SAINT MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND IMAGE: A STUDY ON HOLLAND DAIRY PROCESSING COMPANY IN ADDIS ABABA

BY

TIRSIT MENGISTU

JULY 2023

ADDIS ABABA

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APPROVAL SHEET

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DECLARATION

I, the undersigned, declare that this thesis proposal is my original work, prepared under the guidance of Mohammed M. (ASS.PROF.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted to this university or to any other higher learning institution for the purpose of earning any degree.

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Name   Signature

St. Mary's University, Addis Ababa   June 2023

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor   Signature

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LIST OF ACRONYMS

ANOVA   Analysis of Variance

CBBE   Consumer Based Brand Equity

CSR   Corporate Social Responsibility

EIA   Ethiopian Investment Agency

Ph.D.   Doctor of Philosophy

RBV   Resource-based view

SPSS   Software Package for Social Sciences

VIF   Variance Inflation Factors

ABSTRACT

This researchwas aimed to examine the effect of corporate social responsibility on brand image in the case of Holland Dairy Processing Company in Addis Ababa. Both qualitative and quantitative research approaches along with descriptive and explanatory research design were applied. Customer (consumers, retailers and distributors) were considered as a study population. Primary data were collected from a total sample size of 315 sample respondents through structured self-administered questionnaires. The scale comprised four corporate social responsibility dimensions and brand image questions measured with Likert Scale. The relationship between components of the corporate social responsibility and brand image was examined using both descriptive and inferential analysis techniques. The results descriptive statics (mean and standard deviation) of both independent variables and dependent variable shows that the respondents have positive perceptions, high variability were also observed.Theinferential analysis was analyzed by using Pearson correlation and multiple linear regression models.The resultsregression analysis showed that all the four corporate social responsibility dimensions had positive and significant effect on brand image. Specifically, economic and legal social responsibilities had the highest contribution to brand image. But philanthropic and ethical social responsibilities had less effect. The four dimensions of social responsibility aspects can be summed up as being reliable indicators of brand image that could help in creating positive attitude in the minds of the consumers. Therefore the corporate and marketing managers of Holland Dairy are advised to exert maximum effort on the improvement ofCSR as well as implementation of appropriate communication with their customers.The corporate and marketing managers of Holland Dairy are advised to exert maximum effort on the improvement ofCSR as well as implementation of appropriate communication with their customers.

Keywords: Dairy Processing Company, Corporate Social Responsibility, Philanthropic Responsibility, Fast-Moving Consumer Goods.

CHAPTER ONE

INTRODUCTION

1.1   Background of the Study

Working for society and accepting its responsibilities within the operating business environment has gained a new resonance as a non-marketing tool to build brand image(McWilliams, 2016).Companies spend most of their time, effort, and resources in building their brand identity to fill their motives and purposes. Nonetheless, often the brand identity that the company wants to build creates different brand image in consumer's mind. To alleviate such a gap, marketers should exert efforts in determiningthe feels and value of their brand in consumers' minds. According to Kotler (2010), brand image is the perception of the brand in the minds of the customers which depends on their beliefs or interaction and experience with the brand. These interactions take place in many forms and do not necessarily involve the purchase or use of products and services but also its offer from socially responsible organ highly matters (Carrol, 2010).

Social responsibility refers to an individual or corporate accountability to fulfill their civic duty and take actions that will benefit society. According to Robert (2020), corporate social responsibility is the continuing commitment by a business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. Managersin a socially responsible companiesoften make decisions that maximize profits as well as protect the interests of the community and society as a whole. Such social requirements open the gateway for a culture which in fact allows them to show up their cares throughtaking on a guardian role.Meanwhile, it helps them parallel positioning their brands in the society(Hemingway, 2014).

The advancement of living standard drives consumers not only care about self-demand but also the social and environmental issues. Companies, operating in a society where consumers are increasingly demanding a brand, should offer value for the society than a quality product at a low price (Ramesh, 2019). Robert (2020) also asserts, these days, consumers in developed economies prefer to buy the product made by the well-established and socially responsible

companies.Thisdrives them to make an effort to create a good company image in order to gain the support of the consumers, which might contribute to the sustainabilityandlong-term development of the organization. Therefore, corporate social responsibility can be considered a good strategic non-marketing tool for positioning the brand in terms of differentiation from its competitors (Sun 2020).

There are evidences which show that corporate social responsibility affects brand image. For instance, Harjoto and Salas (2017) conclude that consumers prefer ethical socially responsible brands when evaluating similar products. Porter and Kramer (2006) argue that consumers' perceptions of a company's social responsibilityactivities tend to affect their intention to buy the brands, consequently affecting their buying behavior. Brown (2017) concludes that consumer knowledge regarding an organization's activities related to social responsibility initiatives lead to higher evaluation of the company's image and a more positive attitude towards the company's product. Mel and Galan (2017) posit a good brand image is a basis for organization's development and long-term sustainability, thus it imposes a positive impact on owner's profitability, user's satisfaction, and also ensure no or minimal negative impact on the general public.

Consumersin Ethiopia are less sensitive to marketing strategies linked or related to social movements and change, and the country has not historically been a key stimulant to push social, ethical and environmental change for the betterment of organizational success (Dawit, 2018). However, they are easily affected by word-of-mouth disseminated by ill-conceived marketing attempts. According to Mulugeta (2014), despite their short lifespan, such marketing tricks are more pronounced in fast moving goods manufacturing industries which adversely affect the reputation of genuine firms. For instance, in 2014, cow milk producers had drastically lost their profitability and market share due to "cow disease" that allegedly affected the quality of the milk (Ayinalem, 2016). To avert such adverse marketing strategies of competitors, dairy processing companies commence to promote their companies' image by engaging in different social responsibilities. Nonetheless, to what extent their corporate social responsibility activities have brought the required brand image in the minds of the consumer is the area that requires further investigation.

The purpose of this study is, thus, to investigate the effect of corporate social responsibility practiceson brand image of dairy processing industry in Ethiopia by conducting a case study on Holland Dairy Processing company. Filling this gap help to understand the potential of corporate social responsibility to build a betterproduct and company brand image.

1.2   Statement of the Problem

Holland dairy processing company is known for implementing different social responsibilities as a strategy for building positive corporate image. The company is one of the leading dairy processing companies in Ethiopia, owned and established by a local visionary investor since 2009. On top of different marketing strategies, the management gives more priority to promote its social responsibility contribution to build the company's reputation. Despite the company is a novice within the area of corporate social responsibility, the management involves in many social, economic and environmental issues of the local community. However, the results of repetitive brand-health test by marketers didn't show up the consumers' preference to the Holland dairy products is due to the company's commitment to corporate social responsibility as expected (Holland Dairy's Marketing Department Database, 2022).

The changes in consumer's preference towards purchase of goods and services from socially responsible businesses makes it more complicated as it takes more effort and longer period to generate profit from none marketing strategies (Ramesh, 2019). Consequently, failure in attaining the business objectives set by different corporate strategies is one of the management areas that adversely affecting the development and sustainability of an organization (Keller, 2010). According to Candemir (2021), this might be caused by either a failure in proper social responsibilityimplementation, lack of community awareness about the good deeds due to poor communication, or corporate social responsibility doesn't have significant influence on brand recognition and association in the minds of mass consumers. The true level of consumer awareness of such efforts is however uncertain and may be quite low in certain contexts (Fan, 2015).

Empirical studies illustrate that corporate social responsibility practices have positive and significant effect on brand image. Carrol (2010) identified economic, legal social responsibilities have more predictive power on brand equitycompared to ethical and philanthropic social responsibilities.Theodor (2018) supports these dimensions by contextualizing to the Africa's business environment. He concludes a CSR model where the economic role of the company is given high priority and importance in the hierarchy due to the high unemployment rate, poor economic condition, and low investment. According to

Visser's(2016) study, philanthropic activity is second to economic role in terms of importance due to the prevailing severe economic condition. The importance of Legal and ethical responsibilities comes after.

In Ethiopian context, studies focused on the stage and nature of corporate social responsibility. Diana (2014) found the private sector, let alone playing a leading role in the advancement of social responsibility practices, is not strong enough to consider it in their business.According to Atnafu (2016) who studied CSR practices of commercial banks in the country, concludes that decision making process of the Bank could be considered abiding to laws and regulations set by the government, but they weren't ethical and philanthropic. Similarly, the study of Deyassa (016) affirmed that philanthropic and economic responsibilities had high contribution in the case of public enterprises. Nonetheless, the firms gave little attention to disclose regular information about environmental management in general and their initiative in particular to external stakeholders.

In this regard, Holland dairy processing company strives for creating good reputation before the eyes of consumers by aligning its corporate social responsibilitywith its business strategy in terms of economic, legal, ethical and philanthropic activities (strategic approach). Parallelly the company implements different marketing strategy to differentiate its products from competitors by supplying quality milk products with competitive price (marketing approach) to build positive image of the company. That is, consumers expect the companies to promote their products and services through attending the social activities and, then reward them through the purchase behavior (Hill, 2016). This implies that the marketing strategy of the company affects the process of creating good company image through indulging in social responsibility activities.

Studies show consumers are motivated to purchase a positively valued product to maintain a positive self-image or to enhance oneself by approaching an ideal image (Sirgy, 2017; Solomon, 2016; Bhattacharya and Sen, 2020). In other words, the image of the positive valued product can improve the image of its consumers. Fan (2015)also argues that customer buying behavior is not necessarily based on product and service quality or price perception but also on how ethical the company has performed in manufacturing its products and services. Theodor (2018) and Tomas (2019) also recommend that a good brand ought to provide a positive impact on its owner and

user and also ensure there is no negative impact on the general public. Hence, this implies both strategic and marketing approach have influence on creating positive image of the company (Carrol, 2010; Bhattacharya and Sen, 2020; Fan, 2015). This clearly indicates the need to examine the role of customer awareness as organizations attempt to use corporate social responsibility as a non-marketingtoolto create positive brand image.

The aim of this study is, thus, to examine the effect of corporate social responsibility on brand image by taking Holland Dairy Processing Company as a case. It helps to address the two gaps – one, to examine the direct relationship of corporate social responsibility with brand image. Second, it considers the fast-moving consumer goods industry, dairy processing firms in particular, which is the area that has been given less attention.

1.3   Research Questions

The main question was to what extent marketing promotion of Holland Diary on the relationship between corporate social responsibility and brand image of the company? This was achieved through addressing the following specific research question. These research questions are:

1. What is the effect of economic social responsibility on brand image of the company?

2. What is the effect of legal social responsibility on brand image of the company?

3. What is the effect of ethical social responsibility on brand image of the company?

4. What is the effect of philanthropic social responsibility on brand image of the company?

1.4   Objectives of the Study

1.4.1   General Objective

The main objective of this study was to investigate the effect of corporate social responsibility on brand image of Holland Dairy Processing Company.

1.4.2   Specific Objectives

i.   To examine the effect of economic social responsibility on brand image of the company.

ii.   To analyze the effect of legal social responsibility on brand image of the company.

iii.   To explain the effect of ethical social responsibility on brand image of the company.

iv.   To examine the effect of philanthropic social responsibility on brand image of the company.

1.5   Significance of the Study

The findings are believed to be considerably vital to both the direct and indirect beneficiaries.It contributes to the existing literature in regards to the relationship among corporate social responsibilityand brand image in Ethiopian context. It may help the corporate or marketing managers of the company in order for planning and utilizing different non-marketing (social responsibility activities) to promote the company's brand image. When a proactive approach is needed to maximize the company's profits through strategic and marketing approaches, the theoretical value of this study helps marketers and concerned managers to assess the effectiveness of their approach. This helps in creating better business operation with safe environment. Marketing and other related social science students may find the major findings for further reference in the course of reviewing the related literatures while conducting senior essay or thesis in regards to the blend of corporate social responsibilityand brand image in both manufacturing andservice industry as well.

