RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY PRACTICES AND MARKET SHARE AMONG SUPERMARKETS IN KISUMU TOWN

BY

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ABSTRACT

The study investigated the relationship between Corporate Social Responsibility and market share of supermarkets in Kisumu Town. The study sought to determine the factors that motivated the practice of Corporate Social Responsibility amongst supermarkets in Kisumu Town for the period 2006-2010. It also sought to determine the various forms of Corporate Social Responsibility practices amongst supermarkets in Kisumu Town for the period 2006-2010.

The population of study was all the supermarkets in Kisumu Town, the sample frame being provided by the registration office of the Kisumu County Council. All five supermarkets were selected for the survey. A questionnaire was used to collect data, with respondents were top level managers. The data was analyzed using descriptive statistics and regression models. The results revealed that there was a relationship between corporate responsibility and market share because the supermarkets that invested more on corporate social responsibility also had high sales revenue. There was a positive correlation co-efficient between market share index and corporate social responsibility. The study found that the main CSR areas were education, water and sanitation, health and support to orphans. The bigger supermarkets tended to prefer education, water and sanitation, while the smaller supermarkets favoured support to orphans.

Key words: Supermarkets, Corporate Social Responsibility, market share
INTRODUCTION

The idea of corporate social responsibility has come to be accepted as a major corporate component of business growth and sustainability. Over the years, social responsibility moved from the Church to the State as governments replaced religious institutions as centres of power (Steiner, 1997). CSR came in response to criticism the companies were harming the environment and to the growing pressure for businesses to correct the negative impact of their operations (Steiner, 1997). Corporate Social Responsibility is about how companies manage the business processes to produce an overall positive impact on society. Companies have been able to adopt CSR as part of their strategy, and Supermarkets have not been left behind in an attempt to be seen to be responsive to their environment and the communities in which they operate. The most common form of CSR is philanthropic in nature where institutions donate money or food stuff to selected individuals or groups.

Market share growth is premised on a company attaining a relative competitive advantage (Porter, 1985). Market share depends on the internal organization of a firms’ marketing department, coordination of its activities, quality of information and communication technology, procurement system, quality of human resource capital and how they interact and impact on the cost and differentiation (Ojung’a, 2007). Market share is calculated as the percentage of an industry or market's total sales that is earned by a particular company over a specified time period. Market share is calculated by taking the company's sales over the period and dividing it by the total sales of the industry over the same period (Dorothy, Alila & Omosa, 2007). With the five supermarkets in Kisumu County competing for the market, is corporate social responsibility a factor in determining their market share.

Kwalanda (2007) defines Corporate Social Responsibility as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. It is also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business, or corporate social performance (Marketing Africa, 2010). The most common approach of CSR is philanthropy which includes monetary donations and aid given to local organizations and impoverished communities. Some organizations do not prefer
this approach because it doesn’t build on the skills of the local people, as opposed to community-based development that generally leads to more sustainable development. Community-based development approach is becoming more widely accepted as corporations work with local communities to better themselves (Porter & Kramer, 2006).

Creating Shared Value or CSV is another approach to Corporate Social Responsibility. It is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government to compete effectively. For society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues, and opportunities for philanthropy. Competition among Supermarket in the country is so stiff each of them has been forced to be innovated to be able to attract clientele. Nakumatt Supermarket unveiled their smartcard, which is a loyalty program meant to reward their clients in 2003. The program enables the card holders to be able to accumulate smart points every time they shop at any of the supermarket chain branches countrywide. When the program became a success, many supermarkets started their own loyalty programs for their customers.

In competitive markets, as opposed to those dominated by a few firms (oligopoly) or even just one (monopoly), it's important for businesspeople and investors to know how well companies or their products are doing relative to their competitors. Market share is one way to shed light on that relative performance. The basic idea of market shares is simple. The market share is how much of the market the company has (Ojung’a, 2007).

Market share is the proportion (or percentage) of specified products or services sold by a business within a given region (which may be a single community or the entire world). Measurements of market share can be broad, measuring how big a place a company has in a major industry. For instance, a researcher would want to know the market share for Nakumatt Supermarkets in the country. Other times a market share can be narrowly focused looking at a single product line or sales within a restricted area.

