THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND EQUITY USING MOBILE TELECOMMUNICATION NETWORKS (GHANA) AS THE CASE.

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A DISSERTATION SUBMITTED TO THE SCHOOL OF ARTS AND SOCIAL SCIENCES
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2011
DECLARATION

I MOSES GYAMFI declare that;

a. This declaration has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree

b. The thesis is a result of my investigations, except where otherwise stated. All sources used in the production of this thesis are acknowledged by appropriate citation and explicit references and are included in the list of references that is appended.

c. I give my consent for this thesis, if accepted, to be available for photocopying and inter-library loan, and for the title and summary to be available to organizations external to Regent University College of Science and Technology.

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……………………………………… ………………………………………

Supervisor’s Signature  Date

Mr. Stephen Essel
DEDICATION

I dedicate this work to the Almighty God in appreciation of the wisdom, strength and determination He granted me throughout my work. I also appreciate the opportunity of attending such a great university and successfully completing my first degree course. My thanks also go to my family for all the support they have given me throughout my academic life. I will like to specially thank my wife, Pearl Enyonam Gyamfi, for all the sacrifices she made during the pursuit of the course.

I also dedicate this work to my three lovely boys, Osmond Nana Yaw Gyamfi, Erasmus Kojo Omari Gyamfi and Perry Nana Kwame Gyamfi for all the time I stole from them to complete this course, I ask for the Lord Blessings upon their life.
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I finally dedicate this work to every single person who has made any meaningful contribution into my life, both at Regent University and at Home.

I say God richly bless you all.
ABSTRACT

This dissertation examines the effect of Corporate Social Responsibility (CSR) on an organisation’s Brand Equity; using the headquarters of Mobile Telecommunication Network (MTN) in the Greater Accra Region as a case study. The study methodology was detailed structured questionnaires and personal interviews with four (4) management staff out of the total of fifteen (15) and thirty-Six (36) staff out of the total staff of (120).

The study finds that based on what respondents reported; ethical and altruistic reasons are the drivers behind MTN’s pursuit of CSR and this has led to positive benefits in enhanced corporate image, superior competitive advantage, better customer loyalty and trust among others. The study also finds that; CSR has a strong positive effect on Brand Equity in general and in particular; the parameters investigated – brand market positioning objectives, brand competitive advantage and brand stakeholder value. On brand market positioning objectives, both management and staff reported a positive performance; indicative of a close association between CSR and market positioning objectives, a pointer to CSR as an effective a market positioning strategic tool. CSR also had a positive effect on brand competitive advantage and brand stakeholder value. This observation was ascribed to CSR having generated a differential effect, higher brand knowledge and larger customer response.

Conclusively, the researcher asserts that the concept of CSR is beneficial for outworking strategic corporate goals and contributing towards social needs.
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INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Throughout the global market economies of developed and developing nations, Brand Equity has assumed immense strategic importance. Existing literature offers several underlying causes. The primary underlying cause according to notable scholars such as Mudambi (2002), Cretu et al (2007) and McElhaney (2008) is that; many businesses facing an unprecedented competitive environment due to the influence of globalisation and the impact of ICT have been forced to differentiate their products from their competitors in order to create more value and maximize productivity. Many studies have established that; the creation of a private brand is one unique way of achieving differentiation for competitive advantage with a range of benefits such as trust and customer loyalty (Keller, 2008); legal shelter from imitations (Kapferer, 2004) and enhanced corporate image (Lindemann, 2004).

Considering the fact that, corporate organisations will relate to different stakeholders along the business cycle, management of corporate brands tend to align their behaviour with the norms and demands of their key stakeholders. This management behavior falls within the concept of Corporate Social Responsibility [CSR] which is underpinned by the strategic management theory that says managers can add value to an enterprise by taking into account the social and economic effects of an enterprise’s operations when making decisions (Freeman, 1984). Within this context, CSR is used as a major corporate branding tool worldwide. Ghana is no exception. Records show that Ghana’s business community is replete with various CSR programmes ranging from staff professional & personal development to philanthropic schemes such as
provision of money and equipment for schools, medical services and water supplies to impoverished communities (Ghana Business Code, 2008). CSR activities in Ghana’s telecommunication sector are particularly pronounced. With 6 licensed telecommunications companies and population penetration of 55% (NCA, 2009), competition is very stiff. It appears telecommunication providers in Ghana are exploring all forms of CSR to maintain their market positions and/or expand their market frontiers.

One such telecommunication company is Mobile Telecommunications Network [MTN]. Since 2005, MTN has consistently maintained a market share greater than 50%. As of July 2009, of the total mobile phone subscription of 10,242,916 in Ghana, the company had a subscriber base of 6,800,000 representing 52% of the telephony market (NCA, 2010). Aside investing heavily in network expansion initiatives to enhance speech quality, improve coverage intensity and to extend coverage to new areas; MTN has successfully integrated mobile telecommunication into development of a brand that has become a lifestyle. The CSR activities of MTN are very strategic with a fully fledged agency, MTN Foundation that manages the company’s CSR interventions in health, education and entertainment among others. The key objectives of the MTN Foundation are presented below:

- To establish a corporate social responsibility programme that seeks to enhance socio-economic development in our operating areas.
- To enhance the MTN brand in all operating areas of community development.
- To foster MTN teamwork values among MTN Ghana staff through a proactive Employee Volunteer Association supporting the Foundation’s activities wherever possible in consonance with MTN Ghana’s HR Group.
- Foster strategic partnerships through good corporate citizenship collaborations with other national/international partners and stakeholders in project implementation where required.

  Source: MTN Ghana, 2010

Against this background to the study and in the light of MTN’s CSR interventions in the highly competitive Ghanaian telecommunication industry, the connection between CSR and Brand Equity comes to the fore. This study will in effect endeavour to examine the effect of CSR on Brand Equity using MTN Ghana as a case study.

1.2 STATEMENT OF THE PROBLEM

Ghana is yet to fully take advantage of advanced telecommunication systems for accelerated economic growth. This observation is reflected in the modest mobile phone subscription of 55% (NCA, 2010) and rather low internet penetration of 4.2% (ITU, 2009). Nonetheless, with 6 licensed telecommunications operators (NCA, ibid) offering diverse products and services, market competition is very high. The sector is rapidly moving towards a converging point were the perceptions and/or misperceptions of customers become a determinant factor in decision making. The marked competition has brought in its wake the savvy consumer who is not only influenced by tangible attributes like price and quality, but with intangible features such as trust, brand association, reputation and image. Considering the free market framework of the telecommunication sector, customers are free to select or switch their service providers. The role of positive public opinion, popularity, recognition and reputation therefore become additional considerations to a brand’s price and quality (Jones, 2005). In this respect, a telecommunication company not only has to compete with its rivals, but it is also threatened by danger of not to be selected or crowded out of the marketplace. Empirical studies show that intangible aspects of
brand value often contain “emotional dimensions” (Mudambi et al, 1997) and brands based on intangible, emotive characteristics are seen as more durable and less likely to suffer from competitive erosion (Lynch & de Chernatony, 2004). Thus, the intangible, emotive aspects of brand equity may be important sources of sustainable competitive advantage. For this reason, the strategic focus on CRS interventions by the telecommunication sector may well indicate that brand equity is not only essential for business sustainability but a prerequisite for participating in emerging markets while maintaining older market niches.

