



GORDON INSTITUTE
OF BUSINESS SCIENCE

University of Pretoria

**The value drivers of investing in sport-based corporate social
responsibility initiatives**

Zanele Ziphelele Ngwenya

29612757

A research project submitted to the Gordon Institute of Business Science,
University of Pretoria, in partial fulfilment of the requirements for the degree of
Master of Business Administration.

10 November 2010

Abstract

This exploratory research study has provided the theorisation of the key drivers of why South African companies invest in sport-based Corporate Social Responsibility (CSR) programmes. The objectives of this research were addressed through a case study using unstructured qualitative interviews conducted with five (5) managers from companies that are funders and trustees of The Sports Trust. This research identified key drivers of companies' investment in sport-based CSR as: social integration and economic development; assisting companies in implementing their strategies; improving the companies' performances through attracting and increasing their client base; bringing immediate gratification and other intangible benefits; fulfilling regulatory requirements for public and other regulatory bodies; and being seen as good corporate citizens. Companies are now closely integrating CSR investment with sponsorship issues which seek to promote brand awareness, consumer loyalty and profitability of their products. Companies are also combining their CSR initiatives with their cause-related marketing campaigns as well as in the creation and innovation of new products. From the qualitative data analysis, it was possible to conclude that although funders of The Sports Trust's views of CSR tend to highlight different aspects, they fit the legitimacy theory which can be considered a mix of economic and ethical theories described by Goddard (2005). Moreover they could be considered as being complementary.

Keywords

Corporate social responsibility, cause-related marketing, sports, sponsorship, social sponsorship.

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.

Zanele Ziphelele Ngwenya

Date

Acknowledgements

I would like to thank my supervisor, Michael Goldman, for agreeing to supervise me and for being extremely helpful. I also wish to express my thanks to my friends for giving me important advice and assistance, where possible, on my research paper.

To The Sports Trust and its trustees, I would like to extend my thanks, especially to Jackie Mathebula, Chairman of the Board of Trustees.

Finally, thank you to my wife for making everything possible.

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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

Corporate Social Responsibility (CSR) has become common practice for businesses across industries all over the world (Porter & Kramer, 2002, 2006). CSR has increasingly become a priority for commercial organisations over the course of the past 25 years, with many companies integrating CSR into strategic management of their business towards delivering a range of benefits (Walker & Kent, 2009). CSR has become a potential path to legitimacy and an improved public relations tool for most companies. There are many examples of CSR practices in all business sectors; however most of these initiatives are not related to sport (Forester, 2009; Zeigler, 2007).

According to the United Nations website (United Nations, 2009), the United Nations Children's Fund (UNICEF) has worked with governments and partners throughout the world to use sport-based programmes to improve children's lives and to strengthen communities. Also, according to the United Nations website (United Nations, 2005), sport has played a significant role as a promoter of social integration and economic development in different geographical, cultural and political contexts. Sport has been identified as a powerful tool for strengthening social ties and networks, and for promoting ideals of peace, fraternity, solidarity, non-violence, tolerance and justice. According to the Sport for Development and Peace International Working Group (United Nations, 2005), sport has been seen to have the most benefits for:

- 1) Individual development
- 2) Health promotion and disease prevention
- 3) Promotion of gender equality
- 4) Social integration and the development of social capital
- 5) Peace building and conflict prevention/resolution
- 6) Post-disaster/trauma relief and normalisation of life
- 7) Economic development
- 8) Communication and social mobilisation.

These are otherwise known as the eight Millennium Development Goals (MDG) (United Nations, 2009). The United Nations (United Nations, 2005) has further elaborated that sport can be looked at from a development perspective and the focus is always on mass sport and not elite sport, and it is used to reach out to those most in need including refugees, child soldiers, victims of conflict and natural catastrophes, the impoverished, persons with disabilities, victims of racism, stigmatisation and discrimination, persons living with HIV/AIDS, malaria and other diseases.

Ban Ki-moon, United Nations Secretary-General, has been quoted as saying “Sport is increasingly recognized as an important tool in helping the United Nations achieve its objectives, in particular the MDG. By including sport in development and peace programmes in a more systematic way, the United Nations can make full use of this cost-efficient tool to help us create a better world” (United Nations, 2005).

However, the issue of sport and CSR appears to have been neglected and in 2007 the Journal of Sport Management’s editors issued a call for papers on

CSR and sport (Zeigler, 2007). According to Zeigler (2007), CSR within sport has been largely neglected and there has been a need for a better theoretical and practical understanding of CSR related to sports. Since then, Forester (2009) wrote about CSR in sports industries and Smith and Westerbeek (2007) wrote about the importance of sport as a vehicle for deploying CSR.

Nelson Mandela's statement that sport can change the world holds much ideological sway and is supported by the United Nations Inter-agency Task Force on Sport for Development and Peace, which articulates a strategy for sport's contribution to peace, political stability and health (cited in: Smith & Westerbeek, 2007). However, key to the argument is that without financial backing of corporate partners, the value of sport as a vehicle for social responsibility is limited and the scope to improve this flow of resources to sport is substantial (Smith & Westerbeek, 2007).

CSR has received considerable attention in the academic literature as the role that CSR plays in business has grown, and the focus of academic research has been placed on identifying the link between financial and social performance (Babiak & Wolfe, 2009). Babiak and Wolfe (2009) researched the drivers (internal and external) of socially responsible activities by professional sports teams. In their proposal for further research, Babiak and Wolfe (2009) stated that CSR initiatives could be classified by the type of social issue (for example, environment, health, education, risk-prone behaviour) and demographic group (for example, minority, elderly, youth, inner city) that were addressed. Gathering such data on an annual basis, and relating them to relevant macro (for example, economic), organisational (for example, team success "on the field"), and

individual (for example, player misconduct, change in ownership) variables has shed some light on what the drivers of CSR adoption and maintenance are. In following the steps identified by Babiak and Wolfe (2009), this study has continued to determine the value drivers of sport-related social responsibility initiatives by South African companies and non-profit organisations.

South Africa has a low-growth, high poverty, unemployment-ridden, ever more unequal, capital flight prone, volatile, vulnerable, elite-oriented economy (Cock, 2008). Hence the drive for corporations to display good citizenship - and sport involvement has proven to be the appropriate device in deploying corporate social responsibility in South Africa. Du Toit (2009) indicated that business leaders should change the way they look at business, especially in South Africa, as an increasingly troubled society, evidenced by community protests, has shown that social investment is good business towards sustainability and building reputations.

This dissertation analysed the reasons why certain companies in South Africa would engage in a sport-based CSR programme, what the returns that the companies would expect for their investments are and how they measure their investment in sport-based CSR programmes towards alleviating the country's major problems relating to poverty, hunger, violence, and inefficient public services such as those pertaining to public schools and hospitals. Within this scenario and with the inefficiency of the government in solving social problems, it is expected that commercial organisations would intervene to help solve some of the aforementioned social problems (Paro & Boechat, 2008).