Supermarkets are large scale retailing institutions with several departments and operating primarily on a self service basis. Thus in typical supermarkets there is a department for meat,
bakery products, health and house- hold utensils. A supermarket is a self service grocery store that sells food, beverage and other goods. They are located in urban centre’s and in shopping malls and cover areas between 4,000 and 25,000 square feet. (Dorothy, Alila & Omosa, 2007). Hypermarket is a supermarket with over 25,000 square feet; they are allocated out of the central business district with extensive car parks. Examples include Ngong and Langata Road Hyper and Nakumatt Hyper in Mombasa road and Westlands all in Nairobi. There are five supermarkets in Kisumu county namely Nakumatt with two branches namely Mega City and Mega Plaza, Ukwala, Yatin and Pramukh each have two branches while Tuskys with a single outlet.

Several studies have been done touching on different aspects of CSR. For instance, Kweyu (1993) studied managerial attitudes towards business Social Responsibility, the case of bank Managers in Nairobi, while Mulwa (2002) studied perceived social responsibility and preference for a bank, a survey of Nairobi residents. On the other hand, Kwalanda (2007) studied corporate social responsibility at Safaricom and concluded that CSR was a key component of both corporate and business strategies. Finally, Muriuki (2008) found out that both Zain and Safaricom incorporated CSR in their business strategies. There has been cut-throat competition amongst supermarkets in Kisumu County characterized by the jostling for customers. Most of the supermarkets have duplicated marketing strategies and they are not adding any value to their competitive strength in the market. The research study sought to determine the relationship between CSR practices and market share of supermarkets within Kisumu County for the period 2006-2010. The study had two objectives; namely, to establish the relationship between Corporate Social Responsibility practices and market share among supermarket in Kisumu County for the period 2006-2010, and, to determine the factors that motivate the practice Corporate Social responsibility amongst supermarkets in Kisumu County for the period 2006-2010.

THEORETICAL PERSPECTIVE

In the increasingly conscience-focused marketplaces of the 21st century, the high demand for more ethical business processes and actions. Simultaneously, pressure is applied on industry to
improve business ethics through new public initiatives and laws. Porter and Kramer (2006) affirm that Corporate social Responsibility is not only an important concept to business, but also as a source of competitive advantages for the organization and should therefore be given due consideration as the core business of a firm. Mintzberg (1983) stated that Corporate Social Responsibility can be practiced or can appear in different forms. The purest form is when CSR is practiced for its own sake. The firm expects nothing back from their CSR activities and therefore becomes social responsibility because it is the noble thing to do. The other a less pure form is when its undertaken for enlightened self interest in this case the company expect to get reward that are either tangible.

Designing an effective corporate responsibility requires a delicate balance to be established, allowing the corporation to remain competitive in the market place while ensuring special needs of the environment and the public-at-large are served properly. When you consider the question of business ethics, decision-making criterion, and the cost of performing business in keeping with society's expectations, and environmental considerations, the corporate boardroom begins to look like an ecosystem all on its own (Mintzerberg, 1983). Defining effective corporate social responsibility requires a unique understanding of the new business culture. Now more than ever, shareholders, employees, and the public, expect a corporation to be good stewards. What this means to each business will vary depending on a number of factors (Porter & Kramer, 2006).

Environmental concerns, perhaps one of the top issues regarding effective corporate social responsibility is how a corporation makes use of available resources. Most businesses are now starting to use paper and some other products that are made from recycled materials. Some of the environmental programs that can be put in place include tree planting campaigns, Clean-up exercises, installation of branded dustbins in strategic points within the city centre and it's environs this will arrest the littering of the streets by used scratch cards dumped by pre-paid users (Porter & Kramer 2006). Companies need to answer to two aspects of their operations. One is the quality of their management both in terms of people and processes and two the nature of, and quantity of their impact on society in the various areas. Outside stakeholders are taking an increasing interest in the activity of the company. Most look at what the company has actually done, good or bad, in terms of its products and services, in terms of its impact on the
environment and on local communities, or in how it treats and develops its workforce (Porter & Kramer, 2006).

Corporations can successfully design their organizational cultures to act with social responsibility in mind and still offer a favorable return to stakeholders. Social responsibility goes a long way because not only does society as a whole benefit from proactive measures such as being environmentally friendly or making monetary charitable contributions, but ultimately the organization gains as well. The return on a company's social investment may be slower than the rapid cut throat methods of doing business, but over the course of the long term there is likely be a positive and profitable return (Kwalanda, 2007)

Reputation is one of a company's strongest assets and when designing social responsibility programs or guidelines, it is a good idea to keep this concept in mind. A solid reputation enhances an organization's public reputation and in the end, this can ultimately raise that coveted profit line. Businesses which come across as compassionate, concerned and responsible to society have high potential to attract customers willing to flock to do business with a company they perceive as ethical (Mintzerberg, 1983). The Corporate Responsibility Index (CRI) is a leading business management and benchmarking tool that enables companies to effectively measure, monitor, report and improve their impacts on society and the environment. The framework for the CRI was developed by BITC in the UK in 2002 in consultation with business.

