Conceptualising a best practice Corporate Social Performance model for SMEs in South Africa.

BCom Honours in Strategic Brand Management
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Date Submitted: 16 October 2017
I hereby declare that the Research Report submitted for the BCom Honours in Strategic Brand Management degree to The Independent Institute of Education is my own work and has not previously been submitted to another University for Higher Education Institution for degree purposes.
ACKNOWLEDGEMENTS:
Firstly, I would like to say thank you to my supportive and encouraging family and friends, who were there for me through all the overwhelming excitement and nerves in writing this research topic. This journey has been one that has challenged me, provoked a new passion for my career, as well as inspired me to become an agent of change within South Africa.
Another note of appreciation goes to an incredible bunch of honours students whom pursued this journey with me. Can you believe we did it? A very special mention goes to Liat Ilouze, who motivated, encouraged and joined in on a few all-nighters to make this all happen. I couldn’t have done it without you.
Lastly, the biggest and most heart-felt thank you goes to the person who challenged me and proved that I could do it, regardless of the obstacles faced. Dayle Raaff, my supervisor, your high spirits and warm heart pushed me through this and inspired me to work harder and be the best I could be during this daunting, yet exciting process. You motivated me to do my best and you showed me the light at the end of the tunnel. I dedicate this to you and Mad2Run, and I hope SMEs will support you along your journey ahead.

ABSTRACT:
Corporate Social Performance (CSP) is a recent phenomenon that is starting to gain attention amongst brands within South Africa. Due to the increasing demand of societal expectations, brands are facing institutional pressure to acknowledge these expectations and deliver. Stakeholders strives to associate themselves with a brand that is able to commit to the added sustainable value through CSP, in doing so, resulting in a return on investment being created. SMEs obtain the will to want to engage in CSP activities, however due to a lack of information pertaining to CSP as a concept, SMEs find the CSP sphere overwhelming to enter. By establishing a coherent and sustainable brand strategy, SMEs will gain a higher brand equity recognized by the stakeholders and thus enhance their stakeholder relations. With the use of the institutional, stakeholder and legitimacy theory, a best practice will be conceptualized for SMEs to be able to integrate CSP into their brand strategy, as opposed to just as a communication function, thus obtaining a consequent return on investment.
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CHAPTER 1: INTRODUCTION

1.1. BACKGROUND & CONTEXT

Corporate Social Performance (CSP) refers to the relationships that businesses are able to achieve with people, other organisations, institutions, communities and the earth, through principles, practices and business outcomes (Wood, 2016). These relationships are achieved through actions committed by the business, as well as unintended externalities, towards their stakeholders. Corporate Social Investment (CSI) and Corporate Social Responsibility (CSR) are sub-components of CSP. CSI is defined as an investment process that integrates the social, environmental and corporate governance criteria (Žekieñe & Ruževicius, 2011). This investment process is external to a brands day-to-day activities and not created for the purpose of profit (Fernando & Lawrence, 2014). CSR in its simplest form is a “company’s broader responsibility towards society” (Rao & Tilt, 2015). CSR has been adopted to be a beneficial responsibility for both the business and society, if it is conducted ethically and effectively (Carroll, 2016). Both CSI and CSR are related concepts, increasingly heard of within the corporate sphere.

The aim of CSP is to establish sustainable projects/processes that obtain a strong developmental approach, whilst utilizing the brands resources to aid and uplift society (CSI Solutions, 2017). The evolution of CSP began in 1950, where various social campaigns, such as anti-war campaigns and antiracists movements caused investors to think through their social consequence of their investment activities (Žekieñe and Ruževicius, 2011). It spread throughout Europe, reaching to the United States of America and finally encapsulating the rest of the world (Žekieñe and Ruževicius, 2011). CSP has developed and evolved to meet the needs of society, whilst being aligned to a brands purpose. It is now based on the understanding that common responsibility and social interests need to represent a large part of a brand’s investment decision, whilst simultaneously accounting for the financial grounding of the brand and the needs of society, thus, identifying the prolonged impact of the investment (Žekieñe and Ruževicius, 2011).

The importance of CSP stems further than meeting the requirements of corporate governance. Large organisations within South Africa are committing to CSP with the intention to do good, whilst being able to meet the corporate governance standards - yet there is lack of small to medium organisations committing to CSP, due to CSI not being a compulsory investment. Through the use of CSP, brands are able to gain an increasing return on investment through brand awareness, brand loyalty and brand equity by encompassing CSP into their brand strategy, as opposed to a communication function.
With the use of exploratory research (the initial research into a theoretical idea), this will allow for future theories to be informed, and alternatively assists in the understanding of existing theories (Kowalczyk, 2014). By exploring the relationships between the related concepts - such as: CSP; brand strategy; the Stakeholder Theory, the Legitimacy Theory and the Institution Theory; Carrol’s Pyramid Model; and brand reputation - this will allow for in-depth insights to be established and a greater understanding of the topic to be gained. This will be gained with the use of a literature review and a qualitative methodology approach, ultimately establishing a concise recommendation and conclusion. CSP is a concept that is increasingly heard of, ultimately enhancing a brand in various investments, or deficits. These elements will be explored in this topic, as well as their effect on a brand’s reputation.

1.2. RATIONALE

CSP is an important element in creating shared value for a brand’s stakeholders (Fernández and Rajagopal, 2016). CSR and CSI are sub-components of CSP, in particular the ethical and structural principles of social responsibility and business engagement (Wood, 2016). CSR and CSI are functions which are required by society for the development of socio-economic issues, as well social improvement and environmental conservation. By serving society, the integration of a developing society and business growth and development, influences the stakeholder’s values. Due to corporate governance, CSI is becoming a primary function within an organisation, however the concepts of CSP, CSR and CSR are misinterpreted and misunderstood by society (Fernando and Lawrence, 2014;). With a clear understanding of the relationship between CSP (and the related concepts), a brand’s strategy and the value they create for a brand, the researcher will be able to generate insights into strategies for the development of a future brand citizen. By organisations being able to understand the underlying concept of CSP, it will allow for a brand to encapsulate CSP strategies into their business and culture. CSI reaps benefits for the brand, yet requires a substantial budget in order to execute these investments. Large organisations find it easier to commit to CSP initiatives due to their need to abide to corporate governance, as well as their resources. However, with an understanding of the reputation and value that could be achieved, small to medium business’s will hopefully find the need to be able to invest in CSP initiatives and therefore be able to gain the return on a brand’s value, yet on a smaller scale.

With the use of this research topic, the researcher aims to create a theoretical framework that small to medium businesses can implement, in order to create an awareness of how CSP needs to be built into the brand’s strategy, as opposed to its communication function. The need to understand the means of the brand reputation and brand value is beneficial in creating and implementing successful strategies that will result in added value to the brand and society at
large. By being able to achieve a sustainable difference and positively influence the triple bottom line, businesses can develop their brand, to be viewed as a sustainable brand citizen. This is where the business is seen to do more for society, over and above its primary reason for existence, ultimately gaining a sustainable competitive advantage with a corresponding return on investment. This research topic will examine, identify and determine the themes and their relationships to each other. With an abundance of insights and knowledge gained, this topic will contribute to the branding industry.

1.3. RESEARCH PROBLEM

To create a best practice for Small and Medium Enterprises (SMEs) to integrate Corporate Social Performance into their brand strategy.

1.4. RESEARCH QUESTIONS

• How can SMEs communicate their social value through their brand strategy?
• How can SMEs leverage stakeholder relationships through their brand strategy?
• How can SMEs integrate their corporate governance into their brand strategy?

1.5. RESEARCH OBJECTIVES

• To determine how SMEs can communicate their social value through their brand strategy.
• To determine how SMEs can leverage stakeholder relationships through their brand strategy.
• To determine how SMEs can integrate their corporate governance into their brand strategy.

1.6. CONCEPTUALISATION

i. Corporate Social Performance – CSP is a multi-dimensional performance measure that extends beyond the notion of financial accounting, with the objective of evaluating the corporate’s performance in relation to society (Cooper, 2017; Lakatos, 2013).

ii. Corporate Social Investment – CSI is defined as an investment management method that incorporates the social, environmental and governmental criteria into a conventional financial analysis, with the intention of gaining a return on investment (Žėkienė & Ruževičius, 2011).

iii. Corporate Social Responsibility – CSR is concerned with the ethical and socially responsible manner in which stakeholders are treated. CSR aims to develop a higher
standard of living, through social, economic and environmental preservation and enhancement, whilst serving the profitability of the organization (Hopkins, 2009).

iv. Social value – is a process of co-creation between the organizational leadership, stakeholders and society, which considers the economic, environmental and social aspects of their impact in order to increase their well-being and development (Kiser, Leipziger & Shubert, 2014).

v. Stakeholder - A stakeholder is defined as an individual or group that is affected by the behaviour of an organizations decisions and practices (Kolb, 2008). Stakeholders include: stockholders, customers, employees, suppliers, managers, local communities (Kolb, 2008).

vi. Corporate governance – is the system and legislature by which large organisations are directed and controlled to act, in the interests of stakeholders and shareholders (Chitimus, 2015). Furthermore, it is a mechanism that corporate governances aims to develop a control structure that is controlled and thus enforcing accountability and avoiding fraud (Chitimus, 2015).

vii. Brand Strategy – is defined as a multi-dimensional concept that embraces all the activities of an organisation, providing a sense of purpose, direction and unity, as well as facilitating the ability to adapt to change provoked by the environments the organisation operates (Hax & Majluf, 1988).

viii. Small and Medium-Sized Enterprises – SMEs refer to companies that obtain 0 to 250 employees that are independent of a large company and thus do not exceed a size that permits personalised management (Assarlin & Gremyr, 2013). SMEs are classified due to the number of employees, the enterprises total balance sheet and turnover (Buculescu, 2013).

1.7. LIMITATIONS AND DELIMITATIONS

Research limitations and delimitations could enhance or diminish the extent and depth of the findings and insights that is able to be gained for a research topic (Enslin, 2014). Limitations occur outside of the researchers control and delimitations occur based on the researcher’s decisions, thus some factors may encounter as a challenge which can be overcome, whilst some may not (Enslin, 2014).
1.7.1. Limitations

i. Time constraints with each deadline will allow the researcher to establish a rollout plan which can be executed efficiently, if all participants abide to their agreed interview dates.

ii. Limited access to participants owing to the number of semi-structure in depth interviews, with participants which may result in dispersed findings. Due to the time constraints of each participant due management pressure, the researcher may forfeit proposed scheduled interviews.

iii. Geographic location serves as a limitation due to the researcher only being able to conduct semi-structured interviews with participants in Johannesburg, resulting in a lack of findings from participants in the six other provinces of South Africa.

iv. A semi-structure interview allows for a specific amount of questions to be asked, which may result in a lack of information gained or a misinterpretation of the question answered, thus leading to poor findings.

1.7.2. Delimitations

i. The concept of CSP within South Africa is newly established, which results in lack of available literature and terminology relating to the concept.

ii. The concept of CSP is broad and dimensional, resulting in the sample size obtaining different job titles, thus serving as a delimitation due to a specific job title (i.e. CSI Manager) of each participant being required.

1.8. ETHICAL CONSIDERATION

Ethical considerations are the standards established which enable a researcher to determine between what is acceptable and what is unacceptable. Ethical considerations prevent any information from being distorted or fabricated, and therefore promote the intention of trustworthy and knowledgeable research studies (Quadri, n.d.). Ethical behaviour motivates trust, respect and accountability within researchers. The researcher needs to gain the trust of the participants, fellow researchers and individuals who engage with the research topic to gain their support in the research. Reassurance needs to be given that the researcher has abided to ethical research considerations, such as acknowledging human rights; safety and health standards; animal welfare; legal compliance; etc. (Quadri, n.d.).

The researcher identified potential participants via LinkedIn, whereby the use of the CSI manager job title was used to assist in finding each participant. Once the researcher had compiled the information of the potential participants, the research connected with each participant via
LinkedIn, as well contacted their head office directly to schedule an interview to conduct the research. Once the participants accepted the scheduled interview, each participant needed to feel reassured that the research conducted and content created, will be for the use of academic reference only. To ensure this, the researcher emailed through the questions, information pertaining to the research as well as a confirmation letter. Furthermore, the researcher established an informative and credible consent form that was completed and signed by the researcher and the participant, on arrival, to ensure both parties were in agreement with the procedures (Sanjari et al., 2014). The confidentiality of each appointed manager was offered and ensured, however it is solely upon each participant’s discretion. The data will be collected evidently and used subjectively. A non-probability sampling procedure was taken due to each participant being selected and contacted directly by the researcher. The sample chosen were participants from multi-national brands whom obtained a CSI Manager job title, as well as obtained more than three years’ experience within the industry. The researcher conducted semi-structured in-depth interviews with each participant at their offices to ensure the participants comfort and reassurance. The researcher understood the importance of highly classified information which was needed and gained from each CSI Manager relating to their individual brand strategies. The researcher will be held accountable for any falsifying of information of distorting of information. A disclaimer was used to ensure both parties consent from the initial phase. Without a signed consent form, the semi structure in-depth interviews would not be conducted (World Health Organisation International, 2017). This ensured that an ethical research topic would be established, one that can be utilised by interested stakeholders in the future.

1.9. FORTHCOMING CHAPTERS

i. Chapter 1: Introduction
ii. Chapter 2: Literature Review
iii. Chapter 3: Research Methodology
iv. Chapter 4: Findings and Interpretation
v. Chapter 5: Recommendations and Conclusions
CHAPTER 2: LITERATURE REVIEW

There is a lack of research pertaining to the reasoning as to why brands may engage in and disclose their socially responsible actions and activities, as well as the implications thereof. Brands may engage in CSP activities to improve financial results, maximise wealth or increase awareness. However, the manner in which this engagement is pursued needs to be strategically aligned with the brand’s image and objectives in order to add value. This literature review will assist in establishing a cohesive understanding of the relationship between CSP and brand strategy to achieve effective CSP strategies and activities to generate value and benefits. With an in-depth understanding on each concept, it allows for businesses to leverage off this theory and implement it into a best practice.

2.1. INTRODUCTION

This literature review will define key terms, explore models and existing literature relevant to CSP and a corresponding brand strategy return on investment, whilst being able to interpret and gain insights to build a substantiated argument. A comprehensive literature review will allow for this research topic to fill a gap in the industry and share insights into how to create a best practice for SMEs to integrate CSP into their brand strategy, as opposed to just a communication function. By conducting exploratory research, it will allow for the relationships between related concepts to be understood. Exploratory research will be conducted to explore the research questions, yet it does not offer conclusive solutions to existing problems (Saunders, Lewis and Thornhill, 2014). This type of research is conducted to determine the nature of the problem and will assist with understanding the problems relating to a brands strategy, CSP and SME’s.

