

UNIVERSITY OF CAPE COAST



THE EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON
CONSUMER RESPONSES TO MTN GHANA AND VODAFONE GHANA
PRODUCTS: A STUDY ON SELECTED CONSUMERS IN THE TEMA
METROPOLIS

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this thesis is the results of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

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Supervisors' Declaration

We hereby declare that the preparation and presentation of the thesis we supervised is in accordance with the guide lines on the supervision of thesis laid down by the University of Cape Coast.

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ABSTRACT

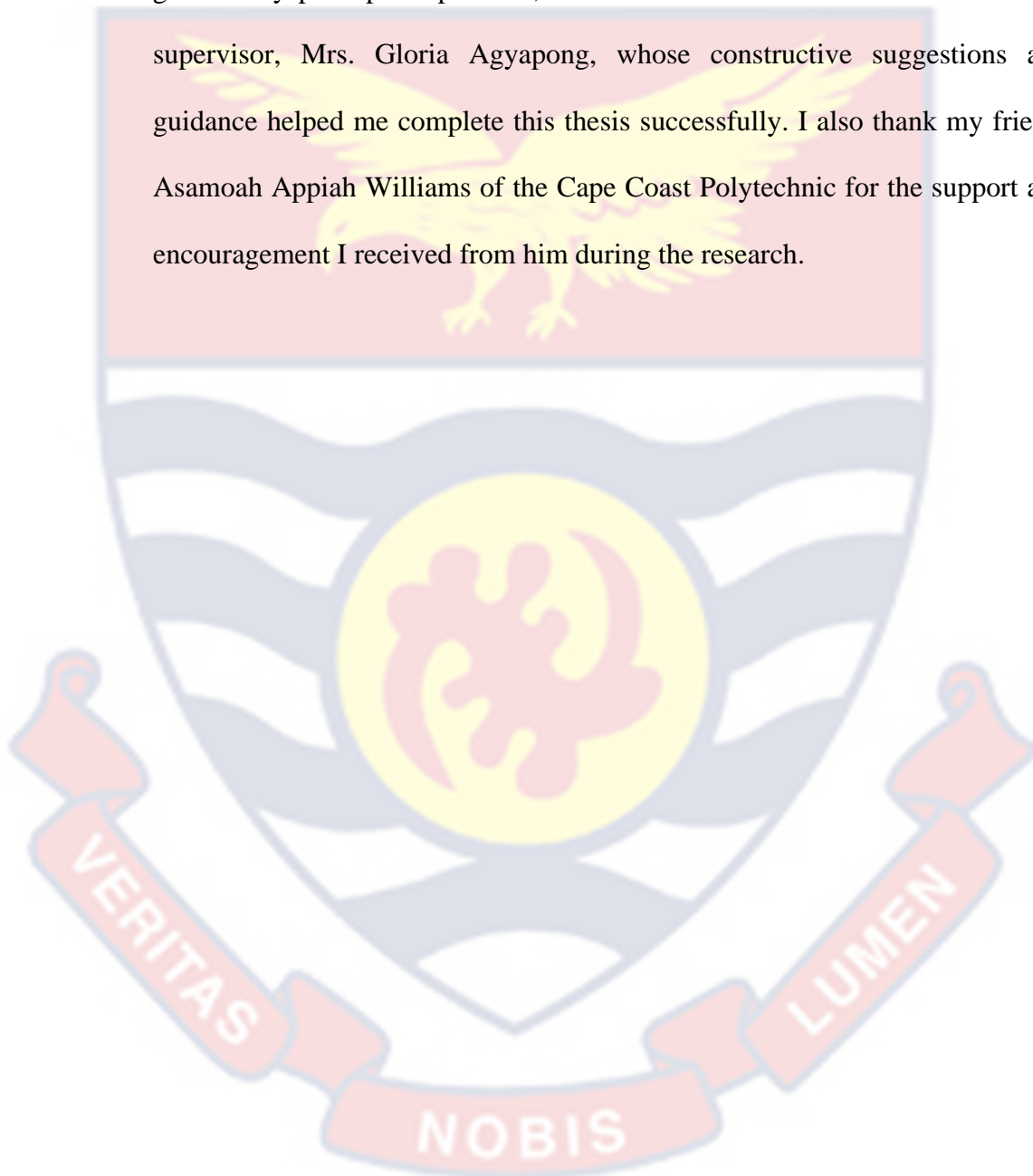
Corporate Social Responsibility is viewed by different companies with different lenses. While some companies see the fulfillment of their social responsibility obligation as an investment, others on the contrary see corporate social responsibility as expenditure. This study sought to find out how consumers in the Tema metropolis respond to corporate social responsibility activities of two mobile telecommunication companies. The experimental design was used where respondents were put into two groups of experimental group and control group using the random sampling procedure. The T-test and regression were used to analyse the data.

The results of the study indicated that consumers react positively to companies that fulfill their social responsibility obligation by making decisions to buy the companies' product, identifying themselves with the companies and also rate the image of the companies high. Consumers in the experimental group and the control group expect companies to be socially responsible.

With reference to the findings the study drew the following implications that are useful to managers. First, managers should go beyond the conventional marketing mix by including their identities and reputation and the goodwill associated with being a good corporate citizen into their marketing activities. Also, CSR is an effective marketing tool so companies should take the necessary steps to communicate their CSR initiatives to consumers.

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DEDICATION

To my wife, Atiah Stella and my daughter, Ayamga Rejoice



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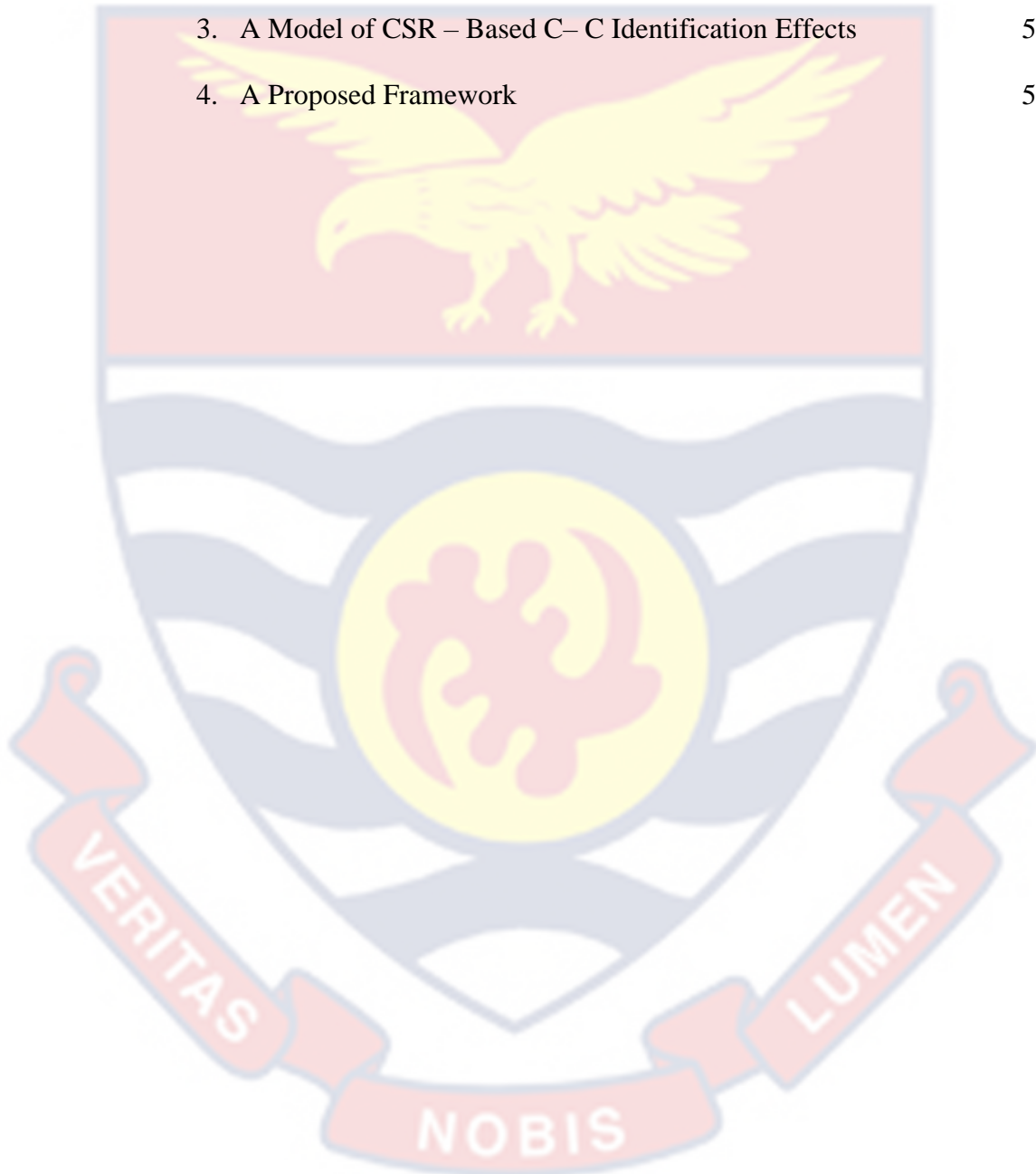
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CHAPTER ONE

INTRODUCTION

Background to the Study

The history of corporate social responsibility is as old as trade and business. Commercial logging operations together with laws to protect forest can both be traced back almost 5,000 years. King Hammurabi (1700BC), in Ancient Mesopotamia introduced a code in which builders, innkeepers or farmers were put to death if their negligence caused the death of others or major inconvenience to local citizens. Centre for Social Markets (CSM, 2001), quotes the then Prime Minister of India as saying that business must be just and humane, as well as efficient and dynamic.

According to Daniel (2007), increased competition and commercial pressure in recent times are combining with regulatory and consumer demand to create a new playfield for business. Traditional expectations of businesses are also changing. It is no longer enough for a business to simply employ people make profit and pay taxes. Companies are now expected to act responsibly, be accountable, and be beneficial to society as a whole.

A very important question in large publicly quoted corporations is whether corporate managers should regard themselves as solely responsible to shareholders or they have a wider responsibility as “trustees of the assets of the

corporation” on behalf of a wider range of stakeholders (Johnson & Scholes, 1997). In view of the increased competition, regulatory standards set for businesses by government and other bodies, couple with consumers demand for businesses to be responsible, it is not enough for business to go by the shareholder theory. This theory argues that the only responsibility of business is to legally make profit for its shareholders.

According to Smith (2003), the stakeholder theory is based on the principle that companies need to consider the effects of their action on all constituencies, suppliers, the environment and the community even if profitability is reduced.

Consumers are reporting an increased expectation that businesses contribute more to society Dawkins (2004), and companies are paying more attention to social externality of their operation by embracing corporate social responsibility. Therefore companies are managed according to the stakeholder theory. However, the direction of firms’ corporate social responsibility will partly depend on market response to their social initiatives. Following the intensity of the call by consumers and other regulatory bodies for business to be socially responsible, corporate social responsibility may play a part in decision to purchase goods and services of competing companies.

However, Smith (2000) has proposed three limits as potential for consumers’ purchase behavior to respond to CSR, and hence the influence and direction of firms’ socially-responsible initiatives; (i) consumers must be aware of firms’ CSR practices; (ii) consumers must be concerned about the firm’s

particular CSR practices and willing to consider these activities in their purchase decision and, (iii) once in market for the product category, consumers must be able to easily choose a socially-responsible competitor.

Corporate Social Responsibility is indeed a broad concept with broad components. These components of CSR are; Economic responsibilities, Legal responsibilities, Ethical responsibilities, and Philanthropic responsibilities.

Historically, business organizations were created as economic entities designed to provide goods and services to social members. The profit motive was established as the primary incentive for entrepreneurship. Before it was anything else, business organization was the basic unit in our society. As such, its principal role was to produce goods and service that consumers needed and wanted and to make an acceptable profit in the process. All other business responsibilities are predicated upon the economic responsibility of the firm because without it the others become moot considerations.

Society has not only sanctioned business to operate according to profit motive, at the same time business is expected to comply with the laws and regulations promulgated by government as the ground rules under which business must operate. As a partial fulfillment of the 'social contract' between business and society, firms are expected to pursue their economic mission within the framework of the law.

Although economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities embrace those activities that are expected or prohibited by societal members even though they are not codified into

law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders and the community regard as fair, just or in keeping with the respect or protection of stakeholders' moral rights.

Philanthropy encompasses those corporate actions that are in response to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programmes to promote human welfare or goodwill. Examples of philanthropy include business contribution to financial resources or executive time, such as contribution to arts, education or the community. The total corporate responsibility of business entails the simultaneous fulfillment of the firm's economic, legal ethical philanthropic responsibilities.

These arrays of responsibilities are broad for the research to cover all of them. For this reason the research will focus on the philanthropic component of CSR. The reason for this choice by the researcher is that philanthropy is given the second highest priority on the CSR pyramid. It is a discretionary form of social responsibility and it will therefore take only companies that are deeply committed to their consumers and the communities in which they operate to fulfill this responsibility. In the light of this, the researcher wants to find out the pay off for companies by consumers as a result of their deep commitment to CSR.

Carroll (1991) identified five responsibility areas that companies need to concentrate on in the execution of their philanthropic responsibility. These responsibilities are;

- (i) Company giving to charity.

- (ii) Offering assistance to the fine and performing arts.
- (iii) Managers' and employees' participation in voluntary and charitable activities within local communities.
- (iv) Provision of assistance to private and public educational institutions.
- (v) Helping in projects that enhance a community's quality of life.

Out of the five philanthropic responsibility areas identified by Carroll, this research concentrates on three areas. These areas are charity giving, managers and employees participation in voluntary and charitable activities within the local communities and provision of assistance to both public and private educational institutions. The choice of these areas is informed by the fact that the two mobile telecommunication companies used in the study base more of their philanthropic responsibilities on these areas.

It will therefore not surprise respondents or make them see the mentioning of these areas of responsibilities undertaken by the companies used in the study as a figment of the researcher but will see it as a reality and this will help in enhancing the results of the study.

The product used in the research was mobile telecommunication service. There are about five mobile telecommunication companies in Ghana. However this research concentrated on only two companies. They are MTN Ghana and Vodafone Ghana. The choice of these companies by the researcher has been informed by the long period of time that the companies have been operating in the

country. The choice has also been informed by the fact that the said companies have a long pedigree of corporate social responsibility records in Ghana.

In Ghana, the Corporate Social Responsibility Movement (CSRM) has been formed since 2001 by executives of Tema Municipal Youth Coalition (TMYC) as an advocacy movement at the fore front of promoting corporate social and environmental responsibility locally. Corporate social responsibility is convinced that profit maximization should not be the company's single objective, and that corporate social responsibility is an important factor to render production efficient. The movement in collaboration with Friedrich Ebert Foundation organizes several events predominantly dealing with the protection and restoration of the Chemu Lagoon (www.gipc.org.gh/-19k)

The Ghana Club 100 (GC100), in its ranking of companies considers their social responsibility in areas such as concern for health, education, poverty alleviation, environmental concerns, issues relating to the socially vulnerable and contribution to sports development.

However, Christine and Raymond (2006) argued that the criteria for determining Ghana Club 100 must include explicitly a detailed section on CSR rather than the summary one that was inserted. It is recommended that regulatory institutions include in their regulatory effort, definitive efforts at facilitating the formation and supporting the activities of CSR advocacy groups. These advocacy groups should undertake and advocate for:

- i. The establishment and periodic review of a comprehensive policy, legal and regulatory framework for CSR.

- ii. Corporate Social Responsibility Reporting of corporations.
- iii. Sensitization of communities, civil society and corporations about CSR issues.
- iv. Corporations to support communities and social programmes.
- v. Corporations to engage in sustainable CSR initiatives such as training, apprenticeships and skills development in the communities they work in.

The government's involvement in corporate social responsibility seems to rest mainly with the legal dimension which enjoins business to obey the law. However there is no comprehensive CSR policy or law in Ghana.

There are a variety of policies, laws, practices and initiatives that together provide the CSR framework in Ghana. This seeks to promote corporate social responsibility by putting in place legislation that defines minimum standards for business performance. Examples include constitutional provisions, local government laws and requirement for environmental impact assessments contained in an Act of Parliament (Christine & Raymond, 2006).

The government also facilitates corporate social responsibility by providing incentives to companies undertaking activities that promote the corporate social responsibility agenda and drive social and environmental improvement. The role of government here is basically catalytic, secondary and supportive (Christine & Raymond 2006).

Existing relevant documents in Ghana indicate that corporate social responsibility concepts clearly straddle several divides. Daniel (2006) found a somewhat haphazard indulgence in corporate good works by local Ghanaian

firms. Daniel and Hinson (2007) compared the adoption of social responsibility by international connected firms in Ghana and their indigenous Ghanaian counterparts with no international connections.

They found that although both groups of companies concentrated on a few selected areas such as education, safety, environmental damage, healthcare, consumer protection, and philanthropy, the internationally connected companies are more strategic, moral and ethical in their approach to CSR.

Additionally, firms quoted on the Ghana Stock Exchange are alive to their social obligation and respond more to all concerns of their major stakeholders. It is also found out that both individual values and ethical values influence executives and managers approach to corporate social responsibility, (Daniel, 2007).

Statement of the Problem

Corporate social responsibility is the organisations' obligation to maximize its positive impact and minimize its negative effects in being a contributing member to society, with concern for society's long-term needs and wants (Lontons, 2001). According to the World Business Council for Sustainable Development (2004), corporate social responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of live.

Many research works on the reaction of consumers to CSR activities of companies show contradictory results. While some research results indicate that consumers do take into consideration the CSR activities of companies before making a decision to purchase a company's product, other research results show the contrary.

In an experiment where Brown and Dacin (1997) manipulated the level of a company's philanthropy and employee involvement in the community, the researcher found that high level of CSR led to more positive evaluation of company. Recently, Bhattacharya and Sen (2003) related non product aspects of a company, such as CSR, to consumer loyalty and post purchase outcomes, which are clear consequences of a positive evaluation of the company, also demonstrated by Brown and Dacin (1997).

Conversely, other investigations demonstrated that the relationship between CSR and ethical consumerism is not always direct and evident. The results are in many cases contradictory and establish numerous factors that affect whether a firm's CSR activities translate into consumer purchase. They include tradeoffs with traditional criteria like price, quality, and convenience and lack of information (Mohr et al., 2001); corporate brand dominance Berens et al. 2005 and the type of CSR, quality of products, consumers' personal support for the CSR issues, and their general belief about CSR (Sen & Bhattacharya, 2003). There seems to be a contradiction between what the international polls and surveys established in terms of intention to purchase product with CSR features than real purchasing of them (Auger et al., 2006).

Following this contradiction surrounding the payoff CSR activities of companies, many managers see corporate social responsibility as an investment rather than an expenditure (Margolis & Wash, 2001). This has necessitated this study to investigate how consumers respond either positively or negatively to the CSR initiatives of companies.

Also, the many research works in the country on corporate social responsibility including the one by Daniel (2007) on “Executive and management attitude on social responsibility and ethics in Ghana, never consider the reaction of consumers to CSR issues of companies in terms of purchase decision, identification with companies, and evaluation of companies. That is why this study is necessary for it to investigate consumer responses to social responsibility issues of MTN and Vodafone Ghana.

Objectives of the Study

The general objective of this research is to determine the effects of corporate social responsibility on consumer responses to the services of MTN and Vodafone.

The study however seeks to achieve the following specific objectives;

- (i) To ascertain the extent to which CRS causes Socially Responsible Consumer Behaviour (SRCB) to have an influence on purchase intent.

- (ii) To find out the extent to which CRS causes Socially Responsible Consumer Behaviour (SRCB) to have an influence on consumer-company identification in the Tema metropolis.
- (iii) To ascertain the extent to which support for the philanthropic domain of CSR influences consumer-company identification in the study area.
- (iv) To find out whether support for the philanthropic domain of CSR influences positive evaluation of company image by consumers of MTN and Vodafone services.

Research Hypotheses

H₁: CSR causes SRCB to have an influence on consumer purchase intent

H₂: CSR causes SRCB to have an influence on consumer-company identification

H₃: support for the philanthropic domain of CSR influences consumer-company identification

H₄: support for the philanthropic domain of CSR influences positive evaluation of company image.

Significance of the Study

According to Sen and Bhattacharya (2000), consumers are more likely more likely to respond to a company's social responsibility records. This study seeks to investigate the effects of corporate social responsibility on consumer responses to the products of MTN and Vodafone. The research believes that the

results of the study shall provide some amount of understanding on how consumers react to the social responsibility records of companies.

There has been an increasing expectation on the part of consumer for businesses to contribute to the course of society (Dawking, 2004). There has been a mixed media reportage coming how some companies are fulfilling their social responsibility obligations and how others have also failed in that regard. The proposed theoretical framework of this study seeks to help businesses, and for that matter, managers and other policy makers in the area under study, to know the various way by which consumers respond to the social responsibility issues of corporate organisations. The frame work brings to the fore, the commercial benefits that companies that are committed to the call by consumers for businesses to be socially responsible stand to gain and in the same vein, the commercial benefits that companies that renege on being socially responsible stand to lose.

Margolis and Walsh (2001), asserted that many managers consider corporate social responsibility as an expenditure rather than an expenditure. Their assertion explains why some companies renege on this responsibility. The results of the study will add to the body of knowledge about the effects that the fulfillment of social responsibility has on companies, specifically, the companies under consideration in the study. Therefore, managers and policy makers of MTN and Vodafone concerned with corporate social responsibility issues will refine their actions and inactions towards social responsibility by viewing CRS not only

as a social contract but an action that has some considerable commercial benefits. (Suchman, 1995).

Delimitations of the Study

The study focuses on philanthropy as one of the components of corporate social responsibility since time and resources will not permit the researcher to incorporate all four components of CSR into the study. In considering consumers' purchase of mobile telecommunication service in Tema, two mobile telecommunication companies in Ghana will be used in the study. These are MTN Ghana and Vodafone Ghana. The study is also delimited to only consumers in the Tema metropolis but it would have been of immense benefit if it will cover the entire region or better still the entire country.

Limitation of the Study

The major limitation of this research is the scenarios used to describe to the respondents the social responsibility status of the companies. The respondents were made to role-play by imagining themselves in a hypothetical situation of buying the products of the telecommunication companies.

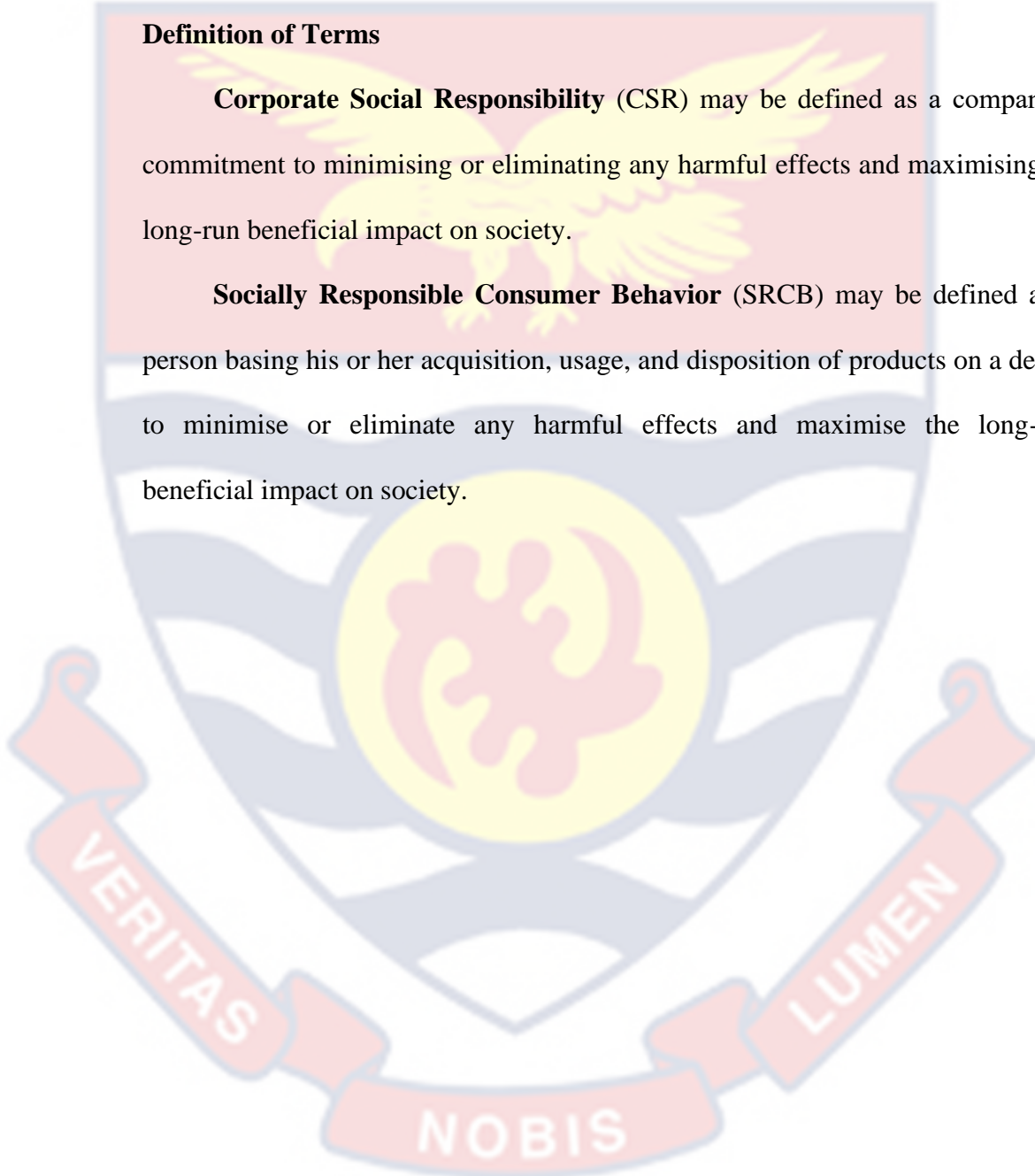
It is likely that the respondents paid more attention to the CSR situations of the companies than they would have if they had read about them in the news papers themselves. They read the descriptions immediately before responding to the questions and might cause CSR to have a strong influence on the way the

respondents responded to the questions. Both these factors make it likely that the effect of CSR was stronger than it would be in the actual situation.

Definition of Terms

Corporate Social Responsibility (CSR) may be defined as a company's commitment to minimising or eliminating any harmful effects and maximising its long-run beneficial impact on society.

Socially Responsible Consumer Behavior (SRCB) may be defined as a person basing his or her acquisition, usage, and disposition of products on a desire to minimise or eliminate any harmful effects and maximise the long-run beneficial impact on society.



CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

Corporate social responsibility is being referred to in many ways. According to Kotler and Lee (2005), corporate social responsibility is also referred to as corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, community development, corporate responsibility, global citizenship, and corporate social marketing. In this study the researcher uses corporate social responsibility.

Corporate Social responsibility has stepped boldly and unabashedly into the limelight in the 21st century, with many firms professing an undying love for CRS. Scholars note that for many years, the concept of social responsibility has been the object of intense ideologically influenced debates. Antagonist have asserted that the business of business should remain business—simply making profits; while protagonists have spoken of the firm's responsibility to remain an equitable and working balance among the claims of the various directly interested groups—stockholders, employees, customers and the public at large.

It is now widely accepted that corporate governance and its CSR component has moved from the profit-centered model to the socially responsible

model, a concept referring to the way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours. Consequently, Harry Ford can boldly assert that a good company delivers products and services, but a great company does all that and also strives to make the world a better place.

Theoretical Concepts of Corporate Social Responsibility

The Stakeholder Theory and CSR

According to Argandona (1998); Post (2003), the compelling argument behind why firms are motivated to invest in CSR programmes comes from the domain of stakeholder theory. The stakeholder theory suggests that the survival and success of organizations is dependent on satisfying both its economic objectives such as profit maximization and non-economic objectives such as corporate social performance by meeting the needs of various stake holders.

Early research conducted by Freeman (1984), in the area of stakeholder management defines a stake holder in an organization as a group of individuals or an individual who can affect or is affected by the achievement of an organization's objectives. Stakeholders of an organization are classified into two groups. These are the primary stakeholder group and the secondary stakeholder group.

According to Clarkson (1995), primary stakeholder group consists of shareholders and investors, employees, customers, supplies, public entities such as government and other public institutions that set laws and govern economic

commerce. Donaldson and Preston (1995) added that trade associations and environmental groups are part of primary stakeholder group.

Management of organisations gives different levels of consideration to the various stakeholder groups. The degree to which management considers each stakeholder group is classified in literature in three different ways. According to Clarkson (1995), Donaldson and Preston (1995); Jones and Wick (1999), firms that have a normative views of stakeholders, attend to the interest of all stakeholder groups equally not just customers or stockholders. They suggest that when normative companies are designing a CSR programme, such companies should create a comprehension and multi-dimensional CSR programme to appeal equally to all stakeholders of the company.

It is argued by Donaldson and Preston (1995), that, some firms have an instrumental view point for stakeholders. Their argument with the instrumental view point is that, since economic success is a key objective for companies, firms should place their strongest focus on improving economic performance.

According to Donaldson et al. (1995), the instrumental companies would therefore tend to emphasise the elements of CSR programmes that would directly improve economic performance, sometimes even at the expense of other stakeholders' interest. Examples of this strategy may include using cause-related marketing, or encouraging suppliers to minimize packing materials so as to reduce disposal cost to the firm.

In the assertion of Brener and Crochram, (1991); Jones C.F and Wicks, (1999), the descriptive viewpoint suggests that organizations' shareholders, their

values and relative influence and the nature of the situation all will predict organizational behavior. They suggest that from descriptive view point companies CSR effort may therefore include making donations to causes meaningful to the companies' major investors.

Ullmann (1985), opined that the stakeholder theory and CSR activity have been linked. He demonstrated that the interrelationship between social disclosure and social economic performance is made up of three dimensions: stakeholder power, the firms' strategic posture, and the company's past and present economic performance.

Jones (1994); Mitchell, Angle and Wood (1997), argued that firms make decision based on the intrinsic justice of stakeholder claim on a firm, the moral legitimacy of stakeholder claim, their power in influencing the firm, the urgency of the stakeholder's issue and the organization's life cycle, respectively. This is because, according to Jawaher and Mclaughlin, (2001), different stakeholders will be more relevant at different times. Each of the stakeholder dimensions as identified by Ullmann, (1985), helps in predicting the level of corporate social responsibility activity adopted by the firm.

According to Ullmann (1985), the first dimension of stakeholder power states that the more critical stakeholder resources are to the firm's viability, the greater the likelihood that the stakeholder demands will be addressed. He further explained that if a particular stakeholder group has significant power and influence over the firm's management, managers may be forced to align their CSR programme with the CSR values of that stakeholder group. This, he

concluded, can lead to over emphasis of one stakeholder group over another, Ullmann (1985).

The second dimension, which is strategic posture, points to the nature of company response whether active or passive towards social issues. According to Ullmann (1985), a company with an active strategic social posture will be more involved in corporate social responsibility activities than one with a passive posture.

The third dimension has direct impact on the firm's ability to implement a corporate social responsibility programme. Ullmann (1985) argues that a firm with better economic performance is more likely to develop and institute a corporate social responsibility programme than a firm that has a lower level of economic performance.

In summary, according to Maignan and Farrell (2004), the stakeholder theory seeks to suggest that firms are motivated to broaden their objectives to include other goals in addition to profit maximisation. They argue that, based on this theory, many companies embrace corporate social responsibility programme as a way of promoting socially responsible actions and policies, and effectively responding to stakeholder demands. Mitchell et al. (1997) also argue that firms are motivated to satisfy stakeholder demands by the fact that addressing stakeholder needs correlates with a firm's survival, economic well-being, competitive advantages and development of trust and loyalty among its targeted customers.

There is ample evidence in literature supporting the idea that companies that invest in corporate social responsibility will achieve positive benefits across all stakeholder groups. This current study emphasises on the customer stakeholder group by proposing that companies can maximize consumer stakeholder responses to corporate social responsibility programmes in the market place from purchase intent, positive company evaluation and consumer-company identification.

Social Contracts Theory

Gray, Owen and Adams (1996) describe society as 'a series of social contracts between members of society and society itself'. In the context of CSR, an alternative possibility is not that business might act in a responsible manner because it is in its commercial interest, but because it is part of how society implicitly expects business to operate.

Donaldson and Dunfee (1999), developed the integrated social contract theory as a way for managers to take decisions in an ethical context. They made a distinction between macro social contract and micro social contract. According to Donaldson et al., (1999), the macro social contract is in the broad form of communities' expectation from businesses to provide some support to their local communities.

The specific form by which businesses will involve in supporting communities is the micro contract. They concluded that companies who adopt a view of social contract would describe their involvement as part of what society

expects of them. However, that might not explain fully the reason for their investment. There is an aspect of some commercial benefits one of which was identified in an Australia study (CCPA, 2000) being describe as license to operate –particularly for natural resource firms. According to Suchman (1995), this might be regarded as part of the commercial benefits of enhanced reputation, but also links to gaining and maintaining legitimacy. This leads to the next theory which is the legitimacy theory.

Deegan (2000), argue that organizations that accept the legitimacy theory are continually seeking to ensure that they operate within the bounds and norms of their respective societies.

Legitimacy Theory

Deegan (2000), argue that organizations that accept the legitimacy theory are continually seeking to ensure that they operate within the bounds and norms of their respective societies. Legitimacy can be considered as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (Suchman, 1995). To this end, organisations attempt to establish congruence between “the social values associated with or implied by their activities and the norms of acceptable behaviour in the larger social system of which they are part” (Dowling and Pfeffer, 1975). Consistent with this view, Richardson (1987) asserts accounting is a legitimating institution and provides a “means by which social values are linked to economic actions”.

Organisational legitimacy is not a steady state, but variable. This variability is not only temporal, but also spatial or across stakeholder and cultural groups. Therefore depending on an organisation's perception of its state or level of legitimacy, an organisation may employ 'legitimation' strategies (Lindblom, 1993). Organisational legitimacy can be constructed or enhanced through the use of symbols or symbolic action communicating a "public image" (Dowling & Pfeffer, 1975). This image is aligned with the organisations' primary goals, methods of operation or output (Neu et al, 1998).

Lindblom (1993) and Dowling & Pfeffer (1975) suggest four broad legitimating strategies that organisations may adopt when faced with a threat to their legitimacy or a perceived legitimacy 'gap'. A legitimacy gap occurs when corporate performance does not match the expectations of 'relevant publics' or stakeholders. In a bid to restore, maintain or enhance organizational legitimacy, an organisation may:

1. change its output, methods or goals to conform to the expectations of its relevant publics, and then inform these relevant publics of the change;
2. not change its output, methods or goals, but demonstrate the appropriateness of its output, methods or goals through education and information;
3. try to alter the perceptions of relevant publics by associating itself with symbols that have a high legitimate status; and
4. try to alter societal expectations by aligning them with the organisation's output, goals or methods.

By definition Corporate Social Disclosure should conform to at least one of the above strategies as implementation of any legitimating strategy must involve both communication (disclosure) by the organisation as well as addressing norms, values or beliefs of relevant publics. This is consistent with a legitimacy explanation of managerial motivation for CSD (Lewis & Unerman, 1999). The multiplicity of legitimacy dynamics creates considerable latitude for managers to maneuver strategically within their environments.

Admittedly, no organization can completely satisfy all audiences, and no manager can completely step outside of the belief system that renders the organization plausible to himself or herself, as well as to others. However, at the margin, managerial initiatives can make a substantial difference in the extent to which organizational activities are perceived as desirable, proper, and appropriate within any given cultural context (Suchman, 1995).

From the early 1980s legitimacy theory has been employed by researchers who sought to examine social and, more particularly, environmental accounting practice. Both Hogner (1982) and Guthrie and Parker (1989) examined steel companies longitudinally. Both these studies looked at variations in social disclosures over time. Hogner's (1982) findings supported a legitimacy explanation while Guthrie and Parker (1989) concluded that legitimacy theory did not adequately explain the variations in disclosure at BHP.

As the number of researchers adopting legitimacy theory as the theoretical basis for their social and environmental accounting research has grown, so too, has the sophistication and understanding of its application been refined. Many

recent studies for example, Brown and Deegan (1998); Deegan and Rankin (1996); Patten (1992) have positively linked CSD to legitimizing motives. Other recent research works such as Adams et al. (1998); O'Dwyer (2002); Wilmshurst and Frost (2000) has sought to 'test for' legitimacy theory (e.g. as a motivation for disclosure with inconclusive results. "It has been assumed that legitimacy theory can be somehow demonstrated (or rebutted) depending on the degree of association found between disclosure patterns and changes in societal opinions" (Campbell et al., 2003).

This confirms the pre-theoretical assumption of legitimacy theory that a threat or gap to organisational legitimacy exists. However, legitimacy theory has become the most widely used theory to explain CSD Campbell et al. (2003); Deegan (2002) as there is mounting evidence that managers adopt legitimising strategies such as those outlined above.

The Concept of Corporate Social Responsibility (CSR)

Allouche and Laroche (2006) note that for many years, the concept of social responsibility has been the object of intense ideologically influenced debates (Bown, 1953; Carroll, 1979; Epstein, 1987; Freeman, 1984; Friedman, 1962; Wood, 1991). Generally, the belief that profit maximization is managements only legitimate goal has been seen as one end of a continuum, while at the other end is the argument that business are the trustees of societal property that should be managed for the public good.

So, on the one hand, Friedman (1962) asserted that the business of business should remain business, whilst Abrams (1954) spoke of the firm's responsibility to remain an equitable and working balance among the stockholders, employees, customers and the public at large. More recent positions on the continuum have included Wood (1991), who states that, the basic idea of CSR is that business and society are interwoven rather than distinct entities.

Fredrick's (1994) notion of CSR is that corporations have an obligation to constituent groups in society other than shareholders and beyond that prescribed by law or union contract, the so called Stakeholder Theory (Freeman, 1984; Fredrick 1992; Clarkson, 1995).

The World Business Council for Sustainable Development, WBCD (1999) defines CSR as achieving commercial success in ways that honours ethical values and respect people, communities and that natural environment. Steiner and Steiner (2000) state that social responsibility is the duty a corporation has to create wealth by using means that avoid harm, protect, or enhance societal asserts in what Epstein (1987) refers to as the social contract Theory. Others also capture this in a so called Legitimacy Theory which holds that it is society that grants power to and that it expects them to use it responsibly (Lindblom, 1993; Wood, 1991; Suchman, 1995).

McWilliams and Siegel (2001) describe CSR as actions that appear to further some social good beyond the interest of the firm and which are required by law. Forstater, Mac Donald and Raynard (2002) see CSR as actions that contribute to sustainable development through company's core business activities,

social investment and public policy debate. For Ford (2003), a good company delivers excellent products and services, and a great company does all that and strives to make the world a better place.

Business for Social Responsibility, (2004) looks at CSR in four dimensions. Economic, business have a responsibility to produce goods and services that society want and sell them at a profit; legal, business have to obey the law; ethics; business institutions have to exhibit behaviour and ethical norms beyond what is required by law; and discretionary or philanthropic, business institutions have to exhibit voluntary roles driven by social norms.

For the World Bank, CSR is the commitment of business to contribute to sustainable economic development-working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development.

Ward (2004) in presenting a report on CSR on behalf of the World Bank Group believe that, the contemporary corporate social responsibility (CSR) agenda is founded in recognition that business are part of society and they have the potential to make a positive contribution to societal goals and aspirations. CSR is at heart a process of managing the costs and benefits of business activity to internal and external stakeholders – from workers, shareholders, and investors through to customers, suppliers, civil society, and community groups. Corporate social responsibility is also described as the actions of a company to benefit society beyond the requirement of the law and the direct interest of shareholders (Pearce and Don2005)

Corporate social responsibility is the organizations “obligation to maximize its positive impact and minimize its negative effects in being a contributing member to society, with concerns for society’s long-term needs and wants” (Londons, 2001).

The Ghana Chamber of Mines also defines CSR as the broader responsibilities that result from the relationship that a company develops with both the environment and society in an effort to jointly achieve an integrated environmental management system and satisfy social objectives for society’s long-term needs and wants.

Some researchers have conceptualised ethics as an aspect of CSR that looks at the moral rights and duties existing between companies and society, regarding CSR as the umbrella under which ethical rights and duties are debated between companies and society. Hence Carroll (1989); Ferrell and Fraedrich (1997) consider CSR as a multidimensional construct comprising four(4) subsets of economic; Legal; ethical; and voluntary philanthropic responsibilities. These four (4) subsets are operationalised in Carroll’s CSR pyramid.

The Corporate Social Responsibility Pyramid

Carroll (1991) presents CSR model as a pyramid. The four lines of responsibilities that companies ought to fulfill to society have for a long time existed together to some extent, but it has only been in recent years that ethical and philanthropic functions have taken a significant place. The four components are not mutually exclusive, however, their separation will help managers to see

that the different types of obligations are in a constant tension with one another as depicted by figure one below.

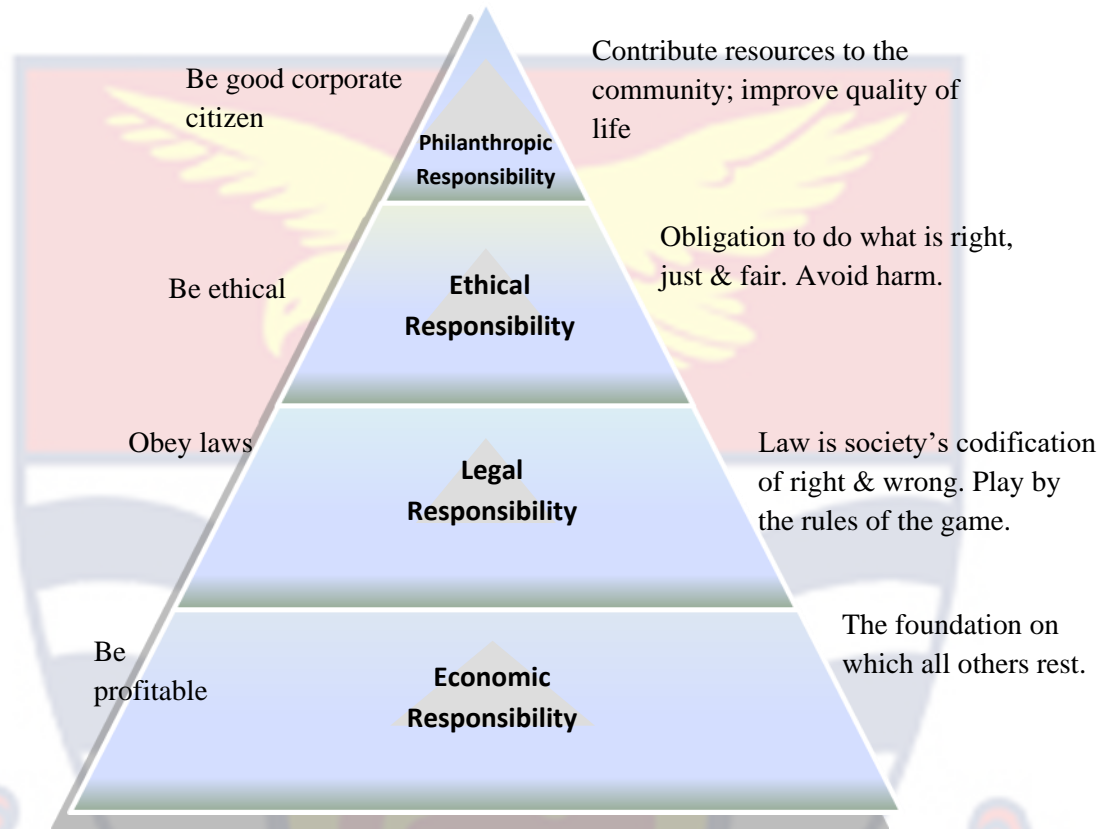


Figure 1. The Diagram of Corporate Social Responsibility

Source; Carroll 1991

Africa's CSR Pyramid

Most of the research on Carroll's CSR Pyramid has been in an American context. Nevertheless, several of the empirical studies suggest that culture may have an important influence on perceived CSR priorities (Burton et al., 2000; Edmondson et al., 1999; Pinkston et al., 1994). Crane and Matten (2004) address this point explicitly by discussing CSR in an European context using Carroll's CSR Pyramid. They conclude that "all levels of CSR play a role in Europe, but

they have different significance and further more are interlinked in a somewhat different manner.

In the same way that Crane and Matten (2004) have used Carroll's pyramid to describe CSR in Europe, Wayne (2005) used the pyramid to look at how CSR manifests itself in the African context. Although no comparative empirical study has been conducted, it is speculatively argued that the order of the layers in Africa, if they are taken as indicators of relative emphasis assigned to various responsibilities differs from Carroll's classic pyramid. In African, economic responsibilities still get the most emphasis. However, philanthropy is given second highest priority, followed by legal and then ethical responsibilities. This is illustrated in figure 2.

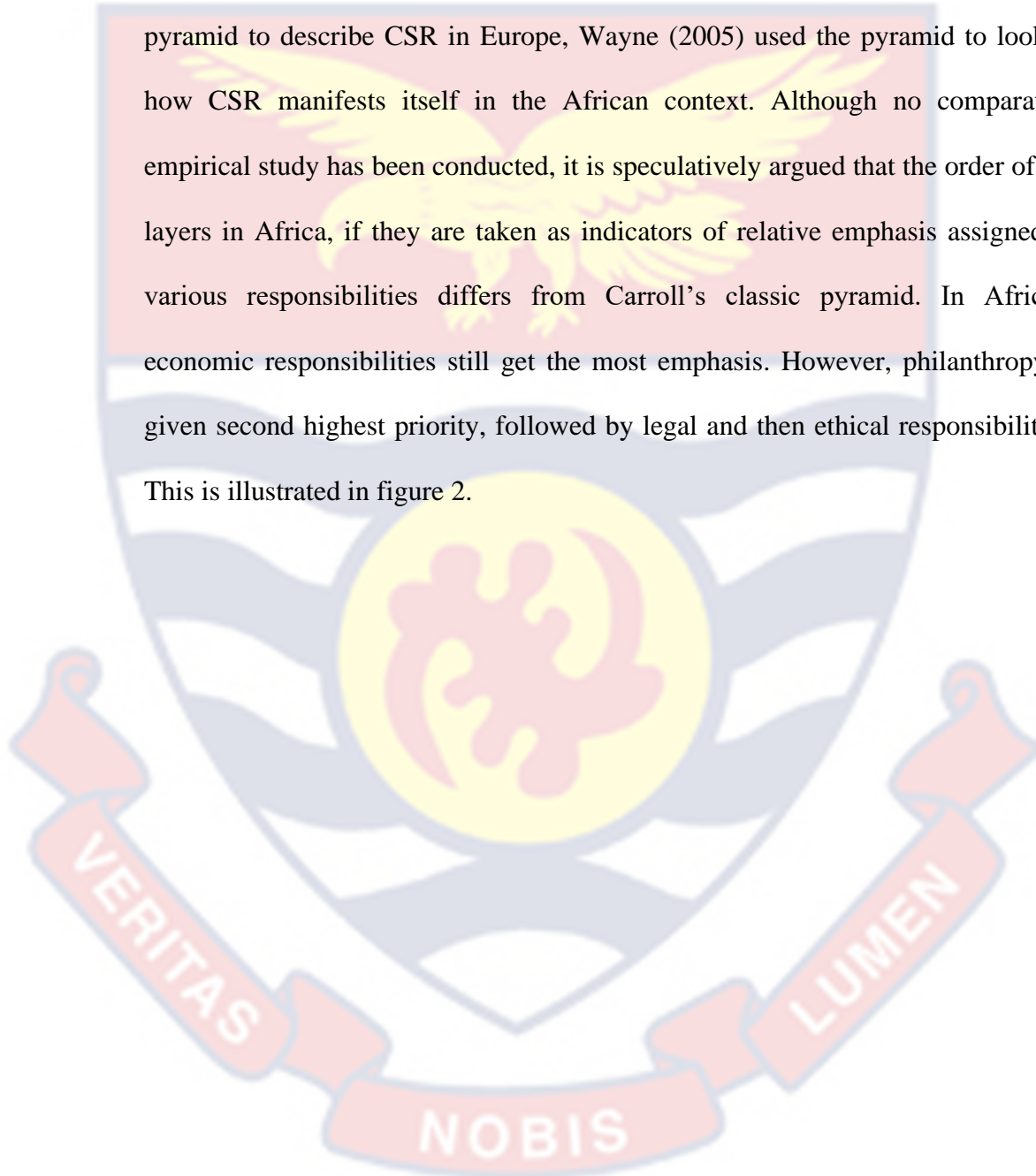




Figure 2. Africa's Corporate Social Responsibility Pyramid

Source; Carroll, (1991)

Dimensions of Corporate Social Responsibility

The four (4) components of corporate social responsibility deserve closer consideration for identification of the elements or constructs that make up each of them.

Economic Responsibility

Historically, business or organizations were created as economic entities designed to provide goods and services to societal members. The profit motive

was established as the primary incentive for entrepreneurship. Before it was anything else, business organization was the basic economic unit in our society. As such, its principal role was to produce goods and services that consumers needed and wanted and to make an acceptable profit in the process. At some point the idea of the profit motive got transformed into a notion of maximum profits and this has been an enduring value ever since. All other business responsibilities are predicated upon economic responsibilities of the firm, because without it the others become moot consideration. Table 1 depicts the various elements that make this responsibility.

Legal Responsibility

Society has not only sanctioned business to operate according to the profit motive, but business at the same time is expected to comply with the laws and regulations promulgated by state and local governments as the grand rules under which business must operate. As a partial fulfillment of the “social contract” between business and society firms are expected to pursue their economic missions within the framework of the law. Legal responsibilities reflect a view of “codified ethics” in the sense that they embody basic notions of fair operations as established by our lawmakers.

Table 1. Economic and Legal Responsibilities

ECONOMIC AND LEGAL COMPONENTS OF CORPORATE SOCIAL RESPONSIBILITY

Economic components (Responsibilities)	Legal component (Responsibilities)
1. It is important to perform in – manner consistent with maximizing earnings per share	1. It is important to perform in a manner consistent with expectations of government and laws
2. it is important to be committed to being as profitable as possible	2. it is important comply with various feudal, state and local regulations
3. it is important maintain a strong competitive position	3. It is important to be a law abiding corporate citizen
4. It is important to maintain a high level of operating efficiency	4. It is important that a successful firm be defined as one that fulfills its legal obligations
5. It is important that a successful firm be defined as one that is consistently profitable	5. It is important to provide goods and services that at least meet minimal legal requirements

Source: (Carroll, 1991)

Ethical Responsibilities

Although economic and legal responsibilities embody norms about fairness and justice, ethical responsibilities embrace those activities and practice that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibility embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just or in keeping with the respect or protection of stakeholders moral rights. The business ethics movement for the past decade has firmly established an ethical responsibility as a legitimate CSR component. It is in dynamic interplay with the legal responsibility category. Table 1 depicts the elements of ethical responsibility.

Philanthropic Responsibilities

Philanthropy encompasses those corporate actions that are in response to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill. The distinguishing feature between philanthropy and ethical responsibility is that the former are not expected in an ethical or moral sense. The communities require of firms to contribute their money, facilities, and employee time to humanitarian programs or purposes, but do not regard the firms as unethical if they do not provide the desired level. Philanthropic responsibility is gerationalised in figure 2.

Table 2. Ethical and Philanthropic Responsibilities

ETHICAL AND PHILANTHROPIC COMPONENTS OF CSR

Ethical Components (Responsibilities)	Philanthropic Components (Responsibilities)
1. It is important to perform in a manner consistent with the expectations of societal mores and ethical norms	1. it is important to perform in a manner consistent with the philanthropic and charitable expectations of society
2. It is important to recognise and respect new or evolving ethical moral norms adopted by society	2. It is important to assist the fine and performing arts
3. It is important to prevent ethical norms from being compromised in order to achieve corporate goals	3. It is important that managers and employees participate in voluntary and charitable activities within local communities
4. It is important that good corporate citizenship be defined as doing what is expected morally or ethically	4. It is important to provide assistance to private and public educations institutions
5. It is important to recognise that corporate integrity and ethical behaviour go beyond mere compliance with laws and regulations	5. It is important to assist voluntarily those projects that enhance a community's "quality of life".

Source: (Carroll, 1991)

Corporate Philanthropy

There are many definitions of corporate philanthropy as there are of corporate responsibility. The common denominator of these many definitions, however, is as follows:

Donation of resources to support organized efforts intended for defined beneficial social purposes. A differentiation can be made between philanthropy and charity as unconditional short-term relief for example, flood victims, while philanthropy attempts to investigate and address the underlying causes to make a tangible positive change in the social conditions that cause the problem. The resources donated can be money, goods, time, training and use of facilities or services usually over an extended period of time and with regard to a defined objective

A commitment to corporate philanthropy is ideally a conscious choice of top management, based upon an informed decision founded on a sound analysis of alternative causes, objectives, time frames and resource commitments. Corporate philanthropy can be managed directly by the corporation by setting up a foundation as in the case of MTN Ghana and Vodafone Ghana through specialized nonprofit organizations. Despite being a target of criticism for those who either see no justification for it or mistrust the integrity of those who do it, corporate philanthropy can undoubtedly add resources in the face of wide spread deficits, be it in the arts, sports, or in the fight against social evils. Doing well-or better-by doing good is today the prevailing motive behind corporate giving.

The main motives for ‘doing well by doing good’, that is, inspired corporate philanthropy, are to enhance overall corporate image, improve relations with political stakeholders, and foster brand recognition for corporate goods and services, as well as benevolent motivation of management.

According to Campbell, Gulas and Gruca (1999), corporate charitable giving can be traced at least as far back as the late 1800s. Indeed, Bartkus, Morris and Seifert (2002) note that “corporate philanthropy has been called the oldest form of corporate social performance”. Such giving, however, may serve more than just an altruistic purpose.

A number of studies including Porter and Kramer, (2003); Barkus, Morris and Seifert (2003), argue that corporations appear to be increasingly using their philanthropic programmes as strategic tools to improve their own bottom lines. Proponents of strategic philanthropy, as this type of corporate clarity is known, after two potentially inter-related arguments for why the giving might ultimately lead to increased corporate value.

First, firms might use strategic philanthropy to enhance their market position. According to this argument, corporate giving can increase consumer name recognition as Smith (1994) asserted and improve customer attitude toward the company (Campbell et al., 1999).

A number of surveys present evidence in support of these claims. Saila et al. (2003), for example, report that in the mid-1990s more than three fourth of Americans claimed to take a firm’s charitable record into account when deciding whether to do business with it. Similarly, Hembel and Gard (2004) cite data

collection by the research group Cone, Incorporation that indicates 86% of young people “say they will switch brands to another associated with a social issue.” Thus, as summarized by Campbell et al., (1999), corporate philanthropy can be seen as potentially having a positive impact on a firm’s sales, and, to the extent increased revenue lead to income, and profitability.

From an alternative perspective, both Godfrey (2005), and Gardberg and Fombrum (2006) argued that corporate philanthropy can create what Fombrum (1996) refers to as “reputational capital.” Gardberg and Fombrum (2006) suggested that this capital enhances the ability of firms “to negotiate more attractive potential employees, to charge premium prices for their products, and to reduce their cost of capital.” Godfrey (2005) further argued that increased stocks of reputational capital provide insurance-like protection for the intangible asset values arising from companies relations with various stakeholders.

Godfrey notes that such relations include the affective commitment of employees, legitimacy with communities and government trust from suppliers and partners, and brand loyalty from customers. According to the resource-based view of the firm, the possession of valuable and rare assets that are difficult for competitors to imitate leads to competitive advantage, the protection of such rational values also contributes to stakeholder wealth (Godfrey, 2005).

These arguments supporting the strategic benefit of corporate philanthropy suggest that charitable giving can increase the value of charitable contributing firms. While there is considerable anecdotal evidence that corporate philanthropy leads to positive stakeholder reactions (Comiteau, 2003; Gallanis, 2000; Hempel

& Gard, 2004; White, 2001). Many researchers have made arguments for and against the fact that companies owe it a duty to give back to society. This research reviews some of these arguments.

Arguments for and Against Corporate Social Responsibility

Advantages of corporate social responsibility

The implementation of corporate social responsibility initiatives by companies turn offer such companies with a competitive advantage. Barney (1991) defines competitive advantage as “implementing a value creating strategy not simultaneously being implemented by any current or potential competitors”. This definition treats competitive advantage as a distinct strategy. The strategy is supported by the ability of firms to acquire, combine, engage and integrate resources and competencies Amit and schoemater (1993) and Teece (1998) to create a strategy that is valuable, rare and non-imitable by competitors (Barney 1991).

While corporate social responsibility has been previously treated as a distinct competitive advantage (Waddock & Craves, 1997, Greening & Turbon, 2000), the researcher proposes that corporate social responsibility (CSR) should be treated as a competency or strategic asset that can contribute to creating a competitive advantage. Merely implementing CSR initiatives may be valuable but not rare or non-imitable (Barney, 1991). However, as a distinct competency, it can both drive and or moderate strategy (normative and strategic stakeholder models) depending on the firm and its strategy.

Three corporate social responsibility (CSR) competencies that logically lead to competitive advantages are acquisition of qualified employees, enhancement of firm's reputation and decrease in firm specific financial risk.

However, this list of CRS benefit is by no means exhaustive.

Attaining a Quality Workforce

The strategy literature on human resource quality as a source of sustained competitive advantage is evident (Pfetter, 1994; Lado & Wilson, 1994; Meyer, 1991; Teece, 1998). Generally, the proposition is that organizational success is now more intrinsically tied to knowledge management and fostering learning organization that can adapt and integrate with technology.

The value of CSR as a tool to attract and establish a superior quality workforce has also been recognised within research on the stakeholder perspective (Turban & Greening, 1997; Waddock & Graves, 1997). Moskowitz (1972) propose that CSR can position firms as socially responsible entity, thereby increasing the possibility of attracting value-driven, quality employees.

Turban and Greening (2000) empirically test this assertion, concluding that not only do corporate social responsibility (CSR) and corporate social performance (CSR) enhance the attractiveness of firms to prospective employees, it also increase the tendency of candidates to actively pursue socially responsible firms that are closely aligned with personal values and accentuates new employee commitment.

Enhancement of a Firm's Reputation

Firm reputation is possibly the most critical and direct source of competitive advantage with relation to corporate social responsibility. Forbrum (1996) sees reputation as an enduring characteristic, tied intrinsically to stakeholder management and sustainability. Most other effects of CSR on competitive advantage are somewhat dependent on firm reputation. Miles and Covin (2000) propose environmental marketing as a means to promote firm reputation. Increased environmental awareness and its effective management demonstrate commitment to a stakeholder orientation and are subsequently rewarded by increased financial performance and market valuation (Klassen & Mclaughlin, 1996).

The rationale for the positive impact of firm reputation may be derived from market gains and increased market accessibility (Klassen and Mchlaughlin, 1996; Miles and Covin, 2000). With specific relation to CSR, Mc Guire (1988) found firm reputation to be positively related to firm financial performance. Empirical support for the advantages of reputation has been reported by (Sturdivant & Genter, 1977; Forbrum & Shanley, 1990; Waddock & Graves, 1997).

Lowering Financial Risk

Spicer (1978) proposed that investors might look at firms with limited CSR activity as riskier, in expectation of increased costs via lawsuits. Spicer's research supported that contention finding a negative correlation between positive

pollution performance and firm risk. McGurie et al., (1988) was one of the first to assess the effect of CSR on financial risk. These results were replicated by Orlitzky and Benjamin (2001), who also found that CSR was highly negatively correlated with firm financial risk. This is a reputation effect of CSR on financial risk, whereby firms are judged by their image and characteristics (McGuire et al; 1988).

There is also a ‘stakeholder perspective’ on the relationship between CSR and risk (Donaldson & Preston, 1995; Jones, 1995; Gibson, 2000). Increased awareness and relationship management can promote goodwill and psychological contract among stakeholder groups and organizations, thereby reducing costs and risks (Dyer & Singh, 1998; Donald & Dunfee, 1999).

Disadvantages of Corporate Social Responsibility

There are five principal arguments against corporate social responsibility which the researcher would like to highlight on: the problem of competing claims, competitive disadvantage, competence, fairness and legitimacy.

Competing Claims - the Role of Profit

Friedman argues that, the notion of social responsibility in business ‘show a fundamental misconception of the character and nature of a free economy. Business’s function is economic not social. Accordingly, it should be guided and judged by economic criteria alone. Action dictated by anything other than profit maximization, within the rules of the game, impairs economic efficiency, most

notably the stockholders. The role of corporation is to make a profit and maximize social welfare through the efficiency that entails, and as Simon et al. put it, ‘consideration of any factor other than profit-maximisation ones either results in a deliberate sacrifice of profits or muddies the process of corporate decision making so as to impair profitability’. So, to quote Silk and Vogel, ‘In short, the corporation will best fulfill its obligation to society by fulfilling its obligation to itself’.

Competitive Disadvantage

The competitive disadvantage argument against corporate social responsibility suggests that because social action will have a price for the firm it also entails a competitive disadvantage. So, either such works should be carried out by government or, at least, legislated for so that all corporations industries will be subject to the same requirements.

Mintz and Cohen (1997) show that such a consideration was paramount in Alfred’s (1929) decision not to fit safety glass to Chevrolets, ‘one of the single most important protection ever devised against avoidable automotive death, disfigurement and injury’. The execution of corporate social responsibility initiatives increase cost of production and add slightly to price thereby making the firm stand at a disadvantage position before competitors. In approbation of his position, Friedman quotes Adam Smith’s comment: ‘I have never known much good done by those who accepted to trade for the public good’.

Competence

Friedman asks, 'If businesses do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is? This implies the competence argument against corporate social responsibility. Simon et al. identify three ways in which, it may be claimed, a firm is not competent to deal with social issues.

First, there is the claim that corporations do not have the skill to deal with social issues. Second, there is the claim that corporations do not know what is good for society and some other institutions such as government, knows better.

Third, there is the claim that incompetent attempts to resolve social issues waste shareholders money. This claim as suggest by Simon et al. (2001) becomes pronounce in a situation where management need to be more accountable to shareholders. Bradshaw, a practitioner writing in this area (as President of Atlantic Richfield company), does point out that 'corporations cannot cure all social ills, and indeed, in many areas should not even try. Vogel observes that many social issues do not present much scope for solution by business. Moreover, it is not realistic to expect the business to assume a leading role in balancing social needs with economic imperatives, because it would be inconsistent with the political views of business.

Fairness – Domination by Business

Friedman asks, is it tolerable that these public functions of taxation, expenditure, and control be exercised by the people who happen at the moment to

be in charge of particular enterprises, chosen for those posts by strictly private groups? This is the fairness argument against corporate social responsibility.

Heilbroner's concern about corporations playing God has already been noted.

In a similar vein Davis and Blomstrim (2004) observe, 'combining social activities with the established economic activities of business would give business an excessive concentration of powers ministering to the whole man and molding him and society in the image of the corporation's narrow ambitions and its essentially unsocial needs'.

Big business acting in accord with notion of social responsibility gives managers more discretionary power over the lives of others in three ways as Simon et al.,(2001) observe: by political action (lobbying), the creation of private government (within the organization), and by a smothering effect-domination by business values.

Legitimacy – the Role of Government

The final principal argument against corporate social responsibility is legitimacy, thus, social issues are the concerns of government. As one executive commented at a conference board meeting, "we pray the government well, it should do its job and leave us alone to do ours". As Silk and Vogel comment, the business person feels 'non-business' contributions should be voluntary and government has legitimate social concerns which business supports in the payment of taxes.

Simon et al., (2001) identify three positions in this argument. First, unless business acts then government will act, with all the disadvantages of government intervention cited by critics of government encroachment of private spheres. Moreover, corporate social problem-solving may be preferable because it is pluralistic and is therefore likely to be preferred by the people. This position seeks to minimize the role of government.

Second, as Levitt and Friedman suggests, corporate involvement in social problems is likely to be bungled, which in itself will lead to government intervention. This has the disadvantages of both government and business interference in the private share. The third position claims that, only government can deal with market imperfections. This is because some encroachment is viewed as unnecessary and there needs to be an orderly division of labour.

The Interaction Between Corporate Social Responsibility and Price

Several researchers have suggested that important product attributes would interact with CSR in their impact on consumer responses. Specifically, a low level of CSR may overwhelm the importance of other, more traditional, product attributes such as quality and convenience. Folks and Kamins (1999) manipulated product quality, that is, quality of sound of telephone in addition to CSR. They found that sound quality had no significant effect on attitude toward the firm when CSR was low, but quality did have a significant positive effect on attitude when CSR was high.

Using scenarios about a new, hypothetical retailer moving into a community, Handelman and Arnold (1999) manipulated traditional store image attributes (that is, merchandise assortments, prices, and location convenience) and CSR and measured the effects on consumer support (purchase intent, word of mouth, willingness to boycott, and willingness to support a building permit in the city). When the store was described as not being supportive of family, not contributing to local charities, and not buying products made in country (that is, low CSR), it received no more consumer support when it was described as strong on store image attributes than when it was described as weak on those attributes.

When CSR was high, store image had a positive effective on support. They conclude that community members will only buy from a company that surpasses a minimum tolerable level of CSR. When a company drops below that level, high performance on other dimensions makes no difference. Using price as the other traditional product dimension, the researcher suggests that price will be less important to consumers when CSR drops below a minimum acceptable level.

Responsiveness of Corporate Social Responsibility in Terms of Company Evaluation, Purchase Intent and Consumer-Company Identification

The first issue concerns consumer responsiveness. If consumer response to CSR was reliable and strong, most companies would have embraced the concept by now. Research indicates that consumers do vary on their responsiveness to CSR. For example, Webb and Mohr (1998) found a number of interviewees who

said they shopped based on price, quality, or convenience rather than choosing retailers because of the social causes they support.

Experimental studies, however, have generally found a positive impact of CSR. In one experiment, Lafferty and Goldsmith (1999) created an ad and newspaper article manipulating both spokesperson and corporate credibility. Positive corporate credibility was created by describing the company's community and environmental contributions, while negative corporate credibility was created by describing the company's poor quality control and alleged security and exchange commission violation. Results indicated that, corporate credibility had a significant impact on attitudes toward the brand and purchase intent, an effect that was stronger than the effect of spokesperson credibility.

In another experiment, Brown and Dacin (1997) manipulated the level of a company's philanthropy and employee involvement in the community using a hypothetical company profile and CSR report card. They found that high CSR led to higher evaluation of the company than low CSR and company evaluation significantly influenced evaluation of the company's product. The experimental results of Mohr and Webb (2005) indicated that CSR had an important and positive influence on company evaluation and purchase intent. Their results showed that American consumers reacted more strongly to positive than to negative CSR and that a low price did not appear to compensate for a low social responsibility.

Clearly, CSR programmes are designed to accomplish a variety of responses within the consumer stakeholder group, ranging from improving

attitudes via corporate Simon (1995) and brand image Fombrum (1996) and enhancing product evaluation (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). It is recognised, too, that while specific elements of a company's CSR program may be targeted primarily at non-consumer stakeholders such as investors or employees, consumers make evaluations of CSR programmes more holistically. For example, while employee diversity may not directly affect the consumer of the company's product, the presence of this policy is likely to be regarded as a positive in the consumer stakeholders' eyes. Similarly, environmental policy may only indirectly affect the consumer in the form of marginally clearer air or water, its presence as a company policy would be perceived by consumers as a positive, enhancing their own view of the company's image.

In their literature review and conceptual paper, Hoeffler and Keller (2002) argue that corporate societal marketing, (that is, marketing with at least one social welfare objective) can be a major way to build brand equity. Bhattacharya and Sen (2003) make a similar argument for how non product aspects of a company, such as CSR, can lead to customer loyalty and other positive post purchase outcomes. Based on these results, this experimental study will manipulate the CSR activities and price of two telecommunication companies, MTN Ghana and Vodafone Ghana to test consumer responses in terms of purchase intent, company evaluation and consumer-company identification.

Researchers have attempted to determine whether negative or positive information about a company's social records has the stronger effect on consumer responses such as company evaluation and purchase intent. Company evaluation

refers to the degree of positiveness or negativeness of the subject's global judgment of the company. This global judgment is based on the company's central, distinctive, and enduring characteristics which are key components leading to the prestige of the organisation's identity (Bhattacharya, C.B., H. Rao & M.A.Glynn, 1995). As long as the CSR initiatives undertaken by the company are perceived as central, distinctive, and enduring, they will contribute to the prestige of the company, and therefore, to a more positive evaluation of that company.

In an experiment where Brown and Dacin (1997) manipulated the level of a company's philanthropy and employee involvement in the community, the researcher found that high level of CSR led to more positive evaluation of company. Recently, Bhattacharya and Sen (2003) related non product aspects of a company, such as CSR, to consumer loyalty and post purchase outcomes, which are clear consequences of a positive evaluation of the company, also demonstrated by Brown and Dacin (1997).

Conversely, other investigations demonstrated that the relationship between CSR and ethical consumerism is not always direct and evident. The results are in many cases contradictory and establish numerous factors that affect whether a firm's CSR activities translate into consumer purchase. They include tradeoffs with traditional criteria like price, quality, and convenience and lack of information Mohr et al., (2001), corporate brand dominance Berens et al., (2005), and the type of CSR, quality of products, consumers' personal support for the CRS issues, and their general belief about CSR (Sen and Bhattacharya, 2003).

There seems to be a contradiction between what the international polls and surveys established in terms of intention to purchase product with CSR features than real purchasing of them Devinney, Auger et al., (2006).

Dependent Variables

Consumer Identification with Company

The notion of consumer-company identification helps to explain the reasons and motivations that lead individuals to relate closely to brands and companies (Du,S., Bhattacharya, C.B. & Sen. S., 2007; Martin & Ruiz, 2007).

Social identity theory (SIT) is the theoretical basis for research into identification in the field of marketing, as it offers a solid line of argument for one of the basic reasons put forward to understand why individuals relate so closely to companies because they help individuals to satisfy their personal definition needs (Ahearne, M., Bhattacharya, C. & Gruen, T. 2005; Bhattacharya & Sen,2003).

According to Social Identity Theory (SIT), just as an individual categories objects to understand reality, so people tend to classify themselves and everyone else into different social categories such as religious groups, gender, ethnic group, age groups and so on Tajfel and Turner (1979). This social classification allows individuals to situate themselves in their social environment. Social identification is considering oneself to be a member of these social groups. Individuals identify themselves with the groups to which they perceive, although partially they belong.

According to SIT, the self concept is made up of a personal identity, which includes idiosyncratic characteristics, (body, attributes, psychological characteristics, skills and interest) and a social identity, which situates the individual as a member of a societal category which its prototypical features (Tajfel & Turner, 1979). Hence, with different intensity, individuals can construct part of their personal identity from the relationship they have with organizations and work groups to which they belong formally or to which they are closely linked (Bergani & Bagozzi, 2000; Hogg & Terry, 2000). Through cognitive categorization, the individual accentuates similarities with other members of the organization and differences with non-members Bergani and Bagozzi (2000). Through this awareness of belonging and connection with an organization, the individual can achieve a positive social identity and the organization is psychologically accepted as part of personal identity (Scott & Lane , 2000).

Thus consumer-company identification is defined as a cognitive state of consumer connection and closeness to a company Dutton, Dukerich, Harguil, (1994), brought about by subjective comparison of the organizational entity and the consumer's own identity. On finding shared values and attributes, the consumer begins to define his or her self-concept on the basis of his or her relations with the company (Bhattacharya & Sen , 2003).

Thus, consumer-company identification implies to some extent an overlap or coincidence between organizational and personal identity (Bhattacharya & Elsbach, 2002). Consumer-company identification is not the direct, objective correspondence between the individual's personal characteristics and those of the

organization, but it is derived from a subjective sense of approval between both identities.

Proposed Model of CSR-based Consumer-Company Identification Effects on Consumer Behaviour

Marketing literature has shown that consumer-company identification leads to positive consumer responses, such as better evaluation of the company, greater interest and emotional commitment towards the company and greater purchase intent. (Sen & Bhattacharya, 2001; Algesheimer, Dholakia & Hermann 2005; Lichtenin, Drumwright & Braig, 2004).

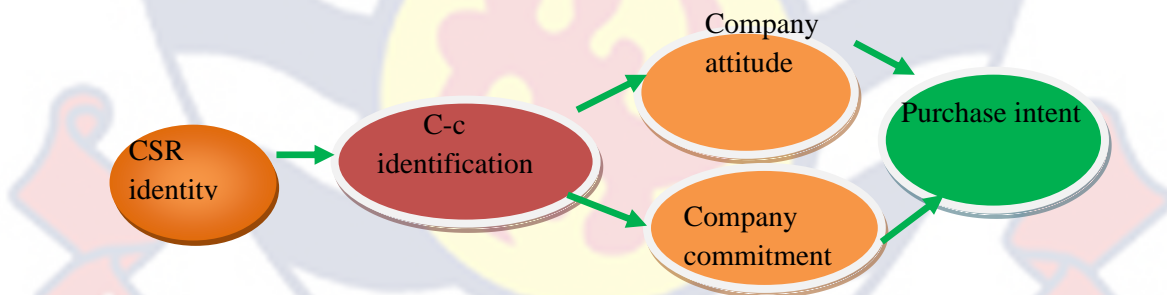


Figure 3: A Model of CSR-Based C-C Identification Effects

Source: Rafael C. P. (2009)

There is no consensus however; concerning the consequence or hierarchy of effects that consumer-company identification produces on consumer responses. Some authors have considered that identification means, such an intense, significant relationship with the company for the consumer that it directly

generates beneficial behaviour for the company without the need for mediating variables to intervene. However, other works have proposed that behaviours derived from identification are mediated by consumer's positive affective responses towards the company generated by identification (Algesheimer et al., 2005; Lichtenstein et al, 2004).

Figure 3 explains the influence of CSR identity on consumer behaviour through the mediating role of consumer-company identification. It is proposed that CSR-based consumer-company identification is able to influence consumer purchase intent both directly and indirectly through its effect on two effective responses- attitude and effective commitment to the company. As shown in the model, these two responses will culminate into purchase intent by the consumer.

Company Evaluation

Company evaluation refers to the degree of positiveness or negativeness of the subject's global judgment of the company. This global judgment is based on the company's central, distinctive, and enduring characteristics, which are key components leading to the prestige of the organisation's identity (Bhattacharya et al., 1995). As long as the CSR initiative undertaken by the company are perceived as central, distinctive, and enduring, they will contribute to the prestige of the company, and therefore, to a more positive evaluation of that company. In an experiment where Brown and Dacin (1997) manipulated the level of a company's philanthropy and employee involvement in the community, the researchers found out that high levels of CSR led to more positive evaluation of the company. In a

related research work by Mohr and Webb (2005), they found out that when consumers are given information that they trust about a company's level of social responsibility, that information affects how they evaluate the company and their purchase intentions. A recent research by Bhatarrchaya and Sen (2010) relate non product aspects of a company, such as CSR, to consumer loyalty and other positive post purchase outcomes, which are clear consequences of a positive evaluation of the company, also demonstrated by Brown Dacin (1997).

Independent Variables

Socially Responsible Consumer Behaviour

Webster (1975) was the first to offer a definition of socially responsible consumption by leveraging earlier sociological works concerning the social responsibility of individuals (Berkowitz & Lutterman 1968). He defines the socially responsible consumer as “a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social changes”.

Webster's research sets the foundation for work in the field of socially responsible consumption and in this sense remains a reference point for all future research. Prior to Webster's (1975) work, socially responsible consumption (SRC) was thought to be analogous to social consciousness which represents an individual's willingness to help other people even if there is no personal gain (Berkoowitz & Lutterman 1968).

However, Webster's definition does not precisely identify the direction of public consequences intended by socially responsible consumers. Without more precision, Webster's view of SRC includes all types of consumer behaviour whether the consequences for others are good or bad. Other researchers defined SRC as an environmentally conscious or responsible behaviour.

Mohr, Webb, and Harris (2001) defines socially responsible consumer behaviour (SRCB) as "a person basing his or her acquisition, usage and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society". For Henion (1976) and Antil (1984), SRC consists of behaviours and consumer's purchasing decisions relating to environmental resources problems.

Later, authors defined more precisely the consequences sought by socially responsible consumers-social and environmental wellbeing (Engel and Blackwell 1982). Robert's (1995) definition proposes that "the socially responsible consumer is one who purchases products to have a positive (or less negative) impact on the environment and/or uses his or her purchasing power to express current social concerns. Parallel to this current works, other researchers have adopted a narrower view of SRC.

Hence, many focus on consumer behaviour based on perceptions of corporate social responsibility (Brown & Dacin 1997; Webb & Mohr 1998; Carrigan & Attala 2001; Sen & Bhattacharya 2001; Sen, Gurhan-Cali & Morwitz 2001; Klein, Smith & John 2000). In this approach, a socially responsible consumer avoids buying products from companies that harm society and actively

seeks products from companies that help society (Mohr, Webb & Harris 2001). Boycotting a company's products is a good example of this type of SRC.

It seems likely that several personal traits variables would affect whether or how strongly consumers respond to a company's level of social responsibility. One of such traits is called Socially Responsible or Socially Conscious consumer behaviour as defined above. Socially responsible consumer behaviour (SRCB) can be seen as an enduring personality trait that involves the consumer's self concept. Persons high on this trait would modify their consumption behaviours in a wide variety of contexts in order to strive towards the ideal of improving society.

This trait has been investigated by a number of researchers including Antil (1984); Leigh, Murphy, & Enis (1988); Robbers (1995) who have developed measurement scales and explored related demographics and attitudes. Roberts (1995), for example, used cluster analysis to isolate a group of socially responsible consumers, which he estimated to be 32% of the American population. His results indicate that, when compared to most American's this group is more liberal and environmentally concerned and has higher levels of perceived consumer effectiveness (perceived ability of individual consumers to influence environmental problems). Deinney, T; Anger, P., Eckhardt, G., and Birtchnell, T. (2006), proposed a new concept highlighting the important role that socially responsible consumption plays in consumer behaviour.

For the researcher to substantiate evidence of the various research works that have been reviewed in Ghana and specifically consumers in the Tema metropolis, the following research propositions have been formulated:

H₁ CSR can cause SRCB to have an influence on consumer purchase intent

H₂ CSR can cause SRCB to have an influence on consumer-company identification

Support for the Domain

Sen and Bhattacharya (2001) suggest that consumers are more likely to respond to a company's social responsibility record when they identify with the company. Identification is enhanced when consumer perception of the company's character are similar or congruent to their perception of their own character. They go on to argue that consumers form judgment of a company's character based more on its corporate social responsibility (CSR) than on its business expertise.

When consumers personally support the social issues that the company targets, called support for the CSR domain, they are likely to see greater congruence between themselves and the company. In two experiments, they manipulated corporate social responsibility (CSR) in the context of diversity issues and treatment of overseas employees and measured its effects on evaluation of the company. They found that consumer support for the corporate social responsibility (CSR) domain significantly moderated the positive effect of CSR on evaluation. Base on this research, the researcher hypothesized the following;

H₃ support for the philanthropic domain of CSR influences consumer-company identification

H₄ support for the philanthropic domain of CSR influences positive evaluation of company image.

Many research works carried out in Europe and America have demonstrated evidence of a positive relationship between CSR and company evaluation, consumer-company identification and purchase intent. It will be erroneous to make generalization of the results on consumers in Ghana because geographical and cultural differences may lead to differences in consumers' behaviour.

That apart, the research results have also demonstrated some differences in terms of the relationship between CSR and company evaluation, consumer-company identification and purchase intent. For these reasons, the researcher is testing the above hypothesis on consumers in Ghana, specifically, consumers in the Tema metropolis to ascertain the relationship between CSR on one hand and company evaluation, consumer-company identification and purchase intent on the other hand.

Conceptual Framework

The proposed theoretical framework by the researcher indicates that corporate social responsibility influences socially responsible consumer behavior and consumer – company identification. Socially responsible consumer behaviour and consumer – company identification intend are indicators of certain

behavioural responses exhibited by the consumer. These behavioural responses are purchase intend, positive company evaluation and consumer-company identification.

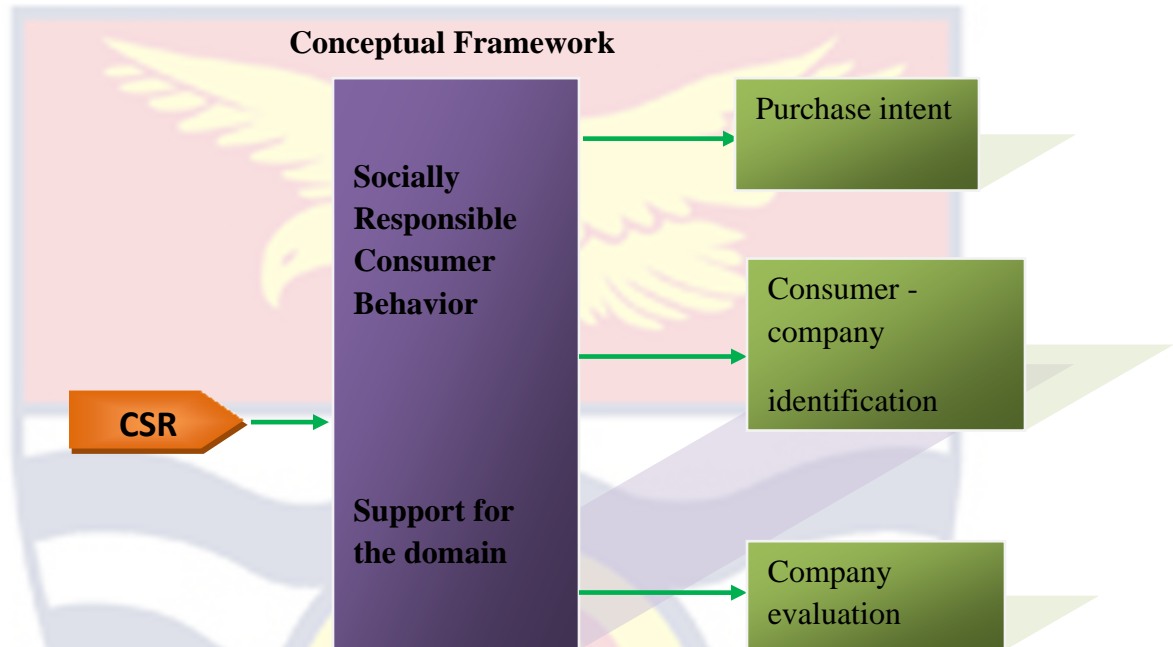


Figure 4: A Proposed Framework

Source: Researcher's Own Construct (2011)

Webster (1975) provides the most comprehensive definition of “socially conscious consumer” as a consumer who takes into account the public consequences of his or her private consumption or a consumer who attempts to use his or her purchasing power bring about social change. This definition is compatible with the researcher’s conceptualization of CSR and therefore will be adapted to define socially responsible consumer behavior (SRCB) as a person who bases his or her acquisition and usage of a product on the company’s commitment to supporting social causes that will bring about a long–run beneficial impact on society.

Socially responsible behavior of consumers will influence their purchasing decision on a company's product by taking into consideration the CSR initiatives of the company concerned Henion (1976) and Antil (1984). For the purpose of this research, consumers who behave socially responsibly are found among three of the four stages of Andreasen's (1995) model of stages in behavior change. These are contemplating, action and maintainers.

The contemplators are consumers who are thinking about basing their purchase behaviour on CSR or have used CSR as a purchase criterion in the past. The actions oriented are consumers who have decided to base some of their buying on CSR. The maintainers are consumers who are committed to using CSR as a criterion in most of their purchases.

When consumers personally support the social issues being pursued by a company, other words known as support for the CSR domain, they are likely to see greater congruence between themselves and the company. Their level of identification with the company will influence their purchase intent, evaluation of the company and willingness to pay a premium price Sen and Bhattacharya (2001). When CSR is high leading to consumer identification with the company, the likely end effect is that consumers will be ready to pay premium price and consumers' evaluation of the company and its products will also be enhanced. (Handelman & Arnold 1999).

CHAPER THREE

METHODOLOGY

Introduction

This aspect of the research deals with the study design, study population, sampling procedure, data collection.

Research Design

The experimental design was used to survey sample consumers who lived in the Tema metropolis to investigate the effects of corporate social responsibility and price on consumer responses. Experiment is a classical form of research that owes much to the natural science although it features strongly in social science research. The purpose of an experiment is to study causal links, that is, whether a change in one independent variable produces a change in another dependent variable (Hakini, 2000).

The researcher has adopted this study design in order to investigate by experimentation, the causal relationship that exists between corporate social responsibility on one hand and consumer responses on the other hand. The specific experimental design that was used is the posttest-only control group design. With this design, the test units are randomly assigned to the experimental group and the control group. The text units are assumed to be similar in terms of

pre-treatment measures in the dependent variable. One advantage of this design is that it is fairly simple to implement because there is no pre-measurement.

Therefore, the test effect is eliminated. However, this assumption cannot be checked because there is no pre-treatment measurement. The design is also sensitive to mortality. It does not also allow the researcher to examine changes in individual test units (Malhotra & Birks, 2007).

Two scenarios were created to manipulate corporate social responsibility (CSR) as low or high and price as low or high across the CSR domain (Philanthropy). The scenarios involved mobile telecommunication service. This service is used by the researcher because it is one that all most everyone, male or female and people of all classes use and are familiar with.

The respondents were asked to imagine going in for mobile telecommunication service and is faced with two networks and at the same time found that they like MTN or Vodafone. These companies were described briefly as companies that have a reputation for providing quality service such that consumers are not disappointed of network failure or network busy whenever they intend using the service leading to one frustration or the other

Price was manipulated by describing MTN and Vodafone services as costing high or low. For the experimental group, a description of the corporate social responsibilities of the two companies was given. To provide two contexts for testing the hypotheses, high and low CSR levels were created in the domain of corporate philanthropy and employees' community involvement.

To manipulate corporate social responsibility (CSR) as either high or low the two companies were described as having the best or worst rating in the industry in corporate philanthropy and employees' community involvement. The reasons for the rating as high or low in corporate philanthropy were mainly based on the contributions made by the companies in areas such as support for the needy, provision of educational materials and infrastructure, and supply of relief items to disaster victims. The rating was described as given by a highly respected, impartial organization that evaluates companies. This was to ensure that the respondents viewed the information as credible. The control group on the other hand, received no information on the companies' corporate social responsibility issues.

Approach to the Study

The study involved the use of a deductive approach where quantitative data was collected to test hypothesis. This approach was necessary to explain the causal relationship between the independent and dependent variables of the study. With the *deductive approach*, a theory is developed through the design of hypothesis' (hypotheses) which are tested. The deductive approach possesses several important characteristics, which include:

- i. Seeking to explain casual relationships between variables. Consequently, a hypothesis is developed and tested through the collection of quantitative data (this is not to suggest that deductive approach may not use quantitative data).

- ii. With deductive approach, controls to allow the testing of hypotheses. The research uses highly structured methodology to facilitate replication (Gills & Johnson, 2002), an important issue to ensure reliability.
- iii. It makes the researcher to be independent of what is being observed.
- iv. Also, concepts need to be operationalised in a way that enables facts to be measured quantitatively.
- v. It enables generalisation to be made, and to generalise statistically about regularities in human social behaviour, it is necessary to select samples of sufficient numerical size.

The deductive approach owes more to positivism and inductive to interpretivism. However, practically the distinction does not wholly exist. (Saunders, Lewis, & Thornhill, 2007).

Company Profile and CSR Activities of MTN Ghana Limited

The company entered the Ghanaian telecommunication industry in 1996 as Spacefon. It was later transformed to Areeba and this was thought to the final product development in the evolution of Scancom Limited, the foremost company in mobile telecommunication in contemporary Ghana. Scancom, the force behind the distinctive and leading brand in the mobile telecommunication services market, has began the real evolution after it became part of the Mobile Telecommunication Network (MTN) group, a multinational telecommunication group. With consummation of its marriage with MTN, Scancom is today known as MTN Ghana. MTN acquired Scancom's parent company Investcom, for US \$

5.5 billion in July 2006, through a landmark deal designed to create the leader in telecommunication service in emerging markets, Scancom became part of the MTN group.

Since the entry of MTN into Ghana, the company in bid to fulfill its social responsibility obligation, has under taken a number of philanthropic responsibilities: the flagship health project which saw to the rehabilitation and provision of modern equipment to some hospitals, sponsoring of best teacher award, offering scholarship to students and pupils through various stages of education, establishing reading clubs dubbed 'Happy Minds Reading Clubs', and the 21 Days Y'ello Care which allows employees to directly contribute to the communities they work.

Company Profile and CSR Activities of Vodafone

Vodafone in Ghana is one of the latest additions to Vodafone Group P/C, the world's leading mobile telecommunication company. This follows the successful acquisition of seventy percent (70%) shares in Ghana Telecommunication Company (GT) for nine hundred million dollars (\$900,000,000) by the Vodafone international P/c on July 23, 2008.

The company (GT) was established after World War 11 as a wing of the then Post and Telecommunication Corporation. In order for the company to function as a commercially viable entity, it was split into two autonomous divisions by the government of Ghana, Ghana Postal Services and Ghana Telecom. Two years later, Ghana Telecom was privatized to G-Com Limited and

was subsequently contracted to Telenor Management Partners (TMP) of Norway to manage. A Ghanaian management team then took over the affairs of the company until July 23, 2008 when it was acquired by Vodafone International P/c.

The Vodafone foundation supports initiatives/projects that provide sustainable solutions to the most pressing social challenges. Its specific focus areas are World of Difference; where ordinary people are sponsored to finance their charities of choice, Red Alert: assists government and disaster management organisations to offer support to disaster victims, Road Safety, Employee Volunteerism where employees undertake community projects, and share wealth of knowledge, skills and talent, donation of computers to schools, Economic Empowerment and Vodafone Right to Dream which offers disadvantaged children the opportunity to develop their sports skills and talent while they are in school.

Study Population

The study population was the Tema metropolis which covered consumers of at least 18 years who live in the metropolis at the time of the study. The Tema metropolis has a population of 506,400 per the year 2000 national population census. Tema was chosen by the research as the study area because it is the industrial hub of the country where consumer sensitization on the need for companies to act responsibly is likely to be high.

The corporate social responsibility movement (CSR) in Ghana was formed in Tema. Forums are being organized where various stakeholders brought

together for discussion and sensitization on corporate social responsibility issues. For this reason the concept was not new to most the respondents and this helped the researcher to elicit the needed information from respondents to make the results of the research credible. The sample population was drawn specifically from Tema Industrial Area and Tema Community One. These areas were chosen to enable the researcher get identifiable groups from which to select the sample size using the random sampling procedure. Tema Industrial Area has a total population of 3,681 of which 2,020 are male and 1,661 are female. Tema Community One has a population size of 31,465 out of which 15,304 are male and 16,161 are female.

Sampling Procedure

Random sampling was used to select respondents for the study. The sample population was selected using a random number table prepared by the researcher. The random number table was prepared using a list of telephone numbers of MTN and Vodafone subscribers who are workers in the Tema metropolitan assembly, Uniliver-Ghana and Wilma. The last five digits of the telephone numbers were used to prepare the random number table. The first random number was selected at random. Then, starting with this number, the rest of the random numbers were read off or selected in a regular manner until the sample size of 399 was obtained. The last five digits that were outside the sample frame were ignored.

The random sample procedure was further used to randomly select and group respondent into the control and experimental treatment groups in order to

avoid any biases that may as it were affect the internal validity of the study. A random sample size of 399 was selected from a sample frame of 1,896 comprising MTN and Vodafone subscribers. Random number tables were prepared for MTN and Vodafone subscribers, out of which 201 subscribers were selected and 198 subscribers were selected. Yamre (1973) recommended the formula for random sample as below and this was used in calculating the actual sample size $n = \frac{N}{1+Ne^2}$. Where N is population, n is sample and e^2 is probability of error. A probability error of 5% was used or a confidence level of 95%.

Data Collection Instrument

The researcher designed and used structured questionnaire to solicit quantitative data from respondents which was then used to test hypothesis. When designing the questionnaire, an effort was made to make it more comprehensive and maintain a desirable length with an attempt to make it conceptually clear and concise. To ensure content validity and reliability, the questionnaire was developed through the following process;

- i. Academic literature such as textbooks and research articles were reviewed in order to identify variables that relate to the study;
- ii. The questionnaire were drafted based on the literature review to ensure that the necessary data was collected to answer the research questions; and
- iii. A pre-test was conducted using a fraction of the respondents to ensure that they understood the questionnaire.

Design of Instruments

The questionnaire was constructed using the Rating Scale design. It consists of a set of items of equal value and a set response categories constructed around a continuum of high in agreement and low in agreement to which the subject is asked to respond (Sarandakos, 1993). For all the variables, a 5 point Rating Scale was used. It was ranked from 1= highest in agreement to 5 = low in agreement. The Rating Scale was used because it is relatively easy to construct and more reliable (between 0.85 and 0.94) than the Thurstone scale and allows ranking of respondents. It has a high degree of validity even if the scale contains only a few items. It provides single cores from a set of items (Sarantakos, 1993). The lower the rank, the stronger the consumers agree with the statement.

However, according to Kimmon 1990, cited in Sarantakos, 1993, p. 90, the main drawback of the Likert scale is that, the total scores that refer to many and diverse items say little about a person's response to the research object. Also, it is difficult to achieve equal item in the scale.

The questionnaire was divided into three parts. These comprise: part I – the independent variables, thus (socially responsible consumer behavior and support for the philanthropic domain of corporate social responsibility), part II – Dependent variables, thus (purchase intent, evaluation of company image and consumer-company identification) and part III – Demographic data.

Measurement of Variables

Socially Responsible Consumer Behaviour

Webster (1975) was the first to offer a definition to socially responsible consumption by leveraging earlier sociological works concerning the social responsibility of individuals (Berkowitz & Lutterman 1968). He defined the socially responsible consumer as “a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change” (p. 188). Other researchers define socially responsible consumer behavior as “a person basing his or her acquisition, usage and disposition of products on a desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society (Mohr, Webb and Harris, 2001,). In this approach the research explains socially responsible consumer to mean a consumer who avoids buying product from companies from companies that harm society and actively seeks products from companies that help society.

This trait has been investigated by a number of researchers including Antil (1984); Leigh, Marphy & Enis, (1988); Robbers (1995) who have developed measurement scales and explored related demographics and attributes. The original scale used the mean of the 26-item Socially Responsible Purchase and Disposable scale (Webb, Mohr & Harris 2004). This construct had internal consistency, with Cronbach alpha coefficient of 0.95. For this current study the Cronbach alpha coefficient based on standardized item was 0.94.

The 26-item scale was reduced to 8-item scale asking respondents to indicate on a 5 point response scale anchored by strongly agree to strongly disagree, how often they engage in a variety of behavior. Factor analysis indicated that the original scale is composed of three correlated factor (i) influence on consumer purchasing of the company's philanthropic activities, hiring practices and treatment of employees;. (ii) Consumer recycling; and (iii) consumers' avoidance and reduction in usage of products that harm the environment.

The scale items have been reduced from 26 to 8 in this study because some items were not strictly describing consumer behavior, for example, choosing firms to invest among others. Some items were related to the environmental domain of Corporate Social Responsibility which is part of the domain that this study specifically considers.

Support for the Domain

Support for the domain is an attitudinal variable. Sen and Bhattacharya (2001) suggest that consumers are more likely to respond to a company's social responsibility record when they identify with the company. Identification is enhanced when consumer perception of the company's characters are similar or congruent to their perception of their own character. They go on to argue that consumers form judgment of a company's character based more on its CSR than on its business expertise.

When consumers personally support the social issues that the company targets (called support for the CSR domain), they are likely to see greater

congruence between themselves and the company. In two experiments, they manipulated CSR (in the contexts of diversity issues and treatment of overseas employees) and measured its effects on evaluation of the company. They found that consumer support for the CSR domain significantly moderated the positive effects of CSR on evaluation.

This construct was measured using the mean of three 5-point Rating Scale items for each domain. Each item tapped the respondents' support for one of the three reasons given in the scenario for the company being related as high or low on the corporate social responsibility domain (philanthropy). For example, in the philanthropic domain, the companies were described as having been given a high or low rating because they contribute or do not contribute to charity, disaster victims and education. The corresponding support for the domain item is "companies should make every effort to willingly contribute to community development. This construct had internal consistency, with Cronbach alpha coefficient reported of 0.74. In the current study the Cronbach alpha coefficient is 0.93.

Purchase Intent

Several researchers have suggested that important product attributes would interact with the CSR in their impact on consumer responses. Specifically, a low level of CSR may overwhelm the importance of other, more traditional product attributes such as quality and convenience. Folkes and Kamins (1999) manipulated product quality in addition to CSR. They found that product quality

had no significant effect on attitude toward the firm when CSR was low, but quality did have a significant positive effect on attitude when CSR was high.

In the same vein, using scenarios about a new, hypothetical retailer moving into a community, Handelman and Arnold (1999) manipulated traditional store image attributes such as prices and location convenience and CSR and measured the effects on consumer support (purchase intent). When the store was described as having low CSR, it received no more consumer support. When CSR was high, store image had a positive effect on support. They concluded that community members will only buy from a company that surpasses a minimum tolerable level of CSR.

The construct was measured by asking the respondents to rate how likely they would be to use MTN and Vodafone services on a three 5-point Rating Scale item anchored by strongly agree to strongly disagree. The original 3-item purchase intent scale was used in a study by Rafael Curras Perez (2009) and had an acceptable internal consistency of ($\alpha = 0.94$). In the current study, the construct had an internal consistency Cronbach alpha of 0.75.

Consumer-Company Identification

This construct was measured using a four 5-point Rating Scale item. The original scale that measured this construct was developed in a study by Rafael Curras Perez (2009). The construct had consistent validity of 0.92. In the current study, the construct recorded internal consistency with Cronbach alpha of 0.96. Consumer-company identification is defined as a cognitive state of consumer

connection and closeness to a company brought about by subjective comparison of the organization entity and the consumer own identity (Dutton, Dukerich, & Harguil, 1994). Many research works have proved that consumers are more likely to identify with a company based on the corporate social responsibility record of the company.

Sen and Bhattacharya (2001) suggest that consumers are more likely to respond to a company's social responsibility record when they identify with the company. This identification is enhanced when consumer perception or the company's character are similar or congruent to their perception of their own character. They go on to argue that consumers form judgment of a company's character based on its corporate social responsibility than on its business expertise. When consumers personally support the social issues that the company targets, called support for the CSR domain, they are likely to see greater congruence between themselves and the company.

According to Social Identity Theory (SIT), just as individuals categorize objects to understand reality, so people tend to classify themselves and everyone else into different social categories such as religious groups, gender, ethnic group, age groups and so on (Tajfel & Turner, 1979). This social classification allows individuals to situate themselves in their social environment. Social identification is considering oneself to be a member of these social groups. Individual identify themselves with the groups to which they perceive, although partially they belong.

Company Evaluation

This construct was measured using a three 5-point Rating Scale. The original scale that measures this construct was designed in a study by Luginos Marin, Salvador and Rubio (2008). It had internal consistency of 0.91. In the current study the construct came out of an internal consistency with Cronbach alpha of 0.67.

Researchers have attempted to determine whether negative or positive information about a company's social record has the stronger effect on consumer response such as evaluation and purchase intent. Company evaluation refers to the degree of positiveness or negativeness of the subject's judgment of the company. This global judgment is based on the company's central, distinctive and enduring characteristics which are key components leading to the prestige of the organization's identity (Bhattacharya, Rao & Glynn, 1995).

As long as the CSR initiatives undertaken by the company are perceived as central, distinctive, and enduring, they will contribute to the prestige of the company, and therefore to a more positive evaluation of the company. In an experiment where Brown and Dacin (1997) manipulated the level of a company's philanthropy and employee involvement in the community, the researchers found that high level of CSR led to more positive evaluation of company. Recently, Bhattacharya and Sen (2003) related non product aspects of a company, such as CSR, to consumer loyalty and the post purchase outcomes, which are clear consequences of a positive evaluation of the company, also demonstrated by Brown and Dacin (1997).

Pilot Test

Though the questionnaire used in the study were previously used by researchers in different research works, it was still necessary for the researcher to pilot test the questionnaire. The reason being that the countries in which the questionnaires were used are different from the one in which the current study is carried out leading different demographics and attitude of respondents.

The purpose of the pilot test was to refine the questionnaire so that respondents will have no problems in answering the questions and there will be no problems in recording the data. Testing for internal consistency helps to eliminate statements that are ambiguous or statements that are not of the same type as the scale. For this reason, however pressed for the time the researcher is, it is still advisable to give the questionnaire a test run (Bell, 2005).

The data for the pilot test was collected using workers in the Tema Metropolitan assembly and some traders and shop operators in the Tema main lorry park. These respondents were chosen because they live in the same metropolitan area as the sample group and have same knowledge on the research topic as the sample group.

Validity and Reliability

The questionnaire was pilot-tested to assess content validity and reliability. Content validity, sometimes referred to as face validity, is the subjective yet systematic assessment of how well a construct's measurable

components represent that construct. In other words, it is the degree to which a test measures what it is supposed to measure.

The pilot test that was conducted helped the researcher to refine the questionnaire. Certain ambiguities that were detected during the pilot test were removed through correction. It was also realized during the pilot test that some concepts and terms needed further explanation for respondents to fully understand them and respond well by expressing their opinions and views on the components that represent a construct. During the pilot study it was released that constructs such as Socially Responsible Consumer Behavior (SRCB) and Company evaluation needed further explanation.

For the importance of pilot test, Bell (2005), advised that “however pressed for time you are, do your best to give questionnaire a trial run, as without a trial run, you have no way of knowing your questionnaire will succeed”. Bell (2005), suggested that the following information could be obtained if questionnaires are pilot tested: How long the questionnaire took to complete; the clarity of the structure; which questions were unclear or ambiguous; which questions the respondents felt uneasy about answering; whether certain major topics were omitted; and whether the layout was clear and attractive.

According to Fink, (2003); Dillman (2000), for most of student’s questionnaires of a response rate between 100 and 200, a sample size of a minimum of 10 people is justifiable for a pilot study which is between 5% and 10%. In this study, the sample population was divided into the control group and

the experimental group. Therefore, 20 respondents each from the two groups were used for the pilot study.

The pilot testing of the questionnaire also helped in determining the reliability of the items. Reliability refers to the extent to which a measure would earn consistent results each time it is used (Ary, Jacobs & Ravazieh, 2002). The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials.

A reliability test was performed using Cronbach Alpha to establish the internal consistency of the items on the questionnaire. During this test, the items, which were found to have negative inter-item correlations, were re-constructed. The Cronbach Alpha co-efficient are summarized in the table below.

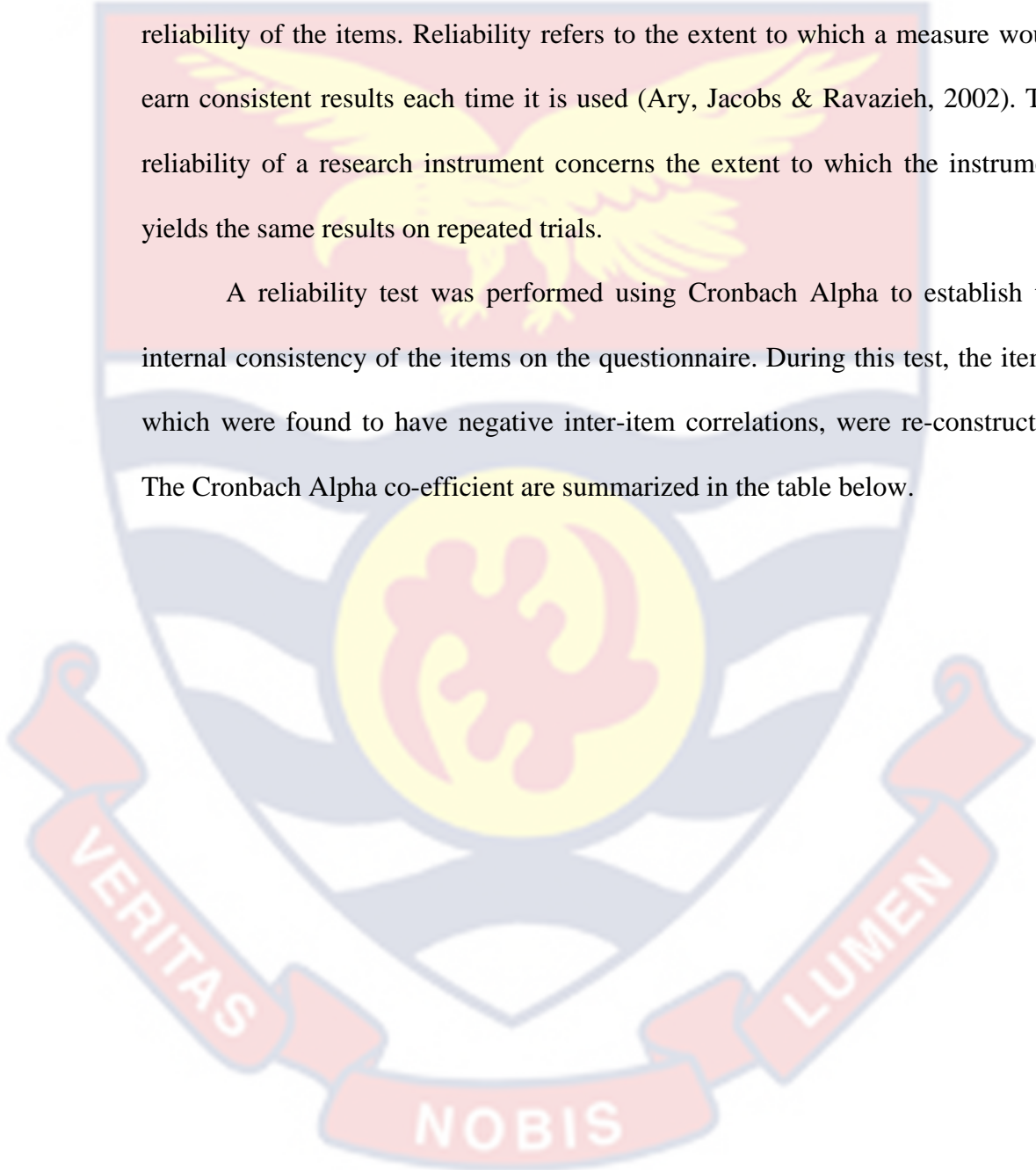


Table 3. Computation of Reliability Co-efficient for the Pilot Data Collected

Questionnaire category	Number of items	Cronbach Alpha (α)
Part 1: Independent variables		
(i) Socially Responsible consumer behavior	8	0.94
(ii) Support for the domain	4	0.93
Part 2: Dependent Variable		
(i) Purchase intent	3	0.75
(ii) Consumer company identification	5	0.96
(iii) Consumer evaluation	3	0.67

Source: Field data (2011)

The internal consistency co-efficient was for Socially Responsible Consumer Behavior was 0.94, Support for the Domain was 0.93, Purchase intent was 0.75, Consumer-Company Identification was 0.96 and Company Evaluation was 0.67. According to Pallant, 2001, Cronbach's alpha co-efficient of $\alpha = 0.70$ or more is considered to be reliable.

Table 4. Computation of Reliability Co-efficient for the Main Study Data Collected

Questionnaire Category	Number of items	Cronbach Alpha (α)
Part 1: Independent variables		
(i) Socially Responsible consumer behaviour	8	0.87
(ii) Support for the domain	4	0.84
Part 2: Dependent Variable		
(i) Purchase intent	3	0.73
(ii) Consumer company identification	5	0.95
(iii) Consumer evaluation	3	0.77

Source: Field Data (2011)

Data Collection

The data for this study was collected from a sample of consumers in Tema Industrial Area and Tema Community One in the Tema Metropolitan Assembly. The instrument used for the collection of data consisted of 23 closed-ended questions in a Rating Scale format.

The data for the study was collected within a period of one month. The researcher employed the help of a friend who works with Uniliver Ghana to distribute and retrieve questionnaire from respondents. The respondents were divided into the experimental group and the control group. In all, a total of 398

questionnaires were distributed to 199 respondents each from the two groups. Out of this 164 questionnaires were retrieved from the experimental group representing 82% and 148 questionnaires were from the control group representing 74% response rate. In all, a total of 312 questionnaires were retrieved which represented 78% response rate.

According to Neuman (2000), formula for the computation of response rate as cited in Sanders et al., (2007: p 213), as the number of respondents divided by the sample size multiplied by 100. The data collection recorded a high response rate through the assistance of my friend who lived and worked in Tema, the study area.

Sanders et al., (2007: p 212) asserted that a high response rate ensures that the sample is representative. Neuman (2000) included that a response rate between 50% - 90% is commendable. The 87 questionnaire that were not retrieved was due to the fact that some respondents deliberately refuse to respond and it was difficult to locate others again after the distribution.

Data Analysis Procedure

Inferential statistics was used to analyse data to ascertain the strength of relationship that exists between variables used in the study. The chi square test was used to test hypotheses. The use of this tool was considered appropriate because it enables one to find out how likely it is that two variables are associated.

The strength of relationship between the independent variable (CSR) and the dependent variables (purchase intent, company evaluation and consumer-

company identification) was determined using Spearman's rank correlation. The correlation statistic was used to assess how socially responsible consumer behavior can cause CSR to have an impact on company evaluation and purchase intent.

The choice of this type of correlation was informed by the fact that the data collected was ordinal. Where data used from a sample, this correlation coefficient assumes that the sample is selected at random and the data are ranked (ordinal) Saunders, 2007. This has informed the choice of this correlation because the data collected for this study was ordinal. Also, the sample size for the study was randomly selected.

The questionnaire was analysed on a mean scale of 0-2.5 (high), 2.51-3.50 (average), and 3.51 and above (low). The organized data was subsequently coded and entered into the statistical product and service solution (SPSS), 17.0 version to facilitate data analysis and description. The results were presented in tables and figures. A margin of error of 5% or 0.05 level of significance was used.

CHAPTER FOUR

FINDINGS AND DISCUSSION

Introduction

The purpose of the study was to examine the effect of corporate social responsibility on consumer responses. This chapter seeks to analyse the data gathered in relation to the objectives of the study. As stated earlier, the approach to the study is experimental, which seeks to find out the reactions of an experimented group and a control group. Therefore, descriptive statistics, especially the average (mean), was used for the analysis. Correlation coefficients were used to find the relationship between the independent variables (socially responsible consumer behaviour and support for the domain) and the dependent variables (company image, purchase decision, and consumer-company identification,).

Preliminary Analysis

Preliminary analysis was carried out on the demographic characteristics and the study variables: company image, purchase decision, consumer-company identification, socially responsible consumer behaviour and support for the domain. The results are discussed in the subsequent sections.

Demographic Characteristics of Respondents

This part of the study describes the demographic characteristics of customers of MTN and Vodafone in the Tema Metropolis. The analysis includes: sex, age, educational background, and number of years with the service.

In terms of sex, 94 (57.3%) of the customers were male, while 70 (42.7%) were females. The implication is that, males patronised MTN and Vodafone services more than female in the study area (See Table 5). Subscribers of both gender groups have the trait of SRCB and support for the domain. Both males and females show a high agreement to buy from socially responsible companies, identify with such companies and have positive evaluation of such companies. Therefore, sex identity of consumers has no bearing on CSR, hence, there is no relationship between them.

With regards to the ages of customers who patronised MTN and Vodafone in the study area, 27 (15.8%) can be regarded as youth with the ages in the ranges of 15 – 34 years, while 97 (59.2%) were in their mid-ages from 35 – 54 years. However, 41 (25%) of the customers were 55 – 60 and above. The mean age of the respondents was 40 years, with the youngest consumer being 15 years, whilst the older consumer was 65 years.

Respondents (subscribers of MTN and Vodafone) in both the control group and the experimental group of all age groups possess the trait of SRCB and also support the philanthropic domain of CSR. They all demonstrate a high agreement to base their purchase of products, identification with the company and evaluation of the company on the corporate CSR activities of companies.

Therefore, the age level of consumers has no bearing the CSR sensitivity of consumers. Hence, there is no correlation between CSR and age level of consumers.

In terms of education, the study found that 9 (5.5%) of the respondents had no formal education, while 26 (15.9%) had basic education, 49 (29.9%) had secondary education, 80 (48.8%) had Higher National Diploma and first degree (See table 5). Respondents of all levels of education demonstrate high level of SRCB and support for the philanthropic domain of CSR. The demand by consumers for companies to be socially responsible cut across all levels of education. This indicates that both literates and illiterates are conscious of the social responsibility of companies. Hence, there is no correlation between CSR and level of education of consumers.

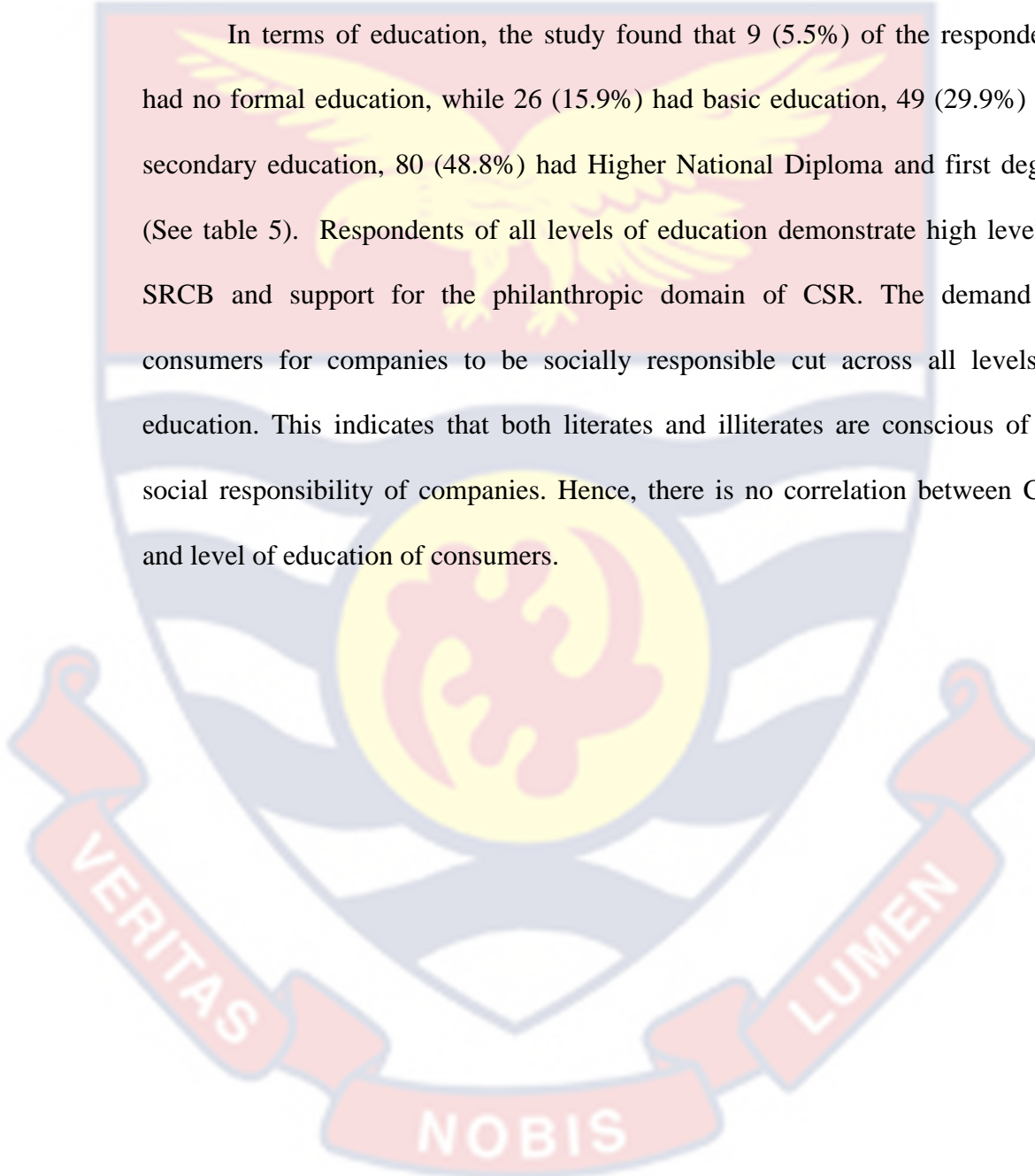


Table 5. Frequency Distribution of Employee's Demographic**Characteristics of the Experimental Group and Control Group**

Employees Characteristics	Experimental Group		Control Group	
	Frequency	Percentage	Frequency	Percentage
Sex				
Male	94	57.3	89	60.1
Female	70	42.7	59	39.9
Total	164	100.0	148	100.0
Age (in Years)				
15 – 24	5	3.0	10	6.8
25 – 34	21	12.8	49	33.1
35 – 44	39	23.8	28	18.9
45 – 54	58	35.4	41	27.7
55 – 64	29	17.7	13	8.8
65+	12	7.3	7	4.7
Total	164	100.00	148	100.0
Education				
No formal education	9	5.5	13	8.8
Basic Education	26	15.9	34	23.0
SHS	49	29.9	52	35.1
HND/ 1 st Degree	80	48.8	49	33.1
Total	164	100.0	148	100.0

Source: Field data (2011).

Independent Variables

Socially Responsible Consumer Behaviour

The level of consumers' socially responsible behaviour was analysed by examining each question relating to socially responsible behaviour using the following scale: 0 – 2.5 = high, 2.51 – 3 = average and 3.51 and above = low.

This section discusses how consumers base their acquisition of MTN and Vodafone products on their desire to minimize or eliminate any harmful effects and maximize the long-run beneficial impact on society.

To solicit the views of respondents on socially responsible consumer behaviour, 8-items were used. The overall mean of all the 8-items was ($\bar{x} = 2.84$; see table 6) for the experimental group and ($\bar{x} = 2.84$; see table 7) for the control group. In the experimental group, respondents have an average agreement ($\bar{x} = 2.57$) on trying to buy from companies which support natural disaster victims, an average agreement ($\bar{x} = 2.56$) was also recorded on respondents making efforts to buy MTN or Vodafone products no matter what because the companies help the needy. Respondents had an average agreement ($\bar{x} = 2.53$) that given the opportunity, they will switch to companies that support the development of education given that MTN and Vodafone does not. On the question of trying to use the services of companies that support in quality health care delivery, respondents have high agreement ($\bar{x} = 2.37$), and willingness to switch brands that donate to the cause of charity also recorded high agreement ($\bar{x} = 2.39$) by respondents. With the question of switching to brands that give back to the community granted that MTN and Vodafone does not, respondents were high in

agreement ($\bar{x} = 2.56$). respondents were high in agreement ($\bar{x} = 2.43$) on the question of using the services of companies that support educational programmes. With the question concerning avoidance of services of companies that do not help to enhance lives in communities respondents registered high agreement ($\bar{x} = 2.43$).

Consumers in the control group were not been given any information about the CSR status of the two companies under consideration. Respondents have a high agreement ($\bar{x} = 2.26$) to the question of trying to buy from companies that support natural disaster victims. On the issue of trying to use the services of MTN and Vodafone no matter what because the companies help the needy, the agreement was high. There was an average agreement ($\bar{x} = 2.57$) by respondents to switch to companies that help in the development of education granted that MTN and Vodafone does not. Using the services of companies that support the promotion of quality health care and the opportunity to switch to brands that donate to charity, agreement was high ($\bar{x} = 2.23$) and ($\bar{x} = 2.22$) respectively. Respondents were high in agreement ($\bar{x} = 2.25$) on willingness to switch to brands that give back to the community if MTN and Vodafone does not. Consumers highly agree ($\bar{x} = 2.24$) that they make effort to use services of companies that support educational programmes and as well highly agree ($\bar{x} = 2.20$) to avoid services of companies that do not enhance the lives of community members. The mean value of the experimental group and the control group for this construct are 2.84 and 2.21 respectively, indicating that majority the

consumers in both groups exhibit the trait of socially responsible consumer behaviour.

The research results indicate that majority of the respondents, both in the experimental group and the control group demonstrated the trait of socially responsible consumer behaviour. The findings in table 6 and table 7 indicate that the consumers will base their purchases on companies that support social causes that the consumers deem important. Majority of the consumers responded that they will switch to companies that give in support worthy social causes and will therefore avoid using goods and services of companies that do not give back to the society.

This supports earlier research works that suggested that consumers are increasingly willing to withhold patronage, and encourage others to do the same, in order to control corporate abuses and/ or heighten their sensitivity to economic, political and social concerns (Sen, Gurhan-Canli & Morwitz, 2001). Simultaneously, consumers expect firms to support charity, protect the environment, and contribute to social causes. Increasingly, firms are being asked to be socially responsible members of society (Mohr, Webb & Harris 2001).

Table 6. Social Responsible of Consumer Behaviour

Consumer Behaviour Variable	Mean	SD
I try to buy from companies that support natural disaster victims.	2.57	1.31
I try to use the services of MTN or Vodafone no matter what because they help the needy.	2.56	1.33
Given the opportunity to switch to a company that helps in the development of education I will do.	2.52	1.34
I try to use the services of companies that support the promotion of quality health delivery.	2.37	1.36
Given the opportunity I will switch to brands that donate to charity.	2.39	1.30
Given the opportunity I will switch to a brand that gives back to the community.	2.56	1.34
I make efforts to use the services of companies that support educational programmes.	2.43	1.34
I avoid the services of companies that do not help to enhance the lives of community members.	2.43	1.30
Overall Mean	2.48	1.20

*Scale (Mean) 0 – 2.5= high, 2.51 – 3.0=average and 3.51 and above=low

Source: Field data (2011)

Table 7. Social Responsible of Consumer Behaviour for the Control Group

Consumer Behaviour Variable	Mean	SD
I try to buy from companies that support natural disaster victims.	2.26	1.25
I try to use the services of MTN or Vodafone no matter what because they help the needy.	2.14	1.22
Given the opportunity to switch to a company that helps in the development of education I will do.	2.16	1.29
I try to use the services of companies that support the promotion of quality health delivery.	2.22	1.36
Given the opportunity I will switch to brands that donate to charity.	2.23	1.35
Given the opportunity I will switch to a brand that gives back to the community.	2.25	1.37
I make efforts to use the services of companies that support educational programmes.	2.24	1.33
I avoid the services of companies that do not help to enhance the lives of community members.	2.20	1.31
Overall Mean	2.21	1.21

*Scale (Mean) 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low.

Source: Field data (2011).

Support for the Domain

The level of consumers support for the philanthropic domain of CSR activities undertaken by the two companies under consideration in the study was analysed by considering each construct using the scale; 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low

Support for the domain seeks to find out the level of consumers support for the philanthropic CSR activities undertaken by MTN and Vodafon. The information on support for the domain was sought by using 4-items and the overall mean is ($\bar{x} = 2.51$; see table 8) for the experimental group and ($\bar{x} = 2.22$; see table 9) for control group. The results indicate that consumers in both the experimental group and the control group highly agree ($\bar{x} = 2.44$) and ($\bar{x} = 2.18$) that companies should regularly make donations to charity. Again, it was highly agreed ($\bar{x} = 2.50$) and ($\bar{x} = 2.25$) in both the experimental group and the control group respectively that companies should help in the development of education the country. It was high in agreement ($\bar{x} = 2.42$) and ($\bar{x} = 2.20$) by respondents in both groups that companies should offer support to disaster victims. With regards to the issue that companies should in the delivery of quality health care, respondents in both the experimental group and the control group were high in agreement ($\bar{x} = 2.4$) and ($\bar{x} = 2.25$).

The mean value of this construct for both the experimental group and the control group are 2.51 and 2.22 respectively. This shows that consumers in both groups are in support of the idea that companies should be philanthropic.

The finding on this construct indicate that consumers in the Tema metropolis, both in the control group and the experimental group support the idea that companies should be philanthropic. The results on table 8 and table 9 shows that majority of the respondents are in support of it that companies should donate part of their profit to support education, disaster victims, health care and the needy in society. For this reason, philanthropic corporate social responsibility had an effect on the way consumers evaluate the companies' image and their purchase intent.

The results provide support Mohr and Webb's (2005) findings that suggested that environmental CSR had a strong effect on both evaluation and purchase intent for those support the view that the company has responsibilities towards the environment. In a related research, Sen Bhattacharya (2001) suggested that identification with a company is enhanced when consumers believe in that company's social agenda, and identification strengthens positive response to the company.

Table 8. Support for the Domain

Support Domain Variables	Mean	SD
Companies should regularly make donations to charity.	2.44	1.30
Companies should help in the development of education in the country.	2.50	1.34
Companies should offer support to disaster victims.	2.42	1.30
Companies should support in the delivery of quality health care.	2.43	1.32
Overall Mean	2.51	1.51

*Scale (Mean) 0 – 2.5= high, 2.51 – 3.0=average and 3.51 and above=low

Source: Field data (2011)

Table 9. Support for the Domain (Control Group)

Support Domain Variables	Mean	SD
Companies should regularly make donations to charity.	2.18	1.30
Companies should help in the development of education in the country.	2.25	1.36
Companies should offer support to disaster victims.	2.20	1.35
Companies should support in the delivery of quality health care.	2.25	1.29
Overall Mean	2.22	1.26

*Scale (Mean) 0 – 2.5=high, 2.51 – 3.0=average and 3.51 and above=low

Source: Field data (2011)

Dependent Variables

Purchasing Decision

This section of the study finds out the level of respondents' purchase decision of respondents by using the following scale: 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low. The purchase decision in relation with corporate social responsibility was measured using 3-items. The overall mean of the construct is ($\bar{x} = 2.38$; see table 10) for the experimental group and ($\bar{x} = 3.73$; see table 11) for the control group.

The results suggest that, the respondents in the experimental group highly agreed ($\bar{x} = 2.37$) that anytime they want to use mobile telecommunication service, they buy from MTN or Vodafone base on their commitment to corporate social responsibility. However, respondents in the control group have low agreement ($\bar{x} = 3.76$) that anytime they want to use mobile telecommunication service, they buy from MTN and Vodafone. Also, with regards to the assertion that consumers will always use the services of MTN or Vodafone due to the companies' impressive record on social responsibility so long as the companies, respondents in the experimental group have high agreement ($\bar{x} = 2.33$), whereas those in the control group have low agreement ($\bar{x} = 3.74$). With regards to the issue that consumers will definitely use the services of MTN or Vodafone no matter how much it will cost them, respondents in the experimental group highly agreed ($\bar{x} = 2.43$). Respondents in the control group recorded low in agreement ($\bar{x} = 3.70$) that they will definitely use the services of the two companies no matter how much it will cost them.

The implication of the study result is that respondents in the experimental group who have knowledge about the good record of the two companies on social responsibility issues have high agreement that they will always make conscious effort to buy the products of the companies.

The overall mean for the experimental group is 2.38, which implies that consumers have high agreement of purchase intent for goods and services of the two companies because of their commitment to social responsibility activities. The overall mean value for the control group is 3.73. This means that consumers have low agreement in purchase intent for goods and services of the two companies due to non commitment to social responsibility activities.

It can be deduced from the findings that majority of the consumers in the Tema metropolis take into consideration the commitment of a company to its social responsibility before making purchases. As the findings has indicated, 68% of the respondents in the experimental group who were exposed to the companies' social responsibility commitment as good or poor, will intent to buy if it is good but will intent not to buy if it is poor. The results support the idea that aspects of a company beyond its products such as its reputation influence evaluation of the company and buying choices of consumers Brown and Dacin (1997).

Table 10. Purchase Decision in Relation to Social Responsibility

Purchase Decision Variables	Mean	SD
Anytime I want to use mobile telecommunication service I do buy from MTN or Vodafone.	2.37	1.29
I will always use the services of MTN or Vodafone so long as the companies exist	2.33	1.37
I will definitely use the services of MTN or Vodafone no matter how much it will cost me.	2.43	1.43
Overall Mean	2.38	1.28

*Scale (Mean) 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low.

Source: Field data (2011)

Table 11. Purchase Decision in Relation to Social Responsibility (Control Group)

Purchase Decision Variables	Mean	SD
Anytime I want to use mobile telecommunication service I do buy from MTN or Vodafone.	3.76	1.32
I will always use the services of MTN or Vodafone so long as the companies exist	3.74	1.35
I will definitely use the services of MTN or Vodafone no matter how much it will cost me.	3.70	1.31
Overall Mean	3.73	1.26

*Scale (Mean) 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low.

Source: Field data (2011)

Company Image

This section seeks to analysis the effect of corporate social responsibility on the respondents' degree of positiveness or negativeness of their judgment of MTN and Vodafon. The overall mean was ($\bar{x} = 2.32$; see table 12) for the experimental group indicating that consumers in this will have high evaluation for companies that are committed to their social responsibility issues. Whereas the overall mean was ($\bar{x} = 3.68$; $SD = 1.21$; see table 13) for the control group. This also shows that consumers in this group will have low evaluation for companies if the companies only offer goods and services for sale. In both groups 3-items were used to measure the effect of corporate social responsibility on consumers' evaluation of MTN and Vodafone.

For the respondents who were given information about the companies' corporate social responsibility activities, the results indicate that the respondents highly agree ($\bar{x} = 2.36$) to the assertion that their opinion about MTN or Vodafone is favourable, while respondents in the control group who have no knowledge about the companies' CSR performance have low agreement ($\bar{x} = 3.60$) to the assertion that their opinion about MTN and Vodafone is favourable. Respondents opinion about MTN and Vodafone is good is ($\bar{x} = 2.34$) and respondents opinion about MTN and Vodafone is beneficial to the companies is ($\bar{x} = 2.25$) in the experimental group. However, the control group recorded low agreement ($\bar{x} = 3.69$) and ($\bar{x} = 3.75$) respectively that their opinion about the companies is good and beneficial to the companies.

As long as the corporate social responsibility initiatives undertaken by a company are perceived as central, distinctive and enduring, they will contribute to the prestige of the company, and therefore, lead to a positive evaluation of the company. The results of the study indicate a high agreement that respondents will have a positive evaluation of MTN and Vodafone because of the companies' good record on corporate social responsibility.

These results lend support to previous research results in the area under study. In an experiment where Brown and Dacin (1997) manipulated the level of a company's philanthropy and employee involvement in the community, the researchers found out that high level of corporate social responsibility leads to more positive evaluation of the company. Mohr and Webb (2005) found that, when consumers are given information that they trust about a company's level of social responsibility, that information affects how they evaluate the company.

Table 12. Company Image in Relation to Social Responsibility

Company Image Variables	Mean	SD
My opinion about MTN or Vodafone is favourable	2.36	1.26
My opinion about MTN or Vodafone is good	2.34	1.37
My opinion about MTN or Vodafone is beneficial	2.25	1.37
Overall Mean	2.32	1.26

*Scale (Mean) 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low.

Source: Field data (2011).

Table 13. Company Image in Relation to Social Responsibility

Company Image Variables	Mean	SD
My opinion about MTN or Vodafone is favourable	3.60	1.30
My opinion about MTN or Vodafone is good	3.69	1.28
My opinion about MTN or Vodafone is beneficial	3.75	1.25
Overall Mean	3.68	1.21

*Scale (Mean) 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low

Source: Field data (2011)

Consumer-Company Identification

A 5-item construct was used to measure the level of cognitive state of the respondents' connection and closeness to MTN and Vodafone on account of the companies' CSR record using the scale of; 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low. The overall mean was ($\bar{x} = 2.42$; see table 14) for the experimental group and ($\bar{x} = 3.70$; see table 15) for the control group. The respondents have high agreement ($\bar{x} = 2.32$) on the construct that when someone criticises MTN or Vodafone, the respondents take it as a personal insult. The respondents in the control group however have a low agreement ($\bar{x} = 3.80$) for this construct. The respondents in the experimental group highly agree ($\bar{x} = 3.75$) that they are very much interested in what others think about MTN and Vodafone. While respondents in the control group have low agreement that they are interested in what others think about MTN and Vodafone. When I am talking about MTN or Vodafone, I usually say 'we' rather than 'they' ($\bar{x} = 2.32$) and

($\bar{x} = 3.72$) for the experimental group and the control group respectively. This implies that respondents highly agreed ($\bar{x} = 2.30$) to identify with MTN and Vodafone because the companies' good CSR record. Respondents in the experimental group have high agreement that they become happy to business success story of MTN or Vodafone, though those in the control group have low agreement ($\bar{x} = 3.70$). When someone compliments MTN or Vodafone, then it feel like a personal compliment ($\bar{x} = 2.40$) and ($\bar{x} = 3.59$) respectively for respondents in the experimental group and the control group respectively.

The overall mean of the experimental group for this construct is 2.42. This indicates that consumers in the study area will identify themselves with the two companies if the companies fulfill corporate social responsibility obligations. On the other hand, the overall mean of the control group is 3.70 which means that consumers will have low identification with the two companies if they do not fulfill corporate social responsibility obligations.

The findings indicate that majority of the consumers in the experimental group, who are exposed to the social responsibility issues of the companies agreed to identify themselves with companies that are committed to their social responsibility obligations. They agreed to identify with the companies to an extent that a compliment to the companies seems as a personal compliment, they take in the success of the companies and they feel bad when the companies are being criticised.

Majority of the consumers in the control group have low agreement to identify the companies only on the basis of the fact that the companies offer goods

and services for sale. This shows that corporate social responsibility based consumer–company identification has a direct, positive influence on attitude and affective commitment to company. These results are consistent with SIT assumptions, in that the individual tends to evaluate positively the in-group (in this case the company) as a way of improving his or her self-concept, which is partly defined in terms of the group (Tajfel & Turner, 1979). Furthermore, it entails the consumers' desire to establish a close, long-term relationship with the companies committed to social responsibility which is consistent with the findings of (Bhattacharya & Sen, 2003; Marin & Ruiz, 2007).

This CSR-based consumer-company identification will translate itself to individual purchase intent as majority of the consumers agreed that they will base their purchase intent on CSR. This is consistent with self-extension theory (Belk, 1988), which shows that the purchase of products by the consumer is an act of self-expression, and is necessary for personal identification. Therefore, it is confirmed that perception of a socially responsible identity is able to generate a state of closeness and connection for the consumer towards the company.

Table 14: Consumer-Company Identification

Consumer-company Identification Variables	Mean	SD
When someone criticises MTN or Vodafone it feels like a personal insult.	2.32	1.30
I am very interested in what others think about MTN or Vodafone.	2.37	1.38
When I talk about MTN or Vodafone I usually say 'we' rather than 'they'.	2.32	1.39
I take joy in the success of MTN or Vodafone.	2.30	1.34
When someone compliments MTN or Vodafone then it feels like a personal compliment.	2.40	1.28
Overall Mean	2.42	1.48

*Scale (Mean) 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low

Source: Field data (2011) .

Table 15. Consumer-Company Identification for the Control Group

Consumer-company Identification Variables	Mean	SD
When someone criticises MTN or Vodafone it feels like a personal insult.	3.80	1.31
I am very interested in what others think about MTN or Vodafone.	3.70	1.30
When I talk about MTN or Vodafone I usually say 'we' rather than 'they'.	3.72	1.30
I take joy in the success of MTN or Vodafone.	3.70	1.26
When someone compliments MTN or Vodafone then it feels like a personal compliment.	3.59	1.41
Overall Mean	3.70	1.20

*Scale (Mean) 0 – 2.5 = high, 2.51 – 3.0 = average and 3.51 and above = low

Source: Field data (2011).

Table 16. Pearson Correlation Between Studied Variables

Variables	Mean	SD	1	2	3	4	5
(1) Company Image and support for the domain	2.32	1.26		.93	.82	.88	.77
(2) Purchase Decision and SRCB	2.38	1.28			.82	.89	.78
(3) Consumer-company Identification and SRCB	2.42	1.48				.78	.69
(4) Socially Responsible Consumer Behaviour and purchase intent	2.48	1.20					.81
(5) Support for the Domain and company image	2.51	1.51					

Sig (1-tailed) $p > .001$, $N = 164$

Source: Field Data, 2011.

Pearson Correlation Analysis

This section seeks to find out the relationships that exist between the independent variables (socially responsible consumer behaviour and support for the domain) and the dependent variables (purchase intent, company image and consumer-company identification). The study found a positive relationship between support for the philanthropic domain of corporate social responsibility and company image with the correlation (rho) coefficient of ($r = .88$, $n = 164$, $p >$

.001). Consumers turn to have judgment of a company who is committed to fulfilling its social responsibility obligation. On the other hand, consumers turn to have negative judgment of companies who are not committed to their social responsibility obligations. Therefore, consumers' knowledge about the corporate social responsibility of a company affects their evaluation or judgment of the company (Mohr & Webb, 2005).

Again, there was a strong positive relationship between socially responsible consumer behaviour and purchase intent of consumers ($r = .89$, $n = 164$, $p > .001$). Consumers who possess the trait of SRCB will base their purchase of a company's product on social responsibility issues of the company. If the company's has a good record of CSR, consumers' purchase intent will be high. On the other, purchase intent of consumers will be low if the company has bad CSR record. The buying choices of consumers go beyond the products the companies offer but reputation also plays a role when it comes to buying choices of consumers (Brown & Dacin, 1997).

A positive relationship was also found between socially responsible consumer behaviour and consumer-company identification with correlation coefficient of ($r = .78$, $n = 164$, $p > .001$). Consumers with the trait of SRCB will identify themselves with companies who fulfill their social responsibility obligation. Consumers desire to establish a close, long-term relationship with companies is dependent on the CSR commitment of the companies (Marin & Ruiz, 2007).

Support for the domain also correlates positively with consumer-company identification ($r = .81$, $n = 164$, $p > .001$) (See Table 16). Consumers who support the view that, companies ought to be philanthropic, have a high identification with companies who are committed to fulfilling the philanthropic domain of CSR. On the other hand, consumers will have low identification with companies who reluctant towards the philanthropic domain of CSR.

Factors That Can Best Influenced Social Responsibility

This section of the study discusses the factors that can best influence social responsibility activities of MTN and Vodafone in the Tema metropolis. Multiple regression analysis was conducted because it tells how much variance in the dependent variables can be explained by the independent variables. It also gives an indication of the relative contribution of each of the independent variables (Pallant, 2001:139).

Table 17. Stepwise Regression of Best Factors (Predictors) That Can Influence Social Corporate Responsibility

Predictors	R ²	R ²	Adj.	SSE	Beta	F	Sig.
		Change	R ²		(Stand)	Change	Change
Pur. intent	.894	.799	.798	9.66	0.894	645.1	0.000
Con-com id	.914	.835	.833	9.42	0.304	408.8	0.000
Com image	.921	.848	.845	8.91	0.315	297.4	0.000

Source: Field data (2012)

Table 17 is an output of a stepwise regression analysis to determine the best factors (predictors) that portrays consumer response to the products of MTN and Vodafone in relation to the extent of their commitment to social responsibility in the Tema Metropolis.

According to Pallant (2001:144-145), the largest beta standardised coefficient in the stepwise regression, determines the contribution to the prediction of the independent variable to the dependent variable. In view of the above, purchase decision made the strongest predictor ($\beta = .894$), while company image had ($\beta = .315$) and support domain had a ($\beta = .304$).

The results showed that the best factors that influence purchase decision, company image and support domain came very prominent in the study. The implication is that base their purchase decision of a company's products, evaluation of the company and identification of the company on the social responsibility initiatives of the company. Therefore, managers should not consider CSR as expenditure to the company but rather an investment.

The statistically significant contribution is indicated by Sig. F (.000). The ANOVA indicates the model as a whole (including all variables) is significant ($F_{5, 194} = 25.16, P < 0.05$). In the stepwise multiple regression, purchase decision was entered first and it explained 79.8% of the variance to social responsibility ($F_{1, 163} = 5.648, P > 0.001$). Support domain was entered second, and explained a further 3.5% ($F_{2, 162} = 5.166, P > 0.001$). Company image also contributed 4.7% ($F_{3, 161} = 4.914, P > 0.001$).

The R^2 and adjusted R^2 values for purchase intent were 0.894 and 0.798 respectively (Table 16). It indicated a high degree of goodness of fit. It means over 70% of variance in the dependent variable (purchase intent) can be explained by the regression model. The F test result was 645.1 with significance of (0.00) as seen in Table 16. This means the probability of this test result occurring by chance was less than (0.0005). Therefore, a significant relationship was present between purchase intent of consumers and CSR.

Also, R^2 and the adjusted R^2 for consumer company identification were 0.941 and 0.833 respectively (Table 16). This indicates a high goodness of fit which means that over 80% of the variance in the dependent variable (consumer-company identification) is explained by the independent variable. The F test result was (408.8) with significant level of (0.000) as in Table 16. Therefore, a significant relationship existed between CSR and consumer-company identification. Company evaluation recorded R^2 and adjusted R^2 values of 0.921 and 0.845 respectively (Table 16). The F test result was (297.4) with significance

of (0.000), Table 16. The conclusion is that there is a significant relationship between CSR and company image.

The results showed that corporate social responsibility activities of companies are a strong predictor of purchase intent, consumer-company identification and company evaluation.

Testing of Hypothesis

Hypotheses were formulated to determine the relationship between the dependent and independent variables. The hypotheses were formulated as:

H₁ CSR can cause SRCB to have an influence on consumer purchase intent.

H₂ CSR causes SRCB to have an influence on consumer-company identification.

H₃ Support for the philanthropic domain of CSR influences consumer-company identification.

H₄ Support for the philanthropic domain of CSR influences evaluation of company image.

Table 18. A Paired Sample T-Test on the Influence of CSR on Consumer Responses to MTN Vodafone Products

Variables	Mean	SD	T	df	r	Sig (2-t)
Socially responsible consumer behaviour & Purchase intent	29.95	10.70	30.86	199	.435	.000
Socially responsible consumer behaviour & Consumer-company identification	29.95	10.70	8.94	199	-.140	.000
Support for domain & Consumer-company identification	27.75	9.80	23.05	188	.204	.000
Support for domain & Company image	27.75	9.80	22.01	188	-.201	.000
Company image	9.20	4.91				

Source: Field data (2012)

The first hypothesis was formulated to determine the extent to which CSR can cause SRCB to have an influence on purchase intent. The hypothesis was formulated as;

H₁ CSR can cause SRCB to have an influence on consumer purchase intent.

The study showed a high positive correlation between SRCB and purchase intent with a correlation coefficient of ($r = .89$, $n = 164$, $p > .001$) as seen in table

16. The implication is that consumers who demonstrated the trait of socially responsible consumer behaviour will make a decision to buy from companies who fulfill their social responsibility obligation. Furthermore, consumers who possess the trait of socially responsible consumer behaviour will not make a decision to buy from companies whose level of commitment to social responsibility are not know to the consumer.

Also, a paired-sample t-test was conducted to evaluate whether socially responsible consumer behaviour influences purchase intent. From the output, the mean for socially responsible consumer behaviour is ($M = 29.95$, $SD=10.70$) is significantly higher ($t = 30.86$, $df = 199$, sig. (2-tailed) $p > .05$) than that of purchase intent ($M = 8.90$, $SD = 4.99$). The implication is that a high socially responsible consumer behaviour has an influence on purchase intent.

Therefore, hypothesis one which states that “CSR can cause SRCB to have an influence on purchase on purchase intent” is valid and accepted. The results lend support to earlier research findings that suggested that aspects of a company beyond its product such as its reputation influences evaluation of the company and buying choices of consumers (Brown & Dacin, 1997).

Hypothesis 2

The second hypothesis was proposed to determine the extent to which CSR can cause SRCB to have an influence on consumer-company identification.

H₂ CSR causes SRCB to have an influence on consumer-company identification.

The study results indicated a positive correlation between SRCB and consumer-company identification with a correlation coefficient of ($r = 0.78$, $n = 164$, $p > 0.001$) as seen in table 16. A paired-samples t-test was also conducted to determine the influence of socially responsible consumer behaviour on consumer-company identification. The output showed a mean value for socially responsible consumer behaviour as ($M = 29.95$, $SD=10.70$) is significantly higher ($t =8.94$, $df = 199$, sig. (2-tailed) $p > .05$) than that of consumer-company identification ($M = 10.85$, $SD = 4.85$).

The implication therefore is that, consumers who possess the personality trait of SRCB will identify with companies who honour their social responsibility obligation. The result is consistent with the self-extension theory which shows that the purchase of products by consumers is an act of self expression, and is necessary for personal identification. Therefore, it confirmed that a socially responsible identity is able to generate a state of closeness and connection for the consumer towards the company (Belk, 1988).

Hypothesis 3

The proposition of the third hypothesis was to determine the extent to which support for the philanthropic domain of CSR influences consumer-company identification.

H₃ Support for the philanthropic domain of CSR influences consumer-company identification. The results also showed a positive correlation between support for the philanthropic domain of CSR and consumer-company

identification with a correlation coefficient of ($r = 0.81$, $n = 164$, $p > 0.001$), it is therefore accepted (Table 16).

The paired-samples t-test that was conducted to evaluate the effect of support for the philanthropic domain of CSR on consumer-company identification has a mean for support for the domain as ($M = 27.75$, $SD=9.80$) is significantly higher ($t = 22.05$, $df = 199$, sig. (2-tailed) $p > .05$) than that of consumer-company identification ($M = 10.85$, $SD = 4.85$). This indicates that consumers will identify with a company if they are in support of the social responsibility activity being undertaken by the company.

This is in consistent with research results of Sen and Bhattacharya (2001) which suggested that consumers are more likely to respond to a company's social responsibility record when they identify with the company. Identification is enhanced when consumer perception of the company's character are similar or congruent to their perception of their own character. They go on to argue that consumers form judgment of a company's character based more on its corporate social responsibility (CSR) than on its business expertise. When consumers personally support the social issues that the company targets, called support for the CSR domain, they are likely to see greater congruence between themselves and the company.

Hypothesis 4

The forth hypothesis was proposed to determine how support for the philanthropic domain of CSR influences evaluation of company image.

H₄ Support for the philanthropic domain of CSR influences evaluation of company image.

The study results demonstrated a positive correlation between support for the domain and evaluation of company by consumers. The result came out with a correlation coefficient of ($r = 0.88$, $n = 164$, $p > 0.001$) as seen in Table 16. A paired-samples t-test was also conducted to test the relationship between support for the domain and consumer-company identification. From the output, the mean for support for the domain ($M = 27.75$, $SD=9.80$) is significantly higher ($t =22.01$, $df = 188$, sig. (2-tailed) $p > .05$) than that of consumer-company identification ($M = 9.85$, $SD = 4.85$). This suggests that once consumers give support to a social responsibility activity undertaken by a company, they will esteem the image of the company high, their evaluation of the company's image will be positive. In that case their opinion about the company will be beneficial, favourable and good.

In an experiment where Brown and Dacin (1997) manipulated the level of a company's philanthropy and employee involvement in the community, the researchers found out that high level of corporate social responsibility leads to more positive evaluation of the company. Mohr and Webb (2005) found out that, when consumers are given information that they trust about a company's level of social responsibility, that information affects how they evaluate the company.

In conclusion, all the four hypothesis of the study are valid and accepted as demonstrated by the findings.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter is made up of three parts. Part one of the chapter gives a summary of the results of the study, part two is the conclusion section and contains the findings of the study and part three makes recommendations based on the findings of the study and also gives suggestions of areas for further research.

The purpose of the study was to determine the effects of corporate social responsibility on consumer responses. The study sought to achieve the following specific objectives;

- (i) To ascertain the extent to which CRS causes SRCB to have an influence on purchase intent.
- (ii) To find out the extent to which CRS causes SRCB to have an influence on consumer-company identification in the Tema metropolis.
- (iii) To ascertain the extent to which support for the philanthropic domain of CSR influences consumer-company identification in the study area.
- (iv) To find out whether support for the philanthropic domain of CSR influences positive evaluation of company image by consumers of MTN and Vodafone products.

The research tested hypothesis to ascertain if there were any relation between moderating independent variables of CSR which are SRCB and support for the domain and the dependent variables; purchase intent, company evaluation and consumer-company identification.

H₁: CSR can cause SRCB to have an influence on consumer purchase intent

H₂: CSR can cause SRCB to have an influence on consumer-company identification

H₃: support for the philanthropic domain of CSR influences consumer-company identification

H₄: support for the philanthropic domain of CSR influences positive evaluation of company image.

The experimental design was used to survey sample consumers who lived in the study area. This method enabled the researcher to find out the causal link between the independent variable; CSR and the dependent variable; consumer responses. Specifically, the post-test only control group design was used.

Summary of Findings

The study results showed that there is a positive relation between the independent variables; (socially responsible consumer behavior and support for the domain) and the dependent variables; (purchase intent, consumer-company identification and evaluation of company image).

The study revealed that the personality trait of socially responsible consumer behavior has an influence on consumers' purchase decision. The study results showed that purchase decision of consumers in the experimental group who were given information about the company's corporate social responsibility activities is influenced by corporate social responsibility. In the same vein, respondent in the control group who were not given information about the companies social responsibility issues but possess the trait of socially responsible consumer behavior also have their purchase decisions being influenced by corporate social responsibility activities of companies.

Not surprisingly, stronger relation was found with the specific attitudinal variable, support for the domain and consumer-company identification. For those respondents who were most supportive of corporate philanthropy, corporate social responsibility had an effect on their identification with the company. The study results showed that when a company undertakes a corporate social responsibility initiative which consumers are in support of, it will cause consumers to identify with the company.

Therefore, a company that behaves as socially responsible is more attractive for consumer-company identification and consumers are more likely to support corporations with which they identify. The results provide support for Sen and Bhattacharya's (2001) suggestion that identification with a company is enhanced when consumers believe in that company's social agenda and identification strengthens positive responses to the company. In essence, identifying with a company is likely to be associated with a desire to enhance the

company's welfare and consumers support is oriented towards that goal (Dutton et al, 1994).

As consumption is the primary currency of consumer-company relationships, such identification based support is likely to be expressed through a sustained, long term preference for the products of the company that the consumer has identified over its competitors (Bhattacharya & Sen, 2003). Based on the findings it is expected that stronger consumer-company identification will result into increased products utilization for the company.

Similarly, support for the philanthropic domain of corporate social responsibility had an effect on positive company evaluation. The results indicated that respondents, who are in support of the fact that it is obligatory on corporation to fulfill the philanthropic domain of corporate social responsibility, will have a positive evaluation for companies which fulfill this social obligation. The results provide support to literature that has shown that Corporate Social Responsibility associations are linked to consumer's positive product and brand evaluation (Brown & Dacin, 1997; Sen & Bhattacharya, 2001; Sen et al., 2006).

The study findings revealed that the respondents base their purchase decision, company identification and positive company evaluation on company's attitude towards their social responsibility obligations. Interestingly, the results indicated that corporate social responsibility has an effect on purchase decision, consumer-company identification and company evaluation. Hence, all the hypotheses have received support.

The researcher found this result to be interesting in the sense that it could have been different if corporate social responsibility was manipulated with prices as the independent variables it could have been likely for price to have a stronger effect on purchasing decision than corporate social responsibility. In that instance, the effect of Corporate Social Responsibility on purchase intent could have been weak.

The study revealed that respondents in both the experimental group and the control group exhibit the trait of socially responsible consumer behavior. This is a revelation that from the study most consumers are expectant of companies to give back to society in which they operate by fulfilling their social responsibility. This revelation of the study is supported by many market place polls including one by Sen and Bhattacharya, (2001) which suggested that consumers increasingly expect business to go beyond delivering economic outcomes and also contribute to society's welfare and sustainability by being socially responsible.

The positive relation between corporate social responsibility as the independent variable and purchase decision, consumer-company identification and company evaluation as the dependent variables revealed by the study is a demonstration that corporate social responsibility should not be regarded as expenditure but rather an investment, lending support to the study by (Margolis & Walsh, 2001). It has therefore closed the knowledge gap pertaining to the payoff of corporate social responsibility.

Conclusion

The study found that, corporate social initiatives of companies have influence on how consumers evaluate of companies, consumers purchase decision and consumers identification with companies. It is indicated by the results of the study that consumers demonstrate a positive evaluation of companies that are committed to delivering on their social obligations. The study also revealed that CSR initiatives of companies contribute greatly to the purchase decision of consumers such that consumers will make conscious effort to buy from companies who their social responsibility obligations. Therefore, there exists a positive relationship between CSR and Purchase decision. The results complements the findings of Lois and Deborah, (2005) where it was found that when consumers are given information that they trust about a company's level of social responsibility, it affects how they evaluate the company and their purchase intentions.

Moreover, it has shown by the study the crucial role that CSR initiatives play in consumer-company identification. The positive relationship between CSR and consumer-company identification as demonstrated by the study, suggests that consumer are more likely to adopt social identities, in other words, identify with social entities that they consider to be self-important.

In summary, the results clearly demonstrate the potential relational benefits that CSR focus-company will derive. The link between CSR and consumer-company identification suggest that CSR is less of a short-term, sales generating mechanism as it is one that deepens over time, thereby creating

purchase decision and brand loyalty through consumer identification with the company (Duel al, 2007)

The enduring benefits of CSR initiative as shown by the study is indicative that managers should communicate the good things they are doing for consumers to be well informed.

Recommendations

Based on the findings, the researcher makes the following recommendations:

Managers should go beyond the conventional marketing mix by including their identities and reputation and the goodwill associated with being a good corporate citizen into their marketing initiatives in order to gain sustainable competitive advantage (Sen et al., 2006). As pointed out by Asker (2004), organizational attributes are more enduring and resistant to competitive claims that are product attributes. It is easier for competitors to copy product attributes than organizational attributes based on CSR initiatives.

Managers should reinforce the relationship marketing strategy through their investment in CSR initiatives. This strategy should go beyond just an emotional attachment to CSR initiatives as companies will enhance consumers' beliefs regarding their ability to deliver superior functional benefits through their products (Du et al., 2007). A company that is able to provide benefit to stakeholders such as consumers through its various CSR activities will be perceived as a company that is both able and interested in caring for its

consumers. Therefore, managers should not view CSR with emotional lenses but view it as marketing strategy.

As effective as CSR is a marketing tool being revealed by the study, companies should take the necessary steps to communicate effectively to consumers about the various CSR initiatives being undertaken by the companies.

The positive reactions by consumers to a company's CSR initiatives will basically depend on their level of awareness.

Suggestions for Further Research

The effect of CSR on consumer response depends largely on the awareness level of consumers on the CSR initiatives of companies. Though the purpose of this study was not to assess consumer awareness level on CSR, it was detected during the data collection for this study that most consumers were not aware of the corporate social responsibility activities of the companies used in the study.

Prior to consumers considering a firm's CSR initiative in their purchase decision making, they must be aware of those initiatives. Informed consumers are antecedent to support for socially responsible firms; information is one of the basic inputs of rational choice (Schuler & Cording, 2006). According to Sproles (1978), increasing levels of information can lead to increasingly efficient consumer perceptions of product quality and purchasing preference.

For this reason it is suggested that future studies should examine consumer awareness of corporate social responsibility. Furthermore, future research work

in the area of CSR should consider manipulating other conventional marketing variable such as price and product quality together with CSR. This will give a clear measure of consumer response to CSR.



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APPENDICES

APPENDIX 1



INTRODUCTORY LETTER
UNIVERSITY OF CAPE COAST
CAPE COAST, GHANA
SCHOOL OF BUSINESS
DEPARTMENT OF MANAGEMENT STUDIES

Dear Sir/Madam,

INTRODUCTORY LETTER

The bearer of this letter, Mr. Francis Apalazoeya, is an MBA (Marketing) student of the School of Business. He is writing his thesis on “The effect of corporate social responsibility on consumer buying behaviour”.

We would be grateful if you could assist him with the filling of the questionnaires and any other information that he may need to complete his work.

We appreciate your co-operation.

Yours faithfully,

Signed

Rosemond Boohene (Mrs.) PhD

HEAD

APPENDIX 2

QUESTIONNAIRE

**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY ON
CONSUMER BUYING BEHAVIOUR****SECTION A: DEMOGRAPHIC DATA / PERSONNAL INFORMATION**

Instructions: Please tick (✓) or write where appropriate

1. **GENDER/SEX:** Male [] Female []
2. **AGE:** a. 15 - 24 [] b. 25 - 34 [] c. 35 - 44 []
d. 45 - 54 [] e. 55 - 64 [] f. 65 + []
3. **EDUCATIONAL LEVEL:**
 - a. No Formal Education []
 - b. Basic []
 - c. Senior High []
 - d. HND/ Degree/Masters/PHD []
4. How many years have you being buying MTN or Vodafone products?.....

INSTRUCTION FOR RATING: Please, rate all questions in section B to F according to your level of agreement to each question. The rate ranges from 1 to 5 where 1 = high in agreement and 5 = low in agreement. Kindly tick the box that corresponds to your level of agreement.

SECTION B: MODLE QUETIONNAIRE ON COMPANY IMAGE

Company evaluation refers to the degree of positiveness or negativeness of the subject's global judgment of the company.	1	2	3	4	5
1. My opinion about MTN or Vodafone is favourable					
2. My opinion about MTN or Vodafone is good					
3. My opinion about MTN or Vodafone is beneficial to the companies					

SECTION C: PURCHASE DECISION

A conscious decision made by consumers to purchase the product of a company.	1	2	3	4	5
4. Anytime I want to use mobile telecommunication service I do buy from MTN or Vodafone.					
5. I will always use the services of MTN or Vodafone so long as the companies exist					
6. I will definitely use the services of MTN or Vodafone no matter how much it will cost me.					

SECTION D: CONSUMER- COMPANY IDENTIFICATION.

Consumer-company identification is defined as a cognitive state of consumer connection and closeness to a company.	1	2	3	4	5
7. When someone criticises MTN or Vodafone it feels like a personal insult.					
8. I am very interested in what others think about MTN or Vodafone.					
9. When I talk about MTN or Vodafone I usually say 'we' rather than 'they'.					
10. I take joy in the success of MTN or Vodafone.					
11. When someone compliments MTN or Vodafone then it feels like a personal compliment.					

SECTION E: SOCIALLY RESPONSIBLE CONSUMER BEHAVIOUR.

It is defined as a person basing his or her acquisition, usage, and disposition of products on a desire to minimise or eliminate any harmful effects and maximise the long-run beneficial impact on society.	1	2	3	4	5
12. I try to buy from companies that support natural disaster victims.					
13. I try to use the services of MTN or Vodafone no matter what because they help the needy.					
14. Given the opportunity to switch to a company that helps in the development of education I will do.					
15. I try to use the services of companies that support the promotion of quality health delivery.					
16. Given the opportunity I will switch to brands that donate charity.					
17. Given the opportunity I will switch to a brand that gives back to the community.					
18. I make efforts to use the services of companies that support educational programmes.					
19. I avoid the services of companies that do not help to enhance the lives of community members.					

SECTION F: SUPPORT FOR THE DOMAIN

When consumers personally support the social issues that the company targets.	1	2	3	4	5
20. Companies should regularly make donations to charity.					
21. Companies should help in the development of education in the country.					
22. Companies should offer support to disaster victims.					
23. Companies should support in the delivery of quality health care.					

Your contribution has been of immense help to the study. Thank you very much.

APPENDIX 3

EXPERIMENTAL SCENARIO

Imagine that you are about to take a decision to use a mobile telecommunication service by getting connected to one of the network brands available in the country. Two network brands came to mind. These are MTN and Vodafone. These companies have a reputation of providing quality services to consumers such that consumers are not disappointed of network failure or network busy when they intend to use the services of these companies. The services of these companies are less or more costly than other companies that offer similar services.

You recently heard MTN and Vodafone were rated best in the mobile telecommunication industry in corporate philanthropy and employees' community involvement. The reasons for the high rating were mainly based on the contributions made by the companies in areas such as charitable donations, support in the development of education, supply of relief items to disaster victims and support for quality health delivery. The companies contribute more in the above areas than other companies. The rating was given by a highly respected, impartial organization that evaluates companies.

Note: Respondents in the control groups received only the first paragraph of the scenario.

APPENDIX 4

**FREQUENCY DISTRIBUTION OF RESPONSES TO COMPANY
IMAGE (EXPERIMENTAL GROUP)**

Company Image Factors	Response	Frequency	Percent age
My opinion about MTN or Vodafone is favourable	High in agreement	126	76.8
	Low in agreement	38	23.1
	Total	164	100.0
My opinion about MTN or Vodafone is good	High in agreement	120	72.4
	Low in agreement	44	26.9
	Total	164	100.0
My opinion about MTN or Vodafone is beneficial	High in agreement	118	91.9
	Low in agreement	46	28.0
	Total	164	100.0

APPENDIX 5

**FREQUENCY DISTRIBUTION OF RESPONSES TO PURCHASE
DECISION (EXPERIMENTAL GROUP)**

Purchase Decision Factors	Response	Frequency	Percentage
Anytime I want to use mobile telecommunication service I do buy from MTN or Vodafone.	High in agreement	120	73.2
	Low in agreement	44	47.6
	Total	164	100.0
I will always use the services of MTN or Vodafone so long as the companies exist	High in agreement	119	72.6
	Low in agreement	45	27.5
	Total	164	100.0
I will definitely use the services of MTN or Vodafone no matter how much it will cost me.	High in agreement	116	70.7
	Low in agreement	48	29.3
	Total	164	100.0

APPENDIX 6

**FREQUENCY DISTRIBUTION OF RESPONSES TO
CONSUMER- COMPANY IDENTIFICATION**

Consumer-Company Identification Factors	Response	Frequency	Percentage
When someone criticises MTN or Vodafone it feels like a personal insult.	High in agreement	120	73.2
	Low in agreement	44	26.8
	Total	164	100.0
I am very interested in what others think about MTN or Vodafone.	High in agreement	121	73.7
	Low in agreement	43	26.2
	Total	164	100.0
When I talk about MTN or Vodafone I usually say 'we' rather than 'they'.	High in agreement	121	73.8
	Low in agreement	43	26.2
	Total	164	100.0
I take joy in the success of MTN or Vodafone.	High in agreement	122	75.0
	Low in agreement	41	25.0
	Total	164	100.0
When someone compliments MTN or Vodafone then it feels like a personal compliment.	High in agreement	117	70.7
	Low in agreement	47	28.7
	Total	164	100.0

APPENDIX 7

FREQUENCY DISTRIBUTION OF RESPONSES TO SOCIALLY RESPONSIBLE CONSUMER BEHAVIOUR

Socially Responsible Consumer Behaviour Factors	Response	Frequency	Percentage
I try to buy from companies that support natural disaster victims.	High in agreement	117	71.3
	Low in agreement	47	28.7
	Total	164	100.0
I try to use the services of MTN or Vodafone no matter what because they help the needy.	High in agreement	116	70.7
	Low in agreement	48	29.3
	Total	164	100.0
Given the opportunity to switch to a company that helps in the development of education I will do.	High in agreement	119	72.5
	Low in agreement	55	27.5
	Total	164	100.0
I try to use the services of companies that support the promotion of quality health delivery.	High in agreement	126	76.8
	Low in agreement	38	23.2
	Total	164	100.0
Given the opportunity I will switch to brands that donate charity.	High in agreement	118	72.0
	Low in agreement	46	28.0
	Total	164	100.0
Given the opportunity I will switch to a brand that gives back to the community.	High in agreement	118	72.0
	Low in agreement	46	28.0
	Total	164	100.0
I make efforts to use the services of companies that support educational programmes.	High in agreement	121	73.8
	Low in agreement	43	29.3
	Total	164	100.0
I avoid the services of companies that do not help to enhance the lives of community members.	High in agreement	121	73.7
	Low in agreement	43	26.3
	Total	164	100.0

APPENDIX 8

**FREQUENCY DISTRIBUTION OF RESPONSES TO SUPPORT
FOR THE DOMAIN**

Support for the Domain Factors	Response	Frequency	Percentage
Companies should regularly make donations to charity.	High in agreement	123	75
	Low in agreement	41	25
	Total	164	100.0
Companies should help in the development of education in the country.	High in agreement	114	69.8
	Low in agreement	50	30.2
	Total	164	100.0
Companies should offer support to disaster victims.	High in agreement	121	73.7
	Low in agreement	43	26.3
	Total	164	100.0
Companies should support in the delivery of quality health care	High in agreement	119	72.5
	Low in agreement	45	27.5
	Total	164	100.0

APPENDIX 9

**FREQUENCY DISTRIBUTION OF RESPONSES TO COMPANY
IMAGE (CONTROL GROUP)**

Company Image Factors	Response	Cumulative Frequency	Percentage
My opinion about MTN or Vodafone is favourable	High in agreement	51	44.4
	Low in agreement	97	65.6
	Total	148	100
My opinion about MTN or Vodafone is good	High in agreement	37	25
	Low in agreement	111	75
	Total	148	100
My opinion about MTN or Vodafone is beneficial	High in agreement	34	23
	Low in agreement	114	77
	Total	148	100

APPENDIX 10

**FREQUENCY DISTRIBUTION OF RESPONSES TO
PURCHASE DECISION (CONTROL GROUP)**

Purchase Decision Factors	Response	Cumulative Frequency	Percentage
Anytime I want to use mobile telecommunication service I do buy from MTN or Vodafone.	High in agreement	34	23
	Low in agreement	114	77
	Total	148	100
I will always use the services of MTN or Vodafone so long as the companies exist	High in agreement	34	23
	Low in agreement	114	77
	Total	148	100
I will definitely use the services of MTN or Vodafone no matter how much it will cost me.	High in agreement	36	24.3
	Low in agreement	112	75.7
	Total	148	100

APPENDIX 11

**FREQUENCY DISTRIBUTION OF RESPONSES TO
CONSUMER- COMPANY IDENTIFICATION (CONTROL
GROUP)**

Consumer-Company Identification Factors	Response	Cumulative Frequency	Percentage
When someone criticises MTN or Vodafone it feels like a personal insult.	High in agreement	34	23
	Low in agreement	114	77.0
	Total	148	100
I am very interested in what others think about MTN or Vodafone.	High in agreement	42	28.4
	Low in agreement	106	71.6
	Total	148	100
When I talk about MTN or Vodafone I usually say 'we' rather than 'they'.	High in agreement	35	24
	Low in agreement	113	76.3
	Total	148	100
I take joy in the success of MTN or Vodafone.	High in agreement	37	25
	Low in agreement	111	75
	Total	148	100
When someone compliments MTN or Vodafone then it feels like a personal compliment.	High in agreement	42	28.4
	Low in agreement	158	71.6
	Total	148	100

APPENDIX 12

FREQUENCY DISTRIBUTION OF RESPONSES TO SOCIALLY RESPONSIBLE CONSUMER BEHAVIOUR (CONTROL GROUP)

Socially Responsible Consumer Behaviour Factors	Response	Frequency	Percentage
I try to buy from companies that support natural disaster victims.	High in agreement	116	78.4
	Low in agreement	32	21.6
	Total	148	100.0
I try to use the services of MTN or Vodafone no matter what because they help the needy.	High in agreement	112	75.7
	Low in agreement	36	24.3
	Total	148	100.0
Given the opportunity to switch to a company that helps in the development of education I will do.	High in agreement	111	75
	Low in agreement	37	25
	Total	148	100.0
I try to use the services of companies that support the promotion of quality health delivery.	High in agreement	112	75.6
	Low in agreement	36	24.4
	Total	148	100.0
Given the opportunity I will switch to brands that donate charity.	High in agreement	111	75
	Low in agreement	37	25
	Total	148	100.0
Given the opportunity I will switch to a brand that gives back to the community.	High in agreement	112	75.7
	Low in agreement	36	24.3
	Total	148	100.0
I make efforts to use the services of companies that support educational programmes.	High in agreement	111	75
	Low in agreement	37	25
	Total	164	100.0
I avoid the services of companies that do not help to enhance the lives of community members.	High in agreement	113	76
	Low in agreement	35	24
	Total	148	100.0

APPENDIX 13

**FREQUENCY DISTRIBUTION OF RESPONSES TO SUPPORT
FOR THE DOMAIN (CONTROL GROUP)**

Support for the Domain Factors	Response	Cumulative Frequency	Percentage
Companies should regularly make donations to charity.	High in agreement	96	64.9
	Low in agreement	52	35.1
	Total	148	100
Companies should help in the development of education in the country.	High in agreement	102	69
	Low in agreement	46	31.0
	Total	148	100
Companies should offer support to disaster victims.	High in agreement	112	75.7
	Low in agreement	36	24.3
	Total	148	100
Companies should support in the delivery of quality health care.	High in agreement	118	79.8
	Low in agreement	30	20.2
	Total	148	100