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The role of CSR in Cotton On's KwaMashu upliftment initiative on
Consumer Loyalty in Pretoria

I, Tanya Marie Loganathan (13016020), hereby declare that the Research Report submitted for the Honors in BCom Management degree to The Independent Institute of Education is my own work and has not previously been submitted to another University or Higher Education Institution for degree purposes.

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24 August 2020

Abstract

In this study, the researcher sets out to understand the importance of Corporate Social Responsibility and investigate how consumer loyalty impacts the Cotton On Foundation initiative. This plays a vital role in making a difference in the KwaMashu Community by providing quality education through skills development to the youth, by eliminating the circle of poverty.

For this research study, a qualitative approach was used to obtain a deeper understanding of the differential opinions of consumer loyalty from the consumers within the Cotton On Group. Three semi-structured interviews were conducted to gather data from the participants to get a clear understanding of the various perspectives

QDA Miner Lite, a qualitative analysis program, was used to transcribe the responses from the results reflected that the CSR initiative by Cotton On, creates and develops consumer loyalty as all respondents indicated. They were motivated to purchase more Cotton On Foundation items, more frequently, as a means of giving back to the less fortunate residing in the rural KwaMashu Community. Overall, a better understanding was gained as to why Cotton On consumers chose to remain loyal towards the CSR initiative.

Key Words: CSR, Consumer Loyalty, Non-profit Organisation, Initiatives, KwaMashu Community, Skills Development, Empowering Youth Through Quality Education

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The Role Of CSR In Cotton On's KwaMashu Upliftment Initiative on Consumer Loyalty In Pretoria

1 INTRODUCTION

Consumers are the main asset and driving force for the success of an organisation (The Drum, 2019). Most organisations depend on their loyal consumers to achieve organisational goals (Autry, 2018). Corporate Social Responsibility (CSR) plays a vital role in organisations by integrating social and environmental goals within business operations (Thompson, 2019). This is done by organisations addressing social issues such as lack of education by providing skills development in rural communities (Gardiner, 2017). In today's world there is a lack of skilled youth in communities (BusinessTech, 2015). In organisations, quality goods are sold to consumers and a portion of their proceeds are used for their NGO initiatives (Landsberg, 2018). The Cotton On Foundation is a non-profit organisation that aims to empower youth by providing quality education through skills development whereby, one hundred percent of the proceeds from foundation items go towards their CSR empowering youth initiative (Cotton On foundation, 2020). Non-profit organisations play a vital role in people's lives by improving society and the community (Schreiner, 2020).

1.1 Background and Contextualisation

To achieve organisational success, it is imperative that organisations focus on maintaining consumer loyalty which is beneficial to both, the organisation and their programmes (Ranabhat, 2019).

Organisations rely on consumer loyalty to generate profit to keep their initiatives up and running (Bernazzani, 2020). Non-profit organisations (NPOs) address the needs of communities by giving back to society through feeding schemes and providing skills development to the less fortunate (Brand South Africa, 2017). These initiatives are funded by the contributions made by sponsors and consumers (Peacock, 2018).

Keeping consumers satisfied with quality products and services will ensure consumer loyalty over competitors (Chambers, 2020), as consumer loyalty plays a vital role in organisational success and maintaining their initiatives (Bernazzani, 2020).

The Cotton On Foundation is a non-profit organisation that aims to empower the youth with quality education by way of changing the world and eradicating poverty. This research report finds how consumer loyalty is increased through CSR initiatives that the Cotton On group engages in, via the Cotton On Foundation. This is done on their website under the foundations 'Learn more' section and by prompting the online shopper via pop-ups and links to the webpage listing the Cotton On foundation items sold (100% of the proceeds of the sale of those items go towards the Cotton On Foundation). Cashiers encourage every consumer purchasing In-store to support the initiative through purchasing the Cotton On Foundation items on displayed at till points thus raising awareness and increasing contributions.

According to Davis (2019) CSR initiatives do increase consumer loyalty as consumers feel an emotional connection to a brand especially when they are aware that their proceeds are going toward a good cause, by way of addressing social issues such a poverty by providing education in rural communities (Kumar, 2020).

The intent of this research report is to understand whether CSR initiatives run by organisations influence developing and growing consumer loyalty, and if so, the drivers and magnitude of that effect on consumer loyalty. The researcher focuses on the Cotton On Group and the Cotton On Foundation.

