

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES MASTER'S IN MARKETING MANAGEMENT – PROGRAME

# ASSESMENT OF THE SOCIALLY RESPOSIBLE MARKETING PRACTICE

### IN THE CASE OF BGI ETHIOPIA PLC

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#### **ENDORSEMENT**

This is to certifag	y that Daniel Fiseha, ca	arried this thesis "Asses	ssment of the socially
responsible marke	ting practice in BGI E	Ethiopia" submit in par	tial fulfillment of the
requirement for M	aster of Art degree in ma	arketing management fro	m St. Mary University
with my approval a	s university advisor.		

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# **DECLARATION**

I Daniel Fiseha, declare that this thesis titled "ASSESMENT OF THE SOCIALLY RESPOSIBLE
MARKETING PRACTICE IN THE CASE OF BGI ETHIOPIA PLC" is my original work: prepared
under the guidance of Assistant professor Hailemariam Kebede. All source of materials used for the
thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in
part or in full to any other higher learning institution for the purpose of earning any degree.

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# ABBREVATIONS/ ACRONYMS

**SRM**: Socially responsibility marketing

**CSR**: Corporate social responsibility

**PET:** Polyethylene terephthalate

**SKU**: Stoke keeping unit

**SMD**: Sales & marketing director

**NSM**: National Sales manager

**TMM**: Trade marketing manager

**PAC**: Public affairs and communication

#### Abstract

The concept of companies practicing socialty responsible marketing as a way to clearly communicate their positive social and environmental behaviors' to consumers and society at large has become wide spread throughout the world. This may imply extra opportunity or monetary cast to companies. However companies engage in socially responsible marketing aiming to take responsibility in reducing and if possible avoiding negative consequences of their operaions. Having this in mind, this study has been designed with the main objective of assessing the social responsible marketing practices of BGI Ethiopia PLc and to identify whether it aligns to the parameters stated as significant indicators of the Practice. The research was carried out through the use of case study design employed by using both qualitative and quantitative approaches. Both primary and secondary data collection instruments were used. Close ended as well as open ended questionnaire survey along with intrview was used for the purpose of data collection these were built from the variables staed in the conceptual framework which were drawn from the literature review. The selections of the respondents were carried out by using purposive sampling technique because it was believed that employees with more experience in the company have the exposure as well as understanding of the subject matter. The findings show that BGI's socially responsible Marketing practices are respectable in terms of incorporating the society's need for health and safety as well as concern for societal goals through avoiding unethical practices apart from their positive findings there are certain gaps that restrain effective implementation of socially responsible marketing activities by BGI. Code of conduct as well as standards of behaviour are given small emphasis by the employees' interms of awareness and application. The company also doesn't reinforce monitoring mechanisms for the employee's to execute code of conduct as well as standard of behavior in their tasks. Based on this, it is recommended that BGI should forward more effort into the code of conduct implementation as well as the gops under health and safety and unethical practices to have a well-rounded social responsible marketing practice.

#### **Key Words:**

Socially Responsible Marketing Corporate Social Responsibility Ethical Practice Environmental Impact and Code of Conduct.

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Background of the study

donation, 2016).

The idea of socially responsible marketing can be viewed as an extension of the concept of corporate Social Responsibility (CSR). CSR is promoted as a business model to help companies self-regulate, recognizing that their activities impact an assortment of stakeholders, including the public. CSR is sometimes described in terms a pyramid, starting with economic as its base, then legal, ethical, and philanthropic actions at the top. It is in the last two layers of the CSR pyramid, ethical and philanthropic, that socially responsible marketing opportunities appear the greatest. Meeting the first two layers, economic and legal, are necessary for a business to thrive to engage in the latter two (Kotler & Armstrong, 2008). Corporate responsibility goes hand in hand with social responsibility practices. This means administrators, executives, shareholders and stakeholders must practice ethical behaviors and join the community in promoting responsible marketing efforts, putting on appearances or greenwashing, the practice of deceptively promoting environmentally friendly processes or products, indicates to customers that the company is not committed to social responsibility and can ultimately hurt the brand and the company's success. Consumers often do their research and can see through gimmicks and slogans that are not genuine (investopedia, 2015). Since society and business work closely together, businesses should balance profit-making activities with activities that benefit society. When it comes to marketing, social responsibility has a great importance due to its practices which involve focusing efforts on attracting consumers who want to make a positive difference with their purchases (make-aSocial responsibility in marketing; it is often discussed with ethics. The difference between the two is that what's considered ethical in terms of business, society and individually may not be the same thing nor do all business actions necessarily have to be socially responsible to be considered ethical. Some viewpoints of socially responsible behavior advocate that the qualifying marketing actions not simply meet the minimum ethical guidelines of business, but voluntarily exceed them (Ferrell, O,C, & Hartline, 2011).

Social responsibility marketing is important because the practice involves focusing efforts on affecting customers who want to make a positive difference with the purchases.

Companies practice corporate social to clearly communicate their positive social and environmental behaviors to consumers and society at large. This may employ extra opportunity as well as monetary cost to companies. However, companies engage in SRM aiming to take responsibility in reducing and if possible, avoiding negative consequence of their operation.

In this research the socially responsible marketing practice of BGI Ethiopia plc were assessed. BGI Ethiopia plc is subsidiary member of Castel group. The brewery was established in Addis Ababa by Mr. Hal. He bought 20,000 Square Meters of land near the present-day Mexico Square in Addis Ababa. Soon after, with archaic machinery, 137 workers and raw materials imported from abroad, the factory started brewing St. George Beer. Production capacity did not exceed 200-300 bottles per day during that period.

In 1936, after the occupation of Addis Ababa, the Italians took over St. George Brewery. After the installment of new machineries and the expansion of production facilities & work force, the brewery was able to expand production and started to meet the increasing demand for 'modern' beer. With the Italians at the helm, production reached three to four thousand bottles of beer per day and the first draft beer was introduced packaged in wooden casks.

St. George Brewery's ownership was assigned to the private domain of Emperor Haile Selassie I and four other individuals after the expulsion of the Italian occupying forces 1941. During the 40's and 50's, beer drinking became popular among locals and St. George Beer became the undisputed champion in Ethiopia. This led to a major overhaul and expansion of the brewery to meet the growing demand. Throughout the 60's and 70's St. George Beer's popularity grew steadily along with the brewery's product portfolio with the additions of new brands like St. George Stout Beer; which was the first dark or Stout beer produced in Ethiopia and Pilsner Beer which was a blond Lager variety.

St. George Brewery was nationalized and handed over to The Ministry of Finance in 1974 when the military junta 'Dergue' came to power. In 1975, St. George Brewery's old maltery was revived to process locally sourced malt. Its expansion and modernization were completed in 1977, enabling it to satisfy its own malt needs and supply the surplus malt to other breweries. As well as improving and modernizing its brewing methods, preparation of fresh yeast also started, greatly improving the taste of St. George Beer. In the late 70's the iconic brand name St. George Beer and the St. George emblem logo was replaced with 'Addis Beer', until it was revived again in the late 90's when BGI Ethiopia took over ownership.

St. George Brewery resumed operation without much change except for few reshufflings and replacements to top management after the fall of The Dergue Regime in 1991. Towards the end of 1997; BGI (the brewery and beverage production wing of Castel Group) was established as BGI Ethiopia P.L.C. to facilitate private investments in the brewery sector; which was the first of its kind in Ethiopia. In the town of Kombolcha (Wollo), BGI Ethiopia established the first privately owned brewery by acquiring 47 Hectares of land and The Kombolcha brewery was officially, inaugurated, producing two brands; Bati Beer (which was a mainstream local brand) and Castel Beer (which is an international premium brand). In conjunction with operating its own brewery and producing its own beer brands, BGI Ethiopia

purchased the historic St. George Brewery and the iconic St. George Beer brand in December of 1998'. The brewery innovations were also introduced, including the first pasteurized draft beer. Throughout the 2000's, several expansion and modernization projects continued the two breweries (Addis and Kombolcha) increasing their combined production capacity from 500,000 Hl. to 1,400,000 Hl. In June 2011, BGI Ethiopia inaugurated its third and largest state of the art brewery in the town of Hawassa. BGI Ethiopia also continued to expand its products portfolio by introducing the Amber beer brand in 2012, which was the first of its kind in the country. By mid-2012, BGI Ethiopia has also ventured into the winemaking business, building and operating the first privately owned winery and vineyard in Zeway town with an initial investment of 22 Million USD and two years back the company own another two breweries at south and north of the country which is named zebider brewery(south) and Raya brewery(North) by now the company open job opportunities for more than 4000 employees.

#### **1.2** Statement of the problem

It was considered good if a company simply did not harm the environment. However, times have changed, and now employees and customers demand that a company do more than simply not be bad (moving Worlds, 2011).

The actual practices of social Responsibility in the developing world is not a widespread phenomenon. Even though most of CSR issues are included in the various laws and policies of the countries, their implementation is inevitably lagging; that may be due to lack of full awareness of the relevant practices and its consequences. Some companies are also reluctant to the implementation of such rules as costs might be a reason for them.

Though, developing countries firms are still in the initial level of development in their awareness and integration of socially responsible activities within their corporate policies and

strategies, which is reflected on the country's early stage of private sector development (Mandurah, Khat-ib & Al-Sabaan, 2012). While those managers are aware of the CSR concept and exhibit a positive attitude towards it, there is a gap between employee and top management attitude and perception of the concept.

A company's performance and business in general could not be measured solely by gaining economic profit to the organizations. Rather its shareholders and managers should be responsible for all others who directly or indirectly affect or are affected by a firm's business activities (Vitezie, 2011).

The motivation for social responsibility is likely to be strictly adjusted and the private sector cannot be expected to be effectively engaged in a sustainable social responsibility drive paradoxically, it is precisely in a developing country context that the need for socially responsible type initiatives is most delicate (Jamali & Mirshak, 2007).

In due fact presently all over the world consumers, employees and social communities have become more and more attentive of the social responsibility efforts of companies and base their relationship with them based on this. A stark and complex shift has occurred in how organizations must understand themselves in relation to a wide variety of both local and global stakeholders. Accountability is one of the processes whereby a company seeks to ensure integrity.

In addition, employees want to work for a company that serves the society as they are the key players that represent the company and bad reputation of the company means bad reputation for them. As to customers, as parts of the society they expect better business practices for the money they spent. Accordingly, they are more willing and loyal to a company that has the best interest of the society at heart which also implies sustainable long-term relationship between the two.

#### 1.3 Research Questions

This study was undertaken to assess the Socially Responsible Marketing Practices of BGI Ethiopia PLC. More specifically, possible solutions are provided to the following basic research questions.

- What is BGI's contribution to society's health and Safety development?
- How BGI's marketing practice takes into consideration societal expectation?
- How BGI's marketing practice complies with applicable code of conduct and is coherent with standards of behavior?
- Where BGI's has any further future plans to take better role in Social Marketing Practice?

#### 1.4 Objective of the Study

#### 1.4.1 General Objective

Assessment of the Socially Responsible Marketing Practices of BGI Ethiopia PLC

#### 1.4.2 Specific Objectives

Identify BGI Ethiopia's Socially Responsible Marketing practices in relation to

- To investigate BGI Ethiopia's marketing practice's contribution to Health & Safety program
- To examine whether BGI Ethiopia's marketing practice considers Societal Goals.
- To investigate whether BGI Ethiopia's marketing practice complies with applicable code of conduct and standards of behavior
- To investigate any future to better Socially Responsible Marketing practice

#### 1.5 Significance of the Study

Socially responsible marketing is becoming a necessity for businesses aiming long term sustainable relationship with customers. Even if this was not the case and Socially Responsible Marketing was optional. Businesses should still make it a core of developing their strategies because all stakeholders are part of the society and what is done by their marketing program affects them and those around them. Accordingly, the larger a company, the more marketing responsibility is expected by stakeholders.

It can be understood that BGI Ethiopia plc is a very large company whose marketing practices would greatly affect the society especially given the company holds 55% market share from other breweries.

In identifying the studied aspects of SRM the paper rated the company's standing in practices of socially responsible Marketing. Through this, strong standings of the company that can further be used in other companies/industries were identified while weak areas the company were pointed out.

#### 1.6 Scope and Limitation of the Study

The study addressed the Socially Responsible Marketing Practices of BGI Ethiopia Plc from the Viewpoint of Company Staff (Managers and Employees). As a result, the input from customers was not incorporated in this research.

Despite the subject matter/discipline being too broad if only focuses on referring appropriateness of marketing practices of the company and compliance of its marketing.

#### 1.7 Organization of the thesis

The research work is divided in to five chapters. Chapter one concerns itself with the general introduction grouped under the following headings: background of the study, statement of the problem, objective of the study, research question, scope and limitation of the study and

organization of the study. Chapter two involves the review of various related literature on relevant subject under the study. Chapter three include the various methods used for collecting data for the research work. These methods include administration of questionnaires interview and review of documents. Chapter four presents discussion and representation of result and provides analysis of data gathered for the study. Finally, the fifth chapter provides summary, conclusion, and recommendations.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Theoretical Literature

#### 2.1.1 Meaning of Socially Responsible/Irresponsible Marketing

Socially Responsible Marketing (SRM) socially responsible marketing (SRM), sometimes referred to as ethical corporate marketing or green marketing. Are practices that some companies adopt to acknowledge the larger social and environmental impacts of their products and services (Jones, 2015).