1.6   Scope of the Study

The survey was conducted on consumers of Holland Dairy Processing Company's milk and yogurt products in Addis Ababa. Geographically the scope was limited in Addis Ababa for the fact that it is economical and representativeness of the population as majority (82%) of the distribution is taken place in Addis Ababa. Conceptually, the study mainly focused to explain the perception of consumer towards brand image of the case company in terms of the four corporate social responsibility dimensions namely ethical, legal, economic and philanthropic responsibilities. Whereas, it intentionally ignored the significance of other factors such as political and other stakeholders' interest in the industry as they are out of the scope of this study. Methodological limitation arises due to collection of quantitative primary data from the consumers through non-probabilisticconvenient sampling method. Quantitative research approach was preferred to examine the relationship among the corporate social responsibility and

brand image. Descriptive and inferential analysis (correlation and regression) was conducted. The survey was conducted with in the period of April – July 2023.

1.7   Limitations of the Study

This study has several limitations. Amongst them, the major limitations were consideration of only one company - Holland Diary processing companyas a case. Exclusion of other dairy processing companies would affect the generalizability of the findings. Respondents of this research limited only specific customers (Holland Dairy). Whereas, employees of the company also had their own perception towards the CSR strategies of the company as they are internal customers. Inclusion of employee's perception towards the company's CSR activities would have yielded different results.

Addressing the relationship between CSR and brand image contribute the literature in Ethiopian Fast moving consumer goods industry. The output of this study also helps managers of other dairy and fast-moving consumer goods manufacturing companies to prioritize their marketing strategies accordingly. Based from this limitation, if any other researcher wants to further study about this topic, student researcher suggests inclusion or consideration of integrated marketing communication. Thus, the research can cover the influence of integrated marketing communication on the enhancement of brand image through CSR activities. And the result can be more comprehensive. Future researches can use this marketing elementcould help companies to make more competitive strategy to gain more share on the market.

1.8   Operational Definitions of Key Terms

Brand- is a product, service or concept that is publicly distinguished from other products, services or concepts so that it can be easily communicated and usually marketed. (Keller, 2010, p. 48).

Brand Image is the associations (attributes, benefits, and attitudes) that a consumer holds in their memory about a particular brand. (Keller, 2010, p. 48).

Corporate Social Responsibility – is defined corporate social responsibility as the firm should strive to make profit, obey the law, be ethical and be a good citizen.(Carroll, 1979, p. 79).

Economic Social Responsibility - It is socially responsible for the company to thrive and meet its revenue goals. In addition to increasing revenue, businesses need to work to reduce expenses and costs so they can maximize their profits.(Carroll, 1979, p. 79).

Legal Social Responsibility- Society desires businesses to pursue profitability but must also comply with laws and regulations issued by the government. (Carroll, 1979, p. 79).

Ethical Social Responsibility involves avoiding questionable practices. Ethical responsibilities include all activities which have not been anticipated or legislated by society. (Carroll, 1979, p. 79).

Philanthropic Social Responsibility- which involves actions such as philanthropy, community sponsorship or other community programs.(Carroll, 1979, p. 79).

1.9   Organization of the Study

This thesisis categorized into five main chapters. The first chapter refers introduction of the study which includes the background, the problem statement, the research objectives, hypotheses, significance and scope of the study. The second chapter focuses on literature review. It contains relevant theories, conceptual and empirical discussions leading to identification of research gaps and the conceptual framework. And the third chapter presents the research design, target population, sampling methods, sample size, data collection instruments to be used as well as method of data analysis and presentation. while the fourth chapter deals with data analysis and interpretation. Finally, the fifth chapter holds the summary of the findings, conclusions and recommendation.

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

This chapter constitutes the review of the related theoretical literature, empirical studies conducted on corporate social responsibility and brand image, and the conceptual framework of the study.

2.1   Theoretical Literature Review

2.1.1   Theories of Corporate Social Responsibility

Corporate social responsibilityis the concept of organizations promoting, participating and initiating social programs in order to address an issue or concern in the wider community. It comprises activities that are not only beneficial for society only but also for the firm itself. Firms which are engaged in CSR practices believe that their revenues have increased over time due to this engagement, which has proved helpful for the long-term profit maximization of firms (Lu, 2019). Moreover, firms believe that it helps in strengthening their overall image in society among their stakeholders, consumers, and investors, etc. Apart from corporate image, CSR also helps to positively influence the brand loyalty of their consumers. Studies have shown that individuals are more attracted to firms that appear more socially responsible (Irshad, 2017), an image that helps improve consumer behavior and purchase intention for the product brand. TheCSR activities of a firm play an integral part in building trust among the consumers (Lu, 2019).

Quite a few theories have come and gone in the evolution of CSR. The main aim of Instrumental Theory is to achieve monetary objectives through social activities. It considers maximizing the value of shareholders on a long-term basis and formulating strategies for competitive advantage through which the corporations can invest in the social arena, i.e., focusing on cause-related marketing as a marketing tool. Political Theory focuses on using the power of the business responsibly in the political arena (Dennis, 2017). The social power a firm has is designated by the overall degree of responsibility the enterprise has to society. Ethical Theory considers the maintenance of principled practices, with the main focus centering on human rights along with the environment and labor rights. Universal rights and the sustainable development of the society

associated with a firm are considered, with the main overall objective being the common good of society. This theory has wide applications in CSR literature (Dennis, 2018).

According to Kotler and Lee (2005), certain CSR initiatives can help enhance the branding aspects of a product or service. The researchers explicate the phenomena of doing good, not considering it as merely an obligation but rather taking it as a welcome responsibility to society and its institutions. CSR initiatives represent a number of activities that firms can adopt and commit to in order to support or eradicate social ills. (Wu and Wang, 2014). The positive and negative causes firms can take on are mostly related to community development, safety, health, education and employment, environment, basic human rights, and economic development (Dennis, 2017). The type of support from the corporations may vary from cash grants to paid advertisements, sponsorship, publicity, employee volunteering, etc**.**

2.1.2 Carroll's Model of Corporate Social Responsibility

Carroll's four different categories of CSR, which include businesses' fulfillment of economic, legal, ethical and discretionary/ philanthropic responsibilities. This four-part definition of CSR has been stated as follows: 'The social responsibility of business encompasses the economic, legal, ethical, and discretionary (later referred to as philanthropic) expectations that society has of organizations at a given point in time' (Carroll, 1999). Because this explanation has been used successfully for research purposes for over 25 years thus this might be a positive and appropriate concept to use because of its enduring application in CSR research.

Another reason why this model is useful is that it specifies the firm's economic responsibility as a factor to be considered in CSR, and this becomes very important in thinking about the 'business case'. Business people, in particular, like to think of their economic/ financial/ profitability performance as something that they are doing not only for themselves, but also for society, as they fulfill their institutions' mission to provide goods and services for society. Further, it separates out legal, ethical and philanthropic categories of responsibility/ performance, and this provides for a sharper examination of different corporate actions (Godfrey, 2016).

The four categories of CSR – economic, legal, ethical and philanthropic – address the motivations for initiatives in the category and are also useful in identifying specific kinds of benefits that flow back to companies, as well as society, in their fulfillment. Of course, these concepts can be overlapping and interrelated in their application, but they are helpful for sorting out the specific types of benefits that firms receive, and this is critical in building the 'business case'. Thus, these four-dimensions Carroll's CSR model is used as a basis for this study.

2.1.3 Dimensions of Corporate Social Responsibility

The CSR concept has encompassed a wide range of economic, legal, ethical and philanthropic (discretionary) activities of business performance at a given point in time, without any hierarchic order (Carroll, 2013). Carroll was one of the first researchers who debated and had a big influence on the CSR concept. He claimed that the economic category was the most important within social responsibility, and the other three were ranked in the following decreasing order of importance: legal, ethical and philanthropic. Carroll (2003) developed the most known and a leading paradigm of CSR in the in the management field: The Pyramid of Corporate Social Responsibility. To this day, Carroll's paradigm remains the most known within business.
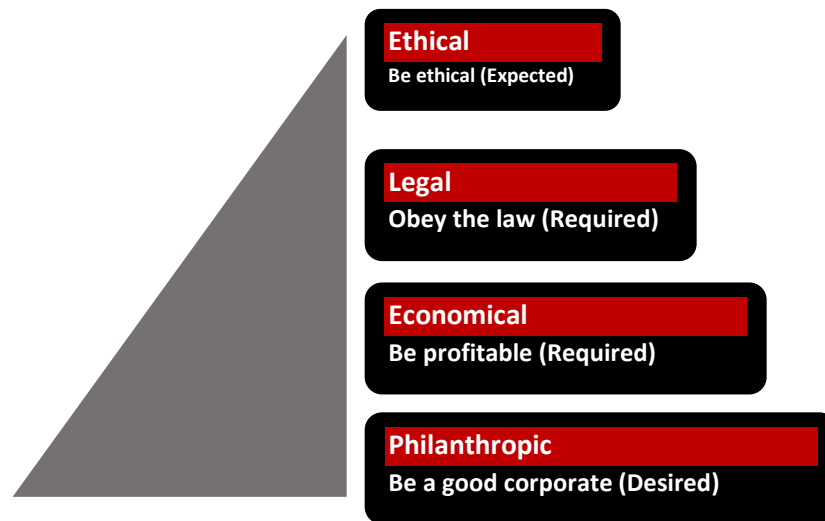
[Source: Carroll, 2013]

Figure 1.The Pyramid of Corporate Social Responsibility Model

The fundamental responsibility of all businesses is the economic responsibility where a business must produce and sell what the society requires to fulfill the economic mission. This economic issue must operate under a legal responsibility of laws and regulations. Both the economic and the legal responsibilities must embrace the ethical norms, but there are also other ethical activities that are not well defined and are above the legal requirements. However, the CSR activities requested by the society are expected to be followed. The stakeholder's image of the company encourages ethical standards. The ethical responsibilities imply that organizations should produce goods and services that are demanded and desired by customers at, for example, a reasonable price and in an efficient way. The philanthropic responsibility consists of individual business discretion, where societal expectations must be taken into consideration. The implemented activities within this dimension are voluntary (Carroll, 2003).

2.1.1 The Concept of Brand

There are numerous definitions of a brand. Different scholars provide their own explanation towards the meaning of a brand. According to Kapferer (2008), the word brand is a trademark or distinctive name identifying a product or a manufacturer. It refers a name, term, symbol, sign or design used by a firm to differentiate its offerings from those of its competitors. Russo (2009) also defines brand as a name that influences buyers. He further notes that brand commands people's attention because they have element of saliency, differentiability, intensity and trust. The American Marketing Association's (2010) definition of brand is the one that is supported by many authors and found in various literatures. This definition explains a brand as a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Strong brand Increases Company's sales volume, it will create great awareness and introduces the product or the service that the company is offering (Kapferer, 2008). Successful brand conveys a consistent message and create an emotional bond with consumers.In addition to that it builds a long-lasting customers relationship and loyalty, and in some cases, it gives the chance for the company to offer their product and services with a premium pricing (Quairel, 2011). Companies with powerful brands also enjoy having devoted employees who believe in the brand

and are loyal to it. On the other hand, having a powerful brand becomes worth huge amount of money added to the company's balance sheet.

Branding plays many roles for companies. According to Kotler (2009), Brands are important valuable intangible assets for companies, a distinctive tool that builds a long-term relationship with the consumers, and protects its' rights. For consumers, brands reflect their experience and knowledge; simplifying the processing of information accumulated over time about the company and its products or brands. In addition, brands reflect consumer's experiences and knowledge; thus, simplify the processing of information accumulated over time about the company and its products or brands. Consequently, brands act as signals for products of high quality and low perceived risk, thus, enable the consumers to capture both cognitive and non-cognitive values expressed in the positive feelings or self-expression experienced (Aaker, 1996).

Ultimately, a brand is a source of competitive advantage. In order to get competitive advantage, companies should create a benefit to consumers through employing effective brand strategy. According to Blythe (2005), a strong brand undoubtedly differentiates the product from similar products, but having a strong brand name alone is not enough. That means, it is a brand with indispensable products or with strong intangible added value (Kapferer, 2008). As he stated, for some companies, the primary focus of strategy development is placed on brand building, developing, and nurturing activities. Thus, firms should give a due consideration for the development of a strong brand. If marketers can create a strong brand, users' can easily be attracted to a company's offering. Moreover, branding results in more product variety and choice for consumers (Russo, 2009). It helps buyers by providing more information about products and facilitates their purchase decision.

