



SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON CORPORATE BRAND EQUITY: THE CASE OF LION INTERNATIONAL BANK S.C

**A Thesis Submitted to Addis Ababa University, School of Commerce in
Partial Fulfillment of the Requirements for the Degree of Masters of Arts in
Marketing Management**

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July, 2022

ADDIS ABABA, ETHIOPIA

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Declaration

I, Amanuel Kalayou, hereby declare that the thesis entitled “The Effect of Corporate Social Responsibility on Brand Equity: The Case of Lion International Bank S.C”, is submitted by me for the partial requirement of Master of Arts degree in Marketing Management from Addis Ababa University. I affirm that this thesis is an original work that has not been presented for the award of any other Degree, Diploma, Fellowship or other similar titles of any other university or institution.

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This is to certify that this thesis entitled “The Effect of Corporate Social Responsibility on Corporate Brand Equity: The Case of Lion International Bank S.C” is submitted in partial fulfillment of the requirements for Master of Arts degree in Marketing Management to School of Commerce, Addis Ababa University, through the Department of Marketing Management. The research conducted by Mr. Amanuel Kalayou, is an authentic work carried out by him under my guidance. The matter embodied in this thesis has not been submitted earlier for award of any degree or diploma to the best of my knowledge and belief.

Advisor: Saleamlak Molla. (PhD)

Signature: _____ Date: _____

Acknowledgments

First, I am grateful to the Almighty LORD for His unreserved supports throughout the path of my life. I am exceptionally thankful to GOD for giving me a second chance to life enabling me enjoy life after my surgery off a kidney transplant 10 years ago. I am also in short of words to express how grateful I am to my younger brother Samson Kalayou who has donated his kidney to save my life.

My sincere appreciation also goes to my advisor Saleamlak Molla (PhD) for his invaluable and constructive comments from the beginning to the end of the study.

I am also highly indebted to my beloved wife Senait Gebremariam and my lovely kids Fale'ab and Bana Amanuel for dedicating pure family time during my study. Moreover, I highly appreciate all my friends who have assisted me morally and financially in fulfilling my educational path the past three years. I am also grateful to Tesfaye Desta and his beloved family for the unreserved care and support during my tempting and difficult times. Great appreciation also goes to all participants who spent their valuable time to fill all the questionnaires patiently

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Abstract

The purpose of this study was to test the effect of Corporate Social Responsibility on Corporate Brand Equity with particular reference to Lion International Bank S.C. The study specifically examined how the bank's philanthropic corporate social responsibility activities effect on the Bank's effort to build its brand equity in particular addressing the brand awareness, perceived quality, brand association and brand loyalty. A conceptual framework was developed based on a review of extant literature to depict the relationships among the study variables. This study used descriptive case study research design to answer the research questions to assess the current conditions of the bank's corporate social responsibility and customer's perception towards it. The questionnaire administered to 384 samples of respondents using convenient sampling technique. The data were analyzed using descriptive statistics and multivariate regressions model. According to the findings in this study, the Philanthropic corporate social responsibility practice of the bank has made a significant contribution to the bank's brand equity and. has a positive significant effect on brand equity. Therefore, knowing that the practice valued by the customers and has a significant effect on the bank's brand, LIB should consider publicizing its corporate social responsibility activities to the public via media outlets and pertinent social media platforms in a more organized and systematic way in order to get the return from its good deeds.

Key Words: Corporate Social Responsibility, Brand Equity, Lion International Bank.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Corporate Social Responsibility (CSR) a term encompassing a wide range of issues and topics such as human rights, health, renewable energy, child labor and eco-efficiency in that many organizations operating in competitive market advocate the importance of social responsibility in their business approach and strategy. Different organizations involve themselves in pursuing corporate social responsibility (CSR) with the objectives to maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large; and using CSR as a tool to identify, prevent and mitigate their possible adverse impacts (EU 2011, A Modern Understanding of Corporate Social Responsibility).

Significant number of Scholars and institutions provided various definitions of Corporate Social Responsibility. The World Business Council for Sustainable Development defines corporate social responsibility (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"(Bakker et'al, 2008). Zerk (2006) as cited by the European Commission notes that socially responsible means not only fulfilling legal expectations but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders" (Zerk, 2006).

Crowther & Güler Aras (2008) also indicate that CSR entails the relationship between global corporations, governments of countries and individual citizens and in specific term, the concern of CSR is the relationship between a corporation and the local society in which it resides or operates. Carroll emphasized that corporation should progress on both economic and social frontiers. He divided the social responsibilities into four categories: economic, legal, ethical, and philanthropic expectations that society has of organizations.

Thus, the implementation of corporate social responsibility enables firms to enhance their access to capital and markets, increase their sales and profits, save operational cost, improve their productivity and quality, maintain brand image and reputation, enhance their customer base and loyalty, better decision making and risk management processes.

Firms strategically integrate social, environmental or cultural CSR practices proactively to generate positive impacts for the firm and its stakeholders (e.g. consumers). It is much more than being reactive as a response to poor brand positioning or an image crisis (Chen & Chang, 2013). Effectively, the literature on CSR (Hoeffler & Keller, 2002; McWilliams & Siegel, 2001) supports the idea that pro-social marketing activities can shape a differentiated market strategy for the Brand and build brand value (Liu & al., 2014), which, in turn, might keep consumers loyal.

CSR activities of firms enables them to enhance their brand equity (Bhattacharya et al., 2009). The higher value of the Brand in consumers' minds results in more benefit for companies from consumers (Karbasivar & Yardel, 2011). The American Marketing Association (AMA) citing Fries (2006) defined brand as a "Name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers". Keller (2008) also defined Brand a Majid E. and Sahebeh Bs creating and delivering a promise to target consumers. A positive brand of a company or product creates a positive perception in the mind of a consumer. One of the significant issues is obtaining an appropriate position in consumers' minds to gain consumer loyalty. Among the effective factors in this process are the company's brand and brand equity (Aaker, 1991).

Abdul Rahman Zahari etal citing Campbell (2002) and Tiwari (2010), stated that careful management of a brand is important as a strong brand has a link to marketing success and useful to determine the premium value that a buyer would pay during a merger or acquisition process. Brand equity refers to "the marketing outcomes that accrue to a product with its brand name compared with those that would accumulate if the same product did not have the brand name. In other words, consumer's knowledge about a brand makes manufacturers/advertisers respond differently or adopt appropriately proficient measures for the marketing of the brand" (Ramachandran, 2010). Brand equity (B.E.) can create a unique and needed tool for investigating the relationship between the firm and its stakeholders as a marketing asset for companies. (Christodoulides & de Chernatony 2010).

Brand equity is a benefit created due to the brand name, making a better understanding of the strengths and weaknesses of the brands in markets that can make the comparison of a brand and its rivals easier. Brands with higher equity can get the customer's preferences and tendencies and

result in a higher level of Sales. Therefore, evaluating the factors affecting the brand performance is important. Aaker (1991) affirms that CSR helps firms build equity of a brand by creating positive image in the mind of consumers. According to Keller (1993; 2003), customer-based brand equity includes the dimensions of brand awareness, perceived quality, brand image or association and brand loyalty. Moreover, CSR is often proposed to build positive attitudes towards companies among their consumers, and thus, firms could benefit more from their CSR practices if they understood the effect CSR can have on consumer behavior (Poolthong and Mandhachitara, 2009).

The stiff competition in the banking sector and the emergence of new private commercial banks in Ethiopia, CSR plays a significant role in building their brand equity. In a study conducted in Bangladesh, Rahman and Iqbal (2013) wrote that CSR could increase profitability and bring sustainability. It also helps banks ensure more competitiveness and reduce the risk of sudden damage to reputation. Lam, 2016 also confirmed the relationships between perceived service quality, trust and attitudinal loyalty with corporate social responsibility. CSR in banking industry also increases the need for trust and accountability, and transparency that lead to it. As part of the community, banks have to focus on the advantages of their customers, employees, shareholders, and society regarding their services and thereby contribute to the sustainable and stable economy in the country. Compared to many other sectors, a key characteristic of the banking sector is that it affects a large number and a great variety of people. Commercial banks operate with the money from depositors and creditors.

1.2. Overview/Background of the Company

LION INTERNATIONAL BANK S.C, also known as Anbesa International Bank S.C, was first established on October 2, 2006, following Proclamation No: 84/94 and Commercial Code of Ethiopia. The Bank has marked a shift in ownership as the company based its roots in a larger number of shareholders than any other Bank has had during the time and has become a pioneer for the Banks that came later. The then 3,739 shareholders have subscribed to Birr 432.5 million and have had an initial paid-up capital of Birr 108.2 million; Lion International Bank commenced operation on January 6 2007, with three branches.

LION INTERNATIONAL BANK S.C has come a long way since its inception in 2006. Since then, the bank has shown remarkable growth. According to the annual report 2020/21, the bank's

deposit reached birr 25.9 billion, and the total depositors' accounts of the bank reached 2.2 million. At the end of June 30, 2021, the bank's total Assets reached birr 32.2 billion. The total paid-up capital of the bank reached birr 2.5 billion. The bank has a total number of 278 branches all over the country. Looking at multichannel banking-card banking, users of the bank reached 178 thousand deploying 68 ATMs in selected areas. The total number of mobile banking users are more than 253 thousand. The recently launched internet banking service provides personalized and corporate service enabling more than 32 thousand users to benefit from the service. LIB is also the first to launch Anbesa Hello cash and Agent banking service all over the country having more than 4000 Agents. The bank has also pioneered in providing Anbesa Fetan cards to its customers, enabling customers to get their cards as soon as they open accounts in the bank.

The banking sector in Ethiopia is full of stiff competition resulting from the newly emerging banks coupled with the delivery of various alternative-banking channels in the already existing banks, especially in providing innovative financial services, new product developments, and branch expansion to enhance accessibility across the various corners of the country to gain competitive advantage in winning the competition. Likewise, Lion International Bank S.C (LIB) operates like any financial institution and strives to gain the market share in the banking industry in the country in terms of branch expansions, new product development and progressing towards digitalized banking services. Like all commercial banks in the country, LIB has supported various development efforts in its CSR activities while engaging in its financial operation.

LION INTERNATIONAL BANK S.C is being voluntarily involved in societal and environmental activities beyond its primary objective of providing business products. It has been participating in different CSR initiatives that address the socio-economic aspects of the country. The bank has developed 'A Corporate Social Responsibility Guideline' basically linked to the mission statement that clearly states '*the bank's mere existence goes beyond profit making to the value that upholds to leave things better than we find them*', connoting the bank's appeal for corporate social responsibilities. Ultimately, the purpose of Lion in this regard is to give back to the society and leave things better than before.

