



The effect of CSR initiatives on creating share of heart in BOP markets

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Abstract

This study is concerned with investigating whether corporate social responsibility (CSR) initiatives provide a means to build brand equity, specifically emotional connections known as share of heart, in bottom of the pyramid (BOP) markets. Research has found that brand experiences, positive product outcomes and nostalgia are antecedents to share of heart; however, this presupposes developed markets in which categories have already achieved primary demand.

In underdeveloped BOP markets, market expansion is challenging and necessitates investments into social initiatives to increase the welfare of the community. The study proposes the use of CSR initiatives to encourage brand building as consumers were found to form an emotional attachment with brands, which brings about loyalty and intentions to purchase.

A correlation study was carried out to determine whether a relationship existed between CSR and emotional attachment and whether this predicts greater intentions to purchase. The research confirmed that CSR is an antecedent to EA; however, the results revealed that certain conditions have to be met before consumers can connect with brands emotionally. The findings also indicated

that CSR awareness fosters positive CSR beliefs, whereas consumers' emotional attachment towards the brand explains their intention to purchase the brand.

Key Words

Bottom of the Pyramid

Emotional Attachment

Living Standard Measure

Share of Heart

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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List of Abbreviations

BOP:	Bottom of the Pyramid
CSR:	Corporate Social Responsibility
EA:	Emotional Attachment
LSM®:	Living Standard Measure
MNCs:	Multi-national Corporations

CHAPTER 1 INTRODUCTION

1.1 Research title

“The effect of CSR initiatives on creating share of heart in BOP markets”.

1.2 Background to the problem

Multinational Corporations (MNCs) have started to pay attention to the increasing growth opportunities in the bottom of the pyramid (BOP) and have begun recognising the BOP as a viable consumer market (London & Hart, 2004; Prahalad, 2010). MNCs are increasing their penetration into BOP markets, since developed markets are becoming more saturated and the large scale of untapped consumers provide an opportunity to increase market share. Simultaneously, MNCs can assist in alleviating poverty (Altman & Rego, 2009; London & Hart, 2004; Prahalad, 2010).

In a McKinsey & Company global forces survey, 72% of executives indicated that their organisations are actively addressing rebalancing their portfolios between developed and developing economies and 48% indicated that this rebalance would have a positive effect on their profits (Bisson, Kirkland, & Stephenson, 2010). MNCs are turning to faster growing economies such as East Asia and Pacific, South Asia and Middle East and North African regions,

where GDP growth percentages are significantly higher than developed markets such as the European Union and the USA market (see Table 1 for annual 2009 GDP growth percentages) (The World Bank, n.d.).

Table 1: GDP annual growth rates, 2009

East Asia & Pacific	7.4%
South Asia	8.1%
Middle East & North Africa	3.4%
USA	-2.6%
European Union	-4.2%

As MNCs expand their footprint into developing markets, expectations are increasing for organisations to realise financial, social and environmental sustainability objectives. In 2002, the United Nations Secretary-General commissioned the UN Millennium Project, which aims to accomplish the Millennium Development Goals (MDGs) by 2015 (United Nations Development Programme, 2005). The MDGs are a comprehensive list of eight goals targeted to eradicate poverty and social inequalities and protect environmental resources (United Nations Development Programme, 2005). The UN reported significant progress in 2002, with overall average income increasing by 21% and the number of people living in extreme poverty declining by 130 million; however, there are varying degrees of successes across different regions, but Africa still remains in crisis (United Nations Development Programme, 2005). The UN relies heavily on the private sector to facilitate economic growth through

developing of markets, and to provide public health, education and infrastructure (United Nations Development Programme, 2005).

1.2.1 Problem statement

In view of the above, high-class consumers in developing markets still receive the most attention (London & Hart, 2004; Prahalad, 2010) and it is reported that MNCs struggle to expand their product offerings and earn profits in BOP markets (Abreu, Lunardini, & Calicchio, 2003; Karamchandani, Kubzansky & Lalwani, 2001; Keller & Moorthi, 2003).

Anderson and Billou (2007, p. 14) identified the market challenges as “availability, affordability acceptability, and awareness...” which likened to Keller and Moorthi’s (2003, p. 50) value and image “dysfunctionalities *{sic}*” have an effect on MNCs success in BOP markets. The reasons for failure are twofold. MNCs fail to understand consumer needs and buying habits, overestimate the market size, underestimate local competition and use inappropriate communication techniques (Keller & Moorthi, 2003). Whereas barriers in the market such as price sensitivity, demand versus consumer needs and distribution challenges hinder rapid expansion (Karamchandani et al., 2001). The results are overpriced products, inappropriate distribution models and the perception that MNCs exploit the market and thus fail in adding any value (Davidson, 2009; Karnani, 2007; Keller & Moorthi, 2003).

A survey conducted by Abreu et al. (2003) indicated that in 2002, the world's top 20 consumer goods companies spent \$10 billion to grow their market share in developing economies. The investment translated into 40% of worldwide sales in 2001, however only 4% of sales came from low-income consumers, which contributed 41% to the total population (Abreu et al., 2003). The inference is that, expensive marketing campaigns only increase costs and in order to capture the attention of subsistent consumers, organisations perform better when utilising local capabilities such as branding, promotions and packaging, which are relevant to the market (Abreu et al., 2003; Keller & Moorthi, 2003).

Within BOP markets, strong local competitors enjoy high levels of brand loyalty and are capable of offering higher margins to retailers, without excessive marketing budgets (Abreu et al., 2003; Keller & Moorthi, 2003). MNCs must find a way stay competitive, relevant and build brand equity, whilst overcoming the barriers in the market.

1.2.2 Significance of research

In reference to Keller's (2001) customer-based brand equity model, building brand equity requires a comprehensive set of steps, where achieving share of heart is contingent on the successful completion of previous steps (awareness, associations and brand evaluation) (Hoeffler & Keller, 2002). Building brand equity is dependent on consumers' brand experiences that produce the beliefs,

feelings, opinions and perceptions that enforce a desire to connect with brands on a deeper emotional level (Brakus, Schmitt, & Zarantonello, 2009; Hoeffler & Keller, 2002; Keller, 2001).

Various authors (Becker-Olsen, Cudmore, & Hill, 2006; Du, Bhattacharya, & Sen, 2007; Hoeffler & Keller, 2002; Lee & Shin, 2010) substantiated the use of corporate social responsibility (CSR) to form an emotional attachment with consumers, which brings about brand loyalty and intentions to purchase. CSR initiatives present a means to reach consumers, stimulate product demand and build brand equity (Chomvilailuk & Butcher, 2010; Du et al., 2007; Habib & Zurawicki, 2010; Hoeffler & Keller, 2002). Similarly, CSR initiatives benefit the lives of BOP consumers by providing resources, education, job opportunities, and by developing infrastructure and networks of trust and knowledge (Davidson, 2009; Habib & Zurawicki, 2010). The study aimed to provide marketers with an additional tool that enables meaningful connections with customers by investigating whether CSR initiatives create share of heart in BOP markets.

1.3 Research objectives

The purpose of the study was to investigate the effect of CSR initiatives on share of heart in BOP markets. The main objectives of the research study were:

Objective 1: to investigate whether CSR initiatives create share of heart connections and if any differences exist in the level of Emotional Attachment (EA) between active users, non-users and Living Standard Measure (LSM®) groups.

Objective 2: to investigate whether share of heart connections towards a brand can explain consumer's intention to purchase.

1.4 Research scope

The research scope was limited to the effect of CSR on share of heart connections in BOP markets, as defined by the South African Living Standard Measure and LSM® (Chipp & Corder, 2009). This study involved urban BOP consumers and was limited to brands in the financial, telecommunication and dairy industry.

1.5 Report layout

The layout of the report is organised into seven chapters:

- Chapter 1: Introduction – described the background to the study, relevance of the study and an overview of the objectives;
- Chapter 2: Literature review – review of the literature of share of heart, BOP markets and corporate social responsibility;

- Chapter 3 - Research Hypotheses – provides a list of the various research hypotheses to be tested;
- Chapter 4 – Research methodology – presents the research design, population, data collection method and tool and lastly, the data analysis procedures;
- Chapter 5 – Research results - reports the findings of the research;
- Chapter 6 – Discussion of results - presents a discussion of the results, as set out in Chapter 5, in relation to the research problem and literature review;
- Chapter 7 – Conclusion – discusses the implications of the study, recommendations for future research.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

Positive brand experiences, such as memories, socialisation, perceived product value and satisfaction (Grisaffe & Nguyen, 2010; Pimentel & Reynolds, 2004), are associated with increased emotional consumer bonds (Brakus et al., 2009) expressed as share of heart and emotional attachment, (Day, 1989; Grisaffe & Nguyen, 2010; Thomson, MacInnis, & Park, 2005;), which precedes brand loyalty (Thomson, et al., 2005; Wood, Pitta, & Franzak, 2008). This presupposes that marketers have already achieved share of mind (brand awareness and recall), the product experience was positive and consumers liked and preferred the brand to other offerings (Day, 1989; Pitta & Franzak, 2008; Wood et al., 2008).

In view of the consumer response hierarchy model (Belch & Belch, 2001), it is inferred that marketers play a pivotal role in influencing consumers' movement from brand awareness, to preference to repeat purchase, loyalty and ultimately attachment (Day, 1989; Pitta & Franzak, 2008; Wood et al., 2008). However, in underdeveloped BOP markets (Anderson & Billou, 2007; Habib & Zurawicki, 2010; Karnani, 2007), new entrants are predominately concerned with creating primary demand and overcoming obstacles in the market place (Anderson & Billou, 2007; Bang & Joshi, 2008) thus creating emotional attachment is challenging.

Serving BOP markets can be difficult, taking into account challenges such as poor infrastructure, consumers' limited disposable income and limited access to conventional advertising media (Anderson & Billou, 2007; Habib & Zurawicki, 2010; Karnani, 2007). Therefore, each transaction size is relatively small and reaching economies of scale is more difficult for larger organisations (Karnani, 2007). Several authors (Davidson, 2009; Habib & Zurawicki, 2010; Karnani, 2007; Pitta, Guesalaga, & Marshall, 2008) advised that CSR could assist in removing the obstacles that hinder market development and growth, thereby creating market opportunities and primary demand.

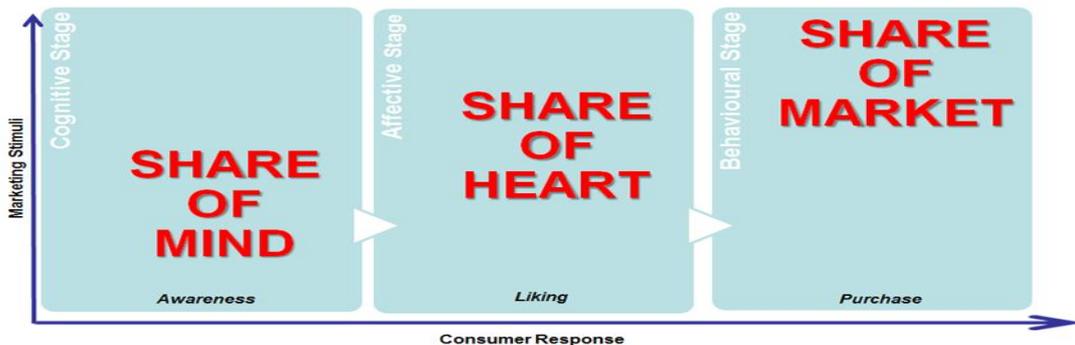
Through CSR, organisations can engage with communities, improve distribution and communication and provide employment to raise the income of potential consumers (Davidson, 2009; Habib & Zurawicki 2010). However, principally, CSR initiatives can assist in formulating emotional attachment, seeing that consumers exposed to CSR initiatives reward organisations through relational behaviours such as greater intentions to purchase, loyalty and advocacy (Becker-Olsen et al., 2006; Du et al., 2007; Hoeffler & Keller, 2002; Lee & Shin, 2010).

The purpose of the chapter is to review previous literature on share of heart and corporate social responsibility, as to inform a quantitative study on the effect of social initiatives in BOP markets to create emotional attachment.

2.2 Share of Heart

Day (1989) first introduced the concept of share of heart as the positive emotional connection between consumers and brands. Share of heart occupies the position between the cognitive stage and behavioural stage (Day, 1989; Pitta & Franzak, 2008; Wood et al., 2008) in reference to traditional response hierarchy models (Belch & Belch, 2001). Figure one below represents an adapted response model with specific reference to the level of organisational involvement (depicted on Y-axis), and resulting consumer responses (depicted on X-axis). Consumers move from product awareness, *share of mind*, to liking and preference, *share of heart* to actual purchase, *share of market* (Belch & Belch, 2001; Day, 1989; Pitta & Franzak, 2008; Wood et al., 2008).

Figure 1: Consumer Response Model



Source: Belch & Belch, 2001, p. 148.

Share of heart describes consumers' emotional commitment and relationship with brands resulting from favourable experiences and positive memories (Pitta & Franzak, 2008; Wood et al., 2008; Thomson et al., 2005). Creating an

emotional connection with consumers lasts longer and is a method to sustain competitiveness (Pitta & Franzak, 2008; Wood et al., 2008). Pitta and Franzak (2008) stated that, without an emotional connection with a brand, consumers are more inclined to switch brands and “take advantage of temporary price discounts” (p. 68).

The literature on share of heart is inadequate in its ability to provide insights on exactly how organisations are able to achieve emotional connections and how marketers can measure the construct quantitatively. Day (1989) and Wood et al. (2008) argued that quantitative measures fail to explore why consumers behave the way they do, and therefore the only way to measure share of heart is by conducting a focus group or preferably using projective techniques. However, Blumberg, Cooper, and Schindler (2005) stated that both qualitative and quantitative techniques are appropriate in exploratory studies, but only quantitative techniques allow for empirical testing. Descriptive and causal studies commence where explorative research ends (Blumberg et al., 2005) and are therefore suitable once a problem is defined through previous literature.

Although the share of heart research by Wood et al. (2008) and Pitta and Franzak (2008) provided an in-depth overview of the construct and presented benefits to building global brands, a limitation was that the concept was not empirically tested (Pitta & Franzak, 2008) and the recommendations were not applicable to all markets (Pitta, 2007). The literature review therefore incorporates emotional attachment and nostalgia (Grisaffe & Nguyen, 2010;

Holak & Havlena, 1998; Thomson et al., 2005) theory to obtain a deeper understanding of formulation strategies and quantitative measurement techniques, particularly the multi-item quantitative measure developed by Thomson et al. (2005) to determine the extent of consumers' emotional attachment.

