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FACULTY OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

An analysis of the effectiveness of corporate social responsibility in establishing brand loyalty- Case of Delta Beverages-Chibuku

By

MOYO   DUDUZILE

This dissertation is submitted in partial fulfilment of the requirements of the Bachelor of Commerce in Marketing Management Honours Degree at MSU

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DEDICATION

This research is dedicated to my mum Miss Francisca Mpofu for believing in me even when life threw unfavourable circumstances.

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Praise be to the Lord Almighty for taking me this far. Firstly I would like to extend my appreciation to my supervisor Mrs Mupemhi for her guidance throughout the research process. My utmost gratitude goes to my mum for bearing the entire financial burden during the research period, my dad and siblings for all the emotional support. Also sincere gratitude goes to Prosper Ncube and MilidzaniTapela for being with me all the way and my colleagues for the helping hand they willingly rendered. Appreciation is also extended to Mr P Muchuchiti of Delta Beverages and all the management and employees at Fair bridge sorghum beer manufacturing plant for sparing some time from their busy schedule to provide me with the information needed for this research.

ABSTRACT

The main purpose for this research was to analyze the effectiveness of corporate social responsibility in establishing brand loyalty and the company under study was Delta Beverages-Chibuku. Literature was reviewed through the use of text books, previous thesis and different articles journals. The major driving force for this study was the stiff competition being faced by the Chibuku brand products resulting in a decrease in market share. Descriptive research and exploratory research designs were used to gather the relevant data from the company's employees, management and customers. A sample size totalling 97 respondents was used.For data collection structured interviews were used for management and questionnaires for customers. The response rate was 69%. Respondent selection was through the use of probability sampling techniques thus simple random sampling and stratified random sampling. The evaluation was brought out and the major findings discussed. The hypothesis results indicated that sponsorships and donations were effective in establishing brand loyalty hence rejecting the null hypothesis, waste recycling statistical test results showed that waste recycling was not effective in establishing brand loyalty thus the null hypothesis was accepted. The researcher concluded that sponsorships and donations were effective in establishing brand loyalty and waste recycling was ineffective leading to recommending the organization to participate more in community based initiatives, being active in the sponsoring of other sporting events other than soccer and also communicate waste recycling strategies to their customers.

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter gives the background information of the study of the effectiveness of corporate social responsibility in achieving brand loyalty in the beverages sector, with emphasis on Delta Beverages Sorghum Manufacturing Unit (Chibuku). It provides the statement of the problem that motivated the researcher to carry out study. The purpose of the study is also stated in this chapter with specific objectives being highlighted .The research hypothesis derived from these objectives and the key assumptions, significance of the study, limitations, and delimitations are also included.

1.1 Background to the study

Corporate social responsibility, according Ortiz and Martinez (2006) CSR as a company's concern for such things as community involvement, social responsible practice and processes, concern for the environment and socially responsible employee relations.CSR is a broad aspect that constitutes different dimensions as mentioned by Carroll (1991) where four aspects are mentioned thus economic responsibility, ethical responsibility, legal responsibility and philanthropical responsibility.

Brand loyalty,according to Chaffey (2008) brand loyalty is a desire on the part of the customer to continue to conduct business with a given company over a period of time. It is a result of the consumer's perception that a brand offers the right product features, image, quality, or relationship at the right price. Sheita et al (1999) postulates that brand loyalty has two dimension that is, behavioural brand loyalty and attitudinal brand loyalty.

Delta Beverages is a strategic business unit of Delta Corporation which is responsible for manufacturing, marketing and distribution of alcoholic and non-alcoholic cold beverages under licensed by Coca cola international company. Three business units' fall under Delta Beverages and these include Sorghum manufacturing (Chibuku), Sparkling Beverages manufacturing and Lagers manufacturing. The researcheronly focused on the Chibuku brand products which

constitutes of three products (available in three pack sizes: scud 2l, shake-shake 1l, Chibuku super 1l)

Chibuku has been brewed by Delta beverages across fifteen breweries in Zimbabwe for the past 52 years. Chibuku uses DBCs, CCDS, and direct distribution using own trucks to sale its products to its customers. Delta's sorghum brand Chibuku has been the hardest hit from new entrance with competition from brewers almost from various cities in Zimbabwe for example Simba (Kwekwe), Go Beer (Gweru), Mhamba (Mutare) and Ingwebu (Bulawayo). These brands have made significant inroads into the solely Delta Beverages dominated market.

In light of this the marketing department of delta beverages decided to engage in corporate social responsibility programs such as the Chibuku super cup lauched in 2014 and the Chibukuneshamwari dance festival occurring every 22nd of august in order to maintain its market share. It is not known whether these efforts were effective or not in establishing brand loyalty, hence the researcher is embarking on the study to analyze the effectiveness of corporate social responsibility in establishing brand loyalty.

1.2Statement of the problem
Delta beverages have been facing stiff competition that is evidenced by some of their customers switching brands. In light of this the company has employed some corporate social responsibility techniques mentioned including sponsorship strategy, donations and waste recycling in order to maintain its market share through establishing brand loyalty. The researcher is therefore interested in measuring the effectiveness of corporate social responsibility programs as a means of eradicating the problem and establishing brand loyalty.

1.3 Conceptual frame work

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                    ┌─────────────────┐
                    │  SPONSORSHIPS   │──────────────┐
        ┌──────→    └─────────────────┘              │
┌──────────┐        ┌─────────────────┐         ┌────────────┐
│   CSR    │──────→ │     WASTE       │───────→ │   BRAND    │
└──────────┘        └─────────────────┘         │   LOYAL    │
        └──────→    ┌─────────────────┐         │     TY     │
                    │    DONATIONS    │──────────└────────────┘
                    └─────────────────┘
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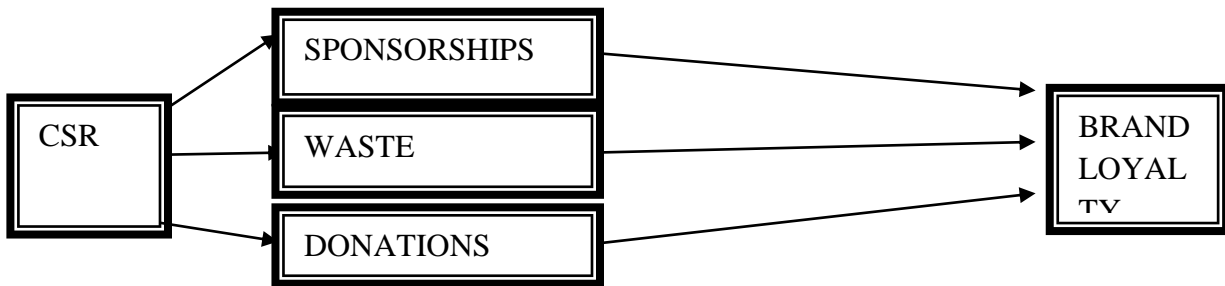
CSR has a number of programs that may help in establishing brand loyalty. The researcher will look at sponsorships, waste recycling and donations as the variables that will be measured to establish the effectiveness of CSR in establishing brand loyalty.

1.4 Research Objectives
- To establish the effectiveness of sponsorships in establishing brand loyalty.
- To establish the effectiveness of waste recycling in establishing brand loyalty.
- To establish the effectiveness of donations in establishing brand loyalty.

1.5 Hypothesis development
- H0 sponsorship hasnot increased brand loyalty.
- H1sponsorship has increased brand loyalty.
- H0 waste recycling has not increased brand loyalty.
- H2 waste recycling has increased brand loyalty.
- H0 donations have not increased brand loyalty.
- H3 donations have increased brand loyalty.

