Journal of Marketing and Communication

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ISSN: 2617-359X

Stratford Peer Reviewed Journals and Book Publishing
Journal of Marketing & Communication
Volume 1||Issue 2||Page 1-21 ||August||2018|
Email: info@stratfordjournals.org ISSN: 2617-359X

Corporate Social Responsibility and Competitive Advantage Perspectives from Employees of Safaricom Kenya Limited

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***How to cite this article*: Opilo P. M., Mulili B. & Kimani S., (2018), Corporate Social Responsibility and Competitive Advantage Perspectives from Employees of Safaricom Kenya Limited. *Journal of Marketing & Communication, Vol* 1(2) pp. 1-21.**

Abstract

Corporate Social Responsibility (CRS) is considered a significant differentiating factor in determining a company's competitive advantage. This study sought to establish how Safaricom Limited has utilized CSR to achieve its competitive advantage in Kenya's mobile industry. Specifically, the study sought to establish how CRS initiatives adopted by Safaricom Limited influence the company's image, customer subscription and financial performance. The study was guided by a cross-sectional descriptive research design. The study population included middle-level managers drawn from Safaricom Ltd headquarters in Nairobi. The study used a combination of stratified and purposeful sampling techniques. From the target population of 92 middle level managers, a sample size of 45 respondents was determined. Both qualitative and quantitative methods were used, and primary data was collected through the use semi structured questionnaires. The collected data was analysed using Statistical Package for Social Sciences. The study found that all the CSR initiatives adopted by Safaricom Kenya Ltd (environmental protection and management, health provision, education, autism disaster relief, culture and music, empowerment and poverty eradication) had a positive relationship with the company's competitive advantage. The study concluded that there is an overall positive relationship between CSR initiatives and competitive advantage at Safaricom Kenya Ltd. The study recommended that Safaricom Ltd should review the CSR initiatives based on the extent at which they influence the company's competitive advantage and develop a sustainability plan which will help improve efficiency and cut down operational costs in the company. The study suggests a further research should be conducted to examine how political interference affects corporate social responsibility in companies.

Keywords: *Corporate Social Responsibility, Competitive Advantage Perspectives and Safaricom Kenya Limited.*

1.0 Introduction

1.1 Background of the Study

The increase in competition among firms within the same line of business has continued to grow and managers are in constant search for means of attaining and sustaining competitive advantage vis-à-vis other operators in the market. In Kenya, the telecommunication industry is competitive. Indeed, an assessment of the telephone service industry reveals the presence of intense competition among corporations (Kirui, Okello & Nyikal, 2012).

According to Oteri, Kibet and Ndung'u (2015) in the fiscal year 2013/2014, most telecom companies in Kenya recorded positive gains with regard to subscriptions. Orange being the highest gainer having obtained 231,470 new subscribers a growth of 9.4% from that recorded in 2012; Safaricom gained 361,062 a growth of 1.7% while Essar recorded 511,526 new subscribers, about 0.2% growth (Oteri, Kibet & Ndung'u, 2015). These trends are indicative of the competition in the telecom sector and therefore, the need for corporations in the industry to attain and sustain a competitive advantage vis-à-vis others in the market is even more apparent (Vilanova, *et al*., 2009). Indeed as Kirui, Okello and Nyikal (2012) contends, the managers of the four mobile service providers are in constant search for effective strategies and approaches that will ensure the survival and profitability of their corporations in such a volatile and competitive business environment.

Safaricom dominates the Kenyan mobile telecom market, controlling 65.3% share as of 2012, while in 2014, the companies earned 23 billion shillings (a net profit of 93.8%) stamping its authority as the most profitable firm in East Africa (Safaricom, 2010). In 2013, the company spent 2 billion shillings on about 700 community development projects (Safaricom, 2010). Over recent years, Safaricom has gone out its way to engage in several CSR initiatives including; economic empowerment, education, health community health), environmental education, corporate sponsorship, sports among others (Osodo, 2014). It is in line with the need to attain a competitive advantage vis-à-vis competitors and to ensure mutual benefits for both firm and society that Safaricom Kenya Limited has been involved in CSR activities in Kenya (Muriuki, 2008). In Safaricom, CSR is conducted through the Safaricom Foundation among the projects that the company has been involved include healthcare, autism, education, disaster relief, sports, environmental protection and convention as well as arts, culture and music promotion (Osodo, 2014).