Many organisations have been using the MDGs as a framework for developing socially responsible strategies (Nelson & Prescott, 2008; Paro & Boechat, 2008; Walter & Castro, 2007). Since the companies are not in the business of sport, such companies invest their funds in sports agencies which incorporate government funds to implement sport-based CSR. The example of this is The Sports Trust.

Macleod (2009) pointed out that the winners of the Corporate Award, the Mr Price Group, have invested in sport-related corporate social responsibility by funding a soccer development programme in Cape Town. The investment was based on the 2005 Cape Town study, which reflected that 80 percent of respondents believed sport would help uplift their lives. Nel (2009) also discussed a project called Dreamfields, funded by BHB Billiton and Old Mutual, that was launched in Orange Farm, south of Johannesburg towards the development of low-cost, low-maintenance football fields.

In conclusion, this research was important and relevant in serving as a case study of sport-based CSR that addresses major social problems of South Africa, with the aim of evaluating the key determinants of companies investing in sport-based CSR.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Schwab (Executive Chair, World Economic Forum) (2008, p. 107) stated: "Compared to just a decade ago, it is now common for business people to talk about social responsibility and the importance of being good corporate citizens". This illustrated the importance of distinguishing between the different types of corporate activities to engage in society, and determined that the integrated strategy for effective corporate engagement rested on five core concepts:

- 1) Corporate Governance: compliance that meets or exceeds local and international laws, transparency and accountability requirements, ethical norms, and environmental and social codes of conduct;
- 2) Corporate Philanthropy: on the rise in many countries in recent years; includes donations and social investing;
- 3) Corporate Social Responsibility: triple bottom-line accountability that measures financial results and environmental and social responsibilities, extending along the whole chain of value creation;
- 4) Corporate Social Entrepreneurship: transformation of socially and environmentally responsible ideas into products/services;
- 5) Global Corporate Citizenship: entails a focus on "global space" that is increasingly beyond the control of nation-states.

This Literature Review has covered three of these concepts (excluding corporate governance principles and corporate social entrepreneurship),

especially in terms of initiatives related to sport. In addition, cause-related marketing in sport was looked at in order to yield a more focused study.

2.2 Corporate Citizenship

The World Economic Forum defined corporate citizenship as “the contribution a company makes to society through its core business activities, its social investment and philanthropy programmes, and its engagement in public policy” (Cited in Drake, 2008). In an interview, Rhonda R. Mims (President, ING Foundation/Senior Vice President, Office of Company Citizenship and Responsibility, ING Americas) said that more and more companies have become convinced that the best way to demonstrate their social responsibility and effect real, valuable change is to concentrate their efforts at the interface of what customers care about and what the corporation does best. This has started to change because corporations are seeing that they can help generate social benefits, help their customers, and not incidentally help their bottom line by aligning the company's social mission with its business mission (Drake, 2008).

There are three approaches to answering the question of why companies engage in corporate citizenship efforts (Goddard, 2005). The first approach focuses on economic incentives, whereby the so-called business case for corporate citizenship maintains that it has positive impacts on profitability or competitiveness, at least in the medium and long term (Goddard, 2005). The second approach to understanding the drivers of CSR focuses on ethical motives, often with an emphasis on why economic incentives are insufficient for

delineating a social role for business (Goddard, 2005). The third approach emphasises the institutional dimension, directing “attention toward forces that lie beyond the organisational boundary, in the realm of social processes” (Hoffman, 1999, p. 351) as cited in a discussion by Goddard (2005).

Corporate citizenship focuses on the balance of rights and responsibilities deriving from a corporation’s legal and social status within a community, its influence and ability to create change, and the need to participate in the community’s political life. Communities are made up of individuals with common interests and values that contribute to sustainable development (Drucker, 1993 cited in Goddard, 2005), but there is seldom an open discussion on the role of corporations in forming those interests and values.

Corporations that can learn from long-term projects stand to gain the most from being seriously committed to enhancing a community’s social capital (Goddard, 2005). Such corporations are moving beyond the philanthropic and sponsorship model of corporate citizenship, and are actively engaging with communities to ensure that their business investments also build capacity for the community, and are guided by the principle that the social investments should outlast the mines themselves (Goddard, 2005).

Benefits created within the community flow into the corporation and thus support the role of community-relations specialists in promoting integrated approaches to sustainable development strategies (Goddard, 2005). According to Goddard (2005), the function of community relations is increasingly complex in terms of the nature of the tasks and the diverse roles of staff within the organisation. Such diversity demonstrates an organisational culture that is more

positive towards integrating community interests into its core business (Goddard, 2005). This diversity also shows that each organisation has different drivers in the adoption of corporate social responsibility investments and value derived from each investment would also differ between organisations.

2.3 Corporate Philanthropy

In an interview, Rhonda R. Mims (President, ING Foundation/Senior VP, Office of Company Citizenship and Responsibility. ING Americas) (Drake, 2008) stated that corporate philanthropy might be seen as one of those intangibles one cannot measure, but in fact one can, because one can set one's own scorecard and identify those things that need to be measured. This space has value for the business objective because it adds value to one's reputation.

Prominent scholars such as Michael Porter argued that philanthropy helps a firm's bottom line and could be a source of competitive advantage (Porter & Kramer, 2002, 2006) . Numerous studies claim to support the link between giving and profit (Cited in Henderson & Malani, 2007).

All that matters is that the firm is actually doing some public good and that the act of doing this helps not only strangers to the firm but also its shareholders. "Even Milton Friedman, who famously claimed that the 'only responsibility of business [is] to use its resources and engage in activities designed to increase its profits', acknowledged that corporate philanthropy may be justified when it is necessary to maximise long-run profits" (Cited in Henderson & Malani, 2007).

The opposing view, summarised by Milton Friedman (1970), claimed that the CSR movement conflates business and politics in ways that obscure rather than illuminate the relevant issues. Friedman criticised CSR on the ground that business knows nothing of politics or social policy (Cited in Henderson & Malani, 2007).

2.4 Corporate Social Responsibility

The European Union Green paper defined corporate social responsibility as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

It has become apparent that there is a current and ongoing paradigm shift in economic and financial standards towards more socially responsible practices (Nehme & Wee, 2009). High-profile corporate collapses such as Enron, Worldcom and HIH have led to a heightened awareness and sense of urgency about this issue (Nehme & Wee, 2009). The Johannesburg Stock Exchange's Social Responsibility Index is voluntary and not well monitored, with large firms which are notoriously hostile to the environment (Bond, 2008).

CSR has made progress in helping companies rethink their responsibilities and self-interest in the developing-country context. This has happened in part because power relationships between companies and investors, consumers, the media and civil society have been used to stimulate debate about how companies should relate to the poor and marginalised, and in part because various tools and models have been developed to manage social and environmental performance (Blowfield, 2005).

One of the main problems with CSR is that each company adopts different strategies, so it can be difficult even for commercial partners or governments to assess their effectiveness (Ford, 2009). Corporate social responsibility can be the strategic engine for long-term corporate profits and responsible social development (Berkhout, 2005). CSR has become increasingly important in the corporate world. In particular, companies with bad reputations seem to be interested in changing their negative image through CSR activities (Yoon, Gurhan-Canli, & Schwarz, 2006). CSR figures prominently in the discourse of some business leaders and management gurus. Four claims, in particular, have been made (Utting, 2005):

- 1) CSR can enhance a company's competitive advantage;
- 2) Some forms of CSR, such as eco-efficiency or recycling, can actually reduce costs;
- 3) CSR is good for staff morale and motivation; and
- 4) CSR is a proxy for competent management and associated qualities related to innovation, the ability to anticipate and deal with risks, and learning and using knowledge effectively.

