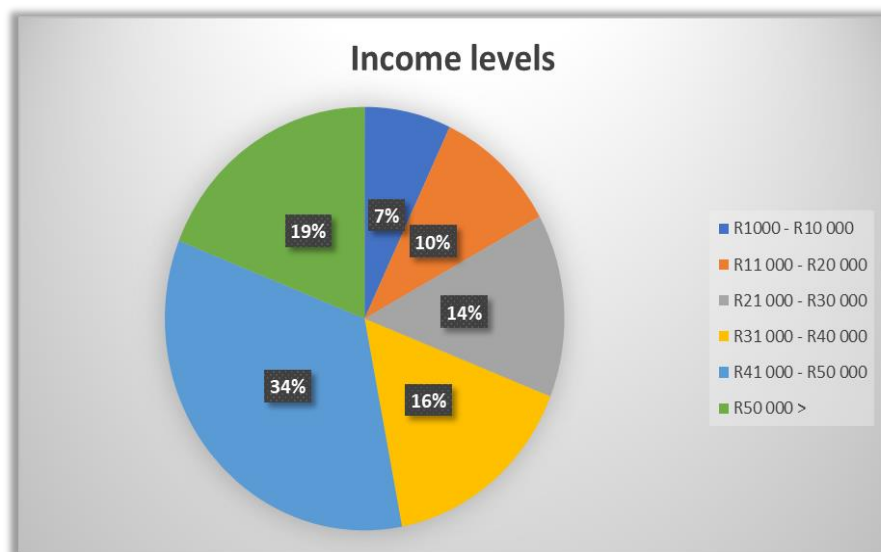
Demographic variables	Category	Male n=48		Female n=69	
		Frequency	Percentage (%)	Frequency	Percentage (%)
Age	20 – 30	11	8.9 %	9	6.9 %
	31 – 40	19	15.3 %	21	16.9 %
	41 – 50	14	10.9 %	29	22.2 %
	51 >	4	3.0 %	10	7.6 %

#### 5.4.3 Income

Results in Figure 5.2 below revealed that 34% of the questionnaires were from the group of people who earned between R41 000 – R50 000 per month. These individuals received a monthly income of that amount and hence usually shop at Woolworths for a variety of reasons i.e. high disposable income and organic food. When a researcher had a discussion with some respondents, they revealed that they shop at Woolworths because of the fresh products it sells.

This group is followed by the group (19 %) that earned a monthly income of R50 000 and above. These individuals also do their shopping at Woolworths, for among others, similar reasons as stated above. The lowest group (7%) of income earners earned a monthly income of between R1000 – R10 000. These individuals comprised of students, and a few general workers.

**Figure 5. 2: INCOME LEVELS**



Results in Figure 5.2 above revealed the difference of income levels of Woolworths shoppers. Customers who usually do their shopping at Woolworths receive income that is not the same. This study recorded highest percentage of 34% and this group's salary ranging between R41 000 – R50 000. These high income earners work for private and public companies. Some customers were self employed. This study recorded the lowest percentage of 7% and this group's salary ranging between R1000 – R10 000. This group constituted, among others, students and general workers.

**Table 5. 7: LEVEL OF INCOME BY GENDER**

Demographic variables	Category	Male n=48		Female n=69	
		Frequency	Percentage (%)	Frequency	Percentage (%)
Income	R1000 – R10 000	2	1.5 %	4	3.0 %
	R11 000 – R20 000	8	6.6 %	8	6.2 %
	R21 000 – R31 000	12	10.0 %	12	9.1 %
	R31 000 – R41 000	13	10.5 %	22	17.7 %
	R41 000 – R50 000	23	18.3 %	13	10.5 %
	R50 000 >	14	11.2 %	10	7.6 %

The statistics in Table 5.7 above revealed the level of income by gender that was recorded by the respondents who earn different incomes. Females were the majority of high-income earners, the reason being they had the highest participation rate (69%). In addition, this high rate was due to the fact that females were the ones who usually do their shopping at Woolworths rather than males.

## 5.5 DESCRIPTIVE STATISTICS ANALYSIS

**Table 5. 8: CSR AND WELLBEING**

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Valid Strongly agree	100	69.9	69.9	69.9
Agree	10	22.6	22.6	98.6
Somewhat agree	4	3.5	3.5	88.7
Neutral	0	0	0	0
Somewhat disagree	2	2.5	2.5	83.9
Disagree	1	1.5	1.5	1.5
Strongly disagree	0	0	0	0
Total	<b>117</b>	100.0	100.0	



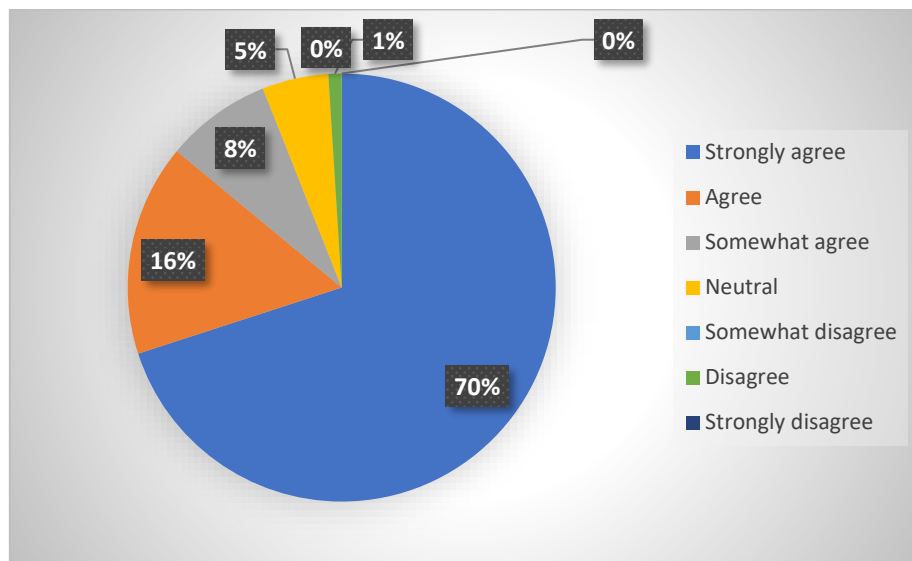
The results in Table 5.9 above revealed that more than 69.9% respondents strongly agreed that CSR activities bring wellbeing to the society and make a difference, and 1.5% disagreed with the concept of CSR where a company manages its social activities for the wellbeing of society. This could be as a result of those who were not in agreement with the concept of CSR and did not actually see the CSR activities initiated by Woolworths or any company operating in the community they live in while others may view CSR as a waste of a company's profit. On the other hand, this statistic of 69.9% revealed that Woolworths has a very high responsibility towards the community it serves. These results suggested that consumers will easily recall Woolworths when in a purchase and usage situation.

**Table 5. 9: WOOLWORTHS AS FIRST CHOICE**

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Valid Strongly agree	10	8	8	8
Agree	52	25.8	25.8	78.9
Somewhat agree	19	22.6	22.6	87.6
Neutral	12	14.5	14.5	89.5
Somewhat disagree	17	16.5	16.5	91.5
Disagree	5	10.4	10.4	77.4
Strongly disagree	2	2.2	2.2	59.2
Total	<b>117</b>	100.0	100.0	

Results in Table 5.10 above illustrated that 25.8% of the respondents agreed, 22.6% somewhat agreed and 8% strongly agreed when asked if Woolworths would be their first choice. In total, 56.4% of respondents commented that Woolworths could be their first-choice company to shop for all their daily food, groceries, snacks and drinks, the reason being great quality, freshness and choice customers find in store. Furthermore, other reasons include 24 hour online shopping – customers shop anywhere, anytime at [www.woolworths.co.za](http://www.woolworths.co.za); automatic membership to WRewards, invitations to preview sales; a choice of payment options; electronic statements monthly and mobile self-service. Cumulatively, 56.4% of the respondents said Woolworths is their first choice when they do their shopping. 14.5 % of the respondents were neutral, 10.4% disagreed whilst 2.2% strongly disagreed. This suggested that a total of 27.1% of respondents may buy other brands from other companies when the need arises.

**Figure 5. 3: BRAND RECOGNITION: WOOLWORTHS (LOGO AND SYMBOL)**



The results in Figure 5.3 above revealed that 70% of the respondents strongly agreed whilst 16% agreed when asked if they could quickly recall the symbol or logo of this brand. This gave a cumulative percentage of 50% of respondents who responded in the affirmative. This meant that more than half of the respondents are able to recognise the symbol or logo of this brand. A total of 5% of respondents were neutral to this question. This may have been attributed to the fact that they were not sure of the answer. A cumulative percentage of 13% of the respondents either disagreed or strongly disagreed with the statement. This suggested that although consumers may be aware of the brand, they may still switch to another brand offering the same product or service.