The idea of an index was first raised in BITC's 2000 Winning with Integrity report. Following this report BITC conducted a survey of UK businesses in 2001, Investing in the Future, which identified a need for reliable, standardized information that would enable a company's performance to be compared with that of its peers.

Some critics believe that CSR programs are undertaken by companies to distract the public from ethical questions posed by their core operations (Levitt, 1968). They argue that some corporations start CSR programs for the commercial benefit they enjoy through raising their reputation with the public or with government. They suggest that corporations which exist solely to maximize profits are unable to advance the interests of society as a whole. Another concern is when companies claim to promote CSR and be committed to sustainable development whilst
simultaneously engaging in harmful business practices. As corporations pursue growth through globalization, they have encountered new challenges that impose limits to their growth and potential profits. Government regulations, tariffs, environmental restrictions and varying standards of what constitutes "labor exploitation" are problems that can cost organizations millions of dollars (Levitt, 1968). Some view ethical issues as simply a costly hindrance, while some companies use CSR methodologies as a strategic tactic to gain public support for their presence in global markets, helping them sustain a competitive advantage by using their social contributions to provide a subconscious level of advertising. (Fry, Keim and Meiners, 1986). Global competition places a particular pressure on multinational corporations to examine not only their own labor practices, but those of their entire supply chain, from a CSR perspective.

Social awareness and education is another reason for CSR for the role among corporate stakeholders is to work collectively to pressure corporations that are changing. Shareholders and investors themselves, through socially responsible investing are exerting pressure on corporations to behave responsibly. Non-governmental organizations are also taking an increasing role, leveraging the power of the media and the Internet to increase their scrutiny and collective activism around corporate behavior. Through education and dialogue, the development of community in holding businesses responsible for their actions is growing (Roux, 2007). Laws and regulations another driver of CSR is the role of independent mediators, particularly the government, in ensuring that corporations are prevented from harming the broader social good, including people and the environment. CSR critics such as Robert Reich argue that governments should set the agenda for social responsibility by the way of laws and regulation that will allow a business to conduct themselves responsibly.

The rise of ethics training inside corporations, some of it required by government regulation, is another driver credited with changing the behavior and culture of corporations. The aim of such training is to help employees make ethical decisions when the answers are unclear. Humans are built with the capacity to cheat and manipulate, hence the need for learning normative values and rules in human behavior (Tullberg, 1996). The most direct benefit is reducing the likelihood of "dirty hands" (Cohen, 2005), fines and damaged reputations for breaching laws or moral norms.
Organizations also see secondary benefit in increasing employee loyalty and pride in the organization.

There are different corporate social responsibility practices that a firm can employ and they range from Education, where firms have sponsored bright students from poor economic backgrounds, this can be done by paying for tuition fees for the successful students either throughout their secondary education or university education. Environmental programs are where a company can be involved in tree planting exercises or even positioning litter bins in public places like shopping centre’s, public parks and markets places. Planting and maintaining gardens in round-about in the town.

Sports sponsorship is where an organization pays a certain amount of money either to pay for the organization of a tournament and the prizes to be won by the participants or brands the participants of the tournament either by providing their sports gear or providing advertising merchandise on the venue of the tournament. These may include banners, posters and billboards.

Resettlement of displaced families is one of the areas where companies have used to give back to the community. This has been done by buying food items and blankets for the affected families or communities. In most cases, the involved companies have called the media to cover these events. Children homes and Orphanages have also been a beneficiary of CSR programs, and these events are normally in the festive seasons like Christmas and Easter holidays. Many companies tend to carry out their CSR programs at this time. And they include buying food stuffs, blankets and even rebuilding or repairing of the facilities in these institutions.