1.2 Problem Statement

Safaricom conducts and channels its CSR programs, engagement and initiatives through the Safaricom Foundation. The foundation was launched in August 2003 and has grown to be among the top corporate foundations in Kenya (Safaricom, 2010). Muriuki (2008) explains that by Declaration of Trust, the Safaricom Foundation was established as a charitable organization under the Kenyan laws. Furthermore, Safaricom Foundation was set up under the guidelines of the Vodafone Group Foundation and mandated with task of articulating and implementing its social investment policy with consistent and both coordinated limitations. The Mission of the foundation is "Passion for the World Around Us" which implies the principle of sharing the gains of the advances in mobile communications technology as much as possible; caring for the natural environment as well providing relevant assistance to the communities including investors, employees, customers and suppliers of the Safaricom (Muriuki, 2008). However, as Kariuki and Rotich (2013) observe, scholars have ignored the assessment of the extent to which Safaricom's CSR engagement has been a corporate strategic move by the company to achieve organizational goals. Safaricom remains among the leading firms in Kenya, several internal and external attributes have been identified and associated to the organizations performance. While intellectuals including; Cedomir, et al., (2012), Filho, *et al*., (2010), Castelo and Rodrigues (2006) as well as Vilanova, *et al*., (2009), have identified a positive link between organizational performance to effective CSR activities. Kwalanda (2007) studied corporate social responsibility practices at Safaricom Limited and found that corporate social responsibility was a key component of both corporate and business strategies, with planning, budgetary and staff allocations, and that it was incorporated into the corporate strategy to achieve a positive brand image.

Therefore, despite the perceived significance of CSR on organizational strategy little consideration has been put in analysing the impact of CSR on organizational competitive advantage for Safaricom. This study sought to answer the question about the impact of CSR to the organization attaining its competitive advantage.

1.3 Objectives of the Study

i) To examine whether Customer Social Responsibility engagements (initiatives) at Safaricom has influenced customer subscriptions.
ii) To assess whether Customer Social Responsibility engagements (initiatives) at Safaricom has influenced profit performance.
iii) To explore whether Customer Social Responsibility engagements (initiatives) at Safaricom has promoted the corporate image

1.4 Research Questions

i) To what extent has Customer Social Responsibility engagements (initiatives) at Safaricom has influenced customer subscriptions?
ii) Do the Customer Social Responsibility engagements (initiatives) at Safaricom influenced profit performance?
iii) What effect do Customer Social Responsibility engagements (initiatives) at Safaricom promote the corporate image?

2.0 Literature Review

2.1 Theoretical Framework

2.1.1 The Shareholder Theory

The shareholder theory was originally proposed by Milton Friedman and it states that the sole responsibility of business is to increase profits. It is based on the premise that management are

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Journal of Marketing & Communication
Volume 1||Issue 2||Page 1-21 ||August||2018|
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hired as the agent of the shareholders to run the company for their benefit, and therefore they are legally and morally obligated to serve their interests. The only qualification on the rule to make as much money as possible is "conformity to the basic rules of the society, both those embodied in law and those embodied in ethical custom" (Friedman, 1970).The shareholder theory is now seen as the historic way of doing business with companies realizing that there are disadvantages to concentrating solely on the interests of shareholders. A focus on short term strategy and greater risk taking are just two of the inherent dangers involved" (Friedman, 1970).

2.1.2 The Stakeholder Theory

Stakeholder theory, on the other hand, states that a company owes a responsibility to a wider group of stakeholders, other than just shareholders. A stakeholder is defined as any person/group which can affect/be affected by the actions of a business. It includes employees, customers, suppliers, creditors and even the wider community and competitors (Freeman, 1984). Edward Freeman, the original proposer of the stakeholder theory, recognized it as an important element of Corporate Social Responsibility (CSR), a concept which recognizes the responsibilities of corporations in the world today, whether they be economic, legal, ethical or even philanthropic. Nowadays, some of the world's largest corporations claim to have CSR at the center of their corporate strategy. Whilst there are many genuine cases of companies with a "conscience", many others exploit CSR as a good means of PR to improve their image and reputation but ultimately fail to put their words into action. The Corporate Social Responsibility literature emphasizes on the importance of conceptual approach to competitive advantage alignment. Borrowing from the private or corporate view of CSR, the CSR concept will relate to the characteristics of the Corporate Social Responsibility offered to the target market (Freeman, 1984).

There exists an agreement among scholars that CSR, if it is to have a positive impact on organizational outcomes, must be integrated into organization's business strategy and its organizational culture (Jonker & De Witte, 2006; Collier & Esteban 2007; Carlisle & Faulkner, 2004). Involvement in CSR can range from implementing activities in order to improve company's image and increase short-term profit to the more strategic and more value-building approach which over time becomes embedded into the organizational culture. The relationship between CSR and positive outcomes has not been empirically tested while accounting for embedded CSR culture. In order to better understand the effect of CSR on organizational commitment, this paper explores whether employee engagement in CSR and CSR values, as two elements of CSR organizational culture, mediate the impact of CSR on organizational commitment. Research results are relevant to academics studying relationship between CSR and various outcomes, especially affective organizational commitment, as well as to practitioners who can use these.

2.1.3 CSR on Competitive Advantage

In competitive advantage theories, the study looked at elements that make up the competitive advantage; Company image, customer subscription and organizational financial performance. The Competitive advantage element theory explains the equal competitive dimensions of achieving competitive advantage.