2.1.4 Brand Image

Brand image is composed of associations that the customer links to the brand and these associations decide whether a brand is meaningful or not. A brand association is any mental linkage to the brand (Siamagka and Balabanis 2015). The brand position is based upon associations and how they differ from the competition. An association can affect the processing and recall of information, provide a point of differentiation, provide a reason to buy, create positive attitudes and feelings and serve as the basis of extensions.

The associations that a well-established brand name provides can influence purchase behavior and affect user satisfaction. According to Aaker(1992), even when the associations are not important to brand choices, they can reassure, reducing the incentive to try other brands. Brand associations can be measured in strength, favorability and uniqueness. However, before those dimensions are considered, it is important to examine what different types of associations those are present in the mind of the customer (Chu and Yang, 2009).

Brand awareness is described as the extent to which a brand is recognized by potential customers (Apéria, 2004). It is important to create brand awareness in order for customers to be able to develop positive attitudes towards the brand. Brand awareness has a positive influence on customers' buying decision. If high brand awareness is achieved, the customers' uncertainty regarding the service decreases and the probability that the product will be chosen for purchase increases even though other brand associations are missing (Keller, 1993). Hence, the consumer behavior is affected in a positive way.

As mentioned earlier, a strong brand image contributes to the customer-based brand equity in a positive way (Keller, 1993). Furthermore, a strong brand image contributes to a positive customer experience, and is therefore essential in-service sectors, due to its intangible nature. A company should manage communication so that a favorable brand image develops in the mind of the customer (Lai, 2010). The image that a marketer wants to form is called brand identity. To succeed with branding, the company's brand identity has to correlate with the customer's brand image. This means that the values of the company have to correspond with the values of the customer. Services and products do not only include logical and economical values but emotional connections as well. This means that a brand needs to create feelings of trust, affection, closeness and reflection of the customer's core values (Grönroos, 2007). The challenge that marketers face is to form and link the customer's thoughts, feelings, beliefs, perceptions and opinions to the brand in a favorable way.

Brand Awareness - Customer-based brand equity is occurring when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand associations in memory. In some cases, brand awareness alone is enough to create favorable consumer response; for example, in low-involvement decisions when consumers are

willing to base their choices on mere familiarity (Keller, 2013). In most other cases, however, the strength, favorability, and uniqueness of brand associations play a critical role in determining the differential response that makes up brand equity. If customers perceive the brand as only representative of the product or service category, then they'll respond as if the offering were unbranded. Thus, marketers must also convince consumers that there are meaningful differences among brands. Consumers must not think all brands in the category are the same. Establishing a positive brand image in consumer memory strong, favorable, and unique brand associations goes hand-in-hand with creating brand awareness to build CBBE.

Keller has stated Brand Awareness as consisting of brand recognition and brand recall performance (Keller, 2013): Brand recognition is consumer's ability to confirm prior exposure to the brand when given the brand as a cue. On the other hand, brand recall is consumer 's ability to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or a purchase or usage situation as a cue. If research reveals that many consumer decisions are made at the point of purchase, where the brand name, logo, packaging, and so on will be physically present and visible, then brand recognition will be important. If consumer decisions are mostly made in settings away from the point of purchase, on the other hand, then brand recall will be more important. For this reason, creating brand recall is critical for service and online brands: Consumers must actively seek the brand and therefore be able to retrieve it from memory when appropriate. Both Keller (2013) and Aaker (1996) posit that brand awareness has three advantages: learning advantages, consideration advantages, and choice advantages. Learning Advantages: Brand awareness influences the formation and strength of the associations that make up the brand image.

To create a brand image, marketers must first establish a brand node in memory, the nature of which affects how easily the consumer learns and stores additional brand associations. The first step in building brand equity is to register the brand in the minds of consumers. If the right brand elements are chosen, the task becomes easier. Consideration Advantages: Consumers must consider the brand whenever they are making a purchase for which it could be acceptable or fulfilling a need it could satisfy. Raising brand awareness increases the likelihood that the brand will be a member of the consideration set, the handful of brands that receive serious

consideration for purchase. Choice Advantages: The third advantage of creating a high level of brand awareness is that it can affect choices among brands in the consideration set, even if there are essentially no other associations to those brands. Thus, in low-involvement decision settings, a minimum level of awareness may be sufficient for product choice, even in the absence of a well-formed attitude.

The relative importance of brand recognition and recall depends on the extent to which consumers make decisions in the store versus outside the store (Keller, 1993). Brand awareness plays an important role in consumer decision making for three major reasons. First, it is important that consumers think of the brand when they think about the product category. Raising brand awareness increases the likelihood that the brand will be a member of the consideration set. Second, brand awareness can affect decisions about a brand in the consideration set. E.g., some users have been shown to adopt a decision rule to buy only familiar, well-established brands. In low involvement decision settings, a minimum level of brand awareness may be sufficient for product choice, even in the absence of a well-formed attitude. Finally, brand awareness affects consumer decision making by influencing the formation and strength of brand associations in the brand image (Keller, 1993).

2.1.1   Relationship betweenCorporate Social Responsibility and Brand Image

According to Almeida and Coelho (2019), the positive corporate image gives a firm a lot of benefits, including recognition and recall of the brands, brand loyalty, employee motivation and loyalty, and a positive reputation among competitors. Accordingto Nguyen and Leblanc (2001), there are four elements of corporate image. Corporate identity is the very first element, which includes the firm's logo, name, features, price, and communication, especially advertising. The second element is individuality, which includes the corporate philosophy, corporate culture, values, mission, and the objectives of the firm. The third element is the personnel. The personnel of a firm should be friendly, well-educated with the knowledge of product and service offered by the firm, courteous, friendly, with attractive personality and appearance. The fourth element is the environment of the firm which includes the ambiance, aesthetics, buildings, and decors(Loosemore and Lim, 2018; Irshad, 2017),

As per Loosemore and Lim (2018), there were four dimensions of CSR that can be explained with the help of a pyramid: economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility. Therefore, CSR has a deep and positive impact on corporate image and reputation (Lu, 2019).

2.2   Empirical Studies Review

The empirical review a number of applied researches that have been conducted on different industries to examine the relationship between corporate social responsibility and brand image. In this regard, several studies have investigated patronage regarding consumer perceptions of socially conscious businesses and found that corporate associations influenced product evaluations and overall consumer attitudes about the organization.Some of the major empirical studies related to the topic under this study are summarized and presented as follow.

Wu and Wang (2014) examined the effect of CSR on brand image of breweries. The study targeted 52 global brands in different corners of the world. The researchers measured brand image through brand awareness and brand association which are closely related to Keller's (1993) dimensions of brand image. The results of the findings concluded that CSR and brand image are strongly linked to each other. Particularly, the economic and philanthropic social responsibility had relatively the highest contribution for the brand image.

Hoeffler and Keller (2010) studied the influence of CSR on brand loyalty of fast-moving consumers goods in European consumer market. The survey was conducted on 1,225 randomly selected consumers located in 6 countries. The results revealed that corporate social marketing is one of the major ways to develop brand equity resulted in increased sales. They suggested that marketers should consider economic and ethical social responsibility in their business policies so as to enhance their market share and business sustainability.

Verschoor (2018) examines the financial data of the S&P 500 firms to investigate the relationship between CSR activities and brand equity. The findings conclude that all the four dimensions of CSR had a causal relation with corporate brand image and performance. It also argues that fulfilling economic interest of business firms is equivalent to making a socially responsible investment, thus enhancing firm performance in the long run.

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Based on the literature review given by Bhattacharya and Sen (2015),CSR is one of the marketing tools to build positive brand imagein the minds of the customers, which will purchase and repurchase of the product. The study found out that, consumers in developed economies are more sensitive on social and environmental issues which drives business organizations to stick with legal and ethical marketing practices.

Lai (2010) investigated CSR's effects on brand loyalty in business-to-business markets in Asian automotive market. The survey conducted on 14 different car manufactures in China, India and Indonesia. The authors found out firms' compliance with legal social responsibility positively affected industrial brand equity and brand performance of the industry. The author suggests that companies should respect the laws of the country and have to inform the audience through appropriate channels to create awareness about their good deeds.

Maignan, (2015) surveyed the influence of legal social responsibility of fast-moving consumer goods manufacturing firms on their brand equity. A total of 1,550 consumers of 62 fast food companies participated on the survey. The findings revealed that respecting the laws and regulations of the health and safety requirement of the country enhances the brand reputation of the companies. The author argues that the legal aspect of CSR fulfillment would significantly enhance marketing advantages and reinforce stakeholders' corporate identity at large.

Preston and O'Bannon (2017) conducted a survey on the effect of ethical social responsibility on corporate image of the brewery companies in west African countries. A total of 1,247 beer consumers participated in the survey. The findings demonstrate that socially responsible firms build a more complete managerial system, which could improve firm brand image. The authors suggest that ethical business behavior of breweries is a basis for their responsible business move that assures their sustainability in the market for longer period.

Furthermore, Verschoor (1998) examines the financial data of the S&P 500 firms and concludes that CSR has a causal relation with corporate brand image and performance. Several studies on CSR (Chu and Yang, 2009; Maignan and Ferrell, 2004; Maignan, 2005) examine CSR's linkage with business marketing, suggesting that when a firm fulfills its CSR, that firm greatly strengthens corporate brand loyalty, thus improving firm performance.According to the study of Luo (2019), which investigated the mediating role of advertisement on the relationship between

CSR and brand, the findings show that consumers' participating in charitable donations through the CSR activities organized by enterprises could help to improve the image of product brands.

Liu (2014) also conducted explanatory research on the casual relationship of philanthropic social responsibility on brand image in the case of breweries in China. The survey was conducted on 618 local beer consumers in main land China. The author concludes that charitable donations had a greater effect on consumers' evaluation of an enterprise than business sponsorship. Philanthropic activities had an effect on consumers' continuous purchasing willingness, which could enhance the perception of consumers to corporate reputation. The study suggests that marketers should engage in the volunteer activities of an enterprise to bring a positive impact on the corporate image.

In Ethiopian context, studies focused on the stage and nature of corporate social responsibility. Diana (2014) found the private sector, let alone playing a leading role in the advancement of social responsibility practices, is not strong enough to consider it in their business.According to Atnafu (2016) who studied CSR practices of commercial banks in the country, concludes that decision making process of the Bank could be considered abiding to laws and regulations set by the government, but they weren't ethical and philanthropic. Similarly, the study of Deyassa (016) affirmed that philanthropic and economic responsibilities had high contribution in the case of public enterprises. Nonetheless, the firms gave little attention to disclose regular information about environmental management in general and their initiative in particular to external stakeholders.

2.3 Theoretical foundation of the study

The theoretical framework includes two main concepts: CSR activities and brand image. The model of this study is adopted from previous researcheswhich wasdeveloped based on theories. The model in this thesis, CSR consists components namely economical, legal, ethical and philanthropic); while brand image in terms of brand awareness and association. Brand image is a widely used marketing tool across different industries. Nevertheless, there is no consensus in the literature regarding the measurement of brand image since the concept is multidimensional (Malik, 2011). Nonetheless, despite there are several studies that show the direct positive effect of CSR on brand image, few studies that are conducted within the fast-moving consumer goods

industry. It is therefore relevant to examine how the different dimensions of CSR affect marketing promotion and brand image in order to optimize the CSR as a marketing strategy.

The fast-moving industry is the fastest growing sector as consumers today have more knowledge of sustainability and an increased awareness of companies' actions. That means,CSR has gained influence on business strategies of organizations that might adversely affect their reputation if not complied accordingly. Meanwhile, brand image is becoming known as one of the most important marketing components. But still, the number and the scope of the research on how the different CSR dimensions influence brand image is limited and needs further investigation.In sum, the literature review shows that a positive correlation exists among CSR and brand image. Building on the literature review, this study provides testable hypotheses that a causal relationship exists among CSR and brand image in the context of a specific industry – fast-moving consumer goods.

