

## **Corporate Social Responsibility on Brand Equity in Kenya Tea Development Agency (Holdings) Limited**

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### **ABSTRACT**

Branding is not only an effectual marketing instrument for boosting corporate performance but it is also employed to model the products and services offered in a unique way that segregates them from what other organizations are offering in the minds of the firm's stakeholders especially the customers. Corporate Social Responsibility initiatives have been proven to boost the brand equity of the firm through favorable consumer attitude and awareness of the firm. Therefore, the study's general objective was to investigate the impact of Corporate Social Responsibility on the brand equity of Kenya Tea Development Agency in Kenya. The specific objectives that precisely addressed the core purpose of this study was to establish the impact of economic, philanthropic and environmental Corporate Social Responsibility dimensions on the brand equity of Kenya Tea Development Agency (Holdings) Limited in Kenya. The research design applied that accurately helped in addressing the study's general objective was the descriptive research design. The most appropriate survey instrument explored to gather the responses from the research participants for data analysis. 130 tea buyers of KTDA encompassed the target population, consisting of 43 direct sales buyers and 87 auction buyers. 97 buyers were sampled for the study which comprised of 32 direct sales buyers and 65 auction buyers. Descriptive analysis was used to summarize and illustrate the perceptions of the tea buyers on the level of economic, philanthropic and environmental Corporate Social Responsibility at KTDA. Multiple Regression model was used as an appropriate model to establish the influence of economic, philanthropic and environmental CSR on the brand equity of KTDA. The regression results observed that economic CSR boosts KTDA's brand equity at a very low level in an insignificant style. The results also established that philanthropic CSR substantially improves the brand equity of KTDA in Kenya. Finally, the regression findings proved that environmental CSR substantially enhances the brand equity of KTDA in Kenya. From the findings we recommend for the top management of KTDA to formulate policies that would encourage the firm and its employees to carry out frequent philanthropic Corporate Social Responsibility activities which can be advertised through various media outlets since it will not only done to enhance the welfare and the dignity of people in the society but will also be a marketing tool for boosting its image. The study also recommends for the top management in KTDA to create guidelines that will commit the organization to always conserve its environment, produce ecofriendly products and minimize pollution, since it will benefit the whole society including the tea buyers who will consequently want to be associated with KTDA.

**Keywords: Corporate Social Responsibility (CSR), brand equity, environmental CSR, economic CSR and philanthropic CSR**

## 1.0 Introduction

Conferring to the research journal authored by Lai, Chiu, Yang and Pai (2010), businesses today are operating in what has become an unprecedented competitive environment. These heightened levels of competition across industries can be attributed to the progressive impact of information technology forces and the impacts associated with globalization. Previously, the discussions and research about brands have solely focused on consumer markets. This is however not sustainable in the wake of increased competition and companies are now striving to enhance their product and service values through differentiation with an emphasis on more intangible characteristics such as reputation, the corporate image of the firm, the perceived trust by the stakeholders conferred upon the firm and the brand association (Cretu & Brodie, 2007). Onigbinde and Odunlami (2015) opine that tangible attributes such as quality and price are not the sole influencers of today's consumer's decision when making their buying decisions. Further, the process of building the intangible attributes that are valuable such as organizational reputation, the brand image of a given company and the organization's brand equity is not all about making substantial financial contributions towards identified social activities.

On the contrary, Singh, Islam and Ariffin (2014) argue that a company should focus on building a philosophy based on its values and those of its customers. The authors further suggest that one crucial way to build such intangible features is by conceiving and applying suitable CSR initiatives. According to the World Business Council for Sustainable Development (2003), CSR denotes an expression of fundamental morality in the way an organization acts towards the public and its contribution to sustainable development in working with various stakeholders. It follows ethical practices towards stakeholders and the environment. According to Bowen, CSR denotes the responsibility that has to be taken by a certain firm in order to achieve desirable outcomes that are valuable to the community (Bowen, 2013). Enhanced accountability and adherence to transparency have been identified as the instruments that organizations can use to not only prevent them from having a bad image but to improve their reputation and brand image (Roper & Fill, 2012).

Building a brand image that is appealing to all stakeholders should be the main objective of all firms, this is because it is an object of goodwill that can help a firm to deal with any arising business problems, gain a competitive edge and be able to attract and retain new customers (Foreman & Argenti, 2005). This study explored the relationship and linkages between CSR and brand equity focusing on a range of activities and their overall effect on brand equity. Brand equity is one of the most essential objects of conceiving a competitive edge for various organizations and for enhancing their financial performance (Stahl, Heitmann, Lehmann & Neslin, 2012). Brand equity refers to the gain created by a firm based on how its stakeholders perceive it as a consequence of its organizational activities (Hayes & Kindness, 2020). The power of brand equity can only be actualized by the perceptions and convictions of the consumers who have been made aware of the specific products offered by a certain organization or the services that the organization is providing in the market (Keller, 2003). Strong and formidable brand equity will actually help a given organization to experience an expansion in customer loyalty and willingness to dig deeper into their pockets to pay a premium price (Keller & Lehmann, 2006).

KTDA has worked so hard over the years to enhance its brand through the production of quality tea products and changing from a public institution (which is usually perceived in a bad light by Kenyans owing to a great number of corruption and bureaucracy cases in those institutions) into a private entity in the year 2000 (KTDA, 2020). KTDA has also gone as far as establishing a foundation (KTDA Foundation) mandated to carry out corporate social responsibility initiatives on its stakeholders especially the tea buyers with an aim of enhancing its corporate brand

(KTDA Foundation, 2020). There were limited studies that show how the brand equity of KTDA is perceived in order to ascertain if it has improved or not. Considering that brand value grows in line with the consumer experience with the brand that involves awareness, recognition and preference of the business activities and products and services that a firm offers (Isoraite, 2018). This study was interested to know if KTDA's brand equity improved or not based on the experience it has had with its stakeholders especially the tea buyers since it was incorporated in 2000. Brand equity in regard to this study was operationalized as stakeholder satisfaction of goods and services offered, perceived brand awareness, trust and reputation of the firm as it was measured and recommended by other scholars such as Arslan and Zaman (2014), Chirimubwe (2013), Manyange (2013), Dawood (2019) together with Feng, Yoon and He (2016).

Corporate social responsibility is actually a wide theory that takes diverse forms depending on the industry or a particular company. Besides benefiting the general society, CSR initiatives are also meant to improve the brand equity of the firm. The idea of CSR was conceived by Howard Bowen in 1950s denoting the responsibilities undertaken by an organization that are self-driven with an aim to achieve desirable results that involves boosting the values of the society and realizing its goals (Bowen, 2013). There are 3 common CSR initiatives that organizations employ as fundamental marketing instruments to boost their image and reputation (Byus, Deis & Ouyang, 2010; Jin & Chen, 2014). The first one is the environmental CSR initiative; the second one is the economic CSR initiative while the last one is the philanthropic CSR initiative (Elkington, 2004). The environmental CSR denotes policies and programmes initiated by the organization to maintain the green environment and curb pollution with the view of cushioning adverse climatic changes and eradicating land degradation (Sheth, Sethia & Srinivas, 2011). When organizations are focused on producing eco-friendly products, engage in planting trees and abstain from using green resources for commercial benefit, then the stakeholders of the firm would create a good image about the firm in their minds (Creel, 2012; Dawood, 2019).