Corporate Social Performance (CSP) is a growing consideration for corporates and has identified the constant demand by society for South African businesses to implement and engage in various CSP activities, aligned with their brands (Corrigan, 2014). Corporate Social Responsibility (CSR) and Corporate Social Investment (CSI) are subcomponents of CSP. The main challenge with CSP, is the manner in which it is understood by stakeholders, resulting in the need to determine the underlying concept of CSP within a brand. By being able to understand this, brands will be able to leverage off their implemented brand strategies and achieve a means of a return. CSP is understood by stakeholders as a means for a business to comply with legislation (i.e. corporate governance); as well as a business’s desire to want to do good - such as that of a brand citizen and brand leader (Javan, 2016). With this, misconceptions are created between stakeholders and business’s whom comply with the minimum requirements (i.e. corporate governance); and those business’s whose CSP attempts aim to meet their desires, regardless of the minimum requirements (i.e. brand citizen). By being able to understand the important influence of CSP and
the sustainable difference it can create, this will not only effect the South African economy positively, it will also alleviate and aid the triple bottom line.

Little research has been executed on Small and Medium Enterprises (SMEs). Due to the lack of knowledge available, as well as brand awareness, the failure is increasing every year. The need to understand their performance and structure will allow for a best practice to be conceptualised and further implement CSP actions and activities for the brand, thus creating a means of a ROI. Like SMEs, one of the primary aims for CSP, is to drive change towards achieving sustainability. The triple bottom line enables a company to achieve sustainability, by evaluating the effect to which the business can influence social responsibility, economic value and its environmental impact. By being able to achieve a sustainable difference and positively influence the triple bottom line, businesses can develop their brand, to be viewed as a sustainable brand citizen. This is where the business is seen to do more for society, over and above its primary reason for existence, ultimately gaining a sustainable competitive advantage with a corresponding ROI. Through the various concepts discussed in the literature paper, this study is hoping to ascertain the underlying concept of CSP within brands; the concept of a brand strategy and the formation process; the significant contribution of SMEs; and the integration of the Legitimacy Theory, the Stakeholder Theory and the Institutional Theory can be understood and determined. This study aims to evaluate how a company is able to implement CSP into the brand strategy, as opposed to just a communication function.

2.2. RESEARCH PARADIGM

Paul Klein (2012) introduced the five interrelated elements, which assist in developing a standard for businesses to maximize their investments towards their CSP approach. These elements include: the foundation of which a business’s social purpose is established; a clear need for change by society; access to quality and in-depth information; desired and focused efforts; and the ability to partner with third parties (Klein, 2012). These elements which comprise CSP are experienced by stakeholders and have an influence on the brand simultaneously (Denzin & Lincoln, 1994). There is a need for businesses to understand the manner in which their stakeholders relate to a business’s CSP activities.

By being able to interpret sources relating to the elements of CSP and their influence on stakeholders, this will create more informed and current insights, which will lead to constructivist research paradigm. This paradigm is more applicable, as opposed to a positivist research paradigm where there is a single truth or realism relating to the topic where the researcher relies on experimental and manipulative research methods. This approach is obtained through hypothesis testing and the use of examining laws pertaining to the matter. A constructivist
research paradigm is used when the reality has been created by individuals or groups – therefore there is a need for it to be interpreted and the themes to be identified. Constructivism accepts reality as a construct of the human mind, which regards reality to be perceived as subjective (Andrew, McEvoy & Pedersen, 2012). The main difference between constructivism and positivism, is that positivism argues that knowledge is generated through scientific means, whereas constructivism acknowledges and maintains that knowledge is generated by scientists and identifies multiple methodologies to generate the knowledge (Andrew, McEvoy & Pedersen, 2012). By understanding the reality created by stakeholders pertaining to CSP, brands could leverage off this to implement CSP into their brand strategy, as opposed to just as a communication function to gain a return on investment.

The constructions which will be developed and argued through a constructivist research paradigm, are merely seen as informed. This is simply due to these constructions being able to adapt to any given situation, relating to the needs of CSP in the present and the future (Denzin and Lincoln, 1994). The nature of these constructions can be obtained and developed by means of the researcher engaging with the participants through open-ended questions and predetermined. Furthermore, a constructivist research paradigm will allow the researcher to test theories and explanations; identify variables of interest pertaining to the research topic; use standards of trustworthiness; use unbiased approaches; and relate new knowledge to existing knowledge (Dudovskiy, 2016).

With the use of understanding various systems and procedures implemented, the communication tradition of cybernetics will be used to identify the influence that stakeholders have on one another, and therefore allowing companies to leverage off this. Cybernetics differs from other communication traditions as it gains information from the external environment, processes and interprets this information, and utilizes it to create a successful and effective output (Patrick, 2013). Therefore, it may be used to identify the elements of CSR by gaining information from society and using it to generate effective decision-making by the board of directors; thus, implementing sustainable CSR activities which generate a corresponding return on investment. With the use of the phenomenological communication tradition, it will allow for the researcher to interpret experiences of each participant through the process of filtering and understanding (participation and engagement) (Lanigan, 1988). This communication tradition is primarily about meaning creation through lived experiences. CSP is a constantly changing concept which operates within a dynamic environment where it is essential for it to be adaptable to any need or desire by both brands and society. This paradigm will allow for the research topic to empower SMEs to become brand citizens; and add knowledge, which is clear and meaningful for CSP activities to be implemented sustainably and effectively - through field research conducted by the researcher.
2.3. BRAND STRATEGY

David Aaker stated that a brand is just a name, term, sign or symbol of a product, but a priceless asset belonging to an organisation (Aaker, 1990). A healthy brand is one that is able to increase a brand’s equity, awareness, loyalty and overall performance (Aaker, 1990). Both Aaker (1990) and Kotler & Keller (2006) determined that branding issued to create a distinctive name which is intended to identify and differentiate the brand from its competitors (Padmanabhan & Chandirasekaran, 2016). Implemented sustainable brand strategies are expected of those brands whose hopes are to increase the brands success, regardless of durables and non-durables of consumers (Padmanabhan & Chandirasekaran, 2016). Aaker (1996) stated that the goal of developing a brand strategy is to create resonance between a brand and its stakeholders. A strategy is considered to be deliberate when the purpose of the strategy matches the intended action (Mintzberg and Waters’s, 1985). However, dependant on the brands identification, brand value statement and brand positioning, will determine which type of strategy to employ (Hu et al., 2010).

The more sustainable and successful brand strategies a brand obtains, the higher brand equity recognised by the stakeholders, resulting in a positive effect on the brand equity. This enhances that a positive relationship with a brands equity is present with an increasing stakeholder confidence achieved (Hu et al., 2010). Stakeholder confidence refers to a level of trust obtained by both parties (i.e. the brand and its stakeholders) engaging in the transaction, whereby both parties believe that the other, was reliable with a heart of benevolence (Hu et al., 2010). Therefore, brand strategies also have a positive effect on the stakeholder confidence, proving that the more sustainable and successful brand strategies a brand has, will further result in an increase in stakeholder confidence (Hu et al., 2010). The stakeholder confidence has a direct influence on a brands performance, whilst keeping in contemplation that the reputation of the brand would be the initial consideration for the stakeholders before thinking of engaging with the brand (Hu et al., 2010). Hence, the efficient implementation of a brand strategies can enhance the stakeholder’s confidence holistically with every aspect of the brand, whilst simultaneously motivating the brands overall performance. It is very important to analyse a brands target audience to determine the most efficient and appropriate strategy to appeal to them, whilst simultaneously achieving a positive return on investment for the brand (Hu et al., 2010).

In order to implement successful brand strategies, businesses need to be able to under the concept of strategy and the strategy formation process. Strategy is considered to establish the brands long-term objectives, resource allocation and the brands purpose (Hax & Majluf, 1988). This forms part of the first dimension of the concept of strategy and the strategy formation process. Schendel and Hatten (1972) defined strategy as: “the basic goals and objectives of the
organisation, the major programs of action chosen to reach these goals and objectives, and the major pattern of resource allocation used to relate the organisation to its environment. Secondly, strategy is used to determine the competitive domain of the brand, therefore the business the brand exists within, or is expected to be in (Hax & Majluf, 1988). This allows for brands to analyse the pattern of objectives and purposes in order to achieve the goals the brands, with a means to determine and define the type of business and what the business does (Hax & Majluf, 1988). Thirdly, a brand strategy needs to be unified throughout, to integrate the organisations blueprint (Hax & Majluf, 1988). This assists in ensuring that the objectives determined by the brand are achieved. The fourth dimension enables strategies to communicate to the internal strengths and weakness; and the external opportunities and threats a brand may encounter (Hax & Majluf, 1988). This will allow for communication to stakeholders to be unified and strategically aligned to enhance and protect the brand. Therefore, the implementation of strategies includes identifying various internal and external factors facing a brand, whilst being able to establish roles and structures to keep stakeholders motivated to engage with the brand (Argyris, 1985). Strategy can be seen as a mediation between the brand and the various environmental factors. The fifth dimension of strategy is seen as a vehicle to achieve a competitive advantage for a brand (Hax & Majluf, 1988). Michael Porter (1980) identified a value chain which allows for brands to strengthen their competitive advantage, which aims to increase a sustainable and profitable brand. The last dimension of brand strategy aims to constantly increase the brands awareness through motivating stakeholders to engage with the brand (Hax & Majluf, 1988). This is where stakeholder confidence can be increased, thus increasing brand equity and the brands overall performance.

A brand strategy is the business’s framework which allows for the brand to ensure its continuity, whilst being able to adapt to the changing environment (Hax & Majluf, 1988). According to Aaker (1991), with a sustainable and long-term strategy implemented, a brand will be able to enhance the brand’s equity, including the brand awareness, brand loyalty, perceived quality, brand association and other proprietary brand assets (Hu et al., 2010). The use of a sustainable and successful strategy will assist in establishing a brand, increasing the brands competitive advantage and shaping the future direction of the brand.

2.3.1. Brand Equity

One of the most important intangible assets of any business, is its brand. The higher the value of the brand in their stakeholder’s mind, results in the higher return of benefits a business will achieve (Esmaeilpour & Barjoei, 2016). With the opportunity for a business to be able to invest in CSP activities will allow for the brand to achieve a sustainable competitive advantage within the market. Aaker defined brand equity “as a set of five groups of assets and responsibilities of a
A company that are attached to the name or symbol of the brand, and raise or reduce the value of an offering for a company or for consumers" (Aaker, 1991). Therefore, in short, brand equity is the elements within a brand which can create value for its offerings, the business and its stakeholders.

Brand equity is a strategic tool which creates value, commitment and an increased frequency of their consumers, whilst simultaneously increasing economic value for a business’s stakeholders. How, and at what extent CSP is able to generate value for a brand is essential to implement a business’s ethics and responsibilities sustainably (Esmaeilpour & Barjoei, 2016). Brand equity includes brand awareness; brand loyalty; perceived quality; brand associations; and the satisfaction of the brand required by its stakeholders (Aaker, 1991). CSP enhances value creation, with a paradigm shift from the “right thing to do”, compared to the “smart thing to do” (Staudt et al., 2014). CSP thus can be seen as an opportunity for businesses to be innovative and implement new strategies, in order to be brand leaders.

The Perceived Customer Value (PCV) is the result of a business exceeding the demands and expectations set out by its stakeholders. With the use of effective CSP activities, this can enhance the PCV, thus enhancing the brand equity (whilst affecting the elements of brand equity simultaneously). With a business being able to identify the PCV resulted from CSP activities, this leads to the business being portrayed as proactive and socially motivated (Staudt et al., 2014). By stakeholders identifying the businesses willingness to alleviate and assist various issues, as opposed to the need to constantly drive economic profitability, this allows for relationships between the brand and its consumers to be strengthened, and a higher brand equity to be achieved. The efforts of CSP strategies and activities are said to improve stakeholder loyalty, trust, legitimacy and therefore the brand equity.

2.3.2. Brand Awareness

CSP strategies can be related more with product and brand differentiation, allowing for an increase in brand offering, as well as the brand itself – compared to its competitors. A business whom possesses strong CSP activities, is able to improve the image of the brand within the consumers; improve the performance and value of these activities which can lead to a positive impact on the brand’s image (Esmaeilpour & Barjoei, 2016). Brand awareness is the means in which a consumer is able to identify a brand with various associations which have been created through its offerings and contributions towards sustainability (Aaker, 1991).

Brand awareness is subjective, as it can differ from person to person, dependant on their personal experiences. In order for a business to survive and gain acceptance within the market place, a
brand needs to be able portray itself as a sustainable and socially responsible brand citizen. This will further increase and strengthen the brand awareness and thus the associations which have been created (Ghosh, Ghosh & Das, 2013). Customers will engage with a brand that is believed to obtain similar character traits to the business’s, or even to a brand a customer aspires to be. Brands can communicate their brand personality to its stakeholders, which will expand the brands awareness further.

Brands need to be aware of the sensitivity of its stakeholders, and constantly strive to build relationships and positive associations through CSP activities (Ghosh, Ghosh & Das, 2013). A strong brand image is able to increase a stakeholder’s dependability on the business, thus increasing their perceptions and ultimately their brand awareness. The need for a business to create and enhance positive and favourable associations for the brand is high. CSP strategies are seen as a manner in which businesses can obtain new stakeholders, as well as identify improved business practices and responsibilities for them to implement sustainable CSP activities (Staudt et al., 2014). CSP promotes a brand enabling a competitive advantage to be achieved, whilst promoting the brand image, thus enhancing the brand awareness. This allows for a human element to be achieved, resulting in a relatable and cohesive brand personality. It proves to the stakeholders that the business is focused more on creating a sustainable difference and alleviating social issues within society, yet whilst still achieving profitable returns (Ghosh, Ghosh & Das, 2013).

2.3.3. Brand Loyalty

A significant factor to obtain a competitive brand position within their stakeholder’s minds, is the opportunity to gain their loyalty towards the brand (Esmaeilpour & Barjoei, 2016). Brand loyalty refers to the position a brand is located, within their consumers’ minds, and their willingness to turn to other competitors. When a brand is seen as trusted and respected by its stakeholders, the brand is more likely to appeal to its stakeholders. When the stakeholders are able to identify the support of social alleviation by businesses, this indicates that CSP activities help to establish a connection with the business and its stakeholders (Ghosh, Ghosh & Das, 2013).