Corporate social responsibility plays a significant role in promoting the image of a company. Ismail (2011) has indicated that there is no universal consensus on the meaning and definition of CSR. Khan, Khan, Ahmed and Ali (2012) note however that CSR has been defined as the corporations' act of sacrificing or forfeiting profit in the social interest. According to Reinhardt, Stavins and Vietor (2008), in undertaking CSR, the corporation transcends its contractual and legal obligations not due to coercion but voluntarily. CSR has also been conceived as the organizational behavior of treating its various stakeholders in an ethical or human manner. Ismail (2011) provided a definition of CSR, which has been adopted by several scholars, that CSR implies the business of obligation of pursuing policies or business decisions that are desirable and acceptable with regard to social values and objectives. Yet, others have perceived CSR as a construct consisting of the legal, economic, discretionary and ethical expectation imposed on the organization by the society at any given time (Mahlouji &Anaraki, 2009). Perceptibly, this understanding of CSR implies that the act is undertaken mostly for the sake of the society rather than that of the corporation (Carroll & Shabana, 2005).

Customer loyalty can be conceived as the customer's adherence to a corporation (Ganiyu & Uche, 2012). The customers persistent resolve to purchase products and services of a given corporation despite the existence of competition in the business environment (Nayebzadeh, *et al,* 2013). According to Kincaid (2003), customer loyalty is customer behavior established through positive value and experience that precipitates the buying of organizational products and services even when such as decision may seem irrational. According to Osodo (2014), customer loyalty is a crucial goal for a corporation's growth and survival, establishment of a steadfast is therefore not only a fundamental marketing objective but is a crucial foundation for developing a sustainable or intermittent competitive advantage. Hence, the cultivation of customer retention and loyalty is considered a vital element in the assurance of long-term corporate profitability (Ijeoma & Oghoghomeh, 2014). Nayebzadeh, *et al*, (2013) contend that research has demonstrated that CSR intricately and imperatively influences various aspects of consumer behavior including consumers' purchase intentions, satisfaction, consumer-corporation identification, consumers' attitudes and loyalty. Ganiyu and Uche (2012) in undertaking CSR initiatives, corporations often do anticipate that CSR will precipitate customer satisfaction and ultimately consumer loyalty.

Gavrea, Ilies and Stegerean, (2011) contend that the conceptual meaning of organizational performance is elusive due to its many meanings and interpretations dissipating hope for a universally applicable definition. However, beginning in the 1950s when the concept was conceived as important in the organization process, organizational performance implied the degree to which a firm, perceived as a social system attained its objectives (Ngwakwe, 2008). The focus of performance was limited to the efficiency of the organizational structure, people and work (Gavrea, *et al*, 2011). According to Leban and Euske (2006), the profit was the main indicator of organizational performance. Today as Siddiq and Javed (2014) conceives, organizational performance implies the assessment or evaluation of corporate performance with respect to its goals and objectives. The key indicators or elements of assessing organizational performance are financial performance, market performance and stakeholder value performance. According to Gavrea, *et al*., (2011), financial performance implies the assessment of profit returns, the return on assets and the return on investments while the indicators of market performance are organizational sales and market share. Stakeholder value performance according to Tsoutsoura (2004) is measured through total shareholder return and added economic value.

2.2 Empirical Review

Husted and Salazar (2006) examined CSR strategies in firms with the objective of maximizing both profits and social performance. Through a comparison between firms, the authors identified three types of social investment (altruistic, selfish and strategic), concluding that strategic investment creates better results for companies that try to simultaneously achieve the maximization of both profit and social performance. This strategic investment consists of the creation of well-being and positive advantages to society and the local community.

Murila (2013) studied corporate social responsibility in East African Portland Cement Company Limited Kenya Limited. The study found that corporate social responsibility can be used as a foundation for building a competitive advantage by both enhancing the firm's efficiency and increasing the value of its market. The study found that leveraging corporate social responsibility in a strategic manner provided the company with more options in developing strategy and creating a competitive advantage.

Onlaor and Rotchana Kitumnuai (2010) studied enhancing customer loyalty towards corporate social responsibility of Thai mobile service providers. The study was based on the survey from 400 mobile customers and the results showed that four dimensions of corporate social responsibility consisted of economic, legal, ethical and philanthropic responsibility. Ethical dimension had the strongest impact on customer satisfaction while the rest impacted on loyalty. In tandem with these findings, Lind green, Swaen and Johnston (2009) provision of good working environment and philanthropic activities improved business performance. Ramasamy and Chumptaz (2008) used social identity theory of planned behaviour to explore factors affecting consumer purchase intentions and found that customer's perception of firm's corporate social responsibility commitment had a critical impact on their purchase intention. The study further found that consumer-firm identification had a positive impact on loyalty and customer retention.

Adebesi and Taiwo (2014) carried out a study on building winning strategy for competitive performance through corporate social responsibility focusing on MTN Nigeria. The research was undertaken by the study with the primary objective of appraising the possibility of organization leveraging on corporate social responsibility as a strategic tool for competitive performance with particular reference to MTN limited, a giant Telecom Firm in Nigeria. The findings indicated that good ethical and environmental corporate social responsibility, appropriate delivery of societal focused corporate social responsibility and economic empowerment of the host community had significant effects on organizational performance of the mobile service provider.