2.2.1 Gap Summary

Enterprises can effectively combine society, economy, and employees by organizing and implementing volunteer activities (Zhou and Lu, 2011). Therefore, enterprises should actively organize the CSR activities to make consumers perceive the CSR (Dawood, 2019) and thus affecting the corporate brand image.Casado (2014) stated that customers favor companies that are involved in CSR. When customers perceive a company as socially responsible, they will be positively influenced when evaluating the service quality. Customers assume that social responsibility is linked to high service quality and may therefore use CSR information to decrease the uncertainty of a service (Casado, 2014). He states that CSR has a positive influence on brand image which in turn engages the customer in brand loyalty. Furthermore, the authors show that a strong brand image increases the word of mouth and the purchase intentions in a positive way. However, it is important to effectively communicate the company's CSR actions to increase the customers' awareness and attitudeto develop a strong brand image (Plewa, 2015).

2.3 Conceptual Framework

Referring the review of theoretical and empirical studies on previous sections, CSR activities have direct and positive relationship with brand image. The four dimensions CSR in this study are economic, legal, ethical and philanthropic social responsibilities. Specifically, the

fundamental responsibility of all businesses is the economic responsibility where a business must produce and sell what the society requires to fulfill the economic mission. This economic issue must operate under a legal responsibility of laws and regulations. Both the economic and the legal responsibilities must embrace the ethical norms that demandsthe CSR activities requested by the society are expected to be followed. The stakeholder's image of the company encourages ethical standards. The ethical responsibilities imply that organizations should produce goods and services that are demanded and desired by customers at a reasonable price and in an efficient way. Same vein, the philanthropic responsibility consists of individual business discretion, where societal expectations must be taken into consideration. The implemented activities within this dimension are voluntary (Carroll, 2003), e.g., avoiding hazardous waste within the service industry or being involved in community issues.

By designing a good CSR strategy firms create an exclusive and an explicit position in the market by establishing a definite company image that is recognizable by their customers (Uddin, 2000). This implies thatCSR and brand image are strongly linked to each other.As depicted on figure -2, there are two main concepts that form the basis of this study: CSR dimensions and brand image. The lines indicate CSR dimensions' direct relationship with marketing promotion and brand image. By operationalizing these concepts, they have become empirically testable. Consequently, this model is used as a framework when exploring the effect of the CSR's dimensions on brand image.

Independent Variables   **Dependent Variable**

[Source: Wu and Wang, 2014]
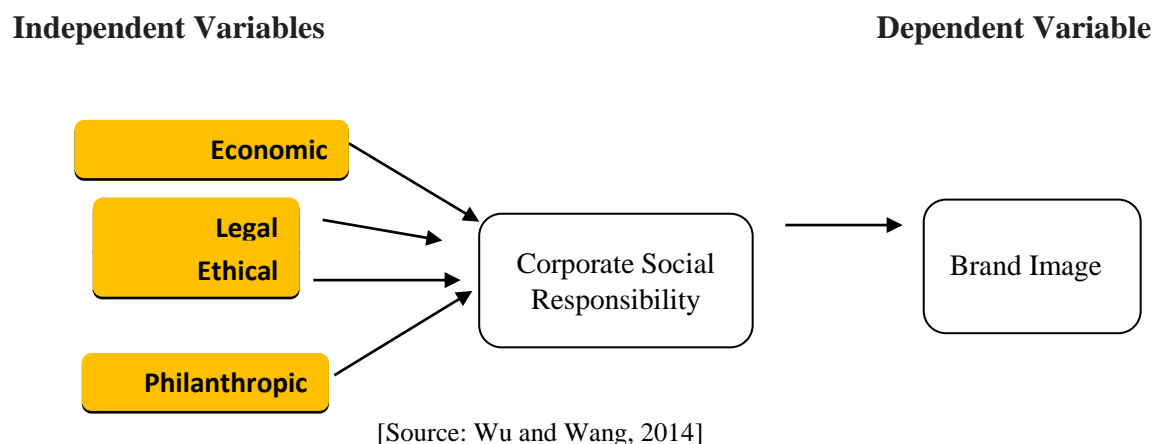
Figure 2.Conceptual Framework of the Study

2.5. Research Hypothesis

The effect of Economic Social Responsibility on Brand Image

Economic responsibility is fundamental among any organization that intends to make profits; a business must produce and sell what the society requires to fulfill their economic mission. With regards, they should maintain a strong competitive position in the industry and aim at efficient operations (Carroll, 1979; Doda, 2015). Economic responsibility lies in maximizing not only shareholders' interests but also other stakeholders' interests as well. The role of economic responsibility is also reflected in the Triple Bottom Line (TBL) outlined by Elkington model, which concentrates on performance along the interconnected dimensions of people (social) and planet (environmental), as well as profit (financial) as tools for achieving sustainability (Jusubova, 2015), highlighting the responsibility of the organization to earn profits.

Carroll (1979) identified that anorganization to sustain needs to fundamentally fulfil its economic responsibility, where Doda (2015) also stated its importance adding that economic responsibility is required to be maintained for a strong competitive position. These studies have reflected the relationship of economic responsibility to corporate survival and enhancement of corporate brand image. Based on this notion, the following hypothesis is proposed:

H1 – Economic social responsibility has positive and significant effect on brand image

The effect of Legal Social Responsibility on Brand Image

In carrying out economic responsibility, corporations are expected work within the framework of laws and regulations as a partial fulfilment of the social contract between corporations and society (Doda, 2015). A successful firm is the one that fulfills its legal obligations, which is key to keep the firm operated. Conchius (2006, cited in Doda, 2015) on the other hand, stated that legal responsibility includes abiding by consumer and product laws, environmental laws and employment laws while also adhering to laws and regulations governing competition in the marketplace. It was reflected in the study of Doda (2015) that working within the framework of laws and regulations itself is a partial fulfilment of the social contract between corporations and society, thus plays a vital role in building corporate brand image. Based on this idea, the following hypothesis is proposed:

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H2 – Legal social responsibility has positive and significant effect on brand image

The effect of Ethical Social Responsibility on Brand Image

The ethical responsibilities imply that organizations should produce goods and services that are demanded and desired by customers (Valentzas&Broni, 2010). Ethical concerns express those standards and 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 (Carroll, 1979). The stakeholder's image of the company encourages ethical standards. According to Carroll (2010), business performance can be determined by the corporation's consistency in promoting morale and ethical standards. If a corporation practices good corporate citizenship, the activities of the corporation are trusted.

Ethical responsibility also recognizes that corporate integrity and ethical behavior should go beyond the requirements of laws and regulations. For an example, the programs that are telecasted should adhere to the ethical value of community. Studies have reflected that ethical responsibility, which includes concerning for what consumers, employees, shareholders, and the community regard as fair, just, or moral is important to raise stakeholders' image of the company (Chu and Yang, 2009), which also in return influences company reputation. Referring this explanation, the following hypothesis is proposed as:

H3 – Ethical social responsibility has positive and significant effect on brand image

The effect of philanthropic Social Responsibility has significant effect on Brand Image

Philanthropy is located at the most voluntary and discretionary dimension of corporate responsibility and has not always been linked to profits or the ethical culture of the firm (Ferrell, 2014). Philanthropic responsibility comprises of individual business attentiveness, where societal desires must be thought about. The implemented activities within this dimension are voluntary (Carroll, 1979; Doda, 2015). Philanthropic responsibility refers to corporate actions that are in response to society's expectations of good corporate citizens.

Corporate philanthropic responsibility is likely to enhance the corporate image especially those that have high public visibility. According to Carroll (1991), it is important for managers and employees to participate in voluntary and charitable activities within their local communities,

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especially in projects that enhance a community's quality of life. Although society wishes corporations to be philanthropic, it is voluntary on the part of corporations (Carroll, 1991). According to Fombrun, Gardberg and Barnett (2000, cited in Doda, 2015), strategic philanthropists argue that, although philanthropy may not generate direct economic returns, it will enhance the firm's long-term competitive position through intangible gains in reputation, legitimacy or employee loyalty. Studies have concluded that philanthropic responsibility enhances the firm's long-term competitive position through intangible gains such as reputation and brand image, which denotes a positive relationship among the factors (Carroll, 1979; Doda, 2015). Referring this explanation, the following hypothesis is proposed as:

H4 – Philanthropic social responsibility has positive and significant effect on brand image

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter presents the scope of methodological procedures employed in this study. It includes research design, sample design procedures, data collection instruments, procedures, analysis techniques, reliability and validity test of date collection instrument and ethical considerations.

3.1 Research Approach

There is a tendency to divide research into qualitative and quantitative based on type of data utilized as the criterion for classification. Both qualitative and quantitative approacheswereapplied in this study to get insight to the nuances of the process for best selection of methodology tools that fitted best to the respective stages undertaken along the research process(Abbey, 2009). In general, the quantitative research was used to seek to understand the causal or correlation relationship between the study variables (CSR and Brand Image) through testing hypotheses, whereas qualitative research seeks to understand a phenomenon (CSR practices of the company) within a real-world context through the use of interviews. Thus, both qualitative and quantitative research approaches were found appropriate for this study.

3.2 Research Design

In order to address the research gap identified and to meet the specific objectives, explanatory and descriptiveresearch designs was employed. This design seeks to establish cause-and-effect relationships and its primary purpose is to determine how events occur and which ones may influence particular outcomes (Kothari, 2004). It is characterized by research hypotheses that specify the nature and direction of the relationships between or among variables being studied. The reason of using this design in this research is it helps determine the relationship between the stated independent (CSR), and dependent (Brand Image) variables.

3.3 Population

According to Hair (2010), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Therefore, for this study, the target population consist customers of Holland Dairy Processing Company in Addis Ababa City. The consumers at the main outlet of the company at

Labu neighborhood, Nifas-Silk Lafto sub city in Addis Ababa. This company outlet is targeted for ease of data accessibility and manageability as well as about 85% of the distribution is taken place despite other constraints. According to the database of Holland Dairy Plc, as of December 2023, there are a total of 31,365 registered customers (consumer, retailers, and distributors) who have consistently buying and/orconsuming milk and yogurt product from the company's main outlet and distribute them to mass consumers. . Besides managers of the company, company public relations manager, HR manager, marketing manager and sales managers were also part of the study population.

3.4   Sampling procedure

Probability sampling technique was preferable to select the respondents from the targeted study population so as to enable to generalize, however, it was difficult or impractical to get the randomly selected respondents for the fact that their list was not available in hand as well as it was hard to get their address to contact them. Therefore, convenient non-probability sampling method was applied and more effective in order to contact each respondent until the calculated sample size attained. According to the database of Holland Dairy, the study considers a total of 31,365consumers at Lebu, factory outlet to collect the required data.

3.5   Sample Size

Sampling is the process of selecting a number of study units from a defined study population (Zikmund, 2010). It is economical to take representative sample for the intended investigation when conducting census is unrealistic. Since the number of the population is large. Sample size is determined by using the following formula developed by Yamane (1967). But alternatively, if the population size is above 10k, Cochran formula for sample size determination for unknown population can be used to estimate the sample size. The calculated sample size is:

$$n = \frac{Z^2 * P * Q}{e^2} = \frac{(1.96^2)(0.50)(0.50)}{0.05^2} = 385$$

Where:

n = required sample size; Z = Degree of confidence (1.96^2); P = Probability of success (0.50); Q = Probability of failure (0.50); e = Tolerable error (0.05^2)

Therefore, the targeted sample size wasa total of 385 sample retailerswho were contacted to collect the required data accordingly.

3.6   Source of Data

Throughout the study, basically primary data was used for analysis. Besides, secondary sources, directly or indirectly related to the purpose, was also be collected for enriching the related literature review from books, research thesis, articles and internet sources.

3.7   Data Collection Instruments

In this study, both questionnaire and interview were used to collect the primary data. This study was mainly done using both quantitative and qualitative data. Quantitative data of CSR attributes were collected through close-ended questionnaire based on Wu and Wang's (2014) study. The questionnaires enable the participants to express their opinion on the effectiveness of CSR on the enhancement of brand image. While the qualitative data were collected through interviewing the management of Holland dairy regarding what's going on out there.

Assessing and collecting data is not an easy task as the researcher tried to collect them from different respondents who purchase constantly from the main outlet. Therefore, in addition to the local language (Amharic), an English language questionnaire were alsooffered as option with questions that are relevant and helpful to extract the opinions of the respondents regarding their perception towards the CSRand whether it had significant positive effect on recognition/knowledge of the company's brand.