1.6 Significance of the study.

1.6.1   To the Company
 The results of this study and recommendations will assist the company in effective use of CSR programs and help the company establish to brand loyalty. The study will help provide vital information to company stake holders and aid them with the understanding of the importance of undertaking CSR programs in order to establish brand loyalty and maintain market share and the overall sales volumes. It will also aid the company in realizing CSR as a strategic tool for enhancing brand loyalty and eliminating entry of competition, there by increasing the overall performance of Delta Beverages.

1.6.2 To the University
The findings of the research might be used as foundation data for further research on CSR programs and simply to reinforce research findings by other researchers. It would also aid the university in assessing the student carrying research within the relevant field.

1.6.3To the researcher
The research process gave the researcher an understanding of brand loyalty in preparation for industry and commerce. The researcher will also gain time management skills of conducting research. The researcher gained exposure in the field of CSR. Above all the study will assist the researcher in completing her degree program

1.7 Delimitations
- The scope of the research is confined to Delta Beverages Sorghum division - southern region.
- The respondents to the study focus were operational managers, company employees and customers in Bulawayo only.
- The study focused mainly on sponsorship, waste recycling and donations as the only factors that establish brand loyalty
- The data period used in the research ranged from January 2011 to April 2015.

1.8 Limitations.
- The research was conducted in the Chibuku Southern region.

- The research is limited to CSR programs under taken independently by the Chibuku SBU
- The respondents to the questionnaires and interviews were operations managers and customers only of Chibuku only.
- The researcher could not use vernacular language for data collection hence only respondents who could read and understand the English language were used.

1.9 Assumptions
- The researcher assumed maximum cooperation from respondents in giving honest and unbiased information.
- The researcher assumed that the questionnaire and interview as data gathering instruments are adequate and efficient enough to extract the desired responses from the subjects.
- It also assumed that assurance on the confidentiality of questionnaire would encourage the respondents to give genuine and sincere responses without fear of being identified.

1.10 Definitions of terms and abbreviations
CCDs: Customer Collection Depots

DBCs: Delta Beverages Centres

SBs: Sparkling beverages

CSR: Corporate social responsibility

SBUs: Strategic business unit

1.11 Summary
Chapter one comprised of the background information that prompted a research to be undertaken on the given topic above, the outline process, importance and significance of social responsibility programs on achieving brand loyalty. The statement of the problems research objectives are stated to provide guidance to the researcher. It was also necessary to state and examine limitations and delimitations. Finally the key terms were defined and assumptions outlined. The next chapter is on literature review.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter analyzes what other academic authors said on the relevant areas of concern. It looks at the various authorities' perceptions on the subject of CSR and brand loyalty. The review includes defining CSR, a description of its pillars and activities as well as brand loyalty and its dimensions. The major purpose for conducting the review was to sample current opinions in textbooks, the internet and professional journals thereby gaining insight into the aspects of the research objectives so as to spell out what entails establishing brand loyalty through CSR.

2.1 Brand loyalty defined

According to Chaffey (2008) brand loyalty is a desire on the part of the customer to continue to conduct business with a given company over time. Kotler and Armstrong (2010) use the idea of repetitive buying patterns of a particular brand as an indication of brand loyalty. Aaker (1991) furtherelaborates brand loyalty as a measure of the attachment that a customer has to a brand. It reflects how likely a customer will be to switch to another brand especially when that brand makes a change either in price or product features. Peter and Olson (1999) further elaborate brand loyalty is the consumers' conscious or unconscious decision, expressed through intention or behaviour to repurchase a brand continually. It happens because the consumer perceives that the brand offers right product features, image, quality, or relationship at the right price. On the other hand, Sheita et al (1999) argue that it is however not sufficient enough to define loyalty as just repetition of product purchase. According to these authors brand loyalty should be viewed from two dimensions and these are behavioural brand loyalty and attitudinal brand loyalty.

2.1.1Brand Loyalty Dimensions

Wang (2007) is in agreement with Sheita et al (1999) in that brand loyalty should be viewed from two angles and those angles are attitudinal and behavioural loyalty. Backman and Crompton (1991) cited in Liu (2008) also point out that brand loyalty includes attitudes and behaviours. According to Kandampully and Suhartanto (2004) Behavioural and attitudinal

loyalty are the two brand loyalty dimensions. Previous research has concluded that brand loyalty does have two main dimensions and those are the attitudinal and behavioural dimensions.

2.1.1.1 Attitudinal Loyalty

Authors including (Park and Kim, 2000; Day, 1969) are in agreement that attitudinal loyalty refers to being attached psychologically to a selected company or brand and is often expressed as an ongoing long-term relationship to a brand as highlighted by Mascarenhas, KesavanandBernacchi (2006). Peppers and Rogers (2010) suggest that attitudinal loyalty is the loyalty that a customer is in the state of mind that is he/she has a positive preferential attitude toward the product, service or company. The customer likes everything about the company. Similarly, Rundle-Thiele and Bennett (2001) propose that attitudinal loyalty can be defined as customer's attitudes towards the brand and measured with intention to engage in positive word of mouth or repurchase. Wang (2007) postulates that attitudinal loyalty it is a strong internal disposition towards a brand, product or service, further elaborating that attitudinal dimension, represents a customer's intention to repurchase and recommend, which are both good indicators of a loyal customer.Gao (2005) comes with a different approach further explaining that attitudinal loyalty requires trust, confidence and reliability. These as he elaborates are fundamentals in which a company is supposed to meet so that the customers thinking towards the company is reflected positively in the customers' mind.

Kumar (2008) concurs and relates that attitudinal loyalty will be created and enhanced from the company's activities that build a reliable frame to the customer. He goes on further to say that firms should understand consumer's attitude towards the firm and this can be done through surveys and looking at customer feedback.According Khan (2009) to this approach, a simple description of the actual behaviour of the consumer does not serve the purpose, but analyzing and describing the underlying structure of attitudes and preference of the consumer is required, for the concept of loyalty to have an explanatory value in addition to its measurability the author further suggest tools to measure attitudinal loyalty such as preference, buying intention, supplier prioritization and willingness to recommend.Views from different scholars above reveal that attitudinal loyalty is not necessarily an action but rather thoughts and feelings from the customers that are influenced by the firm, and if positive the customer may have intentions of repurchasing or purchasing frequently.

2.1.1.2 Behavioural Loyalty

According to Peppers and Rogers (2010) behavioural loyalty is the customer's actual conduct, because they repeatedly buy.Wong and Sohal (2003) support that the behavioural dimension is usually voiced by recurrent purchase of service and recommendation to others.Reichheld (2003) postulates that behavioural loyalty may also be a result of inertia when the consumer doesn't switch vendors because of comfort or relatively low importance of the particular product or service.Pohl (2006) comes with a different view, he suggests that behavioural loyalty exists when a customer repeatedly purchases a product or a service but do not necessarily have a positive attitude. He confirms to the fact that for customers to buy frequently they do not need a positive attitude but rather a voluntary desire to have a product or service that pushes a customer to purchase frequently. This is however argued by Gao (2005) who says that for there to be an action there has to be an intention that is positive to purchase.

 Some authors go on to say that behavioural loyalty is the degree to which a participant purchases a service or a program repeatedly (Park and Kim, 2000; Day, 1969) and is revealed through purchase and usage behaviour (Mascarenhas, KesavanandBernacchi, 2006). Kumar (2008) comes up with another aspect of behavioural loyalty, he highlights that behavioural purchase includes the repurchasing and recommendation of the products and services of a firm to other people. This type of loyalty can be measured with shares of purchase and purchasing frequency as postulated by (Khan, 2009). According to Hallowell (1996) one of the advantages of the behavioural approach is that it is a relatively objective measurement of customer loyalty. The above views from different authors highlight that behavioural loyalty is the active part of loyalty that reflects the customer's actual purchase and recommendation of the firm, its products and services. However Worthington et al. (2009) argue that all human behaviour is a combination of cognitive, emotional and/or behavioural responses. Brand loyalty is therefore the combination of a consumer's thoughts and feelings about a brand that are then expressed as an action.