**RESEARCH METHODOLOGY**

The adopted a descriptive survey method, which as Macmillan and Sally (2001) contend, is considered the most appropriate businesses and research approaches as they seek to find out factors associated with certain occurrences, outcomes and conditions of behaviors. It was a census study of the four supermarkets in Kisumu Town. 75% of the supermarkets were wholly locally owned while 25% of the supermarkets was jointly owned between locals and foreigners.
The main data collection instrument for primary data was a semi-structured questionnaire, which was administered to three managers in each Supermarket. Secondary data related to the Supermarket was collected for the period 2006 to 2010. The validity and reliability of the questionnaire was established by expert judgment method proposed by Gay (1996). The questionnaire was checked thoroughly by experts and suggestions for improvement made.

**DATA ANALYSIS AND PRESENTATION**

The data was analyzed using descriptive statistics as well as regression analysis. The statistical software, XLSTAT 2010, was used for the analysis of the descriptive results obtained from the regression analysis. Basis descriptive statistics involved getting demographic characteristics of the organizations, establishing the extent to which various CSR activities were practiced, and the factors that influenced the engagement in various activities.

The respondents were asked to indicate the number of employees in their organizations as a measure of size. The results are shown in Table 1

*Table 1  Size of the firm*

<table>
<thead>
<tr>
<th>NO. OF EMPLOYEES</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BELOW 100</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>101 – 200</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>201- 300</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>301- 400</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>401 – 500</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

As shown in Table 1, no supermarket had more than 400 employees. One supermarket had less than 100 employees, one had between 101 and 200, another had between 201 and 300 employees, while the largest supermarket had between 301 and 400 employees.

**Factors that affect Corporate Social Responsibility Initiatives**

The respondents were required to indicate the extent to which the factors provided in the table affected their CSR programs. The results are shown in Table 2.
Table 2. Factors that affect Corporate Social Responsibility

<table>
<thead>
<tr>
<th>Supermarket/factor</th>
<th>Tuskys</th>
<th>Nakumatt</th>
<th>Yatin</th>
<th>Ukwala</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition</td>
<td>20%</td>
<td>40%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Technology</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Government</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Availability of cash</td>
<td>75%</td>
<td>75%</td>
<td>60%</td>
<td>60%</td>
</tr>
</tbody>
</table>

The findings in Table 2 indicate that excess revenue was a motivation for supermarkets in Kisumu City to participate in CSR initiatives. This is because all the supermarkets stated that an increase in sales determined the number of CSR initiatives that they engaged in. Notably Yatin and Ukwala Supermarkets responses were the lowest at sixty percent (60%) each. Competition and government policy were not that significant factors as all the supermarkets, did not consider it as a factor that determines their CSR programs.

The supermarkets were requested to provide their monthly sales revenues after which annual sales revenue was calculated. Table 3 shows the Monthly Sales (In millions Kenya Shillings of the supermarkets

Table 3: Monthly Sales (in millions KES) of supermarkets

<table>
<thead>
<tr>
<th>Year</th>
<th>Nakumatt</th>
<th>Tuskys</th>
<th>Yatin</th>
<th>Ukwala</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>190</td>
<td>150</td>
<td>65</td>
<td>85</td>
</tr>
<tr>
<td>2007</td>
<td>200</td>
<td>160</td>
<td>75</td>
<td>95</td>
</tr>
<tr>
<td>2008</td>
<td>220</td>
<td>160</td>
<td>80</td>
<td>95</td>
</tr>
<tr>
<td>2009</td>
<td>280</td>
<td>210</td>
<td>95</td>
<td>105</td>
</tr>
<tr>
<td>2010</td>
<td>310</td>
<td>220</td>
<td>110</td>
<td>120</td>
</tr>
<tr>
<td>Average Monthly sales</td>
<td>240</td>
<td>180</td>
<td>85</td>
<td>100</td>
</tr>
<tr>
<td>Annual Sales revenue</td>
<td>2.88 Billion</td>
<td>2.16 Billion</td>
<td>1.02 Billion</td>
<td>1.2 Billion</td>
</tr>
<tr>
<td>Market share index (%)</td>
<td>39.67</td>
<td>29.75</td>
<td>14.05</td>
<td>16.53</td>
</tr>
</tbody>
</table>

From the table 3, it can be concluded that Nakumatt is the leading supermarket in terms of market share with 39.67% followed by Tuskys supermarket in second place with 29.75% of the
market share, Ukwala in third place with 16.53% and Yatin supermarket in fourth place 14.05% of the market share. It is important to observe that Tuskys supermarket only has a single branch in Kisumu compared to Ukwala with three branches while the other two, Nakumatt and Yatin each have two branches.