1.3. Statement of the Problem

Corporate social responsibility (CSR) as business function has strategic importance to build a brand (Bhattacharya et al., 2008; McDonald and Lai, 2011). Building brand equity (B.E.) benefits firms in their sales growth, profitability and market share. Experts in brand Equity consider "branding effects" about consumer knowledge of brand and the effect of the knowledge on consumer behavior (Aaker 1991) Keller (,1993). Brand equity strategically enhances commitment and frequency of consumption, increasing economic value for shareholders and expand economic activities globally.

Organizations strive to sustain their business and achieve a competitive advantage in the economic market (Aguilera et al., 2007). Thus, corporate social responsibility is necessary for the company's survival, productivity, and the essential competitive success (Porter and Kramer, 2006). Willful Investments in corporate social responsibility is not a cost or constraint but a source of competitive advantage (Yoo, 2015). Firms distinguish themselves and gain competitive advantage from their competitors using effective corporate social responsibility and brand management (Craig, 2003). The continually growing competition in banking sector and the emergence of new trends in the market such as stock and capital markets in Ethiopian context, banks need to increase their competitive advantages to survive in this competition.

Thus, awareness on CSR and its importance on brand equity and investigating how and to what extent corporate social responsibility creates value for the Brand is essential (Iranzadeh, Ranjbar and Poursadegh, 2012).

Scholarly Literatures on CSR suggests Carroll's CSR model Economic responsibility, Legal responsibility, Ethical responsibility and Discretionary (philanthropic) responsibility) to investigate its effect on Brand equity. The framework developed by Aaker, 1996 offers a comprehensive theoretical framework to examine the impact of CSR on Brand Equity in banking industry specifically focusing on gauging customers' perceptions on brand loyalty, brand awareness, brand association and perceived quality against discretionary (philanthropic) responsibility. Kotler (2003) also emphasizes that effective deployment of marketing mix elements helps to achieve brand Equity. CSR activities ignite favorable responses from target customers that CSR related marketing decisions broaden competitiveness, survival and profitability of firms and mainly in building brand equity. With this in mind Lion International

Bank S.C conducted a baseline brand assessment study in 2016 to gauge the overall brand status of the bank using six-dimensioned parameters namely brand awareness, brand recall, brand association, brand loyalty, public exposure of the brand and its social responsibility. The baseline study result indicated the bank's brand level/acceptance was 53.7%. Two years later, the bank conducted a similar baseline study in which the overall branding level of the bank fall to 49.72%, lower than the baseline results by 3.98%. Despite the bank's investment on promotion, advertisements and its engagement on social responsibility, the brand recall, customer loyalty, and social responsibility brought below average results-48.7percentage, 36.0% and 37.6% respectively.

Similarly, there are various researches conducted related to the topic in Ethiopia. For instance, Melese, (2014) tried to show the practice and components of Corporate Social Responsibility in the Ethiopian commercial banking sector using the case of Nib International Bank. Mathias (2016) carried out assessment study on the social responsibility practices of the commercial bank of Ethiopia that attempted to investigate philanthropic and non-philanthropic domains of CSR in the bank. The finding shows that though the commercial bank of Ethiopia is making efforts in the CSR areas, still there are gaps in implementing well-planned CSR and making the disclosure Yeneneh, (2015); focus on the role of private commercial banks on corporate social responsibility in Ethiopia.

Thus, this study also aimed at assessing the effect of corporate social responsibility on brand equity taking LION INTERNATIONAL BANK S.C in the banking industry particularly focusing of philanthropic practices of the bank against brand awareness, brand association, brand loyalty and perceived quality.

1.4. Research Questions

The research was conducted with the intention of answering main and specific research questions considering Philanthropic Corporate Social Responsibility as independent variable and Brand Equity as dependent variable specifically focusing on the practice of Lion International Bank S.C.

1.4.1 Main Research Question

Does corporate social responsibility contribute positively to brand equity in the case of LION INTERNATIONAL BANK S.C?

1.4.2. Specific-Research Questions

- How does the bank's philanthropic CSR contribute to building brand awareness in the case of LION INTERNATIONAL BANK S.C?
- How does the philanthropic CSR practice in LION INTERNATIONAL BANK S.C enhance perceived quality?
- To what extent the LION INTERNATIONAL BANK S.C's philanthropic CSR activities contribute to the customers brand association.
- How does the philanthropic CSR activity of LION INTERNATIONAL BANK S.C contribute to building brand loyalty?

1.5. Objectives of the Study

1.5.1. General Objective

The broad objective of this study was to investigate the effect of corporate social responsibility on brand equity in the case of LION INTERNATIONAL BANK S.C.

1.5.2. Specific Objectives

- To examine the effect of LIB's philanthropic CSR activities on brand awareness.
- To examine the effect of the bank's philanthropic CSR activities on perceived qualities of its service.
- To investigate the effect of philanthropic CSR activities of the company on brand association.
- To examine the effect of the company's philanthropic CSR activities on brand loyalty.

1.6. Hypothesis of the Study

The following Hypothesis were tested based on the empirical review of the literature:

- H-1: Philanthropic corporate social responsibility activities of Lion International Bank S.C have a positive and significant influence on brand awareness.
- H-2: Philanthropic corporate social responsibility activities of Lion International Bank S.C have a positive and significant influence on the perceived quality of its service.
- H-3: Philanthropic corporate social responsibility activities of Lion International Bank S.C have a positive and significant influence on brand association.
- H-4: Philanthropic corporate social responsibility activities of Lion International Bank S.C have a positive and significant influence on brand loyalty.

1.7. Scope of the Study

This study emphasized assessing the effect of Corporate Social Responsibility on brand equity in the case of LION INTERNATIONAL BANK S.C at Addis Ababa. Carroll (1991) model of Corporate Social Responsibility includes economic, legal, ethical and philanthropic responsibilities in which firms should entail the simultaneous fulfilment the same. However, this study specifically focused on investigating the effect of CSR on building brand equity of Lion International Bank S.C by specifically addressing the philanthropic responsibility. When looking at the effects of corporate social responsibility, the study was limited to its effect on the Brand by omitting its benefit to society and the environment.

Time and financial constraints are also affected the concentration area of the research. Therefore, the study was limited to Addis Ababa as majority of CSR initiatives and demands are regulated centrally at head office.

The study employed a mixed research design of both a quantitative approach and descriptive analysis based on a questionnaire survey, and for the measurement of CSR, the model developed by Carroll (1991) specifically addressing discretionary responsibilities of the four dimensions. The Aaker's Brand Equity Framework developed by Aaker (1996) were used for the measurement of Brand Equity. Aaker formed his brand equity model around the four categories of brand assets: brand loyalty, brand awareness, and Perceived quality and brand associations.

1.8. Significance of the Study

This study intends to explore the effect of CSR on brand equity and examine if CSR is worth the enormous investment by a profit-making organization like LION INTERNATIONAL BANK S.C.

It is quite common to see consumers becoming expectant of companies conducting their business in a socially acceptable way. Therefore, the study has importance to the bank because, at present, competition in the banking sector involves beyond monetary factors given existence of similar products and services in the industry. Carroll (2015) intensifying this concept states that corporate social responsibility is intertwined with business ethics, sustainable development and good corporate citizenship. This study contributed to the development of the LIB's brand by creating a positive image accompanied by proper implementation of CSR. In addition, business managers have identified that infusing CSR as a strategic tool creates a competitive advantage for their business. Besides the bank's continuing commitment on CSR 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.

Further, the study has added to the knowledge and methodology of researching in the field; and it fills some part of the information gap of the issue to top management and other external end-users.

1.9. Limitation of the Study

Sample size and sampling techniques considered as limitations while conducting the research. The research was limited because a small sample of participants selected through a convenience sampling technique, and it did not fully represent the entire Population's behavior.

There was also be a limitation on respondents' bias and subjectivity since our society is not well acquainted with researches and its purpose. Moreover, the unwillingness of customers to participate in the study and negligence of some respondents to respond to the questionnaire appropriately might affect the validity of the study findings. Thus, further and more comprehensive studies necessitated for full comprehension this area of research.

1.10. Operational Definition of Terms

- Corporate Social Responsibility (CSR): "A concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders voluntarily" (European Commission, 2001). Carroll argued that the total responsibility of business should entail the simultaneous fulfilment of economic, legal, ethical and philanthropic dimensions by the company.
- Brand: The term brand is a complex symbol. It is the intangible sum of a product's attributes: its name, packaging and price, history, reputation, and the way it's advertised. A brand is also defined by consumers' impression of people who use it and their own experience (Keller, 2009).
- Brand Equity: Aaker (1991) has defined brand equity as a set of five groups of assets and responsibilities of a company attached to the name or symbol of the Brand and raise or reduce the value of a product or service for a company or consumers. From the consumers' perspective, equity includes five dimensions of brand awareness, brand association, perceived quality, brand loyalty and other assets related to the company.
- Brand loyalty: To Aaker (1991), brand loyalty is "the attachment that a consumer has to a brand". Thus, customer loyalty describes the attitude of repurchasing from the same company. Similarly, Kotler and Keller (2009) conceptualize loyalty as the commitment to re-patronize a preferred brand or product of a company.
- Perceived quality: Aaker (1991) defines perceived quality as a customer's perception of the overall quality of a product or service according to own purpose compared to other options. Perceived quality has been defined as the consumer judgment about the significance and preference of a product concerning its purpose compared to other similar products in the market (Seyed Javadein & Shams, 2007).
- Brand awareness: Aaker (1991) states that brand awareness can be defined as a consumer's ability to identify or recall a brand in a specific product category.
- Brand association: Brand association is everything associated with the Brand in mind (Aaker, 1991) and may include consumer mentality, product characteristics, uses, associations related to the company, brand personality and symbols (Keller, 1993).

1.11. Organization of the Study

The study is comprised of five chapters.

Chapter 1-presents the introductory part of the study, which details the background of the study, the statement of the problem, the basic research questions, objective of the study, Hypothesis, definition of terms, significance and the delimitation of the study.

Chapter 2-dealt with a review of related literature relevant to the study presenting theoretical ,empirical review; and conceptual framework of the study.

Chapter 3- presented the Research Methodology, type and design of the study, the study participants, and the data resources.

Chapter 4- provided analysis and interpretation of data with pertinent presentation pf Literature review.

Chapter 5- presented a summary of findings, conclusions, limitations of the study, and recommendations.

CHAPTER TWO

LITERATURE REVIEW

The Chapter presented reviews of relevant literature reviews focusing on theoretical and empirical concepts about CSR in light of the study's objectives.

2.1. Theoretical and Conceptual Review

2.1.1. Definitions and Concepts of CSR

Undeniably, the concept of Corporate Social responsibility has developed through time and defined by different scholars at different times due to the growing attention of the concept by practitioners.

Bowen (1953) as cited by Bimir (2016) defined and used the term as CSR refers to the obligations of businesspersons 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. This implies that the decisions of organizations affect their stakeholders, employees, and customers in particular and influence the quality of life of society as a whole.