Emotional attachment is comparable to share of heart as this describes the relational bond that exists between brands and consumers, expressed as affection, passion and commitment (Brakus et al., 2009; Grisaffe & Nguyen, 2010; Thomson et al., 2005). Wood et al. (2008) and Thomson et al. (2005) made the distinction between share of heart/emotional attachment and brand loyalty. Loyalty signifies repeat purchases and is therefore more transactional in nature; whereby share of heart is the engagement and interaction with a brand that explains a reciprocal relationship over the consumers' lifetime and thus precedes brand loyalty (Day, 1989; Hoeffler & Keller, 2002; Wood et al., 2008; Thomson et al., 2005).

2.2.1 Antecedents to Emotional Attachment

Consumers develop an emotional attachment to brands influenced by marketing characteristics (the four P's) and the perceived product outcomes and benefits (value and satisfaction) (Grisaffe & Nguyen, 2010). From the findings of Grisaffe and Nguyen (2010), the authors recommended that marketers concentrate on controllable influences such as designing products to produce

“extreme levels of customer outcomes” (p. 6) as these were found to have a higher impact on emotional attachment. This is in line with the view of Brakus et al. (2009) who stated that brand experiences such as product, shopping and consumption activities, stimulate consumer responses (sensations, feelings, cognitions and behavioural responses) and over time evokes emotions such as attachment that bring about satisfaction and loyalty.

Grisaffe and Nguyen (2010) also recognised socialisation, interpersonal influences (sense of belonging, family norms and tradition) and emotional memories (nostalgia) as an antecedent to emotional attachment, although to a lesser extent. According to Pimentel and Reynolds (2004), the affection to products and brands stems from experiences and memories dating back to consumers’ childhoods, which suggests a preference towards objects that produce nostalgic responses (Holak & Havlena, 1998).

While a great deal of literature exists on the topic of nostalgia, there are conflicting views on the definition of the construct (Holak & Havlena, 1998). Holak and Havlena (1998, p. 218) defined nostalgia “as a positively valenced *{sic}* complex feeling, emotion or mood produced by reflection on things (objects, persons, experiences, ideas) associated with the past”. Holbrook (1993, p. 245) described nostalgia as “a preference (general liking, positive attitude, or favorable *{sic}* affect) toward objects ... that were more common when one was younger ...”

Holak and Havlena (1998) argued that nostalgia is not a preference for objects, people or experiences from the past, but rather a strong feeling and mood that “may result in preferences for things that tend to produce nostalgic responses” (p. 218). This definition of nostalgia supports the view that nostalgic experiences stimulate strong emotional responses in consumers (Grisaffe & Nguyen, 2010; Holak & Havlena, 1998; Pimentel & Reynolds, 2004). It is therefore suggested that an emotional attachment towards brands may endure and result in future preferences for brands.

Moore, Wilkie, & Lutz (2002) defined the transference of knowledge and beliefs across generations as intergenerational influences, which embed emotional connotations and enforce affective commitments (Pimentel & Reynolds, 2004). Moore et al. (2002) studied intergenerational influences in the highly competitive packaged goods category and found that the products had a very long life cycle despite fierce competitive activity, new product development and promotional activity that encouraged brand switching. The findings indicated that socialisation has a very strong influence, particularly in childhood and adolescence, and that brand satisfaction and loyalty transfer from one generation to the next lasting into adulthood (Moore et al., 2002). Emotional dimensions such as trust, faithfulness and nostalgia encouraged intergenerational transference, which suggests that family norms, tradition and social influences create emotional bonds (Moore et al., 2002) which may last over the lifetime of the consumer.

Kleyn (2011) summarised the nostalgic associations and found that personal or social exposure to a brand is a prerequisite in order to produce nostalgic responses (Holak & Havlena, 1998; Kleyn, 2011). Holak, Matveev, and Havlena (2006) categorised nostalgic experiences into four dimensions of which personal nostalgia refers to a consumer's direct experience with a brand, such as consumption or advertising stimuli, and cultural nostalgia refers to "members of the group share a similar response that helps to create a cultural identity" (p. 173). Interpersonal nostalgia concerns the memories and stories of family members or community members and virtual nostalgia refers to indirect shared experiences (Holak et al., 2006). Holbrook and Schindler (2003) held the view that "intense affective consumption" (p. 279) is necessary for developing nostalgic preferences.

2.2.2 Implication for this study

Share of heart (Day, 1989; Wood et al., 2008), emotional attachment (Grisaffe & Nguyen, 2010; Pimentel & Reynolds, 2004) and nostalgia (Holak & Havlena, 1998) theory recognised that exposure to a brand is essential in formulating an emotional bond with consumers. The brand experience can be either direct or indirect through personal (consumption, user-defined benefits) or social (family stories and group identity) experiences (Brakus et al., 2009; Grisaffe & Nguyen, 2010; Holak et al., 2006; Holbrook & Schindler, 2003). This presupposes that consumers are aware of the brand, experienced the brand, have nostalgic feelings towards the brand and formed a judgement on product benefits and outcomes, before an emotional attachment can take place.

This research study is concerned with the formulation of emotional attachment in the absence of personal and social brand experiences, as would be the case in underdeveloped markets challenged by product availability, affordability, acceptability and awareness (Anderson & Billou, 2007). Until marketers create a market opportunity and stimulate primary demand, there are no direct brand experiences as investments into availability and awareness take precedence (London & Hart, 2011).

The next section of the literature review examines the BOP as the context of this study, with an investigation into the market and consumer characteristics, specifically focusing on the opportunities and challenges that marketers face.

2.3 Bottom of the pyramid

Prahalad (2010) contended that BOP markets provide a viable business opportunity for the private sector to earn profits and alleviate poverty. The focus is moving away from providing general financial aid towards an exchange of capital, innovation, knowledge and resources, from which organisations can benefit (Altman & Rego, 2009; Prahalad, 2010). Karnani (2007) criticised this view and argued that poverty alleviation can only follow from raising the income of the poor (Karnani, 2007; Garrette & Karnani, 2009).

Davidson (2009) and Karnani (2007) contested the opportunity at the BOP and stated that the potential profits are overstated and the challenges in the market impede on organisations' ability to achieve economies of scale. The BOP as a viable consumer market has been questioned since the market is underdeveloped, the size of the market is uncertain, and consumers are highly price sensitive and demand affordable products and services (Karnani, 2007; Pitta, et al., 2008; Subrahmanyam & Gomez-Arias, 2008).

The size and profitability of the BOP market is a highly contentious topic, although seen as the primary reason for possible economic returns. Prahalad (2010) stated that the BOP market is the "... the 4-5 billion poor who are unserved {sic} or underserved by the large organized private sector, including multinational firms" (p. 6), who live on less than \$2 a day. Karnani (2007) held an opposing view and indicated that the size of the BOP market is overstated and according to The World Bank, the market only amounted to 2.7 billion people, contributing to \$1.2 trillion at purchase power parity in 2002. If organisations decide to measure the profits in financial exchange rate terms (say USA dollars), this projection is highly overestimated and only amounts to \$0.3 trillion (Karnani, 2007).

There are numerous measuring standards in the BOP literature and therefore the exact size of the global BOP market is inconclusive (Pitta et al., 2008). Nevertheless, organisations recognise that as a collective mass, the BOP presents a sizeable market (D'Andrea, Ring, Aleman, & Stengel, 2006; Pitta et

al., 2008; Prahalad, 2010). Despite the differences in opinion, the authors (Karnani, 2007; London & Hart, 2004; Prahalad, 2010) agreed that an opportunity exists to alleviate poverty by incorporating BOP consumers into the active economy, either as consumers or as producers. The perspective taken in this study is that BOP markets offer an opportunity for organisations to earn profits, but this requires a change from traditional business models (London & Hart, 2004; Prahalad, 2010; Subrahmanyam & Gomez-Arias, 2008) focused solely on economically driven objectives, to a business model based on social responsibility motivations (Davidson, 2009; Karnani, 2007; Pitta et al., 2008).

Previously underserved BOP markets provide a large scale of untapped consumers (London & Hart, 2004; Prahalad, 2010) and therefore marketers first have to create primary demand (demand for a product category), followed by preference for the brand (Bang & Joshi, 2008). Primary demand creation is also known as market expansion and includes three areas of growth; attracting non-users, increasing the consumption rate of current users and increasing share of wallet (Bang & Joshi, 2008). The assumption is that within BOP markets, creating primary demand is ever more challenging since the market is underdeveloped (Anderson & Billou, 2007; Habib & Zurawicki, 2010; Karnani, 2007) and BOP consumers are highly price sensitive, merely satisfying basic survival needs (Karnani, 2007; Pitta et al., 2008; Subrahmanyam & Gomez-Arias, 2008). The consequences for organisations are that building share of heart and emotional attachment are difficult, since there is not any reliance on

personal brand experiences (Brakus et al., 2009) and “affective consumption” (Holbrook & Schindler, 2003, p. 279) to stimulate consumer responses.

The perceptions around BOP markets (Anderson & Billou, 2007; Karnani, 2007; Pitta et al., 2008; Subrahmanyam & Gomez-Arias, 2008) create the impression that creating demand is unfeasible. These assumptions are challenged in the following section by applying the antecedents to market expansion, as examined by Bang & Joshi (2008).

2.3.1 Creating primary demand and brand preference

Creating needs and wants

The general belief is (Karnani, 2007; Pitta et al., 2008; Subrahmanyam & Gomez-Arias, 2008) that low-income consumers only satisfy basic survival needs such as clothing, food and shelter, with little money to spend on higher order needs, which contends the need for new product categories. However, contrary to this view, researchers (D’Andrea et al., 2006; Van Kempen, 2003; Subrahmanyam & Gomez-Arias, 2008) recognised that low-income consumers satisfy higher order needs and that status and social considerations have a powerful influence on purchasing decisions.

Low-income consumers are willing to pay a premium for leading brands as this signifies quality and the financial implications and risk of products failing

outweigh the incremental costs (D'Andrea et al., 2006). Van Kempen (2003) added that low-income consumers would buy counterfeit goods when they cannot afford the original product because of the “combination of status and functionality” (p. 157). Factors such as the social environment, family, (D'Andrea et al., 2006; Subrahmanyam & Gomez-Arias, 2008) status and culture are especially important in low-income markets, with specific reference to an emerging value which suggests that education and belongings define personal identity (Van Kempen, 2003).

BOP consumers are sophisticated shoppers making rational purchasing decisions (D'Andrea et al., 2006; Subrahmanyam & Gomez-Arias, 2008) and use coping mechanisms to deal with the disadvantages in the market place (Hamilton & Catterall, 2008). Hamilton and Catterall (2008) found that low-income consumers adopt their level of spending to income levels by comparing prices, buying at discount stores, buying second hand goods, using products in creative ways to fulfil more than one need, and sharing resources in the community.

On this basis, it is therefore incorrect to dismiss BOP markets merely on perceived consumer behaviour and to assume that low-income consumers only require products and services to satisfy basic needs. On the contrary, status and social influences had a strong impact on higher order purchases (Subrahmanyam & Gomez-Arias, 2008) and consumers were willing to pay a premium for quality (D'Andrea et al., 2006).

Affordability

Karnani (2007) and Pitta et al. (2008) stated that the best opportunity was to engage with BOP in such a way as to raise their income and buying power. The view taken in this research is that organisations should play a part in co-creating wealth and improve welfare through socially motivated initiatives such as, a transference of knowledge and skills, creating employment, increasing productivity and lastly creating economically active markets (Anderson & Billou, 2007; Karnani, 2007; Pitta et al., 2008).

Low-income consumers cannot always afford the same quality products as high class consumers and therefore have different cost-quality trade-offs that are acceptable to the market (Habib & Zurawicki, 2010; Karnani, 2007) as supported by the demand for counterfeit goods, which serves the need for status (Van Kempen, 2003). However, BOP consumers cannot afford to experiment with lower quality products that might prove to be more costly in the long term and therefore offering quality products should be a key component in building trust and loyalty in the market (D'Andrea et al., 2006).

Karnani (2007), Habib and Zurawicki (2010) suggested that organisations can make products more affordable by either reducing the price of products or raising the income of consumers. If organisations decide to reduce the price of goods, the traditional belief is to reduce the quality at the same time, which

according to Karnani (2007) can be successful if done in line with the acceptable cost-quality trade-off of the consumer.

However, by decreasing the cost of goods, organisations run the risk of introducing products of poorer quality to a market willing to pay for quality and motivated by status (D'Andrea et al., 2006; Van Kempen, 2003). Creating positive brand experiences (consumption, product outcomes and benefits) (Brakus et al., 2009; Grisaffe & Nguyen, 2010) are critical in creating share of heart/emotional attachment, therefore negative product associations can damage the brand and the resulting share of heart responses. By incorporating CSR initiatives, marketers can circumvent negative product associations, as consumers reward organisations involved in CSR through relational behaviours (Becker-Olsen et al., 2006; Du et al., 2007; Hoeffler & Keller, 2002).

Access to products and markets

A major challenge in BOP markets is the poor infrastructure encompassing geographically dispersed communities, including poor roads, lack of electricity, no or limited access to clean water and sanitation (Anderson & Billou, 2007; Pitta et al., 2008). Servicing this underdeveloped market thus increases the cost, which is seen as the penalty that poorer communities have to pay (Pitta et al., 2008).

If products and services are not accessible to the market, and consumers are forced to pay a higher price for goods, this will affect the perceived product experience and consumers are more inclined to switch brands (Pitta & Franzak, 2008). Building on the idea of incorporating CSR activities in BOP communities, organisations can improve the hindrances that effect distribution (Davidson, 2009; Habib & Zurawicki 2010). Anderson and Billou (2007) found that successful MNCs in BOP markets accepted the challenge and developed distribution models that reached the most isolated locations in a cost effective manner.

The literature review above highlights two opposing opinions about whether BOP markets are able to offer a viable consumer market. Critics argued (Garrette & Karnani, 2009; Karnani, 2007) that the market is underdeveloped and suggested that organisations first pursue a producer-approach, since creating primary demand is unattainable, given the limited disposable income in the market. These assumptions were scrutinised by various authors (Subrahmanyam & Gomez-Arias, 2008; Van Kempen, 2003), who found that low-income consumers satisfy higher order needs that are inspired by social influences and status. The challenges in the market are not to be dismissed, however it is suggested that BOP business models are based on social responsibility motivations. Through CSR, organisations will be able to invest in communities and increase the welfare and spending power of consumers, whilst simultaneously creating brand awareness and experiences. The section that follows elaborates on the implications of CSR as an antecedent to EA.