**Figure 5. 4: PRODUCT QUALITY**

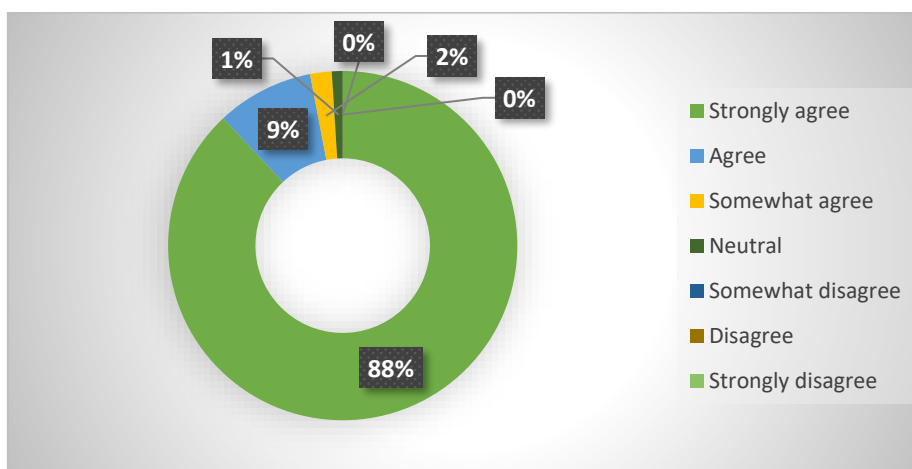


Figure 5.4 above illustrated the results with regard to the question of product quality of this brand. When respondents were asked if the quality of this brand is extremely high or not, 88% of respondents strongly agreed to the question whilst 9% agreed to Woolworths rendering high quality products. Consequently, a total of 97% responded affirmatively that Woolworths is rendering high quality products. This figure suggested that customers view Woolworths as a reliable company that satisfies their needs. 0% of respondents were neutral, 1% disagreed and 0% strongly disagreed. Product quality is very critical not only for a business but for customers as well. Therefore, managing quality is critical for Woolworths and all companies in order to attract and retain customers. For example, it is for this reason for Apple company to charge a higher price for iPhone than any other mobile phone in the industry - because the company has established a long history of delivering superior products. It is for this reason for Woolworths as well to charge higher prices than their competitors because of quality products and organic food offered.

**Table 5. 10: WOOLWORTHS PARTICIPATION IN SOCIAL EVENTS**

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Valid Strongly agree	25	30.5	30.5	30.5
Agree	18	14.38	14.38	88.0
Somewhat agree	3	2.62	2.62	98.1
Neutral	21	26.8	26.8	76.9
Somewhat disagree	12	6.2	6.2	87.5
Disagree	8	4.7	4.7	78.6
Strongly disagree	13	9.8	9.8	88.1
Total	<b>117</b>	100.0	100.0	

Results shown in Table 5.11 revealed that when confronted with the statement “This company actively sponsors or fiancé social events”, 30.5% of respondents mentioned that they strongly agreed and 14.38% agreed. This indicates that a total of 44.88% of the respondents answered in the affirmative. The response that had the most selections was neutral with 26.8%. A discussion by the researcher with some of the respondents revealed that most of them do not attend these social events due to the fact that they do not actually know about them or they live too far; not necessarily that they do not have the intention or the desire to attend them.

**Table 5. 11: WOULD PREFER A COMPANY BRAND WHICH IS INVOLVED IN CSR ACTIVITIES**

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Valid Strongly agree	25	22	22	30.5
Agree	12	18	18	69.9
Somewhat agree	23	19.49	19.49	78.9
Neutral	19	16.51	16.51	89.0
Somewhat disagree	14	13.14	13.14	92.0
Disagree	6	2.49	2.49	98
Strongly disagree	9	8.37	8.37	94
Total	<b>117</b>	100.0	100.0	

The results in Table 5.12 above revealed that when asked if they would prefer a company brand which is involved in CSR activities, 22% of respondents strongly agreed and 18% agreed that they would buy products from a company that looks after the community it serves. A cumulative total of 40%, which is less than half, of the respondents believe in supporting a company that is involved in CSR activities. In contrast, 16.51% said they were neutral, 2.49% said they disagreed whilst the remaining 8.37% strongly disagreed with the idea of CSR. A total of 27.37% of the respondents, therefore, do not wish to support an organisation that is involved in CSR activities.

**Table 5. 12: CUSTOMER AWARENESS OF CSR ACTIVITIES DONE BY WOOLWORTHS**

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Valid Strongly agree	25	20.5	20.5	20.5
Agree	12	12.25	12.25	98.5
Somewhat agree	23	12.25	12.25	88.7
Neutral	19	18	18	89.5
Somewhat disagree	14	3	3	76.1
Disagree	6	16.5	16.5	78.9
Strongly disagree	9	17.5	17.5	81.0
Total	<b>117</b>	100.0	100.0	

The statistics in Table 5.13 revealed that in reply to a question “I am aware of CSR activities done by this company/brand?” 20.5% of the respondents strongly agreed; 12.25% agreed and 12.25% somewhat agreed. This indicated that a total of 45% of the respondents answered in the affirmative. A total of 18% of the respondents were neutral about the question. In addition, 16.5% of respondents disagreed, while 17.5% of respondents strongly disagreed and 3% somewhat disagreed. The aggregate of 37% of consumers who disagreed suggested that there are consumers who are still unaware and unwilling to support CSR. These findings suggest that

some consumers are struggling daily in order to afford many of the basic necessities. It would therefore be logical that they would spend their money and buy the most affordable products, despite a company's high or low involvement in CSR activities. CSR is not yet a determining factor in buying a product from a company. This is the opposite finding of consumer perception about CSR. The result of this statistic revealed that CSR research needs to be clarified.

**Table 5. 13: GIVING BACK TO THE COMMUNITY**

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Valid Strongly agree	25	22	22	22
Agree	12	18	18	87.4
Somewhat agree	23	19.49	19.49	76
Neutral	19	16.51	16.51	58.6
Somewhat disagree	14	13.14	13.14	62.2
Disagree	6	2.49	2.49	89.1
Strongly disagree	9	8.37	8.37	75.9
Total	<b>117</b>	100.0	100.0	

Investing in a community is a great way to give back to those who have helped support the business. The results in Table 5.14 above revealed the responses of respondents when asked if this company gives back to the communities in which it does business. A total of 22% of the respondents strongly agreed and 18% agreed while 19.49% somewhat agreed with the statement. This indicated that a total of 59.49% of the respondents answered in the affirmative. A discussion by the researcher with some of the respondents revealed that some customers really enjoy the intangible benefit of giving—a pleasant feeling of connectedness and the satisfaction of at least trying to make the world a better place. However, there also are tangible benefits as it contributes to bettering the community and may also serve as good publicity for the business. On the other hand, 16.51% of respondents were neutral with the statement while 13.14% of respondents somewhat disagreed, 2.49% disagreed and 8.37% strongly disagreed.

**Table 5. 14: THIS COMPANY BEHAVES ETHICALLY AND HONESTLY WITH CUSTOMERS**

	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Valid Strongly agree	25	21	21	21
Agree	12	15	15	83.5
Somewhat agree	23	12.45	12.45	68.2
Neutral	19	16.8	16.8	87.2
Somewhat disagree	14	19.2	19.2	62.1
Disagree	6	7.75	7.75	74.6
Strongly disagree	9	7.75	7.75	98.1
Total	<b>117</b>	100.0	100.0	

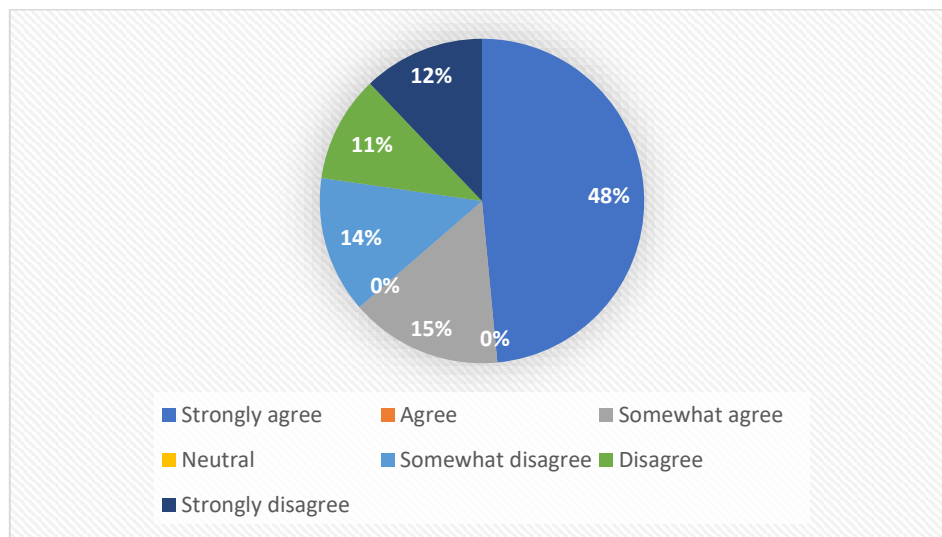
Table 5.15 revealed the responses of respondents when asked if they think this company behaves ethically and honestly with customers. This statistic revealed that 21% of the respondents strongly agreed and 15% agreed while 12.45% were somewhat agreeing with the statement. This indicated that a total of 48.45% of the respondents answered in the affirmative. When the researcher discussed the statement with the participants, they indicated that the company's ethical principles are consistent with their CSR activities and the company behaves consistently and honestly with its supporters. In addition, 19.2% of the respondents somewhat disagreed, 7.75% disagreed and 7.75% strongly disagreed. Businesses survive based on trust and value customers attach to it. The basis of trust is the perception customers have of the ethical behaviour of companies (Newman, 2015). Maintaining ethical behaviour would in fact be the foundation of all the relationships a company has with all its partners – customers, employees, investors, vendors and other stakeholders (Newman, 2015).