Kubai and Waiganjo (2010) studied the relationship between strategic corporate social responsibility and competitive advantage of commercial banks in Kenya Focusing on Equity Banks' Wings to fly program. The study revealed that corporate social responsibility had played a key role in influencing good customer perceptions especially among the beneficiaries and they display a great capacity to relate with the bank both now and in the future. Aroni (2009) evaluated emerging trends in CSR practices adopted by Kenyan listed firms. The study stressed a general look at CSR especially environmental concern, not just financial gains.

Good corporatism is not just giving back to society but also avoiding acts that are malfeasance in nature. The paper contributes to literature by identifying the progress being achieved in undertaking CSR activities in Kenya. Wando (2010) addressed the effects of CSR of Sugar companies in Western Kenya on the growth of SMEs in the region. All the companies in the region have adopted a socially oriented program and therefore, have a moral responsibility to give to society in addition to running a profitable endeavour with the target community being involved at all stages of their operations. This was a correlation study with questionnaires as the primary data collection tool. The study concluded that companies should wholly involve community participation in the formulation and implementation of CSR programs to ensure sustainability of business relation with societal expectations.

2.3 Conceptual Framework

The conceptual framework was developed from theory of corporate social responsibility and Competitive advantage theory. These two theories strengthened the argument on which these dimensions were used to measure the gap between CSR and the Competitiveness of the business. Therefore, CSR strategy becomes the independent variable of the study. The effects of independent variable were assessed on how it influences the Competitive advantage. Thus, the effective CSR becomes the dependent variable. This relationship is depicted in Figure 1.

Independent Variable **Dependent variable**

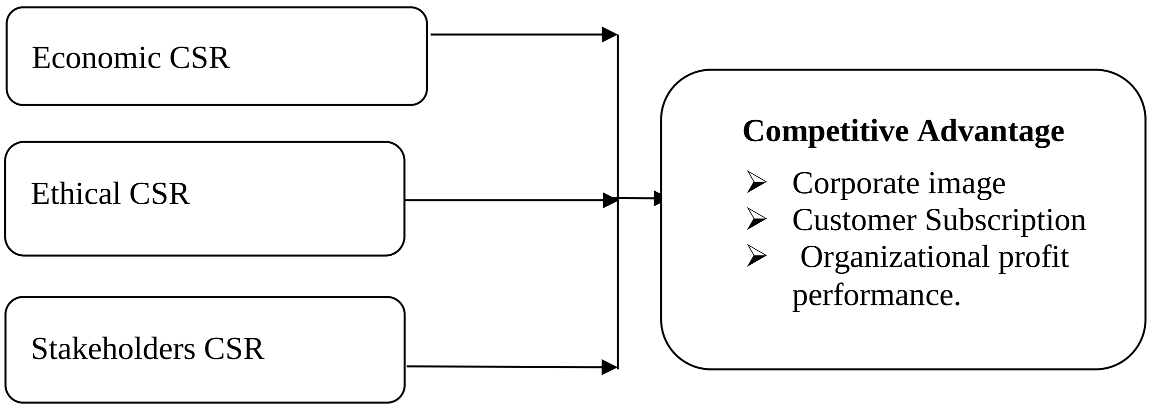

Figure 1: Conceptual framework

3.0 Research Methodology

The study used descriptive research design. Since the study relied on primary data for analysis, qualitative and quantitative approaches were employed. The target population was 92 middle level managers at Safaricom Limited. The study employed stratified and simple random sampling methods. Stratified sampling method was used to group the target population into stratums per department in which they work within the study case. The second sampling method used was systematic random sampling for selecting respondents that were issued with questionnaire from each stratum. Kumar (2011) also noted that simple random sampling is ideal for selecting sample from a closed environment such as office.

The study utilized Yamane (1967) simplified formula to calculate sample sizes. From the target population of 92 middle level managers, a sample size of 45 respondents was arrived at realized using the formula. Both qualitative and quantitative data collection methods were employed by the study to enhance reliability. The instrument used for primary data collection was semi structured questionnaire. To test for the reliability of data collection instrument, the study conducted a pilot test to test the reliability of data collection instrument. Validity was enhanced by subjecting the research instruments to evaluation by project management experts who provided their suggestion and relevance of each item of the instrument. In addition, validity was enhanced by designing research instruments with simple, unambiguous, logical and comprehensive questions.

4.0 Results and Discussion

4.1 Descriptive Statistics

The study examined the descriptive statistics (mean, standard deviation, minimum and maximum) and presented in the table 1 below.

Table 1: Descriptive statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Increased Customer Subscriptions	36	2	4	3.33	0.586
Increased Profitability	36	2	4	3.36	0.593
Improved Company Image	36	3	4	3.64	0.487
Overall Influence of CSR activities on Competitive Advantage	36	1	4	3.61	0.688
Overall Authenticity of CSR Activities	36	1	4	3.56	0.652
Valid N (listwise)	36				

As shown in table 1, customer subscriptions had an average mean of 3.33 and a standard deviation of 0.586 while profitability had a mean of 3.34 and a standard deviation of 0.593. In addition, company image had a mean of 3.64 and a standard deviation of 0.487 while overall competitive advantage and authenticity of CSR activities had means of 3.61 and 3.56 as well as standard deviations of 0.688 and 0.652 respectively. This means that the variables are clustered closely around the mean thereby implying that the data tend to be more reliable.