Besides that, the philanthropic CSR dimension denotes charitable activities conducted out of goodwill with an aim of elevating the underprivileged people who are part of the stakeholder system of a given organization (Fischbach & Ksiezak, 2017). Philanthropic activities encompasses donating money, food items or other resources to the needy, providing finances to boost educational programs and engaging in humanitarian assistance especially to victims of either man-made or natural disasters (Manyange, 2013; Lii & Lee, 2011; Dawood, 2019). These acts would make people in general to create a good image about the organization (Manyange, 2013; Lii & Lee, 2011; Dawood, 2019). Finally, economic CSR refers to actions undertaken by corporations tailored to ensure that their economic/business practices are highly responsible and fair towards all its stakeholders (Uddin, Hassan & Tarique, 2008). The production of quality products that commensurate with the customer needs leads to the achievement of fair profits thus creating a good image to all the firm's stakeholders, moreover, the provision of equitable salary packages and a good working atmosphere to the employees would make people to be attracted to the firm (Chirimubwe, 2015; Goswami & Prajapati, 2019).

A company enjoying a favorable brand image has the ability to not only attract stakeholders and shareholders but also investors who tend to trust it more owing to the indirect reflection of investment security (Dowling, 2004). In this effect, companies seeking to gain brand equity and a competitive advantage in their respective industries should strive to strengthen their brand image. One such way to do this is by adopting and implementing CSR initiatives which research has found to directly influence brand equity in terms of brand image and overall reputation (Carrol, 1979; Brammer & Pavelin, 2006). CSR actions build up and gradually determine a firm's brand equity which then acts as a focal point in attracting key stakeholders and retaining customers. Studies (Bigné, Curras, Ruiz & Sanz, 2010; García de los Salmones, Rodríguez-de-

Bosque & Herrero-Crespo, 2005; Manaktola & Jauhari, 2007; David et al., 2005) have found that actively engaging in social causes, treating employees fairly, management of natural resources and environmental conservation by companies all have a direct link to development of a favorable brand equity and further serve to build customer loyalty.

According to KTDA (2020), KTDA is presently among the largest tea management firms in Kenya. It controls 69 small-scale tea factories across the entire country (KTDA, 2020). These are clustered into 7 distinct regions across the country (KTDA, 2020). The company's vision is to be the preferred investment vehicle for the small-holder tea farmers in Eastern Africa, one that it aims to achieve through continued investment in tea and other related profitable ventures for the benefit of the shareholders and other stakeholders (KTDA, 2020). KTDA Holdings (H) in similar fashion as other companies in the region carries out CSR (KTDA, 2020). This is however handled by its subsidiary, the KTDA Foundation limited which is a not-for-profit subsidiary incorporated on 17th April 2010 (KTDA, 2020). Despite being less than a decade old, KTDA Foundation has made remarkable gains in the improvement of small-holder tea farmers' welfare. The KTDA Foundation initiates, coordinates, supports and publicizes CSR activities of the KTDA (H). The foundation raises resources internally and externally to implement various programs. There are four program pillars on which KTDA (F) CSR initiatives encompass and they include: Environmental Sustainability, Education, Capacity Enhancement for Economic Empowerment and Health (KTDA Foundation, 2020).

The four pillars have been prioritized as being key in the socio-economic transformation of the small-holder tea farmers (KTDA Foundation, 2020). Inclusivity has been mainstreamed in the pillars whereby the programs will target the marginalized groups especially women, the elderly, the disabled and the youth (KTDA Foundation, 2020). Achieving success across the four thematic areas requires continued effort in attracting goodwill from stakeholders, external investors and the target farmers themselves (KTDA Foundation, 2020). In this light, KTDA (H) and all its subsidiaries are faced with the task of building and strengthening both their brand image and overall reputation (KTDA Foundation, 2020). As earlier observed, studies have shown the positive relationship between CSR and brand equity (KTDA Foundation, 2020). This study therefore investigated the impact of KTDA's CSR pillars has on its brand equity as perceived by the tea buyers.

## **2.0 Statement of the Problem**

Today, consumers have raised their expectations and anticipate more from product and service providers (Crane & Glozer, 2016). Clients in this era want to support companies investing in causes outside of work and those that make a positive impact on society (Crane & Glozer, 2016). Currently, KTDA has been involve in a lot of initiatives such as economic empowerment of farmers, offering education scholarships to the needy students and promotion of environment conservation in water catchment areas in the tea zones (KTDA Foundation, 2020) but there was no documentary proof illustrating how it has impacted its brand equity. KTDA has been involved in equipping tea farmers with the knowledge of proper financial management in order to boost their livelihoods (KTDA Foundation, 2020). But in regard to the tea buyers there was no research knowledge (Arslan & Zaman, 2014; Hildebrand, Sen & Bhattacharya, 2011; Pablo, Pedro & Jose, 2017; Maignan & Ferrell, 2004) on how economic CSR activities such as fair payment systems, maximization of profits through fair practices influences the brand image, perceived value and reputation of KTDA in the mind of the tea buyers.

Consequently, this research investigation sought to fill the existing knowledge void by seeking to establish the impact of economic CSR on the brand equity of KTDA in Kenya. Besides that, there has been inconsistencies in the studies reviewed on whether philanthropic CSR

momentously boosts brand equity. Some studies (Arslan & Zaman, 2014;Lii & Lee, 2011;Manyange, 2013;Dawood, 2019;Kodua, Narteh, Braimah & Mensah,2016) revealed that philanthropic CSR considerably boosts the brand equity of the firm. While other studies (Page & Feam, 2005; Ramasamy & Yeung, 2009;Ahmad, Alsharqi, Al-Borie, Ashoor & Al-Orige, 2016) established that philanthropic CSR does not boost corporate brand equity. Owing to these inconsistencies one could not tell if philanthropic CSR activities boosts or has no impact on the brand equity of KTDA. Such research information was lacking based on the aforementioned studies reviewed.Since based on the philanthropic initiatives offered by KTDA in regard to education scholarships and medical camps for health awareness (KTDA Foundation, 2020) there existed limited research knowledge to show if the activities have played a considerable role in boosting the reputation, image and trust of the firm among the tea buyers.Consequently, this research investigation sought to fill the existing knowledge void by determining the effect of philanthropic CSR on the brand equity of KTDA in Kenya.

Aside from that, there had been inconsistencies in the studies reviewed as to whether environmental CSR influences brand equity. Some studies (Chirimubwe, 2015; Manyange, 2013; Dawood, 2019) revealed that environmental CSR boosts corporate brand equity while others like First and Khetriwal (2008) together with Feng, Yoon and He (2016) established that it does not have an impact on brand equity. Therefore, this opened up a room for research to be conducted in KTDA since there has been hardly any study conducted in that area. KTDA was our primary target since there existed limited research knowledge on how tea buyers perceive KTDA as a brand especially after the firm carried out a series of environmental CSR initiatives that has helped in preserving the green environment and minimizing pollution (KTDA Foundation, 2020). Therefore, this research investigated the impact of environmental CSR on the brand equity of KTDA in Kenya. This was addressed by three specific objectives, the first one was to establish the impact of economic CSR on the brand equity of KTDA in Kenya. The second specific objective was to determine the effect of philanthropic CSR on the brand equity of KTDA in Kenya. The final specific objective was to assess the impact of environmental CSR on the brand equity of KTDA in Kenya.

### **3.0 Literature Review**

#### **3.1 Theoretical Review**

This study was inspired by two theories, namely the stakeholder and the Triple Bottom Line theories.

##### **3.1.1 The Stakeholder Theory**

The stakeholder theory conceived by Freeman (1984), describes a stakeholder as a person, entity or a group that influences or is affected the accomplishments of the organization's goals. The stakeholders of a particular entity comprise of the customers, creditors, shareholders, government bodies among others (Roberts, 1992). The Stakeholder theory is a unique conceptualization which contends that organizations have to balance the delicate conflicting interest of its stakeholders in a strategic manner in order to realize considerable progress (Manyange, 2013). According to Bravo-Gonzalez (2017) the stakeholder theory shares some relationship with CSR, this is because the responsibilities that should be exercised by a firm in managing the interests of its stakeholders always fall within the economic, social on environmental dimensions of CSR. Principally, the major motive of business entities implementing CSR initiatives is due to the fact that it can be utilized in precisely addressing the issues arising from their business operations that are of great significance to its stakeholders

(Hohnen & Potts, 2007).