**Table 5. 15: CUSTOMER LOYALTY**

	Frequency	Percent (%)	V. Percent (%)	Cumulative Percent (%)
Valid Strongly agree	25	19.8	19.8	19.8
Agree	12	18.2	18.2	83.1
Somewhat agree	23	20.62	20.62	92.3
Neutral	19	17	17	86.3
Somewhat disagree	14	5.19	5.19	95.8
Disagree	6	14	14	89.4
Strongly disagree	9	5.19	5.19	98.22
Total	<b>117</b>	100.0	100.0	

The results in Table 5.16 revealed that 19.8% of the respondents strongly agreed whilst 18.2% agreed and 20.62% somewhat agreed when asked if they are loyal to the company. This indicated that a total of 58.62% of the respondents answered in the affirmative. Customer loyalty explains the extent to which customers are devoted to a company's products or services and how strong their tendency is to select one brand over the competition, and the results above established that 58.62% of the respondents said they are loyal to the company. In addition, 17% of the respondents were neutral and not certain of the answer. A total of 5.19% of the respondents somewhat disagreed, 14% disagreed and 5.19% strongly disagreed. When the researcher had a discussion with them these respondents revealed that they would still buy a different brand competing with Woolworths if, for example, the brand is out of stock or not available.

**Figure 5. 5: BRAND FUNCTIONALITY**



The results in Figure 5.5 above revealed that when respondents were posed with a question of the quality of this brand whether is extremely high, 48% of the respondents strongly agreed and 15% somewhat agreed with the statement. This indicated that a total of 63% of the respondents answered in the affirmative. The high percentage (48%) of the respondents revealed that Woolworths have the ability to provide high quality products, good customer experience, and the degree to which a product meets customers' expectations. When the researcher had a discussion with the respondents they indicated that they are willing to pay for a brand that is highly functional and meets their expectations. The fact that such a significant percentage of respondents said that they found the company brand functionality high suggested that they have strong and favourable associations with the company products.

## **5.6 INFERENTIAL STATISTICS**

Cronbach's Alpha coefficient was used to measure the internal consistency or reliability of the data collection instrument. Reliability refers to how well a test measure what it should. This method was selected because it does not require the questionnaire to be administered twice in order to test for reliability (Taber, 2017).

### 5.6.1 RELIABILITY ANALYSIS: CRONBACH ALPHA TEST

Cronbach's Alpha coefficient was used to measure the internal consistency or reliability of the data collection instrument. Reliability refers to how well a test measure what it should. This method was selected because it does not require the questionnaire to be administered twice in order to test for reliability (Taber, 2017).

**Table 5. 16: CASE PROCESSING SUMMARY**

		N	Percent (%)
CASES	Valid	117	100.0
	Excluded	3	.3
	Total	117	100.0

- a. List-wise deletion based on all variables in the procedure.

Statistics in Table 5.17 above revealed that there were cases that were excluded in the calculation of the Cronbach's alpha reliability test. Only three of the respondents had invalid responses.

**Table 5. 17: CRONBACH'S ALPHA COEFFICIENT**

Reliability Statistics	
Cronbach's Alpha	N of items
0.785	25

Decision rule:

- P value greater than level of significance (0.05), null hypothesis retained.
- P value lesser than level of significance (0.05), null hypothesis rejected.

As per Table 5.18 above, results of the reliability analysis revealed that with a number of 25 items in the questionnaire, the Cronbach alpha value was 0.785 which was above 0.7. This meant that the research instrument's variables had high internal consistency and reliability. The researcher acknowledged that the number of questions in the questionnaire may have contributed to this high figure.

### 5.6.2 HYPOTHESIS TESTING

Hypothesis testing is a statistical method that is used in making statistical decisions using experimental data. Hypothesis Testing is basically an assumption that researchers make about the population parameter (Statistics Solutions, 2013). In this study, the hypothesis was formulated by the researcher. The hypothesis was presented in an alternative form. This form revealed that observations of the results were of a real effect. H1, H2, H3 and H4 (as shown below) were above the level of significance (0.785) and the researcher had enough evidence for the null hypothesis to be retained. This high level of reliability revealed that there was a



positive relationship of CSR on brand equity (H1), there was a positive effect of effect of overall CSR perception on brand equity (H2), there was a positive relationship between CSR and consumer's expectations (H3), and lastly, a resourceful association between CSR and customer loyalty.

H1: There is a significant relationship between CSR and brand equity.

H2: There is a significant impact of overall CSR perception on brand equity.

H3: There is a significant relationship between CSR and consumers' expectations.

H4: There is a significant relationship between CSR and customer loyalty.

## 5.7 CHI-SQUARE TESTS

**Table 5. 18: CHI-SQUARE RESULTS: CSR AND BRAND EQUITY BY GENDER**

Results						
	Female	Male				Row Totals
Brand equity	67 (53.33) [3.50]	33 (46.67) [4.00]				100
CSR	45 (58.67) [3.18]	65 (51.33) [3.64]				110
Column Totals	112	98				210 (Grand Total)

\*\*brand equity and CSR

The chi-square statistic is 14.3267. The result is significant at  $p < .05$ .

$X^2 (1, N = 117) = 8.9, p = .0029$ .

A chi-square test of independence was performed to examine the relation between gender and the two dependent variables i.e. CSR and brand equity. The relation between these variables was significant. In addition, data gathered from consumers found out that there is a very strong relationship between CSR and brand equity. The companies who are investing on CSR activities are enjoying good consumer loyalty and the brands they operate enjoy healthy profits and sustainable market position.

**Table 5. 19: CHI-SQAURE TEST, GENDER AND PRODUCT FUNCTIONALITY**

	value	Df	Asymp. Sig. (2sided)
Pearson Chi-square	1.5439a	2	.462
Likelihood Ratio	1.609	2	.447
Linear-by-linear Association	1.476	1	.224
N of Valid Cases	117		

The results in Table 5.20 above revealed a p-value of .462 which is above 0.05. This statistic suggested that there is no statistically significant relationship between these variables. This exposed the fact that there were no gender differences in relation to the perception about the product functionality. Functionality determines the value of a brand.

### 5.8 CORRELATION

Correlation is simply defined as a relationship between two variables. Correlation is a statistical technique that can show whether and how strongly pairs of variables are related (Surveysystem.com, 2016).

**Table 5. 20: CORRELATION, CSR, BRAND EQUITY**

		CSR	Brand Equity
CSR	Pearson Correlation	1	.89**
	Sig. (2-tailed)		.004
	N	117	117
Brand equity	Pearson Correlation	.165**	1
	Sig. (2-tailed)		
	N	117	117

\*\* . Correlation is significant at the 0.01 level (2-tailed)

The statistic in Table 5.21 revealed a *p-value* of .004 which is less than 0.05. The correlation value is a positive .165. This statistic revealed that there was a statistically significant

relationship between the two variables. This result suggested that consumers perceive Woolworths as being an organisation that demonstrates their commitment to sustainability while also building a progressive reputation, therefore, they believe the company is socially oriented.

**Table 5. 21: CORRELATION, BRAND FUNCTIONALITY AND BRAND QUALITY**

		Brand functionality	Brand quality
CSR	Pearson Correlation	1	.338**
	Sig. (2-tailed)		.000
	N	117	117
Brand equity	Pearson Correlation	.338**	1
	Sig. (2-tailed)	.000	
	N	117	117

\*\* . Correlation is significant at the 0.01 level (2-tailed)

The results in Table 5.22 above revealed a *p-value* of .000, which is below 0.05 and a positive correlation value of .338. This means that there is a statistically significant relationship between the two variables. This positive correlation coefficient means that as one variable increases the other does the same. This result revealed a large correlation value suggesting a strong relationship between brand functionality and brand equity. In addition, the statistic in Table 5.21 suggested that the brand should meet the needs and expectations of the customers and be functional. The results in Table 5.22, therefore, established the link between brand functionality and brand equity.