Due to stakeholders increasing concerns of society, environmental and economic issues, they are seeking brands which can identify and alleviate these issues through CSP activities (Esmaeilpour & Barjoei, 2016). A business which defines its commitment to sustainability (through the triple bottom line); economic development; ethical business practice; and social enhancement – has a stronger brand position in the minds of their stakeholders. Businesses are able to gain the respect and acceptance of its stakeholders when they abide to the legislator, as well as the expectations and demands of society (Ghosh, Ghosh & Das, 2013). Brands need to maintain their
sustainable responsibilities and practices, to remain viable within the minds of its stakeholders. This is one of the main factors contributing towards brand loyalty. Therefore, CSP is seen as a major tool for promoting a business, as it implies that the business is delivering on its reason for existence and bringing awareness to the brand itself. For business to thrive and remain competitive, long term relationships with their stakeholders need to be established. When a stakeholder can establish a personal connection with the brand, the thought of utilising or engaging with another brand, with the same offering, won’t exist.

The expectations and demands of stakeholders, as well as the low cost to choose an alternative brand, has resulted in an influence on businesses to demonstrate a core focus on creating value. A business’s stakeholders have the need to be associated with a brand that is able to portray a positive symbolic image, resulting in benefits (i.e. self-identity and self-enhancement) for them (He & Lai, 2014). Therefore, the consumer strives to associate themselves with a brand that is able to commit to the added sustainable value through CSP, in doing so, resulting in their brand loyalty being created. CSP goes further by creating a strengthened brand identity, increasing a brand’s awareness through positive associations; therefore, encouraging stakeholders to engage and form relationships resulting in brand loyalty – all of which exist within brand equity – a positive return on investment.

2.4. CORPORATE SOCIAL PERFORMANCE (CSP)

CSP is defined as the measurement of a business’s outcomes within the environmental, social and governance concerns, whilst keeping respect to the various internal and external stakeholders of the business (Orlitzky et al., 2015). CSP refers to the non-market actions of which businesses take “ownership to the externalities they create” (Orlitzky et al., 2015). The implementation of CSP is seen to be costly, as it reflects a business internalising its externalities (Lyon & Maxwell, 2008). The externalities are defined as the produced by-product of the business’s core purpose or offering. The costs of the businesses externalities are not included in the core purpose or offerings price and therefore result in an added cost to the business. Therefore, any business that commits to CSP, incurs costs which are utilised towards the society or natural environment, as well as towards any existing CSP initiative. These costs incurred by the business explain why there is a need for CSP activities will only generate a return on investment for the business in the long-term, thus resulting in short-term strategic incentives being void.

Managers and employees of a business perceive CSP through a stakeholder lens, which can be divided into six stakeholder groups, including: shareholders, employees, suppliers, customers, local communities and the natural environment (Orlitzky et al., 2015; Kang, Germann and Grewal,
This stakeholder lens takes into consideration the stakeholder theory which identifies, explains and prescribe the business’s relationships and responsibilities with its stakeholders (Littlejohn and Foss, 2009). Furthermore, with the use of the Stakeholder Approach, businesses desire to achieve more than an economic or financial interest, yet rather one of identifying and attending to the needs of the stakeholders (Mitchell, Agle and Wood, 1997).

Relative influences of CSP factors vary according to the considered stakeholder group, as well as the level of which the driver exists. Theorists have established multiple drivers of CSP which exists at the firm; industry; country; and a national business level (Orlitzky et al., 2015). These various factors that drive CSP have become a key concern in business ethics (Orlitzky et al., 2015). The extent to which the multiple drivers effect CSP differs accordingly. Drivers which exist at the firm level focuses more on local communities, the natural environment and the employees; whilst drivers which exist at the macro level (i.e. industry and country) are more shareholder-focused, relating to good corporate governance (Orlitzky et al., 2015). Macro level drivers include corporate governance and legislative frameworks relating to the business practice. These influence a business’s CSP and may affect decisions made, as well as the manner in which operating procedures are established and implemented (Orlitzky et al., 2015). The legislator in South Africa is able to homogenise the CSP industry through corporate governance allowing the ‘playing field’ to be fair for businesses to compete in. However, the areas in which the expenditure is spent is determined by the business, and should be aligned to the company’s vision and brand strategy. Meso level drivers include industry factors which can result as a constraint on, or an enabler of CSP actions, as well as the expenditure spent (Orlitzky et al., 2015). Those businesses that are highly unionised may feel a lot of pressure to increase CSP actions towards employees due to labour unions to enforce ‘fair trade’. Micro level drivers are determined by the business’s actions and variables (Orlitzky et al., 2015). Pressure by the business to increase CSP actions, result in an increase of costs spent on these CSP actions due to the opportunity cost spent on time identifying the correct stakeholder; deciding on the correct stakeholder with shareholders; and monitoring and enforcing the corporate governance required (Orlitzky et al., 2015). An important prerequisite for an increase in CSP is the access to inattentive resources. Business level factors are expected to account for the majority of CSP actions changeability.

CSP is a multi-dimensional concept that is increasingly used to create a competitive advantage amongst and to differentiate the brand from its competitors (Orlitzky et al., 2015). CSP can become more strategic, and more conducive to higher corporate financial performance (Hudson Bryson and Michelotti, 2017). A lack of CSP can be the result in a lack of financial performance by the business, which can be enhanced by positively influencing the business’s culture. CSP needs to be embedded into the organisational culture within the business and ultimately the brand. The organisational culture is able to emphasise compliance and values which drives a
positive influence regarding commitment and engagement of the business as a whole (Orlitzky et al., 2015). CSP has an influence of the attitudes and perceptions created by the employees which can enhance the brand’s reputation and performance both internally and externally (Hudson, Bryson and Michelotti, 2017). CSP extends further, as it is able to form part of an brands identity, as well as strengthen relationships with existing stakeholders and attract new stakeholders. The way to achieve a competitive differentiation results in the availability of a brand-specific assets, resources and organisational mind set, as opposed to the location, industry and external pressure (Orlitzky et al., 2015).

2.4.1. Corporate Social Investment (CSI)

CSI is broadly defined as the integration of environmental, social and ethical concerns into the investment procedure or financial analysis (Jansson & Biel, 2011; Mónika & Erzsébet, 2014; Ahmed et al., 2012). It incorporates two important strategies which ultimately define CSI. These strategies include: (i) corporate engagement, which incorporates direct communication with management, as well as the implied pressure on businesses to engage in the various environmental, social and ethical concerns; and the use of (ii) various screening methods, utilising both negative and positive screening (Jansson and Biel, 2011). Ethical investment is used to ensure the meaning of sustainable and socially responsible, long-term investments (Jansson and Biel, 2011). CSI reflects the desire to promote the welfare of the stakeholders within which the business has a positive or negative impact on, including that of the natural environment and economy (i.e. the triple bottom line) (Jansson and Biel, 2011). By being able to identify the future appropriate and inappropriate consequence the business practice shall cause, businesses will be able to implement various CSI actions which should be long-term and thus sustainable (Jansson and Biel, 2011). This results in the promotion of environmental and social welfare, ultimately promoting CSI for a business and thus resulting in a return on investment for the brand (Zékienė & Ruževičius, 2011).

Ethical value-drive investment is common to investors, yet it poses as the highest possible risk-adjusted rate of return for a business (Mónika & Erzsébet, 2014). CSI is the means of sacrificing financial means of a business, with the hope of attaining a return for an increased alleviation of environmental, social and corporate governance concerns for the business (Mónika & Erzsébet, 2014). Investors obtain a business opportunity within CSI actions, with the hope of attracting socially and environmentally concerned stakeholders towards the business, with the belief that CSI guarantees return on a given level of risk. However, CSI can be financially motivated (Jansson and Biel, 2011). With the use of sustainability indicators and social accounting, these methods can serve as a benchmark to measure the success of CSI within a business – however these are not visually represented in the financial reports (Mónika & Erzsébet, 2014). Measuring
the success of CSI actions should take into consideration the positive and negative intended and unintended impacts from the perspectives of the business’s stakeholders (Mónika & Erzsébet, 2014).

Management seldom know how to identify and rank the current business investments to improve CSP (Delmas & Blass, 2010). CSI actions are implemented with the intention of creating an impact - not necessarily a financial impact, yet one that positively affects society and/or the natural environment and ultimately the brand (Mónika & Erzsébet, 2014). Institutional investors represent the largest and fastest growing sector within the trend of CSI (Zėkienė & Ruževičius, 2011). The success and sustainability of CSI actions by a business take into consideration CSR concerns, such as the triple bottom line, with the intention of increasing CSP. Therefore, CSI is based on the understanding that responsibility and social interests represent an integral part of any investment decision made by a business, whilst simultaneously taking into consideration the environmental, social and ethical concerns and financial needs of the investors whilst increasing performance (Zėkienė & Ruževičius, 2011).

2.4.2. Corporate Social Responsibility (CSR)

CSR in its simplest form is a “company’s broader responsibility towards society” (Rao and Tilt, 2015). CSR has been adopted to be a beneficial responsibility for both the business and society, if it is conducted ethically and effectively (Carroll, 2016). The encouragement by society, for South African companies to implement sustainable and effective CSR activities are persistently increasing. CSR became more active and relevant due to society’s involvement and enhanced understanding of environmentalism, sustainable development and ethical behaviour (Zėkienė & Ruževičius, 2011). The main challenge that companies face is a lack of an understanding pertaining to the underlying meaning of CSR (Javan, 2016). To evaluate how a company is able to increase their brand’s ROI through an increase in their CSR strategies, the independent concept of CSR and relating concepts need to be determined and understood. By understanding this, the effectiveness of CSR strategies will further be able to be determined by corporates. CSR goes further than complying with legislator within South Africa. CSR is defined as a company’s contribution towards achieving a sustainable future by ensuring economic, social and environmental benefits for its stakeholders (Financial Times Lexicon, 2012). CSP differs from CSR as it defines the actions and the outcomes of the economic, social and environmental responsibilities which the business is able to achieve (Hudson, Bryson and Michelotti, 2017). CSR has a positive influence on internal stakeholders resulting in corporate citizenship and an increase in creativity and culture (Hudson, Bryson and Michelotti, 2017).
An increase in CSR will positively influence investors within a business to invest in CSI actions, increasing CSP for the brand (Ahmed et al., 2012). By creating a sustainable relationship between a business CSR and CSP, could result in an increase in investment into environmental, social and ethical concerns, eventually increasing the standard of living for those impacted (Ahmed et al., 2012). To increase this standard of living, business need to be able to identify how their stakeholders evaluate their brand claims of CSR within different concerns (Skilton & Purdy, 2016). The key criteria for a brand to communicate their actions need to be focused on authenticity and consistency (Skilton & Purdy, 2016). By being authentic and consistent, brands are able to communicate to their stakeholder’s perceptions of their motives and rightness of their activities, as opposed to just complying with ethical concerns (Skilton & Purdy, 2016). Bondy, Moon and Matten (2012) argue that multinational corporations are moving from an ethical view of CSR to a more strategy-centred view, implying that these corporates are making use of a systematic process to implement their CSR actions (Skilton & Purdy, 2016).

By understanding the independent concept and relating concepts to CSR, businesses will be able to establish a clear understanding between being a brand citizen and abiding to corporate governance. CSR contains many elements that are understood and implemented through various activities, dependant on the company’s size and values. Furthermore, CSR is defined as a company’s responsibility to identify and assess its effects on environmental and social wellbeing for its stakeholders (Zékienė & Ruževičius, 2011). CSR includes environmental protection, social development, ethical concerns and financial aspects, with regards to three categories: human rights, labour standards and the environment (Zékienė & Ruževičius, 2011). A lack in poor social and environmental responsibility by a brand can result in an increase in negative public criticism, negative customer response and an increase in regulations and legislator (Ahmed et al., 2012). All of this could ultimately decrease the value of the brand, thus result in a perceived negative brand identity by stakeholders.

2.4.3. Triple Bottom Line

The triple bottom line is a tool enabling companies to balance the elements needed for ethical business practice, whilst encouraging people to prosper (i.e. social responsibility), business to succeed (i.e. economic responsibility) and the environment to survive sustainably (i.e. environmental responsibility). The main aim for CSP, is to drive change towards achieving sustainability. The triple bottom line assists a company in achieving sustainability, by measuring the degree to which the company influences social responsibility, economic value and its environmental impact. Social responsibility is established when a business can identify its stakeholders, understand their patterns and behaviour and ultimately generate relationships with them (Shnayder, van Rijinsoever & Hekkert, 2015). These stakeholders include the employees
and shareholders within the business; consumers who engage with the business; and the community within which the business operates. Environmental responsibility is the commitment businesses need to make to ensure business practices are ethical, whilst being able to make use of natural resources without depleting them for future generations. Factors to be considered by businesses to be environmentally responsible, include: reducing waste, energy conservations, water management, sustainable sourcing, etc. A business needs to take into consideration the stakeholders identified within its social responsibility to ensure these practices do not harm them, or the surroundings where they are located. The final responsibility within the Triple Bottom line, is the economic responsibility businesses have to generate wealth and opportunities for society at large. The need for a stable economy in South Africa is demanded. With this, job opportunities will be created; poverty alleviation will occur; standard of living will improve and the economy will be sustainable (Africa Check, 2017).

The decision-making process of the Triple Bottom Line is determined by the board of directors. Companies whom have dedicated and significant long-term board members are able to implement decisions that prove to be successful and thus obtain a lower incidence of negativity on their company, and their brand identity at large. To avoid and ignore CSP activities is risky, as it can lead to an increase in negative social outcomes for the company (Rao & Tilt, 2015). The triple bottom line identifies the contributing elements of CSP which can be strategically implemented into a brand strategy to achieve an increase in a brand’s ROI through an increase in these CSP strategies.