4.1.1 Nature of CSR Initiatives at Safaricom Kenya Ltd

The study evaluated the types of CSR initiatives adopted by Safaricom Ltd. The responses were multiple as summarized in table 2 below

Table 2: Types of CSR Activities at Safaricom Ltd

Types of CSR initiatives at Safaricom Ltd	Multiple Responses	
	N	Percentage
Environment Protection and Management	27	12.9%
Health care Provision	30	14.3%
Education	31	14.8%
Disaster Relief	19	9.0%
Sports Promotion	27	12.9%
Empowerment and Poverty Reduction	31	14.8%
Culture and Music	26	12.4%

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Journal of Marketing & Communication
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Autism	19	9.0%
Total	**210**	**100.0%**

According to the findings, the main CSR initiatives at Safaricom Ltd included: education (14.8%), empowerment and poverty reduction (14.8%) health care provision (14.3%), environmental protection and management (12.9%), sports promotion (12.9%), culture and music (12.4%), disaster relief (9.0%) as well as autism (9.0%).

4.1.2 Authenticity (Ethic) of CSR Activities at Safaricom Kenya Limited

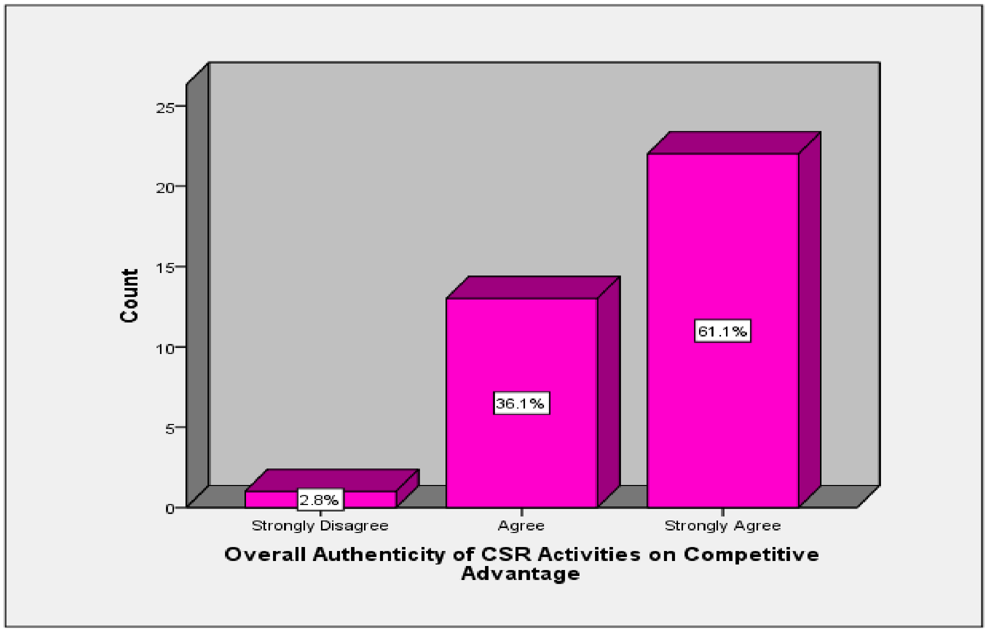

Figure 2: Authenticity of CSR Initiatives at Safaricom Ltd

As shown in figure 2, more than 97% of the respondents considered the CSR initiatives at Safaricom Ltd as authentic while 6% of the respondents regarded the CSR activities at Safaricom Ltd as unauthentic.