2.2Corporate social responsibility defined

According to Baker (2010) CSR is about how companies manage the business processes to producean overall positive impact on society. Ortiz and Martinez (2006) concurs CSR as a company's concern for such things as community involvement, social responsible practice and processes, concern for the environment and socially responsible employee relations. Payne andRaiborn (2002) notes that CSR is best described as categories of economic, legal, ethical and discretionary activities of a business entity as adapted to the values and expectations from society. They also add on that, CSR are the basic expectations of the company regarding initiatives that take the form of protection to public health, public safety, and the environment. Orgizek (2001) argues that the scope of CSR is much broader than charitable activities, philanthropy and community involvement as it embraces business practices, including environmental management systems, human resource policy and strategic investment for a sustainable future.

Mattila (2009) postulates that corporations are investing more and more to different CSR actions. Liu and Zhou (2010) emphasized that to win loyalty in today's markets, companies have to focus on building and maintaining customer loyalty and CSR has become a useful tool in this regard. However, the relationship between CSR and brand loyalty remains largely unexplored. As a result the researcher finds it necessary to also review literature on the different dimensions of CSR.

2.2.1 Dimensions of CSR

Truscott, Bartlett andTywoniak (2009) divide CSR in to three aspects termed the "the triple bottom line" entailing the economic, social and environmental aspects. Their view is that all this three elements are interdependent on each other. Savitzand Weber (2006) are also in agreement elaborating that economic factors such as return on investment, environmental factors such as waste produced and social factors such as labour and product responsibilities are activities that enhance the company's value. Carroll (2001) grouped CSR dimensions in the form of a pyramid divided in to four sections economic responsibilities, Legal responsibilities, Ethical responsibilities and Philanthropic responsibilities.

- **Legal responsibility**

According to Mattila (2009) legal dimension is the compliance with laws and regulations established by the authorities, who set standards for responsible behaviour, the codification of what society thinks is right or wrong. Solomon (1994) concurs that regulations are reactive in nature, leaving little opportunity for firms to be proactive. Legal regulation help protect the organization stake holders. According to Windsor (2001) legal responsibilities are mandatory. They are divided into laws that regulate competition, consumer protection laws, environmental laws and laws that promote safety and fairness. Societies expect business to fulfil the legal responsibility in all its operations. Pratima (2002) argue that although regulations may successfully coerce firms to respond to an issue, it is difficult to ensure that they are applied equitably.

- **Ethical responsibility**

Lantos (2002) postulates that ethical corporate social responsibility is concerned about the fulfilment of the moral or the ethical responsibilities to avoid harm on the society. Solomon (1994) supports that ethical responsibility overcomes the limitation of law by creating an ethics ethos that organisation can live by. It portrays business as being moral, and doing what is right, just, and fair for all citizens. Novak (1996) illustrates that ethical responsibility encompasses activities that are not necessarily codified into law, but are still expected of business by societal members such as respecting people, avoiding social harm, and preventing social injury. However Carroll (1979) argued the limitation to this type of responsibility as its blurry definition and the consequent difficulty for business to concretely deal with.

- **Philanthropic responsibility**

Windsor (2001) postulates that philanthropy is what is socially desired and it is in this type of CSR that firms have the widest scope of discretionary judgment and choice, in terms of deciding on specific activities or philanthropic contributions that are aimed at giving back to society. Frederick (1994) believes the roots of this type of responsibility lie in the belief that business and society are intertwined in an organic way. Lantos (2001) views the fulfilment of an organization's philanthropic responsibilities, irrespective of whether the business will reap financial benefits or not as altruistic responsibility. Hemphill (2004) found that strategic philanthropy has two purposes: charitable contributions by helping to reduce the impact of the

societal issues and improving the corporate image and a firm's competitive advantage to gainmore loyal consumers as it will contribute to the firm's bottom line. WymerandSamu (2003) concur that corporate philanthropy can result in better publicity, enhance external stakeholders' goodwill, and result on a better public recognition of the firm and its brand.

- **Economic responsibility**

Windsor (2001) postulates that economic responsibilities entail profitability for shareholders, good jobs for employees, and quality products for customers. Carroll (1979) elaborates on economic responsibility as investment to owners and shareholders; creating jobs and fair pay for workers; discovering new resources; promoting technological advancement, innovation, and the creation of new products and services.

- **Environmental responsibility**

According to Dahlsrud (2006) environmental responsibility involves the natural environment. Cheung *et al.* (2009) indicated that implementing environmental CSR could benefit not only manufacturers but service providers with internal drivers or external drivers. Marin and Ruiz (2007) pointed out successful environmental CSR performance can enhance a service provider's reputation. Furthermore environmental CSR is easy to understand and is highly recognizable by general consumers and media as illustrated by Rahbarand Wahid (2011). CSR activities with respect to the environment include such categories as pollution prevention, energy conservation and green production/service. Dummett (2006) postulates that the dominant driver for environmental CSR activity is government legislative policies and business leaders desire to see national governments taking more active and leading roles to encourage and force greater environmental responsibility. Gurhan-Canliand Fries (2009) concur that CSR is used for brand building purposes through marketing and brand promotion of positive activities.

2.2.1 Sponsorship defined

According to Hardy, Mullin and Sutton (2007) sponsorship is 'the acquisition of rights to affiliate or directly associate with a product or event for the purpose of deriving benefits related to that affiliation or association. Fill and Hughes (2008) supports that sponsorship is a two way mutually beneficial partnership between an organization being sponsored and the

sponsor.Fullerton (2007) goes on to say that there are only two parties involved in sponsorship, namely the sponsor- party which pays in any form in order to be associated with a specific property and the sponsee- property which offers value through association. Allen (2010) argue that sponsorship is an investment, in cash or in kind, in return for access to exploitable business potential associated with an event or highly publicized entity. Many different authors provided a number of definitions regarding sponsorships and all of them seem to agree and lay emphasis on therelationship advantage between an organization and the sponsored object. However there is a gap in literature in terms of its effectiveness.

2.2.1.1Types of sponsorship

Corporate sponsorship frequently generates a favourable image for the sponsor at corporate and brand levels. Gwinner and Eaton (1999)postulates that sponsorship works on the premise that association largely affects image and that the sponsor may exchange money and /or goods or services in kind return for the association that the sponsorship provides. Basically there are 4 types of sponsorships sport sponsorship, program sponsorship, arts sponsorship and educational sponsorship.

- **Sport sponsorship:**

Shank (2009) regards sports sponsorship as investing in a sports entity to support the overall organizational objectives, marketing and promotional strategies. it entails the distribution of resources to the sponsee to undertake some activity. Arun (2004) postulates that sports sponsorship makes it possible to link the aspiration and passion of a target audience to specific sport. Mullin, Hardy and Sutton, (2000) concur that sport sponsorship in originally appealed to corporations as a form of uncluttered advertising. Meenaghamand Shipley (1999) elaborated that sport sponsorship makes up the largest part of commercial sponsorship.

Stipp (1998) elaborates further stating that sponsorship shows the alliance and relationship of the organization with the sporting event. Keller (2003) suggests that brand associations can be influenced when a brand becomes linked with a celebrity through an endorsement or linked with a sporting event through sponsorship activities. Mullin, Hardy and Sutton (2007) argue that marketing has transformed as a global activity and global companies need to communicate with

their target markets in different languages and sport has that ability. However PWC (2011) argue that while the spending on sport sponsorship goes up, the need for justifying the returns of that investment increases as well.

