



School of Commerce

**The Effect of Corporate Social Responsibility Practice on
Building of Brand Equity: Case Study on Commercial
Bank of Ethiopia**

**Thesis Submitted to the School of Graduate Studies of Addis
Ababa University in Partial Fulfillment for the Award of
Master of Arts in Marketing Management**

By: Dagmawit Tadesse

June, 2017

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Advisor: Tewodros.M (PhD)

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DECLARATION

I, Dagmawit Tadesse, declare that the thesis entitled —**Effect of Corporate social responsibility practice on building of brand equity: case study on commercial bank of Ethiopia**” is my original work. I have carried out the present study independently with the guidance and support of the research advisor, **Tewodros Mesfin (PhD)**. Any other contributors or sources used for the study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

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List of Abbreviations and Acronyms

CBE: Commercial Bank of Ethiopia

CSR: Corporate Social Responsibility

CBBE: Customer based brand equity

CBBE: Firm based brand equity

NBE: National Bank of Ethiopia

ANOVA: Analysis of Variance

ABSTRACT

Internationally, organizations include corporate social responsibility practice as one of their marketing strategy to attract socially and environmentally conscious customers. Commercial bank of Ethiopia has made a deliberate effort to demonstrate leadership in Corporate Social Responsibility initiatives in the country. But, the practice is not assumed as means to attract customers. The objective of this study was to explore the effect of corporate social responsibility practice on building the company's brand equity. The study used both quantitative and qualitative research approaches and explanatory and descriptive types of research design were employed. Interview and questionnaire were used to collect the data. The questionnaire was administered to conveniently selected, 371 samples of respondents. The data were analyzed using descriptive statistics, correlation and linear regressions models. The findings of the study showed that most of respondents were aware of the CSR practice of the bank. The study revealed that the corporate social responsibility practice of the bank make a significant contribution to the company's brand equity. Moreover, CSR practice of the bank also has a significant with individual brand equity dimensions (brand awareness, brand image, brand credibility, brand feeling and brand loyalty). In addition, interview was undertaken to know the existing CSR practice of the bank. The study finding shows that, the bank's CSR practice is not well structured, it didn't disclose on medias and it is not meant to attract customers. Therefore; knowing that the practice is valued by the customers and it has a significant effect on the company's brand, Commercial Bank Ethiopia T should consider publicizing to the public via media outlets in more organized way in order to get the return from its good deeds and the practice should be guided by a clearly defined policy to apply its CSR activities.

Key Words: *Corporate social responsibility, brand equity, brand awareness, brand image, brand credibility, brand feeling and brand loyalty.*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Every business organization has an intention to make profit so that it can maximize its owners or shareholders return sustainably. But, maximizing shareholders value could not be achieved without considering other stakeholders' interest and needs. Corporations do not operate in a vacuum they are highly connected with various stakeholders. The interdependence among stakeholders and the business requires to be managed well so that businesses could achieve whatever goal they are intended to achieve (<https://hbr.org>, 2011)

In order to have a sustainable profit, the way companies do business shall have a wider view. Primarily a business shall understand its customers need and provide what they want. From this we can understand two major things, the customer and its needs. Customers are part of the society and/or they are the society, hence they need to live a better life. They want their surroundings to be environmentally friendly, with a minimum health and social problem. This indicates that the wellbeing of a society is the concern of customers.

Corporate social responsibility (CSR) is basically consistency of a firm to act ethically, increasing economic development, improvement in the lives of their workforce and their families and playing a role in the development of the society (Dawkins, 2004). While some regard, CSR activities simply as a cost constraint or a charitable deed, others argue that CSR can be a source of opportunities, innovation and competitive advantage (Porter & Kramer, 2006). Previous studies have shown that there is a positive relationship between CSR and brand (Fischer & Fredholm, 2013, Sharif, 2012).

Internationally, many corporations attempt to use responsible business initiatives as a marketing tool and try to attract socially and environmentally conscious customers through related marketing and branding (Knight 2007 cited in McKinley 2008). Customers and society as a whole has a tendency to prefer a company that cares for society and the environment. In order to win the heart and minds of customers, organizations include CSR as one of their marketing strategy.

Whereas, in developing countries Socio-economic needs of the countries are the major drivers of CSR. And, CSR is most commonly associated with philanthropy or charity, i.e. through corporate social investment in education, health care, sports development, the environment, and other community services (Visser, 2008).

In Ethiopia, the concept of CSR is not well developed. There might be a few companies that include CSR in their business operation. But either their practice or the impact it has on brand equity is not researched. Furthermore, the practice is limited to a particular industry which is regulated by government. The government regulation either encourages or enforces businesses to operate in a socially responsible manner. For example, a manufacturing firm may be forced to recycle its waste. On the other hand, service giving industry particularly banks are not being regulated to engage in any kind of CSR activity. The National Bank of Ethiopia (NBE) mainly play role of regulating on the financial performance of commercial banks as it pertain to the rules and regulations set by the country so as to protect the public and develop confidence on the services provided by banks. But this is limited to the extent of reporting only financial matters. However, the need for CSR is not given a special attention.

In spite of this, CBE as a public bank, has considerable value to the community and the society at large and has made a deliberate effort to demonstrate leadership in Corporate Social Responsibility initiatives. The bank is being voluntarily involved in societal and environmental activities beyond its primary objective of providing financial services. It has been participating in different CSR initiatives that address the socio economic priorities of the country. Furthermore, it has incorporated CSR as one of its values named as “corporate citizenship”

The bank’s CSR activities range from a simple donation to charities major roles that the bank is playing developmental initiatives. As per assessment made in 2016, the bank performs CSR activity to discharge its social responsibilities through financial aid to different social and environmental projects/organizations (in the form of donation and membership), allocate fund to social, health and environmental projects, create employee relation and good working environment and contribute to sport sector of the country.

However, unlike the CSR practice of international organizations, CBE’s CSR activity is not well structured and strategically focused in a way the bank could get a return for its good deeds. That

makes it difficult to see its impact on company's brand. As a dominant and striving to be a world class bank, its CSR practice is not assessed. And the impact its CSR activities could create on its brand equity is not properly investigated.

Thus, this study was conducted with the objective of investigating the impact of Corporate social responsibility practice of commercial bank of Ethiopia on building of the company's brand equity using Keller's brand equity dimension adopted by Creel, 2012 on his study "How CSR influence brand equity" because the researcher found is suitable for this study. In addition, the existing CSR practice of the company and how it treats its CSR activity as tool for building of company's brand has been assessed.

1.2 Statement of the Problem

Fulfilling the interests of the society has a direct effect on brand equity since it is a means to developing a corporate credibility of being an organization with an ethical attitude to all stakeholders (Godfrey *et al.*, 2009). Corporate responsibility can facilitate to building customer loyalty based on unique ethical values (Paluzek, 1973). Brands consequently, considered as a communication tool and cultural assets that may affect the consumer behavior and corporate responsibility engagements. On the other hand, provide a ground for transparent mutual correlation (Gregory and Wiechmann, 1997). Although there is no unique way of brand evaluation (Soto, 2007), it is important for businesses to know the effectiveness of corporate conduct effects on their brands as financial assets (Keller, 1993).

Building brand awareness relates to customers recall and recognition of the brand. There might be a number of reasons to initiate recall and recognition, one being CSR practice of a particular organization. Strategically integrated CSR activities may have a strong impact on brand equity but, only if companies realize the potential of their responsible actions and know how to utilize it (Hoeffler& Keller, 2002). Acts of CSR should increase the level of recognition of a brand (Creel, 2012).

Internationally, many corporations engage in socially responsible behavior as part of their normal business operations. These activities include positive actions toward the environment, social causes, and their communities (Creel, 2012). Most companies have CSR policy in which

CSR focus areas are clearly defined. In addition, allocate some percentage of their annual profit as a budget to CSR initiatives. When we come to in our country, the concept of CSR is not well developed. The practice like many African countries is on the economic aspect of the CSR (Mezgobo, 2012). Leaving the economic CSR aside, CBE contributes a lot in CSR activities of the country socially and environmentally by giving value to the society as a corporate citizen. But it did not get the publicity it deserves.

The motivation behind this study was the fact that CBE has high commitment for national development endeavor, abided by the law and cares for society's welfare and the environment, and is now contributing a lot to the socio economic developments of the country among other private banks. And it also participates in improving the social problems of the community through its philanthropic activities. However, its gain from the good deeds is minimal. Furthermore, the performance of the existing corporate social responsibility in relation to its brand equity is not carefully explored.

Although, internationally many studies have been conducted in the subject area, factors applicable in one country many not fit on other countries. Furthermore, in our country, published researches regarding CSR impact on companies brand is not found.

Thus, this study investigated whether CBE's CSR activity has a subsequent effect on the company's brand.

1.3 Research Questions

This research gave answers to the following research questions

General Research Question

- Does the practice of Corporate Social Responsibility relate to Brand Equity in the case of Commercial Bank of Ethiopia?

Specific Research Questions

- How does the company's CSR contribute in building brand awareness in the case of CBE?
- To what extent the bank's CSR activities establish its brand credibility in the case of CBE?
- How does the bank's CSR activities enhance brand image in the case of CBE?
- To what extent the CBE's CSR activities evoke the company's brand feeling in the case of CBE?
- How does the bank's CSR activity elicit brand loyalty in the case of CBE?

1.4 Objective of the Study

General Objective

The general objective of this thesis is to investigate the relationship between CSR and customer-based brand equity in the case of on commercial bank of Ethiopia.

Specific Objective

The specific objectives are to further investigate how the different types of philanthropic CSR activities made by the bank contribute to building of its brand equity. To this end, the contributions of this thesis are;

- To examine the effect of the company's CSR activities on brand awareness.
- To investigate the effect CSR activities of the bank on brand image.
- To examine the effect of the company's CSR activities on brand credibility.
- To investigate the effect CSR activities of the bank on brand feeling.
- To examine the effect of the company's CSR activities on brand loyalty.

1.5 Significance of the Study

By providing more fine-grained research on the relationship between CSR on the one hand and brand equity on the other hand , this study will contribute to existing academic knowledge within the field of CSR.

In our country, there is a lack of research and understanding regarding the practice of CSR in relation with brand. Thus, this study provide an initial understanding of how philanthropic CSR affect ones company brand. Moreover, the study will help the organization to be successful by indicating how its CSR activities are related to customer based brand equity. Furthermore, other similar companies will be able to evaluate their current CSR practice based on the finding of the study or they might use it as a base for further study.

1.6 Scope and Delimitation

Although, there are different types of CSR, philanthropic CSR is found to be one of the commonly practiced one among business organizations. There is also a tendency to mere other types of CSR with philanthropy. Commonly CSR is classified in to two, Strategic and philanthropic. As the strategic type of CSR directly related to the company's core business, for this study only philanthropic type of CSR is considered. Therefore, this study only focused on investigating whether the philanthropic type of CSR positively relates to the brand of the company.

When looking effects of philanthropic corporate social responsibility, the study was limited to its effect on the brand by omitting its benefit to the society and the environment.

We cannot say the CSR activity done 10 years ago have an impact on company's brand equity of today's date. So from CSR activities that the bank has done before, this study considered only the CSR activities which have done three years back to the present.

The concentration area of the research was limited to Addis Ababa as a majority of CSR philanthropic activities at the bank are being performed in the city.

1.7 Research Hypothesis

Increasingly, companies around the world are integrating CSR as a business strategy into their policies and practices (Muhammad, 2014). Where as in developing countries, CSR is not mandatory, the performance of it depends upon a company's sense of values or commitment to the society beyond mere profit motives. In addition, it is not only a company's self-regulated

voluntary initiative which is necessary. A good CSR climate requires a co-regulatory effort between companies and government and other civil society organizations (Nakib, 2014).

In Ethiopian context, the practice like many other African countries is on the economic aspect of CSR.

Different researches show that CSR has a significant effect on the company's brand equity building in developed countries (Robin Fischer & Anette Fredholm, 2013, Usman Sharif, 2012). (Judy Njiru, 2014) found that CSR is an important variable to be considered in customer loyalty, Murali (2012) in his study indicated that there is positive relationship between CSR and customer loyalty (Reman et al, 2012), (Reza et al, 2014) also in their study showed that the CSR variables can slightly improve the brand preference.

Based on the literature review and the hypothesized connections presented in the conceptual framework the following hypotheses were tested.

H1: CBE CSR activities have a positive and significant influence on brand awareness.

H2: CBE CSR activities have a positive and significant influence on brand image.

H3: CBE CSR activities have a positive and significant influence on brand credibility.

H4: CBE CSR activities have a positive and significant influence on brand feeling.

H5: CBE CSR activities have a positive and significant influence on brand loyalty.

1.8 Operational Definition of Terms

Corporate Social Responsibility (CSR): “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2001). For this research CSR, mainly represent only the philanthropic type of CSR.

Philanthropic CSR: A type of CSR where a corporation voluntarily donates a portion of its resources to a societal cause (Ricks & Williams, 2005). Thus, philanthropic CSR “involves the redistribution of wealth from the company to other stakeholders” (Burke & Logsdon, 1996).

Strategic CSR: A type of CSR that “supports core business activities and thereby contributes to the firm’s effectiveness in accomplishing its mission” (Halme&Laurila, 2009). Strategic CSR involves the creation of value from both a business and a societal perspective.

Brand: The term brand is a complex symbol. It is the intangible sum of a product’s attributes its name, packaging and price, its history, reputation, and the way it’s advertised. A brand is also defined by consumer’s impression of people who use it, as well as their own experience (Keller, 2009).

Brand Equity: “The differential effect of brand knowledge on consumer response to the marketing of the brand” (Keller, 1993). In this thesis brand equity is used interchangeably with customer-based brand equity.