The consumers, employees and the general society who are among of the major influencers of a particular firm would perceive the firm to be good and have a right to operate when their needs are addressed through production of quality products at affordable prices, environmental preservation and donations for the wellbeing of the community (Senooane, 2014). If a particular organization fails to cater for these interests, then its risks being branded in a bad light and the employees or customers of the firm can either strike or boycott the products and services the firm offers (Smith, 2003). Consequently, the stakeholder theory hypothesizes that CSR is a key instrument that enhances brand equity. The theory was related to the purpose of this study in the sense that economic CSR the independent variable linked to the first objective of the study seeking if it influences brand equity, involving initiatives undertaken by the firm to produce quality products and services demanded by the consumers who would paint a positive image of the firm and remain loyal if they love the services provided. Thus, the study sought to uphold the theoretical proposition posited by the stakeholder theory that economic CSR boosts KTDA's brand equity.

Additionally, the theory was relevant to the second objective of the study to both the independent variable (philanthropic CSR) and dependent variable (brand equity). Since philanthropic initiatives through sponsorship activities and donations to the community promotes the general welfare of the society affected by the firm's operations thus catering for their interest would make them paint a good picture of the firm. Therefore, the study sought to uphold the theoretical proposition posited by the stakeholder theory that philanthropic CSR as one of the dimensions of corporate social responsibility boosts KTDA's brand equity. Finally, the theory was relevant to the third objective of the study to both the independent variable (environmental CSR) and dependent variable (brand equity). This is because the environmental initiatives through curbing pollution, planting trees and preserving the green environment helps in adapting to climate change that will be beneficial to tea farmers and the general public as part of the stakeholders of KTDA thus catering for their interest would make them paint a good picture of the firm. For that reason, the study sought to uphold the theoretical proposition posited by the stakeholder theory that environmental CSR as one of the dimensions of corporate social responsibility boosts KTDA's brand equity.

### **3.1.2 Triple Bottom Line Theory**

The theory was conceived and proposed by Elkington (1994) based on his research paper concerning business strategies for sustainable development that was published in the California Management Review. The theory denotes the environmental, social and economic value of investments accruing out of an organization's financial bottom line that guarantees organizational sustainability (Elkington, 2004). The theoretical model is purposed to precisely value assets and leverage the existing resources in order for the capital to be utilized in an efficient and effective manner (Hammer & Pivo, 2017). Consequently, the three elements of the Triple Bottom line theory are voluntary initiatives undertaken by an entity to enhance the environment, social or economic conditions (Byus, Deis & Ouyang, 2010). These initiatives are essential marketing tools for organizations seeking to boost their image and reputation brand (Jin & Chen, 2014). The environmental CSR dimension entails the organization employing initiatives to curb pollution in the surrounding it is incorporated in and involving the community in promoting environmental conservation in order to limit land degradation and harsh climate changes (Sheth et al., 2011).

On the other hand, economic CSR dimension is more about profit-making, since it entails

committed, fair and responsible economic behaviors of a firm towards the society and other stakeholders (Uddin et al., 2008). Finally, the philanthropic CSR dimension involves charitable initiatives carried out to boost the standard of living of people directly or indirectly linked to the firm with the aim of preserving and enhancing a good relationship between the firm and the society (Fischbach & Ksiezak, 2017). The Triple Bottom Line theory postulates that economic, philanthropic and economic CSR dimensions momentarily boost the brand equity of a business entity (Byus, Deis & Ouyang, 2010; Jin & Chen, 2014). Maldonado-Guzman, Pinzon-Castro and Leana-Morales (2017) upheld the theory's hypothesis by revealing that all the three dimensions of CSR significantly boost brand equity and firm reputation of small businesses in Mexico. The research findings of Maldonado-Guzman, Pinzon-Castro and Leana-Morales (2017) were congruent with the observations made by Dawood (2019) who conducted a similar study in the context of the apparel industry in Pakistan. Though, Dawood (2019) only focused on the two constituents of the Triple Bottom Line theory, namely, the philanthropic and environmental CSR dimensions. Besides that, Chan and Saad (2019) who steered a research investigation in the Malaysian coffee retailing industry to assess the effect of the constituents of the Triple Bottom Line on consumers' purchase intention revealed that only philanthropic CSR dimension has a positive temperate association with consumers' purchase intention.

The theoretical model was relevant to this study since the research investigation sought to assess the influence of economic, philanthropic and environmental CSR dimensions on brand equity of KTDA which are the building blocks of the Triple Bottom Line theoretical model. The theory was linked to the economic CSR as an independent variable that is a viable investment object that would guarantee KTDA's organizational sustainability through boosting its brand equity (dependent variable) amongst its customers. Moreover, the theory was also linked to both philanthropic and environment CSR dimensions as marketing tools for organizations seeking to boost their image and reputation brand (brand equity-dependent variable). Therefore, this study sought to assess the theoretical proposition posited by the Triple Bottom Line theory that economic, philanthropic and economic CSR dimensions can actually escalate the level of brand equity in a momentous manner of a business entity in the context of KTDA, Kenya. Consequently in line with the theoretical proposition of the Triple Bottom Line theory this study was specifically purposed to establish the influence of economic, philanthropic and environmental CSR on the brand equity of KTDA.

### **3.2 Empirical Review**

#### **3.2.1 Impact of Economic Corporate Social Responsibility on Brand Equity**

The subject of the link between economic CSR as a dimension of corporate social responsibility and brand equity has drawn the attention of many studies (Maldonado-Guzman, Pinzon-Castro, & Leana-Morales, 2017; Arslan & Zaman, 2014; Maignan & Ferrell, 2004; Pablo, Pedro & Jose, 2017; Hildebrand, Sen & Bhattacharya, 2011) in the area. Arslan and Zaman (2014) carried out a research examination to establish the impact of economic CSR on the brand equity of the 5 Telecom brands comprising of Zong, Telenor, Warid, Mobilink and Ufone that were sampled by using convenience sampling method. The study mutually used the correlation model and the regression analysis model to gauge the affiliation of the economic CSR on brand equity. The study observed that the economic CSR initiatives employed by Telecom firms boost their brand equity. This means that firms which make profits through benefiting the society and continuously enhancing its business activities for sustainability will always receive a positive brand equity from its stakeholders (CFI, 2020). Besides that, Pablo et al. (2017) steered a research inquiry in the Spanish hypermarket to establish the effects of economic CSR on customer-based brand equity. The study targeted 667 people drawn from 18 Spanish cities who procure household

stuff. The study used questionnaires to collect data just as Arslan and Zaman (2014) did. Though Pablo et al. (2017) employed structural equation-modelling tool to perform the data analysis unlike Arslan and Zaman (2014) who relied on correlation and regression analysis.