It is worth noting that there is no universal definition of SCR as it is a social construction that needs to be understood in its specific context (Bimir, 2016). De Schutter (2008, p. 204) intensifying this suggested that CSR is confusing as it has many perspectives; hence, CSR is viewed as:

(i) "CSR may refer to an understanding of the role of business in society. Business in this sense means socially responsible by owing duties not only so its shareholders but also the stakeholders in its environment". (ii). "CSR may refer to a way of regulating business activities. It manifests a shift from the imposition of top-down obligations under the threat of legal sanctions, to the reliance on incentives and voluntary initiatives as a way of orienting the activities of the corporation". (iii). "CSR may refer to as an alternative to regulating business itself. Here it appears as a code word for abandoning certain questions that might be a target to regulatory approaches to market mechanisms" (De Schutter, 2008, p.204).

European Commission defines CSR as a concept whereby companies voluntarily incorporate social and environmental concerns in their business operations and their interaction with their stakeholders (Lai, 2015). The concept is for those organizations that have decided to comply with the minimum legal requirements and risks of collective agreements to consider social needs (Filizöz & Fisne, 2011). In a more general definition, corporate social responsibility is how a business seeks to align its values and behaviors along with the values and behavior of its various stakeholders like employees, customers, suppliers, governments, interest groups (e.g. environmental groups), competitors, partners, communities, owners, investors and the wider social groups that business operations can impact them (Chatterji et al., 2009).

2.1.2. Corporate Social Responsibility Theories

Different scholars developed different theories of corporate social responsibility among which are Carroll's Pyramid, stakeholders approach and Shareholder Management Theory.

2.1.2.1. Carroll's CSR Pyramid

Carroll's CSR model contain a three-fold purpose aiming at defining the essential aspects of CSR, connecting them to the relevant social issues and aiding practitioners to choose a responsive corporate philosophy to address those issues (Carroll, 1979, p.500).

The CSR model was further developed and depicted in a pyramid model that addressed the four responsibilities that businesses have towards society at any given point in time (Carroll, 1991). Carroll argued that the total responsibility of business should entail the simultaneous fulfillment of economic, legal, ethical and philanthropic dimensions by the company.

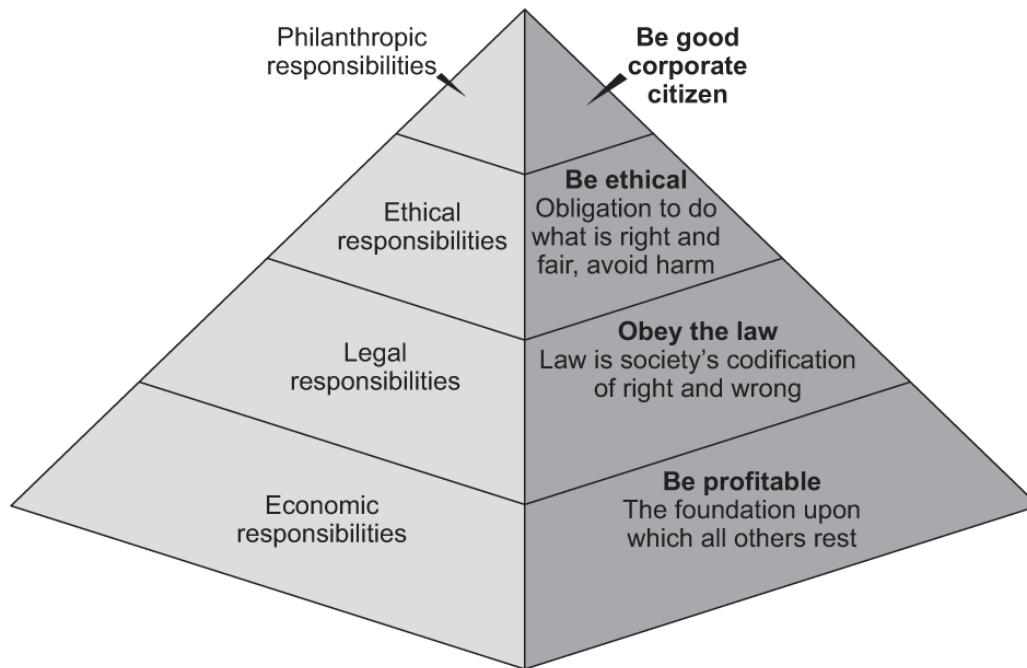


Figure 2.1. The Pyramid of Corporate Social Responsibility
Source: Carroll (1991)

Economic Responsibility: according to Carroll (1991), companies are responsible in producing goods and services and sell them at a price that society thinks represents their true values and eventually benefiting companies with profits. Profits return on investments to owners and shareholders, resulting in jobs and fair pay for workers. However, according to Schwarz & Carroll (2003, p.509), company actions fall outside the economic dimension if; 1) they are not intended to maximize profits, 2) they are engaged in activities without economic value to the company.

Legal Responsibility: for Carroll (1991, p.40), even if companies assume the productive role as granted by the society, they must fulfil their economic mission within the legal requirements. Carroll (1991, p.41) added legal responsibility is part of the social contract between business and society aiming at minimizing risks and ensure safety and confidence in the financial system. In practice, statutes are supplemented by compliance with the guidance of various supervisory bodies and trade associations, signified by the compliance function (Decker & Sale, 2009).

Ethical Responsibilities; overcome the limitations of law concerning the difficulty to legislate morality (Carroll, 1991). This entails that Society expects of proper implementation of some activities and practices but not covered by the legislation. Carroll (1991) emphasized the focus

on voluntariness - that society keeps business expectations over and above the legal requirements. The codes of ethics that embody voluntary constraints also include the basic principles of integrity, fair conduct, respect and transparency in the financial sector. The ethical values and expectations of stakeholders are most apparent in the stakeholder dialogue, which puts communicative ethics into practice. Decker and Sale (2009) draw attention to the fact that the compliance approach, which aimed at compliance with statutes, often does not favor the establishment of ethical business practices and business culture.

Discretionary (Philanthropic) Responsibilities; According to Carroll (1991), the last obligation concern responsibilities that society has no clear-cut message for business; it is up to the individual company's judgment and choice. From this perspective, business contributes to enhanced quality of life in society. The difference between ethical and philanthropic responsibilities is that the latter is not regarding morals and ethics (Carroll & Buchholtz, 2003). Decker and Sale (2009) stated that it is voluntary. However, it has become a common practice among banks, contributing to the better reputation of the financial sector.

2. 1.2.2. Stakeholders Theory

The core of the stakeholder theory steps away from the shareholder capitalism orientations that see business as an instrument for profit maximization (Freeman et al., 2010. p.2). It presents an alternative that has been very suitable regarding the parallel development of corporate responsibility and sustainability in the business community. The stakeholder theory concerns how to manage a business effectively while creating shared value between a company and its surroundings.

According to Lee (2008) in Emil and Dennis (2013), the notion of stakeholder theory inspired and boosted the development of CSR. The rational connection between CSR and stakeholder theory is that if CSR explains what responsibilities a business ought to fulfil, the stakeholder concept addresses to whom a business should be accountable.

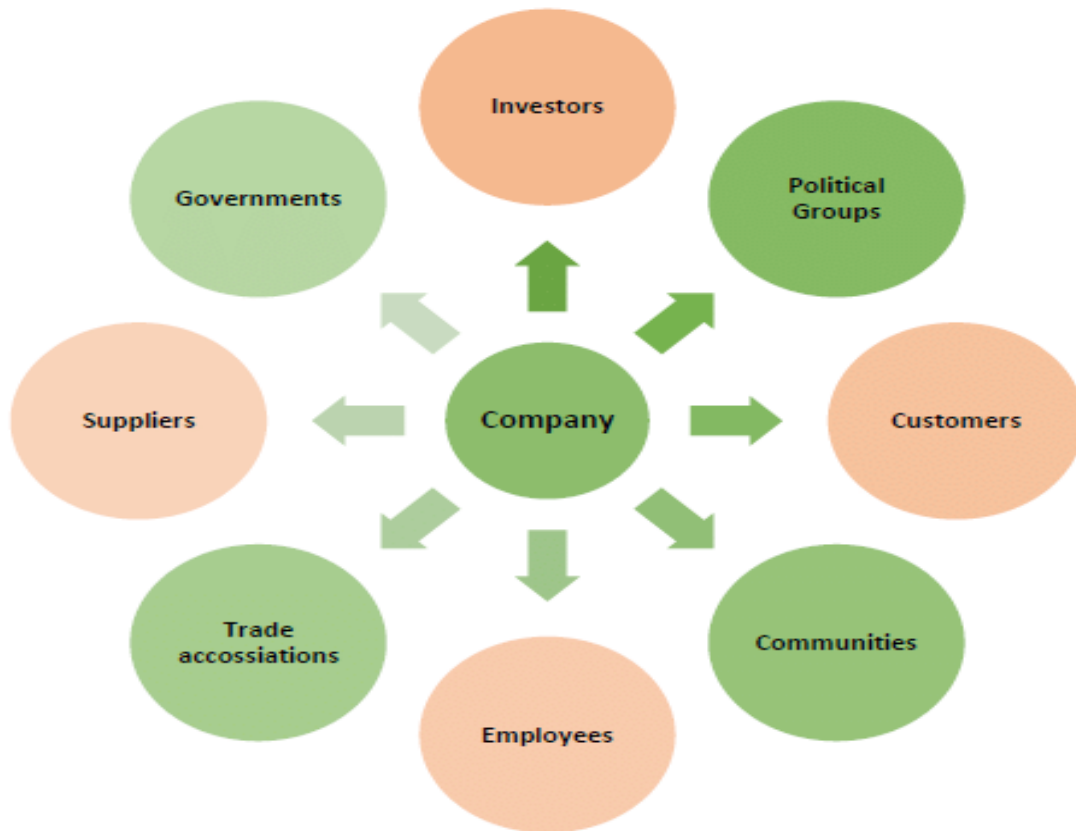


Figure 2.2; Company Stakeholders, inspired by Donaldson & Preston, (1995)

2.1.2.3. Shareholder Management Theory

In contrast to the stakeholder theory, firms conduct CSR with the objective of maximizing profit but without ignoring human rights. This theory does not consider moral actions, and companies are motivated to engage in a corporate social responsibility programs only as long as they profit from these programs on the principle of give and take. Companies may contribute to social activities but with the main motive of securing their maximum profit from their businesses processes (Freeman & Harrison, 1999. p. 480). Here government actions and regulations are important to minimize irresponsible social actions.

2.1.3. Drivers of CSR in organizations

Milovanovic et al. (2009), stated that the implementation of the concept of Corporate Social Responsibility (CSR) allows companies to position their brands stronger, to strengthen their image, increase market share and increase their ability to attract and retain employees. Companies may engage in CSR in their own ways, with a unique commitment and they

concluded that Corporate Social Responsibility is no longer optional. Various environmental and societal advocates also demand companies to adopt socially responsible policies on labor, environmental and human rights issues.