The questionnaire had two parts. The first part contained questions regarding respondents' demographic profile; and the second part includes questions regarding CSR dimensionsand the overall perception towards the corporate brand image. Many studies utilize a single scale to measure ordinal or interval data using scale 1- to -5 or 1- to -7, where 1- very dissatisfied and 5- or 7 - very satisfied. However, this simple measurement does not represent the complexity of CSRand Brand Image (Wu and Wang, 2014). This study, however, adopted five-scale construct to measure the aforementioned study variables.

3.8   Method of Data Analysis

The study applies multiple linearregression analysis models for testing the hypotheses drawn from the empirical reviews. Regression analysis is a statistical method to deal with the formulation of mathematical model representing relationship amongst variables which can be used for the purpose of prediction of the value of dependent variable, given the value of the independent (Kothari, 2004). Multiple Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best forecast the value of the dependent variable.

Model specification –regression analysis was conducted to identify the relationship and to determine the most dominant variables that influence the brand image of the Holland Dairy Plc. To evaluate the relation between CSRand brand image dimensions, the multi-regression analysis for testing the formulated hypotheses is depicted as:

- CSR with Brand Image

$$BI = \beta_0 + \beta_1 ECO + \beta_2 LEG + \beta_3 ETH + \beta_4 PHL + e$$

Where:

BI= Brand Image; LEG = Legal; ECO = Economical; ETH =Ethical; PHL = Philanthropic Responsibility; e = error term,β_0= constant, term $\beta_{1, 2, 3, 4, 5}$= coefficients of predictors

3.9   Validity test

Validity refers to the extent to which data collection method or methods accurately measure what they are intended to measure (Sounders, 2003). Different steps were taken to ensure the validity of the study. Data were collected from the reliable sources, from respondent who have experiences in buying/ consuming dairy products. Survey questions were made based on literature review and frame of reference to ensure result validity. In selecting a relevant measure for an outcome variable, it is critical that logical inferences can be made from the operation upon which the measure is based to the theoretical constructs relevant to the study. The content and construct validity were also checked to ensure the quality of the research design. The student researcher had customized the adopted questionnaire in its final version, after highlighting some of the comments and suggestions provided by the participant of the pilot test. Then it was

subjected to be reviewed by marketing managers and some specialist in dairy processing industry and scientific research as well. Their comments and suggestions were considered to clarify the jargons and technical words for ease of understanding.

3.10 ReliabilityTest

Reliability is essentially all about internal consistency. That is, if something is measured many times and the result is always the same, then we can say that the measurement instrument is reliable (John, 2007). Application of internal reliability refers to the multiple-indicator variables. If a variable is internally reliable, it is coherent. I.e., all the constituent indicators are measuring the same thing (Bryman and Bell, 2003). Cronbach's Alpha is a commonly used test of internal consistency. It essentially calculates the average of all the possible split-half reliability coefficients. Alpha coefficient ranges in value from 0 (denoting no internal reliability) to 1 (perfect internal reliability). Higher results (>.07) are typically employed as a rule of thumb to denote an acceptable level of internal consistency. In this study, Cronbach's alpha test is used to test the internal liability of the study variables.

Table 1.Reliability Test Results

	N	Cronbach's Alpha
Economic Responsibility	6	.710
Legal Responsibility	6	.755
Ethical Responsibility	5	.703
Philanthropic Responsibility	5	.707
Brand Image	6	.709

Source: Own Survey 2023

The pilot test results, as shown on Table 1. The results were found within the acceptable range of alpha above 0.7. Thus, as an indicator of acceptability of the scale for further study, all four CSR-dimensional (Legal, Ethical, Economicand Philanthropic Responsibilities) and the overall brand image were above 0.7. On the basis of the alpha score within the range, the data collection instrument was considered areliable tool to carry out data analysis as it enables to yield stable and consistent results.

3.11 Ethical Considerations

It is important to consider ethical principles when conducting business research. Ethical issues are categorized into four different types: harm to participants, lack of informed consent, invasion of privacy, and deception (Bryman, 2011). In this study, there are descriptive questions about the respondent's age and gender but this information is not enough to identify the person. The second ethical principle to consider is the lack of informed consent. The third ethical principle concerns the invasion of privacy. In this study, the respondent has the opportunity to skip a question if it is judged sensitive. Furthermore, this study is not of a sensitive nature which enhances the respondents' willingness to answer. The fourth ethical principle refers to deception which occurs if respondents are led to believe that research is about something else than what it is. After considering these ethical principles and fully living up to the requirements, it can be classified as ethical.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATIONS

This chapter comprises the data presentation, analysis and interpretation of the primary data collected through self-administered standard questionnaire. Mainly both descriptive and inferential analyses were carried out to address the specific objectives of the study.

4.1. Results

The data collected through self-administered questionnaire, featured personal information of the respondents, four dimensions of CSR and a brand image attribute.

Table 2.Response Rate

Questionnaires	Frequency	Percentage (%)
Total distributed	385	100.0
Returned questionnaires	343	89.1
Unreturned questionnaires	42	10.9
Response errors	28	7.3
Total valid and usable	315	81.8

Source: Own Survey 2023

Referring table 2, after distributing 385 questionnaires to the targeted employees, 343 questionnaires were collected. The response rate accounted for 89.1% of the total distributed questionnaires. However, after having screened the collected questionnaires for missing data and other discrepancy, it was found 315 (81.8%) valid and usable responses for statistical analysis. based on (Carroll, 2003). scale. it is Missing data frequently occurs in a situation in which a respondent cannot respond to one or more questions of a survey. In this case, any missing data was considered as incomplete and rejected from further analysis.

4.1.1. Demographic Characteristics of the Respondents

The first part of the questionnaire consists of the demographic characteristics of respondents. This part of the questionnaire requested a limited amount of information related to personal and demographic status of the respondents. Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These variables include

sex, age, education, customer type, income, tenure, product reference, CSR activities and communication channel.

Table 3. Demographic Characteristics of Respondents

Category		Frequency	Present
Sex			
Male		146	46.3
Female		169	53.7
	Total	**315**	
Age			
≤ 30 Years		99	31.4
31 – 45 years		88	27.9
46 – 60 years		78	24.8
>60 years		50	15.9
	Total	**315**	
Education			
Elementary School		38	12.1
High school		132	41.9
First Degree		73	23.2
Masters & above		16	5.1
Others		56	17.8
	Total	**315**	
Customers			
Consumer		94	29.8
Retailer		144	45.7
Distributor		77	24.4
	Total	**315**	100.0%
Income			
Less than 10,000 Birr		24	7.6
10,000 – 20,000 Birr		137	43.5

20,001 – 30,000 Birr	84	26.7
30,001 – 40,000 Birr	52	16.5
Above 40,000 Birr	18	5.7
Total	**315**	100.0%
Tenure		
1 – 5 years	65	20.6
6 - 10 Years	141	44.8
Above 10 Years	109	34.6
Total	**315**	100.0%

Source: Own Survey, 2023

Referring Table -3, male respondents constituted 146(46.3%) and their female counterparts were 169(53.7%). This indicates that the number of female customers were slightly higher than their female counterparts. With the scope and sample size of this study, it would be premature to make conclusive statements about what this gender disparity means, other than the sampling diversity. Possibly future endeavors with a gender-specific focus could investigate this venue from a genderperspective.

In terms of age, 99(31.4%) of the respondents aged 30 yearsand below; 88(27.9%) within the age range of 31-45 years; 78(24.8%) within 46-60 years. Whereas those respondents aged above60 years belonged to 50(15.9%). This implies that the respondents constitute about 59.3% of adult customers aged below 45 years old. This can be taken as a positive indication that the respondents were interested people from all age groups, from adolescents to the elderly.

Regarding their educational background, 38(12.1) were from elementary school, and 132(41.9%) from high school. First degree holders represented 73(23.2%), while 16(5.1%) were master's degree holders. The rest 56(17.8%%) were other qualifications holders. This indicates that the majority of the respondents were educated and capable to understand the contents of the questionnaire which helps to get reliable or credible data.

As far as the respondent's monthly income status is concerned, the results revealed that 24(7.6%) earned in the range of Birr 10,000 – 20,000, while 137(43.5%), 84(26.7%), 52(16.5%) and 18(5.7%) represented those who got from Birr 21,001 - 30,000, Birr 30,001 – 40,000, less than

Birr 10,000 or more than Birr 40,000 respectively. This implies the majority of the respondents were in good financial status that can also be taken as diversified or heterogeneous customers with different financial capability.

Description of Study Variables

In this descriptive analysis, the study variables are presented and analyzed using descriptive statistics. The study variables are economic social responsibility, legal social responsibility, ethicalsocial responsibility and philanthropic social responsibility and brand image. To compare the respondents' perception towards the study variables, descriptive statistics of mean and standard deviation were used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. As designed by Best (2005), the scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.61 - 3.41; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.20 – 5.00. In addition, standard deviation shows the variability of an observed response. If the deviation is greater than the threshold (Std. 1.000), there is a high variation among the group.

4.1.1.1. Economic Social Responsibility

Table 4.Description of Economic Social Responsibility

Attributes	N	Mean	Std.
Holland Dairy supplies quality milk products to the society.	315	4.37	1.346
The company disposes wastes that couldn't affect the environment.	315	3.99	1.405
The company generates revenue persistently.	315	4.23	1.413
The company contributes its revenues to the wellbeing of its employees.	315	3.69	1.525
The company has good relation with consumers, customers, suppliers, etc.	315	4.26	1.391
The company benefited the society by creating employment opportunity.	315	3.44	1.793
Average Mean	**315**	**4.00**	**.950**

(Source: Own Survey, 2023)

The respondents were asked about their perception regarding the economic social responsibility of Holland Dairy. The results in table 4 illustrates that the overall, the economic social

responsibility of the company was perceived positive as the average mean was found 4.00 with std. .950. Since all the standard deviations are greater than the threshold, the respondents had highly varied perception towards each attribute. Specifically, in the economic social responsibility's perspective, the respondents strongly agreed that Holland Dairy supplies quality milk products to the society (mean 4.37, std. 1.346); strived to generate revenue persistently (mean 4.23, std. 1.413); and established good relation with consumers, customers, suppliers, etc. (mean 4.26, std. 1.391). Similarly, they also acknowledged the company disposes its wastes without affecting the environment (mean 3.99, std. 1.405). However, they had doubts on contribution of its revenues to the wellbeing of its employees (mean 3.69, std. 1.525) as well as benefited the society by creating employment opportunity (mean 3.44, std. 1.793). This implies that the firm's effort in attaining its financial benefit through business operations committed to positively impact the brand reputation of the company.

According to the interview (conducted with general manager, dated July 10th2023), Holland Dairy recognizes that their staff were a key factor in the on-going growth and success of the business. As such, in the workplace they were committed to promoting a culture that values integrity, encourages diversity, rewards performance and provides opportunities, training and development. The manager stressed the economic CSR contribution by saying that "...we do place great importance on keeping our staff safe through ensuring we have in place comprehensive health and safety policies and practices. He also added that "as part of our policy on diversity, our management gives full and fair consideration to applications for employment from disabled persons." The HR manager (Interview conducted on July 10th2023), claimed that "…we are committed to developing and adopting a proactive approach to tackling child labour exploitation. Using guidance of this labor initiative, we are in the process of developing a plan which will consider the policy commitments and the subsequent actions required to implement them most effectively."

4.1.1.2.   Legal Social Responsibility

Table 5.Description of LegalSocial Responsibility

Attributes	N	Mean	Std.

Attributes	N	Mean	Std.
Holland Dairy products are "fit for intended purpose".	315	4.23	1.355
Holland dairy is known for taking care /welfare/ of its cattle (cows).	315	4.21	1.050
The company uses agricultural chemicals to acceptable level.	315	3.51	1.453
The company complies with food safety suitability requirements.	315	3.35	1.432
The company disposes waste properly without affecting the surroundings.	315	2.63	1.413
The company respects its employee's rights (didn't abuse them in front of customers).	315	3.28	1.460
Average Mean	**315**	**3.53**	**.917**

(Source: Own Survey, 2023)

Referring the results in table 5, The overall legal social responsibility of the company was perceived weak positive as the grand mean was found 3.53 with std. .917. In this regard, specifically, the respondents strongly acknowledged Holland Dairy products are "fit for intended purpose" (mean 4.23, std. 1.355), and the company has waste disposal policies which complies with the local regulators' requirement (mean 4.21, std. 1.050). Nonetheless, they slightly agreed with the company's commitment in respecting its employee's rights (mean 3.51, std. 1.453). Same vein, the respondents had doubts on the following issues: taking care /welfare/ of its cattle (mean 3.35, std. 1.432); application of agricultural chemicals to acceptable level (mean 2.63, std. 1.413); and compliance with food safety suitability requirements (mean 3.28, std. 1.460). This implies that offering quality product, complying with regulator's requirement, application of harmful production inputs to the acceptable level and taking care of the cattle's welfare influence the brand image of the company.