2.4 Corporate Social Responsibility

The discussion around CSR involvement has shifted from *whether* to *how* organisations can be socially responsible and achieve maximum profits (Davidson, 2009; Porter & Kramer, 2006). In the context of BOP, Prahalad (2010) warned that CSR might create the perception of charity, whereas serving BOP markets should receive the same attention from leadership and resource allocation as developed markets. Alternatively, an exclusive profit agenda raises a concern of exploitation in a socially challenged society (Davidson, 2009; Karnani, 2007). Whether operating at the BOP or top end of the market, Porter and Kramer (2006) summarised the integration of CSR and business strategy by stating that organisations grow in healthy productive markets, which creates a platform for developing consumer demand and aspirations.

The philanthropy/profit debate in BOP markets continues, especially since the BOP literature provided limited examples of profitable and socially responsible businesses (Garrette & Karnani, 2009). A few highly publicised business cases are either based on non-profit models such as Grameen Bank and Aravind Eye Care or have returned to non-profit after failing to scale up successfully (P&G's 'PUR' water purification project) (Garrette & Karnani, 2009; Karnani, 2007; London & Hart, 2011).

In spite of this, there was sufficient evidence which supported combining CSR with profit objectives, since CSR initiatives were found to increase the welfare of

consumers and stimulate demand, (Davidson, 2009; Habib & Zurawicki 2010; Porter & Kramer, 2006) and consumers rewarded organisations through relational behaviours (Becker-Olsen et al., 2006; Du et al., 2007; Hoeffler & Keller, 2002; Lee & Shin, 2010). This research study advocates that organisations have a commercial motivation to invest in social initiatives as part of their market expansion strategy as this offers organisations the ability to connect with consumers. Through CSR, organisations can develop economically active markets; build brand equity and goodwill (Chomvilailuk & Butcher, 2010; Du et al., 2007; Habib & Zurawicki, 2010; Hoeffler & Keller, 2002), which is able to transfer across generations through intergenerational influences (Moore et al., 2002).

2.4.1 CSR and emotional attachment

A research study conducted by Naidoo (2009) investigated whether CSR had an impact on consumer loyalty in the South African banking sector. The results exposed that CSR did not influence brand loyalty, however respondents were willing to recommend the brand (advocacy) and the majority indicated that they would not entertain offers from competitor brands (Naidoo, 2009). Naidoo (2009) stated that CSR might not be the primary driver of loyalty, but rather that it reinforces brand beliefs, which in turn influences loyalty. Tangible brand experiences such as service quality were found to have a higher influence on loyalty, which is expected from the customary transactional relationships with financial institutions (Naidoo, 2009). The findings of Naidoo (2009) are

supported by the influence of brand experiences cited by Brakus et al. (2009) on emotional attachment.

Opposing research (Becker-Olsen et al., 2006; Hoeffler & Keller, 2002; Lee & Shin, 2010) supported the view that CSR initiatives can serve as a medium to connect with consumers. Consumers demonstrated both transactional (sales) and relational (loyalty) behaviours with a stronger leaning towards loyalty and advocacy (Du et al., 2007). Exposure to CSR activities suggested an increased emotional association with a brand (Becker-Olsen et al., 2006; Du et al., 2007), such as a sense of belonging and brand loyalty, which goes beyond purchasing and consumption, to investing resources and time, namely belonging to a loyalty club or following the brand on a social network site (Hoeffler & Keller, 2002).

Becker-Olsen et al. (2006) and Nan and Heo (2007) stated that the impact of CSR initiatives are much stronger when consumers perceive a high fit to exist between the cause and the organisation and/or brand and secondly, the perceived motivation of the organisation. In cases where there seems to be a low fit between organisational objectives and the cause, CSR initiatives can become a liability and harm the overall brand (Becker-Olsen et al., 2006). Investing in CSR will not result in an immediate increase in sales; instead, the emotional attachment that develops spans over a period and is less susceptible to competitor activities such as price and value promotions (Du et al., 2007; Pimentel & Reynolds, 2004). The goodwill that organisations build with

consumers through CSR is compared to an “insurance policy” (Klein & Dawar, 2004, p. 204); and the investment contributes to organisations’ “reputational capital” (Du et al., 2007, p. 237).

Both Naidoo (2009) and Du et al. (2007) provided evidence of consumer advocacy associated with CSR, whilst service quality (brand experience) and CSR were both suggested as antecedents to brand loyalty. To build on the above research, this study focused on CSR as an antecedent to EA, specifically consumers’ intention to purchase the brand, concentrating on three diverse product categories. The emotional connection described by Becker-Olsen et al. (2006) and Du et al. (2007), is likened to share of heart and EA and as an antecedent, and CSR is concerned with uplifting society and increasing the welfare of the community unlike brand experiences such as shopping and consumption.

2.4 Conclusion

The literature on emotional attachment and nostalgia (Grisaffe & Nguyen, 2010; Holak & Havlena, 1998) all presupposes developed markets in which consumers are aware of the brand, have consumed the products and formed positive perceptions based on their experiences. However, underdeveloped markets necessitate creating primary demand first, followed by brand preference and liking (Bang & Joshi, 2008). It is evident that market expansion into the BOP is challenging and necessitates investments into social initiatives

to develop markets, build trust and increase the welfare of the community (Karnani, 2007). Wood et al. (2008) suggested that MNCs create share of heart through responsible marketing to BOP markets, though this was not empirically tested.

If CSR initiatives specific to BOP markets encourage brand building where consumers form an emotional attachment with brands (Wood et al., 2008), organisations can simultaneously build brand loyalty, create primary demand and a propensity to purchase without necessitating product consumption (Du et al., 2007; Hoeffler & Keller, 2002). Since emotional attachment is an antecedent to nostalgia (Grisaffe & Nguyen, 2010; Pimentel and Reynolds (2004), the deep emotional bond created with consumers is able to transfer across generations to evoke nostalgic responses well into the future (Holak et al., 2006; Moore et al., 2002).

CHAPTER 3 RESEARCH HYPOTHESES

The purpose of the study was to investigate whether BOP consumers exposed to CSR initiatives form EA towards brands and have greater intentions to purchase. Therefore, the following research hypotheses were explored.

Hypothesis 1:

The null hypothesis stated that there is no significant association between CSR and EA and as such, CSR has no effect on consumers' feelings towards a brand. The alternative hypothesis stated that a significant association exists between CSR and EA.

- H_{1_0} : CSR is not an antecedent to emotional attachment.
- H_{1_A} : CSR is an antecedent to emotional attachment.

Hypothesis 2:

Brand experiences, product characteristics and nostalgic responses (Brakus et al., 2009; Grisaffe & Nguyen, 2010; Holak & Havlena, 1998) were offered as antecedents to EA; however, in markets with limited primary demand alternative experiences such as CSR would offer an opportunity for non-users to connect with the brand. Therefore, the second hypothesis focused on inactive consumers and investigated whether a significant association exists between

CSR and EA. The null hypothesis stated that CSR initiatives have no effect on non-users' EA towards a brand. The alternative hypothesis stated that regardless of any prior experiences with the product category, CSR effects consumers' EA towards brands.

- H_{2_0} : There is no association between CSR initiatives and EA in reference to non-users.
- H_{2_A} : An association exists between CSR initiatives and EA in reference to non-users.

Hypothesis 3:

The null hypothesis stated that no significant difference exists between consumers from different living standard groups. The alternative hypothesis maintained that consumers' living standards influence their perception concerning CSR and the subsequent EA, and therefore a difference exists between the assessed associations.

- H_{3_0} : There is no difference between the CSR and EA relationship for low-LSM® consumers and high-LSM® consumers
- H_{3_A} : There is a difference between CSR and EA for low-LSM® consumers and high-LSM® consumers.

Hypothesis 4:

The final hypothesis assessed whether consumers' intention to purchase can be explained by their level of CSR awareness and subsequent EA. The null hypothesis postulated that consumers' CSR and EA do not predict their intentions to purchase, whereas, the alternative hypothesis stated that CSR and EA can explain consumers' intention to purchase.

- H_{4_0} : EA and CSR awareness does not predict intentions to purchase.
- H_{4_A} : EA and CSR awareness predict intentions to purchase.

CHAPTER 4 RESEARCH METHODOLOGY

The study aimed to determine whether BOP consumers form share of heart connections with brands that are involved in CSR initiatives, and whether their emotional attachment can predict greater intentions to purchase. The purpose of this chapter is to outline the research methodology, which comprises of the research design, data collection method, population, sampling and concluding with a discussion on the data analysis.

4.1 Research design

From the literature review, Day (1998) and Wood et al. (2008) proposed the use of a qualitative study to measure share of heart as an emotional connection, which explores consumers' subjective feelings concerning purchasing particular brands. Since this study intended to measure the association between CSR initiatives in BOP markets and share of heart as relational consumer behaviour, quantitative research was appropriate, using a descriptive design (Albright, Winston & Zappe, 2009; Blumberg et al., 2005). A sub-set of descriptive research, namely a correlation study, was carried out (Albright et al., 2009; Blumberg et al., 2005), whereby the "unspecified relationship" (p. 42) between CSR initiatives (independent variable) and emotional attachment (dependent variable) was investigated, without further exploring possible cause and effect relationships (Blumberg et al., 2005).

It is important to note that a correlation study restricted the researcher from making any cause and effect inferences about the specified variables and the findings were limited to discovering probable relationships and determining the strength and extent of the relationships (Blumberg et al., 2005). The research was cross sectional in nature, using a survey to collect primary data that were appropriate for answering the research questions (Blumberg et al., 2005).

4.2 Data collection method

Data was collected using a structured questionnaire (see Appendix 1) administered by professional researchers. This data collection method offered various advantages; the researchers ensured that the correct population profile was interviewed and the researchers assisted with translating the questionnaire and explaining the meaning of concepts that might have been misinterpreted (Blumberg et al., 2005). Disadvantages of this method were the high cost, the need for trained field researchers and possible interviewer bias (Blumberg et al., 2005). The researcher recognised that using a communication method either allowed for possible response errors, where participants did not answer the questions accurately or the interviewer might have influenced the responses or falsified the answers (Blumberg et al., 2005).

The questionnaire was designed to measure BOP consumers' awareness of the brands and the related CSR projects, whether they consumed (used) the brands before, their emotional attachment towards the brands and their

intention to purchase the brands. The field researcher conducted a pre-test to assess the questions' wordiness, the ability of the questions to produce the required data, the ability of the respondents to answer the questions accurately and to remove leading or biased questions (Blumberg et al., 2005).

4.2.1 Measurement Scales

The questionnaire consisted of a combination of single response, multiple-choice single response and Likert scales (Blumberg et al., 2005). Section A contained seven shortlist LSM® questions designed by Chipp and Corder, (2009) to classify respondents in accordance with the population definition described in section 4.3 and to ensure variance and representativeness of the sample. LSM® classifies South African adults based on the current living standard of their household, and not the individual (Chipp & Corder, 2009). Section B contained the 10-item Emotional Attachment (EA) scale developed by Thomson et al. (2005) and single response scales to measure consumers' awareness, consumption and intentions to purchase for the three specific product categories.

The EA Likert scale consisted of three emotional indicators; affection (affectionate, friendly and loved), passion (passionate, delighted and captivated) and connection (connected, bonded, attached) (Thomson et al, 2005). Respondents were requested to indicate the extent to which the emotional indicators described their feelings about the specific brand on a scale from one

to seven, one being poor and seven being very well (Thomson et al, 2005). The indicators measured the strength of consumers' emotional connection and were capable of predicting, "...brand attachments such as brand loyalty and willingness to pay a price premium" (Thomson et al., 2005, p. 83). The correlation between the dimensions was significant and positive and the alpha reliability coefficient was $\alpha=0.77$ and the Cronbach alpha reliability coefficient was $\alpha=0.88$ (Thomson et al., 2005).

Thomson et al. (2005) stated that emotional attachment could not be seen as the only driver of brand loyalty, therefore no causal relationship can be implied. Nevertheless, the predictive validity of the EA scale indicated a good fit between connection, affection and passion to predict brand loyalty (Thomson et al., 2005). The pre-test indicated that the EA scale had to be adjusted to accommodate the language considerations of the population; certain words were therefore replaced with synonyms presented in Table 2 below.

Table 2: EA Scale adjustments

Original	Replaced
Affectionate	Caring
Friendly	No replacement
Loved	No replacement
Peaceful	Non violent
Passionate	No replacement
Delighted	Happy
Captivated	Impressed
Connected	Together
Bonded	United
Attached	Devoted

4.2.2 Product categories and brands

The three product categories used in the study were financial services, telecommunications and dairy. The decision was based on current market penetration and consumption, which ranged from high to low; diversity of products to offer variance, and high CSR involvement ranging from community based projects to sport sponsorship. Secondary data (Chipp & Corder, 2009; Naidoo, 2009) was used to estimate the level of awareness, market penetration and CSR involvement and expenditure (“www.mama-afrikanews.co.za”, 2005, “www.firststrandfoundation.org.za”, 2009; “www.mtn.co.za”, 2008). Table 3 below provides a summary of the market penetration and CSR projects for each brand.

Table 3: Product categories and CSR projects

Brand	Market Penetration	CSR
MTN	Cell phone usage is above average. 66.96% of SA BOP consumers have cell phones according to AMPS 2008A (Naidoo, 2009).	MTN Foundations: Total budget 2008, R74 million 21 Days of yellow care, targeting schools in KZN, WC and Gauteng MTN Foundations (Golden Arrows, Black Leopards and Ajax Cape Town) Miss Soweto (“www.mtn.co.za”).
FNB	Low penetration in SA BOP market (22%), vs. other banks according to AMPS 2008B (Chipp & Corder, 2009).	FNB Fund: Total spend 2009/2010, R27million FNB Fund: Bursaries, early childhood development, hospice, community care programmes, secondary school math support. National supporter of the 2010 FIFA World Cup University and school rugby (“www.firstrandfoundation.org.za”).
CLOVER	Market penetration unknown, however only 37% of market owns a fridge according to AMPS 2008B (Chipp & Corder, 2009), therefore the inference was that product usage is only for immediate consumption due to limited refrigeration facilities.	Clover Mama Afrika (Ukwakha Isizwe) project Training and skills development: (cooking, baking, sewing, food gardens) Self-help projects: Save a child first aid course, mobile public phones, finance management (www.mama-afrikanews.co.za).