SRM signals to consumers that the company takes responsibility for and aims to reduce the negative consequences of its operation. These practices fall under the larger rubric of corporate social responsibility (CSR) but are easily conflicted with opposing practices: socially irresponsible marketing (SIM). More commonly referred to as green washing, the corporate practice of masking poor social/environmental records with deceptive ad campaigns that boast of their socially environmentally responsible behavior/commitment (Jones. 2015).

World practice for a long time has many diverse instruments of socially responsible marketing. Which allows to attract consumers and effectively influence their loyalty. For example, firm can organize a charity event. Or invest money in social projects. David D'Alessandro in his book "Brand Warfare" indicates that investing money in important event for customers can cause an effect that customer transfer his or her impression from the event on the brand-sponsor of this event thus positioning this brand in consciousness as famous, featured and brand that deserves to be chosen. As an example of using and developing this effect may serve the company "Nike" which linked its name with the names of famous athletes such as Tiger Woods and Michael Jordan through Sponsorship (Investopedia, 2015)

It is believed that this kind of methods could be effective only by big companies with satisfactory financial position. The majority of firms for being socially responsible use charity event to involve consumers. These instruments are an effective alternative for those enterprises that cannot afford to risk their money, yearly sport charity event "Run under the Chestnuts" is an example. This event aims to help Ukrainian children with heart disease. It has regular sponsors, from the Ukrainian and foreign companies that in addition to their own funds withdraw money from consumers. This is justified on both sides of view: for companies there is a good opportunity to increase demand on their products and to improve their own image and their brand loyalty. For society it is a real opportunity that people who need help will get it.

Implementing socially responsible policy, the company first receives a competitive advantage over competitors in the eyes of customers. Research conducted in 2008 by the Environs International CSR Monitor revealed that the strongest influence on public opinion about the company has following factors: the social responsibility of the company (49%), quality and brand reputation (40%), and business performance of the company (32%). The strengthening of the brand positions and image of the company as an effect gives increasing in sales and in market share. According to customers' preferences research that has been held in the US in 2007, 83% of respondents prefer to trust to companies that are socially responsible (Investopedia, 2015).

Social responsibility as one of the priorities of the company can motivate employees to keep them on the workplace, because it causes a sense of involvement in the business that is important for society. In addition, the introduction of energy efficiency programs, increasing of the ecological protection of environment requires large investment, but they will pay off in the future, because of saving resources, receiving exemptions from the government and through informing the customers and receiving effect from them. Participating in large-scale

projects also gives an opportunity for a new partnership relationship with other like-minded companies and getting from them financial support for new projects (investopedia, 2015)

Previously it was voluntary for all the corporate to take steps for betterment of the society except government rules and regulation related to protection of environment. But, now with the massive efforts of Mr. Sachin Pilot and other parliamentary, members, CSR has gained importance in New Companies Act, 2013 (Holme & Watts, 1999)

The advantages of using socially responsible marketing for company are:

- Improving reputation and image of the company
- Strengthening customer relationships
- Increasing of customer loyalty and staff loyalty
- Receiving competitive advantages over competitors
- Additional opportunities for products promotion, PR and advertising
- Increasing of investment attractiveness
- Company will make the world around a little bit better!

The social responsibility of the company unlike legal liability is not a must of it. But it is believed that socially responsible marketing, more cost-effective than traditional advertising in media for several times. Social marketing projects can be an effective branding tool and at the same time it can be an instrument of solving social problems (Investopedia, 2015).

Early calls for SRM included restrictions in marketing aimed toward children, particularly vis-à-vis products like tobacco, alcohol, and gambling. Consumer advocates recently added "junk food" to this list of products, in part due to increasing rates of childhood obesity. More recently some consumers have expressed a desire for SRM that conveys specific, transparent, accurate and easily understandable information about corporations' social and environmental

responsibility. In other words, some consumers view SRM as a venue for educating the public about the consequences of the consumptive practices. Authentic SRM involves claims that are easily verified using publicly available information. Such claims clearly demonstrate that particular corporate practices, products or services are more socially of environmentally responsible than the market competition (Jones, 2015).

The most trusted sources for verifying SRM claims tend to be labels or certifications created and verified by third-party organizations such as USDA Organic, Fair Trade Association, Green Seal, Green-e, Energy Star, Forest Stewardship Council, Marine Stewardship Council. B Corporation, or Green America. Unfortunately, as the number of third-party certifications has increase, SIM (or green washing) has even begun to muddy data from these previously reliable sources (Jones, 2015).

As with other aspects of CSR, companies that wish to legitimately engage in SRM simultaneously face two struggles:

- 1. How to convey their responsible practices to consumers in ways that distinguish them from irresponsible companies engaged in green washing, and
- 2. How to accurately gauge their own social and environmental responsibility so that they, themselves, don't inadvertently engage in green washing.

Green washing (a.k.a socially irresponsible marketing) Green washing occurs when companies assert, through advertising and/or public relations, that they are environmentally virtuous despite a clear record indicating the opposite. The term "green wash" combines "whitewash" (to cover up crimes/scandals) with "green" (environmentally sustainable). Although some consumer advocates employ terms such as "blue washing" (human rights, poverty, and labor issues) and "pink washing" (breast cancer research issues), green washing

is more common and has evolved to encompass a broad span of issues beyond environmental responsibility (jones, 2015).

As green washing has become increasingly common, it has also become more sophisticated consisting of a wide range of techniques that companies use to obscure problematic records and/or "oversell" ostensibly responsible practices. Companies engage in green washing to increase their market share of the lucrative ethical consumer sector (Jones, 2015).

Some of the most common green washing techniques include:

- Misdirection (e.g. highlighting philanthropic donations to popular social and/or environmental causes to distract from a troubled environmental/social record)
- Self- aggrandizement (e.g. aggrandizement (e.g. implying that a particular practice makes them exceptionally responsible when that practice is , in fact, standard within an industry)
- Ambiguity (e.g. using vague language to describe a long-term commitment to broad social and environmental values)
- Magnification (e.g. focusing attention on a positive practice that is not, in fact, particularly significant in terms of making change)
- Proclamations (e.g. making social/environmental claims that cannot be verified or corroborated without access to confidential data)
- Implied association (e.g. using language or imagery similar to those which carry
  official or significant positive meaning for ethical consumers such as "fairly traded"
  to imply official fair trade certification.)

SRM is an important component of ethical marketplace as it allows for clear communication between producers and consumers. SRM hinders the ability of ethical consumers in particular

to effectively influence companies through their purchasing behavior, often construed an casting "economic votes" for responsible companies (Jones, 2015).

#### 2.1.2. Historical Development of Corporate Social Responsibility (CSR)

As indicated by Fredrick (1978) the idea of Corporate Social Responsibility (CSR), as we now understand the term began to take recognizable shape in the third decade of the twentieth century. By the mid-1920s, business representatives and executives were beginning to speak of the need for corporate directors to act as trustees for the interests. Not just of stockholders, but other social claimants as well. Others had spoken of this possibility as early as 1913. Corporate philanthropy, the history of which stretched back to the 19<sup>th</sup> century, was accompanied by a growing belief that business and society were linked together in organic ways. These several timorous beginnings of social responsibility thinking suffered ups and downs during the depression decade of the 1930s and then were largely subordinated to the more urgent demands of World War II. By the 1950s, these long-smoldering ideas about businesses obligation to society burst forth with a renewed vigor that has carried them forward uninterruptedly to the present.

Accordingly, to Carroll (1999), the concept of corporate social responsibility (CSR) has a long and varied history. It is possible to trace evidences of the business community's concern for society for centuries. Formal writing on social responsibility, however, is largely a product of the 20<sup>th</sup> century, especially the 1950's, 1960's and 1970's. Furthermore, although it is possible to see footprints of CSR thought throughout the world (mostly in developed countries). Formal writings have been most evident in the United States, where a sizable body of literature has accumulated.

In the 1990s, CSR continues to serve as a core construct but yields to or is transformed into alternative thematic frameworks. Academics and practitioners have been striving to establish

an agreed-upon definition of this concept for years. (Davis (1960). As cited in Carroll (1991), Suggested that social responsibility refers to businesses' decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest. At about the same time, Eells and Walton (1961), as cited in Carroll (1991), argued that CSR refers to the "problems that arise when corporate enterprise easts its shadow on the social scene, and the ethical principles that ought to govern the relationship between the corporation and society. Boone and Kurtz(2005), as cited in Hudak (2008), defined social responsibility as "marketing philosophies, policies, procedures, and actions that have the enhancement of society welfare as a primary objective"

In recent years, a broader and all-inclusive definitions have been given for the term. According to the world business council for sustainable development (WBCSD), Corporate Social Responsibility (CSR) is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development (WBI, 2003).

From the above research observed we can conclude that, even though what has been said by different proponents of corporate social responsibility including academicians and practitioners in official development agencies has truth on it, it all depends on how far the business firms are ready to commit themselves to accept and practice the principles. Thus, this study presents related theoretical studies and empirical studies in the first section and second section respectively.

#### 2.1.3. Theoretical Framework

#### 2.1.3.1. Corporate Social Responsibility Pyramid

Theories regarding what the corporate social responsibility concept must incorporate have been developed. From these theories the one developed by Carroll (1991, which he labeled as "the pyramid of corporate social responsibility", shown in Figure 2.1 has got greater acceptance by many academicians and researchers. This pyramid has four levels; Economic Responsibility, Legal Responsibility, Ethical Responsibility, and Philanthropic Responsibility and he also explained these concepts as follows:

#### 2.1.3.2. Economic Responsibilities

Historically business organizations were created as economic entities designed to provide goods and service to societal members. The profit motive was established as the primary incentive for entrepreneurship. Before it was anything else, business organization was the basic economic unit in our society. As such, its principal role was to produce goods and services that consumers needed and wanted and to make an acceptable profit in the process. At some point the idea of the profit motive got transformed into a notion of maximum profits, and this has been an enduring value ever since. All other business responsibilities are predicated upon the economic responsibility of the firm, because without it the others become moot considerations

#### 2.1.3.3. Legal Responsibilities

Society has not only sanctioned business to operate according to the profit motive; at the same time business is expected to comply with the laws and regulations promulgated by federal, state, and local governments as the ground rules under which business must operate, as a partial fulfillment of the "social contract" between business and society, firms and expected to pursue their economic missions within the framework of the law. Legal

responsibilities reflect a view philanthropic responsibility of "codified ethics" in the sense that they embody basic notions of fair operations as established by our lawmakers. They are depicted as the next layer on the pyramid to portray their historical development, but they are appropriately seen as coexisting with economic responsibilities as fundamental precepts of the free enterprise system

#### 2.1.3.4. Ethical Responsibilities

Although economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees' shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights. In one sense, changing ethics or values precede the establishment of law because they become the driving force behind the very creation of laws or regulations. For example, the environmental, civil rights and consumer movements reflected basic alterations in societal values and thus may be seen as ethical bellwethers foreshadowing and resulting in the legislation.

In another sense, ethical responsibilities may be seen as embracing newly emerging values and norms society expects business to meet, even though such values and norms may reflect a higher standard of performance than that currently required by law, ethical responsibilities in this sense are often ill defined or continually under public debate as to their legitimacy, and thus are frequently difficult for business to deal with, superimposed on these ethical expectations emanating from social groups are the implied levels of ethical performance.

Suggested by a consideration of the egret ethical principles of moral philosophy. This would include such principles a justice, rights, and utilitarianism. The business ethics movement of

the past decade has firmly established an ethical responsibility as a legitimate CSR component.

Thuds it is depleted as the next layer of the CSR pyramid; it must be constantly recognized that it is in dynamic interplay with the legal responsibility category. That is, it is constantly pushing the legal responsibility category to broaden or expand while at the same time placing ever higher expectations on businesspersons to operate at levels above that required by law.

#### 2.1.3.5. Philanthropic responsibilities

Philanthropy encompasses those corporate actions that are in response to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill. Examples of philanthropy include business contributes to financial resources or executive time, such as contributions to the arts. Education or community. A loaned-executive program that provides leadership for a community's united way campaign is on illustration of philanthropy. The distinguishing feature between philanthropy and ethical responsibilities is that the former are not expected in an ethical or moral sense, communities desire firms to contribute the money, facilities, and employee time to humanitarian programs or purposes, but they do not required the firms as unethical if they do not provide the desired level. Therefore, philanthropy is more discretionary or voluntary on the part of businesses even though there is always the societal expectation that business provides it.

One notable reason for making the distinction between philanthropic and ethical responsibilities is that some firms fell they are being socially responsible if they are just good citizens in the community. This distinction brings home the vital point the CSR includes philanthropic contributions but is not limited to them. In fact, it would be argued here that philanthropy is highly desired and prized but actually less important that the other three

categories of social responsibility. In sense, philanthropy is icing on the cake-or on the pyramid, using our metaphor.

However, most of the empirical studies on Carroll's CSR pyramid have been in an American context. Nevertheless, several of the empirical studies suggest that culture may have an important influence on perceived CSR priorities (Fukukawa, Meina & Shaer, 2007: Hui & Jieyi, 2009). As a result, Visser (2006b) tried to revise Carroll's hierarchy of CSR in a way that he believes is better to the applied in developing countries in general and African countries.