2.4.4. Carroll’s CSR Pyramid Model

To gain a clear understanding about the elements of CSP, and how stakeholders engage with it, businesses can make use of Carroll’s CSR Pyramid model to increase the effectiveness of the ROI for a brand. This model is a theoretical framework allowing businesses to go through each process, whereby these elements are obtained, thus creating a positive, sustainable corporate citizen. The Carroll’s CSR Pyramid model provides value within the African context, however certain elements are stronger within certain African countries (Carroll, 2016). The Carroll’s CSR Pyramid model consists of four levels, which include: economic responsibility; legal compliance; ethical responsibility; and discretionary responsibility. The main purpose of the Carroll’s CSR Pyramid model is to ensure that CSR is created based on generating profit (i.e. an increase in financial assets, as opposed to a brand ROI, i.e. brand equity, awareness, loyalty etc.). Before the business can consider any philanthropic actions, it needs to comply with laws, regulations and ethical duties of corporate governance (Dudovskiy, 2012).
The first layer of *Carroll’s CSR Pyramid*, forms the base on which all other layers are dependent before their functions can be implemented and executed. Economic responsibility includes the ability for a business to be able to produce and sell, goods and services needed, which add value to consumers lives, whilst being able to generate a profit. Businesses need to be profitable to be sustainable (Carroll, 2016). Businesses can generate profit when they add value to the lives of their stakeholders. With this research topic, profitability can be increased through a means of brand awareness, brand loyalty and brand equity (i.e. all pertaining to some form of a return on investment). A business needs to build relationships with their stakeholders, by identifying their needs within society. A business must ensure a return on investment for its shareholders; ensured salaries for its employees; and good quality at affordable prices demanded by their consumers (Dudovskiy, 2012). Further CSR activities will be undertaken in the maintenance of these objectives. Those businesses that can’t be economically sustainable, will become redundant as even though the CSR activities may contribute towards a return on investment, without any economic value, these activities won’t be sustainable or implemented (Carroll, 2016). Therefore, it is clear to see that the economical responsibility within the *Carroll’s CSR Pyramid* model is the baseline requirement.

The second layer of *Carroll’s CSR Pyramid* involves the legal compliance a business needs to abide by, which has been governed by society. The legislator reflects “society’s views of codified ethics” (Carroll, 2016). Businesses will be concerned with legal compliance, but not necessarily exceeding legal requirements for the industry. The legal responsibility (i.e. corporate governance) should not be ignored, due to the repercussions that will occur. This will impact the brand identity of the business, thus result in a negative social outcome amongst its stakeholders (Carroll, 2016). A negative social outcome will result in a decrease in a corresponding return on investment for the company and the brand. This will affect the business in the future, due to a negative effect on the brand’s awareness, resulting in a decrease in the brand’s loyalty and equity.

The third layer of *Carroll’s CSR Pyramid* goes further than the legal compliance to achieve ethical responsibility. This layer is perceived as the expectations created by society, prior to just the economic and legal responsibility (Dudovskiy, 2012). Society expects businesses to obtain ethical business practices, where these responsibilities are not imposed by legislator, but arise from the expectations of society (relating to brand citizenship and not corporate governance). These ethical responsibilities consist of including moral-wellbeing, human rights and justice, which assists businesses with decision making (Carroll, 2016). The legal responsibilities of a business are based on the ethical responsibilities, yet the ethical responsibilities carry these responsibilities forward.
The final layer of *Carroll’s CSR Pyramid*, can only be implemented once all the layers below have been achieved successfully and are sustainable. This layer includes the means of business giving to its stakeholders (Carroll, 2016). The philanthropic layer, allows businesses to give back to their stakeholders through voluntary or discretionary activities, aligned with the business’s reason for existence. These activities are executed in the business’s desire to participate in social upliftment, ultimately intending to increase their brand’s position as a brand citizen. They are not required by legislation, yet once again expected by society for businesses to be good corporate citizens. This layer of the pyramid assists in building the brand’s reputation for a business, which will impact its brand identity and ultimately create strengthened relationships with the business and its stakeholders resulting in a corresponding return on investment.

*Figure 1: Interpretation of Carroll’s CSR Pyramid Model*

With each layer, the board of directors can identify what society expects from the business and assist in making clear decisions to be sustainable corporate citizens. Therefore, a mutual relationship between society and a business’s need to do good is required, through each level. The economic and legal responsibilities are “required” by society; whereby the ethical responsibility is expected and the philanthropic activities are desired by society (Carroll, 2016). Through the *Carroll’s CSR Pyramid*, businesses can understand how their activities influence society, which can be leveraged off, to establish an increase in a return on investment (i.e. profitability; brand awareness; brand equity; brand loyalty; etc.). This model will allow for the board of directors to understand their stakeholders; identify the needs of society; and successfully implement sustainable decisions to be create shared value, whilst achieving a corresponding return on investment.
2.5. SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

The large corporate citizens which can be considered as household brands once started off as a small and medium sized enterprises. Through their development and exponential success, these brands added value to the economy, society and the environment; whilst simultaneously growing, penetrating the market and gaining a competitive advantage (Burke & El-Kot, 2014). Although there are more SMEs than larger organisations, little research has been executed on them. There is more research pertaining to the success of large organisations than that of SMEs, which could prove the reason why they fail (Burke & El-Kot, 2014). There are more SMEs than larger organisations in the world; SMEs collectively have more total employees than that of larger organisations in every country (Cooper & Burke, 2011).

SMEs refer to those enterprises obtaining between 0 and 250 employees that are independent of any large enterprises; or as those enterprises that do not exceed a number of employees that permits management (Assarlind & Gremyr, 2013). Each SME will differ in their own right, yet they may possess similar characteristics. SMEs can either have a flat structure with few layers of management; a unified culture; limited financial resources; informal strategies; a large degree of influenced driven by management; as well as a structure which allows a quick response to external factors and change (Assarlind & Gremyr, 2013). Their processes differ from: flexible processes; result-orientated processes; or a low degree of standardisation. Lastly, the people within SMEs differs immensely from: those whom possess modest human capital; individuals who can see the results achieved from their efforts; and those with low incidence of unionisation (Assarlind & Gremyr, 2013). Thus, the development of each SME will differ and be dependent on their location, resources and type of business.

South Africa is a developing country, one which is emerging and obtaining more than 5.6 million SMEs (Odendaal, 2017). However, these SMEs are significant contributors towards the economic performance within South Africa, yet there is still a huge need to increase their contribution to further enhance the nation's economic structure (Odendaal, 2017). 90% of jobs created within South Africa are due to the establishment of SMEs, which further proves their significant contribution (Odendaal, 2017). Colin Leshou (2017) stated that it would not be multinationals who would lead change for South Africa, yet it would be the SMEs that would be able to create and provide an increase in jobs whilst will ultimately benefit the country, by resulting in a GDP gross. The biggest challenge with SMEs within South Africa is their increasing failure rate, which results to 75%, one of the highest in the world (Fatoki & Odeyemi, 2010). The establishment of new SMEs are seen as the solution to the development and alleviation of issues, including poverty, unemployment and income inequality (Fatoki & Odeyemi, 2010).
SMEs are established based on entrepreneurs, whom deem themselves successful until they reach a lack of resources. The increase in failures of SMEs, contributes towards the ‘destruction process’ which causes a constant disturbance in the South African economy (Fatoki & Odeyemi, 2010). This enhances the need for assistance and guidance from larger organisations and corporate citizens towards SMEs to further the existence of SMEs and thus avoid an economic disturbance. The owners of these SMEs need to take the responsibility to consider mentorships and the use of non-executives (in the initial phases of development, until seen as a stand-alone entity) to gain experience and assistance from external expertise (Fatoki & Odeyemi, 2010).

SMEs current performance is measured by three items: (i) SMEs compared to major competitors (performing better, worse or the same); (ii) a year on change in the SMEs performance (performing better, worse or the same); and (iii) a year on change in the number of employees in SMEs (an increase, decrease or the same amount of employees) (Burke & El-Kot, 2014). By creating a means of implementing a brand strategy, whereby SMEs are able to see the success they are able to reap, this could increase the development of SMEs within South Africa; decrease their failure rate; as well as increase the South African economy.

2.6. THEORETICAL FRAMEWORK

The theoretical framework integrates and discusses the relationship between the Legitimacy Theory; the Stakeholder Theory; and the Institutional Theory. All three theories are derived from a Political Economy Theory, which suggests that society, politics and economics are inseparable (Fernando & Lawrence, 2014). The Political Economy Theory establishes corporate information disclosure in accordance with social, political and economic documentation (Fernando & Lawrence, 2014). Secondly, all three theories are considered to be system-orientated theories whereby theorists are able to give attention to the responsibility of information and the disclosure in the relationships between the brands and its stakeholders (Fernando & Lawrence, 2014). Corporate information disclosure (such as CSP actions in annual reports) decisions are deliberated to establish and be implemented as a strategy to increase the brands relationship with its stakeholders, whilst abiding to governance (Fernando & Lawrence, 2014). All three theories are commentary with each other and are an important contribution of the wider social system.

2.6.1. Legitimacy Theory

The Legitimacy Theory suggests that a ‘social contract’ exists between a brand and its stakeholders (Fernando & Lawrence, 2014). This ‘social contract’ identifies a brands ability to
operate ethically within the expectations of society or above or below those expectations. Derived from the Political Economy Theory (Araújo Júnior et al., 2014), the Legitimacy Theory states that the expectations of society at large need to be met by brands based on a value system (Fernando & Lawrence, 2014). When a brand is able to identify, understand and fulfil expectations of its stakeholders, the decisions, actions and organisation as a whole acquire legitimacy (Araújo Júnior et al., 2014). Due to the increasing regulations and legislature of government, corporate brands obtain traditions whereby shared value is created to enhance stakeholder relationships which can be used to describe the macro level features (Cornelissen et al., 2015). This resulted in a cognitive focus which enabled the “new” institutions to be set apart from the “old” which has resulted in shared-thought activities or a cognitive depiction that establishes the legitimate means of acting socially within an organisational environment (Cornelissen et al., 2015). Society is considered as a whole which further emphasises the relationship needed between brands and the society at large (Fernando & Lawrence, 2014).

Aaker (1996) stated that the goal of developing a brand strategy is to create resonance between a brand and its stakeholders. A strategy is considered to be deliberate when the purpose of the strategy matches the intended action (Mintzberg and Waters’s, 1985). The Legitimacy Theory obtains four Legitimisation strategies, suggested by Lindblom (1992) which include: (i) to educate relevant stakeholders about the performance of the brand; (ii) to change the perceptions of the relevant stakeholders about an underlying issue, without compromising or altering the brands behaviour; (iii) to potential distract awareness or association of a negative brand issue and avert the attention to a positive issue; and lastly (iv) the aim to change expectations of stakeholders about the performance of the brand. Dependant on the brand and environment in which it exists and operates, the implementation of the correct Legitimisation strategy needs to enhance the brand. CSP disclosure is used to communicate a brands legitimate activities and actions, hence protecting the brand, simultaneously creating a positive brand image.

Due to the constant change in societies expectations, brands find it challenging to bring about resemblance with the brands objectives, thus forming a “legitimacy gap” (Fernando & Lawrence, 2014). ‘Legitimisation threats’ occur due to unexpected occurrences, such as financial crisis or incidents that will affect the brands image and thus reputation (Fernando & Lawrence, 2014). CSP disclosure aim to communicate a brands legitimate actions. Two streams exist within the Legitimacy Theory, (i) wider perspective and (ii) the narrow perspective (Fernando & Lawrence, 2014). The wider perspective address how a brand structures are able to gain legitimacy amongst society; whilst the narrow perspective exists at the organisational level and relates to the legitimacy of each individual organisations (Fernando & Lawrence, 2014). The limitation of the Legitimacy Theory exists whereby it is unable to communicate why brands may disclose their various CSP activities and actions (Araújo Júnior et al., 2014). Due to the increasing amount of
socially responsible actions developing, more and more brands are communicating their social accountability in their social reports, accounting statements, website and other means of media (Araújo Júnior et al., 2014). The Legitimacy Theory states that when brands disclose their socially responsible actions, the brand is perceived as being legitimate in the mind of the stakeholder, thus ensuring the brands continuity (Araújo Júnior et al., 2014). If brands ignore the expectations of their stakeholders, it will be challenging for the brand to perpetuate itself.

2.6.2. Stakeholder Theory

The Stakeholder Theory identifies, explains and prescribes a business’s relationships and responsibilities with its stakeholders (Littlejohn & Foss, 2009). Within this theory, the board of directors or top management are seen as the primary influence on the decision-making process, however whom are obliged to fulfil the economic benefits for the shareholders. Stakeholder Theory therefore portrays a brands accountability beyond the economic responsibility it has to provide to the economy (Fernando & Lawrence, 2014). As opposed to the traditional ‘profit-orientated’ approach by businesses, the Stakeholder Theory takes a wider view on whom should benefit from responsibilities and practices of a business, as opposed to those stockholders (i.e. referring to the stakeholders concerned with a financial interest specifically) (Cordeiro & Tewari, 2014). The term stakeholder, refers to an individual who may have an influence and be influenced by the businesses responsibilities and practices. The Stakeholder Approach stated that businesses obtained the desire to achieve more than an economic or financial interest, yet rather one of attending to the needs of the stakeholders, beyond just the stockholders (Mitchell, Agle & Wood, 1997). This theory was developed due to an increase in interests relating to social and environmental impacts created by various corporations (Cordeiro & Tewari, 2014).

The Stakeholder Theory has three approaches to examining the influences of business on its stakeholders, and vice versa. The first approach is descriptive (Littlejohn & Foss, 2009). This allows for the investigator to examine and explain the behaviours and characteristics of businesses. The second approach is an instrumental one. This allows for the investigator to understand how to achieve goals and objectives set out by the business (e.g. profitability, growth, etc.) (Littlejohn & Foss, 2009). The third and last approach, is one of normative uses. This is used when the theory is utilised in a regulatory manner, according to ethical principles to enhance concepts such as CSR (Littlejohn & Foss, 2009). These three approaches allow for businesses to be able to execute effective decision-making at every level of the business, whilst maintaining and implementing sustainable business practices and responsibilities to benefit for the business and its stakeholders (Littlejohn & Foss, 2009). The Stakeholder Theory has expanded into CSP, as well as other community based related functions. It has become one that is commonly used, especially to identify and prioritise stakeholders (Fernando & Lawrence, 2014).
The Stakeholder Theory defines stakeholders as more than just member of society benefiting, yet rather systems working as a whole to generate value. Therefore, stakeholders include: systems (e.g. public health system); individuals; employees; customers; or community members. The need to be able to identify stakeholders and prioritise their needs, is not easily understood by businesses resulting in insufficient and unsustainable CSR activities. Stakeholders can be identified by (i) their influence on the business; (ii) the validity of their issue needing alleviation; and (iii) the importance of their claim (Mitchell, Agle & Wood, 1997).