The findings of the study just like Arslan and Zaman (2014) observed that economic CSR momentarily boosts brand equity/image. The brand equity was measured in terms of brand loyalty, brand awareness and perceived quality. Hildebrand, Sen and Bhattacharya (2011) and Maignan and Ferrell (2004) postulated that economic CSR is an essential instrument for firms to segregate their products and services from those offered by their business rivals besides boosting their brand equity. Maldonado-Guzman et al. (2017) conducted a survey in Mexico to determine the influence of economic CSR on brand image and firm reputation in small-medium sized enterprises. The study was anchored on a sample of 308 business entities operating in Aguascalientes State. The findings of the study established that economic CSR dimension substantially improves the brand image of the small-medium sized enterprises in Mexico. The research outcomes were consistent with the findings of Arslan and Zaman (2014) and Pablo et al. (2017). Blomqvist and Posner (2004) observed that when a firm is able to achieve high profits but fails to sacrifice some of the gains to support social programs, then it will consequently weaken its endeavors in developing CSR programmes. Economic corporate social responsibility promotes brand image since it involves job creation, technological advancement, fair payment system for employees, being profitable, provision of quality products and creation of excellent and safe working environment (Chirimubwe, 2015; Goswami & Prajapati, 2019).

The reviewed studies that were conducted by Maldonado-Guzman et al. (2017), Maignan and Ferrell (2004), Arslan and Zaman (2014), Pablo et al. (2017), Hildebrand et al. (2011) paid limited attention on investigating the impact of economic CSR on the brand equity of KTDA in Kenya. Consequently, this research investigation sought to fill the existing knowledge void.

### **3.2.2 Effect of Philanthropic Corporate Social Responsibility on Brand Equity**

There have been a good number of research inquiries carried out by various scholars (Arslan & Zaman, 2014; Lii & Lee, 2011; Manyange, 2013; Dawood, 2019; Page & Feam, 2005; Ramasamy & Yeung, 2009; Ahmad et al., 2016) on the effect of philanthropic CSR on brand equity. Arslan and Zaman (2014) observed that the involvement of the Telecom firms in philanthropic activities momentarily boosts their brand equity. Lii and Lee (2011) noted that organizations that exercises philanthropic responsibility were perceived to be good entities by its clients when equated to those that were solely focused on marketing and sponsorship activities. Conversely, Page and Feam (2005) noted that philanthropic CSR had no considerable influence on consumers' behaviors on corporate brand image as one of the indicators of brand equity. This is because the customers do not really care about the philanthropic activities that the firms are engaging in, instead they pay critical attention on the value that they can derive from the products or services the firm is providing (Page & Feam, 2005). Manyange (2013) carried out a research examination to establish the influence of philanthropic CSR as one of the CSR dimensions on brand image of Kenyan banks with specific reference to KCB ltd. 110 customers of the bank from 11 branches were randomly chosen and interviewed. Content analysis was used by the researcher to analyze and understand the phenomena being investigated. Manyange (2013) revealed that engaging in philanthropic CSR activities such as providing bursaries and sponsorship of various activities promoted the brand equity of the bank.

Consequently, the findings of Manyange (2013) concurred with Arslan and Zaman (2014) and



Lii and Lee (2011) who also observed that philanthropic CSR boosts the brand equity of an organizational body. Thus, philanthropic CSR is a master plan by which business entities utilize their resources in order to create a good brand equity that guarantees them sustainable corporate rapport with their stakeholders (Manyange, 2013). Dawood (2019) steered a research investigation in Pakistan focusing on consumers drawn from the apparel industry with the aim of establishing the influence of consumers' perception of philanthropic CSR practices on brand equity with specific reference to brand image, satisfaction and trust. The study used a survey design to gather data just as Arslan and Zaman (2014) did in their study. Though unlike Arslan and Zaman (2014) the study used Structural Equation Modelling (S.E.M) to assess the relationship between the variables. The study observed that corporate philanthropic initiatives such as assisting developing countries, engaging in humanitarian activities and supporting social activities substantially boost corporate brand equity. The findings were in agreement with the research outcomes of previous related studies conducted by Arslan and Zaman (2014), Manyange (2013) and Lii and Lee (2011).

Conversely, Ramasamy and Yeung (2009) revealed that philanthropic responsibility did little in making the Chinese consumers to have a good perception of the brand image of the firms they procure services from. Yusof et al. (2015) also established that philanthropic responsibility has no considerable impact on customer loyalty in the Malaysian retail banking sector. Presently based on the studies (Arslan & Zaman, 2014; Lii & Lee, 2011; Manyange, 2013; Dawood, 2019; Page & Feam, 2005; Ramasamy & Yeung, 2009; Yusof et al., 2015) reviewed, limited research had been carried out to determine the effect of philanthropic CSR on the brand equity of KTDA in Kenya. Consequently, this research investigation sought to fill the existing knowledge void.

### **3.2.3 Impact of Environmental Corporate Social Responsibility on Brand Equity**

There have been a good number of research examinations carried by numerous scholars (Manyange, 2013; Dawood, 2019; Creel, 2012; Maldonado-Guzman et al., 2017; Feng, Yoon & He, 2016; Chirimubwe, 2015; Makasi, Govender & Munyoro, 2014) to find out if environmental CSR plays any role on boosting or diminishing brand equity. Manyange (2013) observed that environmental conservation such as tree planting activities boosts the brand equity of Kenyan banks based on the case of the Kenya Commercial Bank Ltd. Dawood (2019) also noted that environmental CSR involving reduction of degradation of natural resources for corporate use, ensuring that the production process is environmentally friendly and enhancing products to be ecological boosts the corporate brand image which is an indicator of brand equity. Creel (2012) noted that when a good public image of an entity is created as a consequence of the entity getting involved in preserving the environment, consequently leads to its customers being happy, the employees end up being satisfied and costs are reduced. Besides that, Maldonado-Guzman et al. (2017) who steered a research examination on the small-medium sized enterprises in Mexico revealed that environmental responsibility as one of the dimensions of CSR substantially leads to the enhancement of brand equity of the businesses.

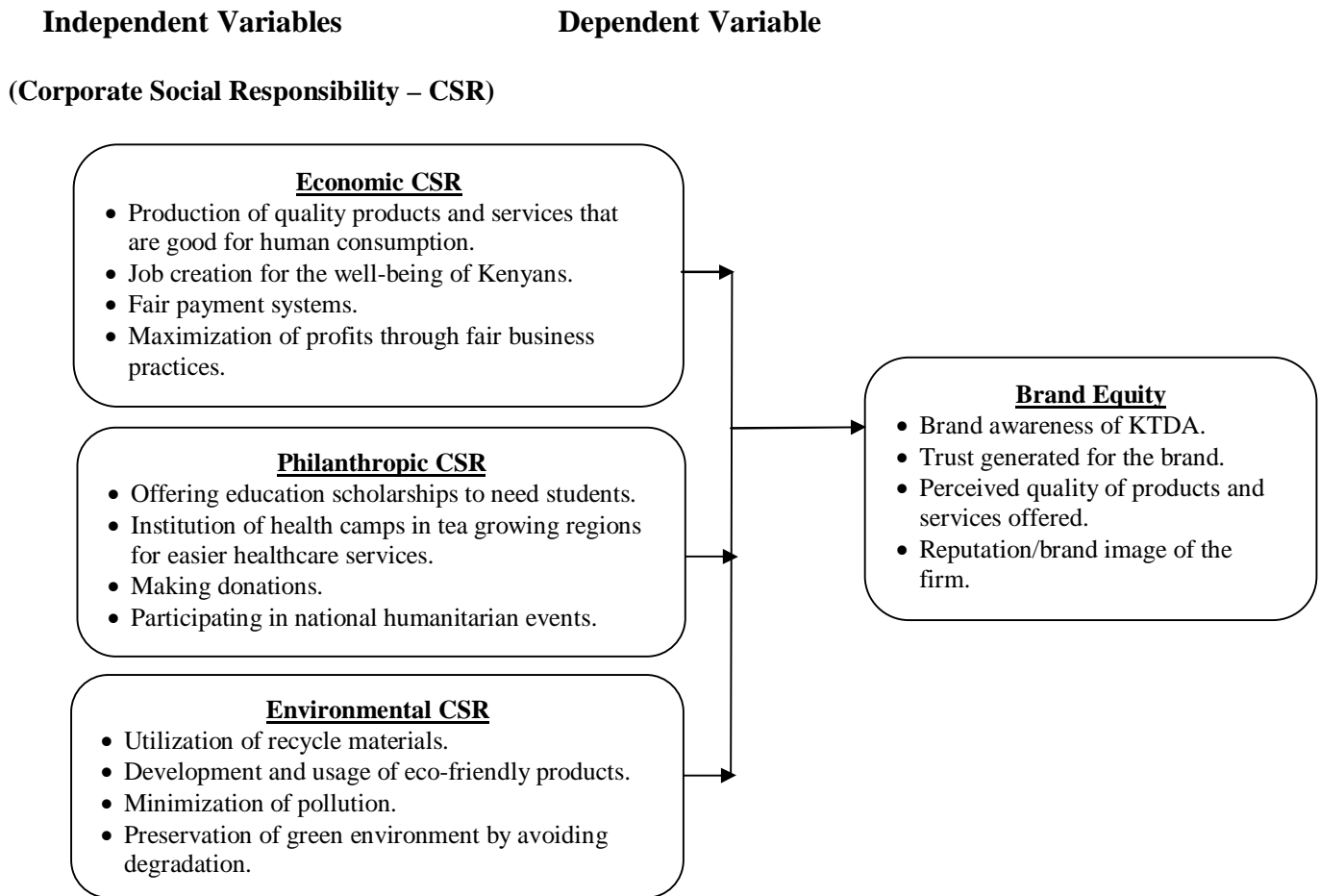
The results were actually in line with what Manyange (2013) together with Dawood (2019) had noted. Firms employing environmental CSR initiatives are able to create distinctive competitive advantages over its competitors in terms of being able to access new market opportunities, gaining trust from investors and having a good reputation (Delmas & Toffel, 2004). On the other hand it was interesting to note that First and Khatriwal (2008) proved that environmental CSR played no substantial influence on brand image. Similarly, Feng, Yoon and He (2016) noted that the adoption of environmental policies or environmental related programs is not effectual in