In summary, the history of corporate social responsibility goes back for centuries. Throughout this time several definitions have been given to the term. The definition given by the world business council for sustainable development (WBCSD) which defined it as "Corporate Social Responsibility (CSR) is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and social at large to improve quality of life, in ways that are both good for business and good for development" is uses.

#### 2.1.4 Why is Social Responsibility important in marketing?

Social responsibility in marketing is important because the practice involves focusing efforts on attracting consumers who want to make a positive different with their purchases (investopedia, 2015).

Recyclable packaging, promotions that spread social awareness and portions of profits that benefit charitable groups are examples of social responsibility strategies.

Many companies have adopted social responsibly strategies in marketing a means to help the community or produce services and products that benefit society. For example, marketing departments may launch a campaign that encourages consumers to buy a bundle of socks

versus one pair and the company in turn donates a bundle of socks to military personal overseas or to homeless shelters in the community. As a result of such generous donations the company brands its as socially responsible and ethical, which ultimately attracts customers who are engaged in socially responsible commitment and who want to support the welfare of the community (investperdia, 2015).

Corporate responsibility goes hand in hand with social responsibility practices, for example administrations. Executives, and shareholders and stakeholders must practice ethical behaviors.

And join the community in promoting responsible marketing efforts. Putting on appearances or green washing, the practice of deceptively promoting environmentally friendly processes or products, indicates to customers that the company is no committed to social responsibility and can ultimately hurt the brand and the company's success, consumers often do their research and can see through gimmicks and slogans that are not genuine (Investopedia,2015).

Although an initial investment may be involved to split portions of profits or donate to those in need, social responsibility in marketing promotes a positive company image, which can significantly impact productivity and profitability favorably (investopedia, 2015).

#### 2.1.5 SRM benefits to a business

The practice of socially responsible marketing has many distinct advantages for businesses who choose to embrace it (Kotler & Armstrong, 2008).

In terms of financial advantages, the government has established a number of tax-cuts and other benefit for companies in many industries as incentives to be more socially responsible. For instance, companies that reduce their carbon emissions and pollution levels are often offered tax exemptions and other assets for their cooperation in the county's movement towards environmental awareness and responsibility (Kotler & Armstrong, 2008).

Even in cases where pre-determined benefits like this are not available as incentives, it is still in a company's best interest in the long run to move towards more socially responsible methods. By dealing proactively with potentially harmful or socially detrimental marketing methods and deciding to promote the public well-being with their products, a company can effectively eliminate the need for legislative and regulative obstacles in the future. In other words, by making a concerted effort to be socially responsible in the first place, a company provides less of a reason for the government to develop any taxes or extra restrictions on their business in the first place, which helps them in the long run (Kotler & Armstrong, 2008).

Similarly, social responsibility in marketing helps to ensure that a company is, in fact, following the rules and this not only instills faith among the customer base, but also helps to keep the company out of any kind of trouble in terms of legal problems and also in terms of public relations ( Koter & Armstong, 2008).

Customers also appreciate social responsibility and as a result, companies can gain business and maintain it with more ease. For example, if a company can certify their product as "green" they gain a certain degree of competitive advantage over competition and many customers will be more willing to buy their product than one that has not been certified as "green" because they perceive the value of the product to be higher than others. Further, these types of things can instill a sense of faith and goodwill in customers and cause the consumers not only to feel better about buying the product in the first place, but also feel better about buying it again Socially responsible marketing makes sense as a business strategy because it not only broadens and expands the customer base, but increases the likelihood of developing customer loyalty and getting them to buy their product again in the future (kotler & Armstron, 2008).

Top line benefits are: -

#### 1. Build Your Brand

Being socially responsible is a great way to build your brand and create a positive name for yourself. Things like goodwill, trust, and an overall positive image are possible through being socially responsible. If you're smart about it, and you support the right type of business, there can also be many co-branding and marketing opportunities (officevibe, 2017).

#### 2. Attract and Retain Top Talent

People want to feel like they're making a difference in the world, and this is a great way to attract and retain top talent. When employees feel proud of where they work they feel a sense of loyalty to the company, make them ambassadors.

One way to measure your employee loyalty with the company is with the Employee Net Promoter Score. Being socially responsible is without a doubt one way to get your employees on the high end of the scale.

Millennials are especially connected to the idea of working for socially responsible companies The Cone Millennial Cause Study Found That 80 Percent of 13-to 25-year-olds surveyed want to work for companies that care about their effect on and contributions to society (Officevibe 2017)

#### 3. Customers Love Socially Responsible Companies

A survey conducted by Nielsen group, found that 50% of consumers, surveyed worldwide would be willing to pay more for goods and services from socially responsible companies.

Another survey also indicates that "61% of consumers would buy a product from a socially responsible company or would switch retailers if cost and quality were equal "(Diversity at SCE Training Course from Southern California Edison (SCE).2004)

The one caveat, and this is important form companies to remember, is that in countries where there was already some skepticism, the willingness to spend more was lower. What this means, are those companies and the programs you're implementing needed to be authentic?

In their 2016 book, Good Is The New Cool, Afdhel Aziz and Bobby Jones highlight the importance of "authenticity, inclusiveness, kindness" in everything from company culture to marketing campaigns.

They want to contribute to something that makes a difference and has a positive impact on the world (Officevibe, 2017).

#### 4. It Helps Engage Employees

When you include employees in larger processes and vision planning, such as designing and implementing a socially responsible program for your company, they'll feel part of something bigger, more important than their day to day, and therefore they will be more engaged.

Employees are most engaged when they feel part of the holistic whole, rather than solely bound to their respective role and tasks (Officevibe, 2017).

#### 5. It keeps a Company Competitive

When you choose a unique position as a company and do things differently from competitors it helps a business stand out. This applies to all facts of business, including to social responsibility. Your relationship with society is as important as your relationship with

customers. Having a strong vision and connection to a cause that makes a positive impact gives you a competitive advantage (Officevibe, 2017).

### 2.1.6 Socially Responsible Marketing and Ethics

#### 2.1.6.1 Ethical Marketing

Ethical Marketing is a philosophy that focus focuses on honesty, fairness and responsibility Though wrong and right are subjective, a general set of guidelines can be put in place to ensure the company's intent is broadcasted and achieved. Principles of this practice include (Cleverism, 2015).

- A shared standard of truth in marketing communication
- A clear distinction between advertising and sensationalism
- Endorsements should be clear and transparent
- Consumers' privacy should be maintained at all times
- Government standards and regulations must be adhered and practiced by marketers (cleverism. 2015).

#### **2.1.6.2 SRM and Ethics**

Social responsibility in marketing is often discussed with ethics. The difference between the two is that what's considered ethical in terms of business, society and individually may not be the same thing nor do all business actions necessarily have to be socially responsible in order to be considered ethical (Cleverism, 2015).

To be socially responsible is when the organization is concerned about people, society and environment with whom and where it conducts business. In its most basic form, socially responsible marketing is taking moral actions that encourage a positive impact on all the company's stakeholders, including employees, community, consumers, and shareholders. The main responsibility of marketers in this aspect is to package and communicate the

organization's decisions that will impact the various communities with which they interact. Consumers have the right and power to decide which companies succeed or fail; so marketers have a major responsibility to ensure their practices are seen as philanthropic without being phony (Cleverism, 2015).

Some viewpoints of socially responsible behavior espouse that the qualifying marketing actions not simply meet the minimum ethical guidelines of business, but voluntarily exceed them (Cleverism, 2015).

There are 6 ethical values that marketers are expected to uphold, and these are:

**Honesty** – Be forthright in dealings and offer value and integrity.

**Responsibility** – Accept consequences of marketing practices and serve the needs of customers of all types, while being good stewards of the environment.

**Fairness** – Balance buyer needs and seller interest fairly, and avoid manipulation in all forms while protecting the information of the consumers.

**Respect**- acknowledge basic human dignity of all the people involved through effors to communicate, understand and meet needs and appreciate contributions of others. **Transparency**- create a spirit of openness in the practice of marketing through communication, constructive criticism, action, and disclosure.

**Citizenship** – Fulfil all legal, economic, philanthropic and societal responsibilities to all stakeholders as well as giveback to the community and protect the ecological environment (cleverism, 2015).

#### 2.1.7 Merging Social Responsibility and Marketing

Companies are aware that consumers are savvy and opinionated. So with this in mind, firms should create an ethically sound marketing plan and integrate it into all aspects of their marketing mix (Cleverism 2015).

- Do good not just to look good-focus on being responsible and how your firm can truly
  help the neighborhood or country. It is in doing so that your customers, the press, and
  all those watching wil be impressed.
- Think about long term effects, not short term gains-short sighted companies will undervalue the impact of responsible marketing for instantly gratifying increase.
- Speak up against company policies that do not reflect the ethical profile of the company-as the face of the company, marketert should voice their concerns when there is a potential for a practice to be seen as unethical.

# 2.1.8 Developing and Implementing a Socially Responsible Marketing Plan

While ethics and social responsibility are sometimes used interchangeably, there is a difference between the two terms, Ethics tends to focus on the individual or marketing group decision while social responsibility takes into considerations the total effect of marketing practices on society (Cleverism 2015).

In order to foster an ethical and socially responsible behavior pattern among marketers while achieving company objectives, special care must be taken to monitor trends and shift in society's values and beliefs (Cleverism, 2015).

Three principles must be considered in processing the social responsibilities of international business firms. The fir is an awareness of the historical and institutional dynamics of local communities. The second is the necessity of good communication with local constituencies.

The third is the degree to which the firm's operations safeguard and indeed improve the social and economic assets of local communities (Bird & Smucker, 2007).

Next, marketers should forecast the long-term effects of the decisions that pertain to those changes. Bearing in mind that a company cannot satisfy the needs of an entire society, it best serves marketers to focus their most costly efforts on their target market, while being aware of the values of society as a whole. Five simple steps every marketer can take to create a sustainable socially responsible market plan are:

- 1. Define what ethical marketing is for a particular firm.
- 2. Decide which branch of ethics marketers should apply.
- 3. Determine how the ethical approach to marketing should be implemented.
- 4. Discuss areas of the firm's operations that ethical marketing should be included as part of the program.
- 5. Analyze and assess how much ethical marketing will cost the company and compare this against the benefits of ethical marketing in the long run (Cleverism, 2015).

#### 2.1.9 Aspects of Socially Responsible Marketing

The social Responsibility orientation of firms is related to strategic social planning.

Social conscious marketing addresses the shortcomings of traditional marketing practices and follows the philosophy of mindfulness and responsibility. This philosophy states according to chron.com, that company-marketing practices should be based on consumer satisfaction innovative ideas and offer society long-term value and benefit (Cleverism. 2015).

#### 2.1.10 Characteristics of Socially Responsible Marketing

Marketers get the right products to the right people at the right time. Ethical marketers ensure the products meet and exceed their needs, back up their claims and offer value to the customers over time while finding opportunities to pay it forward. A company that uses ethical and socially responsible marketing strategy will gain the respect and trust of the customers they target and interact with. Over long term, this will translate to greater benefits all round. Todays' firms can make their practices more ethical and responsible by perfecting the following characteristics (Cleverism, 2015).

**Safety**: any product or service that could be hazardous to the health conditions of people, animals or the environment should have clear advisories and warnings. Once the problem is identified the company can collect data to help improve the product and reduce or eliminate the danger. An example would-be fast-food restaurants eliminating the use of hydrogenated oils even before trans fats were banned.

**Honesty**: Ensuring a product satisfies a need it promises to, or aids in providing a lifestyle it advertises. Advertising should be transparent about possible side effects and not puff up results, so clients come to respect the honesty of your advertising.

**Transparency**: Any techniques to manipulate and hide facts and information customers need could harm a company. just think of the way people regard a company such as Enron that hid information and was not open to the stakeholders about what was happening.

**Ethical pricing**: Gathering data about your target market will give you information on how much they are willing to pay for your product. The rest of the pricing strategy, in a simplified manner, should be based on overhead costs and supply and demand. Creating fake shortages and bad mouthing the competition are considered unethical marketing practices.

**Respecting Customer Privacy**: when customers trust enough to allow you assess to their information, selling it to lead companies or obtaining prospective customers' information without permission is unethical and breaks trust, nobody wants to buy from the creepy guys. So matter how beautifully packaged their products are.

**Moral Marketing Compass**: This is especially important in economic downturns, when ethical practices become tempting.

Win-win Marketing: The focus on customer value will increase company value.

**Keeps marketing legal**: reduces the risk of cutting corners and turning a blind eye.

Goodwill: Goodwill and strong reputation among clients and associates are the benefits which companies cannot afford to overlook. Not only will customers believe that the company cares for them, but will also associate the brand with pleasant feelings and experiences and spread the word.

Improved quality of recruits and increases retention: a good company attracts good employees, suppliers, investors, and customers, who will be happy to help the company to achieve its goals. Great marketing practices make new marketers feel like their time on the job will make a difference and so will be less likely to change jobs, as will suppliers and other people have involved.

## 2.1.11 Ethical Issues Faced in Marketing

So far, we have seen that ethical marketing can guide advertising, research and data use, strategies for gaining an edge over the competition and company polices. However, there can also be some problems that arise from trying to employ unethical marketing strategy (Cleverism, 2015).

**Irresponsible Market Research**: Improper market research and grouping can lead to stereotyping that shapes undesirable beliefs and attitudes and consequently affect marketing behavior. For example, assuming that all women like pink and therefore basing an entire advertising campaign on that belief could be a costly mistake.