**Table 5. 22: CORRELATION, CSR, WELLBEING OF SOCIETY**

		CSR activities	Wellbeing of the society
CSR activities	Pearson Correlation	1	.436**
	Sig. (2-tailed)		.000
	N	117	117
Wellbeing of the society	Pearson Correlation	.436**	1
	Sig. (2-tailed)	.000	

\*\*. Correlation is significant at the 0.01 level (2-tailed)

In Table 5.23 above, the results presented indicated the correlation results of a *p-value* of .000 and a positive correlation value of .436. This suggested that there was a statistically significant relationship between the two variables. This, therefore, meant that there was a relationship between CSR and its contribution to bettering the lives of people in the society. In addition, the statistic revealed that CSR can have a positive impact on society wellbeing and morale by for instance, supporting local area initiatives, green initiatives and charities.

### 5.9 ANOVA

“Analysis of variance (ANOVA) is a collection of statistical models and their associated estimation procedures (such as the "variation" among and between groups) used to analyse the differences among group means in a sample” (Larson, 2008). An ANOVA test was applied in this study to find out if survey results were significant.

**Table 5. 23: ANALYSIS OF VARIANCE BY AGE**

		Sum of squares	Df	Mean square	f	Sig.
CSR	Between groups	1.156	3	.071	.344	.718
	Within groups	58.674	189	.332		
	Total	62.673	187			
Brand equity	Between groups	.709		.301	1.602	.208
	Within groups	67.005		.258		
	Total	68.009				

Results in Table 5.24 above demonstrate that there was a *p-value* of more than 0.05. This suggested that there were no significant differences among the different age groups in relation to CSR and brand equity.

### 5.10 THE T-TESTS

The t-test indicates the extent of the differences between groups. In other words, a t-test informs the researcher if any differences could have happened by chance. Low p-values in the study were a good indication. They revealed that data did not occur by chance. For example, a p-value of 0.05 (5%) was accepted to mean the data is valid.

**Table 5. 24: GENDER AND BRAND ELEMENTS**

Independent sample test										
		Levene's test for equality of variances		T test for equality of means						
		f	Sig.	t	df	Sig. (2 – tailed)	Mean difference	Std. Error difference	95% confidence Interval of the difference	
									Lower	Upper
Brand recognition	Equal Variances assumed	.081	.798	-.308	.293	.866	.02512	.08194	17314	.12148
	Equal Variance not assumed			-.301	.305.021	.846	.02222	.09814	19081	13991
Packaging	Equal Variances assumed	6.396	.018	-1.218	.289	.212	-.12151	.09582	-.28781	.06011
	Equal Variance not assumed			-1.285	185.799	.159	-.119162	.08794	-.29681	.05981
Symbol and logo	Equal Variances assumed	.293	.783	.589	153.779	.166	.05218	.07771	81914	.04421
	Equal Variance not assumed			-.731	.569	.179	.05899	.79981	90112	.04421
Personal relevance	Equal Variances assumed	.8.971	.891	-1.589	.289	.866	.02512	.08194	17314	.12148
	Equal Variance not assumed			-1.600	159.569	.846	.02222	.09814	19081	13991
Purchase frequency	Equal Variances assumed	6.081	.158	.899	.938	.851	-.15821	.59810	-.28031	.03898
	Equal Variance not assumed			.801	191.060	.789	-.16861	.60321	-.29011	.04568
Brand name	Equal Variances assumed	5.004	.015	-.401	.302	.351	.15329	.16714	21098	.12814
	Equal Variance not assumed			-.443	.209.093	.7289	.19940	.175011	19564	.14018

Table 5.25 above, the p significance values are above 0.05 for consumers' responses on brand recognition, symbol and logo, personal relevance, and purchase frequency. The p-values in Table 5.24 revealed that there were no significant differences between gender groups towards these variables. The variable of brand name with the p-value of 0.015 and packaging with the p-value of 0.018 was less than 0.05. These values revealed that there were significant differences between the gender groups with regards to how customers perceive the brand name

and packaging of the company. It must be noted however, that this figure was determined when equal variances were not assumed.

### **5.11 SUMMARY**

This chapter focused on the presentation of results and statistics from the quantitative data collection instrument – a survey questionnaire. Demographic profile of the respondents was presented by means of frequencies and percentages. Data were further analysed using descriptive and inferential statistical analysis methods. Cronbach's alpha test was used to measure the internal consistency or reliability of the data collection instrument. Chi-square, correlation, ANOVA and the t-test were presented and discussed. An analysis using the SPSS was performed to confirm relationships between variables and to test the model for goodness of fit. The next chapter will discuss findings based on the objectives of the study.

## **CHAPTER SIX**

### **DISCUSSION OF RESULTS**

#### **6.1 INTRODUCTION**

The previous chapter presented a detailed presentation, analysis and interpretation of the results of the study. This chapter focusses on discussing the results of the study based on its objectives. This chapter will present a synthesised discourse of results of empirical study in conjunction with the primary objectives of the study. The researcher will examine a link between the results presented and the stated objectives. In addition, this chapter will also discuss the study findings in line with the existing literature in order to establish the extent to which the reported findings link with the findings on brand equity and CSR reported in the previous studies or theories. A discussion of demographic data is followed by a discussion of research results in the order of research objectives.

#### **6.2 DEMOGRAPHIC PROFILE DISCUSSION**

##### **6.2.1 Profile of respondents**

The results in the previous chapter revealed that more females (69%) than males (48%) participated in this study. The researcher observed that females were the ones who usually do shopping at Woolworths. Consequently, the percentage of female participants was much higher than the percentage of male participants. The two sexes differ in their perspectives, motives, rationales, and actions about shopping. When a researcher had a dialogue with some female respondents, they revealed that as women they shop more than men because they enjoy shopping more than men. The female respondents also indicated that they find shopping to be a therapeutic exercise.

Brennan (2013:15) argued that “in virtually every society in the world, women have primary care-giving responsibilities for both children and the elderly (and often, just about everybody else in-between).” Therefore, woman in this primary caregiving role find themselves buying on behalf of everyone else in their lives. In addition to buying for themselves, women buy on behalf of husbands, partners, kids, colleagues, adult children, friends, relatives, elderly parents, in-laws, their businesses and even their kids’ friends, to name just a few (Brennan, 2013). If somebody somewhere needs a gift chances are there is a woman thinking about it; tracking it down; wrapping it; making sure it is accompanied by a personal message and then arriving to the person on the appointed day (Brenna, 2013). The researcher argued that there are entire industries that would collapse overnight if women stopped being so thoughtful and buying for

everyone close to them. The researcher considered the impact to the greeting card industry alone as an example.

### **6.3 DISCUSSION OF OBJECTIVES**

#### **6.3.1 OBJECTIVE 1: To determine the effects of CSR in brand equity**

In the previous chapter, the result in Table 5.12 revealed that when respondents were asked if they would prefer a company brand which is involved in CSR activities, 22% of the respondents strongly agreed and 18% agreed that they would buy products from a company that looks after the community it serves. A cumulative total of 40% of the respondents believed in supporting an organisation that is socially responsible and that is involved in CSR activities. CSR actions are truly an impactful and innovative way for companies to establish a reputation as a socially responsible company and impact the brand reputation of the company. Not to mention it is an easy way to retain top employees). In addition, major profits made are used to assist the vulnerable communities like by providing visually impaired prescription glasses and medical treatments, provide 'safe' drinking water and build businesses in developing countries to create jobs. In turn, these socially responsible actions contribute to the image and reputation of the company and its brand equity as a whole.

When the researcher examined the past related literature on objective 1, the researcher established there were numerous ways in which CSR was used to build brand equity in the past, ultimately affecting the brand image of the company positively. For instance, sponsoring sports games as an event marketing strategy would in turn build a good perception of the company in the minds of customers and affect the brand equity of the organisation. Sheth and Parvatiyar (2000) discovered that in a highly competitive market, developing a strong brand is an important factor in the success of firms. Brand equity is an essential key to building brand value and raising a firm's competitiveness in the market (Kim & Kim, 2004). Remarkably, Reich et. al. (2010) determines that CSR can be a way to increase brand equity and promote a company's positive image while attracting current and potential customers.