The respondents were asked to indicate the importance attached to the various social responsibility programs in the area, using the scale, 1= Very important 2 = Important 3 = Sometimes 4 = Not important 5 = Not very important. The results are given in table 4.

**Table 4; Corporate Social Responsibility Areas Scores**

<table>
<thead>
<tr>
<th></th>
<th>Tuskys</th>
<th>Nakumatt</th>
<th>Yatin</th>
<th>Ukwala</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Water&amp;Sanitation</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Health</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Orphanage</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Mean</td>
<td>3</td>
<td>2</td>
<td>4.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Std Dev.</td>
<td>6</td>
<td>6.75</td>
<td>2.75</td>
<td>5</td>
</tr>
</tbody>
</table>

As shown in Table 4, Most supermarkets showed a willingness to engage in various corporate social responsibility programmes. Only Water and Sanitation had the highest score deemed to be very important program’s for corporate social responsibility. Whereas contributions to Children Orphanages as a corporate social responsibility initiative was the least important according to the information provided. On average two supermarkets Yatin and Ukwala scored poorly in regard to engagement in Corporate Social Responsibility programs. Of all the supermarkets under survey Nakumatt had the highest average score of 2(SDSQ 6.75) meaning it participated the most in CSR programs followed by Tuskys supermarket with an average score of 3(SDSQ 6). Ukwala had a score of 3.5(SDSQ 5) and Yatin 4.5(SDSQ 2.75)

**Factors impacting on the organization choice to engage in CSR activities.**

The respondents were asked to indicate the extent to which they considered various factors that made their organizations engage in corporate social responsibility activities, on a scale of 1 to 5, (where 1 = not at all 2 = little extent 3 = moderate extent 4 = great extent 5 = very great extent). The results are shown in Table 5
Table 5: Factors impacting on the choice of CSR programs

<table>
<thead>
<tr>
<th></th>
<th>Tuskys</th>
<th>Nakumatt</th>
<th>Yatin</th>
<th>Ukwala</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government laws and regulations</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>As a market strategy</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Need for profitable</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Shareholders and investors pressure</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>To cover up organization misdeeds</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

According to table 5, the response from Tuskys was moderately extent and for Nakumatt a great extent as far as marketing strategy is concerned as impacting on the choice of CSR programmes. On the need of profitability the results showed that this factor is not that significant in influencing the choice of CSR programmes. Both Yatin and Ukwala considered government laws and regulations to a great extent as a factor in their choice of CSR programs while both Tuskys and Nakumatt did not considered it a factor in their choice. All supermarkets agreed that covering up for organization misdeeds was not a factor for their choice of CSR programs.

All the supermarkets other than Nakumatt agreed that the need for profit was not a factor at all in determination of the choice of CSR programs. Nakumatt considered it a little extent.

Corporate Social Responsibility and Market share

The independent variables proxy by Education, Water & Sanitation and Health was regressed against dependent variables from the market share index in appendix 1. The findings in Table 4 indicate average scores of the Corporate Social Responsibility, the lower the score is show of the extent to which a supermarket engages in CSR programmes. Of all the supermarkets under survey Nakumatt had the best average score of 2(SDSQ 6.75) meaning it participated the most in CSR programs followed by Tuskys supermarket with an average score of 3(SDSQ 6). Ukwala had a score of 3.5(SDSQ 5) and Yatin 4.5(SDSQ 2.75)

Regression of the various aspects of CSR was done for each supermarket against the supermarkets market share index. The findings are given in Table 6
### Table 6: Regression coefficients for the independent variables

<table>
<thead>
<tr>
<th>Source</th>
<th>Coefficient</th>
<th>Std Error</th>
<th>Std Beta</th>
<th>95% C.I.</th>
<th>99% C.I.</th>
<th>t</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\beta_0$</td>
<td>0.7818</td>
<td>52.236</td>
<td>-16.935</td>
<td>32.571</td>
<td>0.150</td>
<td>0.895</td>
<td></td>
</tr>
<tr>
<td>$\beta_1$</td>
<td>0.463</td>
<td>4.096</td>
<td>-0.047</td>
<td>-18.085</td>
<td>17.158</td>
<td>-0.113</td>
<td>0.920</td>
</tr>
<tr>
<td>$\beta_2$</td>
<td>0.613</td>
<td>1.209</td>
<td>-0.247</td>
<td>-5.816</td>
<td>4.590</td>
<td>-0.507</td>
<td>0.662</td>
</tr>
<tr>
<td>$\beta_3$</td>
<td>0.4807</td>
<td>23.061</td>
<td>0.961</td>
<td>-51.148</td>
<td>47.298</td>
<td>2.085</td>
<td>0.172</td>
</tr>
</tbody>
</table>