4.1.3 Role of CSR Initiatives at Safaricom Kenya Limited

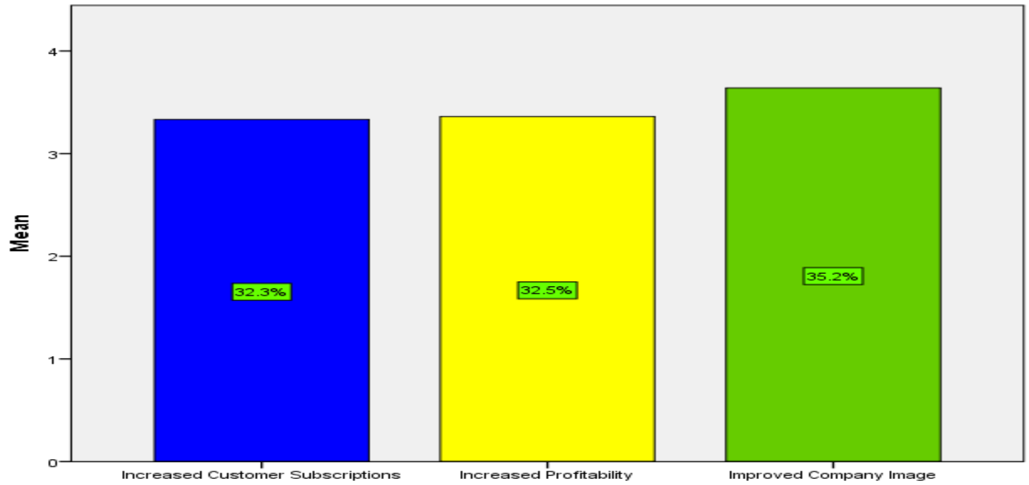

Figure 2: Role of CSR Initiatives at Safaricom Kenya Limited

As shown in figure 3, the study found that the CSR initiatives at Safaricom Ltd were meant to enhance the company's image (35.2%), promote customer subscriptions (32.3%) as well as enhance the company's profitability and financial performance (32.5%).

4.1.4 Efficiency of Safaricom's Long-term Plan

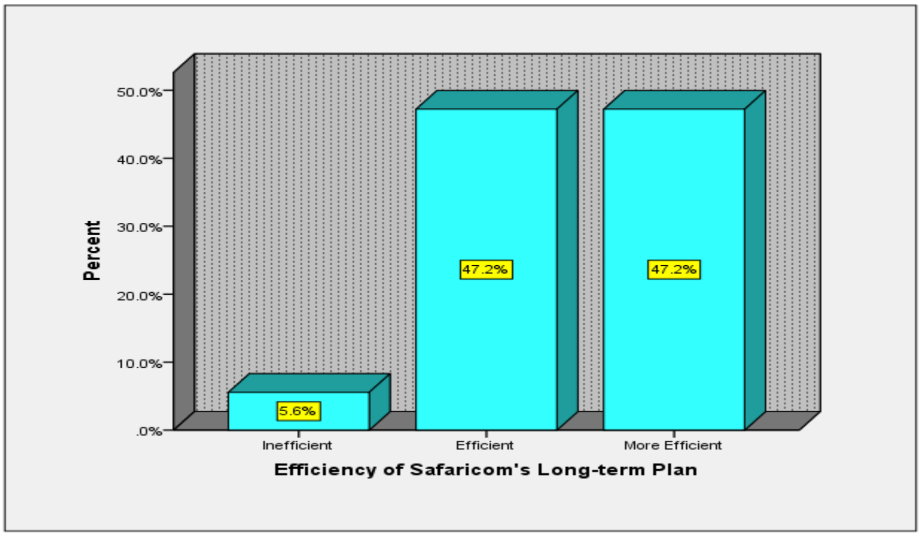

Figure 3: Efficiency of Safaricom's Long-term Plan

According to the study findings, 47.2%each of the respondents considered Safaricom's long-term plan as efficient and more efficient respectively while 5.6% of the respondents believed that Safaricom's long-term plan was insufficient. The respondents further suggested that Safaricom should invest new sectors such as governance, talent development and women empowerment in order to increase its competitive advantage in the global market.

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4.2 Inferential Statistics

4.2.1 Correlation analysis

The study measured the correlation between the independent (Corporate Social Responsibility) and dependent (Competitive advantage) variables in order establish the strength of linear association between the variables in question. Campbell and Swinscow (2011) considers correlation analysis as dimensionless quantity measurement that explains variables in the range −1 to +1. While interpreting the correlation coefficients, if a coefficient is zero, that indicates that there is no linear relationship between the two continuous variables and when the correlation coefficient is −1 or +1, it means that there is a perfect linear relationship (Kornbrot, 2005).

The strength of relationship can be anywhere between −1 and +1. The stronger the correlation, the closer the correlation coefficient comes to ±1. If the coefficient is a positive number, the variables are directly related (i.e., as the value of one variable goes up, the value of the other also tends to do so). If, on the other hand, the coefficient is a negative number, the variables are inversely related (i.e., as the value of one variable goes up, the value of the other tends to go down). Any other form of relationship between two continuous variables that is not linear is not correlation in statistical terms (Campbell and Swinscow, 2011). Table 3 shows the correlation coefficient with the aimed of determining whether there was a curved relationship between the variables.

Table 3: Bivariate Correlation Coefficients between CSR Initiatives and Overall Competitive Advantage N=16

Variables	Environment Protection and Management	Health care Provision	Education	Disaster Relief	Sports Promotion	Empowerment and Poverty Reduction	Culture and Music	Autism	Overall CSR activities on Competitiv Advantage
Environment Protection and Management	1.000								
Health care Provision	.437**	1.000							
Education	.625**	.344*	1.000						
Disaster Relief	.414*	.430**	0.289	1.000					
Sports Promotion	0.299	0.290	0.213	0.065	1.000				
Empowerment and Poverty Reduction	0.327	0.218	.389*	0.263	0.153	1.000			
Culture and Music	0.160	-0.143	0.237	0.105	0.153	0.316	1.000		
Autism	.513**	.474**	0.197	.576**	0.201	0.136	-0.185	1.000	
Overall Influence of CSR activities on Competitive Advantage	-0.021	0.101	0.174	0.180	0.091	0.210	0.202	-0.126	1.000

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

*. Correlation is significant at the 0.05 level (2-tailed).