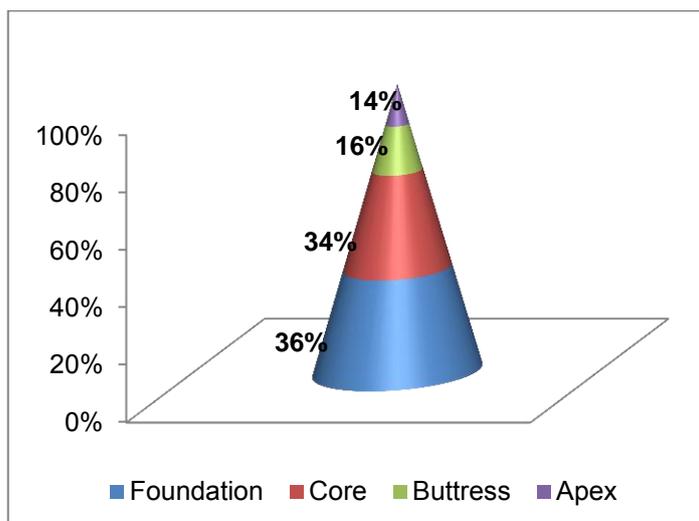
4.3 Population and sampling

In this study, the target population was BOP consumers that were categorised as the foundation of the South African pyramid (LSM® 1-4) by Chipp and Corder (2009). The questionnaire included seven classification questions (Chipp & Corder, 2009), derived from the 29 variables used in the LSM®

questionnaire to ensure that the respondents resembled the demographics of the South African foundation of the pyramid (Chipp & Corder, 2009).

Chipp and Corder (2009) stated that the foundation of the pyramid (LSM® 1-4) amounted to 11,194 million people in 2009 and contributed 35.8% to the total South African population. According to AMPS® 2008b, the average monthly personal income was R1, 312.00 and the household income was R2, 069.60, in 2008 (Chipp & Corder, 2009). Consumers within the foundation of the pyramid predominantly reside in rural locations (Chipp & Corder, 2009), therefore the “low LSM®” group included LSM® 5-6 to increase the sample size. In order to test hypothesis three, a second group “high LSM®” (LSM® 7-10) were included in the sample population. In conclusion, the sample population incorporated individuals in all LSM® groups (see Figure 2) residing in Alexandra and Soweto, Gauteng.

Figure 2: South African Pyramid



Source: Chipp and Corder, 2009

4.3.1 Sample size

A combination of non-probability sampling methods was used to obtain the sample size. Firstly, convenience sampling was used to obtain a sample size with the lowest cost, highest possible accuracy and to collect the data in the quickest time possible (Blumberg et al., 2005). The sample size decided on was 150 respondents. The principles of quota sampling were applied to ensure the target LSM® variable, was covered in an adequate manner to afford comparisons, thus the following guidelines were applied: 38 respondents to fall in LSM® 1-4, 38 in LSM® 5-6, 37 in LSM® 7-8 and 37 in LSM® 9-10.

After the initial data collection, the sample size was increased by a further 90 respondents, as the LSM® 1-4 groups were not sufficiently represented. The following adjusted quota sample was applied: 95 respondents in LSM® 1-4, 30 in LSM® 5-6, 75 in LSM® 7-8 and 45 in LSM® 9-10. The final sample used for analysis was 240. The obtained sample did not conform to the quoted sample, with the greatest difference being the respondents in LSM® 1-4 (22 respondents obtained vs. 95 expected) and LSM® 5-6 (96 obtained vs. 30 expected).

4.4 Data analysis

Various data analysis tests were undertaken as described below.

Descriptive statistics

The following descriptive statistics were administered in order to present and interpret the data in a meaningful way (Keller & Warrack, 2000; Pallant, 2010, see Table 4.

Table 4: Descriptive Statistics

Type of Data	Descriptive Statistics
Nominal data	Percentage of items in each category and mode
Interval data	Mean, median, mode, range, standard deviations, scatter plots, multiple regression, coefficient of determination
Nominal and ordinal data	Percentage of items in each category and mode, Spearman rank correlation coefficient, contingency coefficient, multiple regression

Inferential statistics

The first hypothesis measured whether a relationship between CSR (IV) and EA (DV) exists. Both CSR and EA were measured using a Likert scale, which produced interval data. In order to quantify the relationship, a linear regression was used (Albright et al., 2009; Pallant, 2010). Hypothesis 2 and 3 established if a relationship exists between CSR and EA for non-users and low LSM® and high LSM® groups. A non-parametric test, namely the Spearman Rank Order Correlation test was used (Pallant, 2010).

The last hypothesis measured how well the respondents' intention to purchase (nominal dependent variable) can be predicted or explained by CSR awareness and EA (interval independent variable). The test was administered by a logistical regression (Pallant, 2010).

4.5 Limitations

The following aspects are limitations to this study:

- A correlation study was carried out which limits the analysis to only determining whether probable relationships exist (Blumberg et al., 2005).
- There are limitations relating to the data collection method such as interviewer bias, response errors or misinterpretation of the wording used in the EA scale (Blumberg et al., 2005). The consequences to this study are that respondents might have answered the questions misleadingly, or were influenced by the interviewer to indicate a level of awareness and EA that did not represent their actual feelings about the brand.
- The study was completed in an urban area suggesting that respondents have had a high degree of exposure to numerous South African and International brands (Chipp & Corder, 2009) and thus it may be difficult to isolate brands with the need for primary demand building.
- The final limitation to this research study was the unreliability of the non-probability sampling method (Blumberg et al., 2005). Respondents were chosen non-randomly and subjectively, and therefore not all consumers had a known opportunity to participate in the survey. The inferences drawn in this study cannot be extrapolated to other consumer groups.

CHAPTER 5 RESEARCH RESULTS

Chapter 5 provides a synopsis of the research results and the interpretation thereof. Professional field researchers collected the data over a two-week period in Alexandra and Soweto. Preliminary analysis of the first 150 questionnaires indicated a modest variance relating to the LSM® questions and therefore an additional 90 questionnaires were administered and the result was that a sample of 245 responses was achieved. The format in which the statistics are presented is as follows:

- Sample description
- Scale reliability
- Data transformation and descriptive statistics
- Hypotheses testing

5.1 Sample Description

The sample size was calculated using convenience and quota sampling to ensure sufficient variance amongst LSM® groups. Two hundred and forty-five (245) questionnaires were collected. Of those collected, five were removed since less than 75% of the core questions were answered. The final sample used for analysis was 240. The obtained sample did not conform to the quoted sample but this did not affect the results in any meaningful way as the two groups were recoded to create one LSM® group (Low LSM®).

Within the sample, 51% of respondents were male and 48% female. With reference to age, 37.5% were below 30 years of age; followed by 47.9% between the ages of 31 – 50 and 13.8% over the age of 51 (see Table 5 below). It should be noted that respondents who did not complete the demographic questions were removed from this analysis, however they were included in the rest of the statistics. .

Table 5: Demographics of respondents

		Count	Percentage
Gender	Male	123	51
	Female	116	48
Age	Under 20	30	12.5
	21 – 30	60	25
	31 – 40	60	25
	41 – 50	55	22.9
	51+	33	13.8

Prior to the analysis, the seven LSM® questions were calculated according to the described method (Chipp & Corder, 2009). The value ten were assigned to each “yes” answer and zero to each “no”. The values of the seven questions were summated and recoded according to the classification in Table 6. The majority of the respondents were in LSM® 5-6, followed by LSM® 9-10. Two new groups were created (see Table 6) in order to compare the two LSM® groups with one another, a “Low LSM®” group was created by adding LSM® 1-

4 and LSM® 5-6 respondents together, and for the “High LSM®” group, LSM® 7-10 was grouped.

Table 6: LSM® Classification of respondents

LSM® Classification				Recoded LSM® Groups		
LSM® and related value		Count	%		Count	%
LSM® 1-4	0-10	22	9	LSM® 1-6	118	49
LSM® 5-6	11 - 30	96	40			
LSM® 7-8	31 - 50	76	32	LSM® 7-10	121	50
LSM® 9-10	51+	45	19			

5.2 Scale Reliability

The data measures for emotional attachment and CSR awareness were based on a multi-item Likert scale developed by Thomson et al. (2005). The internal consistency reliability scores for Thomson’s (2005) EA rating scales, were significant ($\alpha=0.88$) but were retested since the words of the EA scale used in this questionnaire were changed. The internal consistent reliability was measured by Cronbach’s alpha (α). The results for the three EA scales are presented in Table 7. Note that Clover’s CSR awareness was not tested as this scale only consisted of one question.

Table 7: Scale Reliability scores: EA

Measure	Cronbach's α	Number of Items
Emotional Attachment		
FNB EA	0.982	10
MTN EA	0.978	10
Clover EA	0.974	10
CSR Awareness		
FNB CSR	0.738	5
MTN CSR	0.661	2

The Cronbach's alpha for MTN CSR were 0.551, lower than the acceptable $\alpha = 0.7$. The first item was removed in order to increase the internal validity to $\alpha = 0.661$. Given these results, the first item was removed for further analysis.

5.3 Data Transformation and Descriptive statistics

The data was transformed in order to create grouped variables for the rest of the statistics. The procedures and descriptive statistics for the independent and dependent variables are described below.

5.3.1 Independent variable: CSR awareness

The independent variable, CSR awareness, was measured by a multi-item scale and averaged to create new variables, representing the mean score of respondents' CSR awareness towards the brand (*FNBCSRM* and *MTNCSRM*). Clover's CSR consisted of only one item and therefore no transformation was

necessary. In order to test the fourth hypothesis, the CSR variables were additionally converted from interval data into categorical data. The data was collapsed into two categories, and a process called visual binning was administered (Pallant, 2010) that divided the five items into two using the median as a cut-off point. Table 8 contains the descriptive statistics for the new variables.

Table 8: Descriptive Statistics: CSR Awareness

Descriptive Statistics			
		N	Mean
FNBCSRM		240	2.46
MTNCSRM		238	1.99
Clover CSR		238	1.69
CSR Awareness: Categorical data			
		Count	Percentage
FNB	Low awareness	128	53
	High awareness	112	47
MTN	Low awareness	158	66
	High awareness	80	33
Clover	Low awareness	149	62
	High awareness	89	37

Respondents who did not complete the CSR questions were excluded from this analysis, therefore the number of responses for CSR data at individual level is less than the total number of the sample. The results indicated that respondents were only slightly aware of the CSR initiatives, with FNB achieving the highest mean score of 2.46. The grouped variables indicated that the

majority of respondents for FNB, MTN and Clover had a low awareness of the CSR projects included in this study.

5.3.2 Dependent variable: Emotional Attachment

The dependent variable, emotional attachment was averaged to create new variables, *FNBEA Total*, *MTNEA Total* and *CLOVEREA Total*. In order to test H4, the continuous variables were collapsed into two groups at the mean value to create one categorical variable as required by the statistical test. To categorise the EA data, the following mean cut off points were used:

- Low emotional attachment: mean score lower than 5
- High emotional attachment: mean score of 6 and higher

The results of the new variables are presented in Table 9 below.

Table 9: Descriptive Statistics: EA

Descriptive Statistics			
		N	Mean
FNBEA Total		240	5.00
MTNEA Total		240	4.59
Clover EA Total		240	4.84
EA: Categorical data			
		Count	Percentage
FNB	Low attachment	118	49
	High attachment	122	51
MTN	Low attachment	119	50
	High attachment	121	50
Clover	Low attachment	122	51
	High attachment	118	49

The results for FNB, MTN and Clover indicated that the emotional attachment descriptors described the respondent's feelings towards the brands "very well" (average mean score across the brands was 4.91). The categorised groups indicated that a near equal distribution exists between low and high emotional attachment.

Test of normality

The dependent variable for FNB, MTN and Clover proved to be non-normal in distribution. The assumption of normality was assessed through the Kolmogorov-Smirnov test (Pallant, 2010) shown in Table 10 below. For FNB, MTN and Clover a p-value of less than 0.05 existed, indicating that the assumption of normality cannot be met. The dependent variable was a non-

normal distribution, and since the Pearson product-moment correlation coefficient requires a normal distribution, the alternative Spearman Rank Order test (non-parametric) (Pallant, 2010) was used for testing hypotheses 2 and 3.

Table 10: One sample Kolmogorov-Smirnov test

KOLMOGOROV-SMIRNOV^a			
	Statistics	df	Sig.
FNBEA TOTAL	.109	240	.000
MTNEA TOTAL	.140	240	.000
CLOVER	.130	240	.000

a. Lilliefors Significance Correction

5.3.3 Statistics

In addition to CSR awareness and the respondents' level of emotional attachment, their participation in the category and their current service provider/supplier were also measured in order to test hypothesis 2. Of the sample, 34 (14%) respondents did not use banking services, 24 (10%) did not use cell phones and 17 (7%) did not use milk products. The data was recoded to create a group of respondents who are currently using another provider/supplier other than FNB, MTN and Clover and then compared to respondents who indicated that they used the above-mentioned brands. It is important to note that of the respondents who were active in the category, certain respondents were using more than one service provider/supplier, indicating a lack of brand loyalty towards a single brand. Table 11, 12 and 13

below depicts the cross tabulations for respondents active in the category and the service providers/suppliers that they were using.

Table 11: Cross Tabulation: FNB

Use FNB * Not banking with FNB				
Count		Total usage		Total
		Banking with another bank	Banking with FNB	
Use FNB	Yes	38	33	71
	No	135	0	135
Total		173	33	206

Of the 206 active users, 71 respondents banked with FNB of which 38 also had another bank account, only 33 respondents banked with FNB exclusively.

Table 12: Cross Tabulation: MTN

Use MTN * Use another provider				
Count		Total usage		Total
		Using another provider	Using MTN	
Use MTN	Yes	47	68	115
	No	101	0	101
Total		148	68	216

Of the 216 active users, 115 respondents used MTN of which 47 respondents also had a cell phone account with another service provider; only 68 respondents used MTN exclusively.

Table 13: Cross Tabulation: Clover

Use Clover * Using another supplier				
Count		Total Usage		Total
		Using another supplier	Using Clover	
Use Clover	Yes	164	38	202
	No	21	0	21
Total		185	38	223

Of the 223 active users, 202 respondents used Clover of which 164 respondents also purchased other dairy suppliers' products; only 38 respondents used Clover exclusively.