There is no doubt that CSR will be embedded in the company's culture and organisational profile to such an extent that it will not be noticed, explicitly, anymore (Hopkins, 2006).

The value orientation towards society has a positive effect on the firm's reputation and potential outcomes on corporate social responsibility lead to economic value creation (Hammann, Habisch & Pechlanern, 2009).

George (2009) illustrated that CSR relates to operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. He further suggested that companies should be held responsible for roles over which they have direct control. CSR, therefore, should be reflective of the growing expectations of the society and the evolving role of companies in responding to the growing environmental, social and economic challenges (George, 2009). The author also identified three key drivers of CSR by business:

- 1) Firstly, the core value systems by which the firm feels responsible not only for wealth creation but also for social and environmental good
- 2) Secondly, CSR is considered as the key to strategic development of a company
- 3) Lastly, public pressure from consumers, media, state, public bodies forms the key driver, pressing companies to be more socially responsible.

George (2009) also suggested that Corporate Social Responsibility (CSR) has been increasing in importance as it helps organisations to improve their relationships with local communities, increase brand value, and build a good corporate image for themselves. CSR has now breached the contours of social philanthropy and traversed into the arena of business strategy for sustainable growth (George, 2009).

In the United Kingdom, Haigh and Jones (2009) identified six sets of influences that might promote social responsibility actions within a firm:

- 1) internal pressures on business managers;

- 2) pressures from business competitors;
- 3) pressures from investors;
- 4) pressures from consumers;
- 5) regulatory pressures coming from governments; and
- 6) other pressures from non-governmental organisations.

The South African government faces enormous challenges in addressing the deep imbalances in a society created by the apartheid regime. Drivers of corporate social responsibility in South Africa would be influenced by different factors in an organisation's adoption of CSR initiatives. Research was conducted in which drivers of responsible investment, which are closely related to drivers of corporate social responsibility investment, (Viviers, Eccles, de Jongh, Bosch, Smit & Buijs, 2008) were identified as follows:

- 1) Alignment with corporate mission or values
- 2) Investment risk reduction
- 3) More stringent legislation/regulation
- 4) Increased stakeholder advocacy.

Thus, further analysis of the drivers influencing the social responsibility investment warranted investigation due to the different social challenges facing South Africa.

2.5 Cause-Related Marketing in Sport

The majority of work in the sport management field related to CSR addressed 'cause-related' sport marketing, where partnerships between sports organisations and charitable causes as well as related communication strategies and marketing programmes were examined, from both the

organisation and consumer perspective (Bradish & Cronin, 2009). Cause-Related Marketing (CRM) programmes represent the confluence of perspectives from several specialised areas of inquiry such as marketing for non-profit organisations, the promotion mix, corporate philanthropy, corporate social responsibility, fund-raising management and public relations (Varadarajan & Menon, 1988). CRM can be viewed as a manifestation of the alignment of corporate philanthropy and enlightened business interest. It is basically a marketing programme that strives to achieve two objectives – improve corporate performance and help a worthy cause – by linking fund-raising for the benefit of a cause to the purchase of the firm's products and services (Varadarajan & Menon, 1988).

The increasing popularity of cause-related marketing programmes can be attributed to the integration of sponsorship in many organisations' sports marketing strategies (Irwin, Lachowitz, Cornwell & Clark, 2003). Cause-related marketing campaigns, including sports sponsorship, provide an excellent context for delivering consumers' interpretation of promotion with social dimensions and exploring their behavioural responses to such corporate 'do-gooding' (Irwin et al, 2003). CRM has grown in its use as part of firms' marketing strategies because of their desire to achieve strategic objectives coupled with unmet resource needs of non-profits (Roy, 2003). The goal of CRM programmes is to create, develop or reinforce positive brand associations for a corporation. This creation/reinforcement of associations can result in three outcomes: improved perception of the sport organisation or firm; enhanced consumer loyalty towards the organisation; and consumers re-allocating their expenditure on sports and entertainment offerings (Lachowitz & Gladden, 2003).

Corporate sponsorship of athletes, facilities, events is not a new phenomenon in the sport marketing world, while cause-related marketing is a relatively new phenomenon in the sports sponsorship world (McGlone & Martin, 2006).

Wagner and Thompson (1994) investigated cause-related marketing as a fund-raising tool or false philanthropy and identified the drivers of cause-related marketing as:

- 1) generating income;
- 2) benefiting a cause and fulfilling a philanthropic obligation;
- 3) maximising goodwill;
- 4) bringing a 'feel-good' effect to consumers; and
- 5) improving community relations.

2.6 Corporate Social Responsibility in Sports

Corporate social responsibility in sports tends to be confused with sponsorships, where sport enterprises are faced with the obligations of returning the investment made in them through exposure, positive associations, hospitality and product sales. Sponsorship is a business investment through the application of a marketing-mix tool whereas CSR is ideally a genuine attempt to return benefits of successful business back to the community from which it originated (Smith & Westerbeek, 2007). Sport possesses the power to captivate and unite individuals within communities and create an environment for contributing to social capital. Corporate managers and sports managers alike can enhance the economic prospects of their organisations and maximise the social benefits that they deliver to society by better harnessing the power of

sport to deliver on social and community objectives (Smith & Westerbeek, 2007).

Smith and Westerbeek (2007) argued that sport serves as a bridge across social and economic gaps, as an opportunity to improve the quality of life, and as a stimulus to encourage large and profitable businesses to share a little of their prosperity. Smith and Westerbeek (2007) also identified the features of sport corporate social responsibility mainly as:

- 1) Mass media distribution and communication power;
- 2) Youth appeal;
- 3) Positive health impacts;
- 4) Social interactions;
- 5) Sustainability awareness;
- 6) Cultural understanding and integration; and
- 7) Immediate gratification and benefits.

CSR–sport relationships may work both ways: that is, CSR may be good for sport and sport organisations, and sport may be good for CSR. Babiak and Wolfe's (2009) investigation showed that varied forces external to the organisations, such as constituents, the initiatives of other organisations, and more broadly, the perceived expectations of society, play an important role in the adoption of CSR by professional sports teams. From an internal perspective, resources also play an important role in determining the adoption of CSR (Babiak & Wolfe, 2009).

By acting in an environmentally responsible way, the organisation can be seen as being, in a sense, a sponsor of the natural environment. Maignan and

Ralston (2002) suggested that embracing corporate social responsibility may be an effective way for firms to enhance their image among stakeholders in terms of reputation.

According to Misener and Mason (2006), social responsibility could be linked to community development initiatives related to sport. The area of CSR in sport has remained a relatively underexplored area despite recent research efforts in sport management (Basu & Palazzo, 2008).