Two major perspectives of the Stakeholder Theory are prominent. These include: (i) ethical perspective; and (ii) managerial perspective (Fernando & Lawrence 2014). The ethical perspective suggests that regardless of stakeholder power, all stakeholders have the right to be treated equally, with transparency and authenticity (Fernando & Lawrence 2014). Managers are expected to ensure the brand is able to benefit all stakeholders. Therefore, this perspective proves that the Stakeholder Theory exists to meet the expectation of all stakeholders, as oppose to maximising shareholder’s wealth (Littlejohn & Foss, 2009). This perspective relates to the accountability model of the Stakeholder Theory. The managerial perspective states that managers need to attempt to meet the expectations of stakeholders, especially those who control the critical resources required by the brand (Fernando & Lawrence 2014). Stakeholder involvement and engagement is very important, as it can positively or negatively affect the brand’s image, and thus the brand’s equity and performance. With the Stakeholder Theory, brands may disclose their CSP activities which can portray the brands accountability and authenticity. This can result in an increase in benefits towards the brand and result in a positive return on investment.

2.6.3. Institutional Theory

Other than the brands material necessities or physicality’s populating the world, the social reality is determined by the established rules and conventions that administer thoughts, intentions and behaviours of a brand (Cornelissen et al., 2015). The universal role of institutions has led to actions which tend to create a shared value for the institution and its stakeholders. Brands conform to act in this ethical behaviour due to institutional pressure, especially amongst competitors to gain a strengthened competitive advantage (Fernando & Lawrence, 2014). The Institutional Theory views brands who operate within a social framework of norms, values and assumptions regarding what constitutes as acceptable or appropriate economic behaviour (Fernando & Lawrence, 2014). Institutional Theory defines communication as the means of social interaction between a brand and its stakeholders (Cornelissen et al., 2015). Institutional communication that makes use of speech and symbols should not be seen as a brands
expressions or inner feelings, but rather be imposed into a brand aligned strategy whereby it communicates the institutions collective intentions and thus reality (Cornelissen et al., 2015). Institutional Theory links the brands practices (such as CSP) to values and norms of society (Fernando & Lawrence, 2014). This connection results in a brand to maintain, gain and or regain its legitimacy.

Voluntary CSP disclosure in various activities by a brand is seen within the Institutional Theory, whereby the brand is able to engage with its stakeholders and communicate its actions. Furthermore, the Institutional Theory is capable to explain CSP compliance by brands (Fernando & Lawrence, 2014). Traditional institutionalisation and institutional change have regarded communication as a means of a task which needs to be attended too (Suddaby, 2011), yet simultaneously resulting in a direct consequence of neglect (Cornelissen et al., 2015). This neglect results in communication being recognised as a channel through which cognitive content is disseminated and thus misinterpreted by stakeholders (Cornelissen et al., 2015). Communicative Institutionalism is an Institutional Theory approach which creates awareness of communication, where it is seen as a joint activity between the brand and its stakeholders. This is where both parties coproduce the understanding of their social relationship and understanding of the brand in their own means, creating their own perceptions and associations (Cornelissen et al., 2015). In this regard, communication is considered being dynamic and interactive process to manipulate signs and symbols in order to create or transform existing meanings already established.

The Institutional Theory obtains two dimensions: (i) isomorphism (the process of homogenisation); and (ii) decoupling (the separation between the brand’s image and the actual actions and procedures) (Fernando & Lawrence, 2014). These dimensions assist in examining the brands forms and suggests the reason for having homogenous characteristics or the existence of unaligned communication. Isomorphism is defined as a confining process that forces a brand to resemble or communicate other brands that face similar environmental conditions (Fernando & Lawrence, 2014). ‘Iso’ meaning equal and ‘morphism’ meaning form or shape. Therefore, creating the institutional pressure for competitor brands to conform to act in this ethical gain a strengthened competitive advantage (Fernando & Lawrence, 2014). Isomorphism relates to the external factors including stakeholder influence and government legislator whom create the institutional pressure for a brand (Cornelissen et al., 2015). The dimension of isomorphism is related to the Stakeholder Theory which focuses on the impact and relationship between the influence of a brand and its stakeholders (Araújo Júnior et al., 2014). Thus, these stakeholders create expectations and demands which are expected to be fulfilled in order to result in the increase of brand equity and brand performance (Fernando & Lawrence, 2014). The second dimension of the Institutional Theory is decoupling which relates to the separation between the
brand’s image and the actual actions and procedures it obtains (Fernando & Lawrence, 2014). This separation can be considered as intentional or unintentional by the brand. Decoupling can be linked to the Legitimacy Theory, where social and environmental exposure can be used to construct a brand’s image that may have been distorted and different from the true social and environmental performance (Fernando & Lawrence, 2014).

The Institutional Theory makes use of the notion of framing, which enhances a communication centred approach used to understand the construction, both internally and externally for a brand (Cornelissen et al., 2015). A communication centred approach assists a brand to understand the actions of the institution; their change and creation; as well as the simultaneous consequences (Cornelissen et al., 2015). Cornelissen and Werner (2014) used framing as a construct, ranging from micro level conceptualisation to macro level ideas. Framing allows for the connection between macrostructural aspects (such as collective meaning) with micro interactional level (where the decision making of meaning occurs), which further can be used to influence the drivers of CSP (Orlitzky et al., 2015).

2.7. CONCLUSION

Chapter two highlighted how Corporate Social Performance exists within brands, as well as the means in which it should be implemented as a brand strategy, as opposed to just a communication function. This chapter identified the concept of a brand strategy, as well as the formation of a brand strategy. It proved the importance and thus the results of implementing a sustainable and successful brand strategy. With the implementation of such a strategy, a return on investment in terms of an increase of brand equity, brand awareness and brand loyalty will be gained. CSP was used as the key concept to assist in the argument of the importance of CSR, CSI and the triple bottom line within brands. The key difference between CSR and CSI was established, whereby CSR in its simplest form is a “company’s broader responsibility towards society; and CSI is defined as the integration of environmental, social and ethical concerns into the investment procedure or financial analysis. The difference between the two, assisted in understanding each of their responsibilities and functions within brands and the ethical and accountable way both should be implemented by. Furthermore, CSR elaborated on the importance of creating a positive impact on society, the environment and the economy; whilst never taking more than the brand can give back. This lead to the exploration of Carrol’s CSR Pyramid Model, which established the four different levels of CSR and how each are dependent on the success of each other. The first layer discussed the economic value needed, the second examined the legal responsibilities, whilst the third noted the ethical responsibilities.

Once all three levels were successful achieved and were deemed sustainable, the fourth layer of philanthropy could be achieved, ultimately resulting in a corporate citizen. However, every
business needs to establish themselves before they are able to be considered as a corporate citizen, which resulted in the interpretation and understanding on Small and Medium sized Enterprises (SMEs). SMEs are significant contributors towards economic performance, especially within developing countries. Little research has been conducted on SMEs, as opposed to larger corporates, however their impact in socio-economic development is just as important. Lastly, the chapter closes with the integration of three theories - namely the Legitimacy Theory, the Stakeholder Theory and the Institutional Theory - which are regarded as system-orientated theories that are an important contribution to the wider social system. The Legitimacy Theory focuses on a brand's ability to operate ethically within the expectations of society or above or below those expectations; whilst the Stakeholder Theory states the importance of the relationships achieved and responsibilities between a brand and its stakeholders. Lastly the Institutional Theory views brands who operate within a social framework of norms, values and assumptions regarding what constitutes as acceptable or appropriate economic behaviour.

The next chapter identifies the exploratory qualitative research approach that will be conducted, as well as the research methodology used. It will determine the chosen proposed population and sampling, as well as the data collection methods used. This will allow for this research topic to conceptualise a best practice CSP model for SME’s within South Africa.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1. INTRODUCTION

Research methodology is the process used to collect information and data pertaining to the purpose of making decisions (Business Dictionary, n.d.). The methodology of a research paper is used to assist in gathering information pertaining to the research topic to gain insights and knowledge. The use of qualitative research will be used to evaluate how a company is able to increase their brand’s ROI through an increase in CSR strategies.

3.2. METHODOLOGICAL ORIENTATION

To understand the scope of this research topic, an exploratory qualitative research approach will be conducted, as well as the use of secondary research which will be gained initially to assist in the primary research development. An exploratory research approach is useful to gain background information regarding a topic, it further provides a means to determine and establish clarity on new and existing concepts (Labaree, 2015). Exploratory research is used to determine the nature of the research problem in order to gain a clear understanding (Andrew, McEvoy and Pedersen, 2012). An exploratory research approach will be used, as opposed to a conclusive research approach as an exploratory research approach will result in range of causes and alternative solutions pertaining to the problem, as opposed to a conclusive research approach which provides information pertaining to only one solution (Sandhursen, 2000).

Due to the evolving nature of the independent concept of this research problem being CSP, exploratory research approach will allow for the research questions to be explored to gain insights into conclusions pertaining to implementing how SMEs are able to implement CSP into their brand strategy, as opposed to just a communication function. A conclusive research approach aims to gain the final solution to the research problem (Sandhursen, 2000). With the use of the exploratory research, the research is flexible and open for interpretation due to the reality being created by individuals or groups (Andrew, McEvoy and Pedersen, 2012). An exploratory research approach makes use of a small sample size, emphasising the use of qualitative research. To explore insights and gain a deeper understanding of the topic, the researcher will be conducting qualitative research. Denzin and Lincoln define qualitative research as “an explanatory naturalistic approach to the world” whereby the researcher conducts the study in its natural setting in order to acknowledge and gain information pertaining to the concepts adding to the research problem (Denzin and Lincoln, 2000). Qualitative research is designed to identify behaviour patterns and the perceptions which are created relating to a topic. With the use of small groups of people, qualitative research makes use of in-depth studies in the means of interviews, intimate group
discussions, in-context observations etc. (Qualitative Research Consultants Association, 2017). The results of qualitative research are descriptive, as opposed to predictive (i.e. quantitative research). Quantitative research is used to quantify the problem, by gaining numerical data that can be used to gain statistics to quantify attitudes and behaviours of the target audience. The sample size is larger than that of a qualitative research and the methods uses are more structured (Wyse, 2012).

Exploratory qualitative research will allow for the implementation of identifying existing brand strategies relating to a company's CSP, whilst being able to formulate means in which to integrate CSP into the brand strategy, as opposed to just a communication function. This type of research will give direction for future research relating to the concepts, as well as for the integration of CSP into a brand strategy. This research topic will make use of qualitative research in order to gain insights into how SMEs can integrate CSP into a brands strategy, as opposed to just as a communication function by being able to explore data gained relating to past experiences relating to CSP and their return.

3.3. POPULATION AND SAMPLING

The population of a research topic is defined as the broader group of people whom the results of your study will be created on. The sample of a research is classified as a subset of the population identified. The population should only include individuals or groups that the results gained from the research will apply to. It is dependent on the nature of the research topic that will determine the size of the population (Statistic Solutions, 2017). The sample of a research topic is considered as individuals or groups who engage and participate in the study. They are classified as the participants, as they are interviewed, observed or surveyed to gain insights and a clear understanding of the research topic (Statistic Solutions, 2017). Therefore, the population consists of the broader group whom your results will apply too; whilst the sample consists of the participants who participate in the study.

The population for this research topics includes appointed CSI managers within established multinational brands, whom have over three years’ experience within the industry. The sampling frame would consist of five to ten semi-structured interviews with various CSI managers within different industries. The population exists within different industries in order for the data to not be industry specific. The location of the sample will be within Johannesburg, South Africa due to the location base of the researcher. All semi-structured interviews with be conducted within Johannesburg, at the location of the scheduled multinational’s head office.
Table 3.1. Multinational brands the researcher will conduct semi-structured interviews with, as well as the industry of each brand

<table>
<thead>
<tr>
<th>Collection Method</th>
<th>Date</th>
<th>Time</th>
<th>Multinational Brand &amp; Industry</th>
<th>Name</th>
<th>Experience</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semi-structured interview</td>
<td>15\textsuperscript{th} September 2017</td>
<td>11:30</td>
<td>AECI (Chemical)</td>
<td>Participant A</td>
<td>6 years</td>
<td>CSI Manager</td>
</tr>
<tr>
<td>Semi-structured interview</td>
<td>15\textsuperscript{th} September 2017</td>
<td>14:00</td>
<td>Barloworld (Logistics)</td>
<td>Participant B</td>
<td>5 years</td>
<td>CSI Manager</td>
</tr>
<tr>
<td>Semi-structured interview</td>
<td>15\textsuperscript{th} September 2017</td>
<td>09:00</td>
<td>Tsogo Sun (Hospitality)</td>
<td>Participant C</td>
<td>16 years</td>
<td>CSI Director</td>
</tr>
<tr>
<td>Semi-structured interview</td>
<td>15\textsuperscript{th} September 2017</td>
<td>12:00</td>
<td>First Rand Limited (Finance)</td>
<td>Participant D</td>
<td>20 years</td>
<td>CSI Group Manager</td>
</tr>
<tr>
<td>Semi-structured interview</td>
<td>15\textsuperscript{th} September 2017</td>
<td>15:00</td>
<td>Airlink (Transport)</td>
<td>Participant E</td>
<td>14 years</td>
<td>CSI Executive</td>
</tr>
<tr>
<td>Semi-structured interview</td>
<td>15\textsuperscript{th} September 2017</td>
<td>13:00</td>
<td>Tiger Brands (FMCG)</td>
<td>Participant F</td>
<td>4 years</td>
<td>CSI Group Manager</td>
</tr>
<tr>
<td>Semi-structured interview</td>
<td>15\textsuperscript{th} September 2017</td>
<td>14:00</td>
<td>Aspen Pharmaceuticals (Medical)</td>
<td>Participant G</td>
<td>17 years</td>
<td>CSI Manager</td>
</tr>
</tbody>
</table>

3.4. DATA COLLECTION METHODS

Data collection is defined as the systemic approach to gathering and measuring information from different sources to gain insights into a specific study (Rouse, 2016). It allows for research questions to be answered, objectives to be achieved and the evaluation of outcomes for future use. The research tool used to conduct the qualitative research pertaining to this research topic, would be that of field research, specifically semi-structured interviews. This will allow for the researcher to gain further insights and gain a deeper understanding of the research (Sloverlinett, n.d.). Using this tool, it will allow for the researcher to establish specific questions to achieve the research objectives. This method will allow for subjective data, creating an individual experience with high research participation.
The purpose of a semi-structured interview is to be able to explore experiences and views of individuals or groups pertaining to the research topic. Qualitative interviews provide a clear understanding of the social phenomena, where detailed information is gained through in-depth interaction with the selected participants within the sample (Gill et al., 2008). There are three types of research interviews which include: structure, semi-structured and unstructured (Gill et al., 2008). This research study will make use of semi-structured interviews due to the nature of the individuals within the sample being interviewed (i.e. CSI managers of multinational brands). The questions will allow for the researcher to explore the concepts and have higher engagement in order to pursue a response in more detail (Britten, 1999). The researcher will establish a list of predetermined questions based on the concept of CSP, social value, stakeholder relations and corporate governance that will be asked to each participant, will little or no variation for follow-up questions to responses gained. Due to the time constraints of the participants, semi-structured interviews are relatively quick and easy to facilitate due to the nature being verbally attained (Gill et al., 2008).