Selecting Specific Market Audience: According to Boundless. Com, the use of selective marketing practice is to weed out the consumers considered by companies as less than idle, but often causes social disparity and unrest. Practices such as Victoria Secrets "Perfect Body Campaign,' which came under a lot of fire from consumers for excluding every woman but those shaped like the long legged, thin and well-endowed supermodels in their ad, can turn people away from a company.

**Unethical Advertising and Promotion**: Making false claims about what the product does and its importance is an unethical way to gain profit. For many years, Nestle has been the target of many boycotts for predatory and aggressively marketing baby foods especially to women in poorer countries as a better substitute to breastfeeding. This manipulative marketing technique has caused a lot of damage and loss to these children and their families.

**Delivery Characteristics**: Marketing in ways like cold calling through telemarketing. Companies that purchase leads are not only annoying, they are disruptive and untrustworthy. Unsolicited approaches are these days almost synonymous with direct marketing and have left the industry with a tainted reputation. So have television commercials, email spam and direct mail, which people are going to significant lengths to avoid.

**Dealing with competitors**: many companies advertise cheap prices as "bait" and then once they draw in the customers. "swith" them over to a more costly product, because the advertised good was not available, insufficient or not of any value to the customer. Many online surveys and work at home opportunities use this unethical marketing technique.

**Pricing strategies**: Predatory pricing or pricing beneath the competition so as to cannibalize the market and restrict the competition is an unethical pricing strategy. And setting up barriers that prevent smaller companies from entering the market is unethical as well.

#### 2.1.12 Engagement in Social Responsibility (Applicability)

(Robers, 1996) reported that consumers in the US have placed social and environmental issues at the top of the agenda, i.e. actions taken by consumers to enforce social commitment; implications for marketing managers; what managers should know; predictors of social responsible behavior.

The social responsibility orientation of firms is related to strategic social planning. Positioning is related to value creation for the multinational firm. Three principles must be considered in processing the social responsibilities of international business firms (Bird & Smucke, 2007).

The first is an awareness of the historical and institutional dynamics of local communities. The second is the necessity of good communication with local constituencies. The third is the degree to which the firm's operations safeguard and indeed improve the social and economic assets of local communities (Bird & Smucker, 2007)

When double rising of oil and electricity, enterprises are facing anti-stressful environment and starting greening of business processes to save energy and reduce carbon in the case of countries around the world increase the importance to environmental issues, companies use green manufacturing process will be the future trend.

Also, many consumers are paying attention to environmental protection, and more willingness to buy more environmentally friendly products in manufacturing process (Affairs. 2012)

**By whom**: the challenge that business leaders face to discover way to integrate an awareness of socio-political issues more explicitly into their strategic decision-making processes becomes more obvious. One of the leadership variables is association with corporate social responsibility values that managers apply to decision-making. How professional leaders

possessed of moral intelligence helps make a contribution to enhance the ethical business. The ethical leadership in the professional business that will improve the understanding of how ethical behavior confers legitimacy and sustainability necessary to achieving the corporation's goals, and how a leadership approach to ethics can serve as an effective tool for the dissemination of moral values in the organization (Affairs. 2012).

What kind of business to have a lasting and sustainable competitive? "World Corporate Citizenship Award" holds a comprehensive evaluation from four dimensions of the "corporate governance", "corporate commitment", "social participation", "environmental protection". In addition to the pursuit of profit (Profit), enterprises should also invest on the people (people), the Earth's environment (Planet) in actively solving social and environmental issues to play a positive influence. (Ness, 1992) stated, CSR is a strategic decision whereby an organization undertakes an obligation to society, for example in the form of sponsorship, commitment to local communities, attention to environmental issues and responsible advertising as follows:

The greening of management. it is through technology and considering the environmental protection for green design, green purchasing, green manufacture/process, and green marketing and tries to economize resource and insures not to product harmful effects, social bad during the producing process, it is hoped by every country government that all industries emphasized on this kind of management, which whole products life cycle from design to waste disposal could match 4R Reduce, Recycle, Reuse, Regeneration, and 3E make use of Economic (resource), Ecological, Equitable.

Green window dressing. It is concerning the use of recycled paper in Great Britain from the survey conducted by the government funded waste and resource action program (WRAP). Customers are increasingly asking for environmental and corporate social responsibility (CSR) credentials. Head of WRAP'S Recycled Paper Advocacy Jonathan Tame said that the

use of recycled paper can provide a quick win in meeting environmental and CSR objectives (McKelvey, 2007).

Green meeting and events. We could also offer tips on how to make corporate events environmental-friendly. Which is to plan a festival event outside of the company and support venues the endorse green values and practice (white brdwell, 2007). Green meeting council of Portland, Oregon, aim to improve meetings through sustainable practices (white bardwell, 2007)

**Social consciousness**. According to a Harris interactive poll conducted for alloy media and marketing. Wal-mart was placed second in terms of social consciousness, following after Ben & Jerry's. It ranked ahead of whole foods which ranked seventh (seekler, 2007). Wal-mart's efforts to reduce its packaging materials and operate on renewable energy helped neutralize the bad press it received in the past years (Seekler, 2007)

Answers to the trust and public image issues facing. Using networks as a framework to understand the changing nature of the environment, (pesse, 2007) proposes a shift from the traditional marketing metric of share of voice to a more balanced approach to measure the value the industry is creating; Share of care.

**Concern for environment**. The evidence of increased voter awareness and concern for environmental and other ethical issues has led many organizations to reappraise and communicate more effectively there ethical credentials (Freestone, 2007)

**Differentiation strategy**. It utilizes theories of the strategic use of corporate social responsibility to emphasize the role of information asymmetry and how CSR is likely to be incorporated in to a firm's product differentiation strategy. A key empirical implication on

the theories is that firms selling experience or credence goods are more likely to be socially responsibility that firms selling search goods (Siegel, 2007).

**Ethical behaviors**. Sales performance can be enhanced through ethical behaviors; emphasis is being placed on understanding unethical behaviors among key customer contact employees and the environment in which these sales professionals engage clients.

How the direct supervision of the sales force (sales managers) can shape the ethical behavior of salespeople and may be a critical controllable key to understanding unethical sale behaviors that offers upper management strategic opportunities to enrich customer relationships (schwepkerJr., 2007)

**Ethics ombudsman.** An inspect department with ethics ombudsman should be established inside businesses to regularly examine whether or not the managers decision behavior and matching the moral or ethical standard /do the right thing/ (Tai & Chuang, 2014).

**Customers-Centered by Technology**. it is necessary improving marketing by customers centered. Socially responsible companies, fairness and quick response to inquiries and complaints to customers, will achieve higher long run profits (Tai & Chuang, 2014)

Market efficiency and effectiveness is achievable only when automation of consumption purchase is done. Mutual trust and respect, high tech high touch customization & personalization are needed factors. Although the technology is developing "automated consumption", it will be future oriented. This technology continues with attention to interaction as the source of value creation. as information technology largely influence or change specially the marketing mix (4 Ps)(Tai & Chuang, 2014).

The method the marketers market the products is being revolutionized no more exist the traditional market in which buyers and sellers meet to transact or exchange and producers are

no longer fixed certain geographic locations. To device mechanisms attraction consumers to their promotions without using the ads too often online or others will become the new jobs for the marketers to load (Tai & Chuang, 2014)

**Four Practical approaches**, there are four approaches to implement social responsibility; obstructionist approach (economic responsibilities only.) defensive approach (legal compliance but just legal responsibilities), accommodative (only ethical compliance).

The last one donates fund contributes gifts or the like to society and equals to philanthropic giving and is kinds of voluntary responsibility, e.g. SONY, MeDonald's, which of environment protection, resource saving and recycling, decrease animal laboratory, reduce criminal, kill poverty, eliminate illiteraey and others (Tai & chuang, 2014).

Four dimensions. some company's customer service and supplier management insists working with suppliers together to establish a stable and sustainable development of the supply chain, environmental protection, human rights, safety, health, in order to achieve corporate social responsibility: environmental culture protection, construct green supply chain, transparent operations focusing on shareholder's equity, fulfill social involvement, and others (TSMC, 2014) and common wealth Magazine advocates- "world" CSR, with reference of <<th>The UN global compact>>, OECD guidance for Multinational enterprises program, and the U.S.

Dow jones sustainability index (DJSI), and other international indicators and evaluation methods, raise that four assessments for the new value the 2 1<sup>st</sup> century enterprise: corporate governance, corporate commitment (promise with consumers, suppliers, employees, research & development), social involvement, environmental protection (Common Wealth, 2013). SR values in four <<p>pillars> via shared governance model: Marketplace, workplace, Environmental Stewardship, and community.

## 2.2. Empirical literature

# **2.2.1.** Practice of social responsibility and the possible effects on society and organizations

Corporate management is torn between either focusing solely on the interests of stockholders (the neo-classical view) or considering the interests of a wide spectrum of stakeholders (the stakeholder theory view). The neo-classical economists' view of the role of professional management within a company is that their decisions should be solely predicated on the objective of maximizing the corporation's long-term market value and so the wealth of the company's owners. In contrast, stakeholder theory suggests that managements' concern should called to a much wider spectrum of stakeholders (e.g. employees, customers, suppliers and the general community) whose interests should all be taken into account in the decision processes of management (Bird & Hall, 2007)

There is clearly the potential for conflict between these two views in that instance where maximizing the wealth of owners is not the natural outcome of a process where the decisions by management are influenced by the interests of a broad spectrum of stakeholders (Bird & Hall, 2007). Of course, there is no need of conflict because in the same study the researchers examined the context to which a conflict actually exists by examining the relationship between a company's positive (strengths and negative (concerns) corporate social responsibility (CSR) activities and equity performance. In general, they found little evidence to suggest that managers taking a wider stakeholder perspective will jeopardize the interest of its stockholders,

A study by Rahman (n.d.) also indicated that social responsibility can help consumers learn about the profitability of firms and hence infer brand value. Thus, under appropriate conditions SR can be an effective tool to complement traditional branding activities such as advertising. Sweeny (2009), in his side, implied that the financial implications of SR are

experienced in the long term. Thus, SR can be viewed as a long-term investment. He added mixed results were found for the argument that firms must first be profitable before undertaing SR. regarding this fact, Graves and Waddock (1997) (as cited in Tsoutsoura, 2004) argued that firms which have solid financial performance have more resources available to invest in social performance domains, such as employee relations, environmental concerns, or community relations financially strong companies can afford to invest in ways that have a more long-term strategic impact, such as providing services for the community and their employees. Those allocations may be strategically linked to a better public image and improved relationships with the community in addition to an improved ability to attract more skilled employees. On the other hand, companies with financial problems usually allocate their resources in projects with a shorter horizon. This theory is known as slack resources theory.

Cheng, loannou, and Serafeim (2011) also showed that firms with better SR performance face a capital supply curve that is less steep; which implies an enhanced ability to obtain capital either through lower interest rates and/or for a given interest rate, a larger amount of funds SR practice could also have a benefit of increasing employees work commitment. According to Settoon et al, (1996) and Eisenberger al. (2001). As cited in Cunha. Faria, Leal, and Rego (n.d), when employees feel that the organization is responsible toward them (e.g., Improving work-family balance, offering higher salaries), they tend to reciprocate with positive attitudes toward the organization, including affective bonds and feelings of loyalty, As a result employees seeking great empowerment, more job-security ,better work-life balance and sense of meaning in their work are from the reasons which drive companies toward SR practice(Qasim & Ramaswamy, 2011)

The study in developing economies also showed a positive link between SR and financial performance. A study by Fagbemi and Uadiale (2011), conducted in Nigeria, examined the impact of SR activities on financial performance measured with return of equity (ROE) and return on asset (ROA). The result shows that SR as a positive and significant relationship with the financial performance letters.

Opposite to all this, Fauset C2006) argue that SR was, is and always will be about avoiding regulation, covering up the damage cooperation causes to society and the environment and maintaining public co-corporations with the corporate dominated system. Efforts to control corporation's destructive impacts must have a critique of corporate power at their heart and a will to dismantle corporate power as their goal; otherwise they reinforce rather than challenge power structures and undermine popular struggles for autonomy, democracy, human rights and environments sustainability. She further argued that since companies cannot act in any wider interest than the interest of their shareholders to make profit, SR is of limited use increasing social change. Since SR is also a vehicle for companies to attempt to control corporate power and to gain access to market, SR is a problem not a solution.

Generally, many researchers and practitioners support and convince the idea that SR practices add value to both the cooperate and the society. It seems that it is because managers in the contemporary world realized this fact and are adopting cooperate social responsibilities in their respective organizations. As it is stated in the works of different researchers, CSR practice has a benefit for the organizations in terms increased accesses to credit capital, increased profitability and also enhanced ability to attract skilled manpower. It is also stated in the work of the world business organization (2002) no other human activities match private enterprise in its ability to assemble people, capital and innovation under controlled risk taking in order to create meaningful jobs and produce goods and service profitability, profit being essential to long term business survival and job creation. This finding could be an indication

that the SR activities of companies can benefit the society, in addition to the practicing companies.

However, there is also a research that argues the negative influence of SR outshine the positive contributions that could have on the community, though most the imperial findings support SR has much positive impact. This study also examined the impact of SR practice by the companies on the society.