#### **6.3.2 OBJECTIVE 2: To determine consumer perceptions towards CSR**

The findings in the previous chapter, Table 5.13 revealed that in reply to a question of awareness of CSR activities done by Woolworths, 20.5% of the respondents strongly agreed to the statement; 12.25% agreed and 12.25% somewhat agreed. A total of 45% of the respondents answered in the affirmative which implies that 45% of customers' perceptions of CSR are responsible for cultivating brand equity. This result suggests that some consumers are very



much aware of CSR activities done by this company. Furthermore, it also suggests that some consumers are environmentally conscious. Environmentally conscious consumers are customers who are willing to buy goods or services or even willing to pay an extra amount for eco-friendly products. In his study, Young (2019:10) contends that “millennials (aged 22-35) are more likely than any other generation to say that they would pay extra for eco-friendly or sustainable products.” Consumers in markets either small or big in size are increasingly motivated to be more environmentally conscious and are exercising their power and voice through the products they buy. A study by Butler (2018:3) revealed that “87% of consumers will have a more positive image of a company that supports social or environmental issues and 88% will be more loyal to a company that supports social or environmental issues.” This demonstrated that customers support environmental and social issues. Another study by Holbrook (2019) revealed that consumers are willing to pay up to 5% more for environmentally friendly products.

Perception is everything in today’s ever-changing business environment. It is very difficult to change if customers have a poor or negative feeling about a company’s brand, without a real focus. Consumer perception explains consumer behaviour by analysing motivations for buying or not buying particular items (Kotler, 2004). Kotler (2004:89) reached a conclusion that “consumer perception relates to self-perception, price perception and perception of a benefit to quality of life.” Customer perception is, for example, affected by advertising, reviews, public relations, social media, personal experiences and other channels. Therefore, the researcher suggests a positive perception of consumers toward CSR. First, some consumers are aware and interested in CSR and consider CSR as a purchase criterion. Other consumers are willing to pay a higher price for that firm’s products (Creyer and Ross, 1997; Handelman & Arnold, 1999). In addition, the interactive poll by Hill et. al. (2015) revealed that 79% of consumers take corporate citizenship into account when deciding whether to buy a particular company’s product. Nevertheless, most consumers are still unwilling to compromise CSR on core product attributes such as price and quality (Beckmann, 2007; Cone Corporate Citizenship, 2001). Secondly, CSR increases positive attitude and loyalty towards the company brand (Bhattacharya and Sen, 2004; Brown and Dacin, 1997; Du, Bhattacharya and Sen, 2007; Lichtenstein, Drumwright and Braig, 2004) and ultimately, improves financial performance. This suggested a positive relationship between CSR and brand equity.

### **6.3.3 OBJECTIVE 3: To determine what kind of CSR activities are considered by consumers to be adequate to qualify as socially responsible behaviour**

Research on CSR programmes revealed that consumers are more likely to buy goods and services from companies that are themselves involved in such socially responsible programmes. In today's business environment customers are aware of CSR activities performed by companies. The results in the previous chapter in Table 5.9 specifically revealed that more than 69.9% of respondents strongly agreed that CSR activities bring wellbeing to the society where a company manages its social activities for the wellbeing of the society. Table 5.11 in the previous chapter revealed that when participants were asked the question "Does this company actively sponsor or finance social events?", 30.5% of respondents mention that they strongly agreed and 14.38% said that they agreed. This indicated that a total of 44.88% of the respondents answered in the affirmative. The response that had 26.8% selections was neutral. A discussion by the researcher with some of the respondents revealed that most of them do not attend these events or social activities done by Woolworths due to the fact that they do not actually know about them or they live too far; not necessarily that they do not have the intention or the desire to attend them.

When the researcher had a discussion with the participants, they commented that CSR is an important tool not just for the environment, society, and the world at large, but for the company's reputation. It is difficult and quite expensive to conduct a business that has a bad reputation. Whether the bad image is the consequence of poor customer service or a corporate scandal - all this will impact on the balance sheet of the company. Therefore, in order to build a positive company reputation, it has to invest in CSR activities. These powerful CSR activities have the power to send messages to consumers that the company cares about making a positive difference in the world. A study by Gnadt (2017) determined that 72% of consumers want to shop at a company that prioritises CSR and environmental issues. As a result, they expect a company to practice environmental awareness programmes and sell products that are eco-friendly. This argument is supported by Farah and Newman (2010) and Kalyar et. al., (2013) that found that customers do not support companies which are involved in socially irresponsible behaviours (and customers support the firms which are involved in socially responsible behaviour by purchasing the product of that company) (Olsen, 2006; Brown and Dacin, 1997; Bhattacharya and Sen, 2004).

Consumers also expect of staff members at companies to be involved in volunteer activities, and consumers need to actively witness these activities in their communities. Staff members

can use work time to volunteer. Offering opportunities in this regard has the possibility of improving the wellbeing of the society. In addition, consumers expect companies to sponsor a community initiative and to do what they can to fully support these efforts. Customers commented that businesses could, for example, sponsor a local youth event or donate a portion of their revenue towards a fundraising effort. In doing so, they will not only enrich the neighbourhood, but it could also boost the image of the community. Customers also consider donations of products to neighbourhood as a socially responsible behaviour. The expectations of the customers regarding CSR is increasing in its importance, because a number of firms are investing in CSR. Drawing argument from Chapter Two, Handelman and Arnold (1999) state that companies are engaged in social programmes as they become aware that customers reward socially responsible businesses and CSR can also have an impact on the performance of a firm. There is thus an alignment and link between the consulted pre-existing literature and the CSR activities that are considered by consumers to be adequate to qualify as socially responsible behaviour.

#### **6.3.4 OBJECTIVE 4: To determine whether CSR affects customer loyalty**

Statistics in the previous chapter, specifically in Table 5.16 revealed that 19.8% of the respondents strongly agreed whilst 18.2% agreed and 20.62 somewhat agreed when asked if they were loyal to the company. This result indicated that a total of 58.62% of the respondents answered the statement in the affirmative. Customer loyalty is the extent to which customers are devoted to a company's products or services and indicates how strong their tendency is to select one brand over the competition, and the statistics above have established that 58.62% customers of Woolworths are loyal to the company. In addition, 17% of the respondents were neutral and not certain of the answer. A total of 5.19% of the respondents disagreed and 14% strongly disagreed. When the researcher had a discussion with these respondents, they indicated that they would still buy another competition brand if, for example, the brand is out of stock or not available. These are customers that generally wish to satisfy their needs immediately. They can possibly make a purchase from a competitor.

Furthermore, the literature review demonstrated that customer loyalty has been well-documented in marketing and is an important concept in strategic marketing. Yusof et. al., (2015) posit that many researchers have accepted the notion that loyalty or loyal customers are the lifeblood of an organisation regardless of its scale and business scope. Oliver (1999) asserts that keeping loyal customers is critical for business to maximise their profit. In a similar vein, Ailawadi and Keller (2004) agreed that customer loyalty could result in increased profit for

retailers as customers buy a higher percentage of merchandise from retailers. Nonetheless, loyalty is a complex concept, and the models that scholars apply to describe its formation are continuing (Garcia de los Salmones et. al., 2009). Along this line, scholars have started to consider the inclusion of CSR image in loyalty behaviour models. However, the results of these studies generated controversy because empirical evidence continues to point to contradictory findings. While some scholars perceived positive effects of CSR image on customer loyalty (Perez et al., 2013), this influence is again rejected by other studies (Carrigan and Attalla, 2001).

But recent efforts in this area continues to improve. Recent evidence (Cole, 2017) revealed that CSR can be more effective than advertising when it comes to attracting interest from consumers. This effect emerges as a result of “generalized reciprocity” whereby customers reward an organisation for the indirect benefits provided to them when its CSR activities impact positively on their society (Cole, 2017:60). Optimising the impact of CSR on customer loyalty should therefore be high on the agenda of these retailers. A focus on sustainable development offers a route towards achieving this objective.

#### **6.4 SUMMARY**

This chapter presented a discussion of the findings within the framework of the research objectives. Objectives of the study were discussed in relation to the results of the study and the literature. This study reveals that CSR is an effective organisational tool when it comes to attracting interest from consumers. The relationship between brand CSR and brand equity was evaluated and it was determined that there is a statistically positive relationship between the two. It was further established that companies that are engaged in social programmes receive rewards from customers by means of their loyalty. CSR also has a positive impact on the performance of a firm. The last chapter will present the recommendations and limitations of the study and its conclusion.

## **CHAPTER SEVEN**

### **RECOMMENDATIONS, LIMITATIONS AND CONCLUSION**

#### **7.1 INTRODUCTION**

The preceding chapter presented a discussion on the findings of the chapter within the framework of the research objectives. This chapter presents the conclusions of the study in relation to the conceptual framework of the study. The purpose of this chapter will also be to present the value of the study, limitations of the study, recommendations that were derived from the research as well its implications for future research.