Babiak and Wolfe (2009) found that the primary drivers of CSR in these organisations were external pressures (context, content, constituents, control, and cause) on the organisation as well as internal resources that are rare, valuable, and inimitable. For the South African situation, the drivers for adoption of CSR were investigated in this study and determinants identified by Babiak and Wolfe (2009) assisted in the coding for data analysis.

The external pressures identified by Babiak and Wolfe (2009) are detailed as follows:

- 1) Context – mainly focuses on dependencies of partnerships with corporate sponsors, media, and local and state governments, and in particular, the league governing body
- 2) Content – responsiveness to constituent demands depends on whether those demands are consistent with organisational goals
- 3) Constituents – constituents such as employees, players, sponsors, the local community and spectators/fans could be important drivers of community outreach efforts. In their investigation, Babiak and Wolfe (2009) found these forces at play

- 4) Control – mainly legal requirements to engage in community outreach efforts and implemented through community relations departments
- 5) Cause – consistency with societal expectations. Community advocates of corporate social initiatives have argued that due to their abundance of resources, corporations should help solve social problems.

The external pressures in the adoption of CSR in professional sports and in the study by Babiak and Wolfe (2009) are too general and more specific pressures are necessary to assist the organisation in determining the key factors in engaging in the sport-related corporate social responsibility initiatives.

The internal pressures identified by Babiak and Wolfe (2009) are detailed below:

- 1) Resources – the resource-based view of the firm considers whether relevant resources of professional sport teams are valuable, rare, and inimitable. And thus, professional sport has definite advantages in implementing CSR programmes and in their impact within the community
- 2) Valuable – resources that contribute to a competitive advantage are valuable in the sense of enabling an organisation to uniquely exploit opportunities
- 3) Rare – the valuable resources of professional sport teams described above are exceedingly rare
- 4) Inimitable – identity, admiration and passion cannot be perfectly imitated.

This study was specific to the organisations directly investing in sport-based corporate social responsibility initiatives and the underlying determinants from

the internal pressures would also differ for different organisations due to their sizes, mandates and geographical spread.

CHAPTER 3: RESEARCH QUESTIONS

The research aimed to determine the key drivers for South African companies in investing in sport-based CSR initiatives, and to explore benefits to companies for such investments. The following questions were formulated to address the research aim:

3.1 Research Question 1

Why do companies invest in sport-based CSR initiatives?

With regard to Research Question 1, the researcher set out to establish the key drivers for companies to engage in sport-based CSR by investing resources in such initiatives.

3.2 Research Question 2

What is the return of investment that the companies expect from investing in sport-based CSR?

In seeking to ascertain the compelling proposition that provides a rate of return that corresponds with the risk in the underlying investments, the research sought to enquire whether CSR offered an attractive proposition that adequately balanced the risk-return equation.

3.3 Research Question 3

How do the companies measure their investment in sport-based CSR?

This research question sought to determine measurement tools used by companies in determining the investment in sport-based CSR.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

This chapter explored the methodology that was adopted for this research in an attempt to understand the objectives and measures that companies use in investing in sport-based CSR initiatives. The chapter also discussed the unit of analysis, details of how the data was collected and the data analysis techniques used. It also discussed the limitation of the research.

4.2 Rationale for the Research Method

This study sought to explore the underlying reasons for South African companies' involvement in sport-based CSR initiatives. The research was therefore exploratory in nature as limited empirical evidence was available. The research design was qualitative in order to obtain an in-depth understanding of a company's involvement in sport-based CSR initiatives (Babiak and Wolfe, 2009).

No clarity could be discerned from the body of literature as to why companies invest in sport-based CSR initiatives. Zikmund (2003) highlighted that exploratory research is conducted to clarify ambiguous problems and gain a better understanding of the dimensions of the problem. "Usually, exploratory research provides greater understanding of a concept that crystallizes a problem, rather than providing precise measurement of quantification" (Zikmund 2003, p. 111).

Zikmund (2003) illustrated the purposes of exploratory research as diagnosing a situation, screening alternatives and discovering new ideas. This study adopted a qualitative approach to determine what the objectives of the current investors or sponsors are in engaging in sport-based CSR initiatives. In addition, how they measure their investment in these initiatives was to be determined. In order to understand these decision-making processes, the research was conducted using in-depth interviews. “The in-depth interview is unstructured to encourage respondents to talk freely without influencing the direction of the conversation” (Zikmund, 2003, p.130).

Secondary sources of data were also used to provide an alternative perspective to information gathered through the interview process. The secondary data included press releases, newsletters, web page descriptions, corporate social responsibility vision and mission statements and annual reports (Babiak & Wolfe, 2009).

4.3 Population and Unit of Analysis

Zikmund (2003) defined the population as a group of entities sharing a common set of characteristics. The population relates to companies that have invested in active sport-based CSR initiatives in South Africa.

The unit of analysis was based on the determinant factors in investing in sport-based CSR initiatives.

4.4 Size and Nature of the Sample

The sample was based on a non-probability judgement sampling technique. “This sampling technique enables a researcher to select the sample based

upon some judgement regarding unique characteristics required of the sample members” (Zikmund, 2003, p. 382). The study was based on companies that have invested in sport-related corporate social initiatives. The researcher identified sports-related corporate social initiatives, mainly The Sports Trust and the entities that have invested in it. The study took into account that this form of sampling is open to a degree of researcher’s bias.

The population sample was based on convenience as a result of accessibility of the participants from the sport-based CSR initiative. The sample size should range between five and 20 entities according to Zikmund (2003). An initial sample of three personal contacts of the researcher was based on convenience and accessibility. Another two participants were further identified from snowball contacts from the initial pool of candidates.

4.5 Characteristics of the Study Participants

Of the five participants in this study, of which one was white, three black and one Indian, all were men. The participants represented the companies that are trustees and funders of The Sports Trust and were all based in Johannesburg, Gauteng. The experience of the participants was extensive and varied between different industries of South African companies.

The Sports Trust was established in September 1995 as a joint venture between the private and public sectors – all with a shared goal of providing opportunities to play sport to all South Africans, at all levels, across all sporting codes.

Since its inception, The Sports Trust has spent over R42.5 million on over 250 projects throughout South Africa with a strong emphasis on establishing and upgrading sporting facilities and providing equipment. With this ongoing support, The Sports Trust Board of Trustees has enabled The Sports Trust to change the lives of many South Africans through sport.

An interview guide was used based on the research questions but the participants were not restricted in the scope of their responses. The opinions and views expressed by the participants in this study, were intended to be representative of the organisations for which they currently work.

4.6 Proposed Research Process

The scope of the research was limited to the South African organisations that invest in the identified sports-related corporation social initiatives.

The research project was conducted in two phases:

Phase 1: All participating entities that invest in sport-related corporate social initiatives were interviewed. These interviews were unstructured interviews and open-ended based on the similar research questions:

- 1) Why are the organisations involved in sport-related corporate social responsibility initiatives?
- 2) What are the expected benefits from investing in sport-related corporate social responsibility initiatives?
- 3) How do the companies measure their investment in sport-based CSR initiatives?

Phase 2: Organisational documents of the participating entities that have direct relevance to the study were collected.