#### 2.2.2 Gaps in practice, attitude, and literature in different countries

Even though there is an increased expectation from government and the society and many firms around the world are acting in favor of SR, the extent of practice by the companies, managerial attitudes as well as researches conducted in the area do have differences at the different angels of the world. For example, Bilal (2001) indicated that most of Sr studies conducted so far have been in the context of developed countries such as Western Europe, U.S., Australia, and that we still know very little about practices in ex-colonial, smaller, and emerging countries.

As an evidence for this, a review of the SR literature on Africa between 1995 and 2005 by visser (2006), as cited in Visser (n.d.), found that only 12 of Africa's 53 countries have had any research published in core CSR journals, with 57% of all articles focused on South Africa and 16% on Nigeria.

A research by Hontao and Yi (n.d.) asserted that SR as a concept and as activities are both generally accepted by management. A global survey conducted by The economic Intelligence unit found out that 85% of senior executive and institutional investors believe that SR is an important consideration in decision making, indicating that SR has been accepted even without a clearly defined business case (Qasim & Ramaswamy, 2011). Indicating that business managers could have a positive attitude towards SR even when the companies have

a defined business case. However, a study by Zidarova (2011) explained that in order to be responsible and profitable in the same time, businesses must implement SR policies, which answer the demands of their stakeholders, and communicate these policies through public relation

Open (1987), in his study assessing managerial attitudes towards corporate social responsibility, a comparison between American and South African corporate managers indicated that the United States managers held significantly more favorable attitude towards corporate social responsibility.

In addition, they agreed with more pro-responsibility arguments, whereas the south African managers agreed with more anti-responsibility arguments. The United States mangers felt that their society expected more corporate involvement in social responsibility activities than the South African managers felt was expected from their society.

A research by Hui and Jieyi (2009), which made a comparative study with in Swedish and Chinese companies, reported that Swedish companies are doing far more than other countries and the implementation of SR is on the way that regulating by laws. Comparing with Sweden, Chinese companies have a long way to go. Not only is that, even in a single country there exists difference among different companies. For that in China the leading companies, like SGCC, are undertaking SR and strive to be exemplary corporate citizens, than the smaller ones in the country. Besides, how managers of companies perceive the concept shows gap from the theories especially in the developing counties manager's main concern is directed towards philanthropic activities.

As an evidence for this, the study by Jamali and Mirshak (2007), conducted in sample of Lebanese companies, found that companies are adhered to a discretionary conception of CSR implying an inclination among all companies operating in Lebanon to conceive CSR as

comprising the philanthropic contributions that business firms make over and above their mainstream activities. While this may be interpreted as a natural evolution through Carrol's (1991) hierarchical CSR pyramid (which includes Economic Responsibility, Legal Responsibility, and Ethical Responsibility, in addition to the Discretionary or Philanthropic Responsibility) a more plausible explanation pertains to a lack of appreciation of the other domains of CSR and their critical importance particularly in a developing country context.

In the other hand, the finding by Komaran and Tan (2006) support the applicability of Carroll's Pyramid of CSR constructs.

In summary, there are differences in practice of and attitude as well as literature in different countries of the world. Much of the literature is concentrated in the western world and it is very much low in African countries. Besides the practice of CSR is inclined more of to the philothropic responsibilities., though there are evidences which supports the applicability of CSR four dimensions. This study has also examined the applicability of these four dimensions of CSR, Managerial attitude has also shown difference, some have positive attitudes and other support negative arguments.

## 2.2.3 Motives behind social responsibility practice

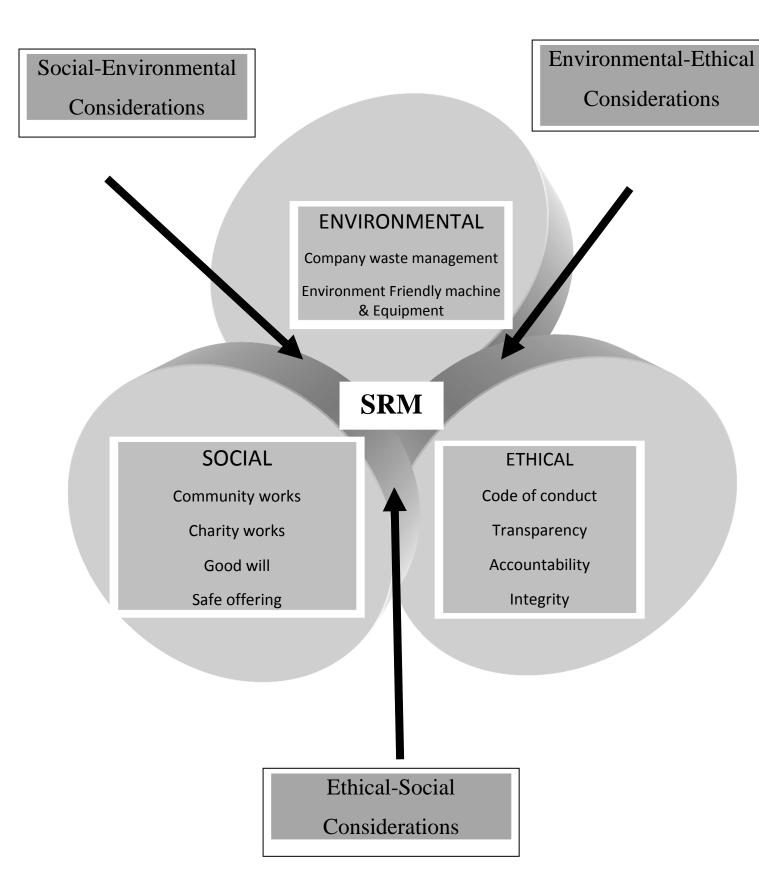
The reason behind getting involved in the social responsibility practice is different from one time to another. The mutual dependence between society and corporate can create value for both corporate and society. Some factors such as increasing of environmental awareness. Increasing scarcity of tangible and intangible resources, and transparency of operations and functions have impact on it time to time. As well as corporate social responsibility uses from four main responsibility such as economic, legal, ethical, and philanthropy create various opportunities for top management so that reducing cost and enhancing organizations'

competitive power. In addition, organizations shift towards excellence corporate citizenship thereby increase customer. Employee and stakeholder loyalty (Gholami, 2011).

A study by Keating, quazi, and Rahman (2010) asserted that firms use their CSR records to create the image of socially responsible firms and thereby influence consumer buying decisions in favor of the goods and services marketed by them. Arguably, it is in the dynamic interaction of governments, public/consumer, and campaigning groups with businesses that what might be called a "virtuous spiral" is emerging. What is arguably happening is that, with the encouragement of campaigning groups (and it might not be too immodest to add, business ethicist), there are rising expectations on the part of the public regarding the ethical performance of business. Faced with a public disapproval that campaigning groups might exploit and governments be forced to act on, business responds with effort to appear more socially responsible (Kaler, 2000).

In conclusion, motives behind SR practice are different for different companies. It includes but not limited to the need influence consumer buying decisions, the pressure from campaigning groups, and enhancing competitive power by creating image of a socially responsible firm. This study has also addressed the reasons behind SR practice by the case companies.

The conceptual framework indicates the crucial elements. Which are useful to show the competent of the study, to be regarded as a Socially Responsible entities, companies need to build their marketing strategy that incorporate the below elements. These are the Social Environmental and Ethical (legal) Consideration



Source: Own Survey, 2018

Figure 2.3.1 Framework of Social Responsible marketing

## **CHAPTER THREE**

#### RESEARCH METHODOLOGY AND DESIGN

#### 3.1 Research Area

The study was conducted at BGI Ethiopia which is situated at central Addis Ababa. Lideta Sub City. BGI Ethiopia has nine production lines. four of the production lines are run at the Addis Ababa plant while the other factories share few lines to each. As the Addis Ababa plant is base for many of the strategic marketing plans where the sales and marketing Managers operate; it is the chosen site for conducting this study. Among 169 on ground sales staff above 80 of them also operate in Addis which also makes AA plant the appropriate choice.

#### 3.2 Research Design

This study is designed to identify the marketing strategy of BGI Ethiopia that are implemented currently so the research method is descriptive studies. To undertake this study, a case study design was employed by using both qualitative and quantitative approaches to obtain the desired results of the company and to explore detailed evidence about the problem. A descriptive study attempts systematically to describe a situation, problem, phenomenon service or program or provides information about say, the living condition of community, or describes attitude towards an issue (kumar, 2011). Thus, designing the research as a descriptive being dominantly qualitative is deemed to be most appropriate and analyzed by using both qualitative and quantitative to clearly describe the detailed evidence about the facts on the ground.

## 3.3 Population and Sampling Technique

The company employs more than 2,800 employees permanently and temporarily. For gaining insight on the subject matter, the focus area for this study were managers and employees of sales and Marketing Function of Addis Ababa plant due to their high involvement in planning

and execution of the practice. Thus, the sample population consisted of six managers (BGI Brand Manager, Sales director, Marketing director, National Sales manager, Trade Marketing manager and Public relations Manager) and 87 employees (frontline staffs) which are company states Representatives execute the practice in Addis Ababa.

However, since the researcher aimed to take advantage of gaining perspective through the changing times of operation, non-probability sampling technique of purposive sampling was used for questionnaire responses. Thus, only those employees that have operated in the company for a long time (above 3 years) were considered. This brought the number of questionnaire respondents to 59 Censes was used for interview respondents because of the small population size and the need to consider all of the sales and marketing management staff for the study.

## 3.4 Research Instruments and Analysis

The primary data was collected through in-depth personal interview with sales and marketing management and with closed and open-ended questionnaires distributed for Company Sales Representatives.

The interview was designed to gather valid and reliable information through the responses of the interviewees to a planned sequence of questions. The interviews took a structured form but as the discussion took place the researcher undertook unstructured interview as found necessary and helpful for building on the subject matter.

The questionnaires took the form of a list of questions which were given to the selected respondents. The questions took a close ended form which also offered a set of alternative answers from which the respondents were asked to choose the one that most closely represent their view. On some of the question's respondents were asked to elaborate further based on the nature of the question.

## 3.5 Methods of Data Analysis

In order to gather the data from relevant source, both primary and secondary data were used to undertake this study. Primary data was collected through interviews and questionnaires, Secondary Data sources included data from published and unpublished books, magazines journals, websites etc. Interview questions were directed to the managers while questionnaires. Designed by the researcher of this study were distributed to the Company Sales Representatives.

The collected data was analyzed and interpreted by using both qualitative and quantitative techniques. The data was collected by interview and questionnaire which was analyzed qualitatively. A closed ended questionnaire was analyzed quantitatively using descriptive static tools in this study descriptive statistical tools/frequency and percentage/ were used in the form of table and graphs. The researcher also used SPSS software packages to analyze the data.

#### 3.6 Ethical Issues

In this study, all participants and data collected remained confidential and identities of respondents remain undisclosed. Moreover, the privacy of all respondents was respected in reporting of this research. The purpose of the research was explained before the research questionnaires and the interviews were conducted and attempts to get consent from participants before the survey and interview was insured. The researcher also strictly cited sources as to avoid plagiarism, or copy, other people's work and pass it off as own.

## 3.7 Reliability and Validity

#### 3.7.1 Validity

Validity is the degree to which an instrument measures what is intended to measure or how truthful the research results are (Golafshani, 2003; Lewis, 199). Within this general definition of validity, there are several types of validity. For relevancy purposes, the researcher was

interested in content validity. Content validity relates to the extent to which the design of a research instrument covers the extent and depth of the topics it is intended to cover and it is good enough to test of the hypothesis or is appropriate for the research questions (Lewis, 199; Twycross, 2004). To maintain the content validity of research's questionnaires, the researcher formulated the questionnaires based on information gathered from the literature review.

#### 3.7.2 Reliability

Reliability refers to the degree of consistency with which an instrument measures the attribute it is designed to measure; thus, repeated measurements, or measurements taken under identical circumstance, have to yield the same results; internal consistency is one of the common approaches to test the reliability of Likert scale questionnaires; which was employed by the researcher to test reliability.

## **CHAPTER FOUR**

## ANALYSIS, DISCUSSION & RESULTS OF THE STUDY

## 4.1 General Characteristics of the Respondents

For building this section of the research paper, the researcher distributed 55 questionaries to the respondents: out of the 59 questionaries distributed to the respondents only55 of the questionnaires were filed and returned. Interview was also conducted with the management of BGI Sales and Marketing Team ss well as BGI brand managers. Accordingly, the data collected were analyzed and interpreted here under

Below is an overview of general characteristics of the questionnaire respondents which are employees of BGI. From the survey, information about sex, age, marital status, education level and stay in the company of the respondents where gathered and presented as below.

Table: - 4.1 General Characteristics of Respondents

Item		Response	Percentage
Sex			
	Male	37	67.3%
	Female	15	32.7%
TOTAL			100%
Age			
	>20	0	0.0%
	20 - 29	39	70.9%
	30 - 39	15	27.3%
	40 - 49	1	1.8%
	50<	0	0.0%
TOTAL		55	100.0%
Marital Status			
	Single	12	21.8%
	In a relationship	23	41.8%

	Married	20	36.4%
	Divorced	0	0.0%
	Widowed	0	0.0%
Total		55	100.0%
Educational Level			
	College Diploma	41	74.5%
	First Degree	12	21.8%
	Master's Degree	2	3.6%
	PHD	0	0.0%
Total		55	100%
Stay in the company			
	3-5 yrs.	47	85.5%
	6-10 yrs.	6	10.9%
	>10 yrs.	2	3.6%
Total		55	100%

Source Own survey, 2021

As shown from the above table 37(67%) of the respondents are male and the remaining 18(33%) are female. As such it can be agreed most of the respondents of BGI Ethiopia are male.