#### **7.3 RECOMMENDATIONS**

##### **7.3.1 Educate customers about CSR**

Customers need to be educated by companies about what CSR entails. In marketing or any industry, educating a customer is an important part that has no current equivalent in the market. McGregor (2014) states that teaching customers about CSR ensures that they understand the benefits and value of a CSR programme. CSR must be based on an understanding of customers' real needs. A clear awareness of what the concept of CSR entails will reduce the chances of consumers being confused and thus resulting in a bad impression of the company. A suitable CSR reporting strategy should be employed in order for communication of CSR initiatives to occur in an appropriate way. Dapi and Phiri (2015) commented that some companies have reported their CSR activities in ways that have been considered by consumers to be advertising. For example, Woolworths needs to teach their customers and community at large about their CSR activities such as food parcels offerings. Woolworths can educate their customers through their social media platforms such as Twitter, Facebook, Instagram and LinkedIn. They can also offer tutorial classes through their YouTube channel account and inform customers about their CSR programmes such as EduPlant programme, which encourages schools to grow their own food in a sustainable way. Woolworths can educate customers about their partnership with the National Education Collaboration Trust and by providing educators with educational resources and experiential activities through the Woolworths Making the Difference Educational Programme (Woolworths Website, 2020).

##### **7.3.2 Proactive approach to CSR**

In a business environment, companies should not only act when a problem arises. Companies need to be consistently active in being a socially responsible oriented business and should look after the community it serves through initiating and implementing CSR programmes. Dapi and

Phiri (2015) state that corporations need to take a proactive rather than a reactive approach to CSR. Businesses that are famous when it comes to being socially responsible are more likely to gain customer loyalty and credibility that is necessary for times when something happens, and they have to react. Businesses that are not well-known or considered as big enterprises will experience hardship. For example, Woolworths is a proactive company when it comes to CSR projects. Through the MySchool MyVillage MyPlanet loyalty-linked programme, the company have raised and distributed funds on behalf of our customers to over 8 000 schools and charities over the years (Woolworths Website, 2020).

### **7.3.3 Increased consumer engagement**

Customer engagement is considered to be an important customer relationship management construct by service researchers (Banyte and Dovalience, 2014). Understanding customer preferences is particularly paramount to getting customers to engage in CSR activities because it is important for organisations to choose societal initiatives that are of interest to their customers, and address their concerns, to get them engaged in corporate social responsibility strategies (Bhattacharya et. al., 2011; Du et. al., 2011). In addition, customer engagement and CSR have been linked to customer loyalty. Past findings (Jarvis et. al., 2017) postulates the importance of engaging customers in a CSR strategy they prefer since it not only augments extra value to the organisation through customer loyalty to the organisation, but also customer engagement with the organisation. Businesses need to engage all the relevant public stakeholders in terms of what they feel would be appropriate CSR activities. What the company may consider to be socially responsible behaviour may be seen by stakeholders, especially investors, as a waste of company resources. The voice of investors is crucial in this regard. For example, Woolworths needs to strengthen their partnership with other organisations that support local talent, like they did with the Sanlam Virtual Cape Town Marathon and feed runners. Woolworths need to increase their customer engagement by participating in events like Comrades Marathon and have a branded station with billboards written, for instance, “You are always a winner with woollies” and have items to distribute like fruits, water, juices, therapists to massage runners. This will strengthen the relationship with runners who usually do their shopping at Woolworths and attract new customers.

### **7.3.4 Adopt a focused CSR approach**

It is suggested that companies need to develop and adopt a focused CSR approach. This will guide their CSR strategic practices. Amongst many, one of the most controversial issues when it comes to CSR is sport sponsorship. Many doubts that this practice should be considered as

CSR. However, a recommendation is that Woolworths has adopted a focused approach with regard to sport sponsorship. Although the company is not sponsoring any football club in South Africa playing in famous soccer league known as Premier Soccer League (PSL), considering selecting one team and support and sponsor it so the company can attract more customers and consequently build brand equity of the company. Woolworths need to be responsible in their spending by giving back to the community in this regard.

#### **7.3.5 Integration of sports sponsorship**

Sponsorship holds great potential to build CSR image given its reputation as a powerful means for publicizing and highlighting a transparent, consistent and socially responsible corporate image (Schlesinger and Gungerich, 2011). Therefore, the decision to sponsor sport events can improve CSR image and show that a company is responsible. It is suggested that Woolworths leaders take a decision to sponsor local sports association or sports clubs, which is perceived as a real contribution to sports development in the community by consumers (Sports Business, 2009). Not only Woolworths, but all businesses need to tie up sponsorships of events or sports with CSR programmes that are considered by consumers to be legitimate. For example, if a sports club sponsored by Woolworths wins a million-rand tournament, they donate at least 10% of their monetary reward in building a community library in a disadvantaged community.

#### **7.3.6 Create or participate in events that promote giving**

Companies need to establish and involve themselves in events that promote giving and fundraising for a cause. Creating or participating in events that promote giving or fundraising can generate major revenue for a cause. For example, Woolworths can tap into a national interest and host their own charitable flag football tournament. They can charge an entry fee per team or ask participants to fundraise for entry. Another example, the company can host an annual 10km and 5km fun run where participants will be requested to pay a certain fee to enter to run or walk and the revenue generated can be donated. An additional example is that the company creates an event called Giving Friday which can be celebrated on Fridays and will be all about giving back to the community. The company can give back their products, especially food to local schools and this movement can be largely fuelled by social media with the hashtag #GivingFriday and other companies can potentially follow the initiative and do the same.

#### **7.3.7 Additional recommendations**

- Build CSR into core of company business model.

- Conduct properly structured, ongoing stakeholder dialogue as part of developing a CSR strategy.
- Build stronger partnerships with NPOs, NGOs, local communities, municipalities, and any stakeholder who can add value to the business.
- Involve stakeholders in innovative strategies and projects to create productive change.
- Find ways to create new relationships with suppliers based on shared visions about CSR.
- Establish policies and systems to attract and retain talent for the long-term success of the business.
- Develop communities alongside the business by measuring community impacts properly and having long-term investment strategies involving stakeholders.
- Engage in better non-financial risk management.
- Ensure good governance.

#### **7.4 VALUE OF THE STUDY**

Although both corporate social responsibility and brand equity have been extensively studied in marketing research, very little research exists about the relationship between CSR and brand equity in the retail industry. This study unveils an important potential source of competitive advantage regarding perceptions. The primary value of this study is that it provides empirical data on the brand equity model. The study was able to determine consumer attitudes and beliefs on each of the four steps in the brand building process. It was also able to determine that even a brand with a highly effective communication programme will not necessarily resonate with consumers. The study also provided empirical data on some of the conceptual framework that has been developed by marketing theorists.

The findings of this research are critical for practitioners in multi-sector products companies and services working in South Africa. A major contribution of this research work is the determination of the relationship between corporate social responsibility and brand equity. This study was directed towards providing both marketers and academics better insights into the role of corporate social responsibility as it relates to consumer-based brand equity. The study presented the findings of both literature survey and empirical research on corporate social responsibility and the role it plays in building consumer-based brand equity of companies i.e. Woolworths. The study has to an extent endorsed the customer-based brand equity model of



brand building. Finally, it was revealed that corporate social responsibility does indeed play a pivotal role in the development of customer-based brand equity.

## **7.5 LIMITATIONS OF THE STUDY**

Most studies have limitations. Every study has its own difficulties. Wordvice (2018:1) stated that “study limitations can exist because of constraints on research design or method.” These factors can impact the interpretation of the findings of the study. This study’s limitations were:

- **The questionnaire format**

The questionnaire itself presented some limitations for the study. Firstly, respondents complained that it was too long. Although a pilot study was conducted to avoid this, some of the respondents also complained that they found some of the questions were too similar and felt this was unnecessary repetition. Lastly, it is the opinion of the researcher that some vital questions were omitted which would have provided better insights.

- **Focus of the study**

The focus for this study was Woolworths brand equity and CSR as the marketing tool that can be used to promote the brand. This means that the application of these results is limited as consumers of other brands may have completely different opinions, attitudes and beliefs. Also, the popularity of the brand may have had a psychological impact on the respondents in terms of the responses they provided.

- **Geographic location**

Given that it would have been time consuming and impractical to do a provincial or national survey, the geographic boundary for the questionnaire-based survey was limited to customers who usually do their shopping at selected Woolworths stores within Pietermaritzburg.

- **Limited scope**

This study focused primarily on attitudes of respondents that usually do their shopping at Woolworths, and in so doing, focused on corporate social responsibility as the main component that contributes to improvement of the brand equity of the company while other factors that lead to improved brand equity such as customer loyalty programmes, perceived quality, superior in quality, sport sponsorships, staff bonuses and reliability. However, there are many other factors that may influence the attitude of consumers that were not considered. It is therefore recommended that future studies explore some of these areas.