Table 3 shows the bivariate correlation coefficients between CSR initiatives and overall competitive advantage at Safaricom Limited. All the CSR initiatives were established to have a

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significant positive correlation with the company's competitive advantage apart from autism and environmental protection and management initiatives. According to the findings, environmental protection and management initiatives had a correlation of (-0.021) and autism (-0.126), which implies that there is no curved relationship between the variables and competitive advantage in Safaricom Ltd. The rest, that is, health care provision (0.101), education (0.174), disaster relief (0.180), empowerment and poverty eradication (0.210) and culture and music (0.202) were found to have a curved relationship with CSR at Safaricom Ltd.

4.2.2 Regression Analysis

The study adopted multiple regression approach in testing whether there was a significance relationship between independent and dependent variables in order to meet the objectives of the study. The dependent variable (competitive advantage) was measured using the using variables such as customer subscriptions, image and the company's profits/financial performance while on the other hand, CSR was measured using the following variables: Environmental protection and management; Health care provision; Education; Disaster relief; Sports promotion; Autism; Culture and music; Empowerment and poverty eradication

The multiple linear regression model structure can be summed up as:

$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_3X_3 + B_6X_6 + B_7X_7 + B_8X_8 + e$

Where;

Y = Overall Competitive Advantage

B_0 = Regression constant to be estimated

B_1 to B_8 = Regression coefficients to be estimated

X_1 = Environmental protection and management

X_2 = Education

X_3 = Disaster relief

X_4 = Sports promotion

X_5 =Autism

X_6 =Culture and music

X_7 =Health care provision

X_8 = Empowerment and poverty eradication

e = Error /Disturbance Term

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Table 4: Customer Subscription as a function of Dependent Variable (CA)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.582[a]	.339	.143	.542	.339	1.732	8	27	.136

a. Predictors: (Constant) (CSR variables): Autism, Education, Health care Provision, Empowerment and Poverty Reduction, Sports Promotion, Disaster Relief, Environment Protection and Management, Culture and Music

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.070	8	.509	1.732	.136[b]
	Residual	7.930	27	.294		
	Total	12.000	35			

a. Dependent Variable: Increased Customer Subscriptions as a function of CA
b. Predictors: (Constant) (CSR variables): Autism, Education, Health care Provision, Empowerment and Poverty Reduction, Sports Promotion, Disaster Relief, Environment Protection and Management, Culture and Music

As shown in table 4, the coefficient determination is 0.339. This implies that 33.9% of the variation in customer subscription was explained by: Environmental protection and management; health care provision; education; disaster relief; sports promotion; autism; culture and music; empowerment and poverty eradication. Further, the ANOVA shows that there is a general negative relationship between the CSR initiatives and customer subscription at Safaricom Ltd because the p-value is 0.136 which is more than standard probability ratio of 0.05. This means that there is no relationship between CRS initiatives and overall customer subscriptions.

As shown in the regression model, R square and adjusted R is slightly low and therefore this implies that there is low variation that can be explained by the model. Moreover, the regression model shows a degree of significant of 0.136 (sig. F change) which is more than p-value of 0.05. This means that independent variables (Autism, Education, Health care Provision, Empowerment and Poverty Reduction, Sports Promotion, Disaster Relief, Environment Protection and Management, Culture and Music) were insignificant in explaining the variation in the dependent variable-Competitive advantage that is, customer subscriptions, corporate image, and profitability).

Table 5: Company Image as a function of dependent variable (CA)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.447[a]	.200	-.037	.496	.200	.844	8	27	.573

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a. Predictors: (Constant) (CSR activities), Autism, Education, Health care Provision, Empowerment and Poverty Reduction, Sports Promotion, Disaster Relief, Environment Protection and Management, Culture and Music

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.661	8	.208	.844	.573[b]
	Residual	6.644	27	.246		
	Total	8.306	35			

a. Dependent Variable: Improved Company Image
b. Predictors: (Constant), Autism, Education, Health care Provision, Empowerment and Poverty Reduction, Sports Promotion, Disaster Relief, Environment Protection and Management, Culture and Music.

As shown in table 5, the coefficient determination is 0.200. This implies that 20.0% of the variation in company image was explained by: Environmental protection and management; health care provision; education; disaster relief; sports promotion; autism; culture and music; empowerment and poverty eradication. As shown in the regression model, R square and adjusted R are low and therefore this implies that there is low variation that can be explained by the model. Moreover, the regression model shows the F-statistic of 0.573 and probability ratio (sig. F change) of 0.573 which is less than p-value of 0.05 meaning that independent variables were insignificant in explaining the variation in the dependent variable.