- **Television Program sponsorship:**

Klein (2000) postulates that television program sponsorship is normally used to deliver engaging content in collaboration with brands or organizations. According to Lardiniotand Quester, (2001) televised sponsorship refers to a favoured practice by advertisers who want their name associated with a specific television (TV) program or its promotion. Simmons and Becker-Olsen (2006) agree companies adopt this type of sponsorship to capture huge consumer audience, communicating the brand information and image, informing the consumers about the company and its offerings and building the long term relationship with the consumers. Corporations ultimately wanting to impact their bottom line through engagement in program sponsorship as the investment in sponsorship escalates has drawn attention from academia where several studies (Walraven, Koning, andBottenburg, 2012) are made to demonstrate and evaluate returns of program sponsorship.

- **Educational sponsorship:**

According to Dean (2002) educational sponsorship can take several forms, from the sponsoring of individual students at college through to the provision of books and computers. Educational sponsorships involve providing funding to help students pay for their education or providing any assistant to students with respect to their education as supported by Khakee (1994).Sponsoring encourages a mutual exchange of knowledge that benefits both parts andsuggest that in such a sponsorship, business will be fulfilling a social obligation to the community from which it draws its stake holders to generate goodwill and enhance the image of the business. Knox and Bickerton (2003) concur that the goal of educational sponsorships has evolved over the past years and has been to explore ways to add value to the basic products or services and create brand preference andloyalty.

- **Arts sponsorship**:

Hofmann (2002) sponsorship of the popular arts, especially music, is now a common practice and widely accepted among the target groups. The character of commercial sponsorship is more critically regarding the more sophisticated and elitist arts. According to Speed and Thompson (2000) personal liking is a construct that directly taps into the benefit that individual respondents receive from the cultural event. This is backed up by Crimmins and Horn (1996) who suggested that sponsors can benefit from "gratitude" that arises among fans, those with a strong liking for the event, through their emotions and consequently translate it through their behaviours. The arts attract investments in the local industry. Lin (2004) illustrates that business not only contributes to arts, but also gets high returns as a result of contributing.

Corporate sponsorship support has been provided to different activities encompassing sporting events, concerts, festivals, dance programs, theatre performances, museum exhibitions, charitable events, public television programs, the arts and community events and has been recognized as marketing communications tool. As a result of this it is critical to review its relevance in relation to brand loyalty as discussed below.

2.2.1.2 Sponsorships and brand loyalty

According to Rifon et al (2004) sponsorship works better than promotional activities and creates a strong perception in the minds of people because of its affiliation with the offering. People remember that sponsor when they think about the offerings. Sponsorship works both as a promotional tool as well as building the association in the minds of consumers. Smith (2008) postulates that during a sponsorship the main purpose of the marketer is to increase the awareness of the brand which leads to enhance the overall brand image and equity of the corporation.

McAlister and Ferrell (2010) concur that philanthropy through sponsorships involves supporting a cause in the hope of achieving greater market awareness and target market appreciation.Many surveys developed at an international level suggest that a positive relationship exists between a company's activities and consumers' reaction to that company and its products (Bhattacharya andSen, 2004; Bhattacharya, 2001) sponsorships affect the way consumers view a brand thus affecting their loyalty status. Shannon (1999) postulates that companies engage in sponsorship

activities with the primary purpose of winning public esteem and hence improving corporate image.

Dean (2002) postulatesthat many customers havefavourable perceptions of companies following charitable sponsorship and did not view them as acting out of self-interest. Olsen (2006) argue that if the social initiative done by the company is not aligned with other company goals it will have a negative impact. Mohr et al (2001) and Groza et al. (2011) emphasiz the importance of reaching the consumer through sponsorships especially of sporting events as an effective way of reaching the consumer. According to Gupta (2003 p. 119) sponsorship marketing has been viewed as valuable in generating awareness for the brand and corporate images, but less has been studied about its ability to communicate a more sophisticated, specific message or contribute to other aspects of brand equity. Authors (Huda 2001; Fan 2001) believe that every sponsor wants to get the maximum benefits from investment that are made in sponsorship and ensures maximum returns than other investments. Because organizations want returns as a result of engaging in a sponsorship program hence the need for the researcher to explore the effectiveness of these sponsorship strategies in establishing brand loyalty.

2.2.2 Donation defined

According to Dean (2003) corporate donations can include donations of money or of time and labour at community centres or for improvement projects, or for fundraising for a cause. Wall (2012) concurs saying that donations may not be limited to cash and in-kind contributions. Corporate giving can be expanded to become an element of a bigger corporate commitment, one that includes community relations, cause marketing, and environmental stewardship. Donations are part of the philanthropic practices of an organisation as mentioned in Carroll (2001).A donation may take various forms, including cash, services offering, new/used good and equipment and infrastructural development.

2.2.2.1 Types of corporate donations

Caldwell (2006) suggests that the most visible element of a company's CSR activities is often its charitable giving, which in most cases is easily identifiable from its product. Companies may choose to donate in various ways and for different reasons on a voluntary basis some ways of donating are discussed below

- **Conditional donations**

According to Dean (2003) conditional donations may be termed cause-related marketing (CRM) which is aimed at improving corporate performance and help worthy causes by linking fundraising for the benefit of a cause to the purchase of an organizations products or services. A company agrees to donate money to charity each time a customer undertakes a revenue generating transaction with the organization. Duncan (2005) in Landereth (2007) postulates that companies recognize the importance of non-profit cause and the consumer's response towards it and that they can develop partnership through cause related marketing with that in mind. Conditional donations can be viewed as a marketing tool that strives to improve corporate performance and help worthy causes by linking fund-raising for the benefit of a cause to the purchase of the firm's products and/or services. LesingerandSchmit (2011) argue that conditional donations do not fulfil its original meaning of purely humanitarian as economic interests are also pursued.

- **Unconditional donations**

Drucker (2009) postulates that unconditional donations reflect love of fellow men. This type of donation is not dependent upon producing revenue except the organization expecting the cause to use its name and attach its logo when announcing the donation in public. Lepro (2011) suggests that organizations can contribute to charities for a variety of missions such as education, the arts and religion. kim (2011) postulates that most organizations support community volunteering through donation of their employees time to the community. It is because of this that consumers will associate donations with volunteering groups from a certain organization and the activities that are carried out by them. Carroll (1991) regards this form of donation as the least important as it is not directly linked to the organisation's mission as viewed by (Schwartz and Carroll 2003). Levy (2009) stressed out that corporations contribute in more ways than just donating money, products,equipment and their facilities for the society's benefits, as a result of this unconditional donation involves company resources.

2.2.2.2 Donations and brand loyalty

Duncan (2005) in Landreth (2007) postulates that companies recognize the importance of non-profit cause and the customer's response towards in that partnership may be developed through cause-related marketing. As a result donations will have a bearing on the customer's actions and views regarding a brand thus affecting the loyalty relationship with that brand. BattacharyaandSen (2003) concur that consumers usually participate because of a close identification with the company or the cause that it supports. Wigley (2000) and Schmeltz (2011) support the idea that donations can increase positive attitude towards the brand as well as significantly increase brand purchase intentions. Most consumers agree that while achieving business targets, companies should also engage in initiatives that are beneficial to the community.

Most consumers are in support of companies doing charity. Consumers are loyal and willing to spend more on retailers that support charity. Smith (2013) Lichtenstein et al. (2004) stated that ''When a corporation behaves in a manner that is perceived as socially responsible, consumers are likely to infer that it has certain desirable traits that resonate with their sense of self''.Kolodinsky*et al.* (2010) found that consumers' positive attitudes toward corporate social activity could affect their perceptions and behaviours.

2.2.3 Waste recycling defined

Spilka et al (2008) state that waste recycling is the reprocessing of old materials into new products, with the aims of preventing waste of potentially useful materials. According to Arnold andValentin, (2013) waste recycling refers to the removal of items from the waste stream for them to be used as raw materials in the manufacture of new products. Fuglestveldt et al (2001) postulate the recycling definition as means collecting materials from the solid waste stream and processing them into new products for people to purchase. Defra (2009) concur that there are two terms that are used in connection with waste recycling to describe products, packages and other items thus the "recyclable" and the "recycled.". "Recyclable" means that the material can technically be processed into another product. "Recycled" means that the material has been collected and processed into a new product.