For this study, Keller’s brand equity elements that is brand awareness, brand feeling, brand credibility brand image and brand loyalty are selected among other popular authors on the subject.

Brand Awareness: Brand Awareness is related to strength of the brand node or trace in memory, as reflected by customer's ability to identify the brand under different conditions (Keller, 2008)

Brand Feeling: Brand feelings category is the other category creating brand responses with brand judgments. Hoeffler and Keller (2002, 80) approach this category with two dimensions: (1) social approval and (2) self-respect. The brand may help consumers justify their self-worth to others or themselves (Hoeffler& Keller 2002, 80).

Brand Credibility: Hoeffler& Keller (2002, 80) evaluate consumers’ brand judgments through brand credibility, which refers to the extent to which the brand as a whole is perceived as credible. They categorize brand credibility into three dimensions: (1) expertise, e.g. being competent and innovative, (2) trustworthiness, e.g. being dependable and keeping customer interest in mind, and (3) likability, e.g. being fun, interesting and worth spending time with.

Brand Image: Brand image defined as perceptions about a brand as reflected by the brand associations held in customer memory. Brand associations are informational nodes linked to the brand node in customer's memory and they contain the meaning of the brand for the customers (Keller, 1993: 3)

Brand Loyalty: “A deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing” (Oliver, 1999). Brand loyalty is considered to be an important outcome of customer-based brand equity.

Commercial Bank of Ethiopia (CBE) it is one of the largest government owned financial institutions, the leading African bank with assets of 384.6 billion Birr on June 30, 2016 and held approximately 67% of deposits and about 53% of all bank loans in the country. The bank is pioneer to introduce modern banking to the country. It has more than 1140 branches stretched across the country. The bank plays a catalytic role in the economic progress & development of the country. It is also the first bank in Ethiopia to introduce ATM service for local users. Currently CBE has more than 13.3 million account holders and the number of Mobile and Internet Banking users also reached more than 1,352,000 as of September 30th 2016.

1.9 Organization of the Study

The content of this research has five chapters. The first chapter includes the research background, problem statement and research questions, objective of the study, significance of the study, scope of the study, limitation of the study and definition of terms. This will be followed by the discussion of concepts and theories related to the area of study (Chapter Two, Literature Review). The third chapter describes the research design, participants of the study, the data source, data collection and analysis techniques and procedures. The fourth chapter deals with the interpretation and discussion of the findings. Finally, in the last chapter, conclusion and recommendations are included.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

Introduction

This chapter provides an insight to readers about the theoretical background of the topics under study. In line with the objectives of the study, the chapter covers topics related CSR mainly philanthropic one, brand equity and its dimensions and the effect of CSR on building brand equity. In addition, the present chapter includes definition of concepts and relevant variables in theoretical frame work section. Furthermore, empirically review previous literatures of popular authors to acquire comprehensive intellectual understanding on the subject matter to show the literature gap in the subject area. At the end of the chapter, the conceptual framework of the study is presented to show the nature of relationship of the research variables and state the research hypothesis.

2.1 Theoretical Framework

2.1.1 The Concept of CSR

Corporate Social Responsibility

In present days, one of the important aspects of a company is its responsibility for the society, widely known in day to day business with the term Corporate Social Responsibility (CSR).CSR has a long history. Bowen is considered to be the father of corporate social responsibility because his definition is considered to be the first definition of corporate social responsibility. According to Bowen, “CSR is the obligations of the businessman to pursue those policies, to make those decisions, or to follow those lines of action, which are desirable in terms of the objectives and values of our society” (Carroll, 1999)

Commission of the European Communities (2006), defined Corporate Social Responsibility as, “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.

The World Business Council for Sustainable Development (Baker 2004) defines CSR as "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."

Both for the academics and practitioners Corporate Social responsibility (CSR) has been an important debatable issue. Lots of researchers try to explain what CSR means, why should companies adopt CSR and what are its advantages for the organizational effectiveness, yet there is no generally acceptable definition and clear meaning for it, how it should be implemented and similar other issues related to the concept. Past research have shown that stakeholders who can influence the organization are primarily concerned than other stakeholders. That is shareholders are most concerned than customers and employees and there is very little concerned given to the society and the environment. Whereas, CSR implies all are of equal importance (Crowther & Capaldi, 2008).

Crowther and Rayman-Bacchus (2004) defined CSR in two ways firstly as "a relationship between a corporations and the local society in which it resides and operates" and secondly "as relationship between a corporation and its stakeholders".

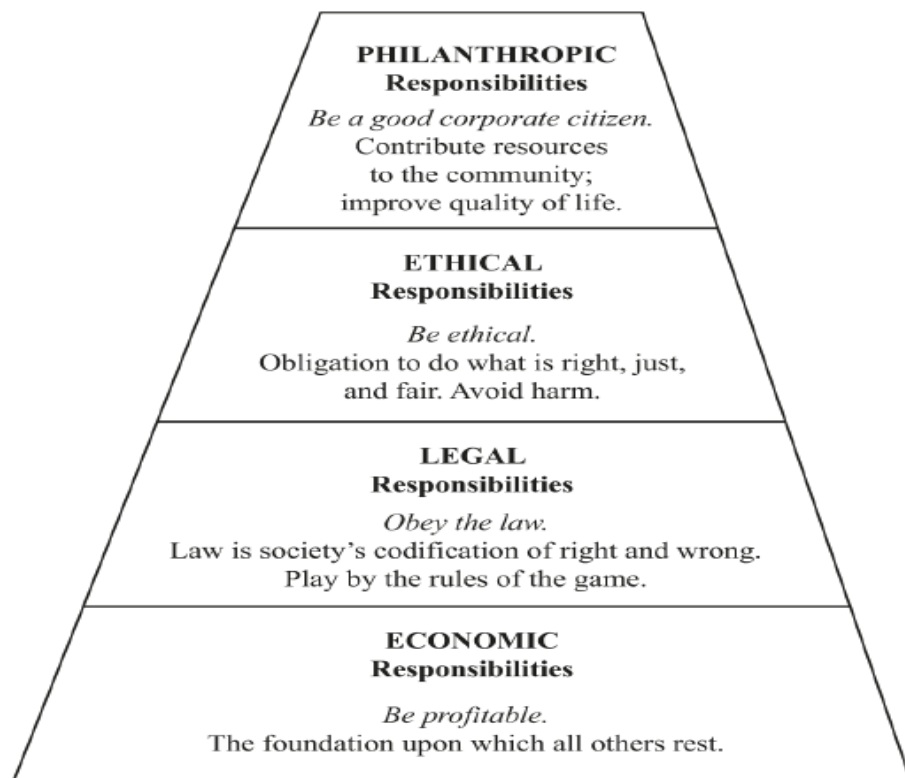
Carroll (1991) suggested four kinds of social responsibilities that constitute CSR. These are economic, legal, ethical and philanthropic.

Economic Responsibility: The most common responsibility of business organizations is economic responsibility. Since the establishment of industries, business organizations were producing goods and satisfying customer wants. They were creating new job and paying for the worker. Profit was earned for the owner as well as service was given to the customer (Lantos 2001).

Legal Responsibility: Business organizations are not only expected to earn profit but they are also expected to run according to laws and regulations of the state and the local government. As a social responsibility business organization are expected to operate within the framework of the law (Carroll, 1991).

Ethical Responsibility: Ethical responsibilities come after fulfilling the economic and legal responsibilities which are obligatory. Ethical responsibilities are not obligatory and are more pragmatic because the owner or the company believes it is a positive thing to do. Being eco-friendly, paying fair wages to the workers are the example of ethical responsibilities. Business firms are usually encouraged to operate their business according to the law by the ethical responsibility (Carroll, 1991).

Philanthropic Responsibility: Society expects business organization to be good corporate citizens. This can be done by providing goodwill to the community. Goodwill may include doing charity, social welfare and offering financial support for the non-governmental charity organizations. This responsibility is different from ethical responsibility. The difference is that the effect of philanthropic responsibility can usually get unnoticed. It is just the desire of the society (Carroll, 1991). Figure 2.1 shows the pyramid of CSR (Carroll, 1991)



Source: Carroll (1991, p. 42)

Figure 2.1 The pyramid of Corporate Social Responsibility

2.1.2 Types of CSR Initiatives

According to Kotler and Lee (2005) there are six different types of CSR initiatives. These six different types of CSR initiatives are explained below:

Cause Promotion: In this initiative companies provides fund and try to increase awareness and concern for social causes by informing the people about a cause. They also try to persuade people who voluntarily can contribute to the cause and participate in an event. Cause promotion differs from other CSR initiatives. It is different from cause-related marketing in a way that contributions are not tied to company sales of specified products. Because Promotions includes building awareness about a cause by showing them statistics and figures, convincing people to find out more about the cause, donate their time, make monetary donations and actively participate in an event. Manufacturers, service providers, retailers are some of the corporations participating in cause promotion (Kotler et al. 2005).

Cause-Related Marketing: “A corporation commits for making a contribution or donating a percentage of revenues to a specific cause based on product sales. Most commonly this offer is for an announced period of time and for a specific product and a specified charity” (Kotler et al. 2005,). This differs from other initiatives in a way that contribution made by corporation is dependent on consumer response. It also involves more promotion which means more money has to be spent on advertising. Therefore, it is handled by marketing department (Kotler et al. 2005).

In 1980s when American Express was raising fund to renovate the Statute of liberty, is where the Cause-related marketing originated. After that caused-based activity has become powerful brand builder. The positive side of cause-related marketing are it improves corporate image, helps in the increment of sales and increases profit, helps to attract new customers and retain the existing ones, motivate employees and builds strong relationship with the stakeholders (Dalton et al. 2003).

Corporate Social Marketing: Is a tool used by corporations to develop or implement behavior change intended to improve public health, safety or community well-being. The focus of this initiative is always behavior change. It is mostly developed and implemented by state, local public sector and nonprofit organizations. Examples of corporate social marketing are prevention

of using tobacco, early pregnancy, suicide prevention, use of pesticides etc. Benefits for the corporation is making brand position strong, creating brand preference, increasing sales etc. As it is related to behavior change results cannot be seen in one day so criticisms are always there. (Kotler et al. 2005)

Corporate Philanthropy: In this initiative corporations make direct contribution to a charity or cause in form of cash, donations, service. Corporate Philanthropy is most traditional form of CSR initiatives. It is also known by other names such as community giving, community relations, and corporate citizenship and community affairs. Providing cash donations, providing technical expertise, offering the equipment for charity use are some of the typical programs of the Corporate Philanthropy. Parties receiving these contributions are mostly nonprofit organization and public service providers like schools and hospitals. The benefits of this initiative are helping to build corporate reputation and goodwill among customer and motivating employee (Kotler et al. 2005).

Community Volunteering: In this initiative corporation encourage and motivate employees, retail partners to volunteer their time to support causes. Employees volunteering their talents, ideas, expertise, and physical labor come under volunteer efforts. Employees of the organization are only involved as volunteer to help for the cause. Typical programs of community volunteering include setting specific volunteer for specific events, for encouraging employee to do volunteer work pay them off time work. Of all the CSR initiatives community volunteering is viewed as genuine and satisfying. Volunteer programs help to build strong relationship with the local communities, motivate employees, improves corporate images as it is doing good for the community (Kotler et al. 2005).

Socially Responsible Business Practices: In this initiative, “A corporation adopts and conducts discretionary business and investments that support social causes to improve community well-being and protect the environment” (Kotler et al. 2005).It focuses on activities that are discretionary and are not mandated by law. Some of the activities that it includes are designing facilities to protect environment, stop to offer products that are harmful and illegal, developing programs to support employees well-being, etc. Benefits from these initiatives are financial

benefits because of decreasing operating cost, employee productivity is increased, strengthens brand position, improves quality, and improves corporate image (Kotler et al. 2005).

2.1.3 Concept of Brand

According to American Marketing Association (2013), "A brand is a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan, and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design, and media commentary. A brand often includes an explicit logo, fonts, color schemes, symbols, sound which may be developed to represent implicit values, ideas, and even personality." Branding has been in marketing literature for centuries as a means to distinguish the company's goods from competitors' goods (Keller 2008). In theory, when a marketer creates a logo, name or a new product, that is the birth of a new brand. However, brands can have a powerful symbolic significance (Tuominen 1999) and should not be treated only as a name or logo.

There is no universally accepted definition of brand equity represented in the marketing literature. However, past studies seem to agree that brand equity denotes the added value endowed by the brand to the product (Christodoulides & de Chernatony 2010). Keller (2008) points out that this added value works like a bridge that links what has happened to the brand in the past and what will happen to it in the future. Brand equity is a key marketing asset for companies because it can create a unique and needed tool for investigating the relationship between the firm and its stakeholders (Christodoulides & de Chernatony 2010).

Table 2.1 presents the mostly cited studies concerning brand equity.

Author	Definition	Dimensions of brand equity
Blackston 1992	“A brand is the consumer’s idea of a product.”	Brand relationship (trust, customer satisfaction with the brand)
Aaker 1996	“A set of 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 loyalty, perceived quality, brand awareness and brand associations
Berry 2000	Using Keller’s definition from 1993.	Brand awareness, brand meaning
Burmann et al. 2000	“Present and future valorization derived from internal and external brand-induced performance.”	Brand benefit clarity, perceived brand quality, brand benefit uniqueness, brand sympathy and trust
Keller 2008 (1993)	“Differential effect that brand knowledge has on consumer response to the marketing of that brand.”	Brand awareness and brand image formed by brand knowledge

In 1992 Blackston started to build a definition for brand equity. He acknowledged that “a brand is the consumer’s idea of a product” and a consumer is an active participant in creating brand equity. He emphasized the importance of consumers and brand relationships in building brand equity. The dimensions of Blackston’s theory (1992) are trust and customer satisfaction with the brand and they are building and strengthening brand relationships. In 1996, Aaker defined brand equity as ”a set of 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.” He grouped these assets into four dimensions: brand loyalty, perceived quality, brand awareness and brand associations.