boosting the brand value of the multinational firms. First and Khatriwal (2008) contended that it is very hard for a business entity to convince its customers about their devotion to the environment through adhering to environmental policies or initiating environmental programs. Chirimubwe (2015) sought to unravel how environmental CSR affects the brand awareness of Unilever Zimbabwe private ltd. The research inquiry applied the exploratory research design and retrieved data from the customers, managers and sales representatives of the firm who comprised of 90 respondents that were randomly chosen. Chirimubwe (2015) actually employed both the correlation model and the linear regression model to unravel how environmental CSR affects the brand awareness. The study found that engagement on environmental preservation activities significantly and positively influences brand awareness.

The findings were consistent with the observations made by Manyange (2013), Dawood (2019) and Maldonado-Guzman et al. (2017). Makasi, Govender and Munyoro (2014) who conducted a similar study in the context of firms operating in the printing and packaging industry observed that environmental CSR involving the usage of clean energy sources, minimizing pollution and preserving the green environment by not cutting down trees improves the brand image of a firm. Presently based on the studies (Manyange, 2013; Dawood, 2019; Creel, 2012; Maldonado-Guzman, Pinzon-Castro & Leana-Morales, 2017; Feng, Yoon & He, 2016; Chirimubwe, 2015; Makasi, Govender & Munyoro, 2014) reviewed, limited research had been carried out to assess the impact of environmental CSR on the brand equity of KTDA in Kenya. Consequently, this research investigation sought to fill the existing knowledge void.

### **3.3 Conceptual Framework**

The conceptual framework presented in Figure 1.1 in the next page hypothesizes the relationship between economic, philanthropic, environmental CSR (independent variables) and the brand equity (dependent variable) of KTDA based on the literature that this study has been able to review.



**Figure 1.1: Conceptual Framework**

**Source: Researcher (2022)**

#### **4.0 Research Methodology**

Descriptive research design was the most applicable design for this study. Descriptive research design is aimed at getting and describing information on a current state of phenomena (Rahi, 2017). It is for this reason that this study used the descriptive research design to address its research objectives as it sets out to collect data and describe the perceptions of the respondents on the level of the three CSR dimensions and the level of brand equity of KTDA based on the current state of affairs. The target population comprised of all the 43 direct sales buyers of KTDA in Kenya and 87 auction buyers of KTDA located in Kenya based on the data retrieved from sales and marketing division at KTDA Management Services Ltd (KTDA, 2020). Therefore, the total population of the study was 130 tea buyers who were the unit of observation that helped in providing data on the perceived level of CSR dimensions employed by KTDA and if these CSR activities impacts the brand equity of KTDA. Thus, KTDA was the unit of analysis since it was the research object being studied. The sample size of this study was calculated by the sample table that was actually conceived by Krejcie and Morgan (1970) that was obtained from Kenya Projects Organization (2012). This is because the sample size estimator is the most efficient in determining the sample size required to give a true representation of a particular

population. Moreover, it estimates a sample size for a given population at 95% confidence level with a provision of 5% error only (Kenya Projects Organization, 2012). Based on the sample size table a target population of 130 respondents was represented by a sample of 97 respondents.

Therefore the total estimated sample size for this study was 97 tea buyers. Sekaran and Bougie (2016) based on their research book actually recommended that a sample size of 30 or more elements are adequate and satisfactory for research studies. Thus the estimated sample size of 97 respondents truly represented the views of the targeted population. Whereby, the sample size of the direct sales buyers was 32 and that of the auction buyers was 65. Simple random sampling design was selected as the most suitable technique for choosing the tea buyers. A three digit random numbers table conceived by Sarmah and Chakrabarty (2016) was used to code the names of the respondents with the three digit-serial numbers before a random selection of the participants to constitute the targeted sample size is made. The random numbers table conceived by Sarmah and Chakrabarty (2016) was appropriate for this study since the total sample size of the study are three digits ranging from 001 to 130. The study deemed structured questionnaire as the most suitable tool for collecting primary data which aided in addressing the study objectives. The questionnaire contained statements assessing the variables on a Likert-scale that played an important role in quantifying the responses for easier statistical analysis (Zikmund et al., 2010). The pilot study was used to assess the contents of the questionnaire through face-to-face validity and the reliability of the survey tool. The study targeted 13 respondents in its pilot assessment exercise.

This figure denoted approximately 13.4% of the total sample size. Hertzog (2008) recommended that a sample size that is between 10 and 40 elements is deemed sufficient and satisfactory for a pilot study though depending on the sample size. Face-to-face validity was assessed during the pilot test period. The selected respondents assessed the questionnaire and ensured that all the question items precisely represented what they intended to measure, if the questions were clear and simple to be understood. The reliability of the survey tool was estimated on the grounds of the internal consistency of its question items being correlated based on the pilot study results (Cooper & Schindler, 2011). The Cronbach's alpha was the most appropriate statistical tool that was employed to measure the internal consistency of the questionnaire in terms of the inter-correlation of the question items (Bonett & Wright, 2015). Gliem and Gliem (2003) together with Cooper and Schindler (2006) recommended that when the questionnaire posts Cronbach's alpha values greater than 0.7 then the questionnaire is considered to be reliable. This was the rule of thumb that this study employed in assessing the reliability of its survey tool. The data for the test was retrieved from the pilot study and run through SPSS, then the results were presented in Table 1 below.