2.2.3.1 Waste recycling stages

Monni et al (2006) compared several different waste management scenarios, at a global scale and discovered that recycling involves three steps, these include Separating and collecting materials to be recycled, processing these materials and re-manufacturing products from these materials that are then purchased. Industries tend to pick the horizon that puts their 'product' in the best position.

Separating and collecting materials to be recycled

Chintan (2009) mention that recycling solid waste from households may take place in any way.the methods require people sort their household trash and separate materials to be recycled . (Smith et al 2001; Dehoust et al 2005) postulate that the sorting of recyclables may also be done at the source for selective collection or to be dropped off by the waste producer at a recycling centre's. Boldrin et al (2009) highlight that the pre-sorting at the source requires the participation of individual citizens. Another way is to mix recyclable materials with the general waste for collection.Gentil et al (2009) concurs that waste from homes is generally collected by the local authorities through regular waste collection, or by special collections for recycling. The author further elaborates in that manufacturing organizations may provide litter bins or recycle cages for the dumping of their products waste material.

Processing of materials

According to Fruergaard et al (2009) after collection, the materials may be processed for reuse., processing can mean any of the following sorting, washing, drying, grinding, or heating. Sharholy (2008) postulates that there are new ways of recycling some materials using chemicals.Regardless of the used recycling process, recycled materials can be transformed into new products. Smith et al (2001) suggest that diverting food, garden, and paper waste to composting or recycling reduces net GHG (green house gas) emissions by 260 kg CO2-e per ton. Authors Ashton (2009) and Harris (2007) are in agreement that companies have diverted more than five million tons of waste from landfill and eliminated more than five million tons of carbon emissions through waste recycling activities.

Re-manufacturing products from materials that are then purchased.

Various studies (Chertow and Lombardi 2005, Ashton et al 2009, Harris 2007) have indicated that Recycling activities are not limited to closed-loop systems, but encompass open-loop recycling, down-cycling, and industrial symbiosis.Case studies of industrial symbiosis in both developed and developing regions have indicated measurable environmental and economic benefits with respect to air, water, and waste. Astrup et al (2009) found that the substitution of virgin plastic generated greater climate benefit. Kim and Dale (2004) state that savings are generally based on the premise that recycled materials replace an equal or almost equal quantity of virgin materials in a close loop recycling system.

According to Eunomia (2008) an alternative for recycling plastics that has received some interest recently is conversion of plastics to synthetic diesel. Some plastics can ground to make new containers. Paper is ground into fibbers and put through a de-inking process. The fibbers are then used to make recycled paper and cardboard and may be used to package different products. Recycled paperboard issued to package many types of products. Bogner et al (2009) postulates that in order for recycling programs to work all the steps listed above have to occur. First, organizations must participate in separating and collecting materials. After collection and separation, facilities must be available to process the materials collected. Finally, the recycled materials must be re-manufactured into products for people to buy.

2.2.3.2 Waste recycling and brand loyalty
Laroche*et al.* (2001) highlighted that the strong purchase intention by consumers seeking a more ecologically friendly lifestyle toward brands was associated with environmentally friendly practices. Research studies of Mohr and Webb (2005) proved that manufacturers who undertook an environmental CSR initiative experienced a positive effect on consumers' purchase intentions and company evaluation. In support of the relation between CSR and customer satisfaction, a company's green (environmentally friendly) brand image was found to be positively associated with consumers' satisfaction (Chen, 2010 Further, Tse et al (2003) summarized that a company's

strong philosophy of developing and operating environmentally sensitive properties is a key contributor to its continued success, despite external challenges.

Belk et al (2005) andCarrigan et al (2001) suggest that consumers are not yet aware of the environmentally responsible brands and are disinterested in their social commitment. Waste management has become a complex area, legally, technically and commercially. Moreover, Miller and Washington (2012); MPI Foundation (2008) highlight that rather than defining the objectives of waste management events in terms of persuasion and attitude change, practitioners increasingly emphasize that waste management may create a deeper and more meaningful, brand-equity building connection with consumers. A development in waste management is the focus on preventing the production of waste through waste minimisation and the re-use of waste materials through recycling. This links directly to procurement issues, where careful selection of materials, suppliers, process redesign for disassembly and reverse logistics can reduce the amount of wastes produced or facilitate recycling and re-use. Additionally, several studies (Hu and Wall, 2005; Corrigan, 1996; Chen et al., 2006; Porter and van der Linde, 1995; Chen, 2008, 2010) also revealed that environmental image not only can satisfy the customer's environmental desires and green needs, but can also increase their sales and enhance their competitive advantage.

The benefits of recycling materials, such as metals, plastics, glass, and paper products, are well documented (Smith et al 2001; WRAP, 2006; US EPA 2006), and varies with material, recovery rates, and the type of fossil fuel avoided. However, despite the popularity of waste management and some recent attempts to assess its effectiveness many companies are still unsure whether it can influence marketing outcomes effectively and, most importantly, how they might do so (Wood 2009). All the above authors are in agreement that there is a relationship between customer behaviour and a company's environmental practices however there is no clear indication of the effectiveness of waste recycling as a CSR strategy in establishing brand loyalty hence this research seeks to analyze the effectiveness of waste recycling as a way of establishing brand loyalty.

2.3 Chapter Summary

This chapter reviewed literature on brand loyalty and its types in relation to CSR. The CSR dimensions were defined and the descriptions reviewed. CSR variables were discussed and their brief description mentioned including their relation with brand loyalty. The next chapter will focus on the research methodology.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

In this chapter the researcher describes how the research study was be undertaken, this includesthe processes and tactics that will be employed and how the results were generated. This chapter therefore includes the research design, sampling methods and sampling techniques, research instruments, collection, presentation and analysis of data.

3.1 Research Design

According to Shajahan (2005) research design refers to the specifications of methods and procedures for acquiring information needed to structure or solve problems .It is a plan of the methods and procedures that is used by researchers to collect and analyze data. It serves as a roadmap for the researcher on how to do the project understudy. The research design has tendency to make the most of the dependability of the data composed. There are three main types of research designs, which are the descriptive research, exploratory research and causal research. The researcher made use of the descriptive research design and exploratory research design.

3.1.1 Exploratory Research

According to Green (1998), exploratory research is used when the purpose of the study is to get an understanding of a notion or though so as to bring out or reveal a problem and ascertain ideas and insights in relation to the study in this case the problem is a fall in market share due to stiff competition being faced by the Chibuku brand. Exploratory research design was used because highlights on the unearthing of thoughts and insights and goes on further to increase understanding of the effectiveness of CSR in establishing brand loyalty. This enables the researcher to better understand the concepts of sponsorships, waste recycling and scholarship provision in establishing brand loyalty. Exploratory research includes perceiving and attending to people as they respond in a carefully constructed environment of enquiring, which will in turn lead to the creation of successful instruments for brand loyalty.

3.1.2 Descriptive Research Design

Descriptive Research is concerned with describing the characteristics of a certain group or individual, (Brar and Kular 2010) while, Ortinam (2003) asserts that descriptive research is typically concerned with determining the frequency with which something occurs or relationship between two variables. It is typically guided by an initial relationship between two variables. Descriptive research design is both qualitative and quantitative as the research seeks to collect data that permits the researcher to describe the CSR programs being studied. This design was more suitable for this study as it greatly helped in discovering the association of different variables and was easy to apply. In this research descriptive research design was used because of its ability to answer the questions how, where, when and why. It seeks to give facts in which decisions can be based. This helped to strengthen the reliability and validity of research findings.