According to the marketing manager (Interview conducted on dated July 4, 2023), the company's productscomply with the legal standards of the federal as well as the regional states. He also added that "... the company produces productsthat meet legal standards. Product safety standards are met, and only those dairy productsare produced that are legally allowed. He also claimed that "...while advertising our products, we avoid vetting misleading claims about products and business practices to defraud consumers." In contrary to the customers' perception illustrated in table 5, the managers unanimously claimed that Holland dairyfulfills all its contracts with internal and external stakeholders to protect their rights as per each agreement.

For instance, the HR manager explained that the company fulfills general employment contractsand contracts related to property and equipment lease. "The company also fulfills its legal duties towards suppliers by remaining fair in its dealings with farmers with less knowledge in the field. It also helps suppliers in maintaining the approved quality and expected delivery standards" as the general manager admitted.

4.1.1.3. Ethical Social Responsibility

As far as the ethical social responsibility of the company is concerned, the results in table 6 the overall, the ethical social responsibility of the company was also perceived positive as the average mean value scored 3.73 with std. 1.002.

Table 6.Description of EthicalSocial Responsibility

Attributes	N	Mean	Std.
The company is loyal to its customers equally.	315	3.67	1.670
The company treats people equally (disability, ethnic, color, etc.).	315	4.22	1.319
The company sells its product with fair price compared to its competitors.	315	4.32	1.219
Holland Dairy gives priority for the interest of the public.	315	3.31	1.668
The company is accountable for its actions.	315	2.98	1.708
Average Mean	**315**	**3.73**	**1.002**

 (Source: Own Survey, 2023

Specifically, the majority of the respondents strongly agreed on the company's treatment of all customers equally (mean 4.22, std. 1.319) and sales of its product with fair price compared to its competitors (mean 4.32, std. 1.219) but they had doubts regarding the company's loyalty to its customers equally (mean 3.67, std. 1.670). On the other hand, the respondents refrained from acknowledging the company's ambition to give priority for the interest of the public over its benefit (mean 3.31, std. 1.668), and accountability for its actions (mean 2.98, std. 1.708). This also implies that loyalty, equity, fairness and accountability affect the brand image of the company.

The interview conducted with the marketing and sales managers (dated on July 5, 2023), they claimed that the company is utterly ethical as it works closely with local farmers, and benefits from a secure, sustainable and fully traceable supply of high quality, farm assured milk. The marketing manager also tried to explain that "…the majority of the milk we use comes from farms within a 40km radius of our dairy and we are delighted that local farmers are now part of the Holland Dairy Suppliers Group. Besides, the sales manager also admitted that "…we recognise that, first and foremost, central to both recruiting and retaining our farmers, is to pay a competitive, sustainable and attainable price for the milk they produce." He also added that "…to demonstrate our commitment to this, our milk price schedule and contractual requirements are simple, clear and transparent – and fully compliant with the industry's best practice despite no code of conduct is issued by the government authorities." They also proudly explain that "Holland Dairy sets higher minimum wage to its employees, and makes sure that all workers get competitive pay that justifies the efforts they exert to accomplish the assigned tasks and responsibilities. All stakeholders including suppliers, employees and distributors are treated with respect and in fair manner as well.

4.1.1.4.   Philanthropic Social Responsibility

Table 7.Description of PhilanthropicSocial Responsibility

Attributes	N	Mean	Std.
The company invests to support healthcare activities of the community.	315	3.73	1.802
The company raises funds when natural disasters occurred.	315	3.76	1.706
The company protects work environment for the wellbeing of the society.	315	4.27	1.452
The company provides infrastructural facility to the society.	315	2.57	1.910
The company invests to support educational activities of the community.	315	4.22	1.467
Average Mean	**315**	**3.71**	**1.138**

(Source: Own Survey, 2023

Referring the philanthropic social responsibility of the company, the results in table 7, the philanthropic social responsibility of the company was also perceived positive with high variation in stand (std. 1.138). The results revealed that the company invests to support healthcare activities of the community (mean 3.73, std. 1.802); and raises funds when natural

disasters occurred (mean 3.76, std. 1.706). The respondents also strongly acknowledge the company protects work environment for the wellbeing of the society (mean 4.27, std. 1.457); and invests to support educational activities of the community (mean 4.22, std. 1.467). Nonetheless, they disagreed with the company's provision of infrastructural facility to the society (mean 2.57, std. 1.910). This has also an implication that charity on education, health, infrastructure and environment also affect the brand image of the company.

Based on the interview with the general and finance manager, they acknowledged the following philanthropic activities of the company as: the company trains its employees to spend specific hours every month in doing volunteer work for the society. Every year, company dedicates a specific portion of earnings for various societal causes like conflict-related displacement in particular. Holland Dairy also raises funding for the educational programs, and supports health initiatives for the betterment of society in the suburb areas of the city. Company offers free milk products to the "School Feed Program" of the city as well as 100 packs/day to people who cannot afford them. Company supports the volunteer projects that are executed for broader social welfare like nutrition-related awareness creation program as well as providing voluntary assistance to the public and private educational institutions to educate the society and make education affordable for all. Company also voluntarily assists the fine and performing arts, and arranges the cultural events for society.

4.1.1.5.   Brand Image

Table 8.Description of Brand Image

Attributes	N	Mean	Std.
Holland brand is visually attractive brand/logo.	315	3.78	1.382
Holland Diary products are packed to be easily handled by the consumers.	315	3.42	1.032
The taste of Holland milk/dairy is good compared to competitors.	315	3.99	.856
I think the company has the best diary product compared to competitors.	315	4.22	1.400
The holland milk/dairy products are known for their nutritional values.	315	3.50	1.163
I do trust Holland Dairy as it is free from any food scandals till today.	315	4.24	1.015
Average Mean	**315**	**3.86**	**.736**

(Source: Own Survey, 2023)

Based on this definition, the results on Table 7 revealed that the overall brand image of the Holland Dairy processing company in the minds of the respondents is positive as the average mean value scored 3.86 with std .736. In this aspect, the majority of the respondents strongly agreed that the company has the best diary product compared to competitors (mean 4.22, std. 1.400) as well as they trusted the brand as it is free from any food scandals till today (mean 4.24, std. 1.015). They also acknowledged that the Holland brand is visually attractive brand/logo (mean 3.78, std. 1.382) and the taste is also better compared to competitors (mean 3.99, std. .856). However, Holland Diary products are packed to be easily handled by the consumers (mean 3.42, std. 1.032) and their nutritional values (mean 3.50, std. 1.163) are slightly acknowledged by the respondents. In this regard the respondents had similar stand towards the image of the company as brand image is the unique set of associations within the mind of customers which represent what the brand currently stands.

4.2. Inferential Analysis

Inferential statistics uses sample measurements of the subject and make generalization about the larger population. It comprises different test such as correlation test among variables and assumption of data test for their suitability or fitness to the intended regression analysis model namely normality, collinearity, linearity and homoscedasticity. Finally, the multiple regression analysis in terms of model summary, ANOVA test and determination of beta coefficients are conducted to address the objectives of this study.

4.2.1. Correlation Analysis

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Festinger, 2005). To interpret the direction and strengths of relationships between variables, the guidelines suggested by Field (2005) were followed. His classification of the correlation coefficient (r) refers 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and $\geq$ 0.5 is strong. Based on this scale, the responses of the respondents are summarized as below.

Table 9. Pearson Correlation Matrix

	ECN	LGL	ETH	PHL	BRI
Economic – ECN	1				
Legal – LGL	.412**	1			
Ethical – ETH	.240**	.263**	1		
Philanthropic – PHL	.425**	.372**	.255**	1	
Brand Image – BRI	.637**	.566**	.413**	.548**	1
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source, Own Survey, 2023

Table 8indicate indicates the relationship of brand image with corporate social responsibility dimensions. The CSR dimensions are economic, legal, ethical and philanthropic social responsibility. The results show that overall dimensions of brand image had positive significant relations with all CSR dimensions. Specifically, Philanthropic responsibility (.548, p<0.01), Economic responsibility (r = .637, p<0.01), and Legal responsibility (r = .566, p<0.01) have strong relationship with brand image. While, Ethical responsibility (.413) had positive moderate relationship at p>.01. This indicates that an increase in social responsibilities also increase the brand image of the company implying that CSR activities are good predictors of brand image.

4.2.2. Multiple Regression Assumption Tests

Linear regression (Ordinary Least Square) is an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The assumption test is the underlying assumption that the accuracy of a specified model predicts the outcome variable with minimum possible error induced. For a given multiple regression model, to take it as a credible model, it shouldn't violate the following assumptions. These assumptions are Multicollinearity (highly relatedness of predictor variables), Normality (symmetric distribution of data based on given mean and variation), and Homoscedasticity (uniform/ random distribution of error terms).

4.2.2.1. Multicollinearity

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. Tolerance and variance inflation factors (VIF) values for each predictor are means of

checking for violation of collinearity assumption. Tolerance value below 0.1 and VIF above 10% indicate a multicollinearity problem (Robert, 2006).

Table 10.Collinearity Diagnostics

Coefficients [a]

Model		Collinearity Statistics	
		Tolerance	**VIF**
1	Economic Social Responsibility	.737	1.357
	Legal Social Responsibility	.765	1.307
	Ethical Social Responsibility	.893	1.120
	Philanthropic Social Responsibility	.758	1.319

ι. Dependent Variable: Brand Image Source, Own Survey, 2023

In this study, the results in Table 10, shows that the collinearity statistics analysis of variance inflation factors (VIF) value ranges from 1.120 to 1.357 and Tolerance value ranging with 0.737 to 0.893 indicated that there was no collinearity problem. This could be taken as a confirmation that there were no multi-collinearity problems to proceed for regression analysis. That means, when independent variables are highly related (r > .80 in most cases), there is the possibility of variables' "overlap" or sharing of predictive power or they would have been basically measuring the same thing or they both convey essentially the same information (Robert, 2016).

4.2.2.2. Homoscedasticity –

Testing for Homoscedasticity lies with an assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. Using the plots of ZRESID against ZPRED, the distribution is checked whether the graph looks like a random array of dots evenly dispersed around zero. This is to mean that at each point along with any predictor variable, the spread of residuals should be fairly constant.
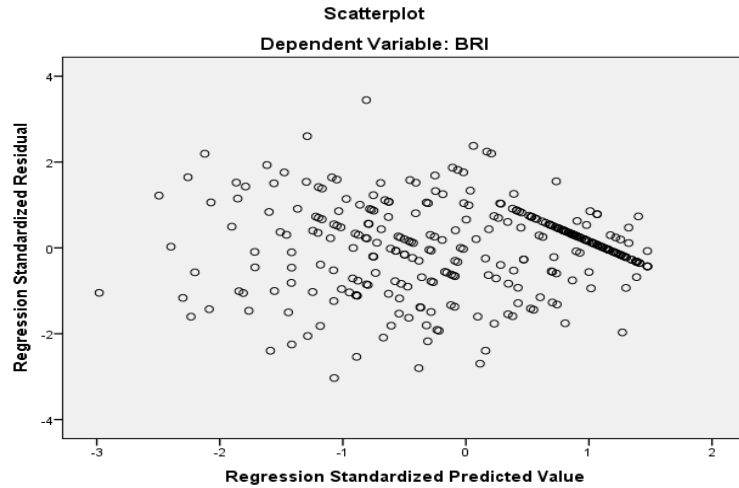
Figure 3.Homoscedasticity Test

Figure - 6, shows each of the predictor variables against the standard residual values. The plot depicts how the points are randomly and evenly dispersed throughout the plot. And, these patterns are indicatives of a situation in which the assumption of homoscedasticity has been met.