In his research, Berry (2000) divided brand equity assets into two dimensions: brand awareness and brand meaning. He did not form his own definition of brand equity, but he used Keller's definition from 1993. Burmann, Jost-Benz and Riley (2000) had slightly 13 different approach to brand equity; "present and future valorization derived from internal and external brand-induced performance". They focused on the value created by brand-related performance. They used five dimensions of brand equity assets: brand benefit clarity, perceived brand quality, brand benefit uniqueness, brand sympathy and brand trust. The first three dimensions concern functional brand equity attributes and the last two are focusing more on emotional attributes.

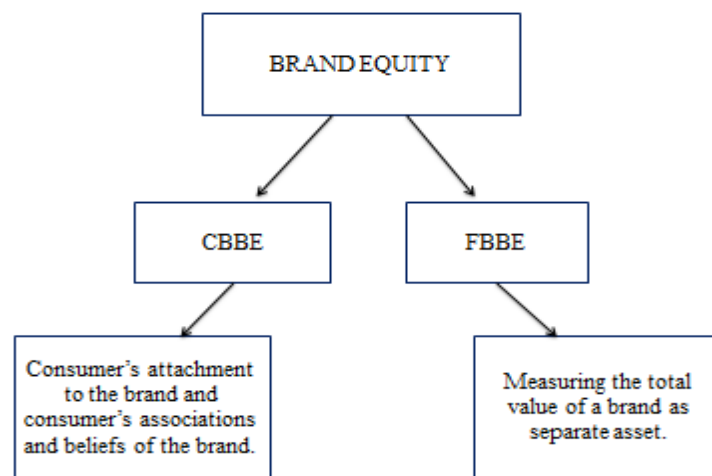
The most cited brand equity study of all time is Keller's research in 1993. Table 2.1 presents the most cited studies concerning brand equity. The year in table 1, however, is 2008, but the results of this study persisted constant through the years. His definition of brand equity is "differential effect that brand knowledge has on consumer response to the marketing of that brand". He divided brand equity assets into two dimensions: brand awareness and brand image, which then are forming the comprehensive brand knowledge of a customer. Customer's brand knowledge is the key to creating brand equity, because it creates the differential effect that drives brand equity (Keller 2008). This approach is also the basis of this thesis.

Brand equity includes not only the value of the brand, but also implicitly the value of proprietary technologies, patents, trademarks, and other intangibles such as manufacturing know-how (Tuominen 1999). According to Bagozzi, Rosa, Celly and Coronel (1998), brand equity creates value to firms and customers in different manners. Brand equity creates value to customers by enhancing efficient information processing, building confidence in decision making, reinforcing buying, and contributing to self-esteem. Brand equity creates value to firms by increasing marketing efficiency and effectiveness, building brand loyalty, improving profit margins, gaining leverage over retailers, and achieving distinctiveness over the competition (Tuominen 1999).

There are two different approaches to the concept of brand equity represented in figure 2: a firm-based brand equity (FBBE) and customer-based brand equity (CBBE). The distinction between these perspectives is depending on the actors, measures and the final aim of using brand equity (Atilgan, Akinci, Aksoy & Kaynak 2009). FBBE measures the total value of a brand as a separate asset (Christodoulides & de Chernatony 2010). Atilgan et al. (2009) point out that

FBBE uses product-market outcomes, such as price premiums, market share and relative price, as well as financial-market outcomes, such as brand's purchase price and discounted cash flow of licenses and royalties. CBBE perspective focuses on customer's mind set of a brand. It is considered as a driver of increased market share and profitability of the brand and it is based on market's perceptions, that is, consumers' associations and beliefs (Christodoulides & de Chernatony 2010).

Figure.2.2 Perspectives of Brand Equity



Source: Christodoulides & Chernatony,(2010)

This thesis is focusing on customer perspective of brand equity. According to Grönroos (2007), customer-based brand equity is used to describe the value that brands create to customers. Conceptualizing brand equity from the consumer's perspective is useful because it suggests both specific guidelines for marketing strategies and tactics and areas where research can be useful in assisting managerial decision making. CBBE also enables managers to consider specifically how their marketing program improves the value of their brands (Tuominen 1999).

Customer-based brand equity refers to the tremendous value inherent in a well-known brand name. It actually represents a product's positioning in the minds of consumers in the marketplace. (Yasin, Noor & Mohamad 2007) It also gives important insights for companies of

why and how the brand is creating more value to consumers than the competitor's brand and why their brand is chosen over the competitor's brand.

2.1.4 The Concept of Customer-Based Brand Equity

2.1.4.1 Customer-Based Brand Equity Pyramid

The main customer-based brand equity theory used in this thesis is Keller's CBBE pyramid (2008) and its brand building blocks as a means to investigate customers' preferences of a brand. Keller (2008) represents four important steps of brand equity building, each of which is contingent on successfully achieving the objectives of the previous one: (1) Ensure identification and an association of the brand in customers' minds (brand awareness), (2) Establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations with certain properties (brand meaning), (3) Elicit the proper customer responses to this created brand identification and brand meaning (brand responses), (4) Convert brand responses to create an intense, active loyalty relationship between customers and the brand (brand relationships). These four steps represent the proactive behavior that companies need to engage. Brand building stems from measured consumer behavior to fulfill their concealed needs.

Keller (2008) establishes six significant "brand building blocks" with customers. Building blocks are assembled in a pyramid, where significant brand equity only results if the brand reaches the top of the pyramid. There are also four brand objectives that appear at each stage of the pyramid. Figure 2.3 represents the brand building blocks that companies need to pursue in order to establish customer-based brand equity.

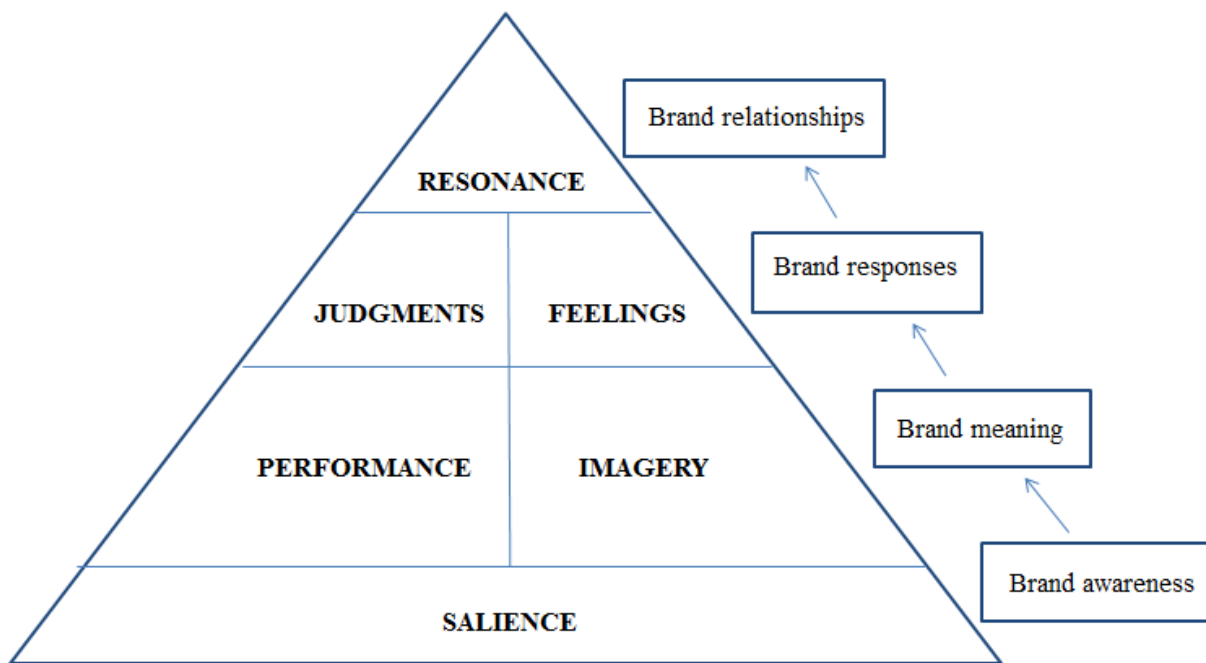


Figure.2.3 Customer-based brand equity pyramid

Source: Keller, (2008)

The order of the brand building blocks is important, because companies cannot establish brand meaning without consumers having brand awareness first. Brand responses are not possible if consumers do not have brand meaning and brand relationships cannot be established without brand responses.

2.1.5 Brand Building Blocks

Salience (Brand Awareness)

Brand salience measures customers' awareness of the brand, for example, how often the brand is evoked under different situations and circumstances (Keller 2008). Salience for customers means category identification and needs satisfied whereas companies need to create deep, broad brand awareness among its customers to achieve that salience. By building brand awareness the firm helps customers understand the product or service category in which the brand competes and ensures that customers know which of their needs the brand is designed to satisfy (Pappu, Quester & Cooksey 2005).

Keller distinguishes the depth of brand awareness and the breadth of brand awareness. The depth measures how likely it is for a brand element to come to mind and how easily it can do so. The breadth measures the range of purchase and usage situations in which the brand element comes to mind. It depends largely on the extent of brand and product knowledge in memory. According to Keller (2008), brand salience is an important first step in building brand equity but it is not sufficient. Often other considerations, such as brand meaning or brand responses, come into play.

Brand Performance and Imagery (Brand Meaning)

After the first step of establishing brand awareness in the minds of customers, it is important for companies to create significant brand meaning through establishing brand image. According to Keller (2008), brand meaning is made up of two major categories of brand associations which is related to imagery and performance. At this stage, companies must communicate their points of parities and differences to customers. Brand associations at this stage can be formed directly, from customer's own experiences, or indirectly, through the marketing messages (Pappu, Quester & Cooksey 2005). The center of brand equity is the product itself, because it is the primary element that consumers experience with the brand (Yasin, Noor & Mohamad 2007). They are comparing competitors' products and receiving marketing messages concerning those products. Brand performance, one subcategory of the brand equity pyramid, describes how well the product or service meets customers' functional needs (Keller 2008). Keller divides attributes and benefits under brand performance into five categories: (1) primary ingredients and supplementary features, (2) product reliability, durability and serviceability, (3) service effectiveness, efficiency and empathy, (4) style and design and (5) price. This is an important building block for brand equity, because if consumers do not have any emotional bonds to the brand yet, they can still evaluate its functional performance.

The other main type of brand meaning and association is brand imagery. Keller (2008) defines brand imagery as the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' psychological and social needs. Brand imagery refers to more intangible aspects of a brand than brand performance does. Imagery can be seen as the abstract way that people think about a brand. Keller sorts out four main intangibles that can be linked to the brand: (1) user profiles, (2) purchase and usage situations, (3) personality and

values and (4) history, heritage and experiences (2008). The type of ideal or typical brand user can affect consumers' perceptions of a brand, in a positive or negative way. For example, some products or brands appear to be just for women and that could make men more reluctant to use those products. The second set of associations refers to how and when customers should use the brand. If there have been some associations formed in this category, it can be hard for the firm to change these associations. An example: a restaurant well-known for their takeout-service, can find it hard to make customers stay and eat in the restaurant. In the third category, people can link human-like values to brands and act like brands have personalities (Hoeffler& Keller 2002). Finally, brand associations may be created because some events in the brand's history. These events can be personal experiences for the customer, such as past behaviors and previous contacts with the firm, or more public and shared by many consumers.

Consumers are forming the meaning of the brand through performance and/or imagery aspects linked to the brand. Brand associations can be characterized according to three important dimensions – strength, favorability and uniqueness – that provide the key to building brand equity (Keller 2008). Keller emphasizes that it is important for the brand to have strong, favorable and unique brand associations in that specific order. Brand associations have to be strong before they can be favorable or unique, because otherwise consumers may not actually recall or link them to the brand. Not all strong associations are favorable, and not all favorable associations are unique (Keller 2008). Keller highlights the importance of creating strong, favorable and unique brand associations for brand equity building, but at the same time admits that the creation of these brand associations is a real challenge for marketers. The brand meaning stage in building brand equity helps to produce brand responses, that is, what customers really think or feel about the brand.

Brand Judgments and Feelings (Brand Responses)

In Keller's theory (2008), the brand responses are distinguished into brand judgments, as arising from the "head", and brand feelings, as arising from the "heart". At this stage, companies are seeking to achieve positive and accessible reactions from customers. Brand judgments are customers' personal opinions about the brand, which they form by putting together all the different brand performance and imagery associations. Customers can make judgments about

quality, credibility, consideration and superiority (Keller 2008). Quality judgments can refer to brand's functional attributes. Perceived quality indicates consumers' willingness to buy products because it provides value to consumers and differentiates products from competing products (Pappu, Quester & Cooksey 2005). Credibility measures that how consumers see the organization behind the brand; how good the organization is, is it concerned about its customers and believable in its business area? Consideration, in brand judgments, means how likely consumers are willing to buy the brand and let it in their consideration sets. It depends on how personally relevant customers find the brand. Brand superiority means the extent to which customers view the brand as unique as and better than competitors' brands. It is a critical element in building strong brand relationships.

The other aspect of the brand response step is brand feelings, which are defined by Keller (2008) as follows: "brand feelings are customers' emotional responses and reactions to the brand." They also relate to the social currency evoked by the brand. At this stage, it is important for companies to remember that feelings evoked by the brand can be both positive and negative. Keller recognizes six types of brand building feelings: (1) warmth, (2) fun, (3) excitement, (4) security, (5) social approval and (6) self-respect. None of these feelings listed are negative, however, people prefer brands that make them feel good, not bad. All types of consumer responses are possible, but what matters for companies is how positive they are. According to Keller (2008), brand judgments and feelings can have a favorable effect on customer behavior only if consumers think of positive responses in their encounter with the brand.