5.4 Inferential Statistics and Research Hypotheses

In addition to the descriptive statistics above, inferential statistics were administered to test the hypotheses set out in Chapter 3. The following section contains the results of the hypotheses, reporting the results for FNB, MTN and Clover separately. The significance level for hypotheses 1 to 4 was set at $\alpha = 0.05$.

5.4.1 Hypothesis 1:

The first hypothesis (H1) focused on the relationship between respondents' overall CSR awareness and emotional attachment (EA) towards the respective brands. The hypothesis stated:

H1₀: CSR is not an antecedent to emotional attachment.

H1_A: CSR is an antecedent to emotional attachment.

CSR awareness refers to the independent variable and the level of EA to the dependent variable. To assess whether a relationship exists between CSR and EA and to quantify the relationship, a linear regression was performed.

FNB

Table 14: Results of Linear Regression: FNB

COEFFICIENTS ^A						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.243	.273		11.871	.000
	FNB CSR	.548	.103	.326	5.313	.000
a. Dependent Variable: FNBEATOTAL						
MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.326 ^A	.106	.102	1.567		
a. Predictors: (Constant), FNB CSR						

A linear regression was used to assess the relationship between CSR and EA for FNB (Pallant, 2010). A significant positive relationship ($\beta = .326$) existed between CSR and EA for FNB ($p < 0.05$). It is therefore possible to reject the null hypothesis ($p=0.000 < 0.05$) in favour of H1_A. CSR was an antecedent to emotional attachment for FNB, however only 10% of the variation in EA can be explained by CSR ($R^2 = .106$).

MTN

The results from the linear regression for MTN (see Table 15) indicated that a positive relationship ($\beta = .196$) existed between CSR and EA for MTN ($p < 0.05$). The null hypothesis was rejected ($p=0.002 < 0.05$), however only 4% of the variation in EA can be explained by CSR awareness ($R^2 = .038$).

Table 15: Results of Linear Regression: MTN

COEFFICIENTS ^A						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.280	.212		20.168	.000
	MTN CSR	.285	.093	.196	3.073	.002
a. Dependent Variable: MTNEATOTAL						
MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.196 ^A	.038	.034	1.610		
a. Predictors: (Constant), MTN CSR						

Clover

Table 16: Results of Linear Regression: Clover

COEFFICIENTS ^A						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.938	.184		26.810	.000
	Clover CSR	.031	.091	.022	.341	.733
a. Dependent Variable: CLOVEREATOTAL						

MODEL SUMMARY				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.022 ^A	.000	-.004	1.557
a. Predictors: (Constant), Clover CSR				

The results from the linear regression in Table 16 above indicated that there existed no significant relationship between CSR and EA for Clover ($p > 0.05$). Thus, the evidence failed to reject H_{10} ($p=0.733 > 0.05$).

5.4.2 Hypothesis 2:

The second research hypothesis assessed whether an association existed between CSR and EA for respondents who were not active in the category.

The hypothesis stated:

H_{20} : There is no association between CSR initiatives and EA in reference to non-users.

H_{2A} : An association exists between CSR initiatives and EA in reference to non-users.

Preliminary analyses were administered to ensure that the assumptions of parametric tests were not violated. Since the sample sizes of the non-users (see Section 5.3.3) were small, the distribution of the data was non-normal (see

Section 5.3.2) and the data measured were interval; a non-parametric Spearman Rank Order Correlation test was therefore used (Pallant, 2010).

FNB

The results of the Spearman Rho test indicated that no association existed between CSR and EA for non-users as a group, as $p=0.142 > 0.05$. Consequently, the results failed to reject H_{20} ; the results are depicted in Table 17 below.

MTN

The results indicated that no relationship existed between CSR and EA for non-users in reference to Clover. The $p= .696 > 0.05$, thus failing to reject H_{20} .

Clover

The results for Clover indicated that no relationship existed between CSR and EA for non-users in reference to Clover. The $p= 0.420 > 0.05$, therefore the results failed to reject H_{20} .

Table 17: Spearman Rho for non-users: FNB, MTN and Clover

Correlations: FNB				
			FNBCSR	FNBEA
Spearman's rho	FNBCSR	Correlation Coefficient	1.000	.257
		Sig. (2-tailed)	.	.142
		N	34	34
	FNBEA	Correlation Coefficient	.257	1.000
		Sig. (2-tailed)	.142	.
		N	34	34

Correlations: MTN				
			MTNCSR	MTNEA
Spearman's rho	MTNCSR	Correlation Coefficient	1.000	.084
		Sig. (2-tailed)	.	.696
		N	24	24
	MTNBEA	Correlation Coefficient	.084	1.000
		Sig. (2-tailed)	.696	.
		N	24	24

Correlations: Clover				
			Clover CSR	Clover EA
Spearman's rho	Clover CSR	Correlation Coefficient	1.000	.210
		Sig. (2-tailed)	.	.420
		N	17	17
	Clover EA	Correlation Coefficient	.210	1.000
		Sig. (2-tailed)	.420	.
		N	17	17

5.4.3 Hypothesis 3:

The third hypothesis (H3) tested whether a relationship between CSR awareness and EA existed for low LSM® respondents and high LSM® respondents. The hypothesis stated:

H3₀: There is no difference between the CSR and EA relationship for low LSM® consumers and high LSM® consumers.

H3₁: There is a difference between CSR and EA for low LSM® consumers and high LSM® consumers.

In order to test the relationship between CSR (IV) and EA (DV) for two groups a Spearman Rank Order Correlation test (non-parametric test) (Pallant, 2010) was used since the data was non-normal (see Section 5.3.2) and the data measured were interval. Thereafter, a Mann-Whitney U test was administered to test whether the relationship between CSR and EA was different for the two groups. The latter test is also a non-parametric test, which was appropriate for the data (Pallant, 2010). Note that the missing data specific to these analyses were excluded pairwise. The results for the FNB tests are explained below and depicted in Table 18.

FNB

The tests results for the Spearman Rank Order Correlation indicated that the positive correlation between CSR and EA for the low LSM® group was $r = .322$

and for the high LSM® group slightly higher at $r = .396$. H_{3_0} was rejected as $p = .000 < 0.05$ in favour of H_{3_A} .

Table 18: Spearman Rho for CSR and EA between LSM® groups: FNB

Spearman's rho				
			FNBCSR	FNBEA
Low LSM®	FNBCSR	Correlation Coefficient	1.000	.322**
		Sig. (2-tailed)	.	.000
		N	118	118
	FNBEA	Correlation Coefficient	.322**	1.000
		Sig. (2-tailed)	.000	.
		N	118	118
			FNBCSR	FNBEA
High LSM®	FNBCSR	Correlation Coefficient	1.000	.396**
		Sig. (2-tailed)	.	.000
		N	121	121
	FNBEA	Correlation Coefficient	.396**	1.000
		Sig. (2-tailed)	.000	.
		N	121	121

Table 19: Mann-Whitney U Test: FNB

Test Statistics ^a		
	FNBEATOTAL	FNB CSR
Mann-Whitney U	5103.500	6870.000
Wilcoxon W	12124.500	14251.000
Z	-3.815	-.505
Asymp. Sig. (2-tailed)	.000	.614
a. Grouping Variable: Group of LSM®		
Median Scores		
Group of LSM	N	Median
Low LSM®	118	4.00
High LSM®	121	5.56
Total	239	4.97

The Mann-Whitney U test above (see Table 19) revealed a significant difference between the LSM® groups (High and Low) for emotional attachment ($p = .000 < 0.05$) but not for CSR ($p = .614 > 0.05$). For EA, the high LSM® group indicated a higher attachment towards FNB (MD = 5.56, $n = 121$) as opposed to the low LSM® group (MD = 4.00, $n = 118$).

MTN

The test results (see Table 20) for the Spearman Rank Order Correlation indicated that no significant difference existed between CSR and EA for low LSM® and high LSM®. The $p = .197 > 0.05$, thus failing to reject H_{30} .

Table 20: Spearman Rho for CSR and EA between LSM® groups: MTN

Spearman's rho				
			MTNCSR	MTNEA
Low LSM®	MTNCSR	Correlation Coefficient	1.000	.120
		Sig. (2-tailed)	.	.197
		N	118	118
	MTNEA	Correlation Coefficient	.120	1.000
		Sig. (2-tailed)	.197	.
		N	118	118
			MTNCSR	MTNEA
High LSM®	MTNCSR	Correlation Coefficient	1.000	.028
		Sig. (2-tailed)	.	.762
		N	121	121
	MTNEA	Correlation Coefficient	.028	1.000
		Sig. (2-tailed)	.762	.
		N	119	119

Clover

The results in Table 21 below indicated that no difference existed between CSR and EA for the two LSM® groups. The $p = .797 > 0.05$, therefore the results failed to reject H_{30} .

Table 21: Spearman Rho for CSR and EA between LSM® groups: MTN

Spearman's rho				
			Clover CSR	Clover EA
LSM® 1-6	Clover CSR	Correlation Coefficient	1.000	.024
		Sig. (2-tailed)	.	.797
		N	118	118
	Clover EA	Correlation Coefficient	.024	1.000
		Sig. (2-tailed)	.797	.
		N	118	118
			Clover CSR	Clover EA
LSM® 7-10	Clover CSR	Correlation Coefficient	1.000	-.103
		Sig. (2-tailed)	.	.266
		N	119	119
	Clover EA	Correlation Coefficient	-.103	1.000
		Sig. (2-tailed)	.266	.
		N	119	119

5.4.4 Hypothesis 4:

The fourth hypothesis (H4), assessed how well respondents' intention to purchase (DV) can be predicted or explained by CSR awareness (IV) and EA (IV). Respondents' intention to purchase was measured by asking respondents which brand they would choose, given a list of possible options. H4 stated:

H₄₀: EA and CSR awareness does not predict intentions to purchase.

H_{4A}: EA and CSR awareness predict intentions to purchase.

Logistic regression was used to test H4. The data for the dependent variable was transformed to ensure that the DV contained only one dichotomous variable. Logistic regression is sensitive to high correlations (Pallant, 2010) and therefore a preliminary assessment of the collinearity statistic was conducted. This indicated a low correlation between the variables.

FNB

Logistic regression was performed to assess the likelihood that respondents would prefer FNB to other financial institutions. The model contained two independent variables, EA and CSR. The model containing all the predictors was statistically significant $X^2(2, N= 226) = 28.17 p < 0.05$, indicating that the model was able to differentiate between respondents who prefer FNB and those that do not. It is therefore possible to reject the H4₀.

The model explained between 11.7% and 17.2% of the variance in preference (see Table 22 below), and correctly classified 74.3% of the cases. After the predictors were added to the model, there was no change in the model's accuracy. Only one of the independent variables (EA) made a statistically significant contribution ($p < 0.05$) to the model and as such, is the strongest predictor.

Table 22: Logistic Regression for FNB

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	28.167	2	.000
	Block	28.167	2	.000
	Model	28.167	2	.000

Variables in the Equation						
	B	S.E.	Wald	df	Sig.	Exp(B)
FNBEATOTAL	1.597	.372	18.402	1	.000	4.937
FNBCSR	.619	.328	3.558	1	.059	1.857
Constant	-4.631	.818	32.056	1	.000	.010
a. Variable(s) entered on step 1: FNBEATOTAL, FNBCSRM.						

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	229.252 ^a	.117	.172
a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.			

MTN

The model contained two independent variables, EA and CSR and was statistically significant $X^2 (2, N= 229) = 58.9, p < 0.05$, indicating that the model was able to differentiate between respondents who prefer MTN and those that do not. The result rejected the null hypothesis in favour of H4_A.

Table 23: Logistic Regression for MTN

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	58.908	2	.000
	Block	58.908	2	.000
	Model	58.908	2	.000

Variables in the Equation						
	B	S.E.	Wald	df	Sig.	Exp(B)
MTNEATOTAL	2.295	.329	48.603	1	.000	9.928
MTNCSR	-.490	.333	2.165	1	.141	.613
Constant	-3.223	.613	27.648	1	.000	.040

a. Variable(s) entered on step 1: MTNEATOTAL, MTNCSR.

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	253.183^a	.227	.305

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

The model correctly classified 73.8% of the cases, with a 16% increase when the predictors were considered. The model explained between 22.7% and 30.5% of the variance in preference (see Model Summary above). Only EA contributed to the predictive ability of the model ($p = .000 < 0.05$).

Clover

The logistic regression model for Clover containing all predictors was statistically significant $X^2(2, N= 225) = 13.20, p = 0.01 < 0.05$, indicating that the model was able to differentiate between respondents who prefer Clover and those that do not. The result rejected the null hypothesis in favour of H4_A.

The model explained between 5.7% and 8% of the variance in preference (see Table 24 below), and correctly classified 68% of the cases. Once the predictors were added to the model, there was no significant improvement in the models' accuracy. Only one of the independent variables (EA) made a statistically significant contribution to the model and was the strongest predictor ($p < 0.000$).

Table 24: Logistic Regression for Clover

Omnibus Tests of Model Coefficients				
		Chi-square	df	Sig.
Step 1	Step	13.207	2	.001
	Block	13.207	2	.001
	Model	13.207	2	.001

Variables in the Equation						
	B	S.E.	Wald	df	Sig.	Exp(B)
Clover EA	1.042	.299	12.129	1	.000	2.833
Clover CSR	-.260	.302	.744	1	.388	.771
Constant	-.402	.604	.440	1	.507	.670

a. Variable(s) entered on step 1: Clover EA, Clover CRS.

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	267.356^a	.057	.080

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

5.4.5 Summary of findings

The findings of the four hypotheses are presented below.

Table 25: Summarised findings of inferential statistics

Hypotheses Results	
H1₀: CSR are not an antecedent to emotional attachment	
FNB	Reject H1 ₀
MTN	Reject H1 ₀
Clover	Do not reject H1 ₀
H2₀: There is no association between CSR initiatives and EA in reference to non-users	
FNB	Do not reject H2 ₀
MTN	Do not reject H2 ₀
Clover	Do not reject H2 ₀
H3₀: There is no difference between the CSR and EA relationship for low-LSM® consumers and high-LSM® consumers	
FNB	Reject H3 ₀
MTN	Do not reject H3 ₀
Clover	Do not reject H3 ₀
H4₀: EA and CSR awareness does not predict intentions to purchase	
FNB	Reject H4 ₀
MTN	Reject H4 ₀
Clover	Reject H4 ₀

CHAPTER 6 DISCUSSION OF RESULTS

Chapter 6 examines the results of the hypotheses and descriptive statistics in order to answer the fundamental research question: can CSR initiatives create share of heart attachments with consumers and does this explain consumers' intention to purchase? The chapter commences with an analysis of the sample, follows with a discussion on the major concepts and concludes by addressing each hypothesis.