The company's business process involves not only the internal operations but also the entire supply chain involved in goods and services. Negligence in social, environmental, human rights, or other aspects could affect any business negatively demanding executives use their strategic position to affect the stakeholders to influence the entire supply chain positively.

The products and services of any company aimed at the customers, Nzovah (2012). The cost and quality of products may be of greatest concern to the customers. With increased awareness and means of communication, customer satisfaction and loyalty would depend on how the company has produced the goods and services, considering the social, environmental, supply chain, and other aspects.

Corporate governance and code of conduct of companies require compliance with legal frameworks in delivering environmental benefits. This would include, but it is not limited to finding sustainable solutions for natural resources, reducing adverse impacts on the environment, reducing environment-risky pollutants/emissions, and producing environment-friendly goods (Moan and Swaen (2008). A major stakeholder to the business is the company's community. A company's involvement with the community would depend upon its direct interaction with the community and assessment of issues/risks faced by those living in the company surrounding areas. This helps deliver a community-focused CSR strategy, making positive changes to the lives of the people and improving the company's brand image. Involvement with the community could be both direct & indirect – through funding and other support for community projects implemented by local agencies.

For such reasons Lion International Bank S.C, through its corporate social responsibility policy, is giving back to the community to improve the communities in which it operates. The bank sets out 0.5 % of its profit for CSR purposes annually. The bank has opted to value-based business practices as drivers to CSR initiatives to achieve this.

2.1.4. CSR in the Banking Industry

In the context of the banking industry, standardized services are usually offered by a relatively small number of players in the market, which has made it necessary for banks to be reliable in customers' minds; this is one of the reasons why banks must be customer-oriented (Alrubaiee, 2012). Ethical sales behaviors were proven to help build strong trust and customer relationships (Hansen and Riggle, 2009). Banks are considered leaders in sustainability and have often communicated their efforts in building a better world (Matute-Vallejo, Bravo, and Pina, 2011). Retail banks worldwide have been investing heavily into CSR to strengthen their reputation and customer relationships (McDonald and Rundle-Thiele, 2008). CSR performances help enhance the banks' credit ratings and reduce financing costs (Attig et al., 2013). Research indicate that CSR investments that were socially desirable and could enhance competitive advantage are essential for primary stakeholders, would have the greatest influence in gaining customer support in a commodity-like market, and even helped the banks achieve better credit ratings (Attig et al., 2013). Research in the banking industry has suggested that reporting CSR activities can influence stakeholders' perceptions of a company's performance, value and risk, and hence its profitability, cost of capital and share price (Lourenco, Branco, Curto, and Eugenio, 2012).

2.2. Definitions and Concepts of Brand Equity

Aaker (1991) has defined brand equity as a set of five groups of assets (brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets) and responsibilities attached to the name or symbol of the brand and raise or reduce the value of a product or service for a company or consumers. Aaker (1991) defines brand equity as a set of elements that create value for products, businesses and consumers. These elements include brand names, logos, etc. From the perspective of Keller (1993), brand equity is different reactions of consumers to the Brand. Branding is also useful to distinguish the company's goods from competitors' goods (Keller 2008).

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. Berry (2000) divided brand equity assets into two dimensions: brand awareness and meaning. He did not form his definition of brand equity, but he used Keller's definition from 1993. Burmann, Jost-Benz and Riley (2000) focused on the value created by brand-related

performance using 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 focus more on emotional attributes.

According to Gill et al. (2007), association creates a value and feeling about a Brand that distinguishes it from other brands. Consumers may also remember a sign of the product consumed in their family, which is not necessarily the product's name and can be the shape of the packaging, design or specific pictures or any other thing that can be associated in their minds. Awareness of consumers and a relationship with a strong positive associative is considered an advantage for the Brand.

2.2.1. Conceptual Domain of Consumer-Based Brand Equity

Despite the presence of numerous proposals for classification and dimensions of brand equity, Aaker (1991) developed the first and the most famous dimensions. This study also conceptualizes brand equity following Aaker (1991) and Keller (1993) based on consumer perceptions.

Aaker (1991) defines brand equity as five dimensions of brand awareness, association, perceived quality, brand loyalty, and other assets related to the company. Usually, the first four dimensions are considered in the analysis of consumer-based brand equity, and the fifth factor is posed as a communication channel between the company and other factors as an indirect relationship with the consumer. Keller (1993) presented assumptions on brand equity from consumers' perspective with an emphasis on its perceptual dimensions. Keller assumed that brand equity depends on brand knowledge and the basis of comparison with a similar product. The following sections describe the four dimensions of consumer-based brand equity examined in our study:

Brand loyalty: as a major component defined it as the attachment that a customer has to a brand (Aaker (1991, p. 39). Loyalty to the brand is a position that demonstrates how likely a Customer may turn to other brands, especially when that Brand creates a change in the price or other aspects of the product (Seyed Javadein & Shams, 2007). Brand loyalty is the customer's positive attitude towards a brand, the Brand's commitment and his intention to continue to purchase that Brand in the future (Kim et al., 2003).

Perceived quality is a customer's perception of the overall quality of a product or service according to his own purpose compared to other options Aaker (1991, p. 39). Perceived quality is the consumer judgment about the significance and preference of a product concerning its purpose and in comparison with other similar products in the market (Seyed Javadein & Shams, 2007). Perceived quality is not the actual quality of the product but the consumer's subjective evaluation of the product (Zeithaml, 1988, p. 3).

Brand awareness refers to the strength of a brand's presence in consumers' minds. Brand awareness is an important component of brand equity (Aaker, 1991; Keller, 1993). Aaker (1991) defined brand awareness as a consumer's ability to identify or recall a brand in a specific product category. Brand awareness is the ability of the potential buyer to detect and recall that a brand is a member of a certain product category. High brand awareness and brand association lead to creating a distinctive image of the Brand (Seyed Javadein & Shams, 1386).

Brand association: Brand association is everything associated with the Brand in mind (Aaker, 1991) and may include consumer mentality, product characteristics, uses, associations related to a company, brand personality and symbols (Keller, 1993). Brand associations are believed to contain "the meaning of the brand for consumers" (Keller, 1993, p. 3). While a brand may derive associations from a range of sources, brand personality and organizational associations are the two most important types of brand associations, which influence the Brand's equity (Aaker, 1991)

2.2.2. Perspectives of Brand Equity

There are two different approaches to the concept of brand equity namely firm-based brand equity (FBBE) and customer-based brand equity (CBBE). FBBE measures the total value as a separate asset (Christodoulides & de Chernatony 2010). Atilgan et al. (2009) point out that FBBE used product-market outcomes, such as price premiums, market share and relative price, and financial-market outcomes, such as Brand's purchase price and discounted cash flow of licenses and royalties. CBBE perspective focuses on the customer's mindset of a brand which is considered as a driver of increased market share and profitability of the Brand, and it is based on the market's perceptions, that is, consumers' associations and beliefs (Christodoulides & de Chernatony 2010).

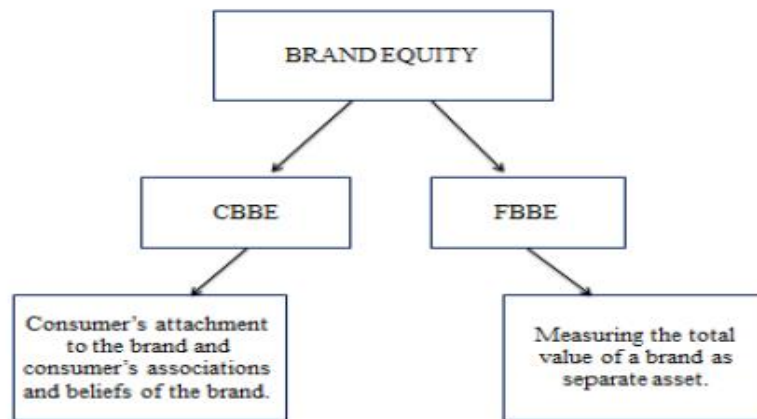


Figure.2.3 Perspectives of Brand Equity
 Source: Christodoulides & Chernatony(2010)

This thesis, therefore addressed brand equity from customer perspective. According to Gronroos (2007), customer-based brand equity is useful in describing the value that brands create for customers. Conceptualizing brand equity from the consumer's perspective is also helpful in specific guidelines for marketing strategies and tactics and areas where research can assist managerial decision-making.

2.3. Empirical Reviews

Organizations' CSR practices influences their reputation and brand identity (Holding and Pilling, 2006) and customer loyalty has a link to brand equity (Manhaimer, 2007) implying the relationship of CSR to loyalty through brand equity. Van Heerde, Gupta and Wittink (2003) suggested that CSR initiatives could drive brand equity and affect impact loyalty.

A study conducted by Lai et al. (2015) on the impact of corporate social responsibility on the performance of brand discovered that the company's activities and reputation effectively influence the industrial brand equity and performance.

In banking context several studies were also conducted focusing on CSR and Brands. Rosemary (2013) conducted a study aiming to establish the effects of corporate social responsibility on brands performance in the Kenyan banking industry with specific reference to Family Bank Kenya Limited. The study revealed that CSR initiative has greatly helped the bank to spread into

more towns in the country. The bank has a CSR policy that supports Education, health, sports and youth talent acquisition and development.

The research findings by Saeidnia & Souhani (2013) on the impact of advertising 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. However, the impact of social responsibility advertising on the reputation and brand equity of Saderat Bank remained unconfirmed.

Poolthong and Mandhachitara (2009) believe that CSR is a powerful tool in building customer perceived quality and brand effect, often termed as attitudinal loyalty. Enormous Marketing Studies have confirmed that CSR has a positive effect on consumers' attitudes towards the firm and its products.

According to Riaz, (2010) CSR has profound impact on brand awareness, brand image, brand value and brand loyalty. Riaz evidenced that that brands with a very strong CSR profile are considered as safe investment that Pakistani markets need to improve their CSR. He concluded that CSR might be the only solution to sustain brands and achieve brand equity status.

Esmailpour and Barjoei, (2016) investigated the influence of social responsibility and corporate image on brand equity employing applied research. The results show that corporate social responsibility has a significant positive impact on corporate image and brand equity, consequently, corporate image positively influencing brand equity.

Mallin (2009) argues that socially responsible companies are expected to integrate economic, social and environmental concerns into their business strategies and activities beyond their compliance with the law. Mallin explains that social responsibility is not corporate philanthropy as companies can be philanthropic but fail to be ethical or law abiding.

Economic responsibility requires organizations to be profitable to meet the customers' needs, while legal responsibility is the requirement to work within the legal framework of the business and observe the rules and regulations within the jurisdictions of the business. On the contrary, ethical responsibility refers to following the moral standards in carrying out business while

discretionary responsibility refers to the companies' voluntary actions to benefit the society in which they operate in by improving the quality of life of the citizens Siltaoja (2009).