2 RATIONALE

This research report will play a vital role in contributing to the organisational body of knowledge because consumer loyalty in the non-profit sector is a commonly researched topic. The findings from this report could be useful to:

Consumers, showing how their financial contributions are empowering the youth and making a difference. Companies in the private sector, this research report will provide insight and an understanding between their CSR initiatives and consumer loyalty. The findings show the success of their initiatives through consumer loyalty. This information could be beneficial to the Bachelor of Commerce in the Strategic Management field, as a source of reliable information for research purposes and to the public by helping them understand CSR and how vital consumer loyalty is in community upliftment.

Understanding the CSR initiative that the Cotton On Foundation plays in changing lives, the management team at the Kolonnade Store prioritizes on consumer loyalty and foundation product sales.

3 PROBLEM STATEMENT

The research problem of this study is to investigate the role of CSR initiatives on consumer loyalty, to understand how it can influence people to support a company in their initiative to uplift a community.

Cashiers encourage every consumer purchasing to consider Cotton On Foundation items, this raises awareness and increases consumer contributions (Cotton On Group, 2020), therefore, the researcher investigates whether CSR initiatives can ensure consumer loyalty through supporting an initiative that benefits community upliftment.

4 RESEARCH GOAL AND RESEARCH QUESTION

4.1 Research Goal

The purpose of this study is to understand the importance of CSR and how consumer loyalty impacts the Cotton On Foundation initiative through increased financial contributions which enables Cotton On to make a difference in the KwaMashu community.

4.2 Research Question

What impact does consumer loyalty to Cotton On in Pretoria play in the upliftment of the KwaMashu Community by empowering the youth through skills development?

5 RESEARCH OBJECTIVES

- To determine what role the Cotton On Foundation plays in the Kwamashu Community.
- To determine the impact consumer loyalty has in an organisation.
- To determine if the CSR initiatives are positively impacting the youth in the KwaMashu Community.
- To determine the role consumer loyalty plays in the Cotton On Foundation CSR program to empower youth

6 THEORETICAL FOUNDATION

6.1 Edward Freeman's Stakeholder Theory

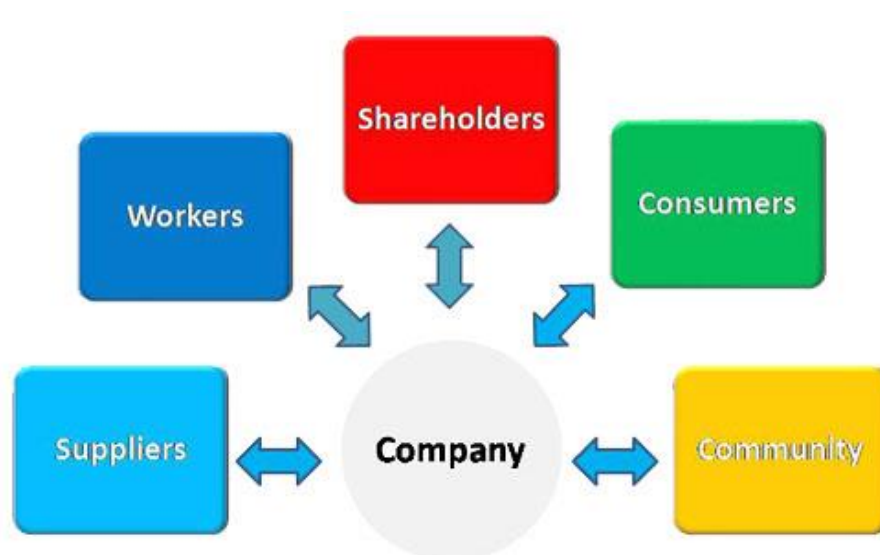


Figure 1: Edward Freeman's Stakeholder Theory (Edward Freeman, 1984, as cited in Brusseau, 2020).

Dr Edward Freeman developed the Stakeholder theory in 1984 (Stakeholder theory, 2018) stated that stakeholders are equally as important as shareholders in a company and should be valued (Stakeholder theory, 2018). He argues that a company's success and smooth operation relies on satisfying stakeholder interests and aligning it with organisational goals (Stakeholder theory, 2018) because a good working environment benefits everyone (Wright, 2018).