4.2.2.3.   Multivariate Normality –

To check that distribution of scores is normal, it needs to look at the values of Kurtosis and Skewness. The values of skewness and kurtosis should be zero in a normal distribution. Positive values of skewness indicate a pile-up of scores on the left of the distribution, whereas a negative value indicates a flat distribution. The further the value is from zero, the more likely it is that the data are not normally distributed. Both of which have an associated standard error.

Table 11.Normality Test

	N	SKEWNESS		KURTOSIS		
	STAT	STAT	STD.	STAT	STD.	
Economic	315	-.846	.137	-.211	.274	
Legal	315	-.648	.137	-.289	.274	
Ethical	315	-.659	.137	-.215	.274	
Philanthropic	315	-.676	.137	-.637	.274	

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Brand Image	315	-.751	.137	-.209	.274

As shown in Table 11, all the four CSR dimensions' z-scores skewed to the right side and were found to be within an acceptable range (skewness within -2.0 to 2.0; and Kurtosis within -2.0 to 2.0). Therefore, it is pretty clear then that the numeracy scores are negatively skewed, indicating a pile-up of scores on the right of the distribution.

4.2.2.4. Linearity

The linearity assumption can easily be checked using scatterplots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against (one of) the independent variable(s). The scatter plots of standardized residuals versus the fitted values for the regression models were visually inspected from figure 7.
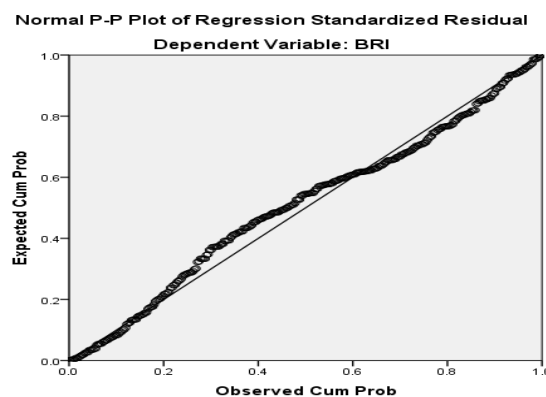
Figure 4. Linearity Test

4.2.2.5. No Auto-correlation/Independent of Errors

Field (2005) suggested that for any two observations the residual terms should be uncorrelated (or independent). This eventuality is sometimes described as a lack of autocorrelation. This assumption can be tested with the Durbin–Watson test, which tests for serial correlations between errors. Specifically, it tests whether adjacent residuals are correlated. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated. Therefore, as in this study the result 2.118 is almost closed to 2, it can be confirmed that no autocorrelation issue (Ref. Table 12).

4.2.3. Regression Analysis

Multiple regression analysis in this research was used to model the value of the construct variable (brand image) based on its linear relationship to two or more predictors (economic, legal, ethical and philanthropic social responsibility). In order to indicate the impact that each predictor has on the construct variable, the unstandardized coefficients are checked.

Table 12. Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin–Watson Test
1	.777[a]	.604	.599	.46586	2.118

a. Predictors: (Constant), Philanthropic, Ethical, Legal, Economic

As indicated in the model summary of the analysis on Table 12, the value of $R^2 = .604$ indicated relations of the four independent variables with the dependent one which are accounted for approximately 60.4% (R^2) of the variation in brand image. However, the remaining percent (39.6%) was explained by other variables not included in this study.

Table 13.ANOVA Analysis

ANOVA [a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	102.590	4	25.648	118.176	.000[b]
	Residual	67.279	310	.217		
	Total	169.869	314			

a. Dependent Variable: Brand Image

b. Predictors: (Constant), Philanthropic, Ethical, Legal, Economic

As indicated in Table -13 of ANOVA test, F value of 118.543 is significant at $p < 0.001$. Therefore, it can be inferred that with 60.4% (R^2) of variance, CSR is significant and the model appropriately measured the dependent variables – Brand Image. In short, the regression model

predicts brand image, and has been significantly explained by the four independent variables of CSR.

Table 14. Estimated Regression Coefficients

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.827	.145		5.698	.000
	Economic Social Responsibility	.293	.032	.379	9.090	.000
	Legal Social Responsibility	.218	.033	.272	6.659	.000
	Ethical Social Responsibility	.139	.028	.189	4.997	.000
	Philanthropic Social Responsibility	.154	.027	.238	5.801	.000

a. Dependent Variable: Brand Image

Source: Own Survey 2023

The table 14 shows the constant, beta, and significance level of each variable. It indicates that the fourvariables which are economic, legal, ethical and philanthropic social responsibilities influence brand image significantly at 95% confidence interval with a $p < .05$ sig. level. Based on the results, substituting the results in the model yields:

$$BRI = .827 + .293\ ECN + .218\ LGL + .139\ ETH + 154\ PHL$$

Where:

BI= Brand Image; LEG = Legal; ECO = Economical; ETH =Ethical; PHL = Philanthropic

The regression analysis shows that all CSRdimensions have positive and significant effect on brand image. Based on these findings, the interpretations are presented as follows:

- The constant term ($B_0 = 0.827$) illustrates that the nil effect of economic, legal, ethical and philanthropic social responsibility dimensions. That means, in a situation where all independent variables are zero, brand image as dependent variable is predicted to be 0.827.

- In situation where other variables are constant, if economic social responsibility improves by one unit brand image is predicted to be increased by 0.293 units. This shows that economic social responsibility has a positive and significant effect on brand image at $p < .05$. Thus, hypothesis-1 is supported.

- Keeping other variables constant, if legal social responsibility improves by one unit, brand image is predicted to be increased by 0.218 units. This shows that legal social responsibility has a positive and significant effect on brand image at $p < .05$. Thus, hypothesis-2 is supported.

- In condition where other variables are constant, if ethical social responsibility increases by one unit, brand image is predicted to be increased by 0.139 units. This shows that ethical social responsibility has a positive and significant effect on brand image at $p < .05$. Thus, hypothesis-3 is supported.

- Keeping other variables constant, if philanthropic social responsibility increases by one unit, brand image is predicted to be increased by 0.150 units. This shows that philanthropic social responsibilityhas a positive and significant effect on brand image at $p < .05$. Thus, hypothesis-4 is supported.

Discussion

The discussion part focuses on the major findings of the analyses for further elaboration. It encompasses the demographic characteristics of the respondents, addresses the research objectives which refer to CSR practices of Holland Dairy and their effect on overall company's brand images.

Taking the results of the findings of this empirical study into consideration, it can be focused on two basic aspects. Firstly, it can be said that the level of company's reputation regarding the adaptation and implementation of CSR activities strongly affects the level of brand image in the minds of the customers. Hence, if the company wants to improve significantly its level of reputation, then the management should develop CSR activities which could benefit the society, protect their environment and improve the economic life conditions of their staffs. It means, they should fulfill their commitment and social

responsibility as this would allow their businesses to be easily chosen by potential customers than other strategic competitors.

Secondly, the level of the brand image of Dairy manufacturing companies and their respective products would seriously be affected by the CSR practices implemented. Counting on their communication schemes to disseminate the information regarding what required or desired activities have been already carried out for the benefit of the society, CSR can be used as a marketing tool to promote their brand image results in higher sales revenue and sustainability at large, which is in line with the conclusion of Ker-Tah's (2012) study. The author explains that if the communication program achieves the goal of communicating effectively and efficiently the actions taken by the companies to benefit the life conditions of their workers, environment and the society in general, then potential consumers would choose their products which assure a significant improvement in the level of their brand image.

Based on the respondents' perception, the overall CSR practices of the company was perceived slightly positive (grand average score of the four CSR dimensions' mean values, 3.74). This indicates that either the respondents didn't have sufficient information what the companies had been done to the society so far or they had doubt on their commitment in the four social responsibility aspects. Besides, comparing over the company's CSR activities, the inconsistency of the customer' responses in relation to the CSR practices can be taken as a proof that the commencement of social responsibilities by the managers as a marketing tool is on its infantry stage. Such inconsistencies are good indicators for CSR activities were carried out mostly focusing on a particular dimension like the philanthropic aspects (Hill, 2021). It is not sufficient enough to build strong brand image in the minds of prospect customers unless it should be carried out enthusiastically in an integrated manner so as to address the required marketing messages as a function of CSR practices through proper media or channels to position their respective brand images in to potential customers.

To conclude, economic and legal dimensions have relatively higher effect on brand image even though more efforts required developing them more in order for promoting their

corporate reputations. On the other hand, philanthropic and ethical attributes had lower effects on the levels of brand image for the fact that the respondents' previous experience or perception might be affected by the industry's overall image of the industry due to corruption unethical deeds. Thus, it can easily be affected by different intermediating business environmental factors and would be hard to execute legal requirements of the society effectively and have become more prone for corruption as the transaction is in multi-millions with soaring food price inflation in the country. More efforts are mandatory in terms of executing or participating in the welfare of the society in parallel with achieving their organizational goals for sustainability in such highly competitive markets.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents a summary of the major findings, conclusions based on the findings and recommendations based on the findings and conclusions of the study. The chapter ends with suggested areas in which further research can be undertaken.

5.1. Summary of Major Findings

Based on the results of the analysis, the findings of this research have been summarized as follows:

The effect of Economic Responsibility- Holland Dairy supplies quality milk products to the society (mean 4.37) but poorly contributing its revenue to the wellbeing of its employees(mean 3.69) as well as exerted less effort in creating employment opportunity (mean 3.44).Economic social responsibility has relatively the highest positive and significant relationship with brand image (r = .637) and it has the relatively the highest contribution to brand image (B = .293).

The effect of Legal Responsibility- The respondents had less information/awareness regarding Holland dairy's concern for the welfare of its cattle (mean 3.35); application of agricultural chemicals to acceptable level (mean 2.63); and its compliance with food safety suitability requirements (mean 3.28).Legal social responsibility also showed positive and strong relationship with brand image (r = .566) as well as the highest effect on brand image (B = .218) preceded by economic social responsibility.

The effect of Ethical Responsibilities- Holland dairy treated all its customers equally (mean 4.22) but it has loyalty issue to its customers (mean 3.67).The respondents had less information regarding the company's ambition to give priority for the interest of the public over its benefit (mean 3.31) as well as its accountability for its every action (mean 2.98). Ethical social responsibility had positive and moderate relationship (r = .413) and relatively the least effect (B = .139) on brand image.

The effect of philanthropic social responsibility- Holland dairystrongly works on environment protection (mean 4.27) andalso invests to support educational activities of the community (mean

4.22). Nonetheless, it participates less in provision of infrastructural facility to the society (mean 2.57).Philanthropic social responsibility has also positive and strong relationship with brand image (r = .548) but next to ethical responsibility, it has the least contribution to the brand image (B = .154).

5.2. Conclusions

In a stiff competitive market of fast-moving consumers' goods, building brand image is not an easy task. Socially responsible companies have the opportunity to stand out from the competition because they cultivate superior and positive brand recognition.

Almost all studies that are performed to evaluate the relationship of corporate social responsibilities and brand image shows that CSR had significant and positive role on brand image. In fact the research shows that CSR had a positive relationship with brand image as well as profitability

The main objective of this study was also to investigate the effect of CSR practices on overall brand image taking Holland Dairy processing company in Addis Ababa as a case. Hence, the study sought to identify the most important attributes of CSR schemes to enhance brand image of the company which might be used to review or amend the current CSR practices and dissemination of the relevant information via their respective public relations.

The results of the analyses explain that CSR has positive and statistically significant effect in creating positive brand image in the minds of the consumers. Specifically, in the case of Holland dairy products, economic and legal social responsibilities had relatively the highest effect on brand image. Balancing the maximization of profit and wealth with contributing to the wellbeing of the society and the environment influences the perception of the community to have positive attitude to the company's reputation. On the other hand, philanthropic charities and ethical business practices had less effect on brand image. That means, the community had either less awareness or they had extreme (highly varied) standsregarding the issue. In this context, in the course of brand image building brand image, the overall CSR practices of Holland dairy is mainly focused on the economic and legal responsibilities at the expense of other social responsibility dimensions.