**Table 1: Reliability Findings**

<b>CSR Dimension</b>	<b>Cronbach's Alpha</b>	<b>No. of Items</b>
Economic CSR	0.978	7
Philanthropic CSR	0.973	6
Environmental CSR	0.960	6
Brand Equity	0.949	4

**Source: Researcher (2022)**

Based on the findings presented in Table 1 it was established that all the three CSR dimensions posted Cronbach's alpha values that were way above 0.7 (Economic CSR – 0.978; Philanthropic CSR – 0.973; Environmental CSR – 0.960). Additionally, brand equity also posted a Cronbach's

alpha figure that was above 0.7 (Brand Equity – 0.949). This denoted that the questionnaire was reliable and could be used for the main data collection exercise. Descriptive analysis involving averages and standard deviations was employed to illustrate the perceptions of the tea farmers on the level of economic, philanthropic and environmental CSR at KTDA. It was also used to describe how the brand equity of KTDA is perceived. SPSS was used to perform the descriptive analysis and the subsequent results were portrayed in form of tables. Multiple Regression model was used as an appropriate model to establish the influence of environmental, philanthropic and environmental CSR on the brand equity of KTDA. This is owing to the fact that a regression model is the most suitable model that portrays the degree to which a predictor or independent variable explains the variability in the dependent variable either significantly or insignificantly (Foley, 2018). Similar research studies conducted by Arslan and Zaman (2014), Kodua et al. (2016) together with Chirimubwe (2015) used the model to show if CSR impacted brand equity. This study used SPSS to carry out the regression analysis. For this reason, the study developed and hypothesized the following regression equation;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Whereby;  $\alpha$  = constant numerical figure illustrating the level of brand equity in the absence of economic, philanthropic and environmental CSRs dimensions.

$Y$  = perceived brand equity acting as the dependent variable.

$X_1$  = economic CSR acting as the independent variable seeking to influence the level of perceived brand equity.

$X_2$  = philanthropic CSR acting as the independent variable seeking to predict the level of perceived brand equity.

$X_3$  = environmental CSR acting as the independent variable seeking to predict the degree of perceived brand equity.

$\beta_1, \beta_2$  &  $\beta_3$  = denotes the beta co-efficient showing the degree to which economic CSR accounts for the variability in the brand equity of KTDA.

$\varepsilon$  = denotes the error term of the model.

## 5.0 Presentation of Findings and Discussions

### 5.1 Response Rate and Demographic Findings

The research inquiry managed to study all the 97 respondents. Though during the pilot study 13 respondents had been sampled to assess the quality of the questionnaire in terms of reliability. These respondents were not included in the main data collection exercise as an attempt to restrain any form of bias that could arise leaving us with a target sample of 84 respondents. All the questionnaires distributed during the main data collection exercise on the 84 respondents were successfully retrieved. Therefore, the study managed to realize a 100% response rate. With reference to the demographic results, the descriptive findings observed that most of the tea buyers have had a business relationship with KTDA for more than 10 years, 5 to 7 years and 7 to 10 years respectively. Since they accounted for 22.6% (19), 21.4% (18) and 16.7% (14) of the total responses respectively. The findings meant that the respondents studied by this research inquiry have had a long business relationship with KTDA and therefore due to the long interaction with the organization, they stand to know KTDA's CSR initiatives and its brand equity. With reference to the type of buyers that KTDA engages business with, it was established that auction buyers accounted for the huge percentage accounting for 65.5% (55) compared to direct sales buyers standing at 34.5% (29). This meant that most of KTDA's customers are auction tea buyers. Finally, in regard to customer classification, it was noted that virtually all of the KTDA's tea buyers are companies standing at 100% (84).

## 5.2 Descriptive Findings

Descriptive analysis that encompassed the use of mean was employed to summarize the raw data obtained and describe the status of economic CSR dimension of KTDA, Kenya. The raw data was obtained from question statements on a 5-point Likert scale of agreement soliciting the perceptions of the tea farmers on the economic CSR practices at KTDA. The findings of the descriptive results were displayed in Table 2 below.

**Table 4. 1: Descriptive results of the Economic Social Responsibility of KTDA in Kenya**

No.	Statement	Mean	Standard Deviation
1.	KTDA produces quality products and services that are good for human consumption.	4.214	0.808
2.	KTDA maximizes its profits through fair business practices.	4.012	1.070
3.	KTDA uses technological advancement to improve the effectiveness and efficiency of business operations.	3.941	1.079
4.	Tea products sold by KTDA impacts positively to the tea buyers.	3.929	1.106
5.	KTDA continuously enhances its business activities for sustainability.	3.929	1.106
6.	KTDA has created job opportunities for the well-being of Kenyans.	3.845	0.951
7.	KTDA provides fair payment systems.	3.833	1.028
Overall Mean score		3.958	1.021

**Source: Researcher (2022)**

The descriptive results observed that KTDA produces quality products and services that are good for human consumption. This was justified by a mean of 4.214. Besides that, the findings noted that KTDA maximizes its profits through fair business practices. Since the results posted a mean of 4.012. The descriptive results agreed with Chirimubwe (2015) together with Goswami and Prajapati (2019) that production of quality products that commensurate with the customer needs leads to the achievement of fair profits, which is a great CSR strategy that makes the customers to trust the given organization. Aside from that, the research results established that KTDA uses technological advancement to improve the effectiveness and efficiency of business operations. Because the results posted a mean of 3.941. Besides that, the descriptive results observed that the tea products sold by KTDA impacts positively to the tea buyers. This was justified by a mean of 3.929. The descriptive results also observed that KTDA continuously enhances its business activities for sustainability and it has created job opportunities for the well-being of Kenyans. Since the results posted means of 3.929 and 3.845 together. Finally, the findings observed that KTDA provides fair payment systems. Justified by a mean of 3.833. The findings concurred with Chirimubwe (2015) together with Goswami and Prajapati (2019) that creating job opportunities and providing fair payment systems are desirable ways of giving back to the society in terms of boosting their economic growth.

In general, the findings observed that KTDA practices a wide range of economic CSR activities like the provision of quality products and services suitable for human consumption, continuously enhancing its business activities, offering job opportunities to Kenyans and providing fair payment systems among others. Besides that, descriptive analysis that encompassed the use of mean was employed to summarize the raw data obtained and describe the status of philanthropic CSR dimension of KTDA, Kenya. The raw data was obtained from question statements on a 5-point Likert scale of agreement soliciting the perceptions of the tea farmers on the philanthropic CSR practices at KTDA. The findings of the descriptive results were displayed in Table 3 below.

**Table 3: Descriptive results of the Philanthropic Corporate Social Responsibility of KTDA in Kenya**

No.	Statement	Mean	Standard Deviation
1.	KTDA offers education scholarships to needy students.	4.238	0.965
2.	KTDA conceives programmes to uplift the social being of students and encourage them to avoid drug abuse.	4.143	0.946
3.	KTDA provides funds to NGOs to assist in eradicating poverty, hunger and promotion of health.	4.143	0.946
4.	KTDA offers donations.	4.060	0.910
5.	KTDA participates in national humanitarian events.	4.000	1.030
6.	KTDA has instituted health camps in tea growing regions for easier healthcare services.	3.988	0.938
Overall Score		4.095	0.956

**Source: Researcher (2022)**

The results of the descriptive analysis as presented in Table 3 noted that KTDA offers education scholarships to needy students. Since the results posted a mean of 4.238. The findings were relatable to Manyange (2013) who observed that the Kenya Commercial Bank conducts philanthropic CSR activities such as offering bursaries to the underprivileged children with an aim of boosting their education. The descriptive findings also observed that KTDA conceives programmes to uplift the social being of students and encourage them to avoid drug abuse. This was justified by a mean of 4.143. The descriptive findings also noted that KTDA provides funds to NGOs to assist in eradicating poverty, hunger and promotion of health. Since the results posted a mean of 4.143. It also observed that KTDA offers donations and participates in national humanitarian events. This was justified by means of 4.060 and 4.000 respectively. The findings were in agreement with Kodua et al. (2016) who had noted that the telecommunication industry in Ghana offers donations as one of their philanthropic activities tailored to boost their public image. Additionally, the findings concurred with Arslan and Zaman (2011) who had observed that the international Telecom brands participate in humanitarian events to boost their corporate image. Finally, the descriptive results established that KTDA has instituted health camps in tea growing regions for easier healthcare services. This was justified by a mean of 3.988.