1.3 OBJECTIVES OF THE STUDY

The objective of the study has been structured into two main areas as follows:

General Objective:

- To examine the effect of Corporate Social Responsibility on Brand Equity using Mobile Telecommunications Network [MTN] as a case study.

Specific Objectives:

1. To investigate the drivers behind the pursuit of CSR

2. To ascertain the relationship and effect (if any) of CSR and Brand Equity, Brand’s Stakeholder Value, Brand’s Market Position Objectives and Brand’s Competitive Advantage.

3. To make recommendations.

1.4 RESEARCH QUESTIONS

The driving research questions in relation to the background to the study and statement of the problem are as follows:

1. What are the drivers behind the pursuit of CSR for Brand Equity?
2. How does CSR relate to Brand Equity, Brand Stakeholder Value, Brand Market Positioning Objectives and Brand Competitive Advantage?

3. What are the recommendations (if any)?

1.5 SIGNIFICANCE OF THE STUDY

The findings of this study will present a detail empirical examination on the effect of CSR on Brand Equity from the perspective of a mobile telecommunication operator that is charting CSR as a corporate brand strategy. Secondly, the study will contribute to substantial gaps in literature. Studies into CSR in Ghana, it seems have tended to focus mostly on mining communities. The findings of this study will therefore enrich existing literature from a practitioner oriented perspective. Thirdly, whereas the study’s primary objective is confined within the scope of examining the effect of CSR on Brand Equity of MTN Ghana; it will also seek to draw parallels and best practices from other business organisations that practice CSR across the globe. It is envisaged that this will serve as a useful resource by contributing towards the understanding of CSR and Brand Equity in both developing and advanced market economies.

1.6 SCOPE OF THE STUDY

Considering the complexity and extensiveness of CSR and Brand Equity, it is essential that the entire scope of the study is defined. The study is a case study and it will generate data for analysis through topic-guided interviews with three senior executives of MTN Ghana and structured questionnaires that will be dispensed to 120 staff of company in the Accra Metropolis. Secondary data will also be consulted for the study. This will include in-house publications of MTN Ghana, journals, articles and research findings in both print and electronic format.
Theoretically, the study rests on Corporate Social Responsibility and Strategic Brand Management and how these interrelate to affect an organisation’s stakeholder value, market positioning objectives and competitive advantage. The Study is limited to MTN Ghana, and further restricted to management and staff of the Accra Metropolis.

CSR is conceptualised on the grassroots-based approach or triple bottom line perspective. The term "brand" is restricted to corporate brand [MTN Ghana] which is distinct from a product brand (Keller, 2000).

1.7 OUTLINE OF THE STUDY

The complete study will be covered in five (5) chapters. Chapter one will focus on the background to the study, statement of the problem and research questions in addition to the study objectives, significance and scope. Chapter two will explore relevant facts concerning the study by similar works under literature review. Chapter three will develop the conceptual framework and methodology. It will outline the design methods and sources of data as well examination of research methods and limitations. The actual analysis of the synthesised data will be presented in chapter four with a discussion of the findings. Chapter five will complete the study with conclusions and recommendations. Chapter five will be followed by references and appendices

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter reviews existing literature, research and documented materials on Corporate Social Responsibility and shows its impact on Brand Equity within the larger context of the study. For
this reason, the review covers the definitions of CSR and Brand Equity, history of CSR, types of CSR and the impact of CSR particularly on Brand Equity. The main sources of literature for this review are research papers, specialist books, the internet and in-house publications of MTN Ghana; the case study organization.

2.2 WORKING DEFINITIONS

The literature review first explores the definition of Brand Equity and CSR from notable authors before clarifying their usage in the study.

2.2.2 Brand Equity

Brand Equity is defined by the under listed authors as follows:

“The added value with which a brand endows a product.” - Farquhar (1989)

“A set of brand assets and liabilities linked to a brand, its name and symbol that add or subtract from the value provided to a firm and/or to that firm’s customers.” – Aker (1991)

“The enhancement in the perceived utility and desirability a brand name confers on a product” - Lassar and Sharma (1995)

“The value of a brand, based on the extent to which it has high brand loyalty, name awareness, perceived quality, strong brand associations, and other assets such as patents, trademarks, and channel relationships.” - Kotler et al. (1996)
From the above notable definitions, it can be discerned that Brand Equity has no universal definition. Knowles (2008) concedes that even though Brand Equity is widely accepted among different disciplines such as finance, accounting and marketing; there is no common agreed definition on it. This study adopts the definition of Aker (1991) which is broader and encompasses viewpoints from multiple disciplines.

The use of the term “brand” in the study is also used with respect to “corporate brand” which is distinct from product or service brand. Keller (2000) notes that; “a corporate brand is a powerful means for firms to express themselves in a way that is not tied to their specific product or services”. According to Gregory and Wiechmann (1997) “corporate brand puts the manifestations of identity in service of the brand, including the company’s name, symbols and logotype, nomenclature system and may be reflected in the company’s societal concerns or by the style of its architecture and decor, if these are intended to create a specific impression”. Gregory and Wiechmann (ibid) claim that by linking the corporate brand name with attributes and aspects like value, innovation, community mindedness, environmental consciousness and good management defines the role of the brand as a means to building a special relationship with its favourable target audiences.

2.2.3 Corporate Social Responsibility (CSR)

Corporate Social Responsibility does not have a universal accepted definition. Windsor (2006) for example, refers to CSR as an ‘embryonic and contestable concept’. CSR is also recognized by the terms Corporate Citizenship, Corporate Responsibility, Corporate Accountability, Corporate Philanthropy, Corporate Sustainability, Responsible Entrepreneurship and Responsible Business even though they refer to one and the same phenomenon (Boston College
Center for Corporate Citizenship 2007; McElhaney 2008). This study uses the term Corporate Social Responsibility [CSR].

Since CSR activities differ from firm to firm, each firm’s definition of CSR is unique. Brammer and Millington (2003) notes that firms that develop their CSR policies using a stakeholder model have different definitions than firms that use analysis of their market /non-market position (Baron 1995). CSR definitions are therefore varied. Generally, these definitions are company specific and dependant on the level of involvement of the company in the developmental issues of the community they operate in. This literature review categorises the divergent views of CSR into two: the Neo-Classical or Friedman view and the Pro CSR view. These two views are explained below.

2.3.1 Neo-Classical or Friedman View

The idea that corporations should pursue the interests of their shareholders, takes its starkest form in the sentiment expressed by Milton Friedman that “the social responsibility of business is to increase its profits” (Friedman, 1970). Friedman is very clear in stating that it is illegitimate for a corporation to act in a way that is detrimental to shareholder returns. Profit maximization is thus a moral imperative for corporate executives. The interests of groups other than the shareholders, should thus only be given weight to the extent that meeting these interests, also benefits the shareholders. The implication is that CSR is permissible only if it is insincere, i.e. used as an instrument to promote shareholder interests (Bakan, 2004). According to Kolstad (2006), this school of thought is the “Friedman” or “Friedmanian” view whiles Moir (2001) calls this view point of CSR the neo-classical view. According to him, the neo-classical view is the
view that the only social responsibilities to be adopted by business are the provision of employment and payment of taxes.