Resonance (Brand Relationships)

The final step of customer-based brand equity pyramid is brand resonance, which focuses on the ultimate relationship and level of identification that the customer has with the brand. According to Keller (2008), brand resonance describes the nature of this customer-brand relationship and the extent to which customers feel that they are 'in sync' with the brand. Keller divides brand resonance into two dimensions, intensity and activity, and these dimensions still sub-categorized into four sub-categories: (1) behavioral loyalty, (2) attitudinal attachment, (3) sense of community and (4) active engagement.

Behavioral loyalty refers to how often customers purchase a brand and how much they buy. However, this category is not sufficient for resonance to occur. Resonance requires personal attachment because customer's strong attachment to a brand will outpace competitors' brands in purchasing situations. Brands that are in the center of a brand community may have stronger resonance with its customers. (Keller 2008) This might take a broader meaning to the customer by conveying a sense of community. Consumers engaging consumption communities may have stronger relationships with the center brand through opposition to competing brands (Muniz 2001). Consumers' active engagement to the brand may be the strongest affirmation of brand resonance. According to Keller (2008), in active engagement situations consumers are willing to invest time, energy and money in the brand beyond those expended during purchase or consumption of the brand. These customers may become brand ambassadors or evangelists, who are communicating the brand messages and strengthening the brand relationships on their own. All of these categories are connected with the concept of loyalty. If consumers are loyal to the brand, it means that the brand has a substantial value to the consumers (Yasin, Noor & Mohamad 2007).

According to Keller (2008), CBBE model gives the true measure of the strength of a brand, that is, how customers really think, feel and act in regards to that brand. The model gives companies valuable insights of their customers and their hidden needs and wants. Consumers' preferences, intention to purchase and brand choices indicate consumers' favorable responses to the marketing elements of the brand in comparison with other brands (Yasin, Noor & Mohamad 2007). It also helps companies act in a way that allows them to achieve the benefits of brand equity. Companies can engage in different marketing activities, but the success of those activities depends on the customers' response. The response, in turn, depends on the knowledge that has been created in customers' minds of those brands (Keller 2008). Everything affects everything and there are no shortcuts. Companies need to be proactive in their marketing activities and listen to their customers' preferences. As seen in Keller's CBBE pyramid, brand must be built step by step after carefully established marketing strategies. These steps are not equally difficult, but they are equally important in brand equity building process. A noticeable evidence of Keller's CBBE model is that strong brands are appealing to both rational and emotional concerns, that is, to both head and heart. Strong brands are satisfying their customers' functional and emotional needs.

Timothy Creel, (2012) in his study adopted Hoeffler and Keller's five ways in which corporate social responsibility can help an organization build brand equity;

1. Build brand awareness
2. Enhance brand image
3. Establish brand credibility
4. Evoke brand feeling and
5. Elicit brand loyalty

For this study, the researcher found it suitable to use these brand equity dimensions to know how CSR has a positive impact on the company's brand.

2.1.6 Corporate Social Responsibility Influencing Customer Perceptions of a Brand

Taking advantage of responsibility and CSR activities are the focus of many companies today. However, the impact of CSR into brand image and equity has not been the focus in the recent brand literature. Many researchers seem to agree that CSR activities have the potential to create stronger and better relationships between firms and stakeholders (Pelozo & Shang 2011). It is necessary to look deeper into the positive or negative impact on the brand image produced as a result of companies CSR activities (Popoli 2011). As Deigendesch (2009) argues, "brands and corporate social responsibility are two sides of the same coin of entrepreneurial success." Corporate social responsibility cannot be seen as opposing the principles of competition and profitability (Deigendesch 2009). That is, companies need to be aware of their responsibilities in the economic arena when fulfilling the expectations of their customers, stakeholders and employees. At the same time, they need to do their part to help society and build a sustainable future.

Strategically, integrated CSR has a strong impact on brand image and brand equity. However, brand is a result of all what the firm does, in terms of product offering as well as operating practices and behavior assumed in the competitive environment, especially for value generated for the company and for society (Popoli 2011). A favorable or non-favorable perception about a brand's ethical activities impact consumers' evaluation of that brand and might steer their purchase behavior (Brunk & Blümelhuber 2011). Carefully selected CSR initiatives might

enhance brand associations and overall brand equity with appropriate marketing (Becker-Olsen & Hill 2006).

Companies must be aware of consumers' perceptions of their CSR activities in order to benefit from those perceptions when building a brand and brand equity. Two basic questions involving transferring responses and associations from CSR activities are; (1) what do consumers know about company's responsible activities?, and (2) does any of this knowledge affect what they think about the brand?

Hoeffler and Keller (2002) suggest three important factors for predicting the extent of leverage that might result from linking the brand to corporate social responsibility actions. These factors help the firm to understand consumers' thoughts, beliefs, feelings, images, experiences and perceptions about corporate social responsibility, which are categorized as consumers' comprehensive CSR knowledge, and possibly link these to the brand. The factors are:

1. CSR awareness; the basic assumption is that consumers must have some familiarity and knowledge of CSR activities; otherwise there is nothing that can be transferred to the brand.
2. CSR relevance and meaningfulness; the extent to which consumers' CSR knowledge is deemed relevant and meaningful to the brand.
3. CSR transferability; the extent to which associations will become strong, favorable and unique creating judgments and feelings will be considered positive in the context of the brand.

It is worth noting that each of these factors is built on the successful completion of the preceding factor (Hoeffler & Keller 2002). First it is important to examine the strength and favorableness of the consumers' current associations towards the brand itself and the CSR activities in general. Next the company should investigate consumers' opinions about CSR-brand fit, i.e. how well they think the responsibility actions are suited for the brand. Lastly it should be examined whether the associations linked to responsibility actions can be transferred to the brand.

Company's marketing messages inform consumers of their brand. These messages are intended to grow consumers' knowledge of the brand. As seen in Keller's CBBE model (2008), brand knowledge is the base of strong brands and strong brand equity. Customers' brand perceptions

and opinions are formed through company's communication and actions. Messages about corporate ethical and socially responsible initiatives are likely to evoke strong and often positive reactions among stakeholders (Morsing & Schultz 2006). However, corporate social responsibility is a risky subject to communicate to customers because there is always a possibility that customers do not understand the linkage between firms' intended responsibility and their true actions. According to Popoli (2011) the CSR practices of a company could be judged as green washing operations or as expressions of a firm's authentic and true assumption of social responsibility. Therefore, it is necessary that there is a perfect alignment between a firm's communication of their intention in CSR matters and their real behavior. As a result, it is important for companies to be transparent and communicate their activities truthfully to their customers. Corporate social responsibility today requires firm and ongoing stakeholder awareness and calls for more sophisticated CSR communication strategies (Morsing & Schultz 2009).

CSR activities can have both positive and negative impacts on consumers. Companies need to poll their customers to discover those activities that are gaining customer acceptance. Nan & Heo (2007) suggest that exposure to a highly sophisticated CSR involving marketing messages, where a brand and CSR target fit, will lead to a more favorable attitude towards the brand and the company behind it. However, they argue that well-targeted marketing messages might change consumers' attitudes more towards the company, rather than the brand (2007). Sometimes present CSR activities cannot change a company's past activities. In Brunk and Blümelhuber's (2011) research, one respondent had an unethical perception of Siemens because of the company's linkage to Nazis in the Second World War. Consumers' negative preoccupations are resistant to change and therefore they are challenging to overcome.

Sen and Bhattacharya (2001) argue that consumers' company evaluations are more sensitive to negative CSR information than positive, even when negativity is borne of omission rather than commission. In other words, all consumers react negatively to negative CSR information, whereas only consumers who support the CSR issues react positively to positive CSR information. According to their study, Sen and Bhattacharya suggest that companies are benefitting more from not being irresponsible than being responsible. As Poolthong & Mandhachitara (2009) argue, companies could benefit more from their CSR activities if they

understood the impact these activities can have on consumer behavior and perceptions of the brand. CSR activities have numerous positive effects on consumers, but companies need to be aware of their customer's perceptions and opinions of how responsibility suits a brand, CSR information accuracy and the actual actions towards responsibility.

2.2 Empirical Literature Review

2.2.1 CSR Trend in Developing Countries

Increasingly, companies around the world are integrating CSR as a business strategy into their policies and practices. There are many factors at play augmenting the increased awareness of CSR. From the absolute business point of view, the need to protect brand image and reputation of business act as a driving force for companies to apply CSR. At the international level, the various NGOs, multi stakeholder forums, and intergovernmental CSR initiatives through adopting voluntary codes of conduct and other partnership and networking activities appear to be instrumental in establishing and promoting CSR as an integral part of corporate business. At the national level, corporations are adopting CSR as a policy-matter of the business in response to the rising demands of different stakeholders' interests, competition for access into global markets, and importantly satisfying the social needs. It is said that in terms of practice and promotion the current model of CSR as a business agenda is still emerging as its content and dimension continue to expand on the basis of varying socio-economic-political contexts. Nevertheless, in terms of increasing adoption and integration of the CSR agenda, the companies of developed industrialized countries are more advanced and further ahead of those of developing countries. One of reasons for this is that CSR as a concept was launched in northern and western developed economies and carried out there with the support of MNEs, governments, civil society organizations, trade unions and more sophisticated market situations. In addition, strong public institutions and the good governance in the state mechanism of developed countries have helped to shape CSR structure in a better way. Alongside the logistic availability, strong communication system and the conscious pro-CSR stakeholder activities, self-motivated attitudes of business organizations have contributed to the rise of the trend. In this context, developing countries and corporations therein are lagging behind to a considerable extent.

CSR in developing countries is growing in importance, although it is not a high priority in most of them. There may be differing reasons for this on the basis of the countries' own perspectives. As CSR is not mandatory, the performance of it depends upon a company's sense of values or commitment to the society beyond mere profit motives. In addition, it is not only a company's self-regulated voluntary initiative which is necessary. A good CSR climate requires a co-regulatory effort between companies and government and other civil society organizations.

As the government is assumed to be a key driver of CSR in a respective country, it can play a proactive role in facilitating CSR integration into the corporate sector through mandating, facilitating, partnering and incentivizing. These situations are poorly available in almost all of developing countries.

Michael Hopkins identifies two main reasons for the slower uptake of CSR in developing countries. Firstly, CSR in developing countries is yet to be recognized as a development agenda as in his opinion, development refers to 'increased economic growth, more direct foreign investment, less debt, more employment, increased levels of basic needs, improved environment, less poverty and more recently, better governance, transparency and reduced terrorism. Secondly, the companies of developing countries are still more focused on philanthropy. He adds further factors such as the lack of democracy, a poor or controlled press, and weak institutional mechanisms pressing the large scale companies to adopt CSR.

Despite all these limitations, the reality is that CSR activities are increasing at the level of public policy in the local companies. It is admitted that the state of CSR practices is changing and gaining ground in the local companies of developing countries under the influence of globalization as well as in consequence of growing pressure from consumers, foreign investors, buyers and market competitors.

The multilateral organizations, MNEs, and NGOs also play a large role through supervision, partnership and advocacy programs. The large local companies are becoming more concerned about CSR issue for their survival in global business. Some countries are advancing remarkably through the development of institutional frameworks and public sector policies. These companies include companies of Brazil, Argentina, Mexico, Poland, Slovenia, Hungary, South Africa, India, China, and Malaysia. Jeremy Baskin in his analytical study on the companies of four

regions; Asia, Latin America, Africa and Central and Eastern Europe, concludes that CSR in developing countries especially in South Africa, Brazil, India and parts of Eastern Europe is more developed than is generally assumed. He adds the point that sometimes in respect to certain issues of CSR, they are found to be much better than the countries of developed economies.

2.2.2 CSR Practice in Ethiopia

Models of corporate social responsibility (CSR) are relatively well defined in developed countries like that in the U.S. and U.K. As the phenomenon of CSR establishes itself more globally, the question arises as it applies to the nature of CSR in other countries.

In this study, the context of Ethiopia and its interface with corporate social Responsibility has been illustrated using Carrol's model. Although many models CSR developed in the West Prescribe universal applications of the components and priorities , the contextual factors in developing countries in general and Ethiopia in particular may not allow the direct adoption of such models.

In Ethiopian context the practice like many other African countries is on the economic aspect of the CSR and such emphasis may be at the expense of other dimensions. In such a situation how to reconcile the different components is the major challenges that need to be addressed. As per the discussion of CSR in Ethiopia it is clear that the legal and ethical responsibilities are the least in terms of practice as it is the case in most of African countries context. This is also true in the Ethiopian case.

Consequently, if the desired economic development, and respect for rule of law is to exist concerted efforts in improving the legal infrastructure, good governance and high ethical standards should be in place. In line with this a true government reform, rather than initiatives merely for political and electoral advantage, have to be implemented and they have to be systematic and supported by leadership commitment. "As the informal sector grows and more privatization takes hold, attention to corporate governance issues is expected to increase. At present, the scale of business is too small to warrant attention to corporate governance." (Mezgebo, 2012)

2.2.3 CBE's CSR practice

The CBE is being voluntarily involved in societal and environmental activities beyond its primary objective of providing financial services. It has been participating in different CSR initiatives that address the socio economic aspects of the country. The practice ranges from a simple monetary donation to major roles that the bank is playing in the country's developmental initiatives. The bank supports various social, environmental, health related and other humanitarian projects through donation and membership activities. As it is indicated in the promotion and brand management procedure of the bank, donation and membership activities are considered major activities that the bank used to discharge its social responsibilities.