Table 6: Financial Performance/Profit as a dependent variable

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.605[a]	.367	.179	.537	.367	1.953	8	27	.093

a. Predictors: (Constant), Autism, Education, Health care Provision, Empowerment and Poverty Reduction, Sports Promotion, Disaster Relief, Environment Protection and Management, Culture and Music

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.510	8	.564	1.953	.093[b]
	Residual	7.795	27	.289		
	Total	12.306	35			

a. Dependent Variable: Increased Profitability

b. Predictors: (Constant), Autism, Education, Health care Provision, Empowerment and Poverty Reduction, Sports Promotion, Disaster Relief, Environment Protection and Management, Culture and Music

As shown in table 6, the coefficient determination is 0.367. This implies that 36.7% of the variation in company profit/financial performance was explained by: Environmental protection and management; health care provision; education; disaster relief; sports promotion; autism; culture and music; empowerment and poverty eradication. The regression model shows the R square and adjusted R are slightly and therefore this implies that there is low variation that can be explained by the model. Moreover, the regression model shows a F-statistic of 0.093 and probability ratio (sig. F change) of 0.093which less than p-value of 0.05. This means that independent variables were insignificant in explaining the variation.

4.3 Discussions of Research Findings

4.3.1 Corporate Social Responsibility and Customer Subscriptions

The regression analysis showed that there no relationship between CSR initiatives and customer subscriptions at Safaricom Ltd (p-value, 0.136). The finding is inconsistent with Ramasamy and Chumptaz (2008) who used social identity theory of planned behaviour to explore factors affecting consumer purchase intentions and found that customer's perception of firm's corporate social responsibility commitment had a critical impact on their purchase intention. The study further found that consumer-firm identification had a positive impact on loyalty and customer retention.

4.3.2 Corporate Social Responsibility and Image

Regression analysis established that there is no relationship between the CSR initiatives and cooperate image at Safaricom Ltd (p-value, 0.573). This finding is inconsistent with Filho et al. (2010) who studied strategic corporate social responsibility management for competitive advantage. The study found that social responsibility strategies were associated with competitive advantages, such as attracting valuable employees as well as enhancing the company image and reputation. Similarly, Kubai and Waiganjo (2010) studied the relationship between strategic corporate social responsibility and competitive advantage of commercial banks in Kenya Focusing on Equity Banks' Wings to fly program. The study revealed that corporate social responsibility had played a key role in influencing good customer perceptions especially among the beneficiaries and they display a great capacity to relate with the bank both now and in the future.

4.3.3 Corporate Social Responsibility and Financial Performance

Results from the regression analysis showed that there is no relationship between the CSR initiatives and profitability of Safaricom Ltd (p-value, 0.093). The findings are inconsistent with Murila (2013) studied corporate social responsibility in East African Portland Cement Company Limited Kenya Limited. The study found that corporate social responsibility can be used as a foundation for building a competitive advantage by both enhancing the firm's efficiency and increasing the value of its market. Similarly, Adebesi and Taiwo (2014) carried out a study on building winning strategy for competitive performance through corporate social responsibility focusing on MTN Nigeria. The research was undertaken by the study with the primary objective of appraising the possibility of organization leveraging on corporate social responsibility as a strategic tool for competitive performance with particular reference to MTN limited, a giant Telecom Firm in Nigeria. The findings showed that good ethical and environmental corporate social responsibility, appropriate delivery of societal focused corporate social responsibility and economic empowerment of the host community had significant effects on organizational performance of the mobile service provider.

Stratford Peer Reviewed Journals and Book Publishing
Journal of Marketing & Communication
Volume 1||Issue 2||Page 1-21 ||August||2018|
Email: info@stratfordjournals.org ISSN: 2617-359X

5.0 Conclusion

The study found that there was no relationship between CSR initiatives adopted by Safaricom Ltd and the overall competitive advantage of the company. Besides, the study established that all the CSR initiatives including; empowerment and poverty eradication, health care provision, sports promotion, culture and music, education and disaster relief had a significant correlation with competitive advantage of Safaricom Ltd while the CSR initiatives of environmental protection and management as well as autism were negative correlated with the competitive advantage of Safaricom Ltd.

Therefore, the study concludes the CSR initiatives adopted by Safaricom Kenya Ltd have not promoted the company's; customer subscription, company image and profit/financial performance. In other words, the study determines that there is an overall negative relationship between CSR initiatives and competitive advantage at Safaricom Kenya Ltd. Therefore, this means that mobile industries should re-examine their CSR initiatives in order to find out whether they are adding value to the company's financial sustainability.

6.0 Recommendation

Based on the findings, the researcher recommends the following policy actions towards addressing the gaps identified by the study. The study revealed that majority of CSR initiatives adopted by Safaricom Ltd had no relationship with the competitive advantage of the company. Therefore, it is imperative for the Safaricom Board to re-examine these set of CSR initiatives and determine their efficacy and long-term yields. This will help the company to establish a sustainability plan for all CSR initiatives thereby sustaining the company's competitive advantage. The study findings showed that majority of CSR initiatives at Safaricom Ltd were generalized and not result oriented. There is need to align CSR activities to specific goals in order to help improve efficiency and cut down operational costs in the company.

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