In summary it can be concluded that KTDA seriously conducts various philanthropic activities in Kenya. Since the results posted a mean of 4.095. Besides that, descriptive analysis that encompassed the use of mean was employed to summarize the raw data obtained and describe the status of environmental CSR dimension of KTDA, Kenya. The raw data was obtained from question statements on a 5-point Likert scale of agreement soliciting the perceptions of the tea farmers on the environmental CSR practices at KTDA. The findings of the descriptive results were displayed in Table 4 in the next page.

**Table 4: Descriptive results of the Environmental Corporate Social Responsibility of KTDA in Kenya**

No.	Statement	Mean	Standard Deviation
1.	KTDA utilizes recycle materials.	4.250	0.863
2.	KTDA develops and uses eco-friendly products.	4.083	0.984
3.	KTDA preserves green environment by avoiding degradation.	3.988	1.059
4.	KTDA uses clean energy sources.	3.988	1.059
5.	KTDA minimizes pollution.	3.941	1.057
6.	KTDA practices proper waste management.	3.905	1.001
Overall Score		4.026	1.004

**Source: Researcher (2022)**

As provided in Table 4 above, it can be noted that KTDA utilizes recycle materials, develops and uses eco-friendly products. This was justified by means of 4.250 and 4.083 respectively. Besides that, the descriptive results confirmed that KTDA preserves green environment by avoiding degradation. Since the results posted a mean of 3.988. This was in line with the outcomes of Dawood (2019) who had observed that the preservation of green environment by organizations through avoidance of land degradation was an essential environmental CSR tool for making the community to perceive the organization in good light. The descriptive results also noted that KTDA uses clean energy sources, minimizes pollution and practices proper waste management. The results were justified by means of 3.988, 3.941 and 3.905 respectively. In general it can be noted that KTDA is usually keen in implementing various environmental CSR programmes not only for environmental conservation but for boosting its corporate image. Besides that, descriptive analysis that encompassed the use of mean was employed to summarize the raw data obtained and describe the status of brand equity of KTDA, Kenya. The raw data was obtained from question statements on a 5-point Likert scale of agreement soliciting the perceptions of the tea farmers on the brand equity of KTDA. The findings of the descriptive results were displayed in Table 5 below.

**Table 5: Descriptive results of the Brand Equity of KTDA in Kenya**

No.	Statement	Mean	Standard Deviation
1.	KTDA has positive brand awareness.	4.452	0.911
2.	I perceive that KTDA offers quality product and services.	4.310	0.994
3.	I have generated trust in KTDA.	4.226	0.998
4.	KTDA has a good reputation in Kenya.	4.214	1.019
Overall Score		4.301	0.981

**Source: Researcher (2021)**

As presented in Table 5 it was established that KTDA has a positive brand awareness and the tea buyers perceives that it offers quality products and services. This was justified by means of 4.452 and 4.310 respectively. Additionally, the descriptive results noted that the tea buyers have generated trust in KTDA and that it has a good reputation in Kenya. Because the results posted the means of 4.226 and 4.214 respectively. In general, it can be concluded that KTDA has a good brand equity among the tea buyers in Kenya.



### 5.3 Regression Analysis Findings

Regression analysis was conducted to establish the impact of Corporate Social Responsibility on the brand equity of Kenya Tea Development Agency (KTDA) in Kenya. This was with reference to how economic, philanthropic and environmental CSR influenced the brand equity of KTDA in Kenya. The findings of the regression analysis were presented in Tables 6, 7 and 8. Table 6 below presented the model summary results.

**Table 6: Model Summary Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.835 <sup>a</sup>	0.697	0.686	0.48361

a. Predictors: (Constant), Environmental CSR, Philanthropic CSR, Economic CSR  
b. Dependent Variable: Brand Equity

**Source: Researcher (2021)**

As we can see from Table 6, the R-value of 0.835 was a relatively big figure, meaning that the predicted values (denoting economic, philanthropic and environmental CSR) and the observed values of brand equity of KTDA, the dependent variable were closely correlated. The R-Square figure that our study was able to realize was 0.697, denoting the fact that the variability on brand equity was explained by economic, philanthropic and environmental CSR up to 69.7%. Therefore, with reference to the general objective of the study we can confirm that Corporate Social Responsibility has an impact on brand equity of Kenya Tea Development Agency in Kenya. The adjusted R-Square value was 0.686 which was indeed very close to the R-Square value. This meant that all the three independent variables indeed caused the variance on the brand equity of KTDA. The standard error of estimate value was 0.48361 indicating how narrowly the data fitted on the regression line which expressed how high the predictive power the model possessed. To establish if the variance caused on brand equity of KTDA by all the three independent variables was statistically significant (based on the R-Square value), the Analysis of Variance (ANOVA) was conducted. The findings were presented in Table 7 below.

**Table 7: The Analysis of Variance (ANOVA) Results**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	43.137	3	14.379	61.482	0.000 <sup>b</sup>
Residual	18.710	80	0.234		
Total	61.847	83			

a. Dependent Variable: Brand Equity

b. Predictors: (Constant), Environmental CSR, Philanthropic CSR, Economic CSR

**Source: Researcher (2021)**

The *p*-value of the ANOVA results has to be less than 0.05 in order for the R-Square value to be considered statistically significant. As noted from Table 7 the variance caused on brand equity of KTDA by all the three independent variables was substantial. Since the ANOVA's *p*-value of 0.000<sup>b</sup> was not greater than the benchmark figure of 0.05. Therefore, in line with our general objective, we conclude that corporate responsibility significantly impacts the brand equity of Kenya Tea Development Agency in Kenya. But that was a general overview. To establish how each CSR dimension influenced the brand equity of KTDA and if the influence was a positive or a negative one the regression coefficients analysis was performed and the results presented in Table 8.

Table 8 below presents the regression coefficients results that showed how economic, philanthropic and environmentally CSR influenced the brand equity of KTDA in line with the first, second and third specific objectives of the study.

**Table 8: Regression Coefficients Results**

Model		Coefficients <sup>a</sup>			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	0.180	0.308		0.583	0.562
	Economic CSR	0.157	0.110	0.149	1.428	0.157
	Philanthropic CSR	0.501	0.110	0.444	4.541	0.000
	Environmental CSR	0.360	0.100	0.332	3.604	0.001

a. Dependent Variable: Brand Equity

**Source: Researcher (2021)**

The researcher managed to develop the regression equation below based on the coefficients that she was able to obtain from Table 4.8. The equation is presented below;

$$Y = 0.180 + 0.157X_1 + 0.501X_2 + 0.360X_3$$

Whereby, Y denoted the brand equity of KTDA.  $X_1$  represented the economic CSR,  $X_2$  was the philanthropic CSR while  $X_3$  denoted environmental CSR. Based on the developed regression equation, the constant value of 0.180 was comprehended as the level of perceived value of brand equity of KTDA when the organization does not practice economic, philanthropic and environmental CSR. Which is a very low level of brand equity that an organization can boost of. From his finding, we can get an overview picture of the essential role CSR activities plays on the brand equity of an entity. With respect to addressing the first research goal, the unstandardized beta coefficient value of economic CSR which was 0.157, meant that a unit increase of the economic CSR programmes by KTDA would increase its brand equity by 15.7% though it would not be significant. Since the p-value of the beta was 0.157 which surpassed the benchmark figure of 0.05. This pointed to the fact that the economic CSR activities like the provision of quality products and services suitable for human consumption, continuously enhancing its business activities, offering job opportunities to Kenyans and providing fair payment systems among others would boost the brand equity of KTDA. Though the level of improvement of brand equity won't be very vital. Interestingly, the results did not align with the findings of past studies steered by Maldonado-Guzman et al. (2017), then by an earlier study directed by Arslan and Zaman (2014) and a recent study conducted by Pablo et al. (2017) who observed that economic CSR significantly boosts brand equity.