The researcher will have established a clear and concise understanding of the data that is needed to be gained, as well as be in full control of the interview. Prior to the interview, the selected participants shall receive information pertaining to the research topic, as well as the ethical considerations (i.e. confidentiality, etc.) to ensure that both the participant and the researcher know what to expect. In order to ensure the success of each interview, a pilot test will be done with one participant to test the efficiency and effectiveness of all the questions asked and answered. The data collected will be done via a voice recorder and documented after the interviews have been conducted. Each interview will be conducted in the head office of the selected multinational brand within Johannesburg. It is important for the interview to be conducted face-to-face to ensure the semi-structured interview process is focused and controlled (Gill et al., 2008). Once all the interviews have been conducted, the data will then be analysed accordingly to avoid misinterpretation and bias.

3.5. DATA ANALYSIS METHOD

Data analysis is defined as the process whereby information is gained and explored in-depth to understand a phenomenon (University of Leicester, n.d.). The use of thematic content analysis will be used to analyse the data, which will be gained will been gained through the in-depth interviews conducted with each participant (Komori and Keene, n.d.). Thematic content analysis is used when qualitative data has been collected via interviews, focus groups, observation, and documentary analysis. Thematic content analysis is a process used to interpret verbal or behavioural data and is analysed on two levels. The first level is the basic level, whereby a
description of the data is given without any relating theories applied or conclusions established. The second level is referred to as the higher level, or level of manifest where a more interpretative analysis is conducted and a conclusion is achieved (University of Leicester, n.d.). Therefore, thematic content analysis includes the process of coding and classifying data in order to make sense of the data collected to gain a clear understanding of the findings.

Thematic content analysis allows for data to be examined; patterns to be recorded; and underlying relationships between themes amongst CSP and the effect on brands to be identified and understood by the researcher. With the data attained, the use of coding will allow for deductive analysis to be conducted. This will generate insights to achieve an understanding and potential conclusion to the research topic. By identifying the relationships between themes amongst CSP, this will allow for SMEs to integrate CSP into their brand strategy, as opposed to a communication function.

3.6. TRUSTWORTHINESS

Trustworthiness is a qualitative measure used to ensure that evidence presented is ethical, authentic and obtains strong and relevant results (LaBanca, 2010). Credibility, transferability, dependability and confirmability need to be established in order for trustworthiness to be achieved (In-depth Training & Research Centre of Excellence, n.d.). Credibility refers to how much confidence the researcher obtains in the truth of the insights gathered through the data. It deals with the main focus of the research and the ability to capture the reality of the research topic. To increase credibility, the selection of participants and the approach to selected to gather data must be carefully considered (In-depth Training & Research Centre of Excellence, n.d.). Transferability refers to how applicable the insights gained are to other contexts and how applicable the theory is beyond the participants within the sample. Dependability is the extent to which the study could be conducted again by other researchers and consistency of the insights. Dependability further accounts for the researcher’s ability to identify and interpret the changing conditions of the phenomenon. Lastly, confirmability refers to the degree of neutrality of the insights gained, therefore ensuring no bias and misinterpretation (Statistic Solutions, 2016).

With the use of a pilot test this will allow for the data to be analysed and interpreted by the researcher as objectively as possible. This will enhance the trustworthiness of the research topic. A pilot test will allow for any bias interpretations to be eluded, resulting in the data being authentic and credible. With the use of semi-structured interviews, each will be scheduled prior to arrival to ensure no malfunctions.
3.7. CONCLUSION

Brands are expected to do more than their primary purpose for existence and more than what is legally required of them according to corporate governance (Harris, 2016). With the use of exploratory research, identifying the stakeholder, legitimacy and institutional theory and analyzing the various concepts relating to this research topic, a methodological approach has been designed in order to meet the research objectives and provide clarity to the research problem statement. The methodological purpose of this research topic is to be able to evaluate and understand the effect of how SMEs can integrate CSP into their brand’s strategy, as opposed to just as a communication function.
CHAPTER 4: FINDINGS AND INTERPRETATION

4.1. INTRODUCTION

In this chapter, the researcher will be analysing and interpreting the outcomes of the research conducted by means of coding. Coding refers to an analytical process whereby the qualitative data (collected through semi-structured interviews) is used to facilitate an analysis of information to gain relevant categories and themes. This chapter will focus on the findings gained of how SME’s are able to implement CSP into their brand strategy, as opposed to just a communication function. These findings were gained from seven semi-structured interviews in Johannesburg, South Africa, with Corporate Social Investment managers of large corporate brands, whom had more than three years' experience within the industry.

The semi-structured interviews were transcribed (see appendices B to H) and coded into various categories and further divided into themes based on the primary sentiments and notions of each participant. Each category and theme was established through a process, which included: data reduction, data display, and finally interpretation (Huberman & Miles, 1994). The findings will discuss the three categories which were developed from the research questions, as stipulated in Chapter one. The following three categories were then utilised for the data reduction:

1. Resources to sustain social value
2. Stakeholder Relations
3. Corporate Governance

Each category poses three themes. Each theme was obtained through coding, which further assists the researcher to gain insights and findings into each category. The above findings were analysed and interpreted based on previous literature, conceptualisation, research aims and questions, and the research problem.

4.2. CATEGORY 1: RESOURCES TO SUSTAIN SOCIAL VALUE

Majority of businesses operate within a sensitive field, where their stakeholders have high demands and expectations, other than the business’s primary reason for existence. Businesses have the challenge of having to generate profits for their stakeholders, whilst also being able to contribute to the well-being of their stakeholders (Smith, 2016). CSP is a means of creating social benefits, where the economic aspect is not explicitly exposed or attainable. With the use of an aligned brand strategy, CSP can assist the brand in Creating Shared Value (CSV). CSV is a means of being able to develop future markets, whilst enhancing the economy and strengthening
the market place and communities – simultaneously (Epstein-Reeves, 2012). CSV can extend CSP within businesses with the opportunity of creating a means of economic profit. Michael Porter and Mark Kramer defined CSV as: “A corporates policies and practices that enhance the competitiveness of a company while simultaneously advancing social and economic conditions in the communities in which it operates” (Porter & Kramer, 2011). The business is considered to allocate resources and develop skills needed in a diverse environment to gain a competitive advantage; as opposed to the stakeholders being identified as the social beneficiaries (Wójcik, 2016). The interview sample selected was based on questions one, six, ten and eleven (see appendices B to H). The findings obtained from each participant’s response established Category 1 and its respected themes, which focuses on the resources required to sustain social value, which is required of large corporates. However, the resources required are a determining factor of the extent of social value a brand is able to add. These findings lead to the themes of category 1, which includes: beneficiaries, limited budget and a lack of human resources. These findings are detailed in Table 4.1 below.

Table 4.1 Resources to sustain digital social value and its supporting themes

<table>
<thead>
<tr>
<th>Resources to sustain social value</th>
<th>Operational Definition</th>
<th>Verbatim Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>A person, group or thing that is able to derive an advantage from something offered or given.</td>
<td>“My job is to enhance community growth and community development.” - Participant 2</td>
</tr>
<tr>
<td>Limited budget</td>
<td>Controlled access to financial resources which could be used to enhance the company's brand and performance.</td>
<td>“I think the main challenge is... its funding.” – Participant 7</td>
</tr>
<tr>
<td>Lack of Human Resources</td>
<td>Insufficient assistance from the company’s employees which hinders the company’s ability to meet their objectives and goals.</td>
<td>“I have arguments...with directors here because I cannot believe that in your space you cannot find time to allow staff member to go once a month to do something good, or once a quarter, because they’ve got work to do.” – Participant 4</td>
</tr>
</tbody>
</table>
4.2.1. Theme 1: Beneficiaries

The Stakeholder Theory identifies, explains and prescribes a business's relationships and responsibilities with its stakeholders (Littlejohn & Foss, 2009). As opposed to the traditional ‘profit-orientated’ approach by businesses, the Stakeholder Theory takes a wider view on whom should benefit from responsibilities and practices of a business, as opposed to those stockholders (i.e. referring to the stakeholders concerned with a financial interest specifically) (Cordeiro & Tewari, 2014). Furthermore, the theory states that businesses obtained the desire to achieve more than an economic or financial interest, yet rather one of attending to the needs of the stakeholders, beyond just the stockholders (Mitchell, Agle & Wood, 1997). Therefore, a beneficiary is considered as an important stakeholder to a brand, due to their acceptance of support and assistance from a brand.

Beneficiaries refer to those individuals who are seeking support or assistance, in a variety of means. The majority of participants agreed that their jobs were about creating a better future for future generations, whilst preserving and utilising their resources efficiently. Participant 5 said: “I think it is really if one can understand the concept of assisting people that come from, it’s usually low income... or, under resourced areas”. This was clear to see what they classified as beneficiaries. Furthermore, the beneficiaries chosen had to undergo a process whereby various validation checks and requirements had to be met prior to them applying assistance. Participant 4 explained the requirements their potential beneficiaries had to undergo. The participant said: “So, then, what we look for is that the NPO or the schools are a non-profit and they are registered, they can produce their certificate, they have to upload onto the system if they can produce the constitution and if they can produce their latest set of audited financials.” This corroborates literature, as the potential beneficiaries are aware of the brands and their budgets available, however are unaware of what is required from the brands. Participant 2 said the brands biggest challenge was the access to information within South Africa, which results in insufficient beneficiaries and thus being turned away. “We don’t want to be partnering with the, uh, you know... organisations that, are unscrupulous and all that, so, most of the time I find myself educating people.” This results in disappointment from the beneficiaries and could depict a negative brand image or reputation for the brand. Literature states that Broad-Based Black Economic Empowerment legislation has resulted in complexity for potential beneficiaries, especially those dealing with corporates (Petersen-Holmes, 2017). Furthermore, the majority of corporates request far more, as they require their potential beneficiaries to qualify for Socio Economic Development (SED) beneficiaries aligned with the BEE codes and public benefit organisations with section 18A status, subject to tax purposes (Petersen-Holmes, 2017). There is a clear lack of information accessible, pertaining to the requirements of beneficiaries, which results in numerous insufficient beneficiaries whom the brands are forced to turn away. The
significant correlation proves that brands are willing and able to assist beneficiaries, however communication of what is required leads to unsuccessful potential beneficiaries and thus a potential effect on the brand reputation. The need for brands to communicate the requirements to potential beneficiaries will allow for stakeholder relationships to be established and strengthened, whilst being able to align the beneficiaries needs with the brand.

4.2.2. Theme 2: Limited budget

Limited budgets refer to insufficient capital that often negatively affects organisational performance (Scheer et al., 2010). Most of the participants stated that with access to a greater budget, will allow for the brand to be able to meet their goals and objectives, within the social sphere. Participant 6 said their biggest challenge being a CSI Manager for a large brand is access to funding. “The money is never enough because you know, I want to. And unfortunately, we’ll have to do it according to how much we have.” All participants interviewed were managers for brands listed within the Johannesburg Stock Exchange, where the requirements of the companies are to spend 1% of their pre-tax profit on CSI of their choice. Budgets of the participating brands allocated to CSI ranged from R18 million to R150 million. This proves to show that the demand for more brands, regardless of size to engage in such activities as these brands aren’t able to do it all, alone. Bondy, Moon & Matten (2012) argue that multinational corporations are moving from an ethical view of CSP to a more strategy-centred view, implying that these corporates are making use of a systematic process to implement their CSP actions. Furthermore, it is argued that society cannot only be reliant on these multinational corporations due to resources available, hence the need for engagement by smaller organisations too – yet, with sustainable and strategic CSR actions implemented correctly (Skilton & Purdy, 2016). Participant 5 noticed that smaller organisations were engaging but not making a difference due to the manner in which their CSP activities were implemented. Participant 5 said: “I see there is a lot of people that call themselves social entrepreneurs, and they actually are not doing it right.” Literature contradicts this as Carroll’s CSR Pyramid Model states that CSR is created based on generating profit (Carroll, 2016), however all seven participants stated that it is not necessarily the budget within each brand, yet rather the collaborative resources (both human resources and monetary resources) across all South African brands engaging in CSP, regardless of size. The need for SME’s to engage in CSP initiatives is increasing, however even with a limited budget SMEs are able to do a lot, combined with their human resources. Therefore, limited budgets were resources that influenced the desired brands role to enhance and sustain social and economic development within South Africa, as well as can meet their goals and objectives – however was not the only means to meet their goals and objectives.
4.2.3. Theme 3: Lack of Human Resources

Lack of human resources refers to the absence of human capital within an organisation (Schaefer, 2011). Majority of the research participants agreed that regardless of the size of the brand, there is still insufficient assistance from employees. Participant 4 found this to be the biggest challenge as a CSI manager, as managers weren’t willing to give off their productive time to CSI initiatives. Participant 4 stated that employees engage in the brands CSI but not as much as needed. “It’s not a lot when you look at how big our group is but we say that we are able to tap into about 18% of our staff on an annual basis even if they just get payroll giving, or they are just giving money towards a fund raiser.” However participant 4 took another approach and implemented an Employee Engagement program within the brand, where employees are giving funding, once their application has been approved, to empower and support a beneficiary of their choice, as well as keeps them engaged and involved. “We decide on group drives to keep the momentum of volunteering happening when we give staff money and the allocated budget is finished within two days.” Literature correlated with this finding. Volunteers are willing to contribute to organisations that align with their values but volunteering is often a temporary act that cannot result in long-term changes (Stuart, 2013). Therefore, a lack of human resources were resources that affected the strength and impact of the CSP initiatives and thus hinder the social value. This proves to show that an increase in human resources as opposed to monetary resources allows brands, such a SMEs to engage in CSP initiatives sustainably.