- **Non-probability sampling technique used**

The researcher used the convenience sampling technique. Respondents were selected on the basis of availability and convenience until the targeted sample size was reached. It was deemed to be the most appropriate sampling technique considering that there was no access to a comprehensive sampling frame, and by virtue of this, the sample derived would not be representative of the target population regardless of the chosen sampling method. The findings of study cannot, therefore, be generalised to the wider population.

- **Assumptions**

Several assumptions were made by the researcher when designing the questionnaire which may have affected the validity of some of the results.

## **7.6 MANAGERIAL IMPLICATIONS**

In this informative era, consumers are more aware about social responsibilities of the firms and have orientation towards social responsibilities and want to give their contribution to firms engaged in genuine CSR initiatives. They also give more preference to these brands. In this study, all the sample respondents have shown high interest towards socially responsible brands. The important thing which managers have to understand is that CSR is not a burden on the organisation but rather an opportunity for sustainable competitive advantage and corporate value creation. Findings of this study would also help in diminishing the dilemma of many CSR managers of whether or not CSR initiatives of the company would strengthen the consumer-company bond. CSR may position a brand more emotionally than cognitively (Mahajan and Wind, 2002) — ‘going straight to the heart’ rather than providing a product solution or benefit that none of its competitors provide. Such positioning may grant the brand a cognitive edge as well, enhancing consumers’ beliefs regarding its ability to deliver key functional benefits (Singh and Verma, 2017:16).

However, to reap the reward from consumers, managers must formulate an adequate strategy for marketing their CSR activities in order to attain a distinct image in the mind of consumers. For firms that wish to derive the most benefits from their CSR investments, awareness of their brand’s CSR initiatives is a key prerequisite for CSR beliefs (Du et. al., 2007). Low CSR awareness is a bottleneck for companies, and they will not reap any benefits from their social investments. In other words, because of a lack of effective communication, companies attain only minimal benefits from their CSR strides, as their target markets are unaware of their CSR initiatives (Singh and Verma, 2017). Managers are therefore capable of increasing brand equity

by using corporate social responsibility as a strategic tool for positioning differentiation. In addition, this study will assist managers to consider maximising their CSR initiatives and build brand equity and invite both private and public sectors in this regard.

### **7.7 AREAS FOR FUTURE RESEARCH**

The results of the study suggest possibilities for future research opportunities which could be conducted in other geographic locations and for other types of retail stores or a different sector. Also, segmentation by income group should be a criterion for trying to find different forms of behaviour and identify casual relationships in new categories (Rodriguez et. al., 2017).

In addition, further research should be conducted by carefully designing the research instrument (questionnaire) or methods. It is suggested that a qualitative analysis or an interview should be done with some influential customers or those who have very frequent contact with an organisation since they might have more personal experience with the organisation to improve the credibility of the findings.

Sport sponsorship, as a CSR tool, has received little academic attention in the CSR domain. (Peloza and Shang, 2011). While some initial research has suggested the ability of sport sponsorship to build or sponsor CSR image (Quester et. al., 2013), empirical investigations of whether sport sponsorship can facilitate the development of the CSR image are lacking. As a result, the researcher suggests that such a study should be conducted in future.

CSR and brand equity are dynamic in nature therefore, this research is by no means conclusive. In fact, it opens a new dimension for further research, and it is proposed that more variables should be probed and empirically tested for further investigation. Additional research is required to address these findings and identify other variables that may affect brand equity. More research is also needed to understand when and how to communicate CSR initiatives to consumers.

### **7.8 CONCLUSION**

In conclusion, in order to achieve the stated purpose, the following hypotheses was formulated and visualised in this study: i) there is a significant relationship between CSR and brand equity ii) there is a significant impact of CSR perception on brand equity iii) there is a significant relationship between CSR and consumers expectations and iv) there is a significant relationship between CSR and customer loyalty. These statements were best supported by the sample data. The findings of this study were statistically significant. The hypothesis was framed to answer the research questions that were raised, and the results accepted the alternative hypothesis. The

data that were collected and analysed answered the research questions of this study and the objectives were achieved.

The main objective of this study was to provide empirical evidence to verify the impact of CSR on brand equity. Findings of this study explored that CSR initiatives are the major source of brand image and loyalty which enhance brand equity for the company. “Through social initiatives, a company will not only be able to generate favourable stakeholder attitudes and behaviours (e.g. repeat purchases, employment, investment) but also, in the long run, build brand image, strengthen stakeholder-company relationships and enhance stakeholders’ advocacy behaviours for the company, for example, word-of-mouth, employee-organisational commitment and citizenship behaviour” (Du et. al., 2010). However, the stakeholders’ low awareness of and scepticism towards companies’ CSR activities are the biggest obstacles in firms’ stride to reap any reward from CSR investment. This study found that CSR investment may bring tangible or intangible benefits to a firm if it is communicated effectively to the intended stakeholders. On the other hand, CSR can fail if it is not communicated well to the stakeholder or relevant people.

CSR is not a new concept in South Africa. Singh and Verma (2017:34) pointed out that “CSR has historical root in ancient times; but the organizations are still in dilemma — Is it companies’ or governments’ responsibility to take care of society? Why should we incorporate CSR in our business practices? Does CSR pay off?” All these questions come to mind for corporate leaders whether it is the responsibility of the business – as their aim is to maximise profit - to look after the community or is it government’s duty to ensure the needs of the community are met?. However, contemporary studies by Singh and Verma (2017 (2017:94) revealed that businesses cannot exist in a vacuum, therefore business, society, the environment and other stakeholders are interconnected and share responsibilities towards each other too. If a corporation shows socially irresponsible behaviour, it will very soon cease to exist in the market since consumers are extremely aware of their choices and preference and are very sensitive towards the company and/or brand name. In order to stay competitive, it is greatly recommended that companies should demonstrate their social concern while conducting their businesses (Singh and Verma 2017).

Finally, this study contributed to the body of knowledge on CSR and brand equity. In addition, this study supported and promoted the culture of giving back to the community through CSR activities initiated by companies. This study encouraged companies to design and implement

CSR programmes in the communities in which they operate in. This research added to the literature by examining the relationship between CSR and brand equity. On the managerial implication, in order to reap reward from consumers, managers should formulate an adequate strategy for marketing their CSR activities to attain a distinct image in the mind of consumers. Furthermore, this study's limitations were questionnaire format – too long, focus of the study, geographic location, non-probability technique used. However, the researcher recommended that, not only Woolworths, but all businesses should educate customers about CSR, take a proactive approach to CSR, increase customer engagement, integrate sport sponsorship and participate in events that promote giving. The results of the study suggested possibilities for future research opportunities which could be conducted in other geographic locations and for other types of retail stores or in different sectors.

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## APPENDICES

### Appendix 1: QUESTIONNAIRE

#### Questionnaire about the implication of CSR on Brand Equity

Dear respondents,

My name is Bayabonga Zulu. I am pursuing Master of Commerce in Marketing Management in University of KwaZulu-Natal, Pietermaritzburg Campus. As part of the curriculum, I am required to do a research on the role of CSR activities on brand equity. I need to ask some questions in this regard, and in the process, I would be taking some of your valued time and coordination with me to create knowledge. You are assured that any information obtained in connection with this study, will remain highly confidential and is for academic purpose only. In any written report or publication, no one will be identified, and only aggregate data will be presented.

Kindly answer the following questions. Please tick [✓]

**1. Age**

- ☐ 20 – 30
- ☐ 31 – 40
- ☐ 41 – 50
- ☐ 51 and above

**2. Gender**

- ☐ Male
- ☐ Female
- ☐ Other

**3. Occupation**

- ☐ Student
- ☐ Self-employed
- ☐ Government servant
- ☐ Employer
- ☐ Other (Please specify) .....