For Asongu (2007) Ethical CSR obligates avoiding societal harm. Wilkinson et al. (2008) explain that ethical CSR is the moral, mandatory fulfillment of a corporation's economic, legal and ethical responsibilities regardless of the benefit accrued to the business.

Kitchin, (2003) states in his article defined CSR in a very broad sense and then related it with brand. He explained the gap between brand and trust in different models and suggested how to close these gaps in order to create CSR. He asserted that the biggest challenge is to change people's thinking. People are the system, only they can change themselves.

For Vassileva, (2001) the relationship of firm's CSR activities with corporate branding from on customer's point of view signifies the impact of CSR activities on corporate brand. The findings highly appreciated the commitment to CSR activities.

Study made by Bhattacharya et al., (2008, 2009), asserts that CSR actions offer firms inimitable upper hand in enhancing their brand equity in a competitive business environment. Another argument put forward by Trudel and Cotte (2009) is that consumers are more likely to pay higher prices for products and services from companies perceived as socially responsible.

Additional study with respect to the banking sector conducted in Bangladesh, Rahman and Iqbal (2013) added that the banking sector is not out of the area of business world. They make a large contribution to a country's GDP growth, contribute to infrastructure spending, meet demand of the society and reach rural population. Added to this, Sarker (2012) in Rahman and Iqbal (2013) wrote that CSR could increase profitability in the long run and brings sustainability. It also helps banks to ensure more competitiveness and reduce the risk of sudden damage of reputation

2.4. CSR Studies in Banking Sector in Ethiopia

Various Scholars explored CSR related studies in Ethiopia. Tadess (2017) explores the effect of corporate social responsibility practice on building brand equity of companies addressing the case Commercial Bank of Ethiopia. The finding showed that the corporate social responsibility practice of the bank make a significant contribution to the company's brand equity. Bimir, (2016) carried out study to assess the social responsibility practices of commercial bank of

Ethiopia based on secondary data taken from the reports of the bank for the year 2011-2013 and other literatures. Despite the efforts of the bank in its CRS, there are gaps in implementing CSR and public disclosure. The study further revealed the bank lacks proactive involvement in CSR and the prevailing humane CSR practices in this bank are of reactive to meet the interests of social and community.

With regard to private banks, Tadesse, (2015) conducted research on the role of banks on corporate social responsibility in Ethiopia. The findings of the study has shown that private commercial banks of Ethiopian have insignificant attitude to support greener industries, lower lending options to low income individuals and small business. Insignificant engagement in community development in banking organizations results in adverse effect to the environment and society. The researcher in his recommendation emphasized that, the management of private commercial banks in Ethiopia should adhere to the need for Corporate Social Responsibility requirements.

Wolde, (2014) conducted study with the aim of showing the practice and components of Corporate Social Responsibility in Ethiopian commercial banking sector focusing on Nib International Bank. According to this study, there was least practice of social responsibility actions other than fulfilling the minimum requirements by the law.

2.5. Conceptual Framework and Hypothesis of the study

2.5.1. Conceptual Framework of the Study

Lai, Chiu, Yang & Pai 2010 cited on Tadess, (2017) elaborate that the focus of CSR research has shifted from "why" to "what" to "how" to adopt CSR practices that are most compatible to business strategy to bring about maximum outcomes for both the firm and the society. Companies should realize the potential of their responsible actions and how to use them strategically may strategically influence their brand equity (Hoeffler & Keller 2002).

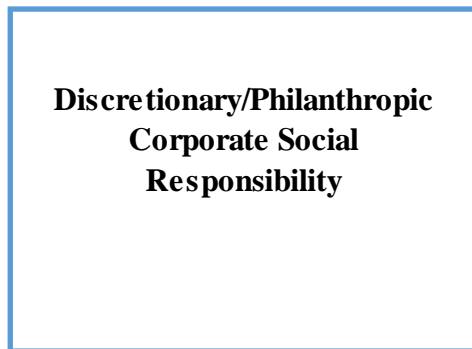
Consumers' perception of quality is associated with their brand loyalty. The more Brand loyal a consumer is, the more the customer is likely to perceive the Brand as offering superior quality and vice versa. Similarly, the more favorable consumers have towards a brand, the more their loyalty and vice versa. Consumers having favorable associations towards a brand likely develop favorable perceptions of quality and vice versa. Consumers' brand awareness is likely to be high

when they have strong associations with the Brand and their high perception of the brand likely connotes high quality brand and vice versa. Similarly, consumers' perception of the quality of a brand is likely to be high when they have a strong association with the Brand and vice versa. Thus, each of the Brand equity dimensions are intertwined each other on the customers' perception of a brand.

The researcher once identified the basic variables on the research subject and creating a relationship between them through theoretical and empirical literature background designed the conceptual framework and model of the study. Dimensions of brand equity, which include perceived quality, brand awareness, brand association, brand loyalty are extracted from Aaker model (1991) in the conceptual model of research while and the corporate social responsibility model is extracted from Schwartz & Carroll model (2003) mainly focusing on discretionary (philanthropic) corporate social responsibilities. Scholarly literature on CSR & Brand Equity suggests that the stated conceptual framework for its comprehensive theory to examine the effect of CSR on Brand Equity.

The following figure depicts the conceptual framework of this research.

Independent variable



Dependent variable



Figure 2.4-The conceptual formwork of the study
Source: adopted and modified from Aaker (1991) and Schwartz & Carroll model (2003).

The above framework explains relationship between philanthropic CSR and its subsequent impact on brand Equity (Dependent variable). We can show these variables linked with existing body of research literature in the following manner:

- **Brand awareness:** - represents the strength of brand's preference in the target's mind. To succeed in the competitive environment the brand must dominate others. Brand awareness built through advertisement so the marketing department should be aware that small investment in advertisement might build strong brand equity through brand awareness only.
- **Brand association:** - represents the emotional bonds that tie the brand to the target and make the brand an integral part of the target's self-image. Brand association linked with brand loyalty. Brand association is developed and maintain by brand loyalty. The marketing department should remain focus on their targets and build a strong association of a brand with a customer.
- **Perceived the quality:** - The target customer must perceive the quality of what being offered by the company. The brand must develop this type of association with quality in the mind of the target if it is to succeed. This occurs only my providing quality service and product to the customer. Most brands are concerned with the quality but many brands just ignore this aspect just because of insufficient time to spend on this.
- **Brand loyalty:** - is the reflection of brand equity. Brand loyalty shows the concern and repurchases intension of a customer towards a product and service. Brand loyalty is a long-term success. A onetime behavior change is insufficient for success so we need to maintain this behavior throughout the life. Without loyalty, brands fail to develop equity.
- **Discretionary (philanthropic) responsibility:** - it is a voluntary activity and cannot be interpreted through external expectations; however, it has become common practice among banks, contributing to the better reputation of the financial sector (decker – sale, 2009).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter explained the research design, the Population of the study, Sample and Sampling Techniques, source of data and data collection methods, data analysis techniques, operational definition of the variables used in this research.

3.1. Description of the Study Area

This research studied the effect LION INTERNATIONAL BANK S.C CSR activities on its corporate brand equity from its customer's perspective in Addis Ababa.

3.2. Research Approach

The research employed Quantitative approach, which involved studies that use statistical analyses to obtain their findings. Key features include formal and systematic measurement and the use of statistics (Geoffrey et al., 2005). To achieve the aforementioned objective, the study adopted a quantitative research approach.

This study employed quantitative to answer the research questions and to find the status of CSR involvement of LION INTERNATIONAL BANK S.C and customers' perception towards its corporate brand equity. Data was collected using questionnaires from the customers of Lion International Bank S.C to identify the effect of CSR on brand equity.

3.3. Research Design

The study examined the effect of corporate social responsibility on brand equity of Lion International bank using the explanatory and descriptive research design. The Descriptive type research provided description of the philanthropic corporate social responsibility practices and the components of brand equity at Lion International Bank S.C. The Explanatory research were also used with the aim of explaining social relations or events, advance knowledge about the structure, process and nature of social events, link factors and elements of issues into general statements and building, and test or revise a theory (Jhon et al., (2007) cited on Tewodros 2021).

3.4. Population and Sample

3.4.1. Population

The Population for this study is all customers who have direct or indirect contact with the bank. According to the bank, customers are persons or organizations who use the products and services of the bank and all individuals who know about the bank. Nevertheless, for this research, the target population is the bank's customers who approached it to use any of the products and services the bank offers during the data collection period.

3.4.2. Sampling

The target population of this research was all customers of LION INTERNATIONAL BANK S.C in Addis Ababa. Due to the homogeneity of the customers and accessibility, the researcher based his research in one Grade IV branch purposefully as it is the main branch, which entertains all types of customers, and the researcher selected respondents using convenient sampling.

3.4.3. Sample Size Determination

Because of the large number of the sample unit, the targeted Population's unspecified geographical place, and cost constraint, the researcher employed Cochran sampling formula to draw the sample from the Population.

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

n= the sample size drawn

e = level of precision or sometimes called sampling error (range in which the true value of the Population would be estimated.

P= population proportion

z= level of confidence

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

Therefore; $n = 1.962 \times 0.5 \times 0.05 / 0.052 = 384$ was the predetermined sample. Thus, the researcher allocated questionnaires using a random sampling procedure from the bank's 5-year customer list.

3.5. Source and Methods of Data collection

To achieve the objectives of study, the researcher used both primary and secondary data sources. The primary data includes the data gathered through unpublished internal company's reports and close-ended questionnaires. The secondary data gathered from journal documents and the company's website. The primary data collected from customers through a questionnaire, and the questionnaires were structured in close-ended type, and responses to the questions were measured on a five Likert rating scale. strongly (SA)=5 ,Agree(A)=4, Neutral (N)=3 ,Disagrees (D)=2 Strongly Disagrees (SD)=1.

Questionnaire is a device consisting of a series of questions dealing with someone psychological, social education etc. Questionnaires save time, money and efforts of researcher and give freedom to respondent feel free, and confidentiality. The items for the questions were derived mainly from the works of Keller (1993), Aaker (1991), Decker and sale (2009) and Kotler and Lee (2005). The researcher distributed questionnaires to the participants. The website of the bank was also used to get secondary data published and unpublished documents like company procedures, monthly and annual report of LION INTERNATIONAL BANK S.C.

3.6. Data Analysis Method

The data analysis process started with describing respondent's profile, like demographics, response rate, and missing data. Secondly, the empirical data analysis conducted and presented using descriptive statistics and normality checking. The Reliability and validity of the variables were checked using the following methods. According to (Cavana et al., 2001 cited on Tewodros 2021) the first part involves developing finalized components to represent philanthropic CSR. The CSR variables were tested for correlation between each variable and commonality using an exploratory factor analysis (Cavana et al., 2001). A principal component analysis using VARIMAX rotation that determine the relevant components for the regression, and cross-loaded variables were deleted (Cavana et al., 2001). To examine the influence of philanthropic Corporate Social Responsibility on brand components, a multivariate regression performed on

the finalized independent philanthropic corporate social responsibility components and the dependent brand components. The multivariate regressions generate the percentage variance the independent variable can explain of the dependent variable (Cavana et al., 2001, p. 432). The regression coefficients observed to determine the effect of CSR on brand. The researcher performed analysis of data using Stata 16 software.