6.1 Sample demographics

A sample of 245 respondents was obtained, of which 240, with an average completion rate of 97%, were included in this study. The sample was large enough to undertake the analysis and given the high percentage of questions completed, it can be inferred that the questionnaire did not present a challenge to the respondents. A quota sample was designed to ensure that the sample had sufficient numbers presenting the target population. However, the quota sample was adjusted after a higher number of LSM® 7-10 respondents were obtained. The only significant difference between the sample obtained and the quota was that 96 LSM® 5-6 respondents were obtained versus an expected 30 and a lower number of LSM® 1-4.

Research conducted by Chipp and Corder (2009) determined that LSM® 1-4 (foundation of the South African pyramid) corresponded with the description of BOP (Prahalad, 2010) and stated that 78% of the South African BOP live in rural areas. It is therefore understandable that a lower sample of LSM® 1-4 respondents were obtained because the sample was collected in settlements within a large metropolitan city. There is a noticeable difference between the lowest LSM® levels, with LSM® 1 consumers severely disadvantaged in terms of access to basic household services and products and 100% (data from AMPS® 2008B) of these consumers reside in rural areas (Chipp & Corder, 2009). As the living standard of LSM® consumers increase, access to products, services and media increases, as was evident in this study and reported by Chipp and Corder (2009). Since the lowest LSM® levels (1-6) were grouped together, this did not present a limitation in analysing the hypotheses

The lower incidence of LSM® 1-4 respondents corresponds to the decreasing number of consumers reported in the latest AMPS® research. According to the AMPS® 2008 reading (Chipp & Corder, 2009), 35.8% of the South African population was considered to be LSM® 1-4, however the AMPS June 2011 reading indicated an 8.4% decrease from the previous year (SAARF, 2011). The lower LSM® 1-4 sample of 9% is therefore acceptable, given that this segment of the population is declining.

Chipp and Corder (2009) commented on the substantial influence of government grants on the income levels of BOP South Africans and therefore

the mobility seen in LSM® levels does not necessarily reflect real income increases. Nevertheless, a consequence is that consumers who were previously challenged by limited access to household products and services (Anderson & Billou, 2007), now have access to greater product availability and awareness. In addition, a more developed market, in terms of access to products, means increased price and promotional offerings and as a result, creating share of heart becomes more important to remain part of consumers' consideration set (Day, 1989; Pitta & Franzak, 2008; Wood et al., 2008).

As stated in previous research (Abreu et al., 2003; Keller & Moorthi, 2003), building brands in lower income markets have been challenging since marketers are concerned with adding extra costs to products in a price sensitive market and consumer behaviour has been misinterpreted. As an example, it was suggested that (Karnani, 2007;) organisations should consider reducing the quality of products to make it more affordable to lower income markets, however from the results of this study alternative strategies are suggested. Since the market is more developed and has a greater variety of product offerings, consumers will not necessarily select the cheapest option. Although not measured by this study, previous research advised that consumers are willing to pay for quality (D'Andrea et al., 2006) and recognisable brands. This was evident from research by Chipp and Corder (2009) that indicated that South African and international brands have received wide penetration in the foundation of the South African pyramid.

The assumption is therefore that consumers will switch to quality products, and any negative product experiences like product inferiority will harm brand equity and EA. Research has also advised (Anderson & Billou, 2007; Habib & Zurawicki, 2010; Karnani, 2007) that organisations struggle to connect with consumers in BOP markets because the focus is predominately on creating primary demand and overcoming obstacles in the market place. This opinion was negated in this sample, as all three brands had already achieved high penetration and the market was not challenged by infrastructure and advertising restraints.

To conclude, marketers need to ensure strong share of heart connections as lower income markets are evolving and more developed. As consumers' income increase, aspirational brands become more affordable and consumers are more inclined to switch brands as competition increases (Pitta & Franzak, 2008). The recommendation is to create share of heart connections, because it lasts longer and is a method to sustain competitiveness (Pitta & Franzak, 2008; Wood et al., 2008). Consumers are less inclined to switch brands (Pitta & Franzak, 2008) and are more willing to engage and interact with the brand (Hoeffler & Keller, 2002; Thomson et al., 2005; Wood et al., 2008).

6.2 Brand awareness and usage

Brand awareness and usage were analysed as part of the descriptive statistics since both concepts have a significant influence on consumers' EA. First, EA

was represented as part of a logical process following from product awareness, recall (share of mind) to share of heart, and ultimately share of market (Day, 1989; Pitta & Franzak, 2008; Wood et al., 2008). Second, brand experiences which includes direct stimuli such as brand usage creates EA (Brakus et al., 2009). Consumers form perceptions about a product's benefits and outcomes (Grisaffe & Nguyen, 2010) and shopping and consumption activities, which stimulate consumer responses (Brakus et al., 2009).

The results represented high levels of awareness and usage for all three brands across the LSM® categories (see Table 26 and 27 in Appendix 2) that indicated that the brands have achieved share of mind in this sample. The following points are presented as contributing factors with ensuing implications to marketers:

- The sample was obtained from two settlement communities within a metropolitan city and therefore the results presented a higher number of LSM® 5-10 respondents in a more developed market. If the study was conducted in a rural location, higher LSM® 1-2 representativeness would have been obtained (Chipp & Corder, 2009) and the results would have reflected more of the market challenges discussed in previous sections (Anderson & Billou, 2007; Habib & Zurawicki, 2010; Karnani, 2007). Chipp and Corder (2009) reported that basic needs such as access to water, shelter and sanitation are still relatively unmet in LSM® 1-2 groups (data from AMPS®, 2008B). It is therefore important to acknowledge that a difference between rural and urban BOP consumers exists, which

can influence the need for higher order products (Karnani, 2007; Pitta et al., 2008; Subrahmanyam & Gomez-Arias, 2008). In terms of access to media, there is a high reach of radio, outdoor and moderate television advertising at the lower LSM® levels (Chipp & Corder, 2009) that influence respondents' exposure to brands. In this study LSM®, 1-2 were not measured in isolation and this provides a limitation for further analysis, therefore the results and recommendations cannot be generalised to the lowest LSM® markets.

- When analysing brand usage by LSM® group (Table 27, Appendix 2) it is evident that the market penetration in LSM® 5-10 was substantially higher. Nevertheless, the results indicated that several respondents in LSM® 1-4 were willing to satisfy higher order needs such as banking and telecommunications. The deduction is that there is a need for higher order categories in lower LSM® markets, despite the belief (Karnani, 2007; Pitta et al., 2008; Subrahmanyam & Gomez-Arias, 2008) that consumers are limited by their disposable income. This study did not measure the motivations behind lower income consumers' purchasing decisions. However, previous research (D'Andrea et al., 2006; Van Kempen, 2003; Subrahmanyam & Gomez-Arias, 2008) suggested that status and social considerations have an influence on purchasing decisions of higher order needs. It is debatable whether the product categories used in this study have high social considerations; however, Subrahmanyam and Gomez-Arias (2008) referred to communications as

a higher order need that increases social bonds and promote self-esteem.

- As discussed, the sample presented more of a developed market, in relation to Anderson and Billou's (2007) definition, with high levels of awareness, access to more than one brand and high levels of usage. This suggests that respondents in the LSM® 1-4 are not limited by affordability and the respective categories have achieved high levels of primary demand. Marketers should capitalise on this and focus their efforts on creating brand preference, growing share of wallet and consumption frequency (Bang & Joshi, 2008).

6.3 Corporate Social Responsibility

Consumer's level of CSR awareness was measured in order to assess whether EA can be formulated through CSR. Various authors advocated the integration of CSR to develop markets (Porter & Kramer, 2006) and increase the welfare of communities (Becker-Olsen et al., 2006; Du et al., 2007), however Prahalad (2010) advised against the use of CSR in BOP markets as this creates a perception of charity. All three brands were involved in CSR projects ranging from community development projects to sport sponsorships. Since product usage was high amongst most respondents, the assumption is that the CSR initiatives do not interfere with organisations' ability to serve the market profitably. The understanding is that the motivation for participating in CSR and sponsorship initiatives is to uplift the community, make a sustainable

contribution to society, create partnerships and increase public relations (“www.mtn.co.za”, 2008).

Du et al. (2007) stated that CSR awareness is a prerequisite to informing positive CSR beliefs and thus low levels of awareness will impede on organisations’ abilities to reap rewards. Previous studies found that consumers expect organisations to be involved in CSR initiatives (Becker-Olsen et al., 2006) and reward socially responsible behaviours (Becker-Olsen et al., 2006; Du et al., 2007; Hoeffler & Keller, 2002; Lee & Shin, 2010). In spite of this, it is evident from the results that organisations are not raising enough awareness to formulate emotional connections with consumers (Du et al., 2007). Higher awareness scores (see Table 28, in Appendix 2) were obtained for projects that were obviously more accessible to the target market or publicised, such as the sporting sponsorships and the tertiary bursaries. Naidoo (2009) obtained similar results in the banking industry in South Africa, where sporting events received the highest awareness scores compared to community projects.

The impact of CSR awareness as a requirement for EA is evident in the effect that it had on the results for Clover. It can be inferred that if the projects do not achieve adequate awareness amongst the sample population (Du et al., 2007) and if consumers do not receive personal benefit (Naidoo, 2009), CSR will have limited influence on EA. This is substantiated by the research completed by Becker-Olsen et al. (2006) who stated that the impact of CSR is much stronger

when consumers perceive a high fit between the project and the organisation, thereby presupposing high levels of awareness (Becker-Olsen et al., 2006).

To capitalise on the benefits of CSR awareness, organisations should consider incorporating CSR strategies into their core business and position themselves as CSR organisations instead of participating in several individual projects (Becker-Olsen et al., 2006). Organisations that already offer projects such as tertiary bursary programmes, community development projects and HIV/Aids hospice funds should incorporate these initiatives into a holistic CSR positioning strategy since consumers generally behave more favourably towards brands believed to be socially responsible (Du et al. 2007).

6.4 Emotional attachment

All three brands achieved relatively high EA scores and at the emotional indicator level (affection, passion and commitment), all three brands displayed lower mean scores for commitment in relation to the other indicators (see Table 29 in Appendix 2). Affection refers to how respondents' feel about the brand and reflects a "warm-feeling" (Thomson et al., 2005, p. 80). Affection received the highest mean score, followed by passion, which signifies positive feelings towards the brand (Thomson et al., 2005, p. 80).

It is inferred that although respondents regarded the brands as affectionate and held positive feelings, they felt less committed to them. Naidoo (2009) reported similar results, which suggested that CSR has no direct impact on consumers' level of loyalty or commitment towards a brand. However as found (Naidoo, 2009) respondents were willing to recommend the brand (advocacy) and open more bank accounts. Additionally, Hoefler and Keller (2002) stated that feelings of affection and passion are consistent with the stated sense of belonging associated with EA.

It is evident that strong relational behaviours, defined as loyalty by Du et al. (2007) are needed by marketers in BOP markets. The consequence of lower levels of commitment has a significant impact on share of heart. As mentioned, organisations can benefit from share of heart, especially loyalty, in highly competitive markets. As consumers' income increase, they experience greater product awareness, availability and affordability and are more susceptible to switching brands and experimenting with new products. This similarly relates to the behaviour of price sensitive consumers who seek the best offerings in highly competitive markets. Although all three emotional indicators describe EA, organisations should ensure that apart from positive brand feelings, consumers express commitment.

In addition, the respondents were not instructed to indicate their EA towards the brand in relation to CSR initiatives alone; therefore, the high EA scores can be attributed to other variables. Previous research (Brakus et al., 2009; Grisaffe &

Nguyen, 2010; Holak & Havlena, 1998; Pimentel & Reynolds, 2004) recognised marketing characteristics, brand experiences, memories and nostalgic responses as antecedents to EA. It is therefore recognised that due to the high levels of brand awareness and usage obtained in this study, personal and social brand experiences could have had an effect on EA. Further evidence is provided in the discussion on hypothesis four, where it was found that CSR merely fosters EA, whereas the emotional commitment towards a brand influences respondents' intention to purchase.

6.5 Hypotheses 1 to 3

The first three hypotheses tested whether a relationship existed between respondents' CSR awareness and emotional attachment for the total sample, non-users as a subgroup and thereafter comparing the results between LSM® groups.

6.5.1 EA for the total sample

The study incorporated EA to complement the concept of share of heart. Achieving share of heart is dependent on brand awareness and brand experiences, which produces beliefs and feelings that enforce a desire to connect with a brand (Brakus et al., 2009; Hoeffler & Keller, 2002). This study was concerned with CSR as an antecedent, since BOP consumers have no or little experience of the category (Anderson & Billou, 2007; London & Hart, 2011)

and hence no nostalgic attachment exists to encourage EA (Brakus et al., 2009; Grisaffe & Nguyen, 2010; Holak & Havlena, 1998). CSR was found to encourage greater intentions to purchase and brand loyalty (Becker et al., 2006; Du et al., 2007) and was offered as a way to remove market obstacles and improve the welfare of the community (Davidson, 2009; Habib & Zurawicki, 2010; Karnani, 2007; Pitta et al., 2008). For this reason, CSR was proposed as an antecedent to EA, hence hypothesis one aimed to measure if a relationship existed between CSR and EA.

The results of hypothesis one provided support that a relationship exists between CSR and EA for FNB and MTN. For Clover, there was no significant relationship found between CSR and EA, as the level of CSR awareness was inadequate. Relating the results back to research conducted by Naidoo (2009), this presents a contradiction to the findings that CSR awareness has no influence on consumers' loyalty. However, the findings were consistent with former studies (Becker-Olsen et al., 2006; Hoeffler & Keller, 2002; Lee & Shin, 2010) which postulated that CSR initiatives could serve as a medium to connect with consumers.

As seen from the results for Clover, low levels of CSR awareness impedes on organisations' ability to connect with consumers through positive CSR beliefs. Yet FNB and MTN received modestly higher CSR awareness scores, therefore an association between CSR and EA was found. Therefore, the inference is that if consumers perceive the organisation to be socially responsible (Du et al.,

2007) and are aware of the CSR initiatives, they inherently express higher levels of EA towards the brand. In addition to CSR awareness, other variables could have influenced consumers' EA towards the brand, since CSR as an antecedent was not measured in isolation and prior product experiences were found to have an influence on EA (refer to the discussion below). Consequently, a limitation to the study is the inability to measure the association between CSR and EA by controlling for other variables.