2.3.2 The Pro - CSR View
The pro CSR view is that organisations should consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment (Kankaria 2008). This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large. Some pro CSR views are given below:

The International Standards Organisation 26000 (2007) said,

“Social responsibility is the responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organization”

The World Business Council for Sustainable Development (2006) said,

“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”
According to the United Nations Industrial Development Organisation (2007), CSR should address issues of human rights, labour standards, environment issues, anti-corruption and transparency. The International Institute for Sustainability Development (2007) observes that in spite of the unavailability a uniform definition of CSR, there are elements that cut across CSR across the globe. These elements include:

- Community involvement, development and investment
- Anti-bribery and anti-corruption measures
- Corporate governance and ethics
- Sustainable development
- Involvement of and respect for diverse cultures and disadvantaged peoples

### 2.3.3 Stakeholders

The term stakeholder describes the various groups to whom a business is responsible to. It is defined as, “*any group or individual who can affect or is affected by the achievement of the organisation’s objectives*” (Freeman, 1984)). According to Clarkson (1995), stakeholders of a company can be placed into two categories; Primary and Secondary stakeholder groups.

Clarkson (ibid) defines primary stakeholders as being, “groups without whose continuing participation, the corporation cannot survive as a going concern.” These may include “shareholders and investors, employees, customers, suppliers and the government and communities under whose laws the company operates and to whom taxes and obligations are due”

*Secondary stakeholder group*

Secondary stakeholder group is defined as “those who influence/affect, or are influenced/affected by the corporation, but they are not engaged in transactions with the corporation and are not
essential for its survival” (Clarkson, ibid). These groups include institutions or organisations that do not directly impact on the company.

The United Nations Conference on Trade and Development UNCTAD (2008) identifies seven key stakeholder groups. These stakeholder groups according to the UNCTAD (2008) should be provided with accurate and measurable information about an enterprise’s action on CSR. These seven key stakeholders and their information needs based on UNCTAD (ibid) are reviewed briefly below:

The financial markets consist of various stakeholders, including shareholders, lenders, banks, rating agencies and analysts. While there are differences with regard to the information requirements of these entities, there is nevertheless a growing recognition within this stakeholder category of the importance of non-financial information, including corporate responsibility information, in the evaluation of long-term enterprise performance. Typically, they are not primarily concerned with improving CRS issues; rather, their concern is about the material impact these issues can have on the valuation of a company. CRS information required by the financial sector includes the financial consequences of such issues, the overall strategy of an enterprise, its risk and reputation management, compliance with laws and regulations, the consequences of plant additions or closures and similar decisions.

Other Stakeholders are Business partners which include potential or existing joint venture partners, suppliers and customers. Consumers, clients, Employees, surrounding community, civil society organizations and government institutions are all stakeholders in a company.

2.4 DRIVERS AND OPERATIONS OF CORPORATE SOCIAL RESPONSIBILITY
2.4.1 Classification of CSR

The term CSR may seem to describe philanthropic social responsibilities but scholars are of a different opinion. Scholars have divided CSR into types depending on the level of practice/undertaking. Lantos (2001) identifies three main types of CSR as follows:

- **Ethical CSR** - is morally mandatory and goes beyond fulfilling a firm’s economic and legal obligations, to its ethical responsibilities to avoid harm or social injuries, even if the business might not appear to benefit from this.

- **Altruistic CSR** - is the fulfilment of an organization’s philanthropic responsibilities, going beyond preventing possible harm (ethical CSR) to helping alleviate public welfare deficiencies, regardless of whether or not this will benefit the business itself.

- **Strategic CSR** - is fulfilling those philanthropic responsibilities which will benefit the firm through positive publicity and goodwill.

Carroll (1991) identifies four main classification of Corporate Social Responsibility, and these are as follows:

- **Economic responsibilities** - is a type of CSR whereby a company’s responsibilities are limited to being profitable for shareholders; providing good jobs for employees; and producing quality products for customers.

- **Legal responsibilities** - a company’s responsibilities extend to complying with the laws and playing by the rules of the game (obeying the laws that govern the conduct of businesses within the country).
- **Ethical responsibilities** - a company’s responsibilities extend to conducting business morally, doing what is right, just and fair, and avoiding harm.

- **Philanthropic responsibilities** - a company’s responsibilities extend to making voluntary contributions to society and giving time and money to good works. It is a commitment to doing what is best for the people and the community.

Greenburg (2005) depicts the various forms of Corporate Social Responsibility in hierarchical order (see figure 1 below) based on ideas drawn from Carroll’s work. Greenburg (ibid) indicates that a socially responsible company may go through the various stages; from the most basic stage of serving its financial needs before it realises the ultimate need of being philanthropic in its CSR actions.

**Figure 1: The Pyramid of Corporate Social Responsibility**

![Figure 1: The Pyramid of Corporate Social Responsibility](source: Greenburg, 2005)

Crook (2005) proposes four ways of looking at Corporate Social Responsibility as follows (see table 1 below):
- **Good management/ “win-win”** – it seeks to increase company profits as well as improving social welfare.
- **Borrowed virtue** – it reduces company profits but increases social welfare
- **Pernicious** – it increases company profits but reduces social welfare
- **Delusional** – it reduces company profits as well as reducing social welfare

**Table 1: Varieties of CSR**

<table>
<thead>
<tr>
<th></th>
<th>Raises Profits</th>
<th>Reduces Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raises Social welfare</td>
<td>Good Management</td>
<td>Pernicious CSR</td>
</tr>
<tr>
<td>Reduces Social welfare</td>
<td>Borrowed Virtue</td>
<td>Delusional CSR</td>
</tr>
</tbody>
</table>

*Source: Crook, 2005*

The views shared by the four scholars are not very distinct from each other because they all draw on the will of companies to carry out CSR. Altruistic and Strategic Corporate Social Responsibility as described by Lantos and Carroll (philanthropic and economic CSR) for example can be likened to Crook’s explanation of “borrowed virtue” and “good management.” This similarity is possible because “borrowed virtue” and “good management” as described by Crook seek to increase the wellbeing of the society; and in the same way altruistic and strategic CSR also seek to improve the wellbeing of the society in one way or the other. On the other hand, whereas Crook classifies CSR by emphasizing on two main variables; the
increase/decrease in profits versus increase/decrease in social welfare, Lantos and Carroll do not make such distinctions.

2.4.2 Implementation Methods

According to the International Institute of Sustainable Development (2008), there is no “one-size-fits-all” method for pursuing a corporate social responsibility (CSR) approach. Each firm has unique characteristics and circumstances that will affect how it views its operational context and its defining social responsibilities. This view seems to permeate literature reviewed for the study. This study broadly classifies CSR implementation methods into three; based on the level of commitment and participation:

The first approach is the aid/charity type of CSR. This approach is typically in response to pressing humanitarian concerns, natural disasters and poverty and health deprivations. Increasingly this approach has come under criticisms mainly because it does not build the capacity of recipients as observed by Ellis (2006)

The second approach is the stakeholder-based or community based initiative. It appears many companies are resorting to this CSR approach. Firms are more committed under this approach with elaborate policy framework or plan. Many large corporate organisations use this approach in Ghana (Business and Financial Times, April 7, 2006). The building of schools and clinics for instance largely fall under this category.

The third approach is the incorporation of any of the first two approaches into measurable local/international framework documents, conventions and pacts. This approach demands the
CSR programmes of participating firms to be fine-tuned to meet certain criteria with specific reporting and auditing standards. Examples of such frameworks include the UN Global Compact, Global Reporting Initiatives (GRI) and Accountability. However, while this approach seems uncommon in Ghana probably due to the high levels of commitments and implementation standards required; a local version of the UN Global Compact - *Ghana Business Code* [GHBC] has been adopted by the business community in Ghana. The GHBC is being promoted by the Association of Ghana Industries, Ghana Employers Association and Ghana National Chamber of Commerce & Industry. As of April 2011, the Ghana Business Code has 169 members ([www.ghanabusinesscode.com](http://www.ghanabusinesscode.com)).