3.7. Validity and Reliability of Research instrument

3.7.1. Validation of Research Instrument

In order to establish the validity of the study instrument, the researcher self-administer the questionnaire and explained the instrument concepts to the respondents, which enhanced its face validity as recommended by Greener (2008) to encourage and motivate respondents to participate in the study. The researcher consulted with the university supervisor on whether there was a causal relationship between the independent and dependent variables of the study. In addition, the researcher conducted principal factor analyses to validate the measurement of these constructs separately. Factors were extracted using covariance matrices and Varimax rotations to help interpret the initial factor patterns. The factor loading were providing evidence of the factorial validity of the scales. The results indicate that all two of CSR items and four brand items load nicely onto a single factor (see table 3.1 and 3.2.) In this case, 0.5 is the factor loadings of lower specified value displayed to make the factor loading output easier to interpret.

Table 3.1 factor analysis for CSR

```
. factor csr philantr, blank (.5)
(obs=384)
```

```
Factor analysis/correlation          Number of obs   =      384
Method: principal factors           Retained factors =       1
Rotation: (unrotated)              Number of params =       1
```

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	1.09811	1.32216	1.2563	1.2563
Factor2	-0.22405	.	-0.2563	1.0000

LR test: independent vs. saturated: chi2(1) = 219.75 Prob>chi2 = 0.0000

Factor loadings (pattern matrix) and unique variances

Variable	Factor1	Uniqueness
csr	0.7410	0.4509
philantr	0.7410	0.4509

(blanks represent abs(loading)<.5)

Source: own survey 2022

Table 3.2 factor analysis for Brand components

```
. factor brandaw percqual brandasso brandloy, blank (.5)
(obs=384)
```

```
Factor analysis/correlation          Number of obs   =      384
Method: principal factors           Retained factors =       2
Rotation: (unrotated)              Number of params =       6
```

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	2.32198	2.17458	1.0507	1.0507
Factor2	0.14740	0.23689	0.0667	1.1174
Factor3	-0.08950	0.08055	-0.0405	1.0769
Factor4	-0.17004	.	-0.0769	1.0000

LR test: independent vs. saturated: chi2(6) = 756.26 Prob>chi2 = 0.0000

Factor loadings (pattern matrix) and unique variances

Variable	Factor1	Factor2	Uniqueness
brandaw	0.6954		0.4664
percqual	0.7736		0.3906
brandasso	0.6451		0.5005
brandloy	0.9076		0.1732

(blanks represent abs(loading)<.5)

Source: own survey 2022

3.7.2. Reliability of Research Instrument

Before the final empirical analysis were conducted, the researcher conducted a pilot test among 10 members of the target population that were excluded from the final sample respondents in order to identify inconsistencies with the research instruments in regard to the research questions and research techniques which were then adjusted and modified. The data tested for its reliability using Cronbach's alpha the most common measure of scale reliability test. The value for Cronbach's Alpha (α) started from 0.70 is the accepted value (Nunnally, 1978).

Table 3.3. Reliability test

. alpha csr philantr brandaw percqual brandasso brandloy, item

Test scale = mean(unstandardized items)

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
csr	384	+	0.8239	0.7564	.2294248	0.8942
philantr	384	+	0.9350	0.9007	.1984241	0.8708
brandaw	384	+	0.8239	0.7564	.2294248	0.8942
percqual	384	+	0.8461	0.7287	.1886139	0.9110
brandasso	384	+	0.6784	0.5712	.2507652	0.9159
brandloy	384	+	0.9350	0.9007	.1984241	0.8708
Test scale					.2158461	0.9095

Source, own survey 2022

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presented the data analysis and discussion of the research findings. The data was analyzed with Statistical Package for Social Science (STATA 16.0). The demographic profile of the study sample, their attitude towards the company CSR practice and analysis of its effect on its brand components through its dimensions have been describe using descriptive and inferential statistics. To test hypothesis and achieve the study objectives, Multivariate regression model was also employe to test hypothesis and achieve the study objective that focuses on examining the impact of the company CSR practice on its brand.

4.2 Descriptive Analysis

4.2.1. Demographic Profile of Respondents

The table 4.1 given below describes the general findings regarding the respondents age, sex, and level of education. From the respondents 250 (65.1%) were males and 134 (34.9%) were females. Here the shares of males are higher than females. The majority of the ages of respondents are fall in the age of 34-41 (130, 33.5%) and 26-33 (118, 30.73%) and the rest falls in the age of 42-50 (88, 22.92%) and 18-25 (48, 12.5 %) respondents. Here, the majority of the respondents are in the age of 26-50 (336, 87.5 %) years but, unfortunately, no respondents who are aged above 50 years.

In terms of the level of educational background, most respondents have university degree (214, 55.7%), (158, 41.1%) and (12, 3.1 %) respectively followed by college diploma and primary level. The academic qualification and age of respondents expected to enhance the quality of the data, as they are likely to understand the questioner and forward their view accurately.

Table 4.1 Demographic Profile of Respondents

		Frequency	Percent	Valid Percent
GENDER	Male	250	65.1	65.1
	Female	134	34.9	34.9
	Total	384	100.0	100.0
AGE	18-25	48	12.5	12.5
	26-33 years	118	30.73	30.73
	34-41 years	130	33.85	33.85
	42-50 years	88	22.92	22.92
	Total	384	100	100
EDUCATION LEVEL	University degree	214	55.7	55.7
	College	158	41.1	41.1
	Primary	12	3.1	3.1
	Total	384	100.0	100.0

Source: own survey results (2021)

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 LIB philanthropic CSR activities. The philanthropic CSR aspects from the questionnaire were analyzed at 95% confidence interval for mean. The mean scores of Discretionary (Philanthropic) Responsibilities CSR and customer perception calculated as well as the mean scores of each item under these questions. On a 5 point scale for 13 different aspects about Discretionary (Philanthropic) CSR were developed to measure their perception about LIB CSR activities. The respondents were then asked to rate their perception, knowledge, feelings and attitudes on Discretionary (Philanthropic) CSR on a five-point Likert scale ranging from one (strongly disagree) to five (strongly agree).

The mean score values of philanthropic corporate social responsibility aspects for LIB (mean score value of philanthropic CSR) was 3.69219 with standard deviation of 0.297541. The overall CSR activity for the LIB, as measured by customers, is well above average.

Table 4.2 descriptive statistics of philanthropic CSR
 .mean philantr

. mean estimation		Number of Obs = 384		
	Mean	Std.Err.	[95% conf. Interval]	
Philantr	3.69219	.0297541	3.550717	3.667721

Source: own survey results 2022

Likewise, the dependent variable (brand awareness, perceived quality, brand association and brand loyalty), resulted the dimensions scores a mean of 3.490547, 3.601563, 3.758932 and 3.609219 with standard deviation of 0.0251315, 0.0416018, 0.0249304, 0.0297541 respectively. This shows respondents agree with most of the statements they have asked.

Table 4.3 Descriptive statistics of brand equity
 . mean brandaw percqual brandasso brandloy

Mean estimation	Number of obs = 384			
	Mean	Std. Err.	[95% Conf. Interval]	
brandaw	3.490547	.0251315	3.441134	3.53996
percqual	3.601563	.0416018	3.519766	3.683359
brandasso	3.758932	.0249304	3.709915	3.80795
brandloy	3.609219	.0297541	3.550717	3.667721

Source: own survey results 2022

4.3 Multivariate Regression

4.3.1. MANOVA test:

In most of the statistical programs used, when implementing MANOVA there are four multivariate measures: Wilks lambda, Pillai's trace, Hotelling-Lawley trace and Roys largest root. The researcher emphasize Wilks lambda since it demonstrates the amount of variance

accounted for in the dependent variables by the independent variables and hence it can give a "Multivariate R-squared" calculated as: Multivariate R-squared= 1 - Wilks' Lambda (Fares q. 2015).

Table 4.4. MANOVA test

```
. manova brandaw percqual brandasso brandloy = c. philanr c.csr
```

Number of obs = 384

W = Wilks' lambda L = Lawley-Hotelling trace
P = Pillai's trace R = Roy's largest root

Source	Statistic	df	F(df1,	df2) =	F	Prob>F
Model	W	0.1222	2	8.0	756.0	175.78 0.0000 e
	P	1.2839		8.0	758.0	169.87 0.0000 a
	L	3.8578		8.0	754.0	181.80 0.0000 a
	R	2.5602		4.0	379.0	242.58 0.0000 u
Residual		381				
philanr	W	0.3562	1	4.0	378.0	170.83 0.0000 e
	P	0.6438		4.0	378.0	170.83 0.0000 e
	L	1.8077		4.0	378.0	170.83 0.0000 e
	R	1.8077		4.0	378.0	170.83 0.0000 e
csr	W	0.3597	1	4.0	378.0	168.22 0.0000 e
	P	0.6403		4.0	378.0	168.22 0.0000 e
	L	1.7801		4.0	378.0	168.22 0.0000 e
	R	1.7801		4.0	378.0	168.22 0.0000 e
Residual		381				
Total		383				

e = exact, a = approximate, u = upper bound on F

The above table is the standard STATA output when conducting MANOVA. All four multivariate tests indicate rejection of the null hypothesis. This indicates that there are one or more differences among the four-dimensional mean vectors for the four groups. The standard output in STATA when testing MANOVA corresponds to the overall treatment effect hypothesis $H_0 : y_1 = y_2 = y_3 = y_4 = 0$. This hypothesis is rejected ($p < 0.05$). The "Multivariate R-squared" from this model is about 87.78% which is relatively strong.

Table 4.5 Multivariate regression

The parameters' estimates of the MANOVA model are presented in the following table:

. mvreg

Equation	Obs	Parms	RMSE	"R-sq"	F	P
brandaw	384	2	.4522934	0.1587	72.07382	0.0000
percqual	384	2	.4181657	0.0552	22.32671	0.0000
brandasso	384	2	.4377664	0.1419	63.19159	0.0000
brandloy	384	2	.3476135	0.6240	633.9195	0.0000

	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
brandaw					
philanr	.3116656	.0367113	8.49	0.000	.239484 .3838471
_cons	2.329106	.1387404	16.79	0.000	2.056315 2.601896
percqual					
philanr	.1603764	.0339413	4.73	0.000	.0936413 .2271115
_cons	3.176427	.1282718	24.76	0.000	2.92422 3.428634
brandasso					
philanr	.2824566	.0355322	7.95	0.000	.2125934 .3523198
_cons	2.684777	.1342842	19.99	0.000	2.420749 2.948806
brandloy					
philanr	.7103845	.0282148	25.18	0.000	.6549088 .7658602
_cons	.9575516	.10663	8.98	0.000	.7478964 1.167207

The multivariate regression result that obtained by regressing, the brand equity in identifying CSR components. The regression result explores the necessary indicators of brand equity by using the variables identified in the model. As indicated in the above table, the appropriate indicators of the variable used to identify the brand equity explored. That is, the value of R square used to identify how much of the variance in the dependent variable (brand equity) identify by the model. The larger the value of R square, the better the model is.