Age is next category on the above table as observed the age interval of the respondents lie between 39(71%) of the total respondents belong to the age group 20-29 years. Followed by 15(28%) of the respondents whose age group between 30 and 39. Only1(1.8) respondents between 40-49 with no respondent less than 20 yrs old and non above 50yrs. This shows that majority of the respondents included in the study are young adults.

The marital status of the respondents show in the above table shows 43(78%) of the employees are in a commitment while 12(21%) are single. Of those commitment 23(41.8%) are in relationship while 20(36.4%) are married. None have been divorced or widowed. There is a good mix of respondents for which to pool opinion on.

Table 4.1 also display educational level of the respondents in this study. It shows that 41(74.5%) of the respondents have collage diploma, 12(21.8%) of the respondents have first degree and 2(3.6%) of the respondents have master's degree while none have PHD. From this it can be draw that majority of the respondents are holders of college diploma and from the comment drawn most of these diploma holders are in the process of earning their first degree (28 out of 41)

When selecting respondents, the researcher aimed at taking advantage of gaining perspective of those employees that operated in the company for a long time above 3 yrs. through the changing times of /operation. As such the respondents are participated in the questionnaire are 47(85.5%) that have 3-5 years of experience in the company, 6(10.9%) that have 6-10 years of experience in the company and 2(3.6%) that have more than 10 yrs. of experience.

#### 4.2 BGI's SRM Activities

In this section employees of BGI were asked about the general SRM activities of the company. From the survey, information about this was gathered and presented as below.

**Table 4.2.1 Concept awareness** 

Item	Alternative	Response	Percentage
To what extent do	I have little knowledge about the subject	0	0.0%
u understand the SEM	I lyn aw an an ah ta aanny ayt my ish	24	42.60/
u understand the SEW	I know enough to carry out my job	24	43.6%
ncepts?	I participate actively on it and well aware	31	56.4%
	the concept		
		55	100%

Source: - own survey 2021

Table4.2.1 displays concept awareness level of the respondents in the study. It shows that 31(56.4%) of the respondents claim that they know the concept very well while 24(43.6%) of

the respondents stated that they know just about enough. There were no respondents with little knowledge about the subject matter. We can see from this result that SRM is well known by the employee of BGI.

Table 4.2.2 BGI SRM activities.

Item	Alternatives	Response	Percentag
Which of the	Health and safety	48	51.1%
lowing activities of	Developing environment friendly practice	6	6.4%
M are you aware that	Community and charity work	33	35.1%
I undertakes	Directing ethical marketing to target	7	7.4%
	dience		
	Total	94	100%

Source: - Own survey 2021

As it is seen on the above table there were a frequency of response for the 55 employees as to BGI activities of SRM. There were 48(51%) responses for health and safety, 6(6.4%) for the development of environment friendly practices, 33(35.1%) response for community and charity works and 7(7.4%) response for directing ethical marketing activities to be right audience. These frequency of the responses indicate the level of implementation by the employees, thus the most activities laying on health and safety followed by the community and charity works while little credit and activity lays on developing environment friendly practices and directing ethical marketing activities to the right audience.

Table 4.2.3 Reason of BGI SRM activities

Item	Alternative	Response	Percentag
	Good Public image	11	13.8%
Why do you think	To reduce pressure from government	4	5.0%
BGI implements SRM	To benefit/profit the community	18	22.5%
ractices? (you can tick	Improve competitive advantage	9	11.3%
on more than one box)	Gain support of communities & stake holders	13	16.3%
	Because the company is audited if it is		
	forming according to BGI standards	25	31.3%
Total		80	100%

**Source:** - Own survey 2021

Table 4.2.3 indicates employees belief for the reason why BGI undertakes SRM activities audit has the most response 25(31.3%) followed by protection the environment 18(22.5%) support from the communities, market and stakeholders 13(16.3%) good public image 11(13.8%) improve competitive advantage 9(11.3%) and lastly reduction of pressure from the government 4(5.0%). This indicates the most employees believe the company responsible marketing is implemented out of compliance to international standards with little emphasis given to government pressure.

**Table 4.3.4 BGI SRM Policy** 

	Alternative	Respons	Percentag
	International	47	85.5%
On which of the following is BGI social	National	2	3.6%
rketing practice/policy based on?	Industrial	0	0.0%
	I have no idea	6	10.9%
Total		55	100.0%

**Source**: own survey 2021

As it is seen on the above table 4.2.4 there were 47(85.5%) response that BGI's SRM policy is international, 2(3.6%) responses that BGI's SRM policy is national with 6(10.9%) responses claiming they have no idea and no responses on industrial policy. Most of the respondents seems to agree on international policy. This might indicate the front-line staff may not be aware of other policies than the one in forced by Castel Group.

# 4.3 BGI's SRM implementation

In this section the researcher tried to draw results of response on BGI's SRM implementation from the view of employees using Likert scale. The information is gathered and presented as below

**Table 4.3 BGI SRM Implementation response (from the view of employees)** 

Response Frequency						
Items	Strongl Agree	Agree	Neutral	Disagre	Strongl Disagree	Tota
BGI crafts its social marketing	8(15%)	28(51%	9(16%)	10	0	55(1
ategies effectively						
BGI undertakes is social	2(4%)	32(58%	13(24%	8(14%)	0(0)	55(1
rketing practice the right way						
BGI hires capable frontline staff	5(9%)	42(76%	8(15%)	0(0)	0(0)	55(1
handle the marketing strategies and						
ecute them effectively						
BGI reinforce its frontline staff to	0(0)	22(4%)	18(33%	13(23%	2(4%)	55(1
orporate SRM activities on their						
ly routine						
BGI develops continuous follow	0(0)	14(25%	19(35%	15(27%	7(13%)	55(1
and monitoring strategy to make						
e SRM activities handled up to the						
standards by employees						
The objective of social marketing	7(13%)	37(67%	8(15%)	3(5%)	0(0)	55(1
ictice installed by BGI are						
mpatible with the existing social						
vironment						
The SRM activities done by BGI	3(5%)	19(35%	27(49%	6(11%)	0(0)	55(1
good enough considering its size						
d capacity.						
		1		1		1

**Source**: - own survey 2021

## **4.3.1 Social Marketing Strategies effectiveness**

From the table above it can be seen that the majority of the responses agree that the social marketing strategies of the company are crafted effectively 28(51.0%) while 8(15.0%) strongly agree to the question. Out of the response 10(18.0%) claimed they disagree that it is

effectively crafted while 9(16.0%) held a neutral position. This shows there is comparatively good view of the marketing strategies from the viewpoint of employees

## 4.3.2 Social marketing Practices implementation effectiveness

As it is seen on the above Table 4.3.1 there were 35(58.0%) respond agree that BGI's SRM implementation is practiced the right way, 2(3.6%) respondents strongly agree that BGI's SRM implementation is practiced the right way with 13(24.0%) response claiming they are neutral and 8(14%) disagree that BGI's SRM implementation is practiced the right way. Here also there are comparatively good perception of SRM implementation from front line employees.

### 4.3.3 Front line staff capability

There were many responses that agreed to BGI employing capable frontline staff for SRM implementation 42(76.0%) and 1(2.0%) response that strongly agree that it goes does and 8(15%) response have neutral stand. There were no respondents that disagree that the company employs capable staff.

#### **4.3.4 SRM Execution**

There were comparatively more response of neutral 18(33.00%) and disagree (23.0%) in this section where respondents were asked if the company reinforces implementation of SRM activities on their daily routine. 22(40%) of the respondents agree that the company does reinforce while 2(4.0%) disagree. This could be an opportunity for the company to tackle execution tracking.

#### 4.3.5 Execution follow up

Under this section there were comparatively more responses of neutral 19(35.0%) and disagree 15(27.0%) and strongly disagree 7(13.0%) where the respondents were asked if the company has a monitoring strategy to make sure SRM activities are practices accordingly to the set standards. There were 14(25.0%) respondents that agree that the company has a

monitoring strategy to make sure SRM activities are practices according to the set standards. Here also is an opportunity for the company to develop execution follow-up and tracking.

#### 4.3.6 Validity of the Practice

As it is seen on the above table 4.3.1 there were 37(67.0%) responses agree that BGI's objective of SRM practice is installed in a compatible manner with the existing social environment. 7(13.0%) respondents strongly agree while 8(15.0%) have a neutral stand, there were 3/5.0/ that degree that BGI's objective of SRM practice is installed in compatible manner with the existing social environment. From this frontlines staff seems to believe that the company has valid practice that is compatible with the existing environment.

## 4.3.7 SRM Applicability

This section had more neutral responses 27(49%) for option on if the SRM activities of BGI are good enough considering its size and capacity followed by 19(35.0%) responses that agree they are good enough. 3(5.0%) respondents strongly agree while 6(11.0%) respondents disagree that the SRM activities of BGI are good enough considering its size and capacity.

## 4.4 BGI's SRM responsiveness.

In this section the researcher tried to draw results of responses on BGI's SRM responsiveness with regards to SRM activities from the view of employees. The information is gathered and presented as below.

**Table 4.4.1 BGI SRM innovation** 

Items	Alternative	Respons	Percentag
		e	e
	To very great extent	0	0%
Are you aware of any measure or	To great extent	40	72.3%
ovation intended to be incorporated in the	To some extent	15	27.3%
cial marketing practice?	To low extent	0	0%
	To very low extent	0	0%
		55	100%

**Source**: own survey, 2021

As it seen on the above Table 4.4.1 all responded agree that they are informed of innovation planned by the company to be incorporated in the SRM Activity, 40 (72.7 %) respondent have the information to Great Extent while 15 (27.3%) have the information to some Extent. There were no responses on Very Great Extent, low extent and Very Low extent. This indicates that the company did a good job in communicating it's staff about upcoming strategic plans.

**Table 4.4.2 Complaints on BGI SRM practices** 

Item	Alternatives	Response	Percentage
	Always	0	6.0%
As a frontline staff do you receive	Often	28	50.9%
mplaints from the society as a frontline	Sometimes	16	29.1%
ff about BGI marketing practices?	Rarely	11	20.0%
	Never	0	0.0%
Total		55	100.0%

Source: Own survey, 2021

Item	Alternatives	Response	Percentage
If Any, Do you report the complaints	Always	0	0.0%
the company on a timely manner?	Often	2	1.6%
	Sometimes	5	9.0%
	Rarely	22	40.0%
	Never	26	47.3%
Total		55	100.0%

Source: Own survey, 2021

As it is seen on the above Table 4.4.2 most respondents claim that they face complaints from the society on the company's SRM activities often 28 (50.9%), 16 (29.1%) claim that they receive complaints. Sometimes while 11 (20.0%) respondent claim they rarely receive complaints on the company's SRM activities from the society. It can be drawn from this that the company and staff face complaints from the society on some degree where most of the time it is receive frequently. Form the further elaboration requested by the researcher it was also indicated by the respondents that most of the time the complaints stem from health and safety concerns.

As to reporting there complaints most of the respondents 26 (47.3%) claim that they never report to management 22 (40.0%) of the respondent rarely report to management, 5 (9.0%) of the respondents report to management sometimes while 2 (3.6%) of the respondents report to management often. This indicated there is a gap in communication between the management and frontline staff.

Table 4.4.3. Action on Complaints Received

Item	Alternatives	Respons	Percentage
		_	
If any, in BGI open to receive	Yes	48	87.3%
in any, in Bot open to receive	100	10	07.570
mplaints feedback and does it take	No	7	12.3%
inplaints recedence and does it take	110	,	12.570
ion to solve problem?			
ion to solve problem:			
Total		55	100.0%
Total		33	100.070

Source: Own Survey, 2021

From the information on table 4.4.3 it can be understood that the company does receive complaints/feedback and take action to solve problem with a 48 (87.3%) response agreeing to

this and 7 (12.7%) responses disagreeing. Majority of the response indicates that the company is open for comments from the market.

Table 4.4.4. Influence on SRM policy

Item	Alternatives	Respons	Percentage
Is BGI's policy on SRM strong	Yes	39	70.9%
pugh not to be influenced by	No	16	29.1%
ofit/Sales or other factors?			
Total		55	100.0%

Source: Own Survey, 2018

From the information on table 4.4.4 it can be understood that the company's SRM policy is not influenced by profit/Sales or other factors with a 39 (70.9%) responses agreeing to this and 16 (29.1%) responses disagreeing. This shows that employees believe that the company has strong policy settings.