2.5 IMPACT OF CSR ON BRAND EQUITY

This section of the literature review examines the impact of Corporate Social Responsibility on Brand Equity. Given the vast literature on the topic, the review crystallises the reported impact of CSR on Brand Equity into five inter-related issues as follows:

2.5.1 Corporate Image

According to McAdam and Leonard (2003) CSR impacts positively on corporate image particularly when brand building towards social values relates to CSR. McAdam and Leonard (ibid) note that given that brand building is strategic, and according to strategy the brand must reflect the values of a firm, the corporate responsibility values projected by a brand must be legitimate. If not, the risk of being perceived as dishonest or untrustworthy creates a lack of congruence that can negatively affect corporate image.

Blumenthal and Bergstrom (2003) say that corporate image is enhanced significantly when CSR is integrated under the umbrella of a corporate brand. Blumenthal and Bergstrom (ibid)
attributes enhanced corporate image to CSR by recognizing the magnitude of the brand promise; maintaining customer loyalty; maximizing investment that would be placed in CSR regardless of the brand; and avoiding conflict with shareholders. In other words, “branded CSR turns philanthropy from implicit delivery of the promise to an explicit one”. This becomes everyday more important as the public wants to know what, where, and how much brands are giving back to society (ibid).

2.5.2 Corporate Reputation

Gusstafsoon (2008) notes that CSR impacts positively on Brand Equity by building brand trust, a prerequisite for corporate reputation. According to Aaker (1991) the reputation component will create a positive intangible contribution to brand image and brand loyalty. This reputation will bring effectiveness and efficiency in marketing, trade leverage and so on that will affect sales and market share indirectly (ibid). Corporate reputation can also be seen in consumer behaviour where they find firms with community involvement more trustworthy, likable and prefer to purchase (Keller and Aaker 1998). According to researches Page and Fearn (2005) it is difficult to build strong brand through a poor corporate reputation, but there is no guarantee of success with a good reputation either. The impact of CSR on brand, trust, reputation and loyalty is shown in figure 2 below:

Figure 2: Impact of CSR on Brand, Trust, Reputation and Loyalty

![Diagram showing the impact of CSR on Brand, Trust, Reputation and Loyalty]
2.5.3 Value Creation and Financial Performance

The objective of every effective enterprise according to Cameron et al (2006) is value creation. Cameron et al (2006) report that traditionally, value creation has been defined in terms of financial metrics such as cost savings, revenue growth over and above profitability; but today enterprises adapt a more inclusive view to value creation by considering assessment of tangible assets as well as intangible assets through CSR.

The connection between CSR and value creation is that; in general, value has been created by enterprises to different stakeholders (but not a single stakeholder) when the benefits received surpluses the costs to those groups. In other words, “value is created when every stakeholder is made better them off than he or she would be without the organization” (Cameron et al 2006).

Ross (2008) shows the connection between CSR, value creation and financial performance. The thrust of his submission is; given that CSR aims at satisfying of different stakeholders, whether primary or secondary, it reduces conflicts among stakeholders within the organization which, in turn, enhances short-term profits. For example, the establishment of a well-developed after-sales service will satisfy customers and will reduce conflicts between customers and the firm. Also,
conflict among stakeholders damages the brand image of a firm that will reinforce the negative effect in the short run (Ross 2008). Hence, a CSR policy devoted to increasing financial performance through the reduction of conflicts among stakeholders will have a positive short-term impact on brand equity (ibid).

2.5.4 Competitive Advantage

Authors such as Hess, Rogovsky and Dunfee (2002) and Garriga and Mele (2004) contemplate the use of CSR practices towards secondary stakeholders as a positioning strategy to achieve a competitive advantage. Firms can increase their competitive advantage with the use of philanthropic activities close to the company’s mission. For example, a telecommunications company teaching computer network administration to students of a local community can gain their loyalty as potential new customers that will enhance firm’s Brand Equity (Mele 2004).

In a study by Bendixen, Bukasa, and Abratt (2003), they found that high Brand Equity is considered to be a competitive advantage since: it implies that firms can charge a premium; there is an increase in customer demand; extending a brand becomes easier; communication campaigns are more effective; there is better trade leverage; margins can be greater; and the company becomes less vulnerable to competition. Keller (2003) also notes that high Brand Equity generates a “differential effect”, higher “brand knowledge”, and a larger “consumer response which normally leads to better brand performance, both from a financial and a customer perspective.

2.5.5 Sustainable Development
According to the European Commission [EC] (2001) CSR enables firms to approach sustainability where economic, social and environmental aspects ties together. In its view the EC says CSR can be regarded as the business contribution to sustainable development (EC 2001).

Freeman et al (2004) also that CSR can contribute towards sustainable development. Their premise for this assertion is that, the purpose of observing CSR in business processes is to build value for all stakeholders in a long run perspective. Another perspective as to how CSR supports sustainable development has been furnished by Thelen (2006). Thelen (ibid) claims that by paying attention to the less salient stakeholders, a firm enhances their corporate brand and eliminates fears of corporate expropriation particularly in less developed countries. Schorn and Kittinger (2006) also note that because brand equity is a complex social phenomena, maintaining brand values through CSR lessens business risks than the higher risks and uncertainties imposed by a straight jacket sale and marketing programme.
METHODOLOGY

3.1 INTRODUCTION

Chapter three gives a presentation of the methodology that was employed in addressing the study objectives and research questions raised in chapter one. The chapter presents methodically the research design, population & sample, instrument design, data gathering procedure and data analysis as well as the limitations of the study.

3.2 RESEARCH DESIGN

The research design used was an exploratory case study which was designed to address the central research questions of the study. This objective was achieved by designing detailed questionnaires and personal interviews.

3.3 POPULATION AND SAMPLE

Mobile Telecommunications Network (MTN) was chosen as the case study organisation through purposive non-probability sampling. The criteria for selecting MTN Ghana Limited are presented below:

- MTN is listed as a member of Ghana Club One Hundred (the best performing 100 companies in Ghana) published by the Ghana Investment Promotion Council (GIPC).
- MTN meets the GIPC’s guidelines of determining the Corporate Social Responsibility of Companies in Ghana. These guidelines include a company’s investment in health, education, poverty, environment, issues relating to social vulnerability and contribution to sports development.
- MTN’s operations are nationwide.
MTN’s CSR activities are reported across the Southern, Middle and Northern sectors of Ghana.

In all; two main set of population samples were used to solicit primary data for the study. The first sample consisted of thirty six (36) staff of MTN whiles the second sample was made up of four (4) management staff. Purposive non-probability sampling was used in selecting the two samples. Purposive non-probability sampling was chosen, because the researcher had determined to seek the views of specific pre-defined groups in mind; in this case the management and staff of MTN. For this reason, these two samples represented the key stakeholders (management and staff) who are involved in implementing CSR activities of the company.

3.4 INSTRUMENT DESIGN

The research instruments that were used to elicit primary data for this study were structured, self-administered questionnaires and personal interviews.