The overall contribution of discretionary CSR components to the brand equity accounted for 87.78% of the variation in the building brand equity, the rest 12% are other variables not included in this study.

Moreover, the model summary also shows the significance of the model by the value of F-statistics (P =.000) and F = 175.78 which implies that there are strong relationship between the predictors and the outcomes of the regression variables. Best fit the model to predict contribution of CSR for the building of brand equity in the context of LIB. The Coefficients or beta (β) sign

also shows the positive or negative effect of the independent variables coefficient over the dependent variable.

Therefore, based on the coefficients of the independent variable (sign) philanthropic CSR components have positively related with the dependent variable (brand awareness, perceived quality, brand association) except brand loyalty. Thus, this implies discretionary CSR components are the most important determinants of brand equity in which the company should give more emphasis in its CSR activities.

4.4 Multivariate regression assumption test

4.4.1. Test the homogeneity assumption:

In this assumption, we test the null hypothesis H_0

```
. mvtest covariance res1 res2 res3 res4
```

```
Test that covariance matrix is diagonal
```

```
Adjusted LR chi2(6) =      125.30  
Prob > chi2 =      0.0000
```

Firstly, we get the four residuals by conducting separate ANOVAs and then use the mvtest function. The Box's M test suggests that the data from all groups have common variance-covariance matrix ($p = 0.0000 < 0.05$) so this assumptions was violated.

4.4.2. Test the Normality Assumption:

In this assumption, due to the small sample size per treatment group, we test the null hypothesis H_0 . If the sample size for each were large, it would be appropriate to check for normality within.

```
. mvtest norm res1 res2 res3 res4, bivariate univariate stats (all)
```

Test for univariate normality

Variable	Pr(Skewness)	Pr(Kurtosis)	adj chi2(2)	joint Prob>chi2
res1	0.2054	0.0463	5.59	0.0613
res2	0.0653	0.0541	6.90	0.0318
res3	0.5663	0.0021	9.09	0.0106
res4	0.4545	0.0000	17.26	0.0002

Doornik-Hansen test for bivariate normality

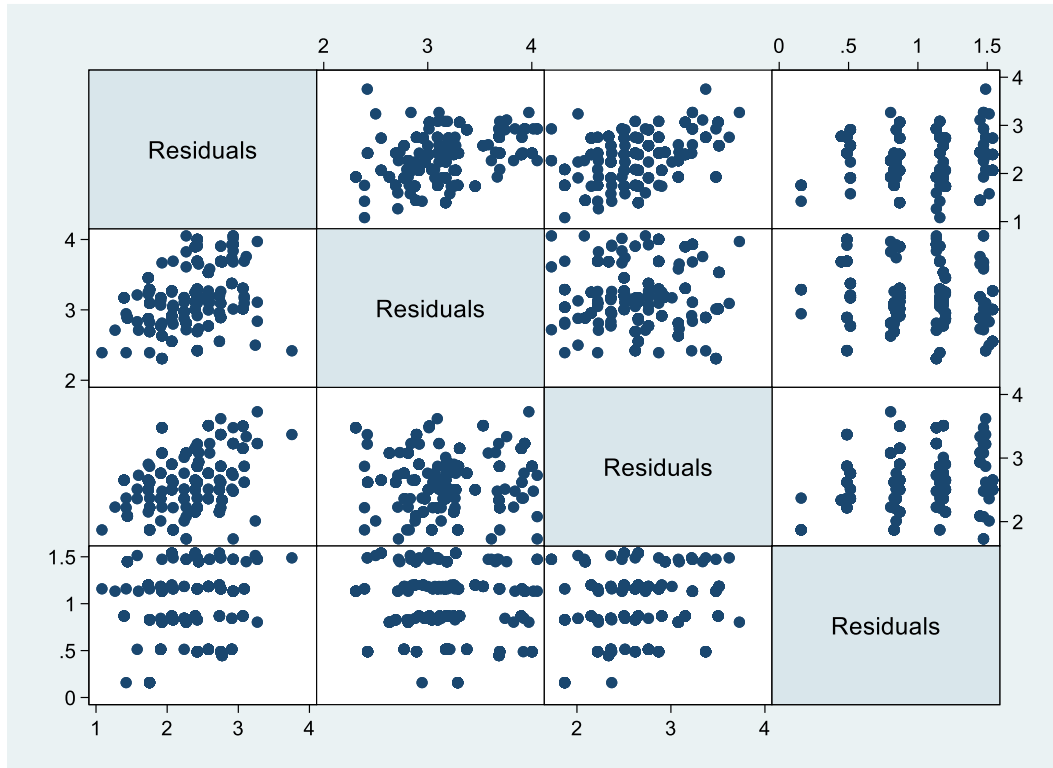
Pair of variables		chi2	df	Prob>chi2
res1	res2	5.73	4	0.2202
	res3	12.32	4	0.0151
	res4	16.20	4	0.0028
res2	res3	13.13	4	0.0106
	res4	20.48	4	0.0004
res3	res4	18.37	4	0.0010

Test for multivariate normality

```
Mardia mSkewness = 1.095262    chi2(20) = 70.865    Prob>chi2 = 0.0000
Mardia mKurtosis = 22.64562    chi2(1) = 3.669    Prob>chi2 = 0.0554
Henze-Zirkler    = 5.448454    chi2(1) = 334.295   Prob>chi2 = 0.0000
Doornik-Hansen   =                chi2(8) = 24.341    Prob>chi2 = 0.0020
```

The three formal tests above, for univariate normality, bivariate normality and multivariate normality, collectively indicate that the data are not normally distributed. Only the bivariate normality of res1 $p = 0.2202$. Nonetheless, this result should not influence our inference regarding the multivariate normality assumption. This assumption is not violated and the following graphical presentations support such inference.

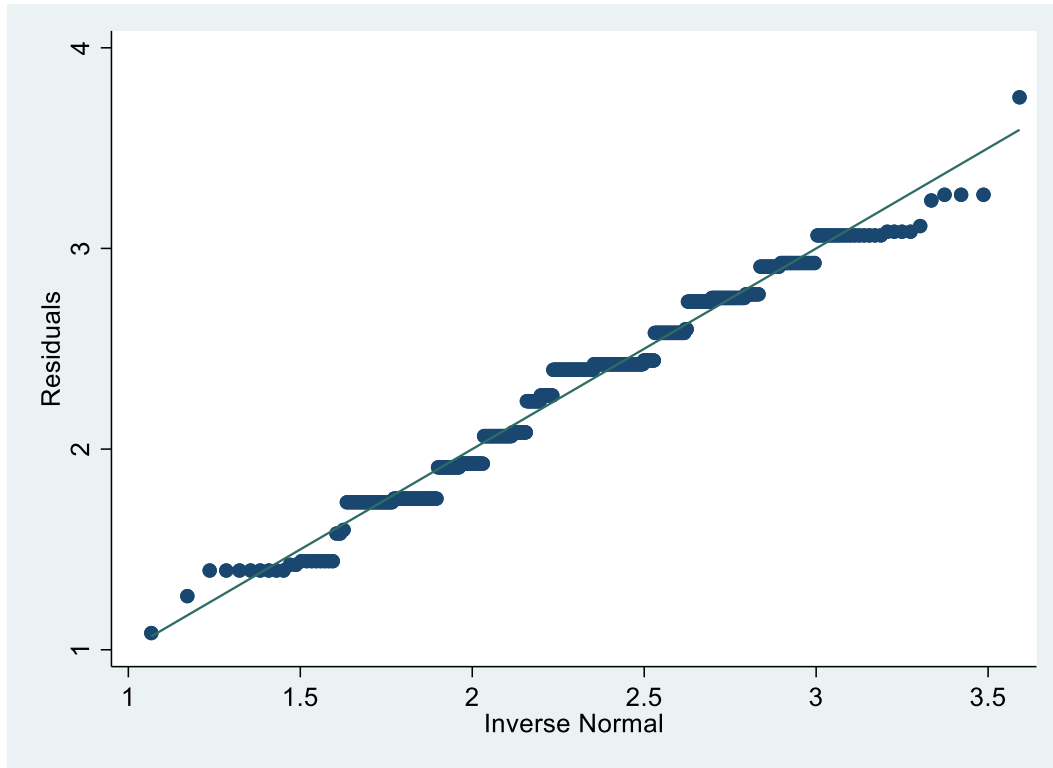
To, graphically, assess multivariate normality, we firstly examine the bivariate scatterplots for each pair of the residuals' vectors hoping to observe an elliptical shape and secondly look at the histogram of each vector of the residuals with the corresponding QQplot:



This graph is sufficient to establish the linearity assumption for the DVs.

4.4.3. Test the Assumption of Absence of Multivariate Outliers:

To examine multivariate outliers in the data, we use the QQ Plot for the observed Mahalanobis distances (MD). We plot the ordered Mahalanobis distances versus estimated quantiles from a chi-squared distribution with p degrees of freedom and expect to see a straight-line.



4.4.4. Test for an overall treatment effect:

The null hypothesis $H_0 : \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$ is rejected which indicates an existence of treatment effect. That is, at the 5% significance level, we can infer that at least one of the components (philanthropic responsibility and corporate social responsibility) has a significant impact on LIB brand.

4.5 Discussion of Major Findings

This discussion is essential to provide more clarification on the above results. This study aimed at finding out if there is a possibility to use corporate social responsibility activities to maximize customers-based brand equity of LIB. Therefore, this study confirmed to us that the CSR activities could also use to make significance and positive influence on building brand equity of companies in this sector.

The researcher projected certain factors that could influence the customers-based brand equity. This discussion in this section centered on the findings from Hypothesis Test that answers the research question. The following hypotheses test conducted based on the regression results obtained from model estimation from table 4.5.

H1: philanthropic corporate social responsibility activities of LIB have a positive and significant influence on brand awareness.

The first hypothesis implies that there is relationship between *philanthropic corporate social responsibility* activity and brand awareness. The positive beta sign and a statistically significant result of *philanthropic corporate social responsibility* related with the brand awareness ($\beta = .3116656$, $P < 0.05$) support the proposed hypothesis. The result is consistent with prior studies (Lai et al. 2015), Lam (2016), Rosemary (2013) and Tadess (2017).

H2: philanthropic corporate social responsibility activities of LIB have a positive and significant influence on perceived quality.

The second hypothesis implies that there is relationship between *philanthropic corporate social responsibility* activity and perceived quality. The positive beta sign and a statistically significant result of *philanthropic responsibility* related with the brand equity ($\beta = .1603764$, $P < 0.05$).