Hence in descriptive research, there is description of specific facets of market purpose and character. The design enabled the researcher to understand characteristics of a definite problem which in this case is a declining customer base as a result of stiff competition. The appropriate instruments for this design were interviews and questionnaires to collect data .The researcher brought out the relationship between brand loyalty and corporate social responsibility at Delta Beverages with the main focus being the Chibuku products. The research also provided the researcher with necessary data to bring about more techniques to foster and increase brand loyalty

3.2 Target Population

Cox (2005) defined population in research as elements under observation and population includes all objects of interest in a particular study. Generally, population refers to any source of data for the study. Target population is wholesome list of components understudy. In these total components the sample was taken for easier review. The target population listed was because they are the ones involved in the operations of the company and they are in consistent contact with customers hence they had enough information that helped during the data collection for this study.

Table 3.1 target population

Subjects	Population	Target population
Customers	1200	120
Management	10	5
Total	1210	125

3.3 Sampling Methods and Techniques

There are basically two methods of sampling namely probability sampling and non-probability sampling. Probability sampling techniques are stratified random sampling, simple random sampling and systematic random sampling. Non-probability sampling techniques are convenience sampling, judgmental sampling, quota sampling and snowball. The researcher made use of probability sampling techniques. This is because in probability sampling minimise sample bias, helps in selecting units using probabilistic approaches and enabled the researcher to use statistical references. The researcher made use of stratified random sampling and simple random sampling.

3.3.1 Sample Frame

According to Kumar et al (1999), Sample Frame is a list of population members used to obtain a sample in which the researcher made some reference to. In this particular study, the sample frame included customers who purchase Chibuku products and management in the following Departments Sales and Distribution, production, operations and finance. The sample frame was used because the respondents are directly involved in the processes relevant to the researchers task hence they were able to provide relevant information.

3.3.2 Sample Size

Morgan and Krejcie (1970) developed a sample size model for different types of populations. The researcher used the modelFrame Work by Krejcie (1970)(see appendix 3) below is the sample size according to their findings.

Table 3.3 sample size

Subjects	Target population	Sample size
Customers	120	92
Management	5	5
Total	125	97

Sampling Procedure

3.3.3.1 Simple random Sampling

The random sampling technique involves selecting at random the required number of subjects under the study. The researcher used random sampling to select customers at different alcohol serving outlets. The researcher gave every customer who arrived in the outlet after every ten minutes spending an average of 2 hrs per outlet until the desired sample was achieved. This technique was used becauseit is easy to apply in selecting sample members and there was no bias in selecting sample members since each member from the targeted population had an equal chance of being selected and subjects participating were highly represented.

3.3.3.2 Stratified random Sampling

The researcher also made use of stratified random sampling for management. Stratified random sampling was used because a random sample is identifiable from groups and subgroups. In respect with stratified random sampling it ensured specific groups were represented proportionally. Thus the researcher picked 2 respondents per department. This method allowed the researcher to ensure selection of adequate numbers of subjects with appropriate characteristics to pick out employees that are highly involved with the day to day operations and stake holders and hence provided the researcher with relevant information about CSR programs adopted and their effectiveness in establishing brand loyalty.

3.4 Data Sources

The researcher made use of secondary and primary in this study.

3.4.1 Secondary Data

According to Churchill (1999) secondary data is statistics not gathered for the immediate study at hand. But for some other purposes these sources of data were made use of by the researcher to

compliment the primary data, and also assist in defining brand loyalty in the review of literature. The researcher will make use of sales reports, sales and distribution presentations and financial records for the period of 2012 to 2015 April.

3.4.2 Primary Data

According to Kotler (2011) primary data as information collected for the specific purpose at hand. It is firsthand information collected for the period of research and may be later used as secondary data. In this study it refers to the information collected from Delta customers and management. This data was collected through the use of questionnaires that acquired information on CSR programs being undertaken to establish brand loyalty.

3.5 Research Instruments

The researcher made use of questionnaires and interviews to collect primary data relevant for this particular study.

3.5.1 Questionnaire

According to Brar and Kular (2010), a questionnaire is an instrument used for seeking and recording data either by interviewing or observation of a meaningful measurement of data. This instrument was used by the researcher to enable standardization and uniform collection of data gathering process. The instrument was used mainly for walk in customers. The questionnaire serves as a permanent record of the research. Closed ended questions required the respondents to choose from a list of answers which lead to gathering relevant data. The respondents got a chance to fill in the questionnaire on an easy note and as well as express what they really needed to get across on the questions asked about how corporate social responsibility strategies contribute to brand loyalty. The closed ended questions allowed the respondents to have the same questions and set of answers hence a direct comparison will be made. The questionnaires were issued out to customers. Questionnaires were used as they are easy to translate and analyze.

3.5.2 Interviews

According to Gates (1996) Interviews are conversations made between the researcher and the correspondent for purposefully acquiring information from the respondent. This is another instrument that the researcher made use of when interviewing the management. The interviews compliment the data from the questionnaires. The researcher made use of face to face interviews to obtain an in-depth result of the information given that is CSR programs being employed by the

company. The researcher made use of an interview guide to refer so as to be directed in what to ask. The questions asked were in line with the research questions. Interviews were used as they provide clarity, opportunity to persuade for answers and enabled the researcher to deduce conclusions from other methods of communication such as gestures.

3.6 Data Collection Procedure

Pre-tests of the questionnaires were done. The questionnaires after being structured were given to colleagues to attempt to fill it. This assisted the researcher to clarifying aspects on the questionnaire so as to avoid ambiguity in the questions. After suggestions made the questionnaires were revised, corrected and issued out. Questionnaires were issued out to random customers and were collected soon after completion. For the Interviews the researcher made appointments with management. The interviews took place in the period given by the interviewees within an average time between10 and 15 minutes .

3.7 Validity and Reliability of Data

3.7.1 Pilot Study

Walliman (2011) postulates that a pilot study can be defined as a process whereby the researcher tests their research instrument in this case questionnaire to measure if questions asked are meaningful and purposeful for the study and also to measure the time taken by respondents to complete drafted questionnaires and check that the responses are clear and unambiguous. To ensure validity and reliability a Pilot study was done before the questionnaire were distributed to the intended respondent. The questionnaires were given to a few classmates in order to help correct any error and adjust language if not understandable. During data collection the researcher observed a high level of ethical conduct and used the information provided by Delta beverages only for academic purposes.

3.7 Data Presentation and Analysis

Data presentation will be simple and clear to allow easy analysis of the results and thus, the researcher used the chi square goodness of fit test to analyze data. The data collection findings were then presented tables. For analysis Quantitative techniques were also be used, percentages and averages so as to equip the research study with an in-depth overview of the research findings.

3.8 Chapter Summary

In this chapter, the researcher focused on the research design citing the different designs which were used. The target population was identified, and the different methods of sampling explained. These sampling methods were the basis to come up with the sample size as cited. Different sources of data were also highlighted in this chapter. Also, the research instruments used were explained and justified, as well as how they were administered. The next chapter will look at how the data collected was presentedand analysed.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0. Introduction

This chapter presents the research findings of the research. Data collected in this study is presented, described, analysed discussed and interpreted. The data will be presented using tables. The results of the study assisted the researcher to get an in-depth understanding of the study. The chapter attempts to answer the research objectives that prompted the research to be carried out. The chapter also presents a summary of the findings.

4.1 Response Rate

The researcher distributed questionnaires to the respondents under study and also conducted interviews. From the established sample size of 92 customers, 70% responded. Scheduled interviews completed were 60%. The overall response rate was 69%. The response rate was highly positive highlighted by Krejice (1970) allowing the researcher to obtain relevant information from the research which seeks to analyze the effectiveness of CSR in establishing brand loyalty. The information resulting from the data collected is illustrated and explained bellow.