4.2.4. Interpretation of Category 1: Resources to sustain social value

The majority of participants agreed that with access to an increase in monetary resources (i.e. a larger budget) brands will be able to do more - yet a budget is not the means to solving socio-economic development. This contradicted the literature, in that Carroll’s CSR Pyramid model is to ensure that CSR is created based on generating profit. Before the business can consider any philanthropic actions, it needs to comply with laws, regulations and ethical duties (Dudovskiy, 2012). Participant 7 said that organisations such as SMEs who want to engage in CSP should: “find something that they can do within their means.” Furthermore, Participant 7 said CSI managers need too: “change the mind-set of SMEs within South Africa. They mustn’t just think they are transacting all the time. They must just give something back, whether it be time or skills, money isn’t always the means”. Limited or a lack of access to resources such a budget and human resources are attributed to the lack of knowledge and information available to society, resulting in the CSP sphere to be overwhelming for SMEs to enter into. Beneficiaries seek support or assistance from brands, yet CSI managers require an increase in human resources as opposed to monetary resources to provide efficient support. This proves to show that multinational brands can create and implement sustainable CSP initiatives that are aligned to the brand, through an
increase in human resources, and thus SMEs whom lack monetary resources can create and implement sustainable CSP initiatives too. SMEs whom don’t obtain monetary resources to create shared value and social value, can provide skills, knowledge and time with various brand aligned CSP initiatives established. As stated in the literature, by implementing a well-designed brand strategy, brands will be able to generate a return on investment (i.e. brand awareness, brand loyalty and brand equity). Therefore, SMEs should align their available resources with their brand and through that will be able to achieve a return on investment. With an increase in human resources as opposed to an increase in budget, brands (regardless of size) will be able to assist and support beneficiaries and thus will be able to sustain the resources to sustain social value. Therefore, a lack of information, support and time available to multinational corporates influences resources such as the beneficiaries, limited budgets and human resources to sustain social value.

4.3. CATEGORY 2: STAKEHOLDER RELATIONS

Relations refer to a significant association between two concepts as well as the means in which it is communicated. Through the relation between two concepts, occurs the need for stakeholders, societal expectations and communication to be achieved. Due to stakeholders increasing concerns of society, environmental and economic issues, stakeholders are seeking brands which can identify and alleviate these issues through CSP activities (Esmaeilpour & Barjoei, 2016). When the stakeholders are able to identify the support of social alleviation by businesses, this indicates that CSP activities help to establish a connection with the business and its stakeholder relations (Ghosh, Ghosh & Das, 2013). The interview sample selected was based on questions two, five and nine (see appendices B to H). The findings obtained from each participant’s response established Category 2 and its respected themes, which focuses on stakeholder relations, which is integral for the success of any brand. However, the means required to establish and strengthen stakeholder relations are a determining factor of the extent of the relationship. These findings lead to the themes of Category 2, which includes: stakeholder relationships, societal expectations and communication. These findings are detailed in table 4.2 below.

Table 4.2 Stakeholder Relations

| Theme: Stakeholder relationships | Operational Definition: The relationship a brand obtains with any individual, group or organisation that has an interest within the brand. | Verbatim Quote: “I know in our department we do have, you know, stakeholder relationships with those individuals and they are sustainable.” – Participant 5 |
Societal expectations

The pressure placed on a brand because of society’s expectations for the brand to deliver.

“...you become a bit overwhelmed with requests and you become overwhelmed with needs and you go out there and see the enormous need and sometimes you can assist and sometimes you have to draw a line and say we can only do so much.” – Participant 1

Communication

The means of exchanging information from a brand to their stakeholders.

“We communicate via social media as well as intranet and then in different businesses they have quarterly newsletters that goes out, that’s talking to your internal stakeholders but also for external stakeholders we put a lot of publication on media.” – Participant 2

4.3.1. Theme 1: Stakeholder relationships

The Legitimacy Theory suggests that a ‘social contract’ exists between a brand and its stakeholders (Fernando & Lawrence, 2014). This ‘social contract’ identifies a brand’s ability to operate ethically within the expectations of society or above or below those expectations (Araújo Júnior et al., 2014). When a brand can identify, understand and fulfill expectations of its stakeholders, the decisions, actions and organization as a whole acquire legitimacy (Araújo Júnior et al., 2014). Stakeholders can be considered as an individual, group or organization (internal or external) that has some interest in a brand. Stakeholders can be affected by the practices, objectives and policies of the brand (Mitchell, Agle & Wood, 1997). Not all stakeholders are considered to be equal, as it depends on the power and position of the stakeholder. The relationships between a brand and its stakeholders are important to increase brand loyalty, simultaneously brand equity and obtain a competitive advantage. Literature corroborates this as Esmaeilpour & Barjoei, 2016 stated that a significant factor to obtain a competitive brand position within their stakeholder’s minds, is the opportunity to gain their loyalty towards the brand. Participant 5 stated that with stakeholder relationships “there’s a kind of a synergy where you don’t force them to buy your brand but they willingly because they know that the brand is in the ground roots where they are.” Stakeholders want to support the brands that they feel are creating value within society around socio-economic and environmental development. Furthermore, literature verifies this as it states that a business’s stakeholders have the need to be associated with a brand that can portray a positive symbolic image, resulting in benefits (i.e. self-identity and self-enhancement) for them (He & Lai, 2014). Participant 5 said that: “One benefit would be for
brands, for the brands to be known and you know connect with the stakeholders." This proves to show that when brands are able to engage with their stakeholders and communicate their CSP actions effectively within their brand strategy, a return on investment is gained for the brand. SMEs can gain this return on investment by offering their skills, time and assistance for their CSP initiatives and thus establish and enhance their stakeholder relationships. CSP goes further by creating a strengthened brand identity, increasing a brand’s awareness through positive associations; therefore, encouraging stakeholders to engage and form relationships resulting in brand loyalty – all of which exist within brand equity – a positive return on investment.

4.3.2. Theme 2: Societal expectations

The Legitimacy Theory states that the expectations of society at large need to be met by brands based on a value system (Fernando & Lawrence, 2014). The expectations and demands of stakeholders, as well as the low cost to choose an alternative brand, has resulted in an influence on businesses to demonstrate a core focus on creating value (He & Lai, 2014). Therefore, the consumer strives to associate themselves with a brand that is able to commit to the added sustainable value through CSP, in doing so, resulting in their brand loyalty being created. Brand loyalty refers to the position a brand is located, within their consumers’ minds, and their willingness to turn to other competitors. When a brand is seen as trusted and respected by its stakeholders, the brand is more likely to appeal to its stakeholders. Participant 2 said that one of “the key benefits for me in terms for the business to say look, once you start doing community stakeholder engagement, it opens... you are able to show value, to say you are not just extracting value and meet expectations from all stakeholders.” This corroborates literature as it states that There is a constant demand by society for South African businesses to implement and engage in various CSP, activities, aligned with their brands (Ghosh, Ghosh & Das, 2013). Businesses are able to gain the respect and acceptance of its stakeholders when they abide to the legislator, as well as the expectations and demands of society (Ghosh, Ghosh & Das, 2013). As much as societal expectations can result in an increase of pressure consigned to a brand, the significant corroboration is that when brands are able to identify the expectations of society and attempt to meet them, these brands are able to increase their brand loyalty with new and existing stakeholders. Furthermore, by acknowledging society’s expectations, brands are able to generate awareness through the satisfaction received. However, if a brand is not able to deliver a subsequent consequence will be resulted in a negative brand image and thus awareness and a loss of brand loyalty. SMEs are able to meet society’s expectations by sustainably creating value through their core focus and practice.
4.3.3. Theme 3: Communication

The key criteria for a brand to communicate their actions need to be focused on authenticity and consistency (Skilton & Purdy, 2016). By being authentic and consistent, brands are able to communicate to their stakeholder’s perceptions of their motives and rightness of their activities, as opposed to just complying with ethical concerns (Skilton & Purdy, 2016). The Legitimacy Theory states that when brands disclose their socially responsible actions, the brand is perceived as being legitimate in the mind of the stakeholder, thus ensuring the brands continuity (Araújo Júnior et al., 2014). Participant 7 said that “if you have opportunity to make noise and communicate please, use your platforms if they are available.” If brands inefficiently communicate or ignore the expectations of their stakeholders, it will be challenging for the brand to perpetuate itself. Stakeholders will be able to understand the brands core focus and philosophy through an increase of transparent and ethical communication. This way, stakeholders will be able to acknowledge the attempt to create shared value and thus start to relate to the brand. Participant 4 reiterated that “communication is difficult in a multi complex brand like we have, but we keep pushing and we try to give the program in the relevant brands the lime light. We try very hard to tell the story, and we do get the stories out there, but with a push.” Participant 5 further explained the importance of communication to stakeholders, by saying that “you get to start to communicate those things that are above there, but it’s not, it’s not above the line, it’s just you living at that level where you hoping they grow with it.” The need for brands to communicate their CSP efforts to their stakeholders will allow for stakeholder relationships to be established and strengthened, whilst being able to align the communication within the brand’s strategy. Literature supports the findings as it states that CSP disclosure is used to communicate a brands legitimate activities and actions, hence protecting the brand, simultaneously creating a positive brand image (Fernando & Lawrence, 2014). By communicating efficiently, SMEs will able to enhance stakeholder relationships for the brand and further gain a return on investment.

4.3.4. Interpretation of Category 2

As a result of CSP being broad and comprehensive, blurred lines exist between CSI and CSR, and thus needs to be viewed as a strategic function with the brand. The majority of participants acknowledge that CSP is growing, not only as a concept but as an increasingly demanded expectation of society. The need for brands, small and large to engage in this sphere is no longer an option, but rather a necessity for brands to gain a return on investment. Participant 6 said that the future of CSP is exponential. “It’s going to grow into bigger heights its actually like you said its becoming like a buzz word and if you’re a corporate business you should know what it is, you should be involved, you should be doing something about it.” Participant 2 reiterated the importance of communicating the brands actions to gain stakeholder relationships and to
acknowledge societal expectations. Participant 2 said: “I think we live in an activism space and it’s got some of the new millennials entering into the work space, and they want to know what is my association with you in terms of community, so what’s sensible around that, is that CSI is activism, or represented at table, meaning at a board level, at an EXCO level you are seeing whatever we are doing internally cannot be devoted from what we are doing externally, so values cut across.” Waddock and Graves (1997) state that CSP is not simply the discretionary actions established by a brand due to a surplus of resources. Brands need to operate on a routine basis with and though their stakeholders (i.e. by acknowledging societal expectations) to enhance their strategies (Waddock & Graves, 1997). Furthermore, they argued that the stakeholder relationships would establish the quality of the brands CSP actions and how they are communicated. This proves that SMEs can create and implement stakeholder relations that are sustainable, through an increase in the strength of their stakeholder relationships, the means in which the SMEs acknowledge societal expectations, and the manner in which it is communicated.

4.4. CATEGORY 3: CORPORATE GOVERNANCE

A board of directors has the potential to influence a company’s CSP strategies both positively and negatively, which may affect their commitment to CSP. Sustainable CSP can extend a brand identity, increasing their accountability to stakeholders, through reporting on their CSR activities. Transparency is an important factor in effective corporate governance, which could reduce conflict and negative social outcomes (Cornelissen et al., 2015). Other than the brands material necessities or physicality’s populating the world, the social reality is determined by the established rules and conventions that administer thoughts, intentions and behaviours of a brand (Cornelissen et al., 2015). The Institutional Theory views brands who operate within a social framework of norms, values and assumptions regarding what constitutes as acceptable or appropriate economic behaviour (Fernando & Lawrence, 2014). The universal role of institutions has led to actions which tend to create a shared value for the institution and its stakeholders. Brands conform to act in this ethical behaviour due to institutional pressure, especially amongst competitors to gain a strengthened competitive advantage (Fernando & Lawrence, 2014). Institutional Theory defines communication as the means of social interaction between a brand and its stakeholders (Cornelissen et al., 2015).

The interview sample selected was based on questions three, four, seven and twelve (see appendices B to H). The findings obtained from each participant’s response established Category 3 and its respected themes, which focuses on legal requirements of corporate governance and the manner in which it is required to be communicated too. However, the factors required to represented corporate governance are determining factors of the extent of value a brand is able
These findings lead to the themes of category 3, which includes: legitimacy, legislature and communication. These findings are detailed in Table 4.3 below.

Table 4.3 Corporate Governance

<table>
<thead>
<tr>
<th>Theme</th>
<th>Operational Definition</th>
<th>Verbatim Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legitimacy</td>
<td>The manner in which a brand abides to legislature and it considered to be legitimate, authentic and ethical.</td>
<td>“So, there’s quarterly reports and then there is annual reports now that we are working in our year and obviously, a full report of everything that took place in the year.” – Participant 6</td>
</tr>
<tr>
<td>Legislature</td>
<td>The regulations stipulated by Government that an organisation needs to ethically abide too.</td>
<td>“So, it’s role is to make sure we are compliant in every possible way so that we follow all the rules. We are compliance in terms of tax, we are compliance in terms of all governance...” – Participant 4</td>
</tr>
<tr>
<td>Communication</td>
<td>The means of exchanging information pertaining to the brands practice and operations, to their stakeholders.</td>
<td>“If you have opportunity to make noise and communicate please, use your platforms if they are available. And they can be organised by other organisations because people in organisations like communicating.” – Participant 7</td>
</tr>
</tbody>
</table>

4.4.1. Theme 1: Legitimacy

Businesses are able to gain the respect and acceptance of its stakeholders when they abide to the legislator, as well as the expectations and demands of society (Ghosh, Ghosh & Das, 2013). There is a constant demand by society for South African businesses to implement and engage in various CSP, activities, aligned with their brands. The main challenge with CSP, is the manner in which it is understood by stakeholders. CSP is understood by stakeholders as a means for a business to comply with legislation, as opposed to a business’s desire to want to do good (Javan, 2016). With this, misconceptions are created between stakeholders and business’s whom comply with the minimum requirements; and those business’s whose CSR attempts aim to meet their desires, regardless of the minimum requirements. By being able to understand the important
influence of CSP and the sustainable difference it can create, this will not only effect the South African economy positively, it will also alleviate and aid the triple bottom line. Participant 1 said that communicating authentically and remaining ethical in all the brand does, they were able to reap the benefit of “an increase in value proposition, both internally and externally”. This enhances literature by proving the importance of being legitimate and thus gaining the acceptance of the brands stakeholders. Furthermore Participant 2 said that “the history tells us it’s still in good stead in difficult times, people are able to relate and associate with our brand because they would have seen us through the good times, helping them with things, you know where there were challenges” due to remaining legitimate. SMEs may not obtain such high demands and expectations as of multinational brands, yet the importance for the SMEs to remain authentic and ethical in all the do remains a large priority. Stakeholders will have larger expectations of multinationals, as opposed to SMEs, therefore allowing SMEs to enter into the sphere, implementing CSP actions that they are capable of doing.