Some of the CSR activities that the bank performs to discharge its social responsibilities include;

- Financial aid to different social and environmental projects/organizations (in the form of donation and membership)
- Allocates a significant fund to support social, humanitarian, health care, educational and environmental projects and related activities. For instance building health centers to nine regions and aid to Saudi returnees.
- Supports the society by responding to natural and manmade disasters.
- Being a membership of various associations that are established to develop a certain profession or solve a specific social issue.
- Contributing to the sports sector of the country.
- Employee retention and good working environment.
- Plays a notable role in nurturing saving culture of the community through door to door awareness creation (financial literacy) program.
- Branch expansion to address unbanked areas of the country creates accessibility to the society.
- Committed to participate in green initiative programs.

2.2.4 CSR and Brand Equity

Previously, giving away branded items to customers will get businesses recognized (Buchholtz and Carroll, 2003). Today, organizations know that CSR is linked to their reputation and brand identity (Holding and Pilling, 2006). Manhaimer (2007) stated that customer loyalty is linked to brand equity. 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 the overall consumer loyalty.

Smith, Gradojevic and Irwin (2007) affirmed that one of the most interesting marketing factors that most private organizations were indulging in is in developing brand equity. Pakseresht (2010) argued that now, most companies are distinguished by their brand thus they are evaluated based on how they perform in the eyes of society. Van Heerde, Gupta and Wittink (2003) also suggested that loyalty can be impacted by brand equity and these two factors in turn can be driven by CSR initiatives.

Balsara (2009) called for making CSR compulsory in relation to a company's overall brand strategy. He added that CSR can be used to not only promote a cause, but also help to create unique brand equity for the company. Myers (2003) suggested that customers tend to associate themselves with a particular brand based on the value of its brand. Upon such significant relationship with the brand, a company can form a unique identification between the customer and the brand.

A study by Lai et al. (2015) entitled the impact of the corporate social responsibility on the performance of the brand revealed that the company's activities and reputation effectively impact the industrial brand equity and performance. In a study of Lai et al., the brand equity includes brand loyalty, perceived quality, brand awareness, brand association and the satisfaction of the brand. A study by Tuan (2014) aimed to analyze the relationship between corporate social responsibility, leadership and brand equity in a hospital in Vietnam, showed that interactive leadership is in relationship with company's legal and economic responsibility.

Transformational leadership, on the other hand, strengthens the moral responsibility of the company, which in turn positively affect brand equity. A direct relationship between

transformational leadership and brand equity has also been identified. The results of a study by Saeidnia & Souhani (2013) to assess the impact of advertising based on social responsibility on reputation and brand equity in Iran's Saderat Bank showed that customers' perception of social responsibility activities had positive impact on brand equity.

Research Hypotheses

Given the above empirical background, hypotheses of this study stipulated in the following way:

H1: CBE CSR activities have a positive and significant influence on brand awareness.

H2: CBE CSR activities have a positive and significant influence on brand image.

H3: CBE CSR activities have a positive and significant influence on brand credibility.

H4: CBE CSR activities have a positive and significant influence on brand feeling.

H5: CBE CSR activities have a positive and significant influence on brand engagement.

2.3 Conceptual Framework

The focus of CSR research has shifted from “why” to “what” to “how”, i.e., to adopt CSR practices that are most compatible to business strategy to bring about maximum outcomes for both the firm and the society (Lai, Chiu, Yang & Pai 2010). Strategically, integrated CSR activities may have a strong impact on brand equity, but only if companies realize the potential of their responsible actions and know how to utilize it (Hoeffler & Keller 2002). The synthesis of the conceptual framework presented below depicts how CSR activities have their effects on brand equity.

The basic assumption behind this synthesis is that customers brand awareness, brand image, brand feeling, brand credibility and brand loyalty, is the basis in building strong customer-based brand equity. Brand awareness, i.e. salience, is the basis of Keller's (2012) CBBE pyramid and also helps the formation of brand image and feeling. Furthermore, it will grow to be trustworthy and stay loyal. Usually consumers have perceptions of a brand as a whole, and these perceptions are investigated in the synthesis by using components of customer-based brand equity pyramid. These components are not equally difficult but they are equally important in building customer-based brand equity, which occurs strongest when customers have resonance with the brand, i.e. on the top of the pyramid.

If companies desire to link responsibility to their brand, their customers need to know that they are responsible. When investigating consumers' perceptions of CSR activities and associations linked to these activities, first it is essential to ensure that company's customers are in fact aware of these CSR activities. Customer awareness is essential for the brand and also for the company's responsibility. Otherwise it would be difficult for a brand to benefit from its responsible activities. If awareness is low, the effect of CSR on brand equity is only theoretical, not of practical relevance (Pomeroy & Dolnicar 2009, 287)

By identifying the basic variables on the research subject and creating a relationship between them through theoretical and empirical literature background, conceptual framework and model of this study was designed. In the conceptual model of research, dimensions of brand equity are extracted from Keller CBBE model (2012) which includes, brand awareness, brand image, brand feeling, brand credibility and brand loyalty and the corporate social responsibility model is extracted from Schwartz & Carroll model (2003) which contains the ethical, legal and economic corporate social responsibilities. The conceptual framework of this research is provided in figure 2.4.

Independent variable

Dependent variable

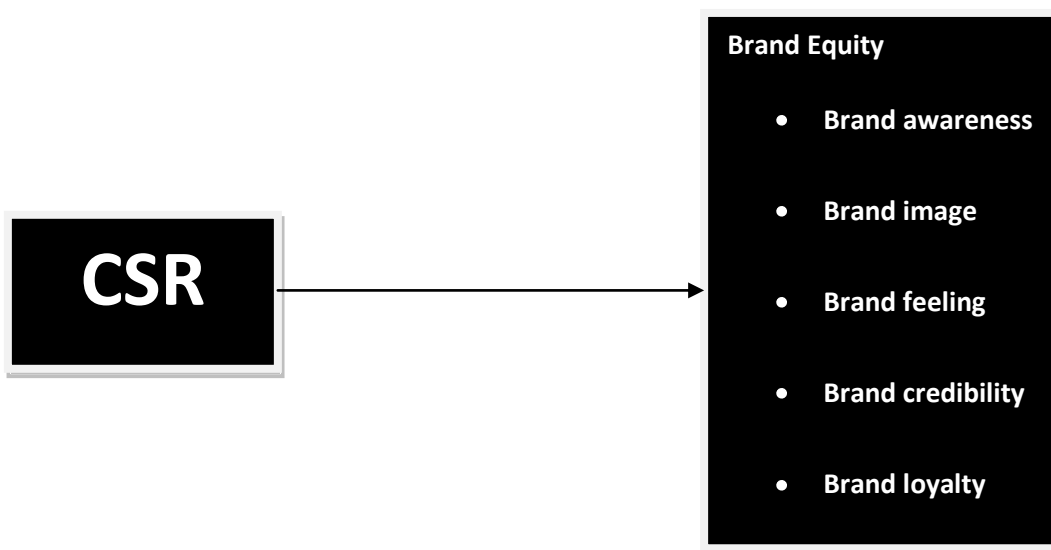


Figure.2.4 Conceptual Framework

Source: Keller and Hoeflter brand equity dimensions as adopted by Creel, (2012)

CHAPTER THREE

METHODOLOGY

3.1 Description of the Study Area

Most companies have their CSR declared on web pages and in other information media about the company and its activities. However, not all corporations use CSR as a major part in positioning and marketing. The study inclines to base on a company with a well-known CSR in the country.

In this research, the effect of Commercial Bank of Ethiopia's CSR activity on its brand equity from its customer's perspective has been studied.

3.2 Research Approach

There are two approaches that can be employed in the research studies namely Quantitative and Qualitative, where one of them is not better than the others, all of this depends on how the researcher want to do a research of study (Ghauri and Kjell, 2005). To achieve the aforementioned objectives, the study adopted both quantitative and qualitative research approaches.

This study employed more of quantitative case study method to answer the research questions and used some qualitative information to know the current conditions of the bank with regard to CSR and customer's perception towards it.

The quantitative approach was applied by collecting data using questionnaires from the bank's customers to identify the effect of CSR on building brand equity. In addition, qualitative information was gathered from the organization by undertaking interviews.

3.3 Research Design

Saunders et al. (2007), defines research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted. It constitutes a blue print for the collection, measurement, and analysis of data.

Since this research was aimed at studying the relationship of dependent and independent variables, explanatory type of research design for the quantitative data and descriptive type for the qualitative data were employed. It only focuses on relationship among independent variable that is CSR and the dependent variable of brand equity. In one way, the study analyses the existing practice of the company as it is. On the other hand, the researcher assessed and evaluated the practice along with previous knowledge and various related literature in the study area. The primary data was collected by drawing a sample from the target population. Interview and questionnaire were used to collect the data.

3.4 Population and Sample

Population

The population for this study were all consumers' who have direct or indirect contact to the bank. According to the bank, customers are not only one who uses the banks product but also all individuals who know about the bank. But, for this research the target population was the bank customers who approached to the bank to use any of the products the bank offers during the data collection period.

Sampling

The target population of this research was customers of CBE in Addis Ababa districts that is north, south, east and west districts. From those districts grade 4, 3 and 2 branches were selected using convenient sampling. Selecting grade 4& 3 branches helps to get more experienced (familiar) customers and selecting level 2 branches helps to collect data from new customers. Respondents from the selected branches were selected using simple random sampling on the peak hours of the branches transaction.

Sample Size Determination

Because of the large number of the sample unit, unspecified geographical place of the targeted population and cost constraint, Cochran sampling formula was employed to draw the sample from the population.

The representative sample size was determined by using estimation method given by Cochran sampling formula (1963) cited in Israel (2003) as: $n = \frac{(1.96)^2 \times P \times (1-P)}{e^2}$

n= the sample size which will be drawn

e = level of precision or sometimes called sampling error (is ranges in which the true value of the population would be estimated).

P= population proportion

z= level of confidence

The sample was drawn from maximum variability of the population (P=0.5) with 95% level of confidence with 5% precision level.

Therefore; $n = \frac{1.96^2 \times 0.5 \times 0.5}{0.05^2} = 384$ was the predetermined sample size.

3.5 Data Sources and Collection Technique

In order to get reliable and relevant information both secondary and primary data was used. Primary Data was collected by using different research instruments such as; questionnaire and interview. The questionnaire and interview questions were adopted from different journals and modified to address the specific research objective of this study. The data collected through the two instruments empirically supported the finding of the study. In order to see the effect of CSR from customers' perspective the researcher used questionnaire. Interview with the concerned department was conducted to assess the CSR application as managing corporate brand of the bank.

3.6 Data Analysis Technique

After collecting the data through questionnaire and interview, thorough analysis was performed. Analysis of data in this research was done by using statistical tools like regression and correlation models. Regression techniques were used to analyze how much the independent variable i.e. CSR influences the dependent variable which is brand equity elements. Correlation analysis also conducted to measure the strength of the association between the practice of corporate social responsibility and customer based brand equity. Interview questions were analyzed qualitatively. Tools like frequency tables and percentage analysis were used to present the data. Data analysis was performed by using SPSS software.

3.7 Ethical Consideration

There are certain ethical protocols that have been followed while conducting this research. The first is soliciting explicit consent from respondents. This ensures that their participation to the study is not out of their own volition.

On the questionnaires, it is clearly asserted that the respondents were anonymous, that the answers treated confidentially and used for the study only. A brief description of the purpose of the study was also be briefed, respondents hence filled out the questionnaire with informed consent, and the researcher was present in person where the questionnaires handed out and recollected. So that the respondents were at ease and were more likely to give candid response to the questionnaire

To ensure the integrity of the data, the researcher checked out the accuracy of encoding of the survey responses.

3.8 Validity of the Research Instrument

As the quality of a research study largely depends on the quality of the research instrument's validity and reliability certain guidelines were used in the procedures of collecting the data. To ensure validity and reliability, the researcher ensured that the questions designed are based on the following guidelines:

- The questions were formed in such a way as to make it easy for respondents to understand them.
- The questions asked were as few in number as necessary to produce the information required.
- The questions required answers that were very straight forward and precise in nature.
- The questions are directly related to the information required.
- The questions were in such a way that they could be answered honestly and without bias.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter presents the data analysis and discussion of the research findings. The data analysis was made with the help of Statistical Package for Social Science (SPSS v. 20). The demographic profile of the study sample, their attitude towards the bank CSR practice and analysis of its effect on its brand equity through its dimensions have been described using descriptive and inferential statistics. To test hypothesis and achieve the study objectives, different inferential statistics were employed. Pearson's correlation was used to see the strength of association between the dependent and independent variables. Linear regression model was also employed to test hypothesis and achieve the study objective that focuses on examining the impact of the bank's CSR practice on its brand.

By considering some questionnaires might be incomplete and uncollectible, additional 5% of the sample size that is 19 (5% of 384) questionnaires distributed. In order to make the collected data suitable for the analysis, all questionnaires were screened to be complete. During identification of returned questionnaires 23 incomplete questionnaires were identified and discarded and 9 questionnaires with some missing values were identified by the system (SPSS). Therefore; out of 403 distributed questionnaires, 92% (371) response rate has been obtained and found to be valid and used for the final analysis and 8% (32) questionnaires were considered as errors and removed from the survey data.

In order to know the current application corporate social responsibility practice of the bank as managing corporate brand, interview with business development manager of the bank was conducted and presented. The interview questions are attached at the back. (Refer annex III).

4.1. Descriptive Analysis

4.1.1. Demographic Profile of Respondents

This section summarizes the demographic characteristics of the sample, which includes age of the respondent, gender, education level, and length of time the respondents used the banks services. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents, proportion of males and females in the sample, range of age, education level of respondents and how long they have used the banks service, so that the analysis could be more meaningful for readers.

Table 4.1 visualizes the demographic profile of 371 respondents. In terms of gender, respondents were roughly proportionate between male and female, even though the numbers of male respondents are higher (female 40.2 %, male 59.8%).