Stakeholder theory is not only to ensure organisations operate effectively but also considers the economic as well as the ethical issues by addressing social issues resulting in social wealth (LawTeacher, 2018). The interests of stakeholders are vital to an organisation's success. It is stated that organisations that pay more attention to the interests of their stakeholders are likely to receive loyalty in return, as loyalty is key for organisations' success and to achieve competitive advantage (LawTeacher, 2018). According to Blackburn (2019), she argues that the stakeholder theory could also be problematic and may lead to conflict within the organisation as the stakeholders which have more authority and a more dominant position may overrule the suggestions and opinions of the less dominant stakeholders (Blackburn, 2019).

According to Jones, Harrison and Felps (2018) the theory in Figure 1 is used to create sustainable competitive advantage. Stakeholder theory is about managing the relationships between internal and external stakeholders within the organisation and doing so in an ethical manner considering the company's morals and values. Primarily, it is about making sure that the business operations and projects are carried out effectively and efficiently (Blackburn, 2018).

Each element in Figure 1 plays a vital role in the Cotton On Foundation to achieve their initiative goal by providing skills development to empower the youth. Suppliers to the Cotton On Group and Cotton On workers ensure they deliver quality goods and services that keep consumers loyal to the Cotton On brand (Chambers, 2018; Cotton On Group, 2020). Cotton On shareholders provide financial advice and support to the organisation in return for dividends (Trust, 2018; Cotton On Group, 2020). Cotton On consumers play a pivotal role in the financial contribution of an organisation's initiative

whereby, their proceeds go towards initiatives such as uplifting the communities by empowering the youth through skills development programs (Cotton On Foundation, 2020).

7 LITERATURE REVIEW

Consumer loyalty is crucial for the success of a non-profit organisation, an organisations survival is dependent on this (Chambers, 2018). According to Ranabhat (2018) consumer loyalty generates profits when consumers are content with the brand. CSR plays a vital role in organisations by integrating social and environmental goals within their business operations (Thompson, 2019). CSR initiatives within non-profit organisations show a sense of commitment and loyalty to the community which draws in consumers (Servera-Francies and Piqueras-Tomas, 2018). Many brands build their reputation by addressing social issues to create a sustainable environment (Alimdjanov, 2018). This research study aims to understand the role CSR and consumer loyalty play in the non-profit organisation initiative by Cotton On Foundation to empower youth by providing quality education through skills development.

7.1 The Fundamental Effect of Consumer Loyalty In Non-profit Organisations

7.1.1. The role of consumer loyalty

Consumer loyalty refers to consumers who are satisfied thus ensuring loyalty to the brand (Bernazzani, 2020) It is the driving force for any organisation (The Drum, 2019), hence, it is vital that all stakeholders are treated with care to ensure business operations and projects are carried out efficiently (Stakeholder theory, 2018).

According to Ranabhat (2018) consumer loyalty generates profits for organisations to run effectively, therefore, companies prioritize marketing and customer service to retain current consumers by increasing their consumer loyalty (Business Dictionary, 2020). Companies do this by investing in and utilising loyalty programs which reward

consumers for repeat business (Business Dictionary, 2020). Based on research conducted by Customer Relationship Management consulting firms in the last two decades, there is a significant difference in purchase levels and profitability between loyalty program members and non-members; that is loyalty program members have been identified to have higher purchase levels than non-members which results in an increase in profitability (Dorotic, 2019). The difference stems from the 'loyalty program's ability to increase spending and frequency of purchasing of loyalty program members after they join the loyalty program' (Dorotic, 2019).

7.1.2. The influence that CSR initiatives have on consumer loyalty

There are various drivers of consumer loyalty, such as: efficient and effective customer service, which includes listening and providing solutions to consumers as well as providing support after purchase (Hallencreutz and Parmler, 2019) having a long-term strategy and not seeking a short-term reaction which involves making the consumers feel valued by providing opportunities for them to be a part of the company's long-term goals, such as, running and communicating the progress of CSR initiatives wherein the proceeds from the sale of products to consumers contribute to the CSR initiatives (Martinelli and Vergura, 2020); amongst others. This research report focuses on the influence that consumer loyalty has on CSR initiatives.

Corporate social responsibility is about incorporating sustainable development within business operations that positively impact the social