Table 4.1 response rate:

Instrument	Respondents	Distributed	Completed	% Completed
Questioner	customers	92	64	70
Interview	**Respondents**	**Scheduled**	**Interviewed**	**% Interviewed**
	management	5	67	60
TOTAL		**97**	**93**	**69%**

4.2 Hypothesis results
Main objective: to establish the effectiveness of CSR in establishing brand loyalty.

Research objectives:

- To establish the effectiveness of sponsorships in establishing brand loyalty.
- To establish the effectiveness of waste recycling in establishing brand loyalty.
- To establish the effectiveness of donations in establishing brand loyalty.

This section will tabulate and make an analysis of the set objectives by assessing their effect on brand loyalty independently. The main objective for the researcher was to measure the effectiness of CSR strategies in establishing brand loyalty.Customers were asked to tick the strategy they considerd the most effective (among different listed variables) in influancing their decision to re purchase and recommend the Chibuku products to others.

The researcher tested the hypothesis using the Chi square goodness of fit test. Under the null hypothesis, the value of the X^2 statistics with the three degrees of freedom at 95% level of confidence is given in the X^2 table =7.81. Therefore for the null hypothesis to be accepted the test results should be 7.81 and below, if results are more than 7.81 H0 is rejected in favour of H1.

4.2.1 Effectiveness of Sponsorship in establishing brand loyalty
HO sponsorship was not effective in establishing brand loyalty

H1 sponsorship was effective in establishing brand loyalty

$X^2=\Sigma\ (Oi-Ei)^2/Ei$

$X^2=8.62$

Statistical decision: Since the computed value 8.62 is much larger than the tabulated value (7.81), we reject H0 which states that sponsorship was not effective in establishing brand loyalty and accept H1 which states that sponsorship is effective in establishing brand loyalty.

Hypothesis results as tested using the chi square goodness of fit test for the effectiveness of sponsorships in establishing brand loyaltyare indicated in table 4.2 below:

Table 4.2 hypothesis results.

sponsorship strategies	observed frequency of preference	expected frequency of preference	Oi-Ei	$X^2=\Sigma\ (O_i-E_i)^2/E_i$
scholarship provision	12	16	-4	1.0
sporting events	24	16	8	4.0
cultural events	19	16	3	0.56
television program	9	16	-7	3.06
Total	64	64		8.62

The statistical decision is also supported by the interview results with the management for Chibukuwho highlighted that they do believe sponsorship strategies have a positive effect when adopted with the intention of establishing loyalty. The sales and distribution manager also highlighted that some of their customers increased their orders during the running of the Chibuku super soccer cup proving the effectiveness of sports sponsorship in establishing brand loyalty

4.2.2 Effectivness of Donating in establishing brand loyalty
HO donating was not effective in establishing brand loyalty

H1 donating was effective in establishing brand loyalty

$X^2=\Sigma\ (O_i-E_i)^2/E_i$

$X^2=10.87$

Statistical decision: Since the computed value 10.87 is much larger than the tabulated value (7.81), we reject H0 which states that donating was not effective in establishing brand loyalty and accept H1 which states that donating was effective in establishing brand loyalty.

Hypothesis results as tested using the chi square goodness of fit test for the effectiveness of donations in establishing brand loyalty are indicated in table 4.3 below:

Table 4.3 hypothesis results

donation strategies	observed frequency of preference	expected frequency of preference	Oi-Ei	$X^2=\Sigma\ (Oi-Ei)^2/Ei$
Cash	21	16	5	1.56
employee volunteering	24	16	8	4.0
Goods	10	16	-6	2.25
fundraising for a cause	9	16	-7	3.06
Total	**64**	**16**		**10.87**

From the interview with operations manager, he indicated that most of their target customers do appreciate "freebies" both monetary and non monetary, placing an emphasis on that during market visits, bar man from outlets in which they had donated instore merchandise had mostly positive things to say about the company and mentioned they are frequant consumers of the Chibuku brand.

4.2.3 Effectivness of Waste recycling in establishing brand loyalty
HO waste recycling was not effective in establishing brand loyalty

H1 waste recycling was effective in establishing brand loyalty

$X^2=\Sigma\ (Oi-Ei)^2/Ei$

$X^2=3.5$

Statistical decision: Since the computed value 3.5 is less than the tabulated value (7.81), we accept H0 which states that waste recycling was not effective in establishing brand loyalty and reject H1 which states that waste recycling was effective in establishing brand loyalty.

Hypothesis results as tested using the chi square goodness of fit test for the effectiveness of waste recycling in establishing brand loyalty are indicated in table 4.4 below:

Table 4.4 hypothesis results

waste recycling strategies	observed frequency of preference	expected frequency of preference	Oi-Ei	$X^2=\Sigma\ (Oi-Ei)^2/Ei$
provision of litter bins	14	16	-2	0.25
use of recyclable materials	16	16	0	0
cages for recyclable waste	22	16	6	2.25
use of recycled materials	12	16	-4	1.0
Total	64	64		3.50

The production and packaging management interview results indicated that management were not happy about the extent of waste recycling effectiveness in establishing brand loyalty as most consumers did not show an interest in appreciating their environmental management efforts. However the Finance management mentioned that consumers should be in a position to agree that waste recycling strategies are effective in making them buy and recommend Chibuku products, further explaining that because the company is adopting waste recycling strategies it will experience low production cost which will be passed on to the consumers as low prices.

4.3.1 The effectiveness of sponsorship in establishing brand loyalty
- the results indicated the computed value, 8.62 is much larger than the tabulated value (7.81), hence the rejection of H0 which states that sponsorship was not effective in establishing brand loyalty and acceptance of H1 which states that sponsorship is effective in establishing brand loyalty. The effectiveness of sponsorship strategies is also backed up by the sales and distribution management stating an increase in orders and volumes per customer during the running of Chibuku Neshamwari dance festival and the Chibuku Super cup.

4.3.2 The effectiveness of donations in establishing brand loyalty
- Since the computed value 10.87 is much larger than the tabulated value (7.81), the null hypothesis was rejected which states that donating was not effective in establishing brand loyalty and accepted H1 which states that donating was effective in establishing

brand loyalty. Management from finance department highlighted that the company was not eager to administer cash donations as customers would abuse the funds hence has preferred to donating merchandise for use in Chibuku selling outlets was a better strategy

4.3.3 The effectiveness of waste recycling in establishing brand loyalty

- The computed value 3.5 is less than the tabulated value (7.81), we accepted H0 which stated that waste recycling was not effective in establishing brand loyalty and reject H1 which states that waste recycling was effective in establishing brand loyalty. Waste recycling is not effective in establishing brand loyalty. Most consumers were not familiar with the recycling strategies but however did say if the company contributed to a cleaner environment by providing bins but however mentioning that it does not influence their decision to buy Chibuku products.

4.4 Summary

The aim for this chapter was to mention the findings and analyse the collected data for the research. The following chapter will revisit the research objectives, results will be summarised and recommendations for delta Beverages- Chibuku on how to establish brand loyalty will be pointed out.

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS

5.0 Summary

The main purpose for this research was to analyse the effectiveness of corporate social responsibility in establishing brand loyalty and the company under study was Delta Beverages- Chibuku.

Different scholar thoughts were reviewed through the use of text books, previous thesis and different articles in numerous journals. The different concepts from these scholars helped the researcher with the identification of gaps and covering them with the help of other views from various gurus in the field under study. Their views enabled the researcher to gain insight on different CSR programs and how they can best be used in establishing brand loyalty.

The major driving force for this study was the stiff competition being faced by the Chibuku brand resulting in a decrease in market share. Descriptive research and exploratory research designs were used to gather the relevant data from the company's employees, management and customers. A sample size totalling 97 respondents was used.

For data collection structured interviews were used for management and questionnaires for employees and customers. Out of 5 management personnel that were sampled for interviews, 3 were interviewed and from a total of 97 questionnaires distributed 67 were responded to. Respondent selection was through the use of probability sampling techniques thus simple random sampling and stratified random sampling. The evaluation was brought out and the major findings discussed bellow.