Regarding the age of respondents, the sample population is largely dominated by the age group of 25-35 (42.6%) followed by the group comprise age of 18-25 (35.3%). This indicates that most of the sample populations are youngsters. The rest of the respondents consists, 65 (17.5%) with the age range of 36 to 44 years and only 17 (4.6%) of respondents were 45 and above.

In terms of education and length of time the respondents uses the banks services, the distribution is not equally distributed. 24.8 % of respondents have received either primary, secondary or college diploma education, while 13.2% of the respondents are postgraduate degree holders. The largest group of the population comprises first-degree holders, which is 62% of the total respondents. This shows that more than 75% of the respondents are well educated. Similarly, majority 92.4% of the respondents are the bank's customer for more than a year. This might be explained by the fact that a great part of the population is highly educated and therefore probably they are loyal customers to the bank. Those respondents who used the bank's service for less than a year are only 7.5% of the population.

Table 4.1 Demographic Profile of Respondents

No.		Frequency	Percentage
1	Gender		
	Female	149	40.2
	Male	222	59.8
2	Age(in years)		
	18-25	131	35.3
	26-35	158	42.60
	36-44	65	17.5
	45 and above	17	4.6
3	Educational Level		
	Primary Education	6	1.60
	Secondary Education	30	8.10
	Diploma	56	15.10
	First Degree	230	62
	Masters and above	49	13.20
4	Length of time the respondents uses the bank		
	Below 1 year	28	7.5
	1-4 years	150	40.4
	5-10 years	128	34.5
	Above 10 years	65	17.5

Source: survey data (2017)

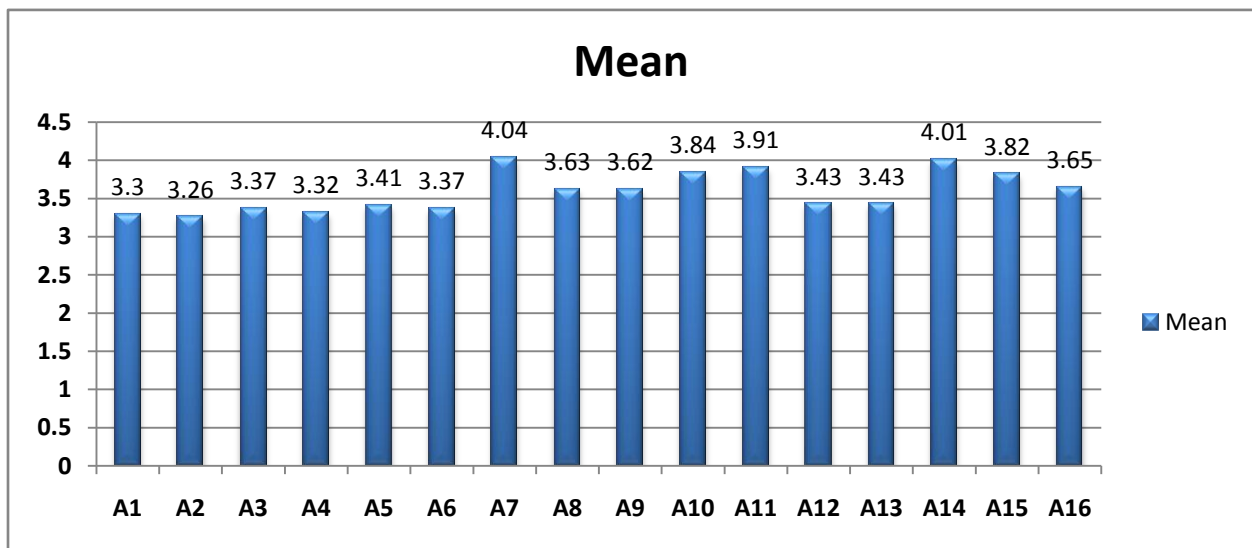
4.1.2 Descriptive Statistics of Variables

One statistical approach for determining equivalence between groups is to use simple analyses of means and standard deviations for the variables of interest for each group in the study (Marczyk, Dematteo and Festinger, 2005). The mean indicates to what extent the sample group averagely agrees or does not agree with the different statement. The lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement. On the other hand, standard deviation shows the variability of an observed response from a single sample.

On the questionnaire, the respondents were asked to measure their level of perception about the bank’s CSR activities. The above CSR aspects from the questionnaire were analyzed at 95% confidence interval for mean. The mean scores of each CSR activities and customer perception were calculated as well as the mean scores of each item under these questions. On a 5 point scale for 16 different aspects about CSR were developed to measure their perception about CBE’s CSR activities. The respondents were then asked to rate their perception, knowledge, feelings and attitudes on CSR on a five point Likert scale ranging from one (strongly disagree) to five (strongly agree).

The mean score values of corporate social responsibility aspects for Commercial Bank of Ethiopia ranges between 3.26 (mean score value of question number 2) with standard deviation of 1.069 and 4.04 (mean score value of question number 7) with standard deviation of 1.032. These scores are also the minimum and maximum mean score values of CSR activities and customer perception respectively. The overall CSR activity for the bank, as measured by customers, is well above average.

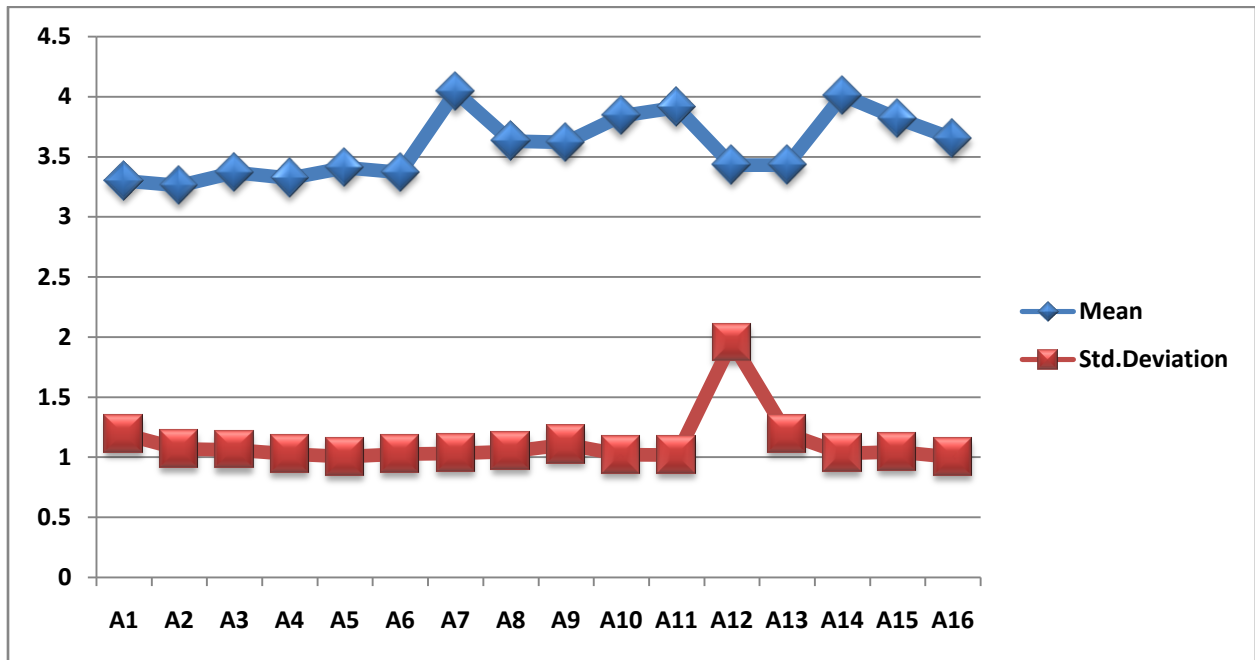
Chart 4.1: Mean Result for Respondents Perception about CSR aspects



Source Survey Result (2017)

As the above chart illustrates, the mean result for aspect 7 (the bank behaves ethically and honestly with its customers), aspect 11 (expecting the bank to actively participate and support CSR activity), aspect 14 (being important for the customer that the bank is socially responsible) and aspect 15 (feeling comfortable being a customer of a bank that makes an effort on CSR) are 4.04, 3.91, 4.01 and 3.82 respectively. These shows that respondents perception on the above four aspects are very high.

Chart 4.2: The Relation between Mean and Standard Deviation Results



Source Survey Result (2017)

As illustrated on the chart, the standard deviation for all CSR aspects, excluding aspect 12, are between 1.00 and 1.193. This tells us the mean result for 15 aspects could represent the perception level for almost all respondents. In other words, the score of most respondents for each of the 15 CSR aspects is closer to each mean result.

But, the standard deviation for the 12th aspect i.e. ‘I choose to bank with my current bank due to its activeness in CSR practice’ is 1.957. This shows that most of the respondents have different perception level for this aspect.

Table 4.2 descriptive statistics of CSR attitude

	Questions regarding customer's attitude CSR practice of the bank	Mean	Std. Deviation
1	I am aware of CSR activities done by this Company/ Brand	3.3	1.191
2	I perceive CBE cares for the environment and support environmental protection activities (e.g green initiative programs)	3.26	1.069
3	CBE extends its financial support for humanitarian and/or charity organizations	3.37	1.062
4	CBE responds to natural and human made disasters (e.g providing food and shelter for victims of drought)	3.32	1.026
5	CBE provides fund to health projects (e.g construction of health centers)	3.41	1.005
6	CBE provide fund to educational programs (e.g school construction and supply of school materials)	3.37	1.027
7	This company behaves ethically and honestly with its customers	4.04	1.032
8	CBE gives back to the community in which it does business	3.63	1.048
9	This company is concerned to improve general wellbeing of the society.	3.62	1.107
10	I consider a company which actively participates in CSR as a good company.	3.84	1.02
11	I expect my bank to actively participate and support CSR activity.	3.91	1.019
12	I choose to bank with my current bank due to its activeness in CSR practice.	3.43	1.957
13	I would switch to the bank that practice CSR better.	3.43	1.193
14	It is important to me that the bank I use is socially responsible	4.01	1.033
15	I feel comfortable being a customer of a bank that makes an effort on CSR.	3.82	1.045
16	I appreciate the bank's CSR activities because I think part of the commissions made from my service is going to help other.	3.65	1
	Average mean result	3.58813	1.11463

Source: survey result, (2017)

Table 4.3 shows that 56.9% of the respondents answer the questions regarding CSR activities of the bank scores above the mean and the rest 43.10 % of the respondents answers are below the mean, this indicate most of the respondents are aware of the banks CSR activities.

Table 4.3 Frequency of customers' attitude towards the CSR

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	160	43.1	43.1	43.1
Valid 2.00	211	56.9	56.9	100.0
Total	371	100.0	100.0	

Source: Survey Result, (2017)

Likewise, the dependent variable, the total questions regarding brand equity through its dimensions scores a mean of 3.98324 and standard deviation of 0.944042. This shows respondents agree with most of the statements they have asked.

Table 4.4 Descriptive statistics of brand equity

Brand equity dimensions	Mean	Std. Deviation
Awareness	4.1503	0.93568
Image	4.0717	0.80467
Credibility	4.0404	0.83762
Feeling	4.0182	1.14602
Loyalty	3.6356	0.99622
Total	3.98324	0.944042

Source: Survey Data, (2017)

4.2 Correlation Analysis

Like the demographic factors, the scale typed questionnaire was entered to the SPSS software, to process correlation analysis to measure strength of the association between the practice of corporate social responsibility of the bank and customer based brand equity. Based on the questionnaire which was filled by the customers of bank, the following correlation analysis was made.

4.2.1 Correlation Analysis between CSR Practice of the Bank and Customer Based Brand Equity

Pearson correlation test was conducted to know the degree of relationship between the independent variable i.e. CSR practice of the bank and the dependent variable i.e. customer based brand equity. The correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (−1.0 to +1.0). Correlations are perhaps basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005). As per Marczyk, Dematteo and Festinger, (2005) general guidelines correlations of 0.01 to 0.30 are considered small, correlations of 0.30 to 0.70 are considered moderate, correlations of 0.70 to 0.90 are considered large, and correlations of 0.90 to 1.00 are considered very large. Depending on this assumption, all basic constructs were included into the correlation analysis and a bivariate two tailed correlation analysis was done.

The results of the correlation between the dependent and the independent variables are shown in table 4.5. As it is indicated in the table there is a significant correlation between CSR practice and customer base brand equity. In other words, CSR practice of the bank and customer based brand equity have moderate level relationship ($r=0.668$ with $p<0.01$).

Table 4.5 Correlations between CSR and Customer Based Brand Equity

	CSR	Brand Equity
Pearson Correlation	1	.668**
Sig. (2-tailed)		.000
N	371	371
Pearson Correlation	.668**	1
Sig. (2-tailed)	.000	
N	371	371

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

Source: survey data (2017)

4.2.2 Correlation Analysis between CSR and Individual Brand Equity Dimensions

As per table 4.6 the coefficients shows that the five dimensions that measure brand equity were all positively related with brand choice within the range of 0.517 to 0.602, all were significant at $p < 0.01$ level. The independent variable i.e. corporate social responsibility practice of the bank show a moderate level of positive relation with the dependent variable dimensions i.e. awareness, image, credibility, feeling and loyalty of the company's brand.

As shown in the table below, the relationship between the independent and the dependent variables, clearly shows that figures with the symbol "***" indicate that CSR with individual dimensions of brand equity are significantly correlated at a significance level of $p < 0.01$. The results indicate CSR practice significantly correlated with brand image at highest rate ($r = .602$). Similarly, CSR with the rest of the brand equity dimensions brand awareness, credibility, feeling and loyalty also significantly related with almost same value ($r = 0.517$, $r = 0.574$, $r = 0.535$, $r = 0.557$) respectively.