4.7 Data Collection

In this study, data collection techniques were developed using Yin's (1994) approach to developing instrumentation. Each research question was addressed in the following manner: likely sources of data and possible sample questions; instruments developed and refined, resulting in the production of a number of consent forms, information sheets and preliminary interviews scheduled. The data collection was also developed during the fieldwork process.

A variety of data collection strategies were used, including unstructured interviews with the participants in entities investing in sport-based corporate social responsibility initiatives (audio-taped) and written transcripts during the interview process. In addition, documents relating to the sport-related corporate social responsibilities were collected.

4.8 Data Management and Analysis

“The process of data analysis follows the preliminary stage of checking through the transcript during the interview and audio tapes” (Gillham, 2005, p. 125). This process mainly includes standardisation of written transcripts into patterns for analysis.

“An unstructured interview is usually conducted with narrative or thematic forms of analysis in mind” (Gillham, 2005, p. 126). Narrative strands from the information can be edited down by identifying substantive statements and

deleting 'padding' and repetition (Gillham, 2005, p. 130). These narratives can further be broken down into themes embedded in the research questions.

As the research study was concerned with certain elements in participants' responses, the elements required were filtered and those not required were discarded. The transcript was treated as an unstructured interview.

All elements were thereafter categorised and coded for useful analysis. All coded observations were analysed using the jigsaw puzzle analogy, as argued by Jorgensen (1989). The analyses included breaking up, separating, or disassembling research materials into pieces, parts, elements, or units. With facts broken down into manageable pieces, the researcher sorted and sifted observations, searching for types, classes, sequences, processes, patterns or holes. The aim of this process was to assemble or reconstruct the data in a meaningful or comprehensible fashion (Jorgensen, 1989, p. 107).

This analysis grid per category or code was utilised to compare and contrast each of the observations or/and codes to discover similarities and differences, build typologies, or find sequences and patterns.

4.9 Data Limitation

According to Zikmund (2003), there might be threats to validity which are identified in methodological literature as chance or random error, bias or systematic error and confounding.

The study design was qualitative, exploratory methodology, characterised by convenience sampling, whose primary objective was not to extrapolate or generalise the results to a large population (Mtshazo, 2008, p. 31).

Bias of participants might be motivated by a wish to justify their actions, they might wish data to be removed because their views had changed, or were regretted or forgotten. The act of reading the transcript for accuracy might cause the participant to revise his or her views and/or influence the course of the remainder of the study.

Data analysis followed a narrative and thematic approach that is easy to replicate, further validating the reliability of the results and the possibility of replicating the findings (Mtshazo, 2008, p. 32).

Finally, since the study was exploratory in nature, it limited the confounding effect as it did not relate to a cause and effect relationship between the variables.

CHAPTER 5: RESULTS

5.1 Introduction

This section covered analysis of the results of the research based on the following research objectives:

- 1) To explore, through this case study, why the companies are involved in sport-based CSR initiatives
- 2) To explore and discuss the return of investment that the companies expect from the sport-based CSR initiatives in South Africa
- 3) To explore, through this case study, how companies measure their investment in sport-based CSR initiatives

This chapter also presented the results of the research interviews held with the five respondents as discussed in Chapter 4. An open interview was conducted to stimulate the discussion and obtain concrete insights on the research questions.

5.2 Research Question 1

Why does the company engage in sport-based CSR initiatives?

Respondent 1

The respondent started by stating: *“CSR is part of this company’s strategy. The main objective of the company is to promote a sustainable transformation in communities in which we are involved. Therefore our CSR policy includes initiatives that can be done through sports, arts and culture; education; socio-economic development and broad-based black economic empowerment”*.

The respondent stated that their involvement was based on them being initial founders of the sport-based CSR initiative and continued by saying: *“Since the inception of The Sports Trust we have continued to support it as the founding members and where The Sports Trust has failed to sustain some of the initiatives, we have taken over those initiatives - mainly the sport academy that was developed in the early days of The Sports Trust”*.

He further suggested that their involvement was based on the improvement of the labour services communities as stated in the South African Mining Charter: *“We are happy to align the projects of The Sports Trust with the projects that give us credit as per the Department of Mineral Resources and per the Mining Charter as they cover poverty alleviation, infrastructure development, community development and job creation”*.

He also suggested that the company engages in a socio-economic feasibility study on a yearly basis to identify the needs of the labour services communities by saying: *“Sport-based CSR projects that we engage in depend on the community needs and are based on the socio-economic development research that the company does and also the Integrated Development Plan of the municipalities where we operate. And the reason in company investing in these projects is mainly of being good corporate citizens and balancing our triple bottom-line effect”.*

Respondent 2

The respondent was very passionate about sport and emphasised the importance of sport: *“Sports has been the catalyst of infrastructure development, social cohesion in South Africa and life skills education amongst South African youth. This was evident during the hosting of the 2010 FIFA World Cup™ in South Africa, as we can see what can be achieved through sports in solving social challenges through sports projects and events”.*

The respondent illustrated that the growth of the sport industry was their main focus and that the company always looks at projects that satisfy that strategic intent by saying: *“As indicated that we are in the business of sport, our company strategy is to issue that we operate in the sustainable market and that the market of sports is growing. And the markets of sport will not grow without the development of the grassroots. We want the company to be something Africans can be proud of. Thus the company’s investment in sports are vast and incorporates a range of people, sports, events, facilities and programmes. We believe, as stated in reports, that we*

are a catalyst for real and meaningful transformation because for us to strive, sports itself must thrive”.

The respondent also aligned the company’s promotion of their products with sport-based CSR by saying: *“We are in the business of sport therefore we will support all projects that are closely aligned to the growing sports and development of sports in the country. By achieving this, we think we will grow our market in terms of subscribers interested in sports programmes”.*

In contrast to the above, the respondent said: *“We are the founding members of The Sports Trust hence that is why we are still funding the projects of Sport Trust, but in fairness the funds that we invest in The Sports Trust, I think they can be used better and with more impact in our own CSR projects”.*

Respondent 3

This respondent sees sport as the channel to engage more people by saying: *“Sport is the only way we can get mass participation of the community with diverse cultures. And community development that we engage [in] through The Sports Trust will go a long a way with the community”.*

He also emphasised that the company has been investing in sport and niche sponsorship engagement is related to the sport-based CSR programmes, as elaborated: *“We are a major sponsor of sports events in the country for a long time so our company strategy is to ensure development in the communities that we serve and also make sure that that is sustainable development in those communities. Thus our CSR policy includes sport as a major feature in the deployment of our projects.*

Some of the projects we cannot implement ourselves as we are not in the business of sports so we use The Sports Trust to assist us with implementation of our company strategy”.