6.5.2 EA for the non-users

Hypothesis two was concerned with measuring the association between CSR initiatives and EA in reference to non-users. The sample of non-users was considerably smaller than the total sample obtained; however, this was still adequate to administer a non-parametric test to examine the relationship. It should be noted that since the sample size was small there is a possibility that a Type II error occurred where no relationship was found, where in fact a relationship might exist between CSR and EA for non-users (Blumberg et al., 2005).

The relationship between CSR and EA for MTN and FNB relating to non users (H2), presented a contradiction to the findings obtained in hypothesis one, where a significant relationship existed between CSR and EA for MTN and FNB. This can be explained by a possible Type II error or be attributed to the level of CSR awareness and respondents previous experience with the brands.

For all three brands, the level of CSR awareness for non-users was only marginally lower than the mean scores achieved for users of the category (see Table 30 in Appendix 2), and if this outcome were consistent with Naidoo's (2009) results, it would present no effect on consumers' EA. Instead, it had an effect as no relationship was found between CSR and EA for non-users pertaining to FNB, MTN and Clover. In section 6.3 reference was made to the impact of CSR awareness on consumers' emotional connections (Becker-Olsen et al., 2006; Du et al., 2007) and it was proposed that since Clover had the least CSR awareness from all three brands, it influenced the association.

However, in hypothesis two brand experience was introduced as a secondary dimension to consumers' interaction with a brand, as measured by the group representing active users in the category. In hypothesis one, an association was found between CSR and EA for FNB and MTN, but once respondents had no previous brand experiences, no relationship was found. The assumption is that brand experiences such as shopping and searching for a brand (direct stimuli) and consuming the product (indirect stimuli) have a greater influence on consumers' EA (Brakus et al., 2009) than CSR initiatives. The implication is that consumers need brand experience dimensions such as sensory, affective, intellectual and behavioural responses to affect their satisfaction and loyalty towards the brand (Brakus et al., 2009).

Since South African organisations have achieved relatively wide penetration in the foundation of the South African pyramid (Chipp & Corder, 2009),

organisations can expect that brand-related stimuli influence consumers' perception of their brands. Thus, organisations should ensure that their brand experience is positive such as ensuring that products meet expected quality requirements, product outcomes satisfy consumer needs and that consumers have easy access to products.

6.5.3 EA for specified LSM® groups

In hypothesis three two LSM groups were created to measure whether the relationship between CSR and EA varied amongst respondents' with differing living standards. The only difference was found in FNB, where the high LSM® group indicated a higher level of attachment as opposed to the low LSM® group. In analysing respondents' level of CSR awareness, no significant difference existed between LSM® groups, and therefore knowledge of the individual projects could not have influenced higher CSR beliefs for LSM® 7-10. However, other features of the CSR projects could have led to a greater emotional connection for example, FNB's involvement in the FIFA World Cup as national supporter.

Secondly, previous brand experiences (Brakus et al., 2009) and consumers' satisfaction with the products' benefits and outcomes (Grisaffe & Nguyen, 2010) are both antecedents to EA. A higher number of LSM® 7-10 respondents were active in the category, thus had a direct interaction with brand-related stimuli such as service experience, which has an effect on consumers satisfaction and

loyalty (Brakus et al., 2009). Specific to the banking industry, Naidoo (2009) found that BOP consumers are only able to evaluate a brand based on their transactional relationship with the bank and therefore it is imperative that lower income consumers receive the same quality service, access and experience as higher LSM® consumers.

In contrast to the results for FNB, no difference was found for MTN and Clover, and the overall assessment is that consumers' living standards have no influence on the relationship between CSR and EA. This is supported by the previous discussion on the characteristics of LSM® levels in South Africa. A difference exists between LSM® 1-2 and LSM® 3-4, as the lowest level consumer is predominantly rural and the market is underdeveloped and therefore access to household services, products and media are limited (Chipp & Corder, 2009). The sample was collected in a metropolitan city, therefore the lower LSM® group (1-4) presented in this sample, signified a developed market with wide exposure to local, international brands and media (Chipp & Corder, 2009).

6.6 Hypothesis 4

Numerous research studies substantiated the use of CSR to form EA with consumers, as this was found to result in brand loyalty and intentions to purchase (Becker-Olsen, Cudmore, & Hill, 2006; Du, Bhattacharya, & Sen, 2007; Hoeffler & Keller, 2002). The fourth hypothesis specifically focused on

consumers' intention to purchase, as opposed to loyalty and increased sales (Du et al., 2009), as Naidoo (2009) found that CSR had no influence on BOP consumers' level of loyalty towards the brand, but rather fosters positive brand beliefs. Secondly, the assumption was that organisations are predominantly concerned with developing primary demand (London & Hart, 2011) in BOP markets, and therefore an intention to purchase signifies consumers' willingness to purchase and preference for the brand, although they might have never bought the product before. As such, the use of CSR as an antecedent to EA will offer organisations the opportunity to engage with consumers' in the absence of personal and social brand experiences (Brakus et al., 2009).

In this study, EA and CSR were the only two independent variables considered to explain consumers' intention to purchase and the model presented the variable with the highest predictive ability. For all three brands, the model was able to differentiate between respondents who preferred the said brand and those who did not. However, the model was only able to explain minor variances (refer to section 5.4.4) in consumers' preference, suggesting that other variables had a significant influence on consumers' intention to purchase.

From the previous discussions, it was found that brand experiences had a stronger influence on respondents' emotional connection with the brand, as non-users in the category displayed no relationship between CSR and EA. It can therefore be determined that brand-related stimuli such as service quality (Naidoo, 2009), searching and shopping for a brand (Brakus et al., 2009) and

superior product outcomes (Grisaffe & Nguyen, (2010) can be offered as additional variables to describe consumers' preference for the brand.

Clover presented opposing results when compared to FNB and MTN regarding the relationship between CSR and EA and the consumers' intention to purchase. Clover operates in a highly competitive market that consists of numerous firms that offer identical products in contrast to FNB's and MTN's oligopolistic market structures. Therefore, the assumption is that for Clover, EA should be very low as differentiation based on superior product characteristics is difficult (Grisaffe & Nguyen, 2010), and would not necessarily provide an antecedent to EA. However, respondents indicated a higher EA mean score (4.84) for Clover compared to MTN (4.59), with, 91% of respondents indicating that they use Clover (which was much higher compared to MTN's and FNB's brand usage scores). Therefore, prior brand experiences influenced respondents' EA towards Clover (Brakus et al., 2009). Even though the product outcomes and characteristics are homogenous, brand stimuli such as advertisements, brand identity (name, logo) and packaging stimulate an "internal consumer response" (Brakus et al., 2009, p. 53).

Furthermore, only EA as an independent variable made a significant contribution to the predictive ability of the model and was therefore the strongest predictor in this model. The results are in contrast to the findings of Lee and Shin (2010) who stated that a positive relationship exists between CSR awareness and consumers' intention to purchase. The study found that social

contributions and local community contributions had a stronger effect on intention to purchase (Lee & Shin, 2010), which opposes Naidoo's (2009) recommendation of personal benefit instead of community-related initiatives. The conclusion is therefore that CSR initiatives only foster EA and lead to positive brand beliefs (Naidoo, 2009) whereas the emotional connection with a brand brings about consumer preference.

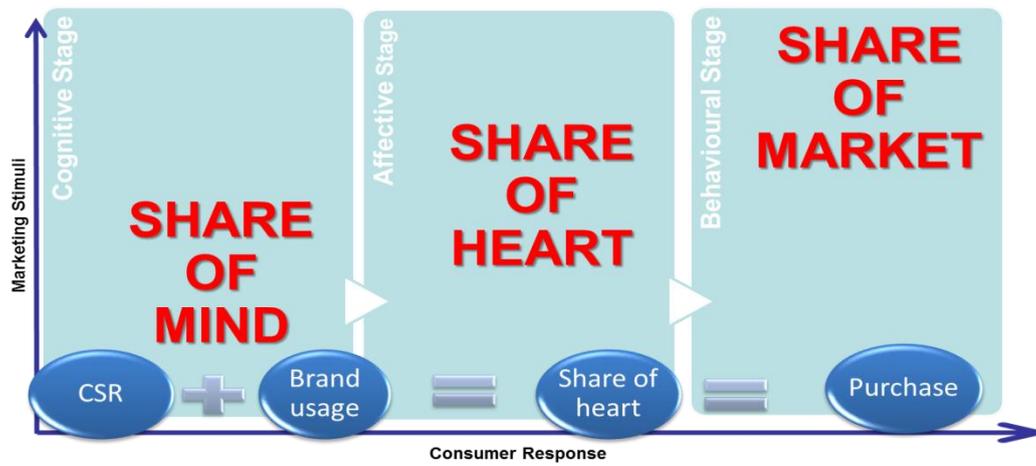
6.7 Summary

The findings of this study confirmed that CSR is an antecedent to EA, however only EA influenced consumers' intention to purchase the brand. The influence of CSR depended on certain conditions such as CSR awareness (Du et al., 2007) and whether the consumers benefited from the projects personally and/or the community (Lee & Shin, 2010; Naidoo, 2009). Slight awareness is adequate to influence EA, as indicated by the relationship found for FNB and MTN, but more apparently, brand usage had a stronger influence on the relationship between CSR and EA, as seen in the result for Clover and the non-active group. Given the high levels of product usage, all three categories have already created primary demand and achieved wide penetration in this sample, therefore the findings corroborated the research conducted by Brakus et al. (2009), and Grisaffe, and Nguyen (2010) that stated that a brand experience is necessary to influence EA.

The three categories were chosen based on their involvement in CSR projects and because of the high awareness and usage. The conclusion is that presumably only active categories invest in BOP markets as this represents their target market. This is in line with research that advocates investing in communities to raise the income of the poor and uplift communities (Karnani, 2007; Garrette & Karnani, 2009). However to obtain the benefit from CSR, organisations should invest in BOP markets regardless of whether they have achieved primary demand or not. The goodwill gained through these projects are comparable to nostalgic responses (Holak & Havlena, 1998) that can be transferred over generations (Moore et al., 2002) as CSR was likened to an “insurance policy” (Klein & Dawar, 2004 p. 204).

In summary, the research objectives set out in Chapter one were met and provided insights into the relationship between CSR and EA. Objective One investigated whether CSR initiatives create share of heart. As summarised above, the result provided empirical support in favour of CSR, on condition that respondents are aware of the CSR projects and are active users in the category. Objective two was concerned with respondents’ intention to purchase the brand. The results indicated that in this model only EA supported brand preference; however, this is not mutually exclusive. The relationship, as found in this study, between CSR and EA is depicted in Figure 3 below.

Figure 3: The relationship between CSR and EA



CHAPTER 7 CONCLUSION

The research aimed to investigate whether CSR initiatives are an antecedent to share of heart in BOP markets and if the relationship can explain consumers' intention to purchase. The findings and implications to marketers are discussed below, followed by the limitations of the study and recommendations for future research.

7.1 Key findings

One of the primary findings confirmed that CSR is an antecedent to EA; however, the results revealed that certain conditions have to be met before consumers can connect with brands emotionally. Firstly, consumers have to be aware of the CSR projects. Projects such as FNB's World Cup 2011 national sponsorship and MTN's soccer sponsorship received the highest mean scores, as these projects were highly publicised in media that lower LSM® markets had full access to. Nevertheless, none of these projects affected BOP consumers' directly in terms of social upliftment; however, the respondents still stated that they felt an emotional connection with the brands. At the outset, it was argued that CSR initiatives could benefit BOP communities, provide resources, job creation, and infrastructure development and uplift the welfare of the community (Davidson, 2009; Habib & Zurawicki, 2010). Therefore, the emphasis of CSR should be on social contributions that benefit consumers personally or the community they belong to, as this was found to have the greatest impact on

consumers' reciprocal relationship with the brands (Lee & Shin, 2010; Naidoo, 2009) and counter the argument that organisations are exploiting the market (Davidson, 2009; Karnani, 2007). .

Secondly, it was found that brand experiences (Brakus et al., 2009) and consumers' perception of the products' marketing characteristics (Grisaffe & Nguyen, 2010) had a greater influence on EA. The findings were not consistent with the hypothesis and indicated that regardless of CSR awareness, if consumers have not experienced the brand before (this can be direct or indirect), social beliefs about the brand are not strong enough to stimulate a response. The respondents that were non-active in the category revealed no relationship between CSR and EA, which is a limitation to organisations that have not created primary demand in BOP markets yet.

The second finding pertains to the samples' characteristics. The sample represented a developed market, with wide penetration of all three brands. Although the contribution between low LSM® (1-6) and high LSM® (7-10) groups were evenly distributed, a challenge was obtaining LSM® 1-2 consumers in urban economically active settlements. There is a distinct difference between the lowest LSM® levels. Consumers in LSM® 1-2 are severely disadvantaged by the limited access to household services, goods and exposure to media (Chipp & Corder, 2009). Therefore, the South African BOP market cannot be treated as a homogenous market and lower LSM® groups warrant greater social investments by organisations.

The inference is that the three organisations in this sample, only invested in BOP markets as they have already achieved primary demand, and therefore they are investing in their target market. One of the reasons, organisations is involved in CSR projects are to create a platform for demand by supporting the development of healthy productive markets (Porter & Kramer, 2006). By using the same reasoning, an opportunity exists to target potential customers (non-users) and seeing CSR initiatives as an investment in future growth. As consumers' living standard increase, organisations will reap the rewards of share of heart connections, which in the same way as nostalgic responses (Holak & Havlena, 1998) can be transferred over generations (Moore et al., 2002) and result in future consumer loyalty and intentions to purchase.

A last finding relates to the interaction between CSR and EA as variables to explain consumers' intention to purchase. In all instances, EA was found to be the only predictor of consumers' intention to purchase, however the model was only able to identify minor variances. The findings indicated that CSR awareness fosters positive CSR beliefs, which were consistent with the research conducted by Naidoo (2009). The belief that an organisation is behaving socially responsible, do in fact, create share of heart connections with the brand, but it is the emotional relationship that stimulates consumer response. In conclusion, the study did meet the set out objectives and added to the body of literature that stated (Becker-Olsen et al., 2006; Hoeffler & Keller, 2002; Lee & Shin, 2010) that CSR initiatives are a medium to connect with consumers.