Table 4.6 Correlation analysis between CSR between individual brand equity dimensions

		CSR	awareness	image	Credibility	feeling	loyalty
CSR	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	371					
Awareness	Pearson Correlation	.517**	1				
	Sig. (2-tailed)	.000					
	N	371	371				
Image	Pearson Correlation	.602**	.665**	1			
	Sig. (2-tailed)	.000	.000				
	N	371	371	371			
Credibility	Pearson Correlation	.574**	.613**	.757**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	371	371	371	371		
Feeling	Pearson Correlation	.535**	.441**	.568**	.639**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	371	371	371	371	371	
Loyalty	Pearson Correlation	.557**	.500**	.650**	.639**	.679**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	371	371	371	371	371	371

** Correlation is significant at the 0.01 level (2-tailed).
Source: Survey Data, (2017)

4.3 Regression Analysis

In order to see contribution of CSR on brand equity, linear regression analysis was employed. CSR was used as the independent variable while the brand equity dimensions were used as the dependent variables. As the result the regression analysis shows that the CSR practice of the bank has the power to explain customer based brand equity. The regression model presents how much customer based brand equity can be explained by the CSR practice of the bank. The model or the predictor variables have accounted for 44.7% (adjusted R square of 44.5%) with estimated standard deviation 0.58317) of the variance in the criterion variable (brand equity).

Therefore, it is pointed out that 44.70 percent of the dependent variable can be explained by CSR practice of the bank. This means that CSR activities can account for 44.5% of the variation in brand equity. There may be many factors that can explain the variation in brand equity of CBE, but the model used in this study, which includes all the major CSR activities of the bank, can explain close to 45% of it. In other words, 55% of the variation in brand equity of the bank cannot be explained by these questions about CSR and that there must be other factors that have an influence on the outcome.

Similarly, the ANOVA table shows the overall significance/acceptability of the model from a statistical perspective, see table 4.8. As the significance value of statistics shows a value (.000), which is less than $p < 0.05$, the model is quite significant. This indicates that the variation explained by the model is not due to chance.

As it is stated earlier in this chapter, this study aims to identify the contribution of the independent variable in the prediction of the dependent variable. Thus, the strength of the predictor (independent) variable influence on the criterion (dependent) variables can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in dependent variable that is caused by a change in the independent variable. The larger Beta Coefficient value that an independent variable has, the more it provides support to the independent variable as the more important determinant in predicting the dependent variable.

According to Table 4.9, the regression standardized coefficient for the independent variables, i.e. CSR practice of the bank is 0.668. Its significance level is 0.000 which is less than 0.05. This indicates there is a significant relationship between the independent and the dependent variables.

Table 4.7: Regression analysis result for CSR and Brand Equity

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.668 ^a	.447	.445	.58317	1.771

a. Predictors: (Constant), CSR

b. Dependent Variable: equity

Source: survey data (2017)

Table 4.8 ANOVA result for CSR and Brand Equity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	101.316	1	101.316	297.912	.000 ^b
	Residual	125.493	369	.340		
	Total	226.809	370			

a. Dependent Variable: equity

b. Predictors: (Constant), CSR

Source: survey data (2017)

Table 4.9 Coefficients of relationship marketing dimensions

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.122	.169		6.657	.000
	CSR	.797	.046	.668	17.260	.000

a. Dependent Variable: equity

Source: survey data (2017)

A good regression model must not have a strong correlation among its independent variable aspects or must not have a co linearity problem and that the value of variance inflation factor (VIF) must have a value between 1 and 10 and the tolerance level should be more than 0.2. (SPSS Inc, 2016).

Table 4.10 Co linearity statistics of variables

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.122	.169	6.657	.000		
	CSR	.797	.046	17.260	.000	1.000	1.000

a. Dependent Variable: equity

As shown on the table above, based on the coefficients output (co linearity statistics), the obtained variance inflation factor (VIF) for the independent variable was found to be between 1 and 10, which means that there is no co linearity problem. We can also use the descriptive statistics to check the correlation matrix for co linearity; that is, predictors that correlate too highly with each other. The independent variable should also show a significant relationship with the dependent variable (greater than 0.3). As shown in table 4.6 of correlation matrix, the above assumptions hold true for both independent and dependent variables.

4.4. Testing the Hypothesis

The proposed hypothesis of CSR's effect on each dimensions of brand equity was tested using linear regression method (refer annex VII). The R-square value only indicates the variance in overall consumer brand equity as it is explained by the independent variables (CSR). However, when we see the extent to which the independent variable influence the dependent variable, was found to be the determinant of brand equity dimensions. According to Table 4.10, the regression standardized coefficient for the independent variables i.e. CSR practice of the bank with each dimensions of brand equity (awareness, image credibility, feeling and loyalty) is 0.517, 0.602, 0.574, 0.535, and 0.557 respectively. Their significance levels are 0.000, which are all less than 0.05. This indicates significant relationship between them and the dependent and the independent variables. Since, coefficients of the predictor variable are statistically significant at less than five

percent; alternative hypotheses related to awareness, image credibility, feeling and loyalty, were all accepted.

Table 4.11 Test result of the proposed hypothesis

Hypothesis	Result	Reason
H1: CBE CSR activities have a positive and significant influence on brand awareness.	H1: Accepted	$\beta = 0.517, p < 0.05$
H2: CBE CSR activities have a positive and significant influence on brand image.	H2: Accepted	$\beta = 0.602, p < 0.05$
H3: CBE CSR activities have a positive and significant influence on brand credibility.	H3: Accepted	$\beta = 0.574, p < 0.05$
H4: CBE CSR activities have a positive and significant influence on brand feeling.	H4: Accepted	$\beta = 0.535, p < 0.05$
H5: CBE CSR activities have a positive and significant influence on brand loyalty.	H5: Accepted	$\beta = 0.557, p < 0.05$

Source: Survey result (2017)

4.5. Discussion of Major Findings

This discussion is essential to provide more clarification on the above results. This study was aimed at finding out if there is a possibility to use corporate social responsibility activities to maximize customers based brand equity of the bank. Much of previous literature concentrated on relating CSR and Brand Equity with goods industry, not the service sector. So, this study confirmed to us that the CSR activities can be also used to make significance and positive influence on CBBE of companies in the service sector, particularly the financial service sector in Ethiopia.

Demographic factors such as age, gender, educational level and length of time the customers uses the bank services have been used to analyze the general demography of the respondents. According to the study's findings, CSR practice of the bank is correlated with brand equity. Correlation analysis result of the study shows that there is significant relationship between CSR and brand equity i.e. 66.8%. And regression analysis the finding shows that 44.5% of the customer based brand equity is accounted for CSR practice of the bank.

Different researches showed that CSR has a significant effect on the company's brand equity building in developed countries (Fischer & Fredholm, 2013, Sharif, 2012). Judy, 2014 found that CSR is an important variable to be considered in customer loyalty, Murali (2012) in his study indicated that there is positive relationship between CSR and customer loyalty (Reman et al, 2012), (Reza et al, 2014) in their study show that the CSR variables can slightly improve the brand preference.

The finding of this thesis also confirmed the positive relationship between CSR and brand equity. These finding may not be exhaustive of the research in this field because other factors beyond CSR may affect brand equity but it may give a fairly good picture of how CSR contributed positively for maintaining and building customer based brand equity.

In order to assess the CSR application as managing corporate brand of the bank, interview with the bank's business development manager was conducted. A total of 7 interview questions were asked to the division manager.

After interview has been made regarding CSR application of the bank, the following points are generalized.

1. How do you evaluate the CSR activities of your bank?

It is believed that CBE is partly discharging its corporate social responsibilities CSR. The way the bank discharge its corporate social responsibility are much more diversified. For example, donation is one way of participating in the social and community affairs. It donates funds to help public health and education infrastructures, humanitarian affairs like helping elders and disable ones, supporting those who are victims of natural disasters and war. Membership is again the other way where the bank discharges its CSR. It is a member to some organizations that have a business or professional link with the bank and have social and community implications by paying annual fees. The other thing is the bank supports, through sponsorship, nationally or internationally organized events that have value in building the image of the country, though the objective of sponsorship are entirely obtaining maximum promotional value. Doing all these, it is not believed that the bank is

exclusively helping the society. As a corporate citizen, CBE is planning to support the society in a more organized impactful manner.

2. Does the bank see its CSR activities from customer's point of view?

These days, international business organizations are using CSR activities as a promotional mechanism. The more business entities support the society and care for the environment there is a good chance of attracting more customers and retaining existing ones. Bearing in mind the power of doing good, there a tendency of promoting the companies good deeds. However, in CBE's case CSR is not assumed as means to attract customers. Rather the support the bank has been providing to the society was kept hidden. It is neither reported on annual reports nor publicized to the public via media outlets. Thus, it can be said that the CSR activities of the bank has never aimed to attracting customers. But, now a day it seems that the bank understands the value of publicizing its good deeds. Though the bank does not directly target immediate response from customers, publicizing CSR is considered crucial.

3. Do you think customers consider CSR activities to choose your bank?

Due to lack of awareness regarding the good deeds of the bank, it is believed that customers are not considering CSR activities as criteria to choose the bank. Thus, it is believed that unable to publicizing CSR activities is the major reason that lead to losing some group of society (environmental conscious and those who value corporate citizenship)

4. How do you publicize the CSR activities of the bank?

Previously much work has not been done regarding publicity. But currently the bank is mainly using its own TV and radio program to publicize its CSR activities. Besides, the bank disseminates every CSR activity to its employees so that they understand the value of CSR and communicate it to the public. In some donation related special occasions there is also a chance to get local media's coverage.

5. Does the bank have a separate allocation of funds for CSR implementation?

Every budget year the bank assigns a certain amount for donation and membership purpose. Whenever there a sudden manmade and natural disaster, there is also a chance to mobilize extra fund than the budgeted amount.

6. What are the bank's criteria to choose CSR activities?

Currently the bank is not directly implementing projects rather it is providing support to different social, humanitarian and environmental organizations. In providing the aid the bank considers the severity and urgency of the case, number of targeted beneficiaries, duration of the project, projected impact of the project (is it sustainable or one time solution) and other applicable criterions which are suitable to a given case. Usually donation is made based on the request of different social and humanitarian organizations. But there project proposal will critically be reviewed.

7. Are there a clearly defined policies and procedures to apply CSR?

Currently, CSR is being performed as one activity of a promotion and brand management sub process and as part of the sub process working procedure there is a section that specify General CSR areas and selection criteria. However it is not considered as full-fledged guideline. A separate division can be very important to organize, identify major program, and draft policy frameworks and deal with donations and philanthropic activities. To this effect, the promotion and brand management sub process started activities that will let the bank to establish a separate division and draft a complete CSR policy.

Summary

The result of the research findings showed that, the corporate social responsibility practice of the bank has a positive and significant impact on the company's brand. The bank has made tremendous CSR activities and is a leader to incorporate the practice in its business in the country. But, the practice is not meant to attract customers. The support the bank has contributed to the society is not disclosed to the public. That is why almost half of the respondents were not aware of the CSR practice of the bank but they value the practice. Thus, it is believed that unable to publicizing CSR activities is the major reason that lead to losing some group of the society. But, now a day the company seems to understand the value of publicizing its good deed to the society. Though, the bank is begins publicizing its CSR activities through its own TV and radio programs. And the bank is planning to set a policy that guide the application of its CSR activities.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

This chapter aims to review the problem of the research and conclude the findings with regard to the objectives of the study. Recommendations that focus on how the problem identified could be addressed are also included in this chapter. And suggestion for future researches is made at the end of this chapter.

5.1 Conclusion

This study was initiated to examine the impact of Corporate Social Responsibility practice on building of brand equity as a case study on commercial bank of Ethiopia. Internationally, many corporations attempt to use responsible business initiatives as a marketing tool and try to attract socially and environmentally conscious customers through related marketing and branding (Knight 2007 cited in McKinley 2008). CBE contributes a lot in CSR activities of the country socially and environmentally by giving value to the society as a corporate citizen. But it is not known whether it has gotten the publicity it deserves and the return from its good deeds.

More specifically, in this study customers' awareness towards the company's CSR practice and its effect on building of its brand equity through its dimensions (awareness, image, credibility, feeling and loyalty) have been assessed. The study also found that CSR practice of the bank is significantly related with the company's brand equity.

Based on Pearson correlation analysis made, it is found that CSR practice of the bank significantly related to customer based brand equity (i.e. 66.8%) and with individual dimensions as well (awareness 51.7%, image 60.2%, credibility 57.4%, feeling 53.5%, loyalty 55.7%). Although the correlation between CSR and brand image shows a beat higher than others, it seems CSR is most reflected on image building.

The results of regression analysis indicated that close to 45% of variation on brand equity explain by CSR practice of the bank. The proposed hypotheses through its dimensions were also tested by the linear regression model (Beta coefficients). The result shows that coefficients of the predictor variable are statistically significant at less than five percent; alternative hypotheses

related with awareness, image, credibility, feeling and loyalty, were all accepted. The regression analysis result of the proposed hypothesis looks like the following.

- ✓ 51.7% of brand awareness is significantly explained by CSR practice of the bank.
- ✓ 60.2% of brand image is significantly explained by CSR practice of the bank.
- ✓ 57.4% of brand credibility is significantly explained by CSR practice of the bank.
- ✓ 53.5% of brand feeling is significantly explained by CSR practice of the bank.
- ✓ 55.7% of brand loyalty is significantly explained by CSR practice of the bank.

On the other hand, the bank (CBE) has considerable value to the community and the society at large and has made a deliberate effort to demonstrate leadership in Corporate Social Responsibility initiatives. However, the practice is not assumed as means to attract customers. Rather the support the bank has been providing to the society was kept hidden. Thus, it can be said that the CSR activities of the bank was never aimed to attracting customers. Even though the company does not publicize its CSR activities, most of the customers (56.9%) are aware of it.