Furthermore, the respondent stated that: *“Our major flagship products are associated with major sporting codes in the country and we’ll continue supporting these sporting codes. We, therefore, engage our brand to associate with the development, whether through infrastructure and mass participation of these sporting codes, through The Sports Trust. We believe that we should sustain the brand association of the products with events and development initiatives for the sporting codes”.*

Giving an overall review of their engagement in sport-based CSR, the respondent concluded by saying: *“Our products have negative contentions on societal issues therefore engaging in CSR issues promotes us as a responsible company and also a good corporate citizen”.*

Respondent 4

The respondent could only be interviewed telephonically and had few responses to the research question, but stated: *“Our company values our brand more than anything else; it is a world-known brand. Therefore, whenever there is something positive that we can associate ourselves with to further promote our brand, we take full advantage of such initiatives. Thus our support for The Sports Trust will show that we are doing well for the development of sport and we believe in The Sports Trust motto of building active communities through sports and recreation”.*

The respondent further illustrated their positioning of their brands by saying: *“We also engage in projects that would have an effect on the communities in remote areas to improve our positioning of our products, where our competitors cannot reach. The Sports Trust was formed to reach such communities and hence we are involved in investing in sport-based CSR projects”*.

Respondent 5

The respondent responded to the research question via e-mail and telephonically. As the trustee to The Sports Trust was not available, senior management of the company suggested the respondent as the main person to comment on the investment of the company in The Sports Trust. The respondent works with The Sports Trust on management level.

The respondent emphasised that their involvement is an initiative that the company started as a cause-related marketing programme by stating: *“We have a mutual benefit marketing programme linked to our products that enables our clients to support a cause that is close to their hearts. This programme supports sports development through the funding of CSR agencies, mainly The Sports Trust”*.

“As a listed company we have to report on sustainability issues as [per] the Johannesburg Stock Exchange regulations. We therefore invest in The Sports Trust, as I have stated earlier that sports have a major impact on the societal issues that we report on. We value the Sustainability Reporting Index and want to engage in more projects that impact on our report”.

5.3 Research Question 2

What is the return of investment expected from investing in sport-based CSR initiatives?

Respondent 1

The respondent did not have a clear answer to the question posed, but responded as follows: *“The benefit the company received from investing in The Sports Trust is mainly a feel-good effect, meaning the feeling of being a good corporate citizen. This has intangible benefits such as talent retention and recruitment, as many communities are now aware of the CSR projects companies engage in. We also balance the company’s triple bottom-line reporting requirements from such investments”.*

The respondent further suggested that they do not have a clear benefit on such investment but said: *“We do not have any products that are consumable by the community. So the invest [sic] in sport-based CSR has no link to our business and does not drive awareness of our products or improve our brand as a company. So the return of investment in sport-based CSR is mainly to see sustainable communities where we operate, and sport is part of our socio-economic development aspects”.*

Elaborating further, he indicated how the regulatory requirements and sustainability of the company were aligned through continuance of mining licences by saying: *“We engage in CSR projects that are relevant to us leaving a socio-economic legacy to the communities we operate in. This benefits us through the long-term sustainability*

of the company for achieving the required minimum requirement of DTI codes and as per the Mining Charter. Achieving these minimum requirements gives us continuance of our revenues and social licence to conduct business in the communities we operate in”.

Respondent 2

The respondent disagreed with the notion of achieving Return on Investment (ROI) by investing in sport-based CSR by saying: *“The investments that we make regarding the sport-based CSR are not about ROI but they are all about the goodwill achieved from engaging in such projects. We are potentially building the future and developing the sports where there is a need in the community. We are also proud to showcase some of these projects in a dedicated programme sponsored by ourselves”.*

The respondent mainly focused on intangible returns that the company achieves in investing in sport-based CSR and said: *“Our involvement is measured by the joy of faces in the communities that benefit from these projects and all this is done out of the goodwill of the company”.*

He suggested that the company benefits were more towards improvement of the target market by stating: *“We partner in the sport-based CSR projects that are closely aligned to our target market and also in all CSR projects that complement our CSR project initiated by the company through partnering with civil society”.*

Respondent 3

The respondent indicated how a specific brand in the company was associated with the contributions it makes to The Sports Trust by saying: *“The brand that sponsors The Sports Trust has been associated with sponsoring the South African national teams in major sport categories. The major attributes have always been associated with the image of the brand and to drive awareness to drive affinity of the consumers. Therefore we continue to support The Sports Trust using the same brand to portray the same attributes for the consumers”*.

The respondent further elaborated by stating that: *“We believe the impact of the South African national teams’ performance in international competitions strongly promotes the brand and opens doors to other international markets - as you may be aware that the company has expanded its global base”*. These statements strongly suggest that the benefits to the company are mainly positioning of the brand and improving the target market.

Respondent 4

The respondent made a short statement with regard to the return of investment in sport-based CSR: *“As stated earlier, our brand and company strategy has been to improve our distribution channels to remote areas. We believe this is the competitive advantage we have against our competitors and it’s our differential. And the initial formation of The Sports Trust was partnership with government to reach the areas that have never been serviced before and for us is to improve our brand awareness in those areas”*.

Respondent 5

The respondent clearly stated that their ROI by investing in The Sports Trust is profitability: *“Our ROI on sport-based CSR is closely linked to the profitability of the company. The amount invested in sport-based CSR is based on the clients in the Sport Affinity programmes which support The Sports Trust. Affinity account holders are more profitable than non-Affinity account holders, in particular credit card, current account, home loan, micro loan and savings account holders. Also, Affinity clients have more transactions and higher average transactions per active card. These clients tend to be more loyal clients and valuable clients for the company”*.

5.4 Research Question 3

How do the companies measure their investment in sport-based CSR initiatives?

Respondent 1

The respondent clearly stated that no formula is used but indicated that: *“Our involvement is based on the budget of the company which is influenced the company’s financial performance. We look at four factors in investing in sport-based CSR, mainly the size of the future projects by The Sport Trust, balance of focus of projects, the priority of needs of the community and the benefits to the company”*.

Respondent 2

The statements made by the respondent illustrated that the resources invested in the projects are mainly based on the resources of each company: *“Most of the*

representatives of the funding partners of The Sports Trust serve as the trustees to The Sports Trust. We are fully aware of the needs and future projects of The Sports Trust. It makes it easier for understanding the extent of our investment in The Sports Trust. Also, we are able to prepare our company's budgets based on the needs".

Respondent 3

The respondent did not have a clear-cut answer to the question but stated: *"Our involvement is based on the budgets and is closely aligned to the sponsorship involvement, but the company tends to want to increase their involvement every year. We still have to find the appropriate formula that we can use, but we still are uncertain of measuring the benefits received in the investment in sport-based CSR. Until that is reached, we will not determine a measurement tool for our involvement".*

Respondent 4

The respondent stated: *"Not to say that we do not take our involvement to The Sports Trust as being important, but we invest in The Sports Trust with funds remaining after all our main projects and sponsorship initiatives have been released. But we always try to increase our investment to The Sport Trusts on yearly basis".*

Respondent 5

The respondent stated that the involvement is linked to the product activities by stating: *“Our Sport Affinity clients do not pay a premium for enabling donations to The Sports Trust, and service fees for Sport Affinity accounts are the same as those for normal banking accounts. Rather, Sport Affinity donates money on behalf of its clients, based on clients’ financial activity. Donations are based on usage of Sport Affinity accounts. So the more they use the products, the more is donated”.*

CHAPTER 6: ANALYSIS OF RESULTS

This chapter endeavoured to locate the views and issues raised by the interviews with respondents within the literature reviewed in Chapter 2.