Questionnaires

The questionnaire was the main instrument for data collection. It was designed to solicit specific information from the two identified sample sets of MTN’s management and staff regarding their perspective on the Effect of Corporate Social Responsibility on the Company’s Brand Equity. Structured, self-administered questionnaires were the preferred instrument because; apart from ensuring anonymity, it allowed for specific information to be solicited, yet it was flexible enough for self-expression by the respondent. In this regard, two different sets of questionnaires were designed; one for each set of sample. A brief description of each set of the questionnaires is given below:

Management Questionnaires
The questionnaires for management were structured around three main sections. The first section examined the drivers of MTN’s Corporate Social Responsibility, the focal areas and benefits. The second section determined the criteria used by the Company in assessing its CSR programmes and the Company’s CSR effects based on the Company’s own criteria. The third section examined the effect of MTN’s CSR interventions in four benchmarked areas – namely; corporate reputation, corporate image, financial performance and competitive advantage.

**Staff Questionnaires**

The questionnaires for staff of MTN were structured into two main parts. The first part sought to profile the background of the respondents with respect to gender, education background, age and type of work. The second part sought respondents (MTN staff) perspectives on the benefits of CSR to their company. MTN staff were also asked to indicate their views on MTN’s CSR effect in the area of corporate reputation, corporate image, financial performance and competitive advantage.

**Questionnaire Format**

The questionnaires for both MTN management and staff were in simple everyday English language. Respondents therefore had no difficulty in understanding and completing them. The design included close ended questions with tick boxes and scales of importance.

**Mode of Administering Questionnaires**

The mode of administering the questionnaires was by hand delivery. Follow-ups were made to retrieve administered questionnaires through telephone calls and personal visits.
Interviews
The second research instrument or tool that was employed to generate primary data for the study was personal interviews. The preference for this research instrument was that; it served as a means to probe further the responses given in the questionnaires. Three management staff of MTN granted personal interviews to the researcher.

3.5 DATA GATHERING
Data gathering for the study involved two main stages. First, preliminary informal interview was conducted with the Human Resource Director of MTN at the company’s headquarters. This exercise was useful in making contacts with key officials and getting assurances of cooperation. The second stage involved the distribution of the questionnaires and conducting interviews; followed by data collation and analysis.

3.6 DATA ANALYSIS
The primary data obtained from the field was analysed by the use of descriptive statistics (qualitative), averages, percentages, basic frequency distribution and presented in graphs and tables (quantitative).

3.7 RESEARCH LIMITATIONS
The under listed are the limitations of this study:

- This study examined MTN’s CSR on Brand Equity from the perspectives of selected management and staff of MTN. The perspectives of MTN’s customers, regulatory agencies and beneficiaries of the Company’s CSR interventions were not considered in the study
The availability of research literature on the subject of *Effect of CSR on Brand Equity* in the Ghanaian context which will help broaden the scope of statistical comparisons and inferences was very limited.

*Applicability of work:* This study was conducted in only one branch of MTN in the Greater Accra Region of Ghana. Since MTN has many branches across Ghana, the sample size deployed may not be representative. Hence inferences made to this study should be put in the proper scope of the study.

**CHAPTER FOUR**

**RESULTS AND DISCUSSION**
4.1 INTRODUCTION

The primary data for the study was elicited through structured self-administered questionnaires with four (4) management staff and thirty six (36) staff of MTN; the case study organisation. The chapter is divided into two main sections. The first section presents the results of the analysed data in relation to the research questions raised in chapter one. The second section discusses the results of the study.

4.2 FINDINGS OF THE STUDY

4.2.1 Questionnaires from Management

A total of ten questionnaires were dispensed to management, however only three questionnaires were completed and returned representing a response rate of 40% and non-response rate of 60% respectively. The questionnaires for MTN management staff covered four main areas. They include the following:

- Drivers and Focal areas of Corporate Social Responsibility
- Benefits of CSR by MTN
- Effect of CSR on Brand Equity
- Factors accounting for the effect of CSR on Brand Equity.

4.2.1.1 Drivers and Focal Areas of Corporate Social Responsibility

Drivers of Corporate Social Responsibility:
From Table 4.4 below, it can be seen that MTN’s Corporate Social Responsibility is driven primarily by ethical reasons (75%) followed by altruistic (25%) reasons.

**Table 4.1: Drivers of MTN’s CSR**

<table>
<thead>
<tr>
<th>Drivers of CSR</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Reasons</td>
<td>3</td>
<td>75.0</td>
</tr>
<tr>
<td>Altruistic Reasons</td>
<td>1</td>
<td>25.0</td>
</tr>
<tr>
<td>Summation</td>
<td>4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Primary Data*

**Focal Areas of CSR:**

According to the management staff, MTN focuses on four broad areas of CSR. These four focal areas; ranked in order of importance are health, community development, sports and entertainment and capacity building programmes as presented in Table 4.2 below.

**Table 4.2: Focal Areas of CSR**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Focal Area of CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Health</td>
</tr>
<tr>
<td>2.</td>
<td>Community Development</td>
</tr>
<tr>
<td>3.</td>
<td>Sports and Entertainment</td>
</tr>
<tr>
<td>4.</td>
<td>Capacity Building Programmes</td>
</tr>
</tbody>
</table>

*Source: Primary Data*

4.2.1.2 Benefits of Corporate Social Responsibility by MTN
Assessing the benefits derived from CSR, all the management staff respondents claimed that MTN has benefited from CSR even though there are variations in responses. Using a scale of 1 – 5, 1 being the least and 5 being the highest; greater than two-thirds of the sample scored 4 and above for the delineations of enhanced corporate image, superior competitive advantage, better customer loyalty and positive financial performance as benefits derived from CSR. This breakdown is presented in Table 4.3 below.

Table 4.3: Benefits Derived from Corporate Social Responsibility by MTN

<table>
<thead>
<tr>
<th>Benefits of CSR</th>
<th>Scale</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>I. Enhanced corporate image</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>II. Superior competitive advantage</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>5.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>III. Better customer loyalty and trust</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>IV. Positive financial performance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Primary Data

4.2.1.3 Effect of CSR on Brand Equity

In determining whether or not CSR has any effect on Brand Equity, three parameters of Brand Equity were assessed. The three parameters relate to the “market positioning objectives of MTN”, “competitive advantage of the MTN brand” and “stakeholders who identify with the
MTN brand”. From the findings, management staff are assertive that CSR has a positive effect on Brand Equity. With regard to “market positioning objectives”, 3 respondents (75.0%) indicated a positive impact, followed by 1 respondent (25.0%) who indicated a fairly positive effect. On “competitive advantage” of MTN, 2 respondents (50%) indicated a fairly positive effect, followed by the other 2 respondents (50%) who indicated a positive effect. The effect of MTN’s CSR on its “stakeholders” also indicates a positive effect. All the management staff respondents (100%) indicated that MTN’s CSR has a positive effect on its stakeholders. The range of responses on MTN’s CSR on market positioning objectives, competitive advantage of the MTN’s brand and stakeholders who identify with the MTN brand from the perspective of MTN staff respondents are given in Table 4.4, Table 4.5 and Table 4.6 below.