Economic CSR is an essential instrument for firms to segregate their products and services from those offered by their business rivals besides boosting their brand equity (Hildebrand et al., 2011; Maignan & Ferrell, 2004). According to the stakeholder theory, the major motive of business entities implementing CSR initiatives is due to the fact that it can be utilized in precisely addressing the issues arising from their business operations that are of great significance to its stakeholders (Hohnen & Potts, 2007). The findings of the regression results in line with the stakeholder theory observed that, economic CSR involving initiatives undertaken by KTDA to produce quality products and services demanded by the consumers as its stakeholders painted a positive image of the firm and made them to be loyal to the firm since they loved the services provided.

With respect to addressing the second research goal, the unstandardized beta coefficient value of philanthropic CSR which was 0.501, meant that a unit increase of the philanthropic CSR programmes by KTDA would increase its brand equity by 50.1% significantly. Since the p-value of the beta was 0.000 which was less than the benchmark value of 0.05. This revealed that philanthropic activities conducted by KTDA ranging from education scholarships, donations, creating health camps for easier health care services and participating in humanitarian events consequently boosts its brand equity among its tea buyers. These results were consistent with what Arslan and Zaman (2014) had noted in the Telecom industry and with what Dawood (2019) had observed in the apparel industry in Pakistan. That philanthropic CSR enhances brand equity. To add on that, the results were also consistent with what Kodua et al. (2016) had noted in the Ghanaian telecommunication industry, that philanthropic CSR enhances brand equity. On the flipside, it is interesting to note that the results of the study did not align with what Ahmad (2016), Yusof et al. (2015) together with Page and Feam (2005) had observed. Whereby, they had observed that philanthropic CSR does not boost brand equity. Firms that exercises philanthropic responsibility are perceived to be good entities by its clients when equated to those that were solely focused on marketing and sponsorship activities (Lii & Lee, 2011).

Philanthropic CSR is a master plan by which business entities utilizes their resources in order to create a good brand equity that guarantees them sustainable corporate rapport with their stakeholders (Manyange, 2013). The findings of the study were in conformance with the stakeholder theory since it established that philanthropic CSR initiatives conducted by KTDA through sponsorship activities and donations to the community promotes the general welfare of the society affected by the firm's operations thus catering for their interests and making them to paint a good picture of the firm. In line with the Triple Bottom line theory, the philanthropic initiatives undertaken by KTDA helps the organization to not only boost its image among the community but also its reputation (Byus et al., 2010). With respect to addressing the final research goal, the unstandardized beta coefficient value of environmental CSR which was 0.360, meant that a unit increase of the environmental CSR programmes by KTDA would increase its brand equity by 36% momentarily. Since the p-value of the beta was 0.001 which was less than the benchmark value of 0.05. It meant that by KTDA utilizing recycle materials, developing eco-friendly products, avoiding land degradation and minimizing pollution would boost its brand equity in terms of perceived good reputation, trust and brand awareness.

The findings of the study concurred with Manyange (2013), Maldonado-Guzman et al. (2017), Chirimubwe (2015) and Dawood (2019) who observed that environmental CSR involving vegetation conservation through reducing degradation of natural resources for corporate use boosts brand equity. A good public image of an entity is created as a consequence of the entity getting involved in preserving the environment, consequently leading to its customers being happy, the employees ending up being satisfied and the costs being reduced (Creel, 2012). Interestingly, the findings did not agree with Feng et al. (2016) whose study had concluded that environmental CSR does not cause any considerable effect on brand equity. There are scenarios whereby organizations might find it difficult to convince its customers about their devotion to the environment through adhering to environmental policies or initiating environmental programs (First & Khetriwal, 2008). In line with the stakeholder theory, the findings established that KTDA tries to balance the interests of its various stakeholders by minimizing pollution and avoiding land degradation which benefits the whole society in general and developing eco-friendly products that are beneficial to the customers.

Thus, as their interests are catered for, a very good brand image is made in the mind of the people. In line with the Triple Bottom line theory, based on the scholarly works of Jin and Chin

(2014) together with Byus et al. (2010), the environmental initiatives undertaken by KTDA is very helpful in not only boosting its image but also its reputation.

## **6.0 Conclusions**

With reference to the first goal of the study, we can resolve that the economic CSR does not cause any considerable variability on the brand equity of KTDA. It can also be concluded that the economic CSR activities implemented by KTDA which improves its brand equity are the provision of quality products and services suitable for human consumption, continuously enhancing its business activities, offering job opportunities to Kenyans and the provision of fair payment systems. In regard to the second research goal, based on the discussion of findings, our resolution is that philanthropic CSR considerably causes immense change on the brand equity of KTDA in a positive fashion. It can also be concluded that the philanthropic activities conducted by KTDA which boosts its brand equity comprises of education scholarships, donations, creating health camps for easier health care services and participating in humanitarian events. It can also be concluded that the philanthropic initiatives carried by KTDA is not only done to enhance the welfare and the dignity of people in the society but also as a marketing tool for boosting its image.

Finally, in regard to the third research goal, we can resolve that environmental CSR considerably causes immense change on the brand equity of KTDA in a positive fashion. It can also be concluded that the environmental CSR activities carried out by KTDA which enhances its brand equity includes utilizing recycle materials, developing eco-friendly products, avoiding land degradation and minimizing pollution. It can also be concluded that KTDA tries to balance the interests of its various stakeholders by minimizing pollution and avoiding land degradation which benefits the whole society in general and developing eco-friendly products that are beneficial to the customers.

## **7.0 Recommendations**

The top leadership of KTDA together with the government can use the research outcomes of this study to conceive regulations or policies that will subject KTDA to always produce quality affordable products that are ecofriendly, continue creating more job opportunities and offering equitable remuneration packages since it boosts its corporate image. The study also recommends for the top management of KTDA to formulate policies that would encourage the firm and its employees to carry out frequent philanthropic CSR activities which can be advertised through various media outlets since it will not only done to enhance the welfare and the dignity of people in the society but will also be a marketing tool for boosting its image. The study also recommends for the top management in KTDA to create guidelines that will commit the organization to always conserve its environment, produce ecofriendly products and minimize pollution, since it will benefit the whole society including the tea buyers who will consequently want to be associated with KTDA.

The study recommends future researchers to conduct research studies in other sectors such as the manufacturing organizations, services organizations and government institutions to establish how the three CSR dimensions affects their brand equity so that suitable policies can be made based on the findings established to boost their corporate image. This study was limited to the perceptions of the customers therefore future scholars can attempt incorporating the views of other stakeholders such as the employees and the tea farmers in order to obtain a balanced reliable information about the linkage between CSR dimensions and brand equity.

Moreover, this study solely depended on questionnaires to obtain information to address its goals. Therefore, besides the usage of questionnaires, interview guides should also be used in order to obtain an objective view of the relationship between CSR and brand equity. The main input of this study to the research knowledge is that only philanthropic and environmental CSR dimension are very influential in boosting brand equity in the context of KTDA.

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