It can be concluded that Holland dairy has good reputation on itseconomic legal social responsibilities. Despite the company has some limitations in participating and supporting the society in terms of funding educational and health care facilities, the corporate and marketing

managers also failed to promote their philanthropic and ethical activities effectively through appropriate information channel. Without creating public awarenessand disseminating their achievements through different channels, investment on corporate social responsibility couldn't bring the required marketing benefit. Therefore, as equally investing on CSR, it is also important to create public awareness as well.

5.3. Recommendations

Based on the major findings and conclusions, the following possible recommendations are forwards:

- Developing and Implementing CSR strategy- The researcher recommend that the company to asses current CSR statues. After evaluating the performance then develops and Implement CSR strategy. CSR strategy is the comprehensive plan companies and funders use to design, execute, and analyze their corporate social responsibility initiatives. It includes specific focus areas, program design, promotion and communication approaches, and evaluation procedures. There are mainly three types of CSR strategies; namely, customer-driven, compliance-driven, and operations-driven. Among the above strategies The researcher recommend customer -driven strategy which is all about satisfying the customer by studying customer behavior and perspectives. It is so relevant for companies whose operations are directly linked to the community or enterprises that sell directly to the customer. Most of the time, customer-driven CSR strategies focus a lot of community involvement through volunteering, philanthropy and other initiatives that show the company's commitment to community development.

- Holland Dairy processing company is characterized by poor utilization of its invaluable resources for the wellbeing of its employees. Giving less attention to the employees ended up with adversely affecting the brand reputation as unhappy employees spoil the company's reputation. Therefore, corporate and HR managers are advised to consider the wellbeing of their employees through different benefits packages.

- The consumers had less information/awareness regarding Holland dairy's concern on application of agricultural chemicals to acceptable level as well as its compliance with food safety suitability requirements. The marketing managers are also advised to disseminate their legal social responsibility achievement effective and appropriate commercial channels.

- Holland dairy is known in treating all its customers equally but it has loyalty issue. Creating customer loyalty is one of the success scales for business organizations. Loyal customers are the basis for sustainability and profitability of a given company. Without

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them, business sustainability is nothing at all. Therefore, the marketing managers should establish good customer relationship management to create loyalty in the long run.

- Holland dairystrongly works on environment protection andalso invests to support educational activities of the community. Nonetheless, it participates less in provision of infrastructural facility to the society. The corporate managers should invest on infrastructure like rods, health center, water- well drilling, etc. in collaboration with the federal and regional governments.

- This study mainly focused of examining the influence of brand image merely from the perspective of corporate social responsibility aspects. However, there are a number of factors like the mediation role of integrated marketing that affect the brand image or corporate image reputation. Therefore, it is advisable to consider the mediation of integrated marketing communication on the relationship between CSR and brand image in future research.

5.4. Direction to the future study

Based on the limitation of this study, if any other researcher wants to further study about this topic, student researcher suggests inclusion or consideration of integrated marketing communication. Thus, the research can cover the influence of integrated marketing communication on the enhancement of brand image through CSR activities. And the result can be more comprehensive. Future researches can use this marketing elementcould help companies to make more competitive strategy to gain more share on the market.

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APPENDICES

Appendix- I Survey Questionnaire

SAINT MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

Dear Respondent,

My name is TirsitMengistu a postgraduate student at Saint Mary's University, School of Post Graduates. I am conducting my study entitled "THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND IMAGE: THE CASE OF HOLLAND DAIRY PROCESSING COMPANY IN ADDIS ABABA" in partial fulfillment for the requirement of Master of Business management. The purpose of this questionnaire is to evaluate the effect of corporate social responsibility practices on brand image. The fast-moving consumer goods manufacturers in the country play significant role in the development of the nation economy on top of expediting their social responsibilities which in turn affects their corporate image substantially. Your valuable feedback would enhance the ability of the company's management in better understanding of the consumers' perception and preference in regards to improving the scope and quality of its social obligations. The study is purely for academic purpose and thus does not affect you in any case. Your genuine, frank, timely response is vital for the success of the study. Therefore, I kindly request you to oblige and respond to each question item carefully. **Note: -** No needs of writing your name; where alternative answers are given and put "**x**" mark on your choice where necessary; and please return the completed questionnaire in time.

Thank you, in advance for your cooperation and timely response.

TirsitMengistuTerefe

Telephone- 0923563746

Email- tirsitmengistu29@gmail.com

General Information

Your Participation is Voluntary

Do not write your name on the Questionnaire

Part I. Personal Information

Direction: The following statements are about your personal information. Please write the necessary information on the blank space provided and, in the optional items, indicate your answer by putting a "x" mark in the box.

1. Sex ☐ Female ☐ Male

2. Age (years) ☐ below 30 ☐ 30 – 45 ☐ 46 – 60 ☐ > 60

3. Education ☐ High School ☐ Diploma ☐ Degree

☐ Masters ☐ Ph.D. ☐ Other, please specify_____

4. Marital Statu ☐ Single ☐ Married ☐ Divorced ☐ Widow

5. Employment ☐ Employed ☐ Unemployed ☐ Self-employed

6. Income (Birr) ☐ ≤10,000 ☐ 10,001 – 20,000 ☐ 20,001 – 30,000

☐ > 30,000

Part II.Study Variables – Corporate Social Responsibility and Brand Image

This survey deals with your opinion about real estate companies' corporate social responsibility practices and their effect on brand image.Please rate the extent to which you perceive the services offered by the organization by ticking "√" the appropriate number against each statement. There are no right or wrong answers. What is expected from you is to select the best choice among given alternatives in order to show your perceptions about the aforementioned variables.

- Score Level - Strongly Agreed (SA)=5, Agreed (A)=4, Neither agreed or disagreed (N)=3, Disagreed (DA)=2, and strongly disagreed (SDA)=1

Description	Scale				
	SD	DA	N	A	SA
Economic Social Responsibility	1	2	3	4	5
Holland Dairy suppliesqualitymilk products to the society.					
The company disposes wastesthat couldn't affect the environment.					
The company generates revenue persistently.					
The company contributes its revenues to the wellbeing of its employees.					
The company benefited the society by creating employment opportunity.					
The company has good relation with consumers, customers, suppliers, etc.					
Legal Social Responsibility					
Holland Dairy products are "fit for intended purpose".					
Holland dairy is known for taking care /welfare/ of its cattle (cows).					
The company uses agricultural chemicals to acceptable level.					
The company complies with food safety suitability requirements.					
The company disposes waste properly without affecting the surroundings.					
The company respects its employee's rights (didn't abuse them in front of customers).					
Ethical Social Responsibility					
Holland Dairy gives priority for the interest of the public.					
The company is accountable for its actions.					
The company treats people equally (disability, ethnic, colour, etc.).					
The company is loyal to itscustomers equally.					
The company sells its product with fair pricecompared to its competitors.					

Philanthropic Social Responsibility					
The company protects work environment for the wellbeing of the society.					
The company invests to support educational activities of the community.					
The company provides infrastructural facility to the society.					
The company raises funds when natural disasters occurred.					
The company invests to support healthcare activities of the community.					
Brand Image					
Holland brand is visually attractive brand/logo.					
I think the company has the best diary product compared to competitors.					
Holland Diary products are packed to be easily handled by the consumers.					
The taste of Holland milk/dairy is good compared to competitors.					
The holland milk/dairy products are known for their nutritional values.					
I do trust Holland Dairy as it is free from any food scandals till today.					

Many thanks for your valued time!!!

Appendix II Interview Question

Interview to be conducted with Managements of Holland Dairy

1. How do evaluate the overall economic corporate social responsibility of the company?
2. What are the main activities of Legal Corporate Social Responsibilities of the company?

3. In your perception, on which ethical corporate social responsibilities the company were engaged in?

4. What are the major philanthropic activities of the company?

Appendix II SPSS Output

Descriptive Statistics

	N	Mean	Std. Deviation
Holland Dairy suppliesqualitymilk products to the society.	315	4.37	1.346
The company disposes wastesthat couldn't affect the environment.	315	3.99	1.405
The company generates revenue persistently.	315	4.23	1.413
The company contributes its revenues to the wellbeing of its employees.	315	3.69	1.525
The company has good relation with consumers, customers, suppliers, etc.	315	4.26	1.391
The company benefited the society by creating employment opportunity.	315	3.44	1.793
ECR	315	3.9984	.94968
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
Holland Dairy products are "fit for intended purpose".	315	4.23	1.355
The company disposes waste properly without affecting the surroundings.	315	4.21	1.050
The company respects its employee's rights (didn't abuse them in front of customers).	315	3.51	1.453
Holland dairy is known for taking care /welfare/ of its cattle (cows).	315	3.35	1.432
The company uses agricultural chemicals to acceptable level.	315	2.63	1.413
The company complies with food safety suitability requirements.	315	3.28	1.460
LER	315	3.5349	.91723
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
The company is loyal to itscustomers equally.	315	3.67	1.670
The company treats people equally (disability, ethnic, colour, etc.).	315	4.22	1.319

	N	Mean	Std. Deviation
The company sells its product with fair pricecompared to its competitors.	315	4.32	1.219
Holland Dairy gives priority for the interest of the public.	315	3.31	1.668
The company is accountable for its actions.	315	2.98	1.708
ETR	315	3.7270	1.00261
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
The company invests to support healthcare activities of the community.	315	3.73	1.802
The company raises funds when natural disasters occurred.	315	3.76	1.706
The company protects work environment for the wellbeing of the society.	315	4.27	1.452
The company provides infrastructural facility to the society.	315	2.57	1.910
The company invests to support educational activities of the community.	315	4.22	1.467
PHR	315	3.7079	1.13846
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
Holland brand is visually attractive brand/logo.	315	3.78	1.382
The taste of Holland milk/dairy is good compared to competitors.	315	3.42	1.032
Holland Diary products are packed to be easily handled by the consumers.	315	3.99	.856
I think the company has the best diary product compared to competitors.	315	4.22	1.400
The holland milk/dairy products are known for their nutritional values.	315	3.50	1.163
I do trust Holland Dairy as it is free from any food scandals till today.	315	4.24	1.015
BRI	315	3.8577	.73552
Valid N (listwise)	315		

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
ECR	315	-.846	.137	-.211	.274
LER	315	-.648	.137	-.289	.274
ETR	315	-.659	.137	-.215	.274

PHR	315	-.676	.137	-.637	.274
BRI	315	-.751	.137	-.209	.274
Valid N (listwise)	315				

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	ECR	.737	1.357
	LER	.765	1.307
	ETR	.893	1.120
	PHR	.758	1.319

a. Dependent Variable: BRI

Correlations

		ECR	LER	ETR	PHR	BRI
ECR	Pearson Correlation	1	.412[**]	.240[**]	.425[**]	.637[**]
	Sig. (2-tailed)		.000	.000	.000	.000
	N	315	315	315	315	315
LER	Pearson Correlation	.412[**]	1	.263[**]	.372[**]	.566[**]
	Sig. (2-tailed)	.000		.000	.000	.000
	N	315	315	315	315	315
ETR	Pearson Correlation	.240[**]	.263[**]	1	.255[**]	.413[**]
	Sig. (2-tailed)	.000	.000		.000	.000
	N	315	315	315	315	315
PHR	Pearson Correlation	.425[**]	.372[**]	.255[**]	1	.548[**]
	Sig. (2-tailed)	.000	.000	.000		.000
	N	315	315	315	315	315
BRI	Pearson Correlation	.637[**]	.566[**]	.413[**]	.548[**]	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	315	315	315	315	315

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777[a]	.604	.599	.46586

a. Predictors: (Constant), PHR, ETR, LER, ECR

ANOVA[a]

| Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	102.590	4	25.648	118.176	.000[b]
	Residual	67.279	310	.217		
	Total	169.869	314			

a. Dependent Variable: BRI

b. Predictors: (Constant), PHR, ETR, LER, ECR

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.827	.145		5.698	.000
	ECR	.293	.032	.379	9.090	.000
	LER	.218	.033	.272	6.659	.000
	ETR	.139	.028	.189	4.997	.000
	PHR	.154	.027	.238	5.801	.000

a. Dependent Variable: BRI

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Histogram
Dependent Variable: BRI

Mean = -2.38E-17
Std. Dev. = 0.994
N = 315

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: BRI

Scatterplot

Dependent Variable: BRI