6.1 Determinants of Companies' Involvement in Sport-based CSR

6.1.1 Social Integration and Economic Development in South Africa

In highlighting their views on their companies' involvement in the sport-based CSR, the respondents contextualised their views with a brief explanation of the socio-economic challenges that South Africa faces and how sport has been used to solve these challenges. In agreement with Smith and Westerbeek (2007), sport possesses the power to captivate and unite individuals within communities and create an environment for contributing to social capital.

This view of community development through the initiative of sport-based CSR is further supported by Misener and Mason (2006) who stated that sport-based social responsibility could be linked to community development.

6.1.2 Company Strategy Oriented

The inclusion of CSR in companies' strategic policies was made evident in a study by Berkhout (2005), who established that CSR has become increasingly important in the corporate world. George (2009) also identified key drivers of CSR as the key to strategic development of the company.

George (2009) further showed that CSR has breached the contours of social philanthropy and traversed in to the arena of business strategy. The view held by Viviers, Eccles, de Jongh, Bosch, Smit and Nuijs (2008) corresponded with that of the respondents in that drivers for responsible investment by companies in South Africa should be aligned with the corporate mission and values.

6.1.3 Marketing Initiatives

The drive for companies to gain competitive advantage through CSR initiatives, as discussed by Utting (2005), is also practised by the respondent companies. Most of the companies are linking their brands to sport-based CSR initiatives and want to achieve either competitive advantage, alignment of the positioning of their products or improvement of their target markets. As stated by Lachwetz and Gladden (2003), CRM programmes develop and reinforce positive brand associations for the companies.

This statement above also supports Milton Friedman's (1970) analysis that the only responsibility of a company with regard to investing in CSR is to use its resources to maximise long-run profits of the company.

There are companies that link their cause-related marketing campaigns to the CSR initiatives, as demonstrated by Varadarajan and Menon (1988), in order to strive to achieve improvement of the company's performance and help a worthy cause. The respondent in the banking sector demonstrated how the marketing of their products was linked to the sport-based CSR initiative.

6.1.4 Loyalty

Most of the respondents emphasised that their companies are founding members of The Sports Trust and hence are still funding the sport-based CSR projects of The Sports Trust. This indicated that founding members of The Sports Trust have remained loyal to it and are proud of making The Sports Trust a sustainable organisation with sustainable projects.

The loyalty of companies investing in the sport-based CSR would be analysed as bringing immediate gratification and other intangible benefits to the companies. This was also identified as a feature of sport-based CSR by Smith and Westerbeek (2007).

6.1.5 Regulatory Requirements

More public pressure by public bodies and other regulatory bodies was also identified by George (2009) as a key driver of CSR by businesses. This is forcing companies to become more socially responsible, hence we have companies in South Africa engaging in different forms of CSR initiatives. This pressure was further illustrated by Haigh and Jones (2009) as a reason for engaging in the CSR projects.

It was indicated that the companies also have other regulatory requirements that they have to fulfil in engaging in CSR initiatives. As stated in the Financial Services Charter (NEDLAC, 2002), each financial institution will have a target of directing 0.5% per annum of post-tax operating profits to Corporate Social Investment (CSI) between the effective date of the Charter and 2014, and the project should include, inter alia, sport in support of developmental programmes.

6.1.6 Corporate Citizenship

The respondents also looked at their involvement in terms of being good corporate citizens - corporate social investment has for years been associated with corporate philanthropy.

The investment in sport-based CSR projects has intangible benefits to the companies, but the value of investment adds value to the reputation of the companies as stated by Drake (2008). Furthermore, Michael Porter (2007) argued that philanthropy helps firms' bottom line and can be a source of competitive advantage.

6.2 Expectation of Investing in Sport-based CSR

6.2.1 Balancing the Triple Bottom Line

The statements by respondent 1 confirmed the claims made by Utting (2005) pertaining to CSR projects being good for staff morale and motivation.

Smith and Westerbeek (2007) argued that sport serves as a bridge across social and economic gaps and is a stimulus to encourage large and profitable businesses. They also identified some of the features of sport-based CSR as mass media distribution and communication power. This concurred with the statement by the respondent and revisited Milton Friedman's (1970) statement that CSR is all about maximising company profits.

6.2.2 Alignment to Company Products

Most of the respondents ensured that their involvement was aligned to the target market and focused on improving their client base.

The sport-based CSR initiatives that the companies engaged in could be defined as CRM programmes as there is close alignment of corporate philanthropy and enlightened business interest as per Varadarajan and Menon's (1988) definition of CRM programmes.

6.2.3 Social Legacy and Reputation

The statement by the respondent below concurred with that of Goddard (2005), which indicated that the focus for companies engaging in corporate citizenship efforts is on economic incentives and also for the company to maintain a positive impact on revenues and competitiveness in the medium and long term.

The respondent stated that the return on investment in the sport-based CSR programmes ensures the continued existence of the company.

6.2.4 Profitability

Only one respondent linked the company's products with investment in sport-based CSR as a cause-related marketing initiative. This supported the investigation by Wagner and Thompson (1994) on cause-related marketing as a fundraising tool or false philanthropy and justified that the drivers were to generate income, to bring a feel good effect to consumers and to improve community relations.

6.3 Measuring the Investment in Sport-based CSR

6.3.1 Resources

Most of the respondents linked their involvement to the company budgets in all formats and also linked their involvement with the availability of resources. It is evident that resources are a major feature in measuring investment in sport-based CSR in line with the determinants identified by Babiak and Wolfe (2009).

6.3.2 Valuable

Resources that are invested in sport-based CSR programmes linked to cause-related marketing campaigns are determined by the activity of the marketing campaign and how it contributes to the competitive advantage of the organisation to uniquely exploit opportunities. This is in line with the determinants identified by Babiak and Wolfe, (2009).

CHAPTER 7: CONCLUSION

The objectives of this research were addressed by means of a case study using interviews conducted with managers from funders of The Sports Trust.

This exploratory research study provided the theorisation of the key drivers of why South African companies invest in sport-based corporate social responsibility programmes. This research was aimed at determining these drivers and also explored benefits to companies that invest in such sport-based CSR initiatives. The objectives of this study were addressed through a case study using interviews conducted with five (5) managers from companies that are funders and trustees of the Sport Trust. Furthermore, the research investigated the return of investment that these companies expect from such an investment and how they go about measuring this investment in sport-based CSR.

Companies were found to invest in sport-based CSR initiatives for the following reasons: (1) social integration and economic development, based on the socio-economic challenges that South Africa faces and how sport has been used to help solve these; (2) to assist the companies in implementing their strategies; part of that being the strategic development of companies to promote sustainable transformation in local communities in line with the companies' strategic policies; (3) to improve the companies' performances (profit maximisation) through attracting talent (recruitment) and increasing their client base (marketing initiatives); (4) to bring immediate gratification and other intangible benefits (e.g. goodwill, client retention) to the companies; (5) to meet regulatory requirements for public and other regulatory

bodies listed on the Stock Exchange; and (6) to be seen as good corporate citizens, some by changing people's negative perceptions of the companies into positive ones, thus improving their reputation in the communities.