Table 4.4.5 Awareness of code of content

Item	Alternatives	Response	Percentage
	To very Great Extent	0	0.0%
	To Great Extent	0	0.0%
How aware are you of code of	To some Extent	13	23.6%
nduct and standard of behavior?	To low Extent	11	20.0%
	To very low Extent	22	40.0%
	I don't know anything about	9	16.4%
Total		55	100.0%

Source; Own Survey, 2018

**Table 4.4.6 Implementation of code of conduct** 

Item	Alternatives	Response	Percentage
	Yes	10	18.2%
Are there any initiations from the company or code	No	7	12.7%
conduct implementation?	I Don't	38	69.1%
	ow		
Total		55	100.0%

Source; Own survey, 2018

From Table 4.4.5 And 4.4.6 we can see the creation of code conduct awareness by the company as well as level of awareness by the staff. 13 (23.6%) of the respondent know the concept to some extent, 11 (20.0%) of the respondent know the concept to very low extent, 22 (40.0%) of the respondents know the concept to very low extent while 9 (16.4%) of the respondent don't know anything about it. Regarding the company initiation for code of conduct implementation the majority of the respondents claimed they are not sure of an awareness of any initiation 38 (69.1%), 7 (12.7%) of the respondents claimed there is initiation while 10 (18.2%) of the respondent agree that there is an initiation from the company for code of conduct implementation. There is a great opportunity here for management to shape its frontline staff on the code of conduct policy it has as many of the responses indicate otherwise.

## 4.5 Interview Response and Analysis

This section provides summarized response as well as analysis if of interview question from sales & marketing function heads of BGI Ethiopia as well as Castel group managers.

#### 4.5.1 SRM application in the Company

According to the interview's response, BGI is steeped in history and tradition, where heritage is honored, and values are respected. As such is committed to the responsible marketing of its products. St. George has a history of aligning its commercial practice with sustainability

goals, business goals, and the values of the group system. As such BGI's responsible marketing policy sets forth expectations in regards of acting as a global family of people working together to bring consumers a wide array of brewery choice to meet their brewery needs each and every day providing right options and information, as well as it consider sustainability agenda, respecting the role of parents and caregivers by not marketing directly to children under 18. Specially meaning there are no advertising in media which directly targets under 21, including television shows, print media, websites, social media, movies and SMS/email marketing (media defined as the one that directly targets children under 18 as media in which this information is possible to obtain), building a way forward which is a comprehensive business strategy dealing with issues of obesity and ensuring that the perception of its products and ingredients remains positive amongst consumers and stakeholders and building community based works to connect with society and project funding's.

## 4.5.2. The major BGI's SRM Activities

The interviewees replied that, as they evolve with consumers, it must have a corresponding impact on their attitudes and system culture which has led to a socially responsible marketing that has been shaped to fit in today's world. They also emphasized that this would mean their products and the whole operation should work in harmony of the lifestyle of the current society. The interviewee's mentioned the below as some of the major SRM activities of St. George brewery.

- Community project- (Recycling Training Project, Blood Donation)
- Marketing respecting social responsibility regarding of COVID and meal sharing activity
- Way forward- which is project on process aiming at providing Healthier and wide array of products.

## 4.5.2.1. Health and Prosperity

This section provides managers responses to SRM Activities related to Health and prosperity of the society. According to the responses from the BGI brand managers. The Company position is that, alongside with the World Health Organization and public health experts, they recognize there are nutrients to limit (fat, salt, and sugar) and nutrients to encourage. Accordingly, as the world's largest brewery company, BGI has chosen to on more not just say more when it comes to the global fight against obesity.

Importantly, they support the current recommendation by several leading health authorities, including the World Health Organization (W.H.O), that people should limit their intake of alcohol consumption.

The interviewee's claimed they want to help make it easier for consumer to continue to enjoy the products they love while simultaneously helping them to manage their alcohol intake by reducing package size, reformulating the current brands, offering and shaping greater choice of products with and without alcohol through innovation, and providing clear front-of-pack (FOP) nutrition information. The brand managers claimed that they have begun a journey toward this goal and have action plan both inside and outside the bottle.

The management listed the major inside the bottle innovations as below.

Alcohol reduction and Awareness using excessive usage of alcohol is the cause of irresponsibility and it is an important issue for the peoples who are under the age of 21, pregnant women's etc... they support the recommendation by health authorities, including the W.H.O., that people should limit their intake of alcohol more than normal consumption. They have begun a journey towards this goal.

They are rethinking many of their recipes to reduce alcohol, because while for energy and for people choice they make zero alcohol drinks and malts. They are fully committed to helping consumer's better control the amount of alcohol they get from these drinks.

**Evolve recipes** they are looking for ways to make beverages better and more nutritious whenever they can by providing vitamins, minerals and electrolytes that help fuel your active body. They are also adding new, sophisticated flavors to help themselves keeps up with consumers' rapidly evolving taste preferences.

**Different Drinks** They realize everyone doesn't drink beer. So, they are making many other drinks such as Malt.

**Convenient packages** They are providing smaller, more convenient packages, making it easier to use.

**Accessible Information** They voluntarily put clear, easy-to-find alcohol percentage and ingredient content information right up front so consumers can make informed choices without guesswork.

# 4.5.2.2. Social Expectation

The sales and marketing heads of BGI provided their response to how they mitigate societal expectation and need from the offerings and services of the company. The trade marketing manager explained the Social Marketing program is introduced to the staff through Formal Ambassadorship Trainings. This training is a formal classroom session that is conducted for the frontline staff to equip them with the knowledge and understanding of BGI's responsible corporate practices, so they represent the company better. The company gives refreshment training of the same to communicate any update on this subject and to onboard new employees. This communication is then believed to cascade down to external stakeholders

such as customers through our frontline staff. This is mostly done through the staff's interaction with their customers about any questions of the products which are raised.

The national sales manager also explained that the company pays high attention in recruiting capable staff and consistently develops capability through both classroom as well as informal trainings. According to the NSM, the company believers these investments on employees have a great return in terms of handling challenges from customers or the market.

Both Trade marketing Managers and National sales Managers argued that, currently apart from the above means of communication they don't have a solid marketing program for communication with external stakeholders but that the management is open for receiving feedback or comments from the market through our sales team. Going forward, they explained that they want to manage their relationship with stakeholders by developing a marketing strategy for SRM practices.

The interview response from the sales and marketing Director emphasis that the global nature of the business requires that the BGI system has the highest standards and processes for ensuring consistent product safety and quality, from concentrate production to bottling and Product delivery, they further argued that, the company measures key product and package quality attributes to ensure the brewery product in the marketplace meet company requirement and consumer expectations. They went on to explain that consistency and reliability are critical to product quality and to meeting global regulatory requirements and company standards.

They responded that, the management is well aware of the know how that some people enjoy the taste of these beverages but would like to reduce their alchole intake. That is why they are beginning to offer a variety of great-tasting beverages with reduced, low or no alcohol as well as smaller pack sizes. Accordingly, the management believes the best approach to help

reduce obesity is to provide people with choice and information so they can make an informed decision about what they eat or drink. Therefore, they provide information about what's in the brewery.

These above stakeholders' concerns are of the major areas they will work on the way forward marketing strategy and communication through media. Alcohol reduction project has already started in some locations of the country by testing the market for substitutable products of St, George, Castel, Doppel which are low alcohol while maintaining taste and quality.

The interviewees further explained that the marketing communication will be done once they establish the ground for our way forward marketing strategy which should be effective September 2022.

### 4.5.2.3. Ethics and code of conduct

The TMM along with the NSM elaborated that, in terms of ethics the company sets high standards for their people at all levels and strive to continently meet them. The soured business principles and practice foster their strong innovative and collaborative culture, which is committed to ethical behavior, accountability, and transparency.

They went on to explain that they are guided by established standards of corporate governance and ethics. BGI brand managers explained they review their systems (last update was on March 2021) to ensure they achieve international best practices in terms of transparency and accountability. The foundation of their approach to corporate governance is laid out in their Corporate Governance Guidelines and in the charters of the international group.

They further explained, BGI Ethiopia has prepared a platform where its associates, bottling partners, suppliers, customers and consumers can ask questions about code and other ethics

and compliance issues, or report potential violations, through Ethics Line, a global Web and telephone information and reporting service, Telephone calls are toll-free, and Ethics Line is available 24/7.

The management team of BGI Ethiopia however argued that currently as a brewery doesn't have a mechanism that enforces and supports its stalt to abide to code of conduct principles as well as acceptable standards of behavior apart from the teaching in the ambassadorship trainings. They explained, however whenever faced with a breach from the code of conduct arising from either frontline staff or distribution partners the case will automatically be forwarded to legal and public affairs department which will review the case and follow through as far as court hearings.

Sales & marketing directors explained regarding integrity compliance to global regulatory requirements and company standards is essential in running the business throughout the supply chain which is regularly audited if performance is up to the set standards (twice a year) and as such, the global nature of the business requires that the BGI system has the highest standards and processes for ensuring consistent product safety and quality, from concentrate production to bottling and product deliver. They measure key product and package quality attributes to ensure the beverage products in the marketplace meet company requirements and consumer. Expectations consistency and reliability are critical to product quality and to meeting global regulatory requirements and company standards.

The explained as such thus in compliance with the standards is regulated to not sell the products around schools. The company also provides nutrition information on its body labels. The nature of the glass products make it difficult for nutrition information but they have been approached with regulatory bodies to come up with a way and the quality learn has already submitted request to have new disposable copper glass with the required information. They

goes on to explain, the company makes up price increase every year, this price increase is affected after reviewing a pricing market research that is conducted every three years and the profit plan of the company, BGI also provides its distributors with a recommended retail price which they are monitored against and non-compliance could lead to termination of their contract with the company.

The company is very responsible on the impact its processes might have on the environment, which is why there are waste management practices in place to avoid hazardous conditions to the public. Wastewater is treated before released to a river at the back of the plant, this treatment ensures the water is anodyne enough to accommodate for living things. The other is management of should pollution, the company makes sure all generators that run the production lines are inside rooms that are soundproof and can contain the noise only in the factory area so they don't disturb the community. There are initiations on progress to manage air pollution as well as scrap bottles recycling.

# **4.5.2.4.** Giving Back

BGI undertakes community and charity works from different field with the attention of connection with the public and giving back. According the PAC director, the following are of the major initiatives the company has funded.

**Bursary Program**: BGI Ethiopia recently launched the second bursary program in March 2020 by organizing a launching event that brought the beneficiaries, university representatives and BGI leadership together. By increasing the number of beneficiaries. BGI Ethiopia on 2021 will attend financial and material support for 45 students.

The students are selected from different universities of the country. Considering their academic performance and economical background. The students will reserve 800 birr every

month until they complete their tertiary education. The company is also committed to cover their expenses for reference books and graduation clothes.

BGI Ethiopia first launched its Bursary program in March 2021. So far, the company provided financial and material assistance to 15 outstanding higher education students.

**Blood Donation** in collaboration with the Ethiopian Red Cross Society BGI conducts blood donation by pulling together its staff to participate in this good cause. This is done on a yearly basis.

Women Empowerment and Youth Empowerment: BGI believe there is so much potential in women that is not being utilized. Thus, it has come up with a project at entoto park with collaboration with the PM office. this exposures to 300 women around entoto park. Youth empowerment also is the same kind of initiation to support young adults that are unemployed.

# CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study was conducted in BGI Ethiopia PLC with the general objective of assessing the socially responsible Marketing practice of the company. Questionnaire and interview were the main source of data for this study followed by company newsletter, web site and journals, was conducted with the sales and marketing managers of the company.

Through the methodology and analysis, the objectives of the study were addressed briefly, the major results of this study are discussed as follows.

# **5.1Summary of Findings**

- As per the finding from questionnaire responses, all of the frontline staff of the company are aware of the socially responsible marketing concept with a 56.4% of the response claiming they actively participate in the company's strategy. Findings from interview with the management also indicates the company conducts training called Ambassadorship Program to equip its staff with the concept.
- Findings from the questionnaire responses show that of the major socially responsible marketing the company undertakes, the frontline staff are more aware of Health and safety initiations (51.1%) followed by community and charity works (35.1%)
- Findings from the questionnaire responses indicated that it is believed by the employees that the main reason for the company's involvement on SRM activities is due to international standards set by the group (31.3%) there was an aggregated 52.6% response from the staff that another reason for the activity is because of the company's pursue to serve the community, gain their support and enhance good public image.
- As per the findings from the questionnaire response, there is an 85.5% response from employees that BGI Ethiopia Social Marketing practice Policy base on International Standards.

- As per the findings from the questionnaire responses, regarding the company's social responsible marketing practice implementation, there is a positive feedback from the frontline staff with a 65.0 % agreement to effective social marketing strategies in 62.0% response of proper execution of the practice liven though the company hires can able staff for SRM evection with an 85.0% positive response from employs, there is a gap in reinforcer of the practice in their diprobutine (only 40.0% positive response) and putting in place a proper follow-up/monitoring strategy to align with set standards (only 25% positive response).
- According to findings from the questionnaire responses. Majority of the frontline staff believe that the current social marketing practice objective of the company is compatible with the existing social environment (80.0%) while most of the staff didn't voice their option if the company can do more considering its size as well as capacity (49.0%)
- Findings from the questionnaire responses show that 100.00% of the staff know at least on some level about upcoming SRM innovations. From findings of the interview responses, the management of the company conducts formal trainings as well as refreshment trainings on this area.
- All the questionnaire respondents pointed that they at least rarely receive complaints on BGI'S SRM activities with the majority 51.0% claiming they receive complaints often. Most of the complaints according to the team comes from concern about health and safety of consuming the company's product. However there is lack of motivation from the team as in most cases there employees don't report the complaints with a 47.3% response of never reporting complaints to management of these staff 87.3% agreed that if forwarded the company is open to receiving feedback and taking action to solve the issues.