**4. Income per month**



- ☐ R1000 – R10 000
- ☐ R11 000 – R20 000
- ☐ R21 000 – R30 000
- ☐ R31 000 – R40 000
- ☐ R41 000 – R50 000
- ☐ R51 000 and above

5. Corporate Social Responsibility (CSR) is a concept where company manages its social activities for the wellbeing of the society

Strongly Disagree ☐ Disagree ☐ Somewhat disagree ☐ Neutral ☐ Somewhat Agree ☐ Agree ☐ Strongly Agree ☐

6. I am aware of CSR activities done by this Company / Brand.

Strongly Disagree ☐ Disagree ☐ Somewhat disagree ☐ Neutral ☐ Somewhat Agree ☐ Agree ☐ Strongly Agree ☐

7. I would prefer a company brand which is involved in CSR activities

Strongly Disagree ☐ Disagree ☐ Somewhat disagree ☐ Neutral ☐ Somewhat Agree ☐ Agree ☐ Strongly Agree ☐

8. I would switch to the brand whose company is involved in CSR activities

Strongly Disagree ☐ Disagree ☐ Somewhat disagree ☐ Neutral ☐ Somewhat Agree ☐ Agree ☐ Strongly Agree ☐

9. This company gives back to communities in which it does business

Strongly Disagree ☐ Disagree ☐ Somewhat disagree ☐ Neutral ☐ Somewhat Agree ☐ Agree ☐ Strongly Agree ☐

10. This company tries to obtain maximum long-term success from its CSR activities

Strongly Disagree ☐ Disagree ☐ Somewhat disagree ☐ Neutral ☐ Somewhat Agree ☐ Agree ☐ Strongly Agree ☐

**11. This company behaves ethically and honestly with its customers**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

**12. This company respects the norms defined in the law when carrying out CSR activities**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

**13. This company directs a part of its budget to donations and social work**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

**14. This company is concerned to improve general wellbeing of society**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

**15. This company actively sponsors or finance social events**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

**16. I consider myself to be loyal to this company**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

**17. This company would be my first choice**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

**18. I can recognize this company / brand among other competing brands**

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree [ ] Agree [ ] Strongly Agree [ ]

19. The likely quality of this brand is extremely high

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree  
[ ] Agree [ ] Strongly Agree [ ]

20. The likelihood that the brand / company would be functional is very high

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree  
[ ] Agree [ ] Strongly Agree [ ]

21. Some characteristics of this brand / company come to my mind quickly

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree  
[ ] Agree [ ] Strongly Agree [ ]

22. I can quickly recall the symbol or logo of this brand / company

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree  
[ ] Agree [ ] Strongly Agree [ ]

23. Even if another brand has same feature as this brand, I would prefer to buy this  
brand

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree  
[ ] Agree [ ] Strongly Agree [ ]

24. If there is another brand as good as this brand, I prefer to buy this brand

Strongly Disagree [ ] Disagree [ ] Somewhat disagree [ ] Neutral [ ] Somewhat Agree  
[ ] Agree [ ] Strongly Agree [ ]

25. Would you like to offer suggestions on any aspect of how the company can  
improve its CSR activities which is not covered in this survey?

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Thank you very much for your kind cooperation!

## Appendix 2: INFORMED CONSENT

### UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

#### APPLICATION FOR ETHICS APPROVAL For research with human participants

#### Information Sheet and Consent to Participate in Research

Date: October 18, 2019.

Greetings,

My name is Simangaliso Bayabonga Zulu from University of KwaZulu-Natal Pietermaritzburg Campus, College of Law and Management, School of Management, IT and Governance. My contact number is 0747848867 and email address is [214536793@stu.ukzn.ac.za](mailto:214536793@stu.ukzn.ac.za). In addition, my supervisor for the research project is Professor Maxwell Phiri and his office telephone number: 0332605843, email: [Phirim@ukzn.ac.za](mailto:Phirim@ukzn.ac.za)

You are being invited to participate in a study that involves research on *The Role of CSR in Brand Equity: Case of Selected Woolworths Stores in Pietermaritzburg*. The primary purpose of the study is to examine the relationship of CSR and brand equity. This study aims to investigate the impact of CSR in brand equity. The study is expected to include hundred and twenty participants from three Woolworths stores in Pietermaritzburg. It will involve the following procedures: data will be collected from three Woolworths stores in Pietermaritzburg region. These stores are first, Woolworths in Liberty Mall, second, Woolworths in Scottsville boardwalk centre, and lastly, Woolworths in Boshoff Street in Pietermaritzburg Central Business District (CBD). The researcher will put a small information table inside the store and request customers to fill up questionnaires that will take fairly more or less than 10 minutes. The questionnaires will be distributed by the researcher and research assistants manually to consumers that usually do their shopping at Woolworths. The duration of your participation if you choose to participate and remain in the study is expected to be treated with confidentiality and not given to any other parties.

The study will not provide a risks or discomforts to the participants. The study will provide no direct benefits to participants.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number: HSSREC/00000724/2019).

In the event of any problems or concerns/questions you may contact the researcher at 0747848867 or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

**HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**  
Research Office, Westville Campus  
Govan Mbeki Building  
Private Bag X 54001  
Durban 4000 KwaZulu-Natal, SOUTH AFRICA  
Tel: 27 31 2604557- Fax: 27 31 2604609  
Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Your participation in the study is voluntary and by participating, you are granting the researcher permission to use your responses. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no monetary gain from participating in the study. Your anonymity will be maintained by the researcher and the School of Management, I.T. & Governance and your responses will not be used for any purposes outside of this study.

All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

If you have any questions or concerns about participating in the study, please contact me or my research supervisor at the numbers listed above.

Sincerely,

---

## CONSENT TO PARTICIPATE

I \_\_\_\_\_ (Name in full) have been informed about the study entitled *The Role of CSR in Brand Equity: Case of Selected Woolworths Stores in Pietermaritzburg* by Simangaliso Bayabonga Zulu.

I understand the purpose and procedures of the study.

I have been given an opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at 0747848867 or 214536793@stu.ukzn.ac.za

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

### HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus  
Govan Mbeki Building  
Private Bag X 54001  
Durban  
4000  
KwaZulu-Natal, SOUTH AFRICA  
Tel: 27 31 2604557 - Fax: 27 31 2604609  
Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Witness  
(Where applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Translator

\_\_\_\_\_  
Date

### Appendix 3: GATEKEEPER LETTER



August 5, 2019

To Whom It May Concern:

#### PERMISSION TO CONDUCT RESEARCH AS PART OF THE M COM QUALIFICATION

It is a requirement of our M Com qualification that the student completes a dissertation based on research in a specific field of study. In this way students are given the opportunity to creatively link and discuss the theoretical aspects of the programme to the practical issues facing organisations in real life settings. Typically, a dissertation necessitates data gathering and the student is using questionnaires specifically.

Student name: **Simangaliso Bayabonga Zulu** (Student No. 214536793) has chosen to do a research project entitled: *Role of Corporate Social Responsibility in Brand Equity: Case of Selected Woolworths Stores.*

Your assistance in permitting access to your organization for purposes of this research is most appreciated. Please be assured that all information gained from the research will be treated with the utmost confidentiality. Furthermore, should you wish any result/s or findings from the research "to be restricted" for an agreed period of time, this can be arranged. The confidentiality of information and anonymity of personnel will be strictly adhered to by the student.

I am available at any stage to answer any queries and/or to discuss any aspect of this research project.

If permission is granted, please sign the attached form.

Thank you for your assistance in this regard.

Yours sincerely

Professor M.A. Phiri  
Research Supervisor  
Email: [PhiriM@ukzn.ac.za](mailto:PhiriM@ukzn.ac.za)  
Contact: +27 33 260 5843





## Appendix 4: ETHICAL CLEARANCE APPROVAL LETTER



01 November 2019

Mr Simangaliso Bayabonga Zulu (214536793)  
School of Management, IT & Governance  
Pietermaritzburg Campus

Dear Mr Zulu,

**Protocol reference number:** HSSREC/00000724/2019

**Project title:** The Role of CSR in Brand Equity: Case of Selected Woolworths Stores in Pietermaritzburg

### Approval Notification – Expedited Application

This letter serves to notify you that your application received on 24 October 2019 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid for one year from 01 November 2019.

To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

Yours sincerely,



Professor Urmilla Bob  
University Dean of Research

/ms

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Humanities & Social Sciences Research Ethics Committee  
Dr Rosemary Sibanda (Chair)  
UKZN Research Ethics Office Westville Campus, Govan Mbeki Building  
Postal Address: Private Bag X54001, Durban 4000  
Website: <http://research.ukzn.ac.za/Research-Ethics/>

Founding Campuses: ■ Edgewood ■ Howard College ■ Medical School ■ Pietermaritzburg ■ Westville

**INSPIRING GREATNESS**

## **Appendix 5: ENGLISH LANGUAGE EDITOR'S CERTIFICATE**

19 May 2020

### **TO WHOM IT MAY CONCERN**

I hereby submit this letter to verify that I have duly edited the following thesis for the degree Master of Commerce:

**THE ROLE OF CSR IN BRAND EQUITY: CASE OF SELECTED WOOLWORTHS  
STORES IN PIETERMARITZBURG** by Smangaliso Bayabonga Zulu

(Student number 214536793)

Errors and anomalies were highlighted. The onus rests however on the author to make the changes suggested and to attend to all queries.

My LinkedIn page provides information about my professional expertise.

**Gava Kassiem**

Independent Language Consultant/Academic Editor

MA (Language Practice)

Associate Member of Professional Editors' Guild

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