H3: philanthropic corporate social responsibility activities of LIB have a positive and significant influence on brand association.

The third hypothesis implies that there is relationship between *philanthropic corporate social responsibility activities* and brand association. The positive beta sign and a statistically significant result of *legal responsibility* related with the brand equity ($\beta = .2824566$, $P < 0.05$). The result is consistent with prior studies (Tadess 2017).

H4: philanthropic corporate social responsibility activities of LIB have a positive and significant influence on brand loyalty.

The final hypothesis implies that there is relationship between *philanthropic CSR activity* and brand equity. The positive beta sign and a statistically significant result of *philanthropic responsibility* related with the brand equity ($\beta = .7103845$, $P < 0.05$). The result is consistent with other prior studies (Wolde, (2014), Bimir, (2016), Esmaeilpour and Barjoei, (2016), Saeidnia & Souhani (2013), Riaz, (2010)). There was an apparent shift in social expectations towards the general domains of CSR. There is a need for the endorsement of social expectations in CSR activities that are more directly link to the company's business activities and clientele (Lentner, 2011).

In general, the result of regression analysis, the finding shows that 87% of the customer-based brand equity is accounted for CSR practice of the company. 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 good picture of how CSR contributed positively for maintaining and building customer-based brand equity.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

This chapter reviewing the problem of the research concluded the findings in alignment with the objectives of the study. Recommendations that focus on how the problem addressed were also included in this chapter. In addition, suggestion for future researches made at the end of this chapter.

5.1. Conclusion

Recognizing the perception of stakeholders in view of CSR and brand equity, the concept of CSR provided a foundation to consider in it as independent variable based on Carroll's Pyramid. The concern of stakeholder theory is managing a business effectively while creating shared value between a company and its surroundings. Thus, this study has taken the customer as the most important stakeholders in the discussion of customer-based brand equity. Lee (2008) as cited on Denis (2013) argues that CSR propelled the notion of Stakeholder theory.

As detailed on the review of literature, Studies produced varying results on the effect of corporate social responsibility on brand equity. Likewise, the researcher conducted the study to assess the effect of corporate social responsibility by identifying the four categories of brand equity based on the customers' perception towards the bank.

The descriptive result revealed that the bank's CSR activities were not made with the intention of attracting customers. Most organizations arrange events and invite professional journalist to disclose their corporate social responsibility activities to the public in such a way of attracting customers. Contrary to this practice, LIB has made little or no disclosures of its contributions to the society. Thus, nearly half of the respondents were unaware of the CSR practice of the bank other than valuing the practice. Weakness in communicating CSR initiatives might lead to losing some group of the society resulting from lack of awareness. Morsing & Schultz, (2006) as cited in Margareta Nadanyiova et al (2021) underscored the importance of effective communication strategies in disseminating CSR efforts to be well received by respective stakeholders. With this understanding, LIB seems to consider the value of publicizing its CSR initiatives to the society to gain competitive advantage in attracting potential customers.

The student researcher used STAA 16.0 software was used to analyze the results based on the data collected via questionnaire to check the reliability, Correlation and Regression between Corporate Social Responsibility and Brand Equity. Corporate Social Responsibility and brand Equity are interlinked with each other but CSR does have a direct impact on Brand Equity. The result showed that Corporate Social Responsibility and Overall Brand Equity with a Cronbach's Alpha of 0.9095 is highly reliable while the correlation between Corporate Social Responsibility and overall Brand Equity with a significance level of 0.000 shows that they are highly correlated with each other.

The regression analysis predicts Overall Brand Equity very well with the value of 0.9798 (R). R square has a value of 0.9798, which means 97.98% of change in Brand equity comes only through Corporate Social Responsibility. The p-value or the sign value is (.000).

The aim of this study was to assess the effect of Corporate Social Responsibility on brand equity taking Lion International Bank as case. Knight 2007 cited in McKinley 2008 suggest that 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. LIB emanating from its core values has made several social and environmental CSR activities in the country. The base line study conducted in 2018 by the bank indicates that the CSR activities have shown below the average recognition by the society that the bank did not gain advantage of its CSR activities.

The Stakeholders perception towards the bank's CSR practice and its effect on building of its brand equity through its dimensions (awareness, perceived quality, association and loyalty) assessed and it was found that CSR practice of the company significantly related with the company's brand equity.

The regression analysis of the proposed hypothesis indicated that:

- 15.87 % of brand awareness significantly explained by discretionary CSR practice of LIB.
- 05.52 % of perceived quality significantly explained by discretionary CSR practice of LIB.

- 14.19 % of brand association significantly explained by discretionary CSR practice of LIB.
- 62.4 % of brand loyalty significantly explained by discretionary CSR practice of LIB.

Although the results showed that the philanthropic SCR activities have respective significance on the variables, the efforts were not well communicated that the bank has not achieved significant Brand equity because of its CSR efforts. .

5.2. Recommendations

The researcher came up with some important recommendations aligned with the objectives that can be used to influence LIB activity on building of the company's brand based on the findings and the conclusions made.

The bank should realize the potential of using strategically integrated CSR activities on its Brand and perform the CSR activities in more structured and organized manner to have a maximum benefit of the efforts. Mathew Walker, Aubrey Kent (2020) suggest that corporate social responsibility (CSR) is one way in which organizations seek to manage stakeholder pressures, improve organizational reputation, and increase consumer patronage.

LIB CSR activity should be well structured and strategically focused in a way the bank can exploit the anticipated return of its CSR activities-mainly brand equity. Asif Moamood, Jamshed Bashir in their study entitled "How does corporate social responsibility transform brand reputation into brand equity? Economic and noneconomic perspectives of CSR" pointed out that brand reputation is a significant predictor of brand equity, and its predictive power boosts up in the presence of CSR activities. Thus, the bank should consider communication on CSR activities to gain tangible positive outcomes from its stakeholders. This would help the bank gain a better understanding of the contribution it is making and enhance its brand equity more. Weakness in publicizing CSR activities might lead to losing some group of society who would possibly be potential customers. In most cases, organizations donate based on the demands that come from humanitarian organizations yet remain known only by immediate users. Thus, LIB should demonstrate the public its CSR activities to create awareness, understanding and appreciation by the public of the efforts and contribution.

As LIB is actively engaged in social and environmental philanthropic CSR activities, the results manifested the importance of CSR initiatives in positively affecting the various dimensions of brand equity.

LIB's engagement on CSR activities were mostly based on the demands from different social and humanitarian organizations. Therefore, the bank should work more on self-initiated donation activities and deliberation of ample media coverage using various outlets. This enables the bank to contribute more in corporate social responsibility activities to the society to magnify its brand awareness and association.

Although, the results have shown significance relationship between CSR and its effect on brand equity, CSR alone should not be taken as a pro-grow strategy to achieve the intended effect on the brand equity.

5.3. Suggestions for further Study

This study focuses only investigating whether the CSR activities of Lion International Bank S.C positively related to its brand equity. The study area was limited to the customers located in Addis Ababa mainly focusing on one of the main branch of the bank. Researchers could consider further studies to investigate impacts of CSR and its other domains. Moreover, this research can further be explored taking other types of CSR taking all or partial Brand equity elements suggested by Aaker. This study still can be magnified to investigate the effect of CSR on Brand equity taking different socially and demographically groups using different mechanisms in sampling and analysis.

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ANNEX I- Questionnaire to be filled by consumers



COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING

Dear Sir/Madam,

I am a student at Addis Ababa University pursuing a Master’s Degree in Marketing Management as partial fulfillment for the award of the Master’s degree in Marketing Management, I am conducting a research to examine “The Effect of Corporate Social Responsibility on Brand Equity: the case of Lion International Bank S.C”

The information provided will remain confidential and used only for purposes of academic research. Please note that any information you provide will be confidentially treated and will not be used for any other purpose other than for this study. Your name will not be disclosed in any part of this research.

Contact me through 0938149997 or via email emanuelk58@gmail.com

PART I-Demographic Information of Respondent

Instruction1-Please put a (✓ mark) in the boxes that describes you best

1. **Sex:** Male Female
2. **Age:** 18 -25 26-33 34-41 42-50 Above 51

3. Your Educational Background

Primary Education= Secondary school =

College Diploma= PhD =

University Degree=

Master’s Degree=

PART II–Customers’ perception towards the bank’s Corporate Social Responsibility activities.

Instruction 2: Please indicate with a (√) to the statement with a rating on the scale of 1 to 5. (1= strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree, 5 = strongly agree)

No.	ITEMS	1	2	3	4	5
	Discretionary (Philanthropic) Corporate Social Responsibilities					
1	Lion International Bank S.C tries to provide inclusive financial service					
2	Lion International Bank S.C tries to provide affordable service to its customers					
3	Lion International Bank S.C always tries to improve its commercial activities					
4	This bank tries to treat its customers fairly and equally					
5	This bank tries to adhere the laws and procedures in its activities					
6	This bank tries to have a code of ethics and procedure in order to respect it.					
7	This bank tries to behave ethically with customers					
8	This bank tries to make donations or participate in social causes					
9	This bank tries to sponsor cultural or educational events					
10	This bank tries to improve the quality of life of vulnerable populations					
11	Lion International Bank S.C take into account social aspects for improving its management and staff					
12	Lion International Bank S.C tries to sponsor activities in favor of the environment					
13	This bank tries to recycle waste properly					

Part III- Customers' perception towards the contribution of bank's Corporate Social Responsibility activities towards Brand Equity.

Instruction- Please indicates with a (√) to the statement with a rating on the scale of 1 to 5. (1= strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree, 5 = strongly agree)

Dependent Variables of Brand Equity		1	2	3	4	5
I	Perceived quality					
14	I trust the quality of services from this bank					
15	Banking services from Lion International Bank S.C would be of very good quality					
16	Banking services from this bank offer excellent features					
II	Brand awareness					
17	Some characteristics of this bank brand come to my mind quickly					
18	I can recognizes the bank's brand quickly among other brands					
29	I am familiar with this bank brand					
20	The bank has very unique brand image, compared to competing brands					
III	Brand associations					
21	I can easily recall the logo of the bank					
22	I like the brand image of this bank					
23	I like and trust the bank with its banking services					
24	I admire people who wear the bank's brand					
IV	Brand loyalty					
25	I consider myself to be loyal to this bank					
26	When using banking services, this bank would be of my first choice					
27	I will keep on using this bank as long as it provides me better services					
28	I would love to recommend this bank to my friends					

THANK YOU FOR TAKING YOUR TIME TO PARTICIPATE IN THE STUDY

Annex II-Correlation Matrix Residuals

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. mvreg, notable noheader corr
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Correlation matrix of residuals:
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	brandaw	percqual	brandasso	brandloy
brandaw	1.0000			
percqual	-0.1413	1.0000		
brandasso	0.4033	-0.0724	1.0000	
brandloy	0.0940	-0.0279	0.1182	1.0000