7.2 Recommendations for marketers

The recommendations to marketers directly relates to the findings in this study:

- Consumers have to be aware of CSR projects in order to encourage positive CSR beliefs and share of heart. To capitalise on the full extent of benefits, organisations should incorporate CSR into their business strategy and offer a holistic CSR plan that positions the organisation as socially responsible.
- Lower LSM® markets are still underdeveloped and there is a real need for social projects aimed at providing basic services, work opportunities, education and infrastructure. Organisations should engage in these communities regardless of whether the consumers are active in the category or not; as the goodwill gained will transpire into a potential future market.
- Building share of heart in lower LSM® markets is important as this segment of the population is declining and the increasing middle class offers a market less constraint by affordability and access to products. Offer lower LSM® markets identical product quality and experiences as not to harm the brand and share of heart.
- Lower LSM® markets are still underdeveloped and there is a real need for social projects aimed at providing basic services, work opportunities, education and infrastructure. Organisations should engage in these

communities regardless of whether the consumers are active in the category or not; as the goodwill gained will transpire into a potential future market.

- The BOP market should be further segmented, as this does not present a homogenous group of consumers. Extensive research is needed to understand consumer behaviour, needs and motivations as the research presented in this study offer conflicting views on the profit opportunity at the BOP.

7.3 Limitations of the study

The following limitations are noted in the body of the research.

- The three brands in the study achieved wide market penetration and brand usage and therefore do not reflect the organisational challenges that organisations with limited primary demand, or higher order categories will face in BOP. Further research is necessary to investigate CSR as an antecedent in categories with no primary demand.
- The influence of CSR on consumers' share of heart was not measured in isolation and CSR was only able to explain at best 10% (FNB) of the variation in EA.

- Two limitations in the methodology influenced the findings of the study. A correlation study was carried out and therefore no cause and effect relationship can be implied. Secondly, the data was collected using a non-probability sampling method and therefore the inferences drawn in this study cannot be extrapolated to other consumer groups.
- The sample of respondents presenting the non-users in the category was very small, thus a possible Type II error could have affected the outcome of hypothesis two.

7.4 Recommendations for future research

The following recommendations are offered to build on the research conducted. Firstly, the sample included respondents across all LSM® levels, however to gain a deeper understanding of CSR as an antecedent to EA, specifically in BOP markets, a recommendation is to focus on rural LSM® 1-2 consumers exclusively. Additionally a larger sample of non-users in the category will also eliminate the possibility of a Type II error and provide insight into the influence of CSR specifically in a category with no primary demand. CSR as an antecedent was not measured in isolation and other variables did influence consumers' level of EA towards the brand, therefore a recommendation is to measure CSR by controlling for other variables and only measure consumers directly affected by the CSR projects.

It was found that CSR and brand experiences had an influence on respondents' EA towards the brand. For future research, it is suggested to investigate the activities that create EA with BOP consumers and to examine if there is any difference across LSM® levels. Lastly, additional research is necessary to investigate BOP consumers' perception regarding CSR initiatives. CSR awareness was offered as an antecedent, however opposing views were found in previous research commenting on the benefit consumers receive from CSR and the impact this has on their feelings towards the brand.

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APPENDICES

Appendix 1: Sample questionnaire

I am doing research on the emotions and feelings that consumers have towards different brands, involved in social responsibility projects and to measure the current level of awareness and usage. To that end, you are asked to think about the specific brands and complete the survey. The questionnaire should take no more than 20minutes of your time. Your participation is voluntary and you can withdraw at any time without penalty. Of course, all data will be kept confidential and no personal identifiable information will be collected. Please be as honest and accurate as possible. By completing the questionnaire, you indicate that you voluntarily participate in this research. If you have any concerns, please contact my supervisor or me. Our details are provided below.

Thank you for your participation.

SECTION A: GENERAL QUESTIONS

	MALE	FEMALE			
1. PLEASE INDICATE YOUR GENDER:					
2. PLEASE INDICATE YOUR AGE:	BELOW 20	21- 30	31-40	41-50	51+

3. Please indicate if you have hot running water	Y	N
4. Please indicate if you have a working PC/Laptop	Y	N
5. Please indicate if you have a working motor vehicle	Y	N
6. Please indicate if you have a working vacuum cleaner /floor polisher	Y	N
7. Please indicate if you have a working electric stove	Y	N
8. Please indicate if you have a working microwave	Y	N
9. Please indicate if you have a flush toilet in home or on plot	Y	N

SECTION B1: PRODUCT CATEGORY: FINANCIAL SERVICES

10. DO YOU KNOW THIS BRAND?



YES	
NO	

11. HOW DO YOU FEEL ABOUT THIS BRAND

*Instructions: This scale consists of a number of words that describe different feelings and emotions. Think about the brand above and indicate to what extent the words describe your feelings about **FNB**. Use the scale provided*

	Describes Poorly						Describes very well	
CARING	1	2	3	4	5	6	7	
FRIENDLY	1	2	3	4	5	6	7	
LOVED	1	2	3	4	5	6	7	
CALM	1	2	3	4	5	6	7	
PASSIONATE	1	2	3	4	5	6	7	
HAPPY	1	2	3	4	5	6	7	
IMPRESSED	1	2	3	4	5	6	7	
TOGETHER	1	2	3	4	5	6	7	
UNITED	1	2	3	4	5	6	7	
CLOSE	1	2	3	4	5	6	7	

12. ARE YOU AWARE OF THE FNB SPONSOR/FUND/SUPPORT					
	Not at all aware	Slightly aware	Somewhat aware	Moderate aware	Extremely aware
NATIONAL SUPPORTER OF THE FIFA 2010 WORLD CUP	1	2	3	4	5
CHILDLINE	1	2	3	4	5
EXTRA MATHEMATICAL LESSON FOR HIGH SCHOOL CHILDREN	1	2	3	4	5
TERTIARY BURSARY PROGRAMME	1	2	3	4	5
FNB HOSPICE FUND IN THE AREA OF HIV/AIDS	1	2	3	4	5

13. ARE YOU AWARE OF THESE BRANDS?

FNB	Y	N
ABSA	Y	N
STANDARD BANK	Y	N
NEDBANK	Y	N
AFRICAN BANK	Y	N
CAPITEC	Y	N
POST OFFICE	Y	N

14. DO YOU HAVE A BANK ACCOUNT WITH ANY OF THESE BANKS?

YES		GO TO Q15
NO		GO TO Q16

15. IF YES, WITH WHOM DO YOU BANK?

FNB	Y	N
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ABSA	Y	N
STANDARD BANK	Y	N
NEDBANK	Y	N
AFRICAN BANK	Y	N
CAPITEC	Y	N
POST OFFICE	Y	N
OTHER	Y	N

16. IF NO, DO YOU SEE THE BENEFIT IN HAVING A BANK ACCOUNT?

YES	
NO	

17. IF YOU HAVE TO CHOOSE, WHICH BANK WOULD BE YOUR FIRST CHOICE?
PLEASE ONLY INDICATE ONE

FNB	
ABSA	
STANDARD BANK	
NEDBANK	
AFRICAN BANK	
CAPITEC	
OTHER	

SECTION B2: PRODUCT CATEGORY: TELECOMS

18. DO YOU KNOW THIS BRAND?



YES	
NO	

19. HOW DO YOU FEEL ABOUT THIS BRAND

*Instructions: This scale consists of a number of words that describe different feelings and emotions. Think about the brand above and indicate to what extent the words describe your feelings about **MTN**. Use the scale provided*

	Describes Poorly						Describes very well
CARING	1	2	3	4	5	6	7
FRIENDLY	1	2	3	4	5	6	7
LOVED	1	2	3	4	5	6	7
CALM	1	2	3	4	5	6	7
PASSIONATE	1	2	3	4	5	6	7
HAPPY	1	2	3	4	5	6	7
IMPRESSED	1	2	3	4	5	6	7
TOGETHER	1	2	3	4	5	6	7
UNITED	1	2	3	4	5	6	7
CLOSE	1	2	3	4	5	6	7

20. ARE YOU AWARE OF THE MTN SPONSOR/FUND/SUPPORT					
	Not at all aware	Slightly aware	Somewhat aware	Moderate aware	Extremely aware
SOCCER: GOLDEN ARROWS, BLACK LEOPARDS AJAX CAPE TOWN	1	2	3	4	5
MISS SOWETO BEAUTY PAGEANT	1	2	3	4	5
MTN FOUNDATIONS: COMMUNITY DEVELOPMENT	1	2	3	4	5

21. DO YOU KNOW THESE BRANDS?

MTN	Y	N
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VODACOM	Y	N
CELL C	Y	N
HEITA	Y	N
VIRGIN MOBILE	Y	N

22. DO YOU HAVE A CELL PHONE?

YES		GO TO Q23
NO		GO TO Q24

23. IF YES, WITH WHO?

MTN	Y	N
VODACOM	Y	N
CELL C	Y	N
HEITA	Y	N
VIRGIN MOBILE	Y	N

24. IF NO, DO YOU SEE THE BENEFIT IN HAVING A CELLPHONE?

YES	
NO	

25. IF YOU HAVE TO CHOOSE, WHICH SERVICE PROVIDER WOULD BE YOUR FIRST CHOICE?
PLEASE ONLY INDICATE ONE

MTN	Y	N
VODACOM	Y	N
CELL C	Y	N
HEITA	Y	N
VIRGIN MOBILE	Y	N

SECTION B3: PRODUCT CATEGORY: CONSUMER PACKAGED GOODS

26. DO YOU KNOW THIS BRAND?

CLOVER



YES	
NO	

27. HOW DO YOU FEEL ABOUT THIS BRAND

*Instructions: This scale consists of a number of words that describe different feelings and emotions. Think about the brand above and indicate to what extent the words describe your feelings about **RICOFFY**. Use the scale provided*

	Describes							Describes very well
	Poorly							
CARING	1	2	3	4	5	6	7	
FRIENDLY	1	2	3	4	5	6	7	
LOVED	1	2	3	4	5	6	7	
CALM	1	2	3	4	5	6	7	
PASSIONATE	1	2	3	4	5	6	7	
HAPPY	1	2	3	4	5	6	7	
IMPRESSED	1	2	3	4	5	6	7	
TOGETHER	1	2	3	4	5	6	7	
UNITED	1	2	3	4	5	6	7	
CLOSE	1	2	3	4	5	6	7	

28. ARE YOU AWARE OF THE CLOVER SPONSOR/FUND/SUPPORT					
	Not at all aware	Slightly aware	Somewhat aware	Moderate aware	Extremely aware
CLOVER MAMA AFRICA PROJECT: Training and skills development: (cooking, baking, sewing, food gardens) Self-help projects: Save a child first aid course, mobile public phones, finance management	1	2	3	4	5

29. DO YOU KNOW THESE BRANDS?

CLOVER	Y	N
DEWFRESH	Y	N
PARMALAT	Y	N
DOUGLASDALE	Y	N
SUPERMARKET BRAND	Y	N
OTHER	Y	N

30. DO YOU BUY CHEESE AND/ OR MILK PRODUCTS?

YES		GO TO Q31
NO		GO TO Q32

31. IF YES, WHICH BRANDS?

CLOVER	Y	N
DEWFRESH	Y	N
PARMALAT	Y	N
DOUGLASDALE	Y	N
SUPERMARKET BRAND	Y	N
OTHER	Y	N

32. IF NO, DO YOU SEE THE BENEFIT IN BUYING CHEESE AND FRESH MILK?

YES	
NO	

**33. IF YOU HAVE TO CHOOSE, WHICH SUPPLIER WOULD BE YOUR FIRST CHOICE?
PLEASE ONLY INDICATE ONE**

CLOVER	Y	N
DEWFRESH	Y	N
PARMALAT	Y	N
DOUGLASDALE	Y	N
SUPERMARKET BRAND	Y	N
OTHER	Y	N

Appendix 2: Case summaries

Table 26: Brand awareness: FNB, MTN and Clover

FNB Awareness		
	Frequency	Percentage
Yes	238	99.2
No	2	.8
Total	240	100.0
MTN Awareness		
	Frequency	Percentage
Yes	238	99.2
No	2	.8
Total	240	100.0
Clover Awareness		
	Frequency	Percentage
Yes	239	99.6
No	1	.4
Total	240	100.0

Table 27: Brand Usage by LSM®: FNB, MTN and Clover

LSM * Category Usage: FNB			
FNB	Active user in category		Total
	Yes	No	
LSM 1-4	12	10	22
LSM 5-6	76	19	89
LSM 7-8	71	5	72
LSM 9-10	44	0	45
Total	203	34	218
LSM * Category Usage: MTN			
MTN	Active user in category		Total
	Yes	No	
LSM 1-4	15	7	22
LSM 5-6	84	12	96
LSM 7-8	72	4	76
LSM 9-10	44	1	45
Total	215	24	239

LSM * Category Usage: Clover			
Clover	Active user in category		Total
	Yes	No	
LSM 1-4	12	10	22
LSM 5-6	90	6	96
LSM 7-8	75	1	76
LSM 9-10	45	0	45
Total	222	17	239

Table 28: CSR Awareness: FNB, MTN and Clover

FNB CSR Awareness					
	Supporter FIFA 2010	Child line	Extra Mathematical lesson	Tertiary Bursaries	HIV Hospice Fund
Valid	240	238	238	236	238
Missing	0	2	2	4	2
Mean	3.36	1.99	2.13	2.92	1.86

MTN CSR Awareness			
	Sport sponsorship	Miss Soweto	MTN Foundation
Valid	240	238	238
Missing	0	2	2
Mean	3.97	2.03	1.95

Clover CSR	
Mama Africa Project	
Valid	238
Missing	2
Mean	1.69

Table 29: Descriptive Statistics EA: FNB, MTN and Clover

Descriptive Statistics: FNB EA			
	N	Mean	Std. Deviation
FNB Affection	240	4.68	1.647
FNB Passion	239	4.67	1.735
FNB Commitment	239	4.41	1.748

Descriptive Statistics: MTN EA			
	N	Mean	Std. Deviation
MTN Affection	240	5.00	1.650
MTN Passion	240	4.97	1.720
MTN Commitment	240	4.54	1.809

Descriptive Statistics			
	N	Mean	Std. Deviation
CLOVER Affection	240	5.18	1.482
CLOVER Passion	240	5.18	1.624
CLOVER Commitment	240	4.63	1.781

Table 30: CSR awareness by category usage

FNB CSR awareness		
	N	Mean
User	204	2.48
Non-user	34	2.38
Total	238	

MTN CSR awareness		
	N	Mean
User	214	2.05
Non-user	24	1.52
Total	238	

Clover CSR awareness:		
	N	Mean
User	221	1.72
Non-user	17	1.29
Total	238	