It is believed that unable to publicizing CSR activities is the major reason that lead to losing some group of society (environmental conscious and those who value corporate citizenship). But, now days it seems that the bank understands the value of publicizing its good deeds. Previously much work has not been done regarding publicity. But currently the bank is mainly using its own TV and radio program to publicize its CSR activities. That will create good chance of attracting more customers and retaining existing ones that will have a significant impact on the company's brand.

In addition, the bank's CSR is being performed as one activity of a promotion and brand management sub process and as part of the sub process working procedure there is a section that specify General CSR areas and selection criteria. However it is not considered as full-fledged guideline. But, the sub process started activities that will let the bank to establish a separate division and draft a complete CSR policy.

5.2 Recommendations

Depending on the findings of the study and conclusions made, the researcher came up with some important recommendations that can be used to influence the bank's CSR activity on building of the company's brand.

- Ethiopia as most of developing countries the concept of CSR is not well developed. But CBE is a leading company to demonstrate Corporate Social Responsibility initiatives. It is a good chance of getting socially and environmentally conscious customers. Furthermore, it has a significant impact on building of the company's brand equity. So, the company should work more on publicizing those activities instead of concealing it. By doing so, the public will begin to show understanding and appreciation of the efforts and contribution of the organization.
- The CSR activity of the bank is being performed as one activity of a promotion and brand management sub process. There should be a separate division that organize, identify major program, and draft policy frameworks and deal with donations and philanthropic activities. It deserves greater attention and more commitment from the bank in that it guarantees benefits other than good deed.
- As international organizations, CBE's CSR activity should be well structured and strategically focused in a way the bank can get a return for its good deeds. Strategically integrated CSR activities have a strong impact on brand equity. The bank should realize the potential of its responsible actions and perform its CSR activities in more structure and organized manner to have a maximum impact.
- Every budget year the bank assigns a certain amount of budget for donation and membership purpose. Whenever there a sudden manmade and natural disaster, there is also a chance to mobilize extra fund than budgeted. For controlling and effective utilization of funds, the bank should fix some percentage of its annual profit as a budget to CSR initiatives and it should be included on annual reports.
- Internationally, companies have CSR policy in which CSR focus areas are clearly defined. Currently the bank is using a promotion and brand management sub process working procedure there is a section that specifies general CSR areas and selection

criteria. However it is not considered as full-fledged guideline. There should be clear and separate set of policy to apply its CSR activities.

- According to the survey result, some customers or inhabitants of the community are not aware the CSR programs done and ongoing. Communication on CSR activities and tangible positive outcomes should be done to customers and the general public which will help the bank better understand the contribution its making. In addition, other similar companies will be motivated to do so. It is believed that unable to publicizing CSR activities is the major reason that lead to losing some group of society. The bank should give due attention on publicizing its CSR activities though different medias as well as on its webpage.
- The donation is made based on the request of different social and humanitarian organizations after review of their proposal. The bank should explore potential areas that necessitate donation by itself. This will make the bank to contribute more in corporate social responsibility activities to the society that will intensify awareness of its effort to the society at large.

In general, as a dominating and striving to be a world class bank, its CSR activities should be guided by clearly defined policy. And the impact its CSR activities could create on its brand equity shall also be properly investigated. It is known that the bank is contributing a lot in CSR activities of the country socially and environmentally by giving value to the society as a corporate citizen. The bank should consider publicizing to the public via media outlets in more organized way in order to get the return from its good deeds.

5.3. Suggestion for Further Studies

This study focuses only investigating whether the philanthropic type of CSR activities done by commercial bank of Ethiopia positively related to the brand of the company omitting its benefit to the society and the environment. And the concentration area of the research was limited to Addis Ababa as a majority of CSR philanthropic activities at the bank are being performed in the city.

Future researchers can investigate impacts of CSR on the environment and societal wellbeing. On one's brand. This research can be further explored by considering other types of CSR (like

strategic type). The research reported here has not look into the possible influences of socio-demographic factors in all over the country. Future research studies might fruitfully investigate by including socially and demographically different group of people by increasing the sample size.

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ANNEXES

ANNEX - I

THE STUDY ON THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND EQUITY

(Questionnaire to be filled by consumers)

Dear Participant,

I am graduate student at Addis Ababa University, school of commerce. Currently, I am undertaking a research to identify “**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE ON BUILDING BRAND EQUITY: CASE STUDY ON COMMERCIAL BANK OF ETHIOPIA**” .

Corporate social responsibility (CSR): “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

As a customer of Commercial Bank of Ethiopia, your participation in this study will be valuable and greatly appreciated. The information you provide will be used only for the purpose of the study

INSTRUCTIONS: The questionnaires contain statements about brand equity and its dimension and CSR activities. Please read each statement carefully and decide the answer that you will give.

Thank you in advance for your kind cooperation!

Dagmawit Tadesse
Tel +251913020862

Part 1: General Profile (please put a “√” mark on the box that best describes you)

1. Age: 18 – 25 26 – 35 36 – 44 45 and above
2. Gender: Female Male
3. Highest education obtained:
 Primary education Secondary education Diploma
 First Degree Masters and above
4. How long you have used the bank service?
 Below 1 year 1-4 years 5-10 years above 10 years

Part 2: Customers perception towards the bank’s CSR activity

Please answer the following questions putting “√” in the cell that express your perception about CSR activity of the bank.

Explanation: 5= strongly Agree 4= Agree 3=Neutral 2= Disagree 1=strongly disagree

CBE = Commercial Bank of Ethiopia

	Items	1	2	3	4	5
1.	I am aware of CSR activities done by this Company / Brand.					
2.	I perceive CBE cares for the environment and support environmental protection activities (e.g green initiative programs)					
3.	CBE extends its financial support for humanitarian and/or charity organizations					
4.	CBE responds to natural and human made disasters (e.g providing food and shelter for victims of drought)					
5.	CBE provides fund to health projects (e.g construction of health centers)					
6.	CBE provide fund to educational programs (e.g school construction and supply of school materials)					
7.	This company behaves ethically and honestly with its customers					
8	CBE gives back to the community in which it does business					
9.	This company is concerned to improve general wellbeing of the society.					
10.	I consider a company which actively participates in CSR as a good company.					
11.	I expect my bank to actively participate and support CSR activity.					
12.	I choose to bank with my current bank due to its activeness in CSR practice.					
13.	I would switch to the bank that practice CSR better.					
14.	It is important to me that the bank I use is socially responsible					
15.	I feel comfortable being a customer of a bank that makes an effort on CSR.					
16.	I appreciate the bank’s CSR activities because I think part of the commissions made from my service is going to help other.					

Part 3: Questions regarding Brand Equity Dimensions

Please put “√” mark on the appropriate box provided that most describe your feeling.

Explanation: 5= strongly Agree 4= Agree 3=Neutral 2= Disagree 1=strongly disagree

CBE = Commercial Bank of Ethiopia

Items		1	2	3	4	5
Brand awareness						
1.	I remember CBE when I think of using a bank.					
2.	I can recognize the bank among competing brands.					
3.	I can quickly recall the symbol of logo of the bank.					
4.	I have no difficulty in imagining the company’s brand.					
Brand image						
5.	I perceive the bank as a good company.					
6.	CBE is famous and well known					
7.	I think CBE has a unique brand image.					
8.	CBE is believable and has good image.					
9.	Using CBE gives me social approval.					
Brand credibility						
10.	The bank behaves ethically and honestly with its customers.					
11.	I feel secured in my transaction with the bank.					
12.	The bank is reliable in keeping its promise.					
13.	I have confidence in the bank’s service.					
14.	CBE is honest organization for the customers.					
Brand feeling						
15.	I have a positive attitude towards the bank.					
16.	Using CBE among others make me feel good.					
17.	Using CBE gives me pleasure.					
18.	I feel comfortable being a customer of the bank.					
Brand loyalty						
19.	The bank is my first choice compared to other bank.					
20.	I’m willing to go further distance to get CBE service.					
21.	I will continue to be a customer of the bank.					
22.	I wouldn’t give up being a customer even if competitors come up with a better offer.					
23.	I would recommend to my friends and acquaintances.					

7. Are there a clearly defined policies and procedures to apply CSR?

ANNEX-IV

Descriptive statistics of demographic profile of respondents

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	131	35.3	35.3	35.3
26-35	158	42.6	42.6	77.9
Valid 36-44	65	17.5	17.5	95.4
45 and above	17	4.6	4.6	100.0
Total	371	100.0	100.0	

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	149	40.2	40.2	40.2
Valid Male	222	59.8	59.8	100.0
Total	371	100.0	100.0	

Highest education obtained

	Frequency	Percent	Valid Percent	Cumulative Percent
Primary education	6	1.6	1.6	1.6
Secondary education	30	8.1	8.1	9.7
Valid Diploma	56	15.1	15.1	24.8
First degree	230	62.0	62.0	86.8
Masters and above	49	13.2	13.2	100.0
Total	371	100.0	100.0	

How long you have used the bank service?

	Frequency	Percent	Valid Percent	Cumulative Percent
below 1 year	27	7.3	7.3	7.3
1-4 years	150	40.4	40.4	47.7
Valid 5-10 years	128	34.5	34.5	82.2
above 10 years	61	16.4	16.4	98.7
5	5	1.3	1.3	100.0
Total	371	100.0	100.0	

ANNEX-V

Descriptive statistics of questions regarding CSR practice of the bank

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I am aware of CSR activities done by this Company / Brand.	371	1	2	1.50	.501
I perceive CBE cares for the environment and support environmental protection activities (e.g green initiative programs)	371	1	2	1.43	.496

CBE extends its financial support for humanitarian and/or charity organizations	371	1	2	1.47	.500
CBE responds to natural and human made disasters (e.g providing food and shelter for victims of drought)	371	1	2	1.44	.497
CBE provides fund to health projects (e.g construction of health centers)	371	1	2	1.48	.500
CBE provide fund to educational programs (e.g school construction and supply of school materials)	371	1	2	1.44	.498
This company behaves ethically and honestly with its customers	371	1	2	1.79	.406
CBE gives back to the community in which it does business	371	1	2	1.60	.490
This company is concerned to improve general wellbeing of the society.	371	1	2	1.61	.489
I consider a company which actively participates in CSR as a good company.	371	1	2	1.70	.461
I expect my bank to actively participate and support CSR activity.	371	1	2	1.73	.447
I choose to bank with my current bank due to its activeness in CSR practice.	371	1	33	1.58	1.710
I would switch to the bank that practice CSR better.	371	1	2	1.49	.501
It is important to me that the bank I use is socially responsible	371	1	2	1.73	.444

I feel comfortable being a customer of a bank that makes an effort on CSR.	371	1	2	1.66	.473
I appreciate the bank's CSR activities because I think part of the commissions made from my service is going to help other.	371	1	2	1.59	.493
Valid N (listwise)	371				

ANNEX-VI

Descriptive statistics of questions regarding brand equity

Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
I remember CBE when I think of using a bank.	371	1	5	1436	3.87	1.258
I can recognize the bank among competing brands.	371	1	5	1592	4.29	1.051
I can quickly recall the symbol of logo of the bank.	371	1	5	1603	4.32	1.046

I have no difficulty in imagining the company's brand.	371	1	5	1528	4.12	1.079
awareness	371	1.00	5.00	1539.75	4.1503	.93568
I perceive the bank as a good company.	371	1	5	1512	4.08	.997
CBE is famous and well known	371	1	5	1638	4.42	.907
I think CBE has a unique brand image.	371	1	5	1519	4.09	1.008
CBE is believable and has good image.	371	1	5	1538	4.15	1.008
Using CBE gives me social approval.	371	1	22	1346	3.63	1.509
image	371	1.00	6.20	1510.60	4.0717	.80467
The bank behaves ethically and honestly with its customers.	371	1	5	1499	4.04	1.009
I feel secured in my transaction with the bank.	371	1	5	1553	4.19	1.000
The bank is reliable in keeping its promise.	371	1	5	1392	3.75	1.062
I have confidence in the bank's service.	371	1	5	1502	4.05	.969
CBE is honest organization for the customers.	371	1	5	1549	4.18	.952
credibility	371	1.00	5.00	1499.00	4.0404	.83762
I have a positive attitude towards the bank.	371	1	5	1532	4.13	.970
Using CBE among others make me feel good.	371	1	5	1472	3.97	1.042
Using CBE gives me pleasure.	371	1	55	1481	3.99	2.860
I feel comfortable being a customer of the bank.	371	1	5	1478	3.98	.992
feeling	371	1.00	17.50	1490.75	4.0182	1.14602
The bank is my first choice compared to other bank.	371	1	5	1419	3.82	1.249
I'm willing to go further distance to get CBE service.	371	1	5	1218	3.28	1.275

I will continue to be a customer of the bank.	371	1	5	1499	4.04	.970
I wouldn't give up being a customer even if competitors come up with a better offer.	371	1	5	1201	3.24	1.375
I would recommend to my friends and acquaintances.	371	1	5	1407	3.79	1.104
loyalty	371	1.00	5.00	1348.80	3.6356	.99622
Valid N (listwise)	371					

ANNEX-VII

Regression analysis of brand equity dimensions

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.504	.232		6.491	.000
CSR	.737	.064	.517	11.609	.000

a. Dependent Variable: awareness

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.425	.186		7.661	.000
CSR	.737	.051	.602	14.465	.000

a. Dependent Variable: image

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.413	.199		7.119	.000
CSR	.732	.054	.574	13.450	.000

a. Dependent Variable: credibility

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.664	.280		2.369	.018
CSR	.935	.077	.535	12.175	.000

a. Dependent Variable: feeling

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.603	.239		2.520	.012
CSR	.845	.066	.557	12.871	.000

a. Dependent Variable: loyalty