5.1 Major Findings

5.1.1 Effectivness of sponsorship in establishing brand loyalty
Statistically the results proved that sponsorship strategies are effective in establishing brand loyalty by 8.62 is much larger than the tabulated value (7.81), thus rejecting the null hypothesis and accepting H0 as there is a significant relationship between sponsorship and brand loyalty

5.1.2 Effectivness of donations in establishing brand loyalty
Donations are effective in establishing brand loyalty as indicated by the hypothesis test 10.87 is much larger than the tabulated value (7.81), thus rejecting the null hypothesis and accepting H1 as there is a significant relationship between sponsorship and brand loyalty

5.1.3. Effectivness of waste recycling in establishing brand loyalty
Hypothesis results indicated that waste recycling means are not effective in establishing brand loyalty as the hypothesis test 3.5 is less than the tabulated value (7.81), thus accepting the null hypothesis which states that waste recycling is not effective in establishing brand loyalty.

5.2 Conclusions

Data was gathered and results were analysed. From the results the researcher came up with the following conclusions.

5.2.1 Effectiveness of sponsorship in establishing brand loyalty

Delta Beverages Chibuku uses various sponsorship strategies with sport event sponsorship being the most effective with 38% of the respondents and scholarship provision being the least with 14% of the respondents. The hypothesis results proved that sponsorship strategies are effective in establishing brand loyalty by 8.62 is much larger than the tabulated value (7.81), thus rejecting the null hypothesis and accepting H0 as there is a significant relationship between sponsorship and brand loyalty

5.2.2 Effectivness of donations on establishing brand loyalty

The main donation strategies being undertaken by Chibuku include fundraising for a cause, cash, goods (in store merchandise, product, and equipment) and employee volunteering. Donations in the form of goods are the most effective as indicated by the 33% of the respondents and fundraising for a cause being the lease with 19% of the respondents. Donations are effective in establishing brand loyalty as indicated by the hypothesis test 10.87 is much larger than the tabulated value (7.81), thus rejecting the null hypothesis and accepting H1 as there is a significant relationship between sponsorship and brand loyalty

5.2.3 Effectiveness of waste recycling in establishing brand loyalty

From the conducted research waste recycling means being undertaken by Chibuku are not effective in establishing brand loyalty as indicated by the hypothesis resultsthat waste recycling means are not effective in establishing brand loyalty as the hypothesis test 3.5 is less than the tabulated value (7.81), thus accepting the null hypothesis which states that waste recycling is not effective in establishing brand loyalty.

5.3 Recommendations

5.3.1 Effectiveness of sponsorship in establishing brand loyalty

Customers were suggesting that the company can engage in the sponsorship of more sports besides soccer and adopt strategies that can also capture the female audience. Shank (2009) regards sponsorship in sports entity supports organisational objectives, marketing and

promotional activities thus will have positive returns for the company as it is a communication tool that can reach a large audience. Some customers suggested that the company should sponsor some community based cultural activities. Hence the sponsoring of the arts should be expanded across cultures with different strategies for the different cultures. Lin (2004) illustrated that businesses get returns from contributing to the arts. Dean (2002) postulates that most customers had favourable perceptions of companies following charitable sponsorship and did not view them as acting out of self interest.

5.3.2 Effectiveness of donations in establishing brand loyalty

The company could invest more on unconditional donations as respondents highlighted that they prefer to associate with companies who do more for their communities without neccessarilly expecting high returns. Consumers were suggesting donations in the form of products, proze money and equipment during community functions. Duncan (2005) in Landreth (2007) highlighted that companies recognising the importance of non-profit cause and customer response towards it can generate high returns. Schmeltz (2001) is in support for the idea that donations can increase positive attitude towards the brand as well as significantly increase purchase intentions. As a result different donation strategies do help in the establishment of brand loyalty.

5.3.3 Effectivness of waste recycling in establishing brand loyalty

The company should employ waste recycling stragies that are more visible to the customers so they can associate the company efforts with the brand.Carrigan et al (2001) suggested that most consumers are not aware of the environmentally responsible brands.the company could also place visible recycle logos on their product packages in order to reach to their customers so that these waste recycling strategies will be effective in establishing brand loyalty.

5.4 Recommendations for Further Research

This research study focused on the effectiveness of CSR in establishing brand loyalty in the fast moving consumer goods (alcoholic beverages) market. Only 3 techniques were used. Therefore the researcher recommends that a similar study be done in a service based company using other techniques such as ethical labour practices, green marketing and taxation issues so a balance of

the effectiveness of CSR programs in establishing brand loyalty both in the service and manufacturing sectors is achieved

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Appendix 1

Midlands State University

P.Bag 9055

Gweru

THE operations manager

Delta beverages Sorghum beer manufacturing

Fair bridge

Bulawayo

Dear Sir/Madam

Re: Application for permission to conduct a research at Delta Beverages Fairbridge.

I am a fourth year student at the Midlands State University studying towards a B.Com Honors Degree in Marketing Management. I would like to seek your approval to carry out my research with your organization on the topic: An analysis of the effectiveness of corporate social responsibility in establishing brand loyalty case of Delta Beverages-Chibuku. Information collected shall remain private and confidential at all times and will be used for academic purposes only.

Your approval will be greatly appreciated

Yours faithfully

DuduzileMoyo

Appendix 2

INTERVIEW GUIDE FOR MANAGEMENT

1. Which CSRprograms do you undertake?
2. Are the CSR programs independently effective enough in establishing brand loyalty?
3. How often do you engage in CSR programs? And for what reason?
4. Have you noticed any increase in brand loyalty during the periods when you are running CSR programs
5. In what other ways are you reaching out to your stake holders in ensuring they remain loyal to your brand?
6. What other CSR programsare you engaging in to establish brand loyalty?

Appendix 3

CUSTOMER QUESTIONER

My name is **DuduzileMoyo**a final year Bachelor of. Commerce In Marketing Management (Hons) Degree student at the Midlands State University. I have a questionnaire meant for the collection of information to address the research which seeks: *To analyzethe effectiveness of corporate social responsibility (CSR) in establishing brand loyalty Case of Chibuku-Delta beverages.* The research is being undertaken as a partial fulfilment of the requirements of the bachelor of commerce honours degree in marketing at the Midlands State University. The results will benefit   customers in familiarizing themselves with CSR programs being undertaken by Delta. This questionnaire will be will remain anonymous and will be used for academic purposes only. Its completion will take an average of 8 minutes and will be collected as soon as it is completed. Your assistance is greatly appreciated. Please answer the questions given below by either placing a tick in the boxes provided of filling in the spaces provided.

Section A: General questions

1. Kindly indicate your gender

   Female ☐   Male ☐

2. Please indicate your age group

   18-26 years ☐   27 - 35years   36- 44 years ☐ over 50 years ☐

3. Which of the Following products of the Chibuku brand do you consume?

   Scud ☐

   Shake-Shake ☐

   Chibuku super ☐

Section B:

4. In the table below please tick the sponsorship strategy you consider as the most effective in making you buy and recommend Chibuku brand products.

Sponsorship strategies	Most effective
Scholarship provision	
Sporting events	
Cultural events	
Public television program	

5. In the table below please tick the donation strategy you consider as the most effective in making you buy and recommend Chibuku brand products

Donating strategies	Most effective
Cash offering	
Fundraising for a cause	
Employee volunteering	
Goods (e.g. equipment, food, Chibuku products)	

5. In the table below please tick the waste recycling strategy you consider as the most effective in making you buy and recommend Chibuku brand products

Waste recycling strategies	Most effective
Provision of litter bins	
Use of recyclable materials	
Use of recycled materials	
Provision of cages for recyclables	

Thankyou

Appendix 4

Frame Work by Krejcie (1970)

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	1000000	384