4.4.2. Theme 2: Legislature

Sustainability reporting is a measure of a business’s economic performance, combined with its social responsibility and environmental care. This type of reporting allows for businesses to measure their performance and create changes towards to achieving sustainability. International and local reporting standards have been set for each country, to make sure businesses operate ethically and responsibly (Struwig & Janse van Rensburg, 2016). Reporting has become an integral part of a business’s obligations, as it allows for transparency with the aim to increase investments for a country. Participant 7 mentioned that they “do a report as it is expected from us, in terms of integrated report to ensure legal requirements are respected and adhered too”. There are seventeen international reporting standards, over and above, South Africa has twelve additional initiatives which compose of legal requirements, voluntary initiatives and guidance (e.g. Black Economic Empowerment Act; BBBEE Scorecard; JSE SRI; CERES Principles; Kings Report; etc.). Public companies need to abide to these reporting standards as they are legally binding, otherwise the brand is required to pay a penalty which will be granted by the Government of the Republic of South Africa. Literature agrees with this as it states that the various CSP initiatives implemented aim to alleviate problems between the three responsibilities of the triple bottom line, being environmental, social, economical (Struwig & Janse van Rensburg, 2016). Due to the size and structure of SMEs, there is not legislature with regards to CSP that they are required to abide to. However, when the brand develops in a public business, these requirements will be legally constraining.
CSP disclosure is used to communicate a brands legitimate activities and actions, hence protecting the brand, simultaneously creating a positive brand image. CSP disclosure aim to communicate a brands legitimate actions. Two streams exist within the Legitimacy Theory, (i) wider perspective and (ii) the narrow perspective (Fernando & Lawrence, 2014). The wider perspective address how a brand structures are able to gain legitimacy amongst society; whilst the narrow perspective exists at the organisational level and relates to the legitimacy of each individual organisations (Fernando & Lawrence, 2014). The limitation of the Legitimacy Theory exists whereby it is unable to communicate why brands may disclose their various CSP activities and actions (Araújo Júnior et al., 2014). Participant 7 said that it was used to find out about the brands CSP actions, he stated: “People can get onto the website, and find our integrated report and then if they want to access me they will get the information from me”. Literature verified this by stating that due to the increasing amount of socially responsible actions developing, more and more brands are communicating their social accountability in their social reports, accounting statements, website and other means of media (Araújo Júnior et al., 2014). Furthermore, the Institutional Theory is capable to explain CSP compliance by brands (Fernando & Lawrence, 2014). SMEs will be able to communicate their CSP actions authentically and ethically through voluntary CSP disclosure. This is confirmed in literature and links to the Institutional Theory by saying that voluntary CSP disclosure in various activities by a brand is seen within the Institutional Theory, whereby the brand is able to engage with its stakeholders and communicate its actions. Traditional institutionalisation and institutional change have regarded communication as a means of a task which needs to be attended too (Suddaby, 2011), yet simultaneously resulting in a direct consequence of neglect (Cornelissen et al., 2015). This neglect results in communication being recognised as a channel through which cognitive content is disseminated and thus misinterpreted by stakeholders (Cornelissen et al., 2015). Communicative Institutionalism is an approach which creates awareness of communication, where it is seen as a joint activity between the brand and its stakeholders. This will further enhance the SMEs stakeholder relationships and thus strengthen the SMEs competitive advantage.

4.4.4. Interpretation of Category 3

All the participants acknowledged their legal requirements by abiding to legislature and said that it made the brand seem authentic and ethical, thus being resembled in the stakeholder's minds as being legitimate and a brand that is able to abide to the 'good', whilst doing 'good'. On discussing CSP as a management function, Participant 4 mentioned the importance of creating a sustainable legitimate "legacy"; in saying: “How are we creating a legacy and how are we, a world and a bank that is successful and sustainable. And I think with employees and citizens, I
think it’s purely people want to know. They just want to know who and how.” This statement further emphasizes the importance of communicating with appropriate stakeholders to gain the perception of being legitimate within their minds. Once a brand is considered legitimate, being ethical and authentic, stakeholders want to engage with the brand as they are aware of the legal repercussions the brand will receive, if the brand does not abide to the legislature. As SMEs do not need to abide to legislature, the need for engagement is still highly important, yet not mandatory. Voluntary CSP disclosure enables SMEs to communicate the legitimacy of the SME to its stakeholders and enhance the credibility and authenticity in the stakeholder’s mind. SMEs will only need to acknowledge the full spectrum of corporate governance once they reach the size and structure as depicted by legislation. However, if the SME can start to implement corporate governance into their brand strategy at present, the future implications will be considered effortless and efficient.

4.5. CONCLUSION

Chapter four pertains to the overall findings and interpretation in relation to each research objectives, which relates to the research problem. With the use of coding, the researcher was able to facilitate an analysis of information to gain relevant categories and themes. Each interpretation gained from each category, further assists the researcher in establishing a best practice on how SME’s are able to implement CSP into their brand strategy, as opposed to just a communication function. The findings discussed the three categories and each theme pertaining to each category. Each category poses three themes. Each theme was obtained through coding, which further assisted the researcher to gain insights and findings into each category. The interpretation of each category will be concluded with recommendations in Chapter 5, in order to assist the researcher in solving the research questions.
CHAPTER 5: RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

In this chapter, the researcher will be answering each research objective, as stated in Chapter 1, taking into consideration the literature reviewed, the use of an appropriate research methodology process, and lastly identifying, coding and interpreting each category pertaining to the findings obtained. Furthermore, once the research objectives have been answered, the researcher will make use of the solutions to each research objective, to answer the research problem. This will allow for the researcher to propose recommendations and thus conclude the research topic.

5.2. RESEARCH QUESTION 1: HOW CAN SMES COMMUNICATE THEIR SOCIAL VALUE THROUGH THEIR BRAND STRATEGY?

SME’s are able to communicate their social value through their brand strategy by implementing CSP initiatives that are long term, sustainable and most importantly aligned with the brand purpose. SMEs need to be able to understand the concept of CSP and the importance pertaining to it, especially relating to the demand for an increase in human resources as opposed to an increase in monetary resources. On creating CSP initiatives for the brand, SMEs need to establish the criteria needed for the beneficiary to be deemed acceptable, to ensure both parties engage in ethical conduct and thus enhance a positive brand image for the SMEs. By being able to align their CSP initiatives with their brand purpose and select the appropriate beneficiary, it will allow SMEs to leverage off their existing resources (i.e. time, skills, knowledge or monetary resources) to create their social value. With a well-designed brand strategy, SMEs will be able to generate a return on investment (i.e. brand awareness, brand loyalty and brand equity), thus creating shared value.

Through the creation of shared value, SMEs will be able to communicate their social value to their stakeholders, due to the consequent return on investment achieved. Furthermore, SMEs will be able to allocate resources and develop skills needed in a diverse environment to gain a competitive advantage; as opposed to just their stakeholders being identified as the social beneficiaries. The implementation of CSP initiatives within SMEs will allow the SMEs to establish themselves as a corporate citizen and thus be fully involved in the CSP sphere within South Africa.
5.3. RESEARCH QUESTION 2: HOW CAN SMES LEVERAGE STAKEHOLDER RELATIONSHIPS THROUGH THEIR BRAND STRATEGY?

SMEs can leverage stakeholder relationships through their brand strategy by establishing stakeholder relations that are able to acknowledge the needs of the stakeholder’s expectations, through enhancing communication and thus stakeholder relationships. The relationships between a brand and its stakeholders are important to increase brand loyalty, simultaneously brand equity and obtain a competitive advantage. Not only will this increase stakeholder relationships, but it will be able to create new relationships and growth for the brand to reach a greater potential. By communicating the SMEs CSP actions effectively through their brand strategy, the SMEs will be able to acknowledge stakeholder expectations and portray legitimacy. To obtain a competitive brand position within their stakeholder’s minds, SMEs need to seek the opportunity to gain their stakeholder’s loyalty towards the brand through these stakeholder relationships.

When the stakeholders are able to identify the support of social alleviation by SMEs, this will establish a connection between the brand and its stakeholders, further enhancing a return on investment. This will allow for the SMEs to be seen as trusted and respected by its stakeholders, and thus be more likely to appeal to its stakeholders. SMEs need to implement CSP within their brand strategy to establish these stakeholder relationships, as opposed to communicating them just as a function. This will assist the SMEs in achieving long term, sustainable objectives for their CSP initiatives and their stakeholder relationships.

5.4. RESEARCH QUESTION 3: HOW CAN SMES INTEGRATE THEIR CORPORATE GOVERNANCE INTO THEIR BRAND STRATEGY?

Corporate governance is not a legislative requirement that SMEs need to abide too, however SMEs can integrate corporate governance into their brand strategy to enhance the legitimacy for the brand. Through the use of voluntary CSP disclosure, SMEs are able to extend their brand identity, increasing their accountability to stakeholders, through reporting. Transparency is an important factor in any brand and thus will be important in reporting on effective corporate governance, which could reduce conflict and negative social outcomes for the brand. If SMEs are able to engage in CSP activities and integrate voluntary disclosure of their activities, it will be easy for SMEs to conform to act in the ethical behaviour of multinational brands. This will strengthen the SMEs competitive advantage and create institutional pressure on other SMEs to engage in CSP activities as well as voluntary disclosure. By integrating CSP into a brand strategy, it will allow for SMEs to engage ethically in business practice, enhance their brand recognition through an increase in brand equity, and as a result a return on investment for the brand.
Furthermore, by integrating CSP into a brand strategy, it will allow for SMEs to gain the respect and acceptance of its stakeholders when they are able to acknowledge and abide to the legislator of multinational brands, as well as the expectations and demands of society. This will enhance the stakeholder’s loyalty towards the SME and thus strengthen the competitive advantage further. With an integration of CSP into a brand strategy it will allow for communication of the brands actions to be viewed as a consequence to ethical behaviour and social acknowledgement. By communicating authentically and remaining ethical in all the brand does, SMEs will be able to reap the benefit of an increase in value proposition, whilst creating shared value for the SME and the stakeholders. Once SMEs start initiating voluntary CSP disclosure into their brand strategy, this will establish a precedence against other SMEs, as well as against multinational brands to do more. SMEs are the biggest contributor towards the South African economy and with CSP integrated into the brand strategy, the development of future SMEs will become more demanded, recognized and legitimate.

5.5 RECOMMENDATIONS & CONCLUSION

This explorative study was developed to provide expertise and insight into how SMEs should integrate CSP into their brand strategy as opposed to just as a communication function in South Africa. The study focused on exploring the concept, barriers as well as areas of influence. The researcher’s findings support several elements from the literature review especially in terms of the concept and barriers, however the findings were able to create a new insight into the importance of CSP, as well as means into which SMEs can engage in CSP actions utilising the resources they obtain.

For this research study, it is evident that CSP is changing the competitive landscape for brands to engage in. Whilst it is a legislative requirement for multinational brands to abide it, SMEs can create the precedence and further enhance their competitive advantage by being able to voluntary disclose their CSP activities. Understanding the concept of CSP and how it can be integrated into a brand strategy, will allow for SMEs to increase their resources to sustain their social value, enhance their stakeholder’s relations and communicate authentically and transparently to gain legitimacy. It is crucial for SMEs to engage in CSP activities, considering SMEs are one of the biggest contributors to the South African economy. With an increase in CSP actions engage by SMEs, this will allow for SMEs to contribute further, utilising resources they obtain, such as human resources as opposed to monetary resources. The concept of CSP is constantly increasing and being more demanded by societal expectations, thus resulting in an increase in demand for information pertaining to best practices on implementing sustainable CSP actions for brands.
For the purpose of this study the following recommendations are made for FMCG brands and retailers in relation to this research topic:

i. For SMEs to integrate CSP into their brand strategy, SMEs should consider the following process on establishing and aligning their CSP actions with their brand:
   a. Screening candidates based on the resources the SMEs obtains, versus the needs requested by the potential beneficiaries;
   b. Identifying the beneficiary most suited to the SMEs brand purpose and philosophy, whilst being able to meet their needs requested with the resources;
   c. Integration and implementation of the long term and sustainable CSP actions;
   d. Establish internal and external engagement regarding the SMEs CSP actions to their stakeholders; and
   e. Create an increase in shareholder advocacy and thus result in an increase in brand equity for the SMEs.

ii. SMEs need to take into consideration the follow factors when integrating CSP into the brand strategy:
   a. The SME core brand values;
   b. The SME brand culture;
   c. The opportunity of brand collaboration and partnerships;
   d. Decision making based on the consensus of the brand’s stakeholders; and
   e. The development of positive actions towards social value, stakeholder relations and lastly corporate governance to meet societal expectations.

iii. Start educating existing SMEs whom engage in CSP to view the notion of CSP as the use of human resources, as opposed to monetary resources as the primary requirement, furthermore to establish their CSP into their brand strategy.

iv. Create awareness on the benefits on CSP actions and the consequent brand equity achieved from the integration of CSP into the brand strategy.

v. Build the capabilities to drive brand collaboration with multinational brands and break down CSP barriers, such as the stakeholder’s mindsets and need for monetary resources.

vi. Drive deeper and more meaningful relationships with stakeholder relations to increase the competitive advantage.
Due to CSP being an emerging and evolving concept within South Africa, whereby an increase of brands is starting to engage in the concept, there are several issues yet to be explored. If the research study were to be continued or redone, it would be advised to considered the following:

i. Increase the sample size within South Africa to gain differing opinions based on geographic regions. This will further fill and enhance the industry gaps and identify whether or not CSP is as effective as proven to be stated in literature.

ii. Assess the change in consumer mind-sets from brands who engage in CSP to those that don’t. This will further identify how brands can utilise this for their return on investment.

In conclusion, this research topic has proven to be efficient in… By being able to understand the important influence of CSP and the sustainable difference it can create, SMEs will be able to not only effect the South African economy positively, yet they will also alleviate and sustainably aid the triple bottom. The researcher feels that this study has managed to create a foundation for the academic body of knowledge on conceptualising a best practice for SMEs to integrate their CSP into the brand strategy in South Africa.
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