Table 4.4: Effect of MTN’s CSR on Market Positioning Objectives

<table>
<thead>
<tr>
<th>Effect</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>3</td>
<td>75.0</td>
</tr>
<tr>
<td>Fairly positive</td>
<td>1</td>
<td>25.0</td>
</tr>
<tr>
<td>Summation</td>
<td>4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 4.5 Effect of MTN’s CSR on its Competitive Advantage

<table>
<thead>
<tr>
<th>Effect</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>2</td>
<td>50.0</td>
</tr>
<tr>
<td>Fairly positive</td>
<td>2</td>
<td>50.0</td>
</tr>
<tr>
<td>Summation</td>
<td>4</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 4.6: Effect of MTN’s CSR on its Stakeholders

<table>
<thead>
<tr>
<th>Effect</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>4</td>
<td>100.0</td>
</tr>
<tr>
<td>Fairly positive</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Uncertain</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Summation</td>
<td>4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.7: Factors Accounting for the Effect of MTN’s CSR on Brand Equity

<table>
<thead>
<tr>
<th>ASSIGNED FACTORS</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. CSR has enhanced MTN’s corporate image by presenting MTN as an ethically/socially responsible organisation.</td>
<td>0 0.0%</td>
<td>0 0.0%</td>
<td>0 0.0%</td>
<td>1 25.0%</td>
<td>3 75.0%</td>
</tr>
<tr>
<td>II. CSR has helped build MTN’s corporate reputation by building trust and customer loyalty.</td>
<td>0 0.0%</td>
<td>0 0.0%</td>
<td>0 0.0%</td>
<td>2 50.0%</td>
<td>2 50.0%</td>
</tr>
</tbody>
</table>

4.2.1.4 Factors Accounting for the Effect of MTN’s CSR on Brand Equity

The reasons assigned by the management respondents for their perceived effect of MTN’s CSR on Brand Equity offer a deeper insight into what might have accounted for their choices as presented in Table 4.7 below.
As presented in Table 4.7 above, MTN management staff respondents were asked to indicate their level of agreement (strongly disagree, disagree, neutral, agree, strongly agree) on the impact of MTN’s CSR in four benchmarked delineations – Corporate Image, Corporate Reputation, Financial Performance and Competitive Advantage. With regards to Corporate Image, whereas 1 respondent (25.0%) strongly agree; the other 3 respondents (75.0%) agree that CSR has enhanced MTN’s corporate image by presenting MTN as an ethically/socially responsible organisation. On Corporate Reputation, 2 respondents (50.0%) strongly agree whiles the other 2 respondents (50.0%) agree that CSR has helped to build MTN’s corporate reputation by building trust and customer loyalty. The response on Financial Performance indicates strong positive impact of MTN’s CSR on its financial performance but it weaker in comparison to the responses on corporate image and corporate reputation. This is because whereas 2 respondents (50.0%) agree; the other 2 respondents (50.0) are neutral that CSR interventions by MTN have impacted positively on the bank’s financial performance. On the level of agreement on the impact of MTN’s CSR on MTN’s Competitive Advantage, 2 respondents (50.0%) strongly agree, whereas 2 other respondents (50.0%) agree that CSR has impacted positively on MTN’s
competitive advantage by generating a differential effect, higher brand knowledge and larger customer response.

Summarising the above responses, it is discernable that the *degree of impact* of MTN’s CSR and the *factors accounting for its impact* show variations in the delineations measured. On the one hand MTN’s CSR has a stronger positive impact on Corporate Image, Corporate Reputation and Competitive Advantage than on Financial Performance. This is reflected in the positive aggregate score (strongly agree and agree) of 100% for Corporate Image, 100% for Corporate Reputation and 100% for Competitive Advantage and 50% for Financial Performance. On the other hand the differences in the assigned factors show that MTN’s stronger positive Corporate Image can be ascribed to the belief that MTN is *ethically and a socially responsible organisation*, that of Corporate Reputation to *trust and loyalty* and that of Competitive Advantage to *higher brand knowledge/awareness* and *larger customer response*.

4.2.2 Questionnaires from MTN Staff

A total of seventy (70) questionnaires were dispensed to the headquarters of MTN in the Greater Accra Region. Thirty six (36) questionnaires were completed and returned indicating response rate of 51.4% and non non-response rate of 48.6%. The questionnaires for MTN staff covered four main areas as follows:

- Background of respondents
- Benefits of CSR by MTN
- Effect of CSR on Brand Equity
- Factors accounting for the effect of CSR on Brand Equity

4.2.2.1 Background of Staff Respondents
Gender & Age:
The aggregate sample of MTN management staff was 36. This was achieved through purposive non-probability sampling. The gender demographic data of the sample varied slightly. Females constituted 19 respondents (52.7%) while males accounted for 17 respondents (47.3%) respectively.

From the responses on age demographic (using five class age brackets: 18-25, 26-35, 36-45, 46-55 and 56 years and above), the modal class was 26 – 35 years recording 66.6%. This is followed by 18 – 25 years (25%) and 36 – 45 years (8.4%) respectively. This age demographic information is presented in table 4.8 below.

Table 4.8: Age demographic of staff

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 25 years</td>
<td>9</td>
<td>25.0</td>
</tr>
<tr>
<td>26 – 35 years</td>
<td>24</td>
<td>66.6</td>
</tr>
<tr>
<td>36 – 45 years</td>
<td>3</td>
<td>8.4</td>
</tr>
<tr>
<td>Summation</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data

Education Background of Staff:
As presented in Table 4.9 below, 23 respondents (63.8%) have tertiary education background in contrast to 7 respondents (19.5%) who have secondary education background and 6 respondents (16.7%) who have postgraduate education background.
Table 4.9: Education Background of Staff

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary</td>
<td>23</td>
<td>63.8</td>
</tr>
<tr>
<td>Secondary</td>
<td>7</td>
<td>19.5</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>6</td>
<td>16.7</td>
</tr>
<tr>
<td>Summation</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Primary Data*

Work Experience with MTN:

From the staff aggregate sample of 36; 21 respondents (58.3%), fall within the 1- 4 years employment bracket; followed by 15 respondents (41.7%) in the 5 – 8 years bracket. This information is given in Table 4.10 below.

Table 4.10: Staff’s Employment Duration with MTN

<table>
<thead>
<tr>
<th>Number of Years at SCB</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 4 years</td>
<td>21</td>
<td>58.3</td>
</tr>
<tr>
<td>5 – 8 years</td>
<td>15</td>
<td>41.7</td>
</tr>
<tr>
<td>Summation</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Primary Data*

4.2.2.2 Staff’s Perspective of Benefits of Corporate Social Responsibility
Assessing the benefits derived from CSR, all staff respondents concurred that MTN has benefited from CSR although there are variations in responses. Using a scale of 1 – 5, 1 being the least and 5 being the highest; greater than two-thirds of the staff sample ranked 4 and above for the delineations of enhanced corporate image, superior competitive advantage, better customer loyalty and positive financial performance as benefits derived from CSR. This information is presented in Table 4.11 below.

Table 4.11: Staff’s Perspectives on Benefits of Corporate Social Responsibility by MTN

<table>
<thead>
<tr>
<th>Benefits of CSR</th>
<th>Scale</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>I. Enhanced corporate image</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>II. Superior competitive advantage</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>III. Better customer loyalty and trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>IV. Positive financial performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Primary Data

4.2.2.3 Effect of CSR on Brand Equity

According to the analysed data, staff of MTN who partook in the study are opined that MTN’s CSR has a positive effect on Brand Equity in all the parameters measured. With respect to
Market Positioning Objectives, 28 respondents (77.8%) reported a positive effect whiles 8 respondents (22.2%) reported a fairly positive effect. On Competitive Advantage; 25 respondents (69.5%) reported a positive effect while 11 respondents (30.5%) reported fairly positive effect. The effect of MTN’s CSR on Stakeholders is appraised by 22 respondents (61.1%) as a positive effect and 9 respondents (25%) as fairly positive. Notwithstanding this positive and strong effect however, 5 respondents (13.9%) are uncertain on the effect of MTN’s CSR on its Stakeholders. The effect of MTN’s CSR on its Market Positioning Objectives, Competitive Advantage and Stakeholders is presented in Table 4.12, Table 4.13 and Table 4.14 respectively.

Table 4.12: Effect of MTN’s CSR on Market Positioning Objectives

<table>
<thead>
<tr>
<th>Effect</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>28</td>
<td>77.8</td>
</tr>
<tr>
<td>Fairly positive</td>
<td>8</td>
<td>22.2</td>
</tr>
<tr>
<td>Uncertain</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Summation</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Primary Data*

Table 4.13 Effect of MTN’s CSR on its Competitive Advantage

<table>
<thead>
<tr>
<th>Effect</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>25</td>
<td>69.5</td>
</tr>
<tr>
<td>Fairly positive</td>
<td>11</td>
<td>30.5</td>
</tr>
<tr>
<td>Uncertain</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Summation</td>
<td>36</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Primary Data*
Table 4.14: Effect of MTN’s CSR on its Stakeholders

<table>
<thead>
<tr>
<th>Effect</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>22</td>
<td>61.1</td>
</tr>
<tr>
<td>Fairly positive</td>
<td>9</td>
<td>25.0</td>
</tr>
<tr>
<td>Uncertain</td>
<td>5</td>
<td>13.9</td>
</tr>
<tr>
<td>Summation</td>
<td>44</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary Data

4.2.2.4 Factors Assigned by Staff for the Effect of MTN’s CSR on Brand Equity

Table 4.15 below presents the factors that were assigned by MTN staff for the effect of MTN’s CSR on Brand Equity.

Table 4.15: Factors Assigned by Staff for the Effect of MTN’s CSR on Brand Equity

<table>
<thead>
<tr>
<th>ASSIGNED FACTORS</th>
<th>Strongly Agree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. CSR has enhanced MTN’s corporate image by presenting MTN as an ethically/socially responsible organisation.</td>
<td>28</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
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<td>77.8%</td>
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<tr>
<td>II. CSR has helped build MTN’s corporate reputation by building trust and customer loyalty.</td>
<td>31</td>
<td>0</td>
<td>0</td>
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<tr>
<td></td>
<td>86.1%</td>
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</tr>
<tr>
<td>III. CSR interventions by MTN have impacted positively on the bank’s financial performance.</td>
<td>20</td>
<td>0</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>55.6%</td>
<td>0.0%</td>
<td>22.2%</td>
<td>0.0%</td>
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</tbody>
</table>
IV. CSR has impacted positively on MTN competitive advantage by generating a differential effect, higher brand knowledge and larger customer response.

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<th>0</th>
<th>21</th>
<th>15</th>
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<tbody>
<tr>
<td></td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>58.4%</td>
<td>41.6%</td>
</tr>
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</table>

*Source: Primary Data*

From the findings presented in the Table 4.15 above, it can be deduced that MTN’s CSR has stronger positive effect on Corporate Image, Corporate Reputation and Competitive Advantage than Financial Performance. Besides, different factors were adduced for the performance of Corporate Reputation, Corporate Image and Competitive Advantage notwithstanding their strong positive effect.

### 4.3 DISCUSSION OF RESULTS

The results of this study based on the primary data elicited from management and staff of MTN was presented in the first section of chapter 4. This section discusses the results based on the research questions and study objectives outlined in chapter 1.

#### 4.3.1 What are the drivers behind the pursuit of CSR for Brand Equity?

The study has revealed that ethical and altruistic reasons are the drivers behind MTN’s pursuit of CSR (Table 4.1). MTN’s ethical and altruistic motive for embarking on CSR underscores a Pro-CSR leanings and perception. Lantos, a proponent of Pro-CSR belies that a firm’s mere belief in ethical CSR is not enough but morally mandatory and goes beyond fulfilling a firm’s economic and legal obligations to its ethical responsibilities to avoid harm or social injuries, even if the business might not appear to benefit from this (Lantos, 2002). The findings suggest that MTN is
in tune with ethical CSR and this may have a positive relationship with its reputation and market prospects. According to Singhapakdi et al (2001), ethics and social responsibility should have a positive impact on the success of an organization, because consumers make ethical judgments that are likely to influence their purchase.

### 4.3.2 How Does CSR relate to Brand Equity, Brand Stakeholder Value, Brand market Positioning Objectives and Brand Competitive Advantage?

The study has shown that based on what MTN’s management and staff reported; CSR has positive effect on market positioning objectives. From the findings, MTN’s management scored a positive aggregate score of 100% (table 4.4) whereas MTN staff also scored a positive aggregate score of 100% (table 4.12) for MTN’s CSR effect on market positioning objectives. The strong positive effect of MTN’s CSR on market positioning objectives shows the close association between CSR and Market Positioning Objectives even though MTN management cited ethical and altruistic reasons for embarking on CSR (table 4.1). Besides, the strong positive effect of MTN’s CSR on market positioning objectives is a pointer to the effectiveness of CSR as a market positioning strategy. Of this assertion, authors Hess, Rogovsky and Dunfee (2002) and Garriga and Mele (2004) wrote that firms contemplate the use of CSR practices towards secondary stakeholders as a positioning strategy to achieve a competitive advantage. Mele (2004) observed that by offering CSR activities firms in a community, a firm can gain the community’s loyalty as potential new customers that will enhance firm’s Brand Equity.

There is a strong positive effect of MTN’s CSR on its Brand Competitive Advantage. This observation supported by the perspectives of both MTN’s management and staff. Management respondents indicated a positive aggregate score of 100% (table 4.5) while staff respondents indicated a positive aggregate score of 100% (table 4.13). This strong competitive advantage of
the MTN brand brings into focus the underlying factors; in this case in relation with CSR. According to 100% of management respondents, the strong competitive advantage of the MTN brand is due to the fact that MTN’s CSR has generated a differential effect, higher brand knowledge and larger customer response (table 4.7). Similarly 100% of staff respondents share this same view articulated by management (table 4.15).

The perspectives of both MTN’s management respondents and staff respondents suggest that MTN’s CSR has a positive effect on brand stakeholder value. This observation can be explored from two dimensions. First, both management and staff report that MTN’s CSR has a positive effect on stakeholders. Whereas management respondents score an aggregate positive effect of 100% (table 4.6), staff indicate an aggregate positive score of 86.1% (table 4.14) for MTN’s CSR effect on stakeholders’ value. Second; since overall stakeholders’ value is dependent on such factors as corporate image and corporate reputation (Ross 2008), the high positive effect given by both management and staff on corporate reputation and image (tables 4.7 & 4.15), could be interpreted to mean that MTN’s CSR has a positive effect on stakeholders’ value.

4.4 SUMMARY OF RESULTS

The study finds that the based on what respondents reported; ethical and altruistic reasons are the drivers behind MTN’s pursuit of CSR and this has led to positive benefits in enhanced corporate image, superior competitive advantage, better customer loyalty and trust besides positive financial performance, though to a lesser extent. The study also finds that; CSR has a strong positive effect on Brand Equity in general and in particular; the parameters investigated – brand market positioning objectives, brand competitive advantage and brand stakeholder value. On brand market positioning objectives, both management and staff reported a positive
aggregate score of 100% showing a close association between CSR and market positioning objectives. This close association is a pointer to the effectiveness of CSR as a market positioning strategy. In relation to brand competitive advantage, both management and staff indicated a positive aggregate score of 100%. This was ascribed to CSR having generated a differential effect, higher brand knowledge and larger customer response. CSR also has a strong positive effect on stakeholders’ value scoring high aggregate score of 100% and 86.1% from management and staff appraisals respectively.

CHAPTER FIVE

RECOMMENDATIONS AND CONCLUSION

5.1 RECOMMENDATIONS

On the basis of the study results some recommendations are presented below:

The need for a National framework for measuring CSR activities in Ghana is long overdue. Even though the Ghana Business Code for instance seeks to promote ethical CSR, its monitoring and watchdog role seem very limiting. Aside the voluntary and non-binding nature of CSR activities, without a clear cut national policy on CSR, CSR stands to be abused.

Documentation of CSR practices/activities by corporate organisations is another recommendation. In the interest of corporate organisations and academic research, such an
organised resource will be invaluable for analysing CSR trends, and making informed, evidence-based analysis, comparisons and inferences.

Other areas of research could attempt to determine the effectiveness of CSR reporting systems in Ghana.

5.2 CONCLUSIONS

On the strength of the findings, it is conclusive that CSR is very beneficial for both the outworking of strategic corporate goals and in contributing towards the needs of the broader society as a whole. Another conclusion that can be drawn from MTN’s CSR strong positive association with Brand Equity is the need for diversification of brand promotional tools. Whereas many telecommunication companies rely on conventional promotional methods such as outdoor advertising, promotional jingles and public relations expose usually at considerable expense, aspects or all of a company’s marketing positioning objectives can actually be achieved successfully on the back of CSR. Besides, a mix of traditional brand promotional approach with CSR may well be desirable, since the intangible, latent and emotive factors that influence customers decision-making can be best addressed by a range of factors such as customer loyalty, and perception of corporate image and reputation.
REFERENCES


“EFFECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON BRAND EQUITY: A CASE STUDY OF MTN GHANA”

The objective of this questionnaire is to find out from staff of MTN Ghana their perspectives on the impact of Corporate Social Responsibility (CSR) on an organisation’s Brand Equity. The questionnaire is for a dissertation and as such any information provided by respondents will be used for the intended purpose only.

Respondent’s Biodata

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<table>
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<tbody>
<tr>
<td>A. Sex:</td>
<td>Female</td>
</tr>
<tr>
<td>B. Age (years):</td>
<td>18-25</td>
</tr>
<tr>
<td>C. Number of years in Employment:</td>
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<tr>
<td>D. Educational Background:</td>
<td>Secondary</td>
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</tbody>
</table>

1. In your view, has your organisation benefited in any way through its Corporate Social Responsibility (CSR) programmes?
   - [ ] Yes
   - [ ] No

2. If Yes (to question 1), please state the benefits:
   ……………………………………………………………………………………………………………………………
   ……………………………………………………………………………………………………………………………
   ……………………………………………………………………………………………………………………………

3. Critics of CSR claim that the real motive for CSR initiatives is for the promotion of Corporate Brand (enhanced corporate image, brand promotion and differentiation). Do you agree with this view?
   - [ ] Yes
   - [ ] No

4. Please state your reason(s) for the above choice:
5. What is the impact of your organisation’s CSR on its stakeholders (staff, community etc)?
   - Positive  - Negative  - Uncertain
   Reason:
   …………………………………………………………………………………………………………………

6. How has CSR impacted on your organisation’s market positioning objectives?
   - Positive  - Negative  - Uncertain
   Reason:
   …………………………………………………………………………………………………………………

7. What is the impact of your CSR on your organisation’s competitive advantage?
   - Positive  - Negative  - Uncertain
   Reason:
   …………………………………………………………………………………………………………………

Please indicate below the level of your agreement with regards to your organisation’s CSR:

8. CSR has enhanced MTN Ghana’s corporate image by presenting MTN as an ethically/socially responsible organisation.
   - Strongly Agree  - Agree  - Disagree  - Strongly Disagree  - Disagree  - Neutral

9. CSR has helped build MTN’s corporate reputation by building trust and customer loyalty.
   - Strongly Agree  - Agree  - Disagree  - Strongly Disagree  - Disagree  - Neutral

10. CSR interventions by MTN have impacted positively on MTN’s financial performance.
    - Strongly Agree  - Agree  - Disagree  - Strongly Disagree  - Disagree  - Neutral

11. CSR has impacted positively on MTN’s competitive advantage by generating a differential effect, higher brand knowledge and larger customer response.
    - Strongly Agree  - Agree  - Disagree  - Strongly Disagree  - Disagree  - Neutral

Thank you.
The objective of this questionnaire is to find out from management of MTN Ghana their perspectives on the impact of Corporate Social Responsibility (CSR) on an organisation’s Brand Equity. The questionnaire is for a dissertation and as such any information provided by respondents will be used for the intended purpose only.

12. Please indicate below the drivers of MTN Ghana’s Corporate Social Responsibility.
- Ethical Reasons (to conduct business morally; do what is right, just and fair and to all)
- Philanthropic Reasons
- Altruistic Reasons (To make a difference in the community)
- Others (please specify) …………………………………………………………………………………………………

13. What are the focal areas of your CSR?
- Health
- Education
- Sports
- Capacity Building Programmes
- Community Development
- Others (please specify) …………………………………………………………………………………………………

14. Has your organisation benefited in any way through its CSR programmes?
- Yes
- No

15. If Yes (to question 3), please state the benefits:
…………………………………………………………………………………………………………
…………………………………………………………………………………………………………
…………………………………………………………………………………………………………
……………………………………

16. Critics of CSR claim that the real motive for CSR initiatives is for the promotion of Corporate Brand (enhanced corporate image, brand promotion and differentiation). Do you agree with this view?
- Yes
- No

17. Please state your reason(s) for the above choice:
18. Do you have any criteria/benchmarks for assessing the impact of your CSR programmes?
☐ Yes
☐ No

19. If No, (to question 7) how do you assess the impact of your CSR programmes?

If Yes (to question 7) please answer question 9, 10 & 11.

20. What is the impact of your CSR on your stakeholders (staff, community etc)?
☐ Positive ☐ Negative ☐ Uncertain
Reason:

21. How has CSR impacted on your organisation’s market positioning objectives?
☐ Positive ☐ Negative ☐ Uncertain
Reason:

22. What is the impact of your CSR on your organisation’s competitive advantage?
☐ Positive ☐ Negative ☐ Uncertain
Reason:

Please indicate below the level of your agreement with respect to your organisation’s CSR:

23. CSR has enhanced MTN Ghana’s corporate image by presenting MTN Ghana as an ethically/socially responsible organisation.
☐ Strongly Agree ☐ Agree ☐ Disagree ☐ Strongly Disagree ☐ Disagree ☐ Neutral

24. CSR has helped build MTN Ghana’s corporate reputation by building trust and customer loyalty.
25.CSR interventions by MTN Ghana’s have impacted positively on MTN’s financial performance.

26. CSR has impacted positively on MTN Ghana’s competitive advantage by generating a *differential effect, higher brand knowledge* and *larger customer response.*
APPENDIX: