



St. MARY'S UNIVERSITY
DEPARTMENT OF MARKETING MANAGEMENT

**THE EFFECT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICE
ON BUILDING BRAND EQUITY: THE CASE STUDY OF HILTON ADDIS
ABABA**

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Addis Ababa, Ethiopia

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**Thesis Submitted to St. Mary's University, Marketing Department in partial
fulfillment of the requirement of the degree of Masters of Arts in
Marketing Management**

**December, 2020
Addis Ababa, Ethiopia**

DECLARATION

I Tariku Amare, the undersigned, hereby declare that this thesis paper entitled “The Effect of Corporate Social Responsibility Practice On Building Of Brand Equity: Case Study on Hilton Addis Ababa” is my original work and that it has not been submitted partially; or in full, by any other person for the award of a degree in any other university or institution. And all sources used for the study have been duly acknowledged.

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LETTER OF CERTIFICATION

This is to certify that Tariku Amare carried out her study on the topic entitled: “The Effect of Corporate Social Responsibility Practice on Building of Brand Equity: Case Study on Hilton Addis Ababa”. This work is original in nature and suitable for submission for the award of Masters of Arts in Marketing Management.

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ACRONYM

CSR: Corporate Social Responsibilities

BE: Brand Equity

ABSTRACT

Corporate social responsibility (CSR) is becoming a tool for competitive positioning. It is the basis for brand choice among other advantages and therefore described as a strategic tool in marketing. In spite of these observations, there appears to be a rarity of studies, linking CSR to brand equity. This study therefore ascertains the role of CSR initiatives in building brand equity dimensions. Both quantitative and qualitative research approaches and explanatory research design were used. Primary data was collected using a five-point Likert scale. The study had 100% response rate. Statistical Package for the Social Sciences (SPSS) version 21 was employed to analyze the data. Relatively a high level of agreement was observed on societal CSR dimension of CSR with a mean score of 4.45. The correlation result indicates significant association between CSR to stakeholders and brand equity with the value of 0.982. Furthermore, a relatively high level of significant association of environmental and societal CSR with brand equity was observed with the value of 0.906 and 0.816 respectively. Further, the three assumption tests were checked before regression analysis was undertaken. These are Normality, Linearity and Multi-collinearity. It was found that there is a reasonable normal distribution and linearity on the collected data and less multi-collinearity between the variables. The variations explained by the regression of CSR practices on brand equity are 97.4%. There is a relatively good fit between the model and data. According to the main findings, CSR to stakeholder's environmental and societal CSR practices have a positive and significant effect on brand equity. Thus, based on the findings of the study, the organization is recommended that among the three major aspects of social responsibilities more CSR attention needs to focus on improving stakeholders' interests.

Key words: *Corporate social responsibility, CSR to stakeholders, environmental CSR and societal CSR*

CHAPTER ONE

1. INTRODUCTION

1.1 Back ground of the study

Corporate Social Responsibility is the set of principles that companies use to contribute positively to the society. In recent decades, managers are trying to figure out how they can support companies to work for social and economic growth (Zaman, R , 2014).

Corporate Social Responsibility (CSR) is a concept that has attracted worldwide attention and acquired a new resonance in the global economy. While globalization and international trade have given way to tremendous opportunities, they have also opened the door to increased complexities for countries across the globe. This has resulted in the call and urge for enhanced transparency and corporate citizenship and opened the gateway for a culture called Corporate Social Responsibility or CSR which in fact allows for corporations to take on a role in the society, to play the guardian and to show it cares (Werther Jr, W.B., & Chandler, D.,2005). Corporate social responsibility (CSR) can benefit companies through promoting a positive public image while creating a workplace with satisfied employees, happy customers, and lower costs. It can be a win-win scenario for both the companies and their stakeholders (Weyzig, F. , 2009). Recent studies show that companies engaging in socially responsible behavior tend to show long-term financial gains and increases in value (Weiss, M.J., 2008). The companies showed a financial loss or a small positive difference in the first three years because most of the benefits of socially responsible behavior occur over the long term. An organization's reputation can be a strong reason for the company to engage in socially responsible behavior. Companies have traditionally had to rely on approaches for their operations and benefit, such as differentiation, diversification, turnaround, concentration and globalization. However, recent developments in strategic thinking support the need to add activities that expand out from the company into society (Carroll, 1979). One of the significant gaps in the literature is the scarcity of research addressing the philosophy and practice of CSR in developing countries (Dobers, P. & Halme, M. , 2009). CSR has also increasingly been used in marketing as a shield to reduce public disapproval of corporate actions and to build strong, values-based corporate brands (Klein, J.G.,

Smith, C.N., & John, A., 2004). Therefore, this study aimed to examine the relationship between CSR practice and company brand building efforts and show how this can influence organizational brand value in the case of Helton hotel in Ethiopia.

1.2 Back ground of the organization

Hilton Worldwide Holdings Inc., formerly Hilton Hotels Corporation, is an American multinational hospitality company that manages and franchises a broad portfolio of hotels and resorts. Founded by Conrad Hilton in May 1919, the corporation is now led by Christopher J. Nassetta. Hilton is headquartered in Tysons Corner, Virginia. As of May 7, 2020, its portfolio includes 6110 properties in 120 countries and territories, including 689 that are managed and 4,947 that are franchised, with the combined managed and franchised properties. Hilton has 18 brands across different market segments.

The Hilton Addis Ababa was opened in 1969 by the Emperor Haile Selassie who launched of the hotel by hosting international dignitaries and diplomats while using the special occasion to introduce international hospitality to Ethiopia. From that early significant opening, Hilton Addis Ababa has been part of the Addis Ababa city landscape and a leading member of the city's community for 50 years, and has proudly witnessed the capital's development into the economic powerhouse. Hilton Addis Ababa has many unique characteristics designed to reflect the pride that have in Ethiopia and in the capital.

1.3 Statement of the problem

Corporate social responsibility (CSR) is receiving increasing attention, especially in recent decades. The implementation of a CSR policy may generate a trusting relationship between the company and stakeholders that causes stakeholders to become committed to the organization through actions such as customer loyalty, stockholder capital investments, and supplier investments (Garbarino, E., & Johnson, M. S. , 1999). The underlying interest and concern for CSR application is the fact that firms do not operate in a separate vacuum. Rather they can be viewed as open systems dependent on some actors and influential to others, through exchanging output with the environment. The growing importance of CSR is due to the fact that there is a social contract between the firm and the society for the collective good and survival. As long as

this interdependence between the firm and society exist, the interest in CSR will remain important among marketing scholars and practitioners (Keith, R. J. , 1960).

With the current rising awareness of consumer regarding corporate responsibility (CSR), it is important for the hotel industry to begin profiling their efforts at social responsibility as part of their overall corporate and business strategies (Judy L. and Fevzi O., 2007). A robust CSR program will help attract and retain employees, build brand within the community and help forge long-lasting partnerships. Organizations that align the CSR objectives with business goals and community needs are able to see how it stimulates growth for the organization, as well as their community partners (Jones, T.M., 1995). There are many reasons an organization would engage in socially responsible behavior. The most prominent are the importance of doing what is right toward the community, the environment, and social causes. Other reasons may include financial benefits (because of lower costs), earning a positive reputation as an organization, helping the environment, assisting local communities ,improving employee job satisfaction, and stakeholder theory (Sabrina Helm , 2005).

Some studies examine how CSR affects the overall organizational performance and provided empirical evidence (McGuire, J., Sundgren, A. and Schneeweis, T. , 1988). McGuire et al. (1988) examines, the cause related marketing purpose is to increase firms total revenue and annual sales through highlighting social responsible attributes as a point of differences. In the other side Brown and Dacin (1997) found CSR associations may have diverse impacts on customer responses to products. Hoeffler and Keller (2002) also outlay six areas where CSR marketing can strengthen brand associations. Lai et al.'s (2015) findings reveal that CSR has positive effects on industrial brand equity and brand performance. Chahal and Sharma's (2006) also underlined that, the higher the integration of CSR approaches, the more likely there will be better brand equity, and ultimately, a competitive advantage. In looking scholar's argument in favor of CSR positive contribution, CSR is considered as one important activity of a business to affect brand equity. In the practical reasoning in Ethiopia, the researcher believes that application of corporate social responsibility practices in maintaining of brand equity is not well developed as well as no study is conducted specifically in the hotel industry.

Hilton Addis Ababa, as international company, has engaged in many CSR activities to increase its brand equity. The hotel management believe that community activities can be seen as a way to assist others and to help an organization maintain a positive reputation and acquire some positive exposure, whether in the local community or around the world. Improvements to a company's reputation through practicing social responsibility can also lead to increased brand equity (Kevin Keller, 1993). As companies should measure their brand equity through corporate social responsibility, the key question in these concerns is to what level these CSR practices were useful in building of brand equity. So far no research was conducted to the specific case of the hotel industry in Ethiopia. Therefore, this study was attempted to examine the applicability and practices of CSR performed by Hilton Addis Ababa hotel. Therefore, this research were contributed towards filling the knowledge gap regarding the effect of corporate social responsibility on brand equity of the Hilton Addis Ababa hotel by examined three relevant feature of CSR such as environment, society, and stockholder and also attempted to show their effect on brand equity.

1.4 Research question

The study attempted to answer the following research questions:

- 1) Do Hilton Addis Ababa's environment (environmental CSR) CSR activities have a positive and significant influence on brand equity?
- 2) Do Hilton Addis Ababa's society (societal CSR) has positively and significantly effect on brand equity?
- 3) Do Hilton Addis Ababa's CSR activities which related to stakeholders has positively and significantly effect on brand equity?

1.5 Research Objectives

1.5.1 General objectives

The main objective of the study was to examine the effect of corporate social responsibility practice on brand equity in the case of Hilton Addis Ababa.

1.5.2 Specific objectives

In light with the above general objective, the following specific objectives were finally addressed.

- 1) To examined the effect of environmental feature of CSR on the brand equity of Hilton Addis Ababa.
- 2) To determine the effect of societal feature of CSR on brand equity of Hilton Addis Ababa.
- 3) To analyzed the effect of stakeholder feature of CSR on brand equity of Hilton Addis Ababa.

1.6 Significance of the study

The outcome of this study would be relevant to different similar companies to determine the various factors that influence the brand equity and adjust their corporate social responsibility strategies accordingly. It would also help the firms to utilize their resources in optimum way and increase brand equity. Furthermore, the study investigates the effects of corporate social responsibility dimensions on brand equity. Regardless for a number of researches previously done on the issue, it contributes its own part for reference for those who are interested to study in depth. The result of this study would also help Hilton Addis to analyze its corporate social responsibility in order to meet the planned brand equity by creating a better understanding on the corporate social responsibility.

1.7 Scope of the study

Many researchers shows their effort to examine about the relationship between corporate social responsibility and brand equity by linked with different variables such as economic, legal, ethical, and discretionary, however this research paper is not reflect those variable. However, it merely intended to investigate how the frame work of three variables of CSR such as environmental, societal and stakeholder affect brand equity of Helton Addis Ababa. Further, the scope of this study was delimited to examine the effect of corporate social responsibility on brand equity case wise. The research did not considered other various popular marketing strategies that have effect on brand equity.

1.8 Definition of key terms

Brand: The term brand is a complex symbol. It is the intangible sum of a product's attributes its name, packaging and price, its history, reputation, and the way it's advertised. A brand is also defined by consumer's impression of people who use it, as well as their own experience (Keller, 2009).

Hilton Hotels & Resorts: (formerly known as Hilton Hotels) are a global brand of full-service hotels and resorts and the flagship brand of American multinational hospitality company Hilton (Lyn Mettler, 2016).

Corporate Social Responsibility (CSR): is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2001).

Brand Equity: is the differential effect of brand knowledge on consumer response to the marketing of the brand" (Keller, 1993).

1.9 Organization of the study

This study is organized in five chapters. The first chapter deals with the introduction part which encompasses the background of the study, the statement of the research problem, objectives of the study, research hypothesis, significance of the study, scope of the study and limitations of the study. The second chapter deals with the review of related literature, i.e., theoretical review, empirical review and finally discusses about the conceptual framework and research hypotheses. Chapter three focuses on the research methodology including research design, approach, data collection tool and procedures, sample and sampling techniques and methods of data analysis. The fourth chapter presents the detailed result analysis and discussion of the data. Finally, summary, conclusions and recommendations have been presented under fifth chapter.

CHAPTER TWO

2. REVIEW OF LITRATURE

2.1 Introduction

This chapter provides an insight about the theoretical background of the topics under study. In line with the objectives of the study, the chapter covers topics related CSR, brand equity and its dimensions and the effect of CSR on building brand equity. In addition, the present chapter includes definition of concepts and relevant variables in theoretical framework section. Furthermore, the empirical review on previous literatures is done to acquire comprehensive intellectual understanding on the subject matter. At the end of the chapter, the hypothesis and the conceptual framework of the study has been presented to show the nature of relationship of the research variables

2.2 Theoretical Background

2.2.1 The evolution of corporate social responsibility (CSR)

Corporate social responsibility (CSR) has become one of the most talked about subjects in business today. The CSR debate has assumed national, international and global dimensions. Business organizations intending to maintain and increase their market share must therefore take a critical look at the subject.

Bowen (1953) who is considered as the “Father of Corporate Social Responsibility” defines CSR as the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society. He therefore conceptualized CSR as a social obligation with a broader perspective rather than mere business responsibilities. In his view, CSR includes corporate citizenship, stewardship, social audit, responsiveness and rudimentary stakeholder theory. Frederick (1960) explained CSR as the use of society’s resources, economic and human, in such a way that the whole society gets maximum benefits beyond the corporate entities and their owners. His explanation clearly indicates that the responsibility of management is not just creating wealth for the business, but

for the society as well. Davis (1973) suggests that social responsibility refers to the businessmen's decision and action taken for reasons, at least, partially beyond the firm's direct economic and technical interest.

Eells and Walton (1974) expressed their views about corporate power by explaining CSR in terms of problems that arise when a corporate enterprise meddles in the social scene and the ethical principles that ought to govern the relationships between the corporation and society. Each of these prominent writers of the decade had their own interpretations of CSR, although all of them unanimously agree on the fact that business responsibility should go beyond the economic interests of the organization. Such theories can be considered as the basis of the modern CSR concepts, which were refined in later years. Walton (1967) in his book introduces the element of voluntarism on the part of firms and posits that firms do not get economic return for engaging in CSR activities. Walton further explains that external stakeholders have a different set of priorities; enterprises have options, and voluntary actions to meet the expectations of external stakeholders. This demonstrated that Walton saw a link between a firm's social responsibility and its financial performance in contrast to Davis's (1960) view that saw a negative correlation because of the intangible benefits of CSR activities.

In the 1970s, the number of authors writing and making reference to CSR increased rapidly. The convention of CSR is identified by Johnson (1971, p. 50) as being that a socially responsible firm is one whose managerial staff balances a multiplicity of interests instead of striving only for larger profits for its shareholders'. The second pluralistic definition, according to Johnson (1971, p. 59), is that 'social responsibility assumes that the prime motivation of the business firm is profit maximization; that business seeks multiple goals rather than only profit maximization'. This can be perceived as a forerunner of the stakeholder theory on CSR participation. Johnson believed a business can rank its goals and assign an importance to each target accordingly (Johnson, H.L. , 1971). Eilbert and Parket (1973) introduced the concept of community in CSR literature and define CSR using the term neighborhood's perhaps the best way to understand social responsibility is to think of it as good neighbors.

Eells and Walton (1974) took a broader view of corporate activities, which could be assumed as moving towards the concept of social license that was to emerge more fully nearly thirty years

later. They suggested that a corporate executive must remain grounded in his/her philosophy, open in his/her attitude and able to take decisive actions that are immediately profitable and compatible with the accepted values of his/her society.

Sethi (1975) expounded a similar idea based on enterprises as an integral part of the society. He proposed a three-tiered model that classified corporate behavior in terms of increasing levels of commitment by enterprises, namely, social obligation (a response to legal and market constraints); social responsibility (congruent with societal norms); and social responsiveness (adaptive, anticipatory and preventive). In Sethi's view, social responsibility goes beyond social obligation and includes the need to bring corporate behavior up to a level where it is congruent with the prevailing social norms, values and expectations of all stakeholders.

2.2.2 The concept of corporate social Responsibilities

Various CSR Definitions across the world have been given by different authors. Jones (1980) and Davis (1973) define CSR as the awareness that firms have an obligation towards society, other than their usual stakeholders. Smith (2002) defines the concept as the integration of business operations and values whereby the interests of all stakeholders, including customers, employees, investors, and the environment, are reflected in the organization's policies and actions. Boone and Kurtz (1989) refer to those management philosophies, policies, procedures and actions that have the advancement of society's welfare as one of their primary objectives. According to Commission of the European Communities (2006), corporate social responsibility is defined as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". According to Bowen, (1953) CSR is the obligations of the businessman to pursue those policies, to make those decisions, or to follow those lines of action, which are desirable in terms of the objectives and values of our society.

There are a variety of theories in the concept of CSR which are designed in different perspectives and which are contradicting each other. In practice, the following theories are frequently studied and adopted for CSR by reputable journals.

I. Stakeholder Theory

Although there is evidence in previous decades, that (Freeman, 1984) integrate its concept to a strategic management construct. He clearly stated that there are two distinct versions of Stakeholder theory, the first would be an expanded version that includes all the groups that can affect or are affected by the decisions and actions of the company, and the second relates to a narrow version that relies on groups that put something in risk in relation to the company and that are necessary for their survival. In this version, activist groups and the environment are not considered legitimate stakeholders. The focus of this construct would be the decision-making management directed to the interests of different stakeholders. Fombrun, (2005) also advocate that company can use CSR as a mechanism to signal its positive image to the stakeholders.

II. Social Identity theory

A review of related literature reveals that Social Identity theory provides an explanation for the link between corporate social activities and employees' work attitudes. The theory proposes that people tend to describe their self-descriptions in a social context and classify themselves and others into different social categories (Ashforth and Mael, 1989; Dutton et al., 1994).

Social Identity theory also advocate that if employees perceive their organization as being a socially responsible member of society, the senses of belongingness to this favorable reputable organization can enhance their self-concepts (Smith et al., 2001).

According to the theory, it can be proposed that if an employee starts to be proud of being a member of socially responsible organization, his or her work attitudes can be influenced positively (Ashforth and Mael, 1989; Dutton et al., 1994; Maignan and Ferrell, 2003; Peterson, 2004), briefly, claimed that an employee's enhancing social identity, as a result of being a member of reputable organization, will affect his or her work attitudes.

III. Institutional theory

Institutional theory has been applied to CSR in a paper by (Jones, 1995). The author concludes that companies involved in repeated transactions with stakeholders on the basis of trust and cooperation are motivated to be honest, trustworthy, and ethical because the returns to such behavior are high.

This theory further suggests that firms do not make decisions regarding CSR purely on the basis of instrumental decision making, but that such decisions are framed vis-à-vis a broader social context. Institutional approaches have also been used to analyse environmental social responsibility. More specifically (Jennings and Zandbergen, 1995) analyze the role of institutions in shaping the consensus within a firm regarding the establishment of an ‘ecologically sustainable’ organization.

IV. Agency theory

An agency theory perspective implies that CSR is a misuse of corporate resources that would be better spent on valued-added internal projects or returned to shareholders. It also suggests that CSR is an executive perk, in the sense that managers use CSR to advance their careers or other personal agendas. (Doh, J., Husted, B. and Yang, X. 2016).

V. Resource-based-view (RBV) theory

This theory was introduced by (Wernerfelt, 1984) and refined by (Barney, 1991), it presumes that firms are bundles of heterogeneous resources and capabilities that are imperfectly mobile across firms. Moreover (Barney, 1991) maintains that if these resources and capabilities are valuable, rare, inimitable and non-substitutable, they can constitute a source of sustainable competitive advantage. Russo and Fouts, (1997) tested this theory empirically using firm-level data on environmental and accounting profitability and found that firms with higher levels of environmental performance had superior financial performance, which they interpreted to be consistent with the RBV theory.

2.2.3 Type of corporate social responsibilities

The four kinds of social responsibility identified by Archie B. Carroll (1979) are legal responsibilities, ethical responsibilities, economic responsibilities, and philanthropic responsibilities.

Economic Responsibility: The most common responsibility of business organizations is economic responsibility. Since the establishment of industries, business organizations were producing goods and satisfying customer wants. They were creating new job and paying for the

worker. Profit was earned for the owner as well as service was given to the customer (Lantos 2001). Companies can maximize or make profit by producing quality goods and services that are required by society.

Legal Responsibility

According to Archie Carroll, the legal responsibility of a firm requires that there should be compliance with the law. This implies that the operations and activities of the organization should be in conformity with laws from, inter alia, the national, regional, and district levels. Business organizations are not only expected to earn profit but they are also expected to run according to laws and regulations of the state and the local government. As a social responsibility business organization are expected to operate within the framework of the law (Carroll, 1979).

Ethical Responsibility

Ethical responsibilities require that business entities show attitudes and behaviors that are consistent with social norms beyond what the law requires. It reflects a concern for what consumers, employees, shareholders and the community regard as fair and also as a protection of a stakeholder's moral rights. Ethical responsibilities come after fulfilling the economic and legal responsibilities which are obligatory. Ethical responsibilities are not obligatory and are more pragmatic because the owner or the company believes it is a positive thing to do. Being eco-friendly, paying fair wages to the workers are the example of ethical responsibilities. Business firms are usually encouraged to operate their business according to the law by the ethical responsibility (Carroll, 1979).

Philanthropic Responsibility

A more common approach of CSR is philanthropy. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries. Some organizations do not like this approach as it does not help build on the skills of the local people, whereas community-based development generally leads to more sustainable development. Organizations can engage in voluntary actions that enhance societal welfare. It is also known as voluntary or discretionary responsibilities. Examples of these responsibilities can include giving

to charitable causes such as drilling bore-holes in deprived communities and many more. Society expects business organization to be good corporate citizens. This can be done by providing goodwill to the community. Goodwill may include doing charity, social welfare and offering financial support for the non-governmental charity organizations. This responsibility is different from ethical responsibility. The difference is that the effect of philanthropic responsibility can usually get unnoticed. It is just the desire of the society (Carroll, 1979).



Figure 1 the pyramid of Corporate Social Responsibility

Source: Carroll (1979)

2.3 The Concept of Brand

Traditionally brand is commonly associated with a combination of signs, symbols, pictures that are intended to identify the product and to differentiate its products from competitors (American Marketing Association, 1960). This vision of the term “brand” is proposed by the American Marketing Association: “A brand is a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers” (1960), which is the mostly used in brand management.

Aaker (1996), Kotler (2012) and other well-known experts in the field of marketing and brand management also followed this definition. This leads to two main functions of the brand: product identification as well as the distinctiveness of products in a competitive environment. However, this definition is classical and narrow. For a more precise definition of a brand it is useful to consider the product concept, as it is closely related to a brand. According to this concept, the “core” of the product, or its first level, is the intangible benefit of an actual product, operational and technical specifications that define the basic use of the product, or, its benefit (Kotler & Armstrong, 2012). The second level is a generic product, a set of its attributes, its quality and brand image, meanwhile the next levels refer to the expected, augmented definition of a product, namely, its value-added services that distinguish this product from competitors’ products, in other words, the characteristics of the products that make a certain product more attractive to the consumer (Kotler & Armstrong, 2012). The most important objective of effective brand management is to ensure that the brand influences consumer behavior, which is essential for maintaining profits. Hence, to achieve this, the company should have the unity of three components: goods and services, brand identity, brand image and brand content. It is necessary to mention such important concepts in relation to the brand as brand image or its perception, the identity of the brand or the company’s vision on how the brand should be perceived, brand positioning or the element of the brand identity and value proposition, which is actively communicated to the target audience (Faircloth, J. B., Capella, L. M., & Alford B. L., , 2001).

It is also essential to recognize the difference between brand name and the product and, therefore, the concrete reasons why it is necessary to create a brand, not just to promote the product. Thus, the latter includes such features as application area, functional properties, quality and value. The brand properties include brand products consumers’ association with the country of origin and the company, brand personality, and most important, emotional benefits (Nasab & Abikari, 2016) and benefits of self-expression that a brand can deliver to the consumer.

Aaker (1996) suggests the following definition: “The identity of the brand is a set of unique associations that the brand developers need to create or maintain. These associations represent the value of the brand and the promises that are given to consumers”. Hence, the brand is a unique set of attributes associated with the brand that describes its promise to the consumers.

2.3.1 Brand Equity Model

Brand equity models originate from three different perspectives. These are the cognitive psychology perspective, the information economics perspective, and the financial markets perspective (Baalbaki, 2012). The cognitive psychology perspective defines brand's equity as the differential consumer response to a brand's marketing mix that results from consumers' associations to a brand (Aaker, 1991; Keller, 1993). The implication of this perspective is that brands for which consumers have more favorable brand associations, or brands with higher brand equity, has the propensity to generate more positive marketing mix responses from consumers than brands with less favorable brand associations. Therefore, in terms of cognitive perspective, brand equity is the results of consumers' responses to marketing activities, influenced by consumer brand associations (Anderson, 1994)

The second perspective of brand equity is the information economics perspective. In this perspective, brand equity is viewed as the increased utility that a brand name gives to a product (Wernerfelt, 1988). The brand name gives signal to consumers of product quality, which is derived from perceived firm costs or investments, and this perceived quality reduces information costs for the consumer, thereby increasing utility. This perspective is important because it recognises that firms make investments and incur costs in marketing their brands. The information economics perspective is therefore useful in the measurement of brand equity (Anderson, 1994). In measuring brand equity scholars such as Keller and Lehmann, (2003); and Epstein and Westbrook, (2001) have suggested that brand equity measurement should be comprehensive and therefore must incorporate the customer perspective and the firm level perspective. Understanding brand equity at the consumer level in this regard, requires an appreciation of the value of the brand in the eyes of the consumer (Keller, 1993) In the measurement of company level brand equity, marketers are interested in gauging the added value that accrues to the company because of having a branded product.

However, it is generally classified into two broad categories which are the firm-based brand equity (FBBE), and the customer-based brand equity (CBBE).

The firm-based perspective describes the value of the brand for the firm, while the consumer-based perspective describes the value of the brand for the client (Keller, 1993).

Given that brand equity affects and brings value to multiple stakeholder groups, a third category of brand equity called employee-based brand equity (EBBE) has been recently proposed. King and Grace (2009) define employee-based brand equity as the differential effect that brand knowledge has on an employee's response to their work environment. In spite of the various categorization of brand equity described above, the term consumer-based brand equity is popularly used to refer to brand equity in general (Baalbaki, 2012; Rajassekar and Nalina, 2008)

David Aaker, the author of one of the most famous works about branding "Building strong brands" (1995), discusses the obstacles that potentially influence the brand. Among these factors there is price, competitor's proliferation, fragmentation of the brands in the media channels and different markets, the growing number of brands that could compete with the existing ones. Aaker enhances the point about tracking the brand equity, which includes the following elements: brand awareness, perceived quality, brand loyalty, and brand associations and other corporate assets such as patents, trademarks, distribution channels, etc. Brand equity, or brand assets, is usually understood as the cost of capital that brings added value (Faircloth, Capella & Alford, 2001). It is an assessment of the product's reputation, as is reflected in how consumers perceive the difference between the product and its superiority over others, leading to an increase in the volume of purchases (Avis, 2009). In other words, brand equity is the added value that becomes a product, associating with a particular brand name. According to Aaker (1991), brand equity is a collection of assets and liabilities associated with the brand, its name and symbol, which builds or weakens the value provided by the product or service of the company and or its customers.

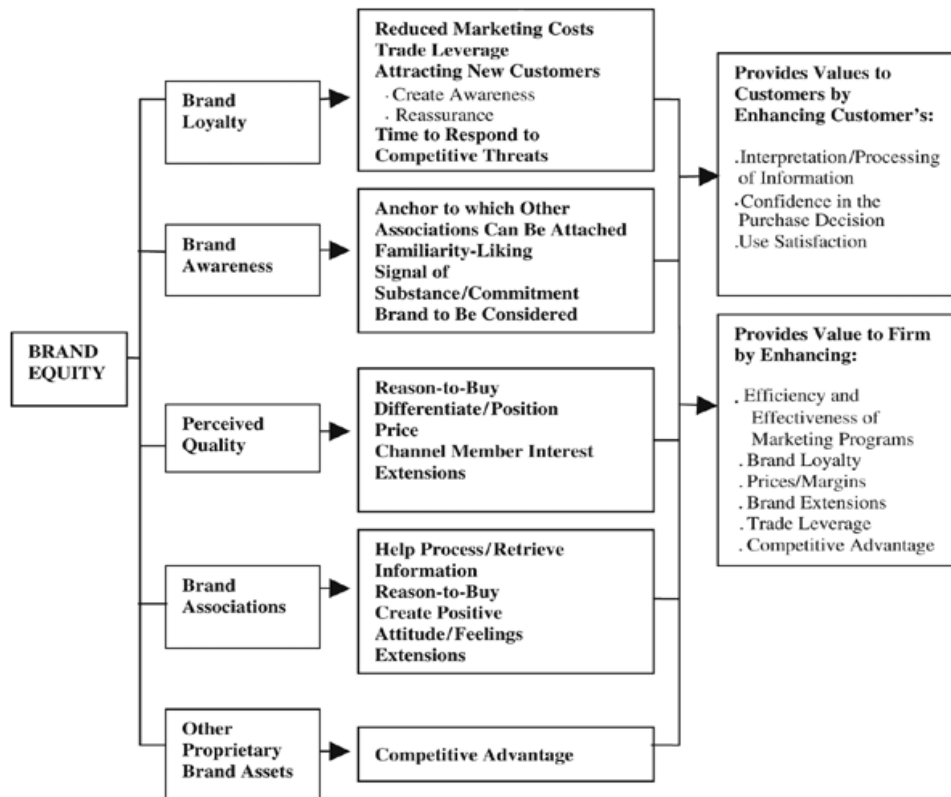


Figure 2 Aaker Brand Equity Model

Source: Aaker (1991)

2.3.2 Elements of brand equity

Five key dimensions of brand equity have been developed that include brand loyalty, brand awareness, perceived quality and brand association. Brand equity refers to the most valuable business operation of the researcher, as it results as a brand can enable business to thrive by gaining competitive advantage including the ability to develop and encourage procurement.

Brand loyalty

Brand loyalty is a measure of the attachment that a customer has to a brand (Aaker, David. A, 1996). It means the prospect of a consumer moving to another brand, especially when that brand changes, either in price or product features. Brand loyalty refers to the attitudes and behaviors of consumers towards the brand; otherwise, it is a mixture of distinct attitudes or behaviors. This is also the main component of a brand's equity because if consumers are indifferent to the brand

and simply buy with little brand name concern in terms of functionality, quality, and convenience, there is probably no equity there.

As brand loyalty improves, the customer base's vulnerability to competitive action is reduced. The strongest impact on brand equity was found in research done on the Brand Loyalty Construct (Tong, X., Hawley, J.M. , 2009). With another study of brand equity and trust, both behavioral and attitudinal forms of customer loyalty were consistently the most important antecedents (Taylor, SA, Celuch, K & Goodwin, S. , 2004).

Brand awareness

Brand awareness is the ability of a potential customer to identify or remember that a brand is a part of a specific product category. There is a relation between class of product and label. Brand perception involves a spectrum ranging from an uncertain sense of brand identification to the assumption that it is only relevant in the product class (Aaker, David. A.,1996). Even at recognition level, brand awareness can offer the commitment. Brand with a sense of familiarity and a material signal and Recognition at the recall stage further influence choices Influencing what brands are considered and chosen as the mark First enter the consideration set before being placed on the list of purchases. Brand awareness is linked to the strength of the brand node or locates in memory, as demonstrated by the ability of consumers to recognize the brand under variable circumstances. Brand name awareness especially refers to the notion of a brand name coming to mind and the ease in which it does so. Brand awareness is label identification and success brand recall (Keller, K. L., 1993). Keller (2013) noted that brand awareness entails of brand recognition and brand recall performance. Brand recognition is the ability of consumers to confirm previous exposure to the brand when given the brand as a cue, while brand recall is the ability of consumers to recover the brand from memory when given the product category, the needs met by the category, or the circumstance of purchase or use as a cue (Keller K. L., 2013).

Perceived quality

Perceived quality offers a justification for buying. According to Zeithaml (1988), the perceived quality refers to the consumer's judgment of the excellence or the global superiority of a product or of a service (Zeithaml, V. , 1988). Anderson *et al.* (1994) emphasize that the perceived

quality can be regarded from the consumer's point of view as an assessment of the company's current performance and that such action tends to positively influence its attitudes and behavioral intentions towards the supplier (Anderson, E.W., Fornell, C. and Lehmann, D.R. , 1994). On the other hand, the perceived quality is more related to an abstract judgment of the consumer than to the concrete attributes of the product or of the service (Zeithaml, V. , 1988). The quality associated with a brand can also be a powerful differentiating and positioning factor. Nevertheless, creating a strong durable brand suggests an above-average quality positioning or at least a basic perceived quality when considering products which are positioned as low-market competitors (Aaker, David. A.,1996).

Brand association

A brand association is linked to a brand in memory. A connection to a brand would be stronger if it is focused on a lot of marketing interactions or exposures, rather than a few. It'll also be better when a network of other connections supports it (Aaker, David. A.,1996).

2.3.3 Socially Responsible Brand

In the recent decades, there has been a continuous increase in cause sponsorship and corporate social responsibility initiatives. More companies tend to choose, for instance, donations or other forms of social investments as a part of their strategy. This explains the trend of applying cause-marketing practices in the companies that witnessed the consumers' response on their marketing message including a cause. Corporate social responsibility is usually attributed to a corporate brand meaning (Gatti, L., Albert Caruana, & Ivan Snehota., 2012). Thus, Edelman study (2012) has demonstrated that in the conditions of the products' quality and price equality, social orientation of the brand has significantly impacted on the consumer's buying behavior. Greene (2011) has stated that the purpose relevance in the global consumers' motivations has shifted upwards to twenty percent, which could mean a step towards the stronger brand affinity. Contrariwise, there is also a phenomenon of corporate social irresponsibility, (Nasab & Abikari, 2016), which evokes negative emotions of a consumer and leads to brand distrust or brand switching. This can refer to ethical violations, for instance, disrespectful attitude towards employees (Green, T., & Pelozo, J. , 2011). It became obvious that the trend of social responsibility initiatives becomes the norm for most global companies, such as Apple, Google,

Microsoft and many other companies that have demonstrated their social responsibility to the society (Smith, 2012). However, there are different companies and different understanding of social responsibility. There are many concepts that characterize social responsibility of business in forms of charity, philanthropy, social-marketing programs, sponsorship, etc. Despite the fact that each concept has its own characteristics, it can be generalized that all these concepts are reduced to one, namely, to assist those in need or to solve a global problem that humanity faces. Today, the social and marketing activities are not only aimed at solving social problems, but also to obtain economic benefit, expressed in increasing sales, increasing customer trust, strengthening the company's position in the market (Zhang, L., Hanks, L. , 2017). Authors on social responsibility and sustainability literature (Du & Sen, 2007) traditionally distinguish five steps in the development of social-marketing strategy of any organization to build competitive advantage: charity, which is expressed in support of the one-time, unsystematic appeals of citizens and civil society organizations, unfortunately, social activity usually stops on this without affecting the development of the enterprise and society; sponsorship of socially significant events and projects as both an access to the organization's target audience and a tool of socially responsible marketing (Elving, 2010). The following step is to define a clear focus on the priorities of the company's social activity, which is part of the company's image, creating additional intangible assets of trust and preference, for instance, the development of charity policy of the company inscribed in its strategy. The final step, according to authors (Du & Sen, 2015), is building a corporate charity policy that solves social problems of employees and corporate enterprise objectives. Socio-marketing projects can be an effective means of promoting brands and at the same time a tool for solving social problems: strengthening company's reputation and image; strengthening relationships with customers; increase customer loyalty and employees; increasing the investment attractiveness of the company (Du & Sen, 2015). Therefore, the social and marketing activity is a symbiosis of charity, sponsorship and PR, appealing to the public good. Today, company's success can be measured according to the extent it contributes to the societal well-being, whereas earlier it used to refer to financial performance of the company. According to Saunders (2006), the consumers are more prone to advice a brand that tends to contribute to social problems resolution, and are more likely to buy these brands even if they are more expensive than the ones that are not concerned with social issues. This provides company with a possibility to reduce its liabilities and insurance costs and to strengthen

a brand image. Consumers perceive the brand according to the brand performance and brand equity that was discussed above. Brand equity implies consumers' perception of a company above those that are referring to the product quality (Aaker, 1991). Brand performance implies the contribution of the brand towards the business performance. Previous research demonstrated that corporate social responsibility has a positive effect on brand loyalty. Brand loyalty, according to Armstrong (2008), is defined as the purchasing patterns of a consumer. These patterns repeat towards a particular brand that consumer usually purchases. Brand loyalty also includes consumer's recommendation and promotion of the brand to others. Brand loyalty can be classified: the hardcore consumers who purchase only one brand; the soft-core buying a small number certain brands; and the switchers who are not attached to any brand.

2.4 Empirical Evidences and Research Hypothesis

2.4.1 Corporate social responsibility (CSR) and brand equity

Corporate social responsibility and brand equity research generally define corporate social responsibility as a company's "status and activities with reference to its perceived societal or, at least, stakeholder obligations" (Brown, T. J. and P. A. Dacin, 1997). Authors explain the impact of Corporate Social Responsibility on brand equity. Riaz, (2010) showed clear evidence that CSR has profound impact on brand awareness, brand image, brand value and brand loyalty. Jones (2005) considered CSR as a key to sustain brands and achieve brand equity. Several past studies found that CSR and CSR practices have a positive effect on brand equity (Fatma, M., Rahman, Z., & Khan, I., 2015). These works measured brand equity based on Keller's and Aaker's approaches, however, this study would like to discover how CSR practices influence the financial approach of brand equity rather than customer-based brand equity. Campbell (2002) and Tiwari (2010) mentioned that the brand must be carefully managed because a strong brand is always linked to marketing success and can be used to determine the premium value that a buyer would pay during a merger or acquisition process. Moreover, for corporate decision makers, a strong brand is useful to obtain better financial terms and add value to the firm in various situations such as a competitive market and/or an adverse business climate (Dutordoir, Verbeeten, F., & Beijer, D. , 2015). Smith, Gradojevic and Irwin (2007) affirmed that one of the most interesting marketing factors that most private organizations were indulging in is in

developing brand equity. They also argued that now, most companies are distinguished by their brand thus they are evaluated based on how they perform in the eyes of society. Van Heerde et al. (2003) also suggested that loyalty can be impacted by brand equity and these two factors in turn can be driven by CSR initiatives.

2.4.2 Environment feature of CSR and Brand equity

The empirical evidence (Cheung et al., 2009) suggested that environmental corporate social responsibility have significant impact on industries to enhance their brand equity and they indicated that implementing environmental CSR could benefit not only manufacturers but service providers with internal drivers. Similarly such ideas have been supported by (Marin and Ruiz, 2006) that successful environmental CSR performance can improve a service provider's reputation. Moreover they argued that, environmental CSR is easy to understand and highly recognized by general consumers and media. Based on the existing evidence the authors conclude that more focus will be put on protecting and sustaining the nation as well as global environment. Manufacturers who undertook an environmental CSR initiative experienced a significantly positive effect on consumers' purchase intentions and company evaluation. The researcher who select environmental variable of CSR for banking case building brand equity is quite certain because (Marin and Ruiz, 2006) have found a direct association between a customer's attraction or liking for a bank and the bank's reputation for caring about CSR-related causes, such as environmental protection. (Chen, 2009) also added in support of the relation among CSR with brand equity, green trust as well as a company's green (environmentally friendly) brand image that was found to be positively associated with consumers' satisfaction.

Furthermore (Cheung, et, al., 2009) summarized that a company's strong philosophy of developing and operating environmentally sensitive properties is a key contributor to its continued success, despite external challenges. With supportive evidence from the literature, implementing environmentally focused CSR programs should yield more favorable brand preference by customers. Clarkson, (1995) supported that environmentally oriented CSR, such as the assisting of environmental activities and the incorporation of environmental sustainability into the business operations will strengthen brand image in consumers' minds. Similarly (Brown and Dacin, 1997) added that environmental CSR actions could enhance organizational performance and improve a corporate brand image. They also include that a company that cares

about environmental protection and seeks to maintain the natural environment has enable to enhance its brand equity.

H1: CSR which related to the environment (environmental CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa.

2.4.3 Societal feature of CSR that affects Brand equity

CSR with respect to society refers to activity that contributes to society's well-being (Turker, 2008). As Mohr et al., (2001) determined that companies face increasing pressure both to maintain profitability and behave in socially responsible ways. Similarly (Murray and Vogel, 1997) claimed that corporate CSR activities that address social issues could predispose people to a more positive impression of the business. In support, an experiment using 293 undergraduate students concluded that corporate philanthropy activities increased corporate brand association (Ricks, 2005). Singh et al., (2007) demonstrated that CSR behaviors intended to enhance social interests are positively related to brand image in a study involving several famous brands and a diversified group of citizens. Holcomb et al., (2007) study used content analysis to identify and describe social responsibility patterns in web sites, annual reports and CSR reports for the top ten hotel companies as listed in Hotels magazine. The findings reveal that 80 percent of the hotel companies analyzed reported socially responsible activities relating to some form of charitable donations and promotion of well-being in society. The reviewed literature also described that "after the 2004 Indian Ocean tsunami in Phuket, Thailand, many firms actively engaged in various activities to restore local communities through efforts that included raising funds, providing support for rebuilding homes and schools, sponsoring orphans and making sympathetic and encouraging public statements." Those sincere and generous outreach activities significantly enhanced firms' brand image and consumers' as evaluated by (Henderson, 2007). Moreover, there is considerable similarity between the concepts of corporate social responsibility and corporate reputation (Hillenbrand and Money, 2007); perceived positive corporate reputation of the service provider has a significant positive impact on brand equity (Alamro and Rowley, 2011).

H2: CSR which related to society (societal CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa

2.4.4 Stakeholders' feature of CSR that affects brand equity

The following empirical review which focuses on stakeholders that CSR Company's responsibility to act in ways that affect stakeholders positively and that go beyond its economic interest (Turker, 2008). The importance of CSR to stakeholders has previously been studied. Mohr et al., (2001) as mentioned, listed CSR to stakeholders as one of the two major CSR types. CSR activities have the potential value to strengthen the relationship between firms and stakeholders (Peloza and Shang, 2010). According to Maignan and Ferrell, (2003) the nature of CSR communication activities concerns not only creates awareness for CSR and support for an image or a brand, but it is also a way of creating a bond between the company and its stakeholders. On the other hand (Creyer, 1997) found that corporate ethical behaviors (mainly related to stakeholders) were favored by customers and considered an important factor when making a purchase decision. Sen, (2006) further argued that "It is important for banking companies to spend their resources on CSR initiatives in such a way that they lead to substantial benefits for stakeholders and society." when engaging in CSR activities, companies tend to gain a more positive perception and favorable attitude of its stakeholders. The study demonstrated that consumers' demand may be relatively more price inelastic for products produced by firms involved in ethical CSR actions. For example (Peloza and Shang, 2010) examined that the impact of CSR on companies' return on assets performance and found a positive impact when stakeholders such as managers and executives were studied. Stakeholders aware of a company's CSR activities reacted positively by purchasing its products, but also had more positive perceptions about the company's employment practices and investment behaviors (Sen, 2006). Clarkson, (1995) describe that corporate social performance and stakeholders' satisfaction can be analyzed and evaluated effectively by considering management of a corporation's relationships with its stakeholders. Additionally (Torres et al., 2012) argued that CSR to various stakeholders has a positive effect on global brand equity. This particular study used panel data composed of 57 global brands from ten countries. In sum, the authors concluded that global brands that respect local communities' social responsibility values obtain strong positive benefits through the generation of brand equity, enhancing the positive effects of CSR toward stakeholders such

as customers. Consequently by summarized studies from (Clarkson, 1995, Mohr et al., 2001, Turker, 2008 and Torres et al., 2012) and applied their ideas to focus on the integrated domain. As conclusions, there is strong evidence from the literature that there is a positive relationship between CSR to stakeholders and customers ‘brand equity.

H3: CSR which related to stakeholders has positively and significantly effect on brand equity of Hilton Addis Ababa.

2.5 Conceptual Framework of the research

Based on the above literature review the conceptual framework of this study is developed and illustrated below. The model demonstrates corporate social responsibility (CSR) as independent and brand equity the dependent variable. The framework which resulted from review of literature on key concepts is with the assumption that, for the firm to achieve customer based brand equity from its pursuit of CSR, customers must perceive value in such CSR initiatives. Arguably, this means that the firm needs to communicate effectively its CSR messages in a way that increases customer perception of value in such activities. In this regard, the study developed a conceptual framework summarizing the role of CSR in building customer based brand equity.

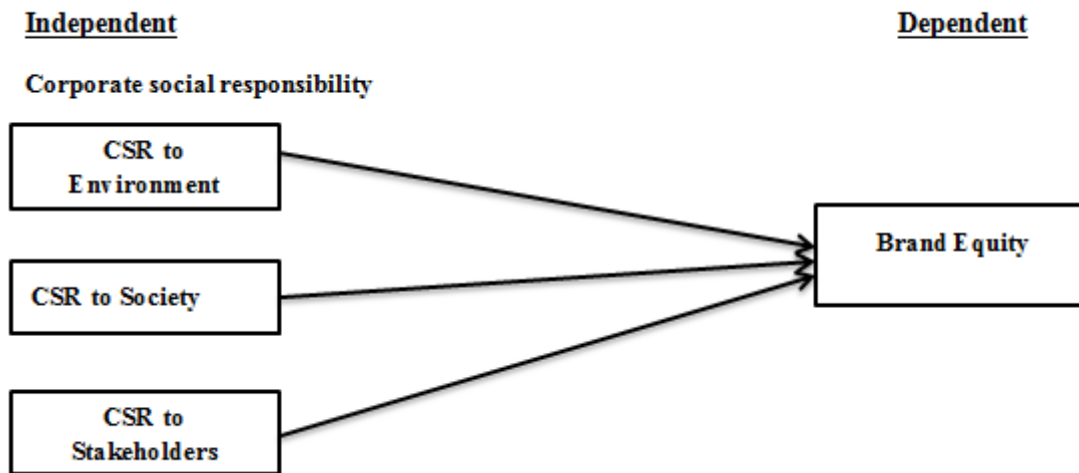


Figure 3 Conceptual framework of the study

Source: Adopted from (Tingchi Liu, M.et al, 2014)

2.6 Research hypotheses

The study formulates the following research hypotheses:

- 1) H1: CSR which related to the environment (environmental CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa.
- 2) H2: CSR which related to society (societal CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa
- 3) H3: CSR which related to stakeholders has positively and significantly effect on brand equity of Hilton Addis Ababa.

CHAPTER THREE

3. RESEARCH METHODOLOGY

This section mainly presents the methodology that was employed in the research. The research techniques & the reason for selecting the technique were discussed in detail. It essentially includes research approach and design, population and sampling, data source & collection method, procedure of data collection & lastly the methods of data analysis.

3.1 Description of the study area

The main area of concern of this research was to examine the effect of corporate social responsibility practice on building of brand equity: case study on Hilton Addis Ababa. As a pioneer hotel of the capital, and for it has a unique characteristics designed to reflect the pride that have in Ethiopia and in the capital, Hilton Addis Ababa was considered as a relevant case to investigate the aforementioned research problems for this research. Thus, the research addressed customers of Hilton Addis Ababa. Hilton Addis Ababa is located near the Economic Commission for Africa (ECA) Convention Center in the city center and is only 8 km from Bole International Airport.

3.2 Research Approach

The study used a mixed research approach (a combination of quantitative and qualitative). Thus, it is a mixed method which used multiple research methodology based on both quantitative and qualitative data (Hair et al., 2006). Mixed method research is defined as research in which the investigator collects and analyses data, integrates the findings, and draws inferences using both qualitative and quantitative approaches and methods in a single study of enquiry (Creswell, 2003).

As a method, it focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative approaches, in combination, provides a better understanding of research problems than either approach alone. In reference to the study objectives, the mixed method is considered useful in this particular study because of the following two reasons: One, the empirical findings indicate the level of significance of the relationship between CSR and customer based brand equity dimensions, and two, the qualitative information further explore the phenomena.

In the case of the quantitative study, a set of questionnaire is designed to solicit information from the customers of Hilton Addis Ababa. Quantitative research involves the collection of data so that information can be quantified and subjected to statistical treatment in order to support or refute alternate knowledge claims (Creswell, 2003). The qualitative information (interviews) used to gain insight necessary for the validation of the relationship between CSR and brand equity.

3.3 Research Design

The overall aim of the study leads to the need to ascertain the role of CSR in building brand equity dimensions of brand awareness, brand association, perceived quality, and brand loyalty as put forward by Keller (1993) in Hilton Addis Ababa.

Considering this purpose of the research & the nature of the phenomenon, both descriptive and explanatory research method were applied. Descriptive analysis was used to understand demographic characteristics respondents. Descriptive research is used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables or conditions in a situation. Descriptive studies are often designed to collect data that describe characteristics of objects, events, or situations (Uma S. and Roger B., 2016).

The study described the role of CSR in building brand equity from the perspectives of customers and employee. The study was also further enlightened through interviews of managements on how to effectively communicate CSR to enhance brand equity for the firm. Explanatory method was used with the purpose reliant on the fact that, the study is intended to examine the relationship between independent variable (CSR) & dependent variable (brand equity). An

explanatory research is conducted in order to discover and report relationships among different aspects of the phenomenon under study (Uma S. and Roger B., 2016). In terms of time horizon, this study used cross-sectional. A cross-sectional data is a data on a particular phenomenon at a specific point of time. Thereby, in this particular study the cross-sectional data refers to opinions of the customers. The unit of analysis used in this study was Hilton Addis Ababa customers.

3.4 Data type and source

Data was collected from customers of Hilton Addis Ababa. Primary data from customers was collected through a structured questionnaire and interview. Further, in-depth qualitative interviews with selected management members were carried out. This is because inferences can be generalized from the research environment to the environment of the decision maker (Aaker et al., 2001).

3.5 population and sampling

3.5.1 Population

A population is defined as the set of individuals, objects, or data from where a statistical sample can be drawn (Saunders & Rojon, C., 2014). Further population is the entire group of individuals, events or objects having a common observable characteristic (Cooper D. and Dan, 2014). The study was done based on two sets of populations. The first set population for this study consisted of customers of Hilton Addis Ababa. The second set of population for this study consisted of managers of Hilton Addis Ababa. In this case in-depth qualitative interviews were presented to managers who are closely responsible for CSR practice.

3.5.2 Sample size

Customers

As the outbreak of COVID-19 become a public health emergency of international concern and the ripple effect of the pandemic has reverberated through every corner of the globe, causing loss of lives and jobs as well as a slump in general economic activities. The effect of the virus has brought untold pain and hardships to many individuals and organizations from all corners of the world. Undeniably, hotels are one of the hardest-hit industries by COVID-19. As a result of

massive cancellations of flights, tours, events, hotel reservations and a resultant decline in inbound travel, hotel occupancy rates and average room rates have dropped sharply causing unprecedented declines in number of customers. According to the preliminary assessment by the researcher reports has revealed that in the past three months (April to June, 2020) the average number of customers has been dropped by 60% from what it was previously. Therefore, considering this fact the sample of this study includes foreign customers of Hilton Addis who were served within the study period. Guests like a single time event attendees and walking customers were not part of the study, rather foreign loyal room guests and booking customers were nominated as a sample frame. The sample size was determined based on two months average number of guests data obtained from records. According to the reports of Helton Addis, the average number of guests in September and October 2020 were 189 and 209 respectively; therefore averagely 199 customers had been served in the Hotel.

Adequate sample size for the study was drawn from this population using sample formula developed (Yamane T., 1967):-

$$n = N / (1 + N (e)^2)$$

Where

N=Number of target population

n=Sample size to be determined

e = level of confidence =0.05

$$n = N / (1 + N (e)^2) = \frac{199}{1+199(0.05)^2} = 133$$

Therefore, a total of 133 respondents were included to participate for this study. The respondents were chosen based on simple random sampling method meaning that respondents (customers) were given equal chance to participate in the study.

Managers

Finally, top managers who are directly responsible for marketing and CSR in the company were been asked to express their views and explain the role of CSR in building brand equity dimensions through qualitative in-depth interviews. Hence, this qualitative data further help to gain insight into the research problem. Therefore, the top management members and the commercial department head were eligible to participate for this study.

3.6 Data collection Technique

The study used primary data sources. Primary source of data was collected via structured questionnaires. The type of questionnaires that was applied is the five scale graded Likert scale questionnaire. that make questions interesting to respondents and, thus, improve their cooperation, finally to confirm maximum response rate. The questionnaire statements was established and scored from 1 up to 5 scale, where “1” indicates “strongly disagree”, “2” “disagree”, “3” neutral, “4” “agree” and “5” refers to “strongly agree” with the statement to represent different attitude of respondents. The questionnaire has three main sections, the first section covers the general information of the respondents, and the second section is arranged to check the perception of the respondents on the CSR dimensions. Lastly, the third section is organized to understand the brand equity perception of the respondents. The qualitative data also collected through in-depth interview. Qualitative data was used optimally for situations that increases understanding, expand knowledge, clarify the real issues, identify a range of attitudes and behavior, and identify distinct behavioral groups (Gordon and Langmaid, 1988).

3.7 Reliability and Validity

According to Marczyk et al., (2005) reliability refers to the consistency or dependability of a measurement technique, and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error. Accordingly, reliability is usually expressed as a correlation coefficient, which is a statistical analysis that tells us something about the relationship between two sets of scores or variables (Marczyk et al., 2005). Therefore, to increase the reliability and to minimize

the measurement error, the researcher adopted a standardized questionnaire from other studies. The corporate social responsibility measurement scale is adopted from Tingchi Liu, M.et al, (2014). The reliability values is 0.916, representing internal consistency of indicators. The scale contains three dimensions and fifteen items, measuring the customer perception on corporate social responsibility. The brand equity measurement scale is adopted from Ezgi Erkmen (2018). The reliability values are 0.894 and 0.858 sequentially, representing internal consistency of indicators. The scale contains one dimension with twelve items, measuring the customer perception on brand equity. All this is statistically significant to use the instrument. Ideally, Chronbach Alpha was expecting over 0.70 to produce a reliable scale (Marczyk et al., 2005).

3.8 Methods of Data Analysis

The data gathered using questionnaires were coded, entered into computer and analyzed and presented in the form of charts, diagrams, and tables by using SPSS software version 21. The data analysis for the research was both descriptive and inferential type. Descriptive statistics was applied for the presentation, interpretation and discussion parts on various dimensions of the evaluation system. Descriptive analysis refers to statistically describing, aggregating, and presenting the constructs of interest or associations between these constructs, with the help of frequency tables, charts, graphs, figures, percentages while, inferential analysis refers to the statistical testing of hypotheses for quantitative data analysis (Creswell, 2003). To this end, multiple regression and Pearson correlation were used as appropriate to analyze, interpret, tabulate and present the result of the study.

3.9 Data collection procedures and Ethical considerations

First of all the researcher took a support letter from SMU to Hilton Hotel to get permission to collect pertinent data. Data was collected after getting consent from the organization. Questionnaire was distributed to respondents in hand with a short brief about the objective of the study after asking their agreement to fill the questionnaires. Further requests for interview appointments were asked from target respondents through oral communication by indicating purpose, nature, content and duration of interviews as well as an assurance of confidentiality and anonymity. Regarding ethical consideration an attempt was made to ensure all respondents to keep their identity and responses as confidential; so that all the information that was given by the

respondents would be in full confidence. The questionnaire was distributed based on willingness of each respondent. In addition, the purpose of the questionnaire was clearly indicated beforehand within questions.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

4.1 Introduction

This chapter includes the data presentation, analysis and discussion of the findings. A total of 133 questionnaires were distributed to customers and all 133 (100%) useable questionnaires were obtained valid and used for analysis. The analysis begins with a description of the respondents biographical profiles, which helps to understand the demographic profile of the respondents. The questions on CSR and brand equity were analyzed and presented using tables. The descriptive analysis used mean and standard deviation as a measure of central tendency and degree of dispersion, whereas the correlation and regression analysis were used to understand the associations and cause and effect relationship between variables respectively.

4.2. Reliability

Reliability is an indicator of a measure's internal consistency. A benchmark alpha of 0.70 was set as an acceptable measure of reliability (Cronbach, 1951). Thus, the variables reliability test of this research is summarized in Table 1 Variables of the study scored more than the benchmark alpha, which is 0.70 considered by different researchers, so it can be conclude that the measurements can be applied for analyses with acceptable reliability. This suggests that the scale scores are relatively reliable for respondents in this study.

Table 1 Reliability Statistics of the variables

Variables	Cronbach's Alpha	N of Items
CSR to environment	0.820	4
CSR to society	0.892	7
CSR to stakeholders	0.806	4
Brand Equity	0.937	12

Source: Own survey result, 2020

4.2 Demographic Characteristics of the Respondents

General information of the respondents requested to obtain basic biographical information such as gender, age, marital status, educational level of the respondents.

Accordingly, as indicated in table below, 75 (56%) of the respondents were male and the remaining 58 (44%) of the respondents were females. Based on the information, male respondents were slightly higher in number than female respondents.

Regarding the age of the respondents, the largest group was 49 and above years age (49%). The 37-42 age group were the second largest age group which accounted 23 (17%) and lastly 20 (15%) and 19 (14%) of the respondents were under the age category of 25-30 and 31-36 years respectively. Thus, this indicates the majority of respondents were above 30 years of age.

The other demographic characteristics considered was educational level of the respondents, and accordingly, 116(88%) of the respondent were first degree and above holders whereas, only 17(13%) were diploma holder. Further the respondent were asked their experience of being the customers of Helton Addis, and accordingly 108(81%) of the respondents replied that they were the customers of Helton Addis for above 3 and above years. Hence, the respondents have sufficient exposure to the Hotel to be realistic for the response they give. From the result, it is certain in the fact that all the respondents are educated as well as loyal for a relatively longer period of time, one can use the respondents educated and experience based opinion on past trends and on inferring the relationships of variables. Concerning the marital status of the respondents 97 (73%) were married however, 36 (27%) are not married.

Table 2 Demographic profile of respondents

Demographic Variables		Frequency	Percentage (%)
Gender	Male	75	56%
	Female	58	44%
	Total	133	100%
Age of Respondents	under 25	6	5%
	25-30	20	15%
	31-36	19	14%
	37-42	23	17%
	49 and more	65	49%
	Total	133	100%
Educational Level	Primary school	0	0%
	Secondary school	0	0%
	College Diploma	17	13%
	BA/BSc Degree	62	47%
	Master Degree	52	39%
	PhD	2	2%
	Total	133	100%
Years of being Hilton Addis hotel customer	less than 1 year	25	19%
	1-3 years	53	40%
	4-6 years	32	24%
	6 and Above year's	23	17%
	Total	133	100%
Marital Status	Married	97	73%
	Not Married	36	27%
	Total	133	100%

Source: Own survey, (2020)

4.3 Descriptive analysis

Descriptive statistics was employed to examine the mean & standard deviation of the responses of respondents with regards to CSR practices and brand equity. Mean value provides the idea about the central tendency of the values of a variable. Standard deviation is to give the idea about the dispersion of the values of a variable from its mean value.

4.3.1 Descriptive analysis of environmental CSR

The respondents were requested their view to measure their insight about Helton Addis CSR practices. On a 5 point scale for four different aspects about CSR were used to measure their

perception about CSR activities. The mean scores of each item under these questions were presented. The mean score values of corporate social responsibility aspects for ranges between 4.18 and 4.72, whereas, the dispersion rate range between standard deviation of 0.450 and 0.613.

Table 3 the descriptive summary of opinions of respondents on environmental CSR practice of Helton Hotel

	N	Min.	Max.	Mean	Std. Dev.
CSR to environment					
I expect Hilton Addis implements special programs to minimize its negative impact on the natural environment	133	4	5	4.72	.450
I expect Hilton Addis participates in activities which aim to protect and improve the quality of the natural environment	133	4	5	4.36	.482
I expect Hilton Addis Ababa implements special programs to reduce consumption, e.g. decrease usage of disposable goods	133	4	5	4.18	.613
I expect Hilton Addis Ababa implements uses relevant facilities to improve public security, fire control and food safety	133	4	5	4.18	.613
Valid N (list wise)	133				

Source: Own survey result, 2020

The statement which respondents agree with most was “I expect Hilton Addis implements special programs to minimize its negative impact on the natural environment.” (M=4.72 and SD= 0.450) This indicates that the higher expectation and believe by the respondents that the hotel engagement in environmental corporate social responsibility was well recognized by the customers. The statement indicating the least level of agreement was “I expect Hilton Addis Ababa implements special programs to reduce consumption, e.g. decrease usage of disposable goods.” (M= 4.18 and SD= 0.613). The grand mean for the perception of environmental CSR is 4.36, (SD=0.438) indicating that the majority of respondents have high level of agreement towards the statements specified in the study. Thus environmental component of CSR activities were significantly perceived by the respondent.

4.3.2 Descriptive analysis of society CSR

Further, the respondents were inquired their outlook to measure their societal CSR perception on Helton Addis. On a five point scale for seven different items were used to measure their level of societal CSR. The mean score of the item construct ranges between 4.72 and 4.14 and the standard deviation ranged between 0.343 and 0.502 which show small level of variation in the responses.

Table 4 the descriptive summary of respondent's society CSR

	N	Min.	Max.	Mean	Std. Dev.
CSR to society					
I expect Hilton Addis emphasizes the importance of its social responsibilities to society	133	4	5	4.44	.499
I expect Hilton Addis contributes to campaigns and projects that promote the well-being of the society	133	4	5	4.60	.491
I expect Hilton Addis Ababa targets sustainable growth which considers future generations	133	4	5	4.52	.502
I expect Hilton Addis Ababa makes investment to create a better life for future generations	133	4	5	4.14	.343
I expect Hilton Addis Ababa makes business and generate profits by benefitting the community and our society	133	4	5	4.52	.502
I expect Managers and employees participate in charitable activities of their local communities	133	4	5	4.22	.414
I expect Hilton Addis Ababa assists to enhance quality of life in the local community	133	4	5	4.72	.450
Valid N (list wise)	133				

Source: Own survey result, 2020

The statement which respondents agree with most was “I expect Hilton Addis Ababa assists to enhance quality of life in the local community.” (M=4.72 and SD= 0.450) The statement indicating the least level of agreement was “I expect Hilton Addis Ababa makes investment to

create a better life for future generations.” (M= 0.414 and SD= 0.343). The total mean for the perception of societal CSR dimension is 4.45, (SD=0.359) indicating that the most of respondents have high level of agreement about societal CSR practices of Helton Addis.

4.3.3 Descriptive analysis of CSR to stakeholders

Additionally, the respondents were asked their view about stakeholder’s dimension of CSR practices of Helton Addis. On a four point scale for six different items were presented. The mean score of the item construct ranges between 4.60 and 4.22 and the standard deviation ranged between 0.613 and 0.414 which show small level of variation in the responses.

Table 5 the descriptive summary of respondent’s perception on CSR to stakeholders

	N	Min.	Max.	Mean	Std. Dev.
CSR to stakeholders					
I expect Hilton Addis provides full and accurate information about its products to consumers	133	4	5	4.22	.414
I expect managerial decisions related with the employees is usually fair	133	4	5	4.44	.499
I expect Hilton Addis Ababa supports culture and art activities of local community.	133	4	5	4.60	.491
I expect Hilton Addis Ababa provides a healthy and safe working environment for employees	133	4	5	4.18	.613
Valid N (list wise)	133				

Source: Own survey result, 2020

The statement which respondents agree with most was “I expect Hilton Addis Ababa supports culture and art activities of local community.” (M=4.60 and SD= 0.491) This indicates that the advanced believe by the respondents that the Helton Addis’s progressive respects of legal obligations. The statement indicating the least level of agreement was “I expect Hilton Addis provides full and accurate information about its products to consumers.” (M= 4.22 and SD= 0.414). The grand mean for this dimension is 4.36, (SD=0.405) indicating that the majority of respondents have high level of agreement towards the statements specified in the study.

4.3.3 Descriptive analysis of Brand Equity

Furthermore, the respondents were asked their stance on Helton Addis brand equity to them. On a five point scale for twelve items were presented. The mean score of the item construct ranges between 4.63 and 3.94 and the standard deviation ranged between 0.613 and 0.414 which show small level of variation in the responses.

Table 6 the descriptive summary of respondents brand equity perception

	N	Min.	Max.	Mean	Std. Dev.
Items					
I remember Hilton Addis when I think of using a Hotel	133	3	5	4.18	.613
I am very familiar with this Hilton Addis brand.	133	4	5	3.74	.834
I can quickly recall the symbol of logo of the hotel	133	3	5	4.32	.470
I have an opinion about Hilton Addis Ababa brand	133	4	5	3.88	.962
The likelihood that this brand is reliable is very high	133	3	5	4.63	.484
In terms of overall quality, I would rate this brand high	133	4	5	4.22	.414
This brand is a quality leader within its industry category	133	3	5	4.58	.496
I would recommend the product or service to others	133	4	5	4.49	.502
Hilton Addis Ababa would be my first choice	133	3	5	4.16	.458
I wouldn't give up being a customer even if competitors come up with a better offer.	133	4	5	4.47	.501
Hilton Addis Ababa is an extremely likeable brand	133	3	5	3.94	.561
I feel comfortable being a customer of the Hilton Addis Ababa	133	4	5	4.44	.499
Valid N (list wise)	133				

Source: Own survey result, 2020

The statement that respondents agree with most was “I am very familiar with this Hilton Addis brand.” (M=4.49 and SD= 0.502) This indicates these loyal customers have, the respondents have a confidence on the product and service of Helton Addis. The statement indicating the least level of agreement was “I can quickly recall the symbol of logo of the hotel.” (M= 4.16 and SD=

0.458). The grand mean for brand equity of the respondents is 4.25, (SD=0.450) indicating that the majority of respondents have high level of agreement towards the statements specified in the study

4.3.5 Descriptive summary of corporate social responsibility and brand equity

Considering the descriptive statistics of the Corporate Social Responsibility and Brand Equity is important to generally observe the respondents attitude towards the practice and brand value of the Helton Addis. In this regard, the table below illustrates the average position of each variable based on responses of the survey.

Table 7 the descriptive summary of respondent’s perception on corporate social responsibility and brand equity

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
CSR to environment	133	3.50	5.00	4.3609	.43889
CSR to society	133	4.00	5.00	4.4511	.35902
CSR to stakeholders	133	3.75	5.00	4.3609	.40524
Brand Equity	133	3.42	5.00	4.2538	.45097
Valid N (listwise)	133				

Source: Own survey result, 2020

The above table describes the mean score of each variable in terms of their application and view of the customers. Accordingly the result of the mean scores is ranks as 4.45 being the highest mean score while 4.25 being the least score. Respondents have the highest agreement for social CSR practices with a mean score of 4.45 (SD=0.359) and relatively lowest for brand equity (M=4.25, SD=0.45). Environmental and stakeholders CSR dimensions do have similar mean score except with less variation in the case of stakeholders CSR dimension.

4.5 Inferential Analysis

The study has employed both correlation and regression analysis to determine whether there is statistically significant relationship between the independent and dependent variables.

4.5.1 Correlation Analysis

Pearson correlation test was conducted to know the degree of relationship between the independent variable i.e. CSR practices and the dependent variable i.e. customer based brand equity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). These were carried out using Pearson correlation coefficient (r) to determine the level of association. Strength and direction of the relationship existing between the two variables can be determined through the computation of Pearson correlation. Correlation analysis deals with relationships among variables and helps to gain insight into the direction and strength of relation between the variables. Correlation coefficients take values between -1 and 1 ranging from negatively correlated (-1) to uncorrelated (0) to positively correlated (+). The sign of the correlation coefficient defines the direction of the relationship. The absolute value indicates the strength of the correlation.

Table 8 Correlation result

		Correlations			
		CSR to environment	CSR to society	CSR to stakeholders	Brand Equity
CSR to environment	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	133			
CSR to society	Pearson Correlation	.776**			
	Sig. (2-tailed)	.000			
	N	133	133		
CSR to stakeholders	Pearson Correlation	.899**	.872**		
	Sig. (2-tailed)	.000	.000		
	N	133	133	133	
Brand Equity	Pearson Correlation	.906**	.816**	.982**	
	Sig. (2-tailed)	.000	.000	.000	
	N	133	133	133	133

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

Source: Own survey result, 2020

The results of the correlation between the dependent and the independent variables are shown in table below. As it is indicated in the table there is a significant correlation between CSR practice and customer base brand equity. Further, correlation analysis was done to see the detail of the

association of each dimensions of corporate social responsibility with brand equity. Strong, positive and significant linear relationships are obtained between all variables. The correlation coefficients (r) for all variables range from 0.982 to 0.816. The strongest association was observed with CSR stakeholder Dimension ($r=0.982$, $p<.001$) followed by environmental CSR ($r=0.906$, $p<.001$), and societal CSR ($r=.816$, $p<.001$).

4.6.2 Regression analysis

The study further carried out regression analysis to establish the statistical significance relationship between the independent variables on the dependent variable. Regression is a technique that can be used to investigate the effect of one or more predictor variables on an outcome variable. Regression allows us to make statements about how well one or more independent variables will predict the value of a dependent variable. The regression analysis results were presented using regression model summary tables, Analysis of Variance (ANOVA) table and beta coefficients tables.

a) Assumption Testing for Multiple Regressions

Before going to the regression analysis, testing the assumptions of regression analysis is essential which help to confirm that data collected was truly represented the sample from the population.

Normal Distribution

Normality refers to the shape of data distribution for an individual metric variable, and its correspondence to the normal distribution (Hair et al., 2003). For estimating normality, skewness and kurtosis information values were observed. Skewness ‘provides information regarding the symmetry of the distribution, whereas Kurtosis ‘provides information regarding peakedness of the distribution (Pallant, 2001). According to Hair (2010), the most commonly acceptable value for (kurtosis/skewness) distribution is ± 2.58 . As Table 14 shows, all values of skewness and kurtosis for the transformed and standardized values have been found to be within the acceptable range

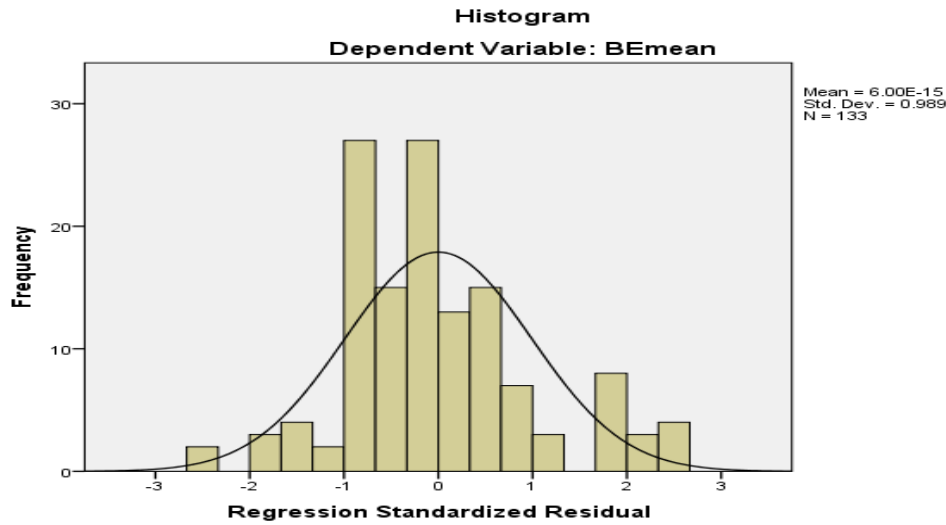


Figure 4, Normality distribution histogram

Source: Own survey result, 2020

Table 9 Normal Distribution test

Descriptive Statistics							
	N	Mean	Std. Dev.	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CSR to environment	133	4.3609	.43889	-.421	.210	-.481	.217
CSR to society	133	4.4511	.35902	-.048	.210	-1.418	.217
CSR to stakeholders	133	4.3609	.40524	.130	.210	-1.210	.217
Brand Equity	133	4.2538	.45097	.109	.210	-1.034	.217
Valid N (listwise)	133						

Source: Own survey result, 2020

The above histograms exhibit the parameter of testing the normal distribution of the data through kurtosis and Skewness where, kurtosis is a measure shape of the curve that how pick or flat our distribution and the suggested standard error should not exceed 0.3. In addition, Malhotra and Birks (2007) propose that normal probability plots are often conducted as an informal means of assessing the non-normality of a set of data. Hair et al. (1998) also explain that the plots are different from residuals plots in that the standardized residuals are compared with the normal

distribution. In general, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal (Hair, et al., 1998). The following graphs show that the P-P plots is a straight line which justifies the residuals was deemed to have a reasonably normal distribution, as suggested by Hair, et al. (1998).

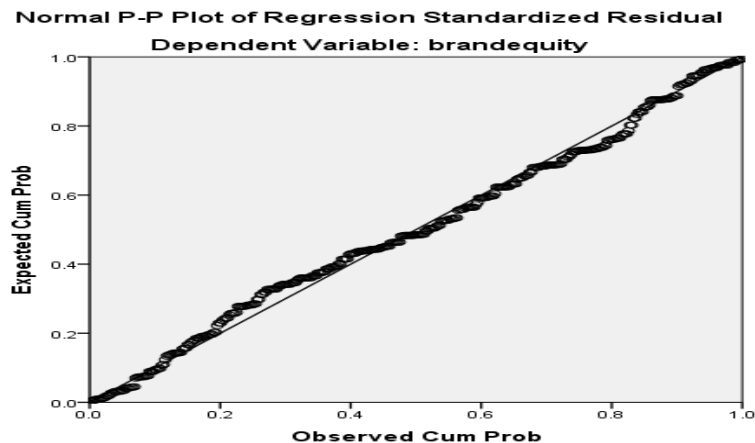


Figure 5, Normality plot of regression standardized residual

Source: Own survey result, 2020

I. Multi-co linearity

One major assumption that applies in multiple regression analysis is the existence of a very high correlation between the independent variables of the study which is termed as Multi-co linearity (Burns and Burns, 2008). In this research multi co linearity was checked with tolerance and VIF and tolerance statistics. Andy (2006) suggests that a tolerance value less than 0.2 almost certainly indicates a serious co linearity problem. Burns and Burns (2008) also state that a VIF value greater than 10 is also a concern. In this study, all of the independent variables were found to have a tolerance of more than 0.2 and a VIF value of less than 10 which indicates that Multi-co linearity is not an issue in this study.

Table 10 Multi Co linearity problem test of VIF and Tolerance

Model		Collinearity Statistics	
		Tolerance	VIF
	CSR to environment	.291	3.43
	CSR to society	.240	4.16
	CSR to stakeholders	.215	4.65

Source: Own survey result, 2020

I. Linearity

According to Hair, et al. (1998), the linearity of the relationship between the dependent and independent variable represent the degree to which the change in the dependent variable is associated with the independent variable. In a simple sense, linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable. Conventional regression analysis will underestimate the relationship when nonlinear relationships are present, i.e., R2 underestimates the variance explained overall and the betas underestimate the importance of the variables involved in the non- linear relationship (Malhotra, and Birks, 2007). The scatter plot of standardized residuals versus the fitted values for the regression models is as follows:

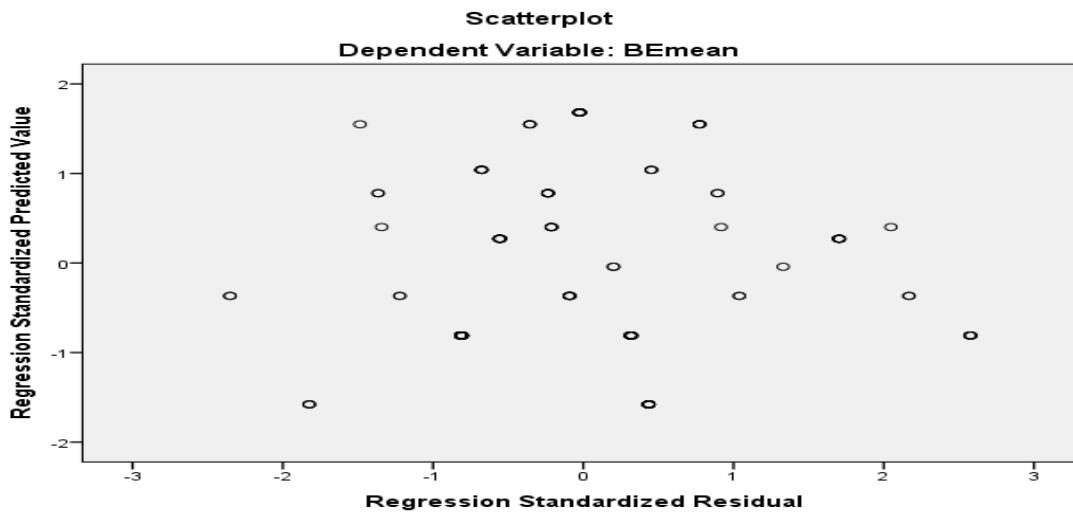


Figure 6, Scatter plot for regression standardized residual

Source: Own survey result, 2020

a) Multiple regression analysis

According to different scholar regression analysis is one of the most frequently used tools in market research that allows analyzing relationships between independent and dependent variable. More specifically the regression model presents how much of the variance in the measure of brand equity is explained by the underlying variables of corporate social responsibility model.

Table 11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.987 ^a	.974	.973	.00376

a. Predictors: (Constant), STA, SOC, ENV

In order to see contribution of CSR on brand equity, linear regression analysis was employed. CSR was the independent variable while the brand equity was the dependent variable. As the result the regression analysis shows that the CSR practice of the Helton Addis has the capacity to explain customer based brand equity. The model or the predictor variables have accounted for 97.4% (adjusted R square of 97.3%). This implies 97.4% of the variation the brand equity can be explained by variation in undertaking various CSR activities. The other 2.6% of the variations are considered to be the effect of other variables out of this scope.

Table 12 multiple regression result for CSR and Brand Equity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.305	.080		-3.805	.000
1 CSR to environment	.115	.033	.112	3.433	.001
CSR to society	.104	.037	.103	5.601	.000
CSR to stakeholders	1.139	.047	1.024	24.392	.000

a. Dependent Variable: Brand Equity

Source; SPSS Survey Output (2020)

The result from the beta values indicates that a unit improvement in stakeholders, environmental and societal CSR activities improves the brand equity by 1.139, 0.115 and 0.104 units respectively. The ANOVA summary table for the regression analysis is observed that the significance level is less than 0.05 ($p < 0.05$) that illustrate there is significant linear regression.. For these data, F is 1601, which is significant at $p < 0.001$. This result tells us there is less than a 0.1% chance that an F-ratio would happen by chance alone. This implies that the CSR activities have a significant effect on the overall brand equity of Helton Addis

Table 13 ANOVA result

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	26.144	3	8.715	1601.781	.000 ^b
	Residual	.702	129	.005		
	Total	26.845	132			

a. Dependent Variable: BE

b. Predictors: (Constant), STA, SOC, ENV

Source; SPSS Survey Output (2020)

4.6 Qualitative data analysis

After the interview had with the management representatives with respect to CSR application of Helton hotel, the following points are generalized.

1. How do you evaluate the CSR activities of your company?

Helton Addis is thought to be partly engaged in corporate social responsibilities in a much diversified ways. Blue energy, for example, are one way to engage in social and cultural relations. It provides resources to support public health and humanitarian affairs such as helping elderly people and people with disabilities, and assisting victims of natural disasters and conflict. The other commitment is by participating in activities that foster social benefits. Sponsoring

nationally coordinated events that have significance in constructing the country's image with the aim of upholding social values.

2. Does the company see its CSR activities from customer's point of view?

In the current business setting, international business organizations are using CSR operations as a vital marketing device. There is a strong likelihood of attracting new consumers and keeping current ones as more corporate companies embrace society and care for the environment. Taking this into account, there is a desire in the management to encourage good deeds to businesses. Even though everyone understands the value of CSR initiatives from a marketing perspective, the commonly agree drawback is the strategic execution of CSR activities in a proficient manner.

3. Do you think customers consider CSR activities to choose your company?

The customers' satisfaction is vital to most hotel organizations and therefore, it is important to understand their demands. As customers are the user of the service, it has been found to be important objectives for them. Some information in product safety and quality may be perceived as the most important for them to make sure that they consume secure service. Social responsibility perceived by most customers as an obligation of people, as they act in their own interest to ensure that the rights and legitimate interests of others are not scarified by their behaviour and action. From this perspective consumers indirectly consider CSR practices to choose our services.

4. How do you publicize the CSR activities of the company?

A lot of work has not been done in promotion CSR activities before. But the company is currently primarily using its own portal media to promote its CSR activities. In addition, the organization uses to its employees to understand the importance of CSR and communicate it to the public.

5. Does the company have a separate allocation of funds for CSR implementation?

There is no specific way to allocate the budget to CSR activities, although it is assumed that the budget is indirectly compensated by other means. The members in general claimed, however that the way of allocating the budget was not able to fully support the interventions.

6. What are the company's criteria to choose CSR activities?

In granting the support, the organization takes into account the magnitude and urgency of the situation, the number of targeted recipients, the estimated effect of the project and the other contextual conditions that are relevant for the case at hand. Donations are typically made on the basis of appeals from various social and humanitarian organizations. But the proposals for the project are seriously reviewed by the leadership.

7. Are there a clearly defined policies and procedures to apply CSR?

CSR does not have a separate division that can define initiatives, processes and draft policy frameworks as a core mission in the Hotel. On the other hand, CSR is conducted as one operation of a sub-process of promotion and brand management.

4.7 Discussion of major findings

The study is carried out to test the four research hypotheses which are listed on chapter one:-

H1: CSR which related to the environment (environmental CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa.

The mean for environmental CSR perception was 4.36 indicating that the majority of respondents are towards agree level agreement with the dimensions specified in the study. Further, environmental CSR was the second most positively associated dimension of brand equity with CSR ($r=0.906$, $p<.001$). Therefore, the attitudes and behaviors of consumers towards the brand were strongly associated with the environmental CSR activities of Helton Addis. Thus, a one unit improvement in environmental CSR interventions improves the brand equity of Helton Addis by 0.115 units. This result is parallel to a study by Tuan (2014) aimed to analyze the relationship between corporate social responsibility and brand equity in a hospital in Vietnam.

H2: CSR which related to society (societal CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa

The mean for societal CSR is 4.45 indicating that the majority of respondents are towards agree level agreement with the dimensions specified in the study. Further, societal CSR was list strong and positively associated dimension of brand equity with CSR ($r=0.816$, $p<.001$). Thus the

ability of the customer to identify that a brand is a part of a Helton service category was the list to associate with the societal CSR implementation of Helton Addis. Thus, a one unit improvement in societal CSR interventions improves the brand awareness of Helton Addis by 0.104 units. This result is similar to a study by Swaen (2008) aimed to analyze the relationship between corporate social responsibility and brand equity.

H3: CSR which related to stakeholders has positively and significantly effect on brand equity of Hilton Addis Ababa.

The mean for stakeholders CSR dimension is 4.36 indicating that the majority of respondents are towards agree level agreement with the dimensions specified in the study. Further, stakeholders CSR dimension was the most strong and positively associated dimension of brand equity with CSR ($r=0.982$, $p<.001$). Indicating that, the importance of stakeholders CSR has been increasingly emphasized. Insuring that CSR can provide a competitive advantage as it associates with perceived quality thus in turn it influences purchase intentions. Thus the ability of the customer to identify that a brand is a part of a Helton service category was highly associate with the stakeholders CSR implementation of Helton Addis. Thus, a one unit improvement in CSR interventions improves the perceived quality of Helton Addis by 1.139 units. This result is similar to a study by Hsu (2012) aimed to analyze the relationship between corporate social responsibility and brand equity.

Table 14 Hypothesis Testing summary

Hypothesis	Results	Reason
H1: CSR which related to the environment (environmental CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa.	Accepted	the outcome of the multiple regression supports the hypothesis; $\beta = 0.115, P > 0.05$
H2: CSR which related to society (societal CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa	Accepted	the outcome of the multiple regression support the hypothesis; $\beta = 0.104, P > 0.05$
H3: CSR which related to stakeholders has positively and significantly effect on brand equity of Hilton Addis Ababa.	Accepted	(the outcome of the multiple regression supports the hypothesis; $\beta = 1.139, P < 0.05$

Source: Own survey result, 2020

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

In this chapter, the researcher has provided the summary of findings and conclusions based on the objectives and the findings of the study. Then after, recommendations on this study and for further studies on the research topic have been provided accordingly.

5.1. Summary of major Findings

As a result, the study findings are summarized and presented below:-

In general the mean for the environmental CSR, societal CSR, and stakeholders related CSR, specifically was 4.36, 4.45, and 4.36 respectively, indicating that the majority of respondents are towards agree level agreement with the dimensions specified in the study. For environmental CSR and brand equity in general the strength of the correlation was found to be positive and strong ($r=0.906$, $p<0.01$). Thus, there is a strong association between environmental CSR application and building strong brand equity in the view of customers. Further, the societal CSR dimension also has a positive strongest association with CSR ($r=0.816$, $p<0.001$). Indicating that, the importance of societal CSR has been increasingly emphasized. Insuring that societal CSR can provide a competitive advantage as it associates with brand equity thus in turn it influences purchase intentions. Similarly the stakeholders related CSR has strong and positive relation with CSR ($r=0.982$, $p<0.001$). As stakeholders related CSR is linking the brand in the memory of customers, interventions in Helton Addis are well connected to the memory of the customers in building the brand equity. Therefore, the attitudes and behaviors of consumers towards the brand were strongly associated with the CSR activities of Helton Addis. Further, the study identifies, 97.3% of the variation accounted for the brand equity was due to the combined effect of the corporate social responsibility interventions in Helton Addis. The standardize beta value for stakeholder related CSR was 1.139 and statistically significant at $p<0.01$. This indicates that a one unit improvement in stakeholder related CSR interventions improves the brand equity of Helton Addis by 1.139 units.

Moreover, the regression analysis result indicate that the standardize beta value for environmental CSR activities was 0.115 and statistically significant at $p < 0.01$. Thus, a one unit improvement in environmental CSR interventions improves the brand equity of Helton Addis by 0.115 units. Further the standardize beta value for societal CSR activities was 0.104 and statistically significant at $p < 0.01$. Thus, a one unit improvement in societal CSR interventions improves the brand equity of Helton Addis by 0.104 units.

The study is carried out to answer the three research questions which are listed on chapter one, which are

- 1) Do Hilton Addis Ababa's environment (environmental CSR) CSR activities have a positive and significant influence on brand equity?
- 2) Do Hilton Addis Ababa's society (societal CSR) has positively and significantly effect on brand equity?
- 3) Do Hilton Addis Ababa's CSR activities which related to stakeholders has positively and significantly effect on brand equity?

Thus the researcher has found out that:-

- 1) CSR which related to the environment (environmental CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa.
- 2) CSR which related to society (societal CSR) has positively and significantly effect on brand equity of Hilton Addis Ababa.
- 3) CSR which related to stakeholders has positively and significantly effect on brand equity of Hilton Addis Ababa.

5.2 Conclusions

There are many reasons an organization would engage in socially responsible behavior. The most prominent may be the importance of doing what is right toward your community, the environment, and social causes. Other reasons may include financial benefits like lowering costs and earning profit. This study was initiated to examine the impact of Corporate Social

Responsibility practice on building of brand equity in the case of Helton Addis Hotel. Therefore, based on the result obtained the following conclusion points were made:-

- ❖ Customer's awareness towards the company's CSR practice and its effect on building of its brand equity through its dimensions has been assessed. The study found that all CSR dimensions were significantly related with the company's brand equity.
- ❖ More specifically, stakeholders related CSR activities were the most significant dimension that the customer experiences about the brand. Thus relatively more CSR attention needs to focus on improving stakeholders' interests. Among the three major aspects of social responsibilities, CSR to stakeholders produced most contribution of increasing the level of brand equity.
- ❖ Promoting environmental and societal CSR performance has become increasingly common among various service providers, and customers are gradually getting familiarized to seeing service providers' CSR practices. Thus these are the next two most important aspects of CSR that the Helton Addis need to focus with the level of priority the study result indicated.

5.3. Recommendations

In the light of the above conclusions, the following recommendations have been given aimed at enhancing Helton Addis's CSR activity on further building of the brand equity.

- ❖ Results from this study show service providers could learn from customer responses to their CSR practices. The principal finding is that a brand can become more preferable to foreign consumers through CSR efforts and investments. Therefore, the management must insure even approach of CSR across the firm based on the level of importance of CSR dimensions. More specifically the stakeholders related CSR activities could benefit the Hotel more than the other dimensions.
- ❖ Among the three major aspects of social responsibilities more CSR attention needs to focus on improving stakeholders' interests. CSR to stakeholders produced the strongest contribution of increasing the level of brand preference. CSR to stakeholder activities can

include fair trade relationships with suppliers, safe workplace conditions and programs to improve conditions in the local community.

- ❖ The management should consider using professional facilitators or consultants to assist in constructing an effective CSR engagement process.

5.4 Limitations of the Study

Limitations are expected potential influences that the researcher cannot control. Due to the unexpected spread of Covid-19 epidemic globally, country's takes strict measure that regulate cross boarder movements of travelers. As a consequence most hotel and tourism business operations run out from their normal daily setups and it was difficult to get respondents as usual. Hence, this was the main source of limitation that affected the research time line and quality of required information

5.5 Future Research direction

This study examined the effect of corporate social responsibility practice on building brand equity: The case study of Hilton Addis Ababa. This study can be further replicated with samples as a whole of the hotel industry. It is suggested that researchers can pay more attention to different other sub factors in future studies of corporate social responsibility and brand equity.

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ANNEX

ANNEX I



St MARY'S UNIVERSITY DEPARTMENT OF MARKETING MANAGEMENT

QUESTIONNAIRE (Customers Questionnaire)

Dear Respondent

Dear survey participants,

This study is conducted in partial fulfillment for the Master of Arts in Marketing Management in St. Mary's University. It is conducted to test the effect of corporate social responsibility practice on building of brand equity in the case of Hilton Addis Ababa. To this end, questionnaire survey is used to collect pertinent data from respondents. The survey has three general parts. Part one includes background or biographic related questions. Part two consists of measurement items used to assess customers' perception towards the Hilton Addis Ababa CSR activity. Part three attempts to assess customers' perception towards the Hilton Addis Ababa Brand Equity. This questionnaire will take approximately 20-25 minutes to complete and considered your invaluable support in responding to this questionnaire genuinely is paramount importance to the success of this study. I would like to assure you that all information you provide based on your voluntariness will be treated with great confidentiality and aggregated information is only used to meet the purpose. Thus, you are not required to write your name, address and other personal information. If you have any questions about this survey, please do not hesitate to contact me at any of the below mentioned phone number or via my email addresses.

Thank you very much for your time and participation!

TARIKU AMARE ----- 0929906344--(newlevels127@gmail.com)

GENERAL INSTRUCTIONS

- ❖ There is no need for writing your name.
- ❖ In all cases where answer options are available please tick (√) in the appropriate box.

PART I: GENERAL INFORMATION ABOUT SURVEY RESPONDENTS

1. Please specify your gender category. TICK as appropriate

Male	Female
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2. Which of the following age categories describe you?

Under 25	25-30	31-36	37-42	43-48	49 or more
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3. Educational Qualification:

Primary education	Secondary education	College diploma	BA/BSc Degree	MSc/MA Degree and Above
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4. Years of Being Hilton Addis Customer.

Less than 1 year	1-3 yeas	3-5 years	5-7 years	More than 7 years
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5. Marital Status

Single	Married
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PART II: CUSTOMERS PERCEPTION TOWARDS THE HILTON ADDIS ABABA CSR ACTIVITY

This section consists of measurement scales aimed to assess your perception towards the Hilton Addis Ababa CSR activity. Please specify the degree to which you agree or disagree on the statements using five point Likert scale where 1: strongly disagree, 2: disagree, 3: neutral, 4: agree, and 5: strongly agree.

	SD=1	D=2	N=3	A=4	SA=5
CSR to environment					
I expect Hilton Addis implements special programs to minimize its negative impact on the natural environment					

I expect Hilton Addis participates in activities which aim to protect and improve the quality of the natural environment					
I expect Hilton Addis Ababa implements special programs to reduce consumption, e.g. decrease usage of disposable goods					
I expect Hilton Addis Ababa implements uses relevant facilities to improve public security, fire control and food safety					
CSR to society					
I expect Hilton Addis emphasizes the importance of its social responsibilities to society					
I expect Hilton Addis contributes to campaigns and projects that promote the well-being of the society					
I expect Hilton Addis Ababa targets sustainable growth which considers future generations					
I expect Hilton Addis Ababa makes investment to create a better life for future generations					
I expect Hilton Addis Ababa makes business and generate profits by benefitting the community and our society					
I expect Managers and employees participate in charitable activities of their local communities					
I expect Hilton Addis Ababa assists to enhance quality of life in the local community					
CSR to stakeholders					
I expect Hilton Addis provides full and accurate information about its products to consumers					
I expect managerial decisions related with the employees is usually fair					
I expect Hilton Addis Ababa supports culture and art activities of local community.					
I expect Hilton Addis Ababa provides a healthy and safe working environment for employees					

PART III: CUSTOMERS PERCEPTION TOWARDS THE HILTON ADDIS ABABA BRAND EQUITY

This section consists of measurement scales aimed to assess your perception towards Hilton Addis Ababa Brand Equity. Please specify the degree to which you agree or disagree on the statements using five point Likert scale where 1: strongly disagree, 2: disagree, 3: neutral, 4: agree, and 5: strongly agree.

	SD=1	D=2	N=3	A=4	SA=5
Items					
I remember Hilton Addis when I think of using a Hotel					
I am very familiar with this Hilton Addis brand.					
I can quickly recall the symbol of logo of the hotel					
I have an opinion about Hilton Addis Ababa brand					
The likelihood that this brand is reliable is very high					
In terms of overall quality, I would rate this brand high					
This brand is a quality leader within its industry category					
I would recommend the product or service to others					
Hilton Addis Ababa would be my first choice					
I wouldn't give up being a customer even if competitors come up with a better offer.					
Hilton Addis Ababa is an extremely likeable brand					
I feel comfortable being a customer of the Hilton Addis Ababa					

ANNEX II



**St MARY'S UNIVERSITY
DEPARTMENT OF MARKETING MANAGEMENT**

Dear Deputy Manager/ Commercial Department Head

This study is conducted in partial fulfillment for the Master of Arts in Marketing Management in St. Mary's University. It is conducted to test the effect of corporate social responsibility practice on building of brand equity in the case of Hilton Addis Ababa. To this end, interview questions are prepared to collect pertinent data from respondents. This interview will take approximately 30 minutes to complete and considered your invaluable support in responding to this questionnaire genuinely is paramount importance to the success of this study. I would like to assure you that all information you provide based on your voluntariness will be treated with great confidentiality and aggregated information is only used to meet the purpose.

Interview Questions

1. How do you evaluate the CSR activities of your company?
2. Does the company see its CSR activities from customer's point of view?
3. Do you think customers consider CSR activities to choose the hotel?
4. How do you publicize the CSR activities of the hotel?
5. Does the hotel have a separate allocation of funds for CSR implementation?
6. What are the hotels criteria to choose CSR activities?
7. Are there a clearly defined policies and procedures to apply CSR in your company/organization?