The return of investment that was expected by these companies from investing in these sport-based CSR initiatives was found to be as follows: (1) balancing the companies' triple bottom-line reporting requirements from such investments; (2) alignment of the companies' products to their target market and an improving client base for those companies with products 'consumable' by the communities; (3) positive impacts on the companies' revenues and competitiveness in the medium to long term that will ensure the ongoing concern (continued existence) of the companies; and (4) improved profitability of the companies (closely linked to the ROI of some companies) – income generation, the feel good effect for consumers and improved community relations.

The companies measuring their investment in sport-based CSR initiatives did so through measuring: (1) resources at the companies' disposal that they contributed towards the programmes; and (2) the level of activities of the marketing campaigns and how they contributed to the competitive advantage of the companies to uniquely exploit opportunities.

There are a few limitations of the current study that have suggested the need for future research. Firstly, the sample of the interviewees in this study included only representatives of companies that were trustees of The Sports Trust. This study primarily focused only on the views of the funders of The Sports Trust. Hence

exploring the roles and views that show that involvement in sport-based CSR is different based on the company values and objectives, whilst focusing on the integration of CSR initiatives with company strategies, may provide interesting insights and is another area for further investigation. Future research could also extend to other companies and organisations that invest in sport-based CSR in their own capacity (that is, not forming part of The Sports Trust), including sport organisations that are involved in such initiatives.

It has been noted that all five (5) interviewees were male participants of companies that are trustees and funders of The Sports Trust. It could be of value to determine the views of female managers whose companies also form part of The Sports Trust (and other organisations where a study extends beyond The Sports Trust). As is known, women form part of a marginalised community, and thus many companies tend to invest in CSR to solely benefit such marginalised groups.

The population sample for this research was based on convenience as a result of accessibility of the participants from the sport-based CSR initiative. As discussed in the Methodology Chapter, the initial sample of three (3) personal contacts of the researcher was based on convenience and accessibility, whereas the other remaining two (2) participants were identified from snowball contacts from the initial pool of candidates. A random sample for future research in this topic would be ideal to remove the potential bias of the research.

The methodology adopted for this research also has some limitations, one of which is that it uses a transversal study design within the case study methodology. Therefore the conclusions could only provide a snapshot view of the problem. A longitudinal design study would provide a broader view of the issues studied and may be an area for further research

This current study has builded and expanded upon previous studies relating to CSR. Sport-based CSR has become an important aspect that is highly relevant in different types of organisations. This is in part due to the potential benefits that involvement in sport is said to bring about including improved physical health and psychological health, a reduction in crime, and improvements in community cohesion, social capital and education. Therefore, the results of this study have implications for companies and organisations looking to invest in sport-based CSR programmes, CSR managers and CSR researchers. Although this current study focused on five (5) companies that are trustees and funders of The Sports Trust, the results could still be used to better understand the value drivers/key determinants of why other companies invest in sport-based CSR initiatives.

From the qualitative data analysis, it was possible to conclude that although The Sports Trust funders' views of CSR tended to highlight different aspects, they fitted the legitimacy theory, which could be considered a mix of economic and ethical theories as described by Goddard (2005). Moreover they could be considered complementary.

In addition to above, the sport-based CSR drivers could be closely aligned to the cause-related marketing campaigns, including sports sponsorship. The value derived

from such initiatives provides consumer loyalty and more profitability in the company's products.

Company sponsorship has evolved in that the world of sponsorship has changed along with the development in the world. Consumers are more knowledgeable about companies' brands and sustainability development issues now. Companies' sponsorship strategies should be integrated with the CSR strategies to serve consumers. Brand awareness is not mainly about visibility but also how the brand is changing the lives of the community. Companies have been using the CRM initiatives for this integration. Companies that have products associated with cause-related marketing campaigns achieve consumer loyalty and more profitability.

Such cause-supported programmes that support CSR initiatives must be developed in close relationship with a company's core competencies and core values. CSR programmes must be a logical fit in terms of brand and business operations. With the brand or product seeking affinity from consumers towards CSR initiatives, the notion of social sponsorship is created which directly affects consumers.

The main issues that affect consumers on a day-to-day basis in South Africa are poverty alleviation, healthy lifestyle, cultural development and heritage, community development, grassroots sports, education and other sustainability issues. South African companies are more regulated to achieve these objectives through the Department of Trade and Industry' sector charters. The regulatory requirement has emerged strongly for companies that support sport-based CSR initiatives which are not directly associated with the companies' products.

In addition, the sustainability of such CSR initiatives is dependent on the loyalty of the companies to the projects. Loyalty was a strong driver as most of the companies concerned were directly involved in the foundation of The Sports Trust. Measuring investment in such sport-based CSR initiatives is another area that warrants further investigation, as the companies that participated had no specific framework or guidelines on the investment needs for CSR initiatives. These would be determined when investment in CSR initiatives could clearly be associated with the following common features of sponsorship (BDS Sponsorship, 2003):

- 1) Awareness
- 2) Enhancing brand/corporate image
- 3) Encouraging brand shifting
- 4) Integration with the community
- 5) Customer/trade promotions
- 6) Employee incentives/benefits/recruitment
- 7) Product showcasing/sampling
- 8) Product launches/press and sales conferences
- 9) Differentiation from competitors

The aforementioned features of sponsorship were identified in the results of this research paper by at least one of the respondents. This clearly demonstrated that there is a need for more companies to start measuring the impact of the CSR initiatives based on the aforementioned features. The companies are investing more

resources in sport-based CSR and other CSR programmes; therefore the attention has to focus on CSR initiatives. Strategies have to be formulated towards the integration of CSR in company strategies and should review measurement of such CSR initiatives. These companies could use measurement models of marketing initiatives to determine and assist in gaining an understanding of value drivers for investing in CSR initiatives.

The integration of sport-based CSR initiatives with sponsorship direction also clearly emerged, as most of the trustees in The Sports Trust are either sponsorship managers and/or the investment in The Sports Trust is directly influenced by the sponsorship or marketing department. Strategies on the integration of sponsorship or marketing initiatives could be investigated further. In recent years, it was determined by Zimmerman (2000) as Cited in Menon and Kahn (2003) that corporate philanthropy has been playing an active role in the marketing arena of many businesses. In another study by Menon and Kahn (2003) it was determined that consumer perceptions of CSR are more favourable for cause promotions, which do not receive much elaboration, than they are for advocacy advertising, which prompts more elaboration. Further, the authors deduced that congruence between the sponsor and the social issue was shown to moderate these effects: Higher congruence between the sponsor and social issue increases favourable ratings of CSR for cause promotions, but only if elaboration on the sponsorship activity is facilitated. On the other hand, lower congruence increases favourable ratings of CSR for advocacy advertising as long as elaboration on the sponsorship is not constrained. Furthermore, the authors also found that higher congruence enhances

CSR ratings if participants are primed to focus their attention on the sponsor brand, whereas lower congruence enhances CSR if participants are primed to focus their attention on the social issue.

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