$\beta_1$ = coefficient for the education variable
$\beta_2$ = coefficient for the water & sanitation variable
$\beta_3$ = coefficient for the health variable

From the general equations:

1. Market share = f (education, water & sanitation, health)  
2. \[
\text{SUPERMARKET MARKET SHARE}_{ij} = \beta_0 + \beta_1\text{EDU} + \beta_2\text{WS} + \beta_3\text{H} + \varepsilon_{it} \]
3. Equation (3) specifies three independent variables; Education (EDU); Water & Sanitation (WS); Health (H). The equation was estimated 4 times; for each supermarket. The dependent variable Supermarket share is available from the market share index as indicated in appendix.

We find that regression coefficients for the for education ($\beta_1$), water & sanitation ($\beta_2$), and Health ($\beta_3$) were all positive indicating a direct relationship between market share and corporate social responsibility. There is a positive relationship between corporate social responsibility and market share among supermarkets in Kisumu town and the various forms of CSR initiatives practiced among supermarkets in Kisumu town include education, water and sanitation, and health initiatives. Orphanages is not one of the areas that CSR engaged by supermarkets in Kisumu town. The factors that motive the practice of CSR initiatives among supermarkets in Kisumu include government laws and regulations, as a market share initiative, shareholders and investor pressure and need of profitability among others. However, all the supermarkets refuted the factor of covering up for organizational misdeeds as reason for engaging in CSR programs.
Summary
The study investigated the relationship between Corporate Social Responsibility and market share of supermarkets. Therefore the broad objective of the study was to determine the relationship between various areas of CSR and market share of supermarkets in Kisumu Town. The study was guided by the following specific objectives; To determine the factors that motivate the practice Corporate Social Responsibility amongst supermarkets in Kisumu Town for the period 2006-2010; To find out the various forms of Corporate Social Responsibility practices amongst supermarkets in Kisumu Town for the period 2006-2010.

Conclusions
The findings indicate that the market share of supermarkets in Kisumu town have a relationship with Corporate Social Responsibility engagements. The areas of Corporate Social Responsibility investigated were Education (EDU), Water & Sanitation (WS) and Health (H). The supermarkets that invested significantly in Social Responsibility Programmes scored well as per the marketing index. After the analysis of the two variables CSR and market share, there was a positive correlation co-efficient between market share index and corporate social responsibility. It can therefore be concluded that the participation of a supermarket in the corporate social responsibility programs enhances its market share and the study findings are in agreement to previous empirical studies for other firms in the mainstream industry (Mulwa 2002; Kwalanda 2007; Muriuki 2008).

There are numerous factors that determine the practice of Corporate Social Responsibility. The data results showed that of the supermarkets that took Corporate Social Responsibility their main motivation was to have a competitive edge in the market. The two major market players in Kisumu town proved to have significantly been engaged in one form or another of the Corporate Social Responsibility. The survey data results discounted other factors such government policy on Corporate Social Responsibility as having no effect. Furthermore the study findings showed that to some extent the convictions of the owners affect the decisions to engage in Corporate Social Responsibility.

The research findings indicated that education was an area where the two major supermarkets dwelt on. Kisumu town and the environs have orphans who had done well in national exams but
could not proceed further with their education due to lack of fees. Poverty levels in the region were also quite high and as such guardians were unable to meet the fee demands. Nakumatt and Tuskys supermarket were found to be able and are willing, as a Corporate Social Responsibility, to assist students in advancing their education in paying fees. Health was another sector that the supermarkets under investigation showed an interest to support, especially in HIV- Aids awareness programmes. This was followed the engagement in water and sanitation initiatives conducted by CBO’s in support of the supermarkets.

**Recommendations**

The study recommends that since supermarkets depend on the sales from the market within Kisumu town they have a responsibility towards the society as a whole. Corporate Social Responsibility, apart from the ethical concerns of giving back to the society, enhances the marketing edge of a firm. Therefore it is in the benefit of the supermarket in general and the society, if Corporate Social Responsibility is practiced.

The research study centered on ways of attracting new customers to the supermarket using Corporate Social Responsibility initiatives. The research suggests that further investigation on the role of Corporate Social Responsibility and customer loyalty

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