- Findings from the questionnaires shows that most of the employees 70.9% are confident that BGI's socially responsible marketing is strong enough to not be influenced by other business factors such as sales or profitability.
- According to the questionnaire responses it can be understood that there is low level of awareness about the code of conduct concept among the frontline staff (76.0% of the responses were negative), there is also low level of information on whether the company has initiation on code of conduct implementation (69.0%) responses don't know of any initiation).
- Finding from the interview indicate that the company undertakes numerous charity work in sense of giving back to the community, it also does a remarkable job in following enough projects and committing to them.

### 5.2 Conclusion

- All of the frontline staff of the company are aware of the socially responsible marketing concept. This is supported by the management through a training called ambassadorship program to equip its staff with the concept, however there is no solid marketing program that the company uses to communicate external stakeholders about its social marketing programs and currently only relies on its frontline staff to escape the information down to these stakeholders until the launch of its way forwards marketing strategy which is planned on March 2022,
- ➤ Of the major socially responsible marketing the company undertakes, the frontline staff are more aware of Health and safety initiations followed by community and charity works. But the company (as per the comment of the management) also gives great emphasis to social marketing responsibility practices of environmental protection and unethical marketing practices.

- Frontline employees believe that the main reason for the company's involvement on SRM activities is due to international standards set by the Castel Group and the compan's pursue to serve the community. Gain their support and enhance good public image this is in line with the feedback received from management as for the boulder to continue operation the major requirement is to operate under the standards set by the Castel Group and operations are audited twice in a yearly basis to confirm compliance. From an internal perspective the BGI is committed to serving the public by performing giving back initiations from for women empowerment (in aims of supporting independency) to relief programs, donations and supporting the education sector through construction of school.
- ➤ Frontline employees of BGI Ethiopia plc agree that Social Marketing Practice policy bases on international standards this is correct as there is a responsibility marketing.
- Regarding the company's Social Responsible Marketing Practice implementation, there is a positive feedback from the frontline staff to effective social marketing strategies and proper execution of the practice. Even though live company hires capable staff for SRM execution. There is a gap in reinforcement of the practice in their daily and putting in place a proper follow up monitoring strategy to align with set standards.
- There is a great innovation communication between employees and the management team in the creation of awareness as all of the staff know at least on some level about upcoming SRM innovations and the company conducts formal trainings as well as refreshment trainings.
- All the questionnaire respondents pointed that they at least rarely receive complaints on BGI's SRM activities. Most of the complaints according to the frontlines staff comes from concern about health and safety of consuming the company's product. However there is lack of motivation from the team as in most cases these employees don't report

the complaints to management. These staff agreed that if forward, the company is open to receiving feedback and taking action to solve the issues. Even though the company proclaims that it is open for any sort of feedback there seems to be lack of motivation from the frontline staff to come forward with feedbacks from the market.

- Most of the employees are confident that BGI's Social Responsible Marketing is strong enough to not be influenced by other business factors such as sales or profitability accordingly, the company shows concern and developed a way forward which is a comprehensive business strategy dealing with issues of health (obesity) and ensuring that the perception of its products and ingredients remains positive amongst consumers and stakeholders. The company has come up with this strategy even though these concerns from the public didn't directly affect its sales or profitability currently.
- There is low level of awareness about the code of conduct concept among the frontline staff, there is also low level of information on whether the company has initiation on code of conduct implementation. There is a misalignment between the company and its staff because the company suggests it is guided by established standards of corporate government and ethics. It also claims that there is review of systems in ensure the company achieves international best practices in terms of transparency and accountability. There is also a page where the staff could report compliance issues of violation which is toll free.
- ➤ Because of the nature of the glass bottles, BGI only discloses information of ingredients and not content information.
- The company undertakes numerous charity work in sense of giving back to the community. It also does the same in following through projects and committing to them

### 5.3 Recommendations

It can be argued from the findings of this study that the company has set a considerable energy in involving in the social responsible marketing practice and engaging in projects and initiations that support the concept (health & Safety, Ethical Marketing Environmental Protection and Charity Works). Some gaps however have been noticed by the researcher that could benefit this great initiation of the company go to the next level of sophistication. The researcher after analyzing these practices has provided the following recommendations to address the gaps.

- There is alignment and understanding between the staff and management in areas health & safety and community works related SRM activities. But there is an opportunity for the company to widen the already applied ambassadorship training for staffs by incorporating the lesser credited environmental protection as well as unethical marketing practices. This will give frontline staff a well-rounded know how of the overall picture of the company's social responsible marketing practice and help them in executing their tasks according to the company's expectation.
- Develop a solid marketing strategy to notify customers and stakeholders of the company's SRM initiative. Involve stakeholders in a two way communication process, which could be an ongoing relative sense giving and some making process the company could also craft refined processes that enable is to ground a communication way that involves process from "informing" and "responding" to "involving" stakeholders in the initiation themselves the company should also expand the role of stakeholders in SRM communication process improve its efforts in building legitimacy, a positive reputation and tasting stakeholders relationships.
- There is good understanding between the staff and management of what marketing practices they should follow and from the responses it can be drawn that the staff is well

aware of application and compliance to these strategies on a daily basis (excluding code of conduct discussion), but, the company despite informing its team on what to implement in the market, should develop a mechanism by which the operations by these staff are evaluated against the set standards. Not only the staff but the company should also monitor the marketing activities policy in order to push sales.

- ➤ There should be a mechanism to motivate employees to come forward with complaints or feedback from the market. Despite the staff believing the company is open to receive comments about its SRM operation they lack the motivation of providing this information to the company.
- A major area to work on for the company is building awareness of code of conduct as well as ethical standards of behavior, the employees seem to be lost on the concept as well as application even though the company has a great platform for its employees to exercise on this can be done as part of ambassadorship training or as a separate training.
- The company does a great job in terms of controlling its processes waste to avoid environmental impact. It controls water and noise pollution but in terms of air wastage/pollution and proper PET recycling there is only a plan of developing a mechanism this is a serious issue and the company should make sure there is a fast response in mitigating air pollution and implementation of PET recycling programs.
- The act of not fully disclosing information of a products is regarded as deceptive packaging BGI because of the nature of the glass bottles only discloses information of ingredients and not content information. This is not a responsible act and glasses with the same information as the plastic products should be marketed to properly notify consumers the content of the offering
- Lastly the company should strive to implement the way forward business strategy. The researcher believes this will be a game changer for the company, the company has been a

very famous and loved brand but the issues of consuming alcohol and the preceding effects on health as well as unneccesry accident has been a serious issue for the society and it has been that one major issue with the changing times that the company still runs the same product despite the concern of health and seftly issues. The new way forward must help the company maintain its good reputation by accommodation to the expectations as well as need of the society.

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**Annex A- Interview question** 

St. Mary's university

**School of Graduate Studies** 

**Department of Marketing Management Program** 

**MA Program** 

Introduction

Dear respondents, this questionnaire is designed for the purpose of doing a research entitled

assessment of the socially responsible marketing practice in BGI Ethiopia Plc, for the partial

fulfillment of the requirement for Master of Art degree in marketing management.

This questionnaire will help the company think about its effort towards socially responsible

business activities by raising questions on the possible way's organizations could improve

their business in a profitable and sensible manner to their stakeholders. The questionnaire will

also help to identify further actions they can take to strengthen their business, its reputation

and performance through socially responsible activities, Thus, you are kindly requested to

answer the questions honestly and you are assured that your responses will be treated

confidential and used for academic purpose only.

I thank you for your cooperation!

Kind regards

Daniel Fiseha

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# I. General Questions

- 1. How does your organization understand social Marketing?
- 2. Does BGI Performs any SRM activities? Can you please explain which areas are given such emphasis?

## II. Health and safety questions

- 1. How do you see social marketing and health? And how these two things go together?
- 2. How do you design and relate societal health needs into marketing's strategies?
- **3.** What is the current picture of BGI SRM movement in terms of health and safety of society?
- **4.** What challenges have you faced in designing and implementation of social marketing approaches in the case of health and safety development?
- **5.** What challenges have you faced in designing and implementation of social marketing approaches in the case of health and safety development?

### **III.** Societal Expectation Questions

- 1. How do you promote your social marketing interventions to customers?
- 2. Do you think the public well understand BGI'S social marketing programs? Do you believe it meets their expectation?
- 3. What actions have you taken so far to promote your activities to the society?
- 4. What challenges have you faced in your relationship with partners and stakeholders related to social marketing? What measure did you take to tackle this?
- 5. To what extent do you believe BGI's team is capable of handling challenge from the society?

# Code of conduct and standards of behavior questions

- 1. What is your comment on BGI's compliance regarding the code of conduct in its operation?
- 2. If BGI was faced with an issue of abiding the company's law of marketing practices from the team, how would the management tackle the issue?
- 3. What specific regulations apply to BGI marketing practice?

### **Annex B- Questionnaire**

### St. Mary's university

#### **School of Graduate Studies**

### **Department of Marketing Management Program**

### **MA Program**

### Introduction

Dear respondents, this questionnaire is designed for the purpose of doing a research entitled assessment of the socially responsible marketing practice in BGI Ethiopia for the partial fulfillment of the requirement for Master of Art degree in marketing management.

This questionnaire will help the company think about its effort towards socially responsible business activities by raising questions on the possible way's organizations could improve their business in a profitable and sensible manner to their stakeholders. The questionnaire will also help organization identify further actions they can take to strengthen their business, its reputation and performance through socially responsible activities, thus, you are kindly requested to answer the questions honestly and you are assured that your responses will be treated confidential and used for academic purpose only.

I thank you for your cooperation!

Kind regards

Daniel Fiseha

#### Remark

- There is no need to write your name in any part of the questionnaire
- Your frank response is vital for the success of the study.
- Give a short and precise answers for questions of blank spaces
- Please put a "√" mark on your choices

# Part I. Background information

1.	Sex:	□Male	□ Fe	male	
2.	Age group:				
□20 у	ears	□30-39 years			
□20 –	29 years	□40 – 49 yea	r's	□50 years and above	
3.	Marital statu	s:			
□Sing	gle	□in a relationship	I	⊐married	
□divo	orced	□widowed			
4.	The highest le	vel of education achie	ved:		
□Coll	ege Diploma	□first Degree	□masters	□Third degree (PHD)	
5.	How long have	e you stayed with the	company?		
□3-5 years □6-10		□6-10 years	0 years □above 10 years		
Part I	I. Questions on	BGI's SRM Activiti	es		
6.	Do you un	derstand society respo	nsible marketing	?	
□Yes			□no		
If you	r answer to the	above question is NO	., please return t	he questionnaire as the following	
questic	ons will be base	d on this concept.			

7. To what extent do you know the SRM concept?					
□I have little knowledge about the subject					
□I know enough to carry out my job					
□ I participate actively on it and am aware of the concept					
8. Which of the following activities of SRM are you aware that BGI undertakes? (you					
can tick more than one box)					
☐ Health and Safety					
□Developing environment friendly practices					
□Community and charity work					
□Directing ethical marketing activities to the right audience					
□If other, please specify					
9. Why do you think BGI implements SRM practices? (you can tick on more than one					
box)					
□Good public image					
☐To reduce pressure from government					
☐To benefit/protect the community					
☐Improve competitive advantage					
□Gain support of communities, market & stakeholder					
☐Because the company is audited if it is performing according to international standards					

10.	On which of the following is BGI's social Marketing Practice/policy based on?			
□International				
□National				
□Indu	strial			
□I hav	re no idea			

Part III. Questions on employees view of BGI SRM implementation

Name	Stro	agree	neutral	disagree	Strongly
	ly				agree
	ree				
11. Does BGI craft social marketing strategies					
ectively?					
12. Do you believe BGI undertakes its social					
rketing practice in the right way?					
13. Does BGI hire capable frontline staff to					
ndle the marketing strategies and execute them					
ectively?					
14. Does BGI reinforce its frontline staff to					
corporate SRM activities on their daily routine?					
15. Does BGI develop a continuous follow up					
d monitoring strategy to make sure SRM activities					
handled up to the set standards by employees?					
16. Are the objective of social marketing					
actice installed compatible with the existing social					

vironment?			
17. Are the SRM activities done by BGI are			
od enough considering its size and capacity?			

# Part IV. Question on employee view of BGI SRM Responsiveness

18. H	How aware are you of code of conduct concept and standar	rd of behavior?
□To v	very great extent	
□То д	great extent	
□To s	some extent	
□To lo	low extent	
□То v	very low extent	
□I dor	on't know anything about it.	
19.	Are there any invitations from the company for code of	f conduct implementation?
□Yes	s □No □ I do	n't know
Other,	r, please specify	
20.	Are you aware of any measure or innovation intended t g practice?	o be incorporated in the social
□To v	very great extent	

	□То д	reat extent			
	□To some extent				
	□To low extent				
	□To v	very low extent			
	21.	As a frontline staff do you receive complaints from the society as a front-line staff			
ab	out	BGI marketing practices			
	□Alw	ays			
	□Ofte	n			
	□Som	etimes			
	□Rare	ely			
	22.	If any, is BGI open to receive complaints/feedback and does it take action to solve			
pro	oblem?				
	□Yes				
	□No				
	If no, p	blease elaborate			
	23.	Is BGI policy on SRM strong enough not to be influenced by profit/sales or another			
Factor?					
	□Yes	□ No			
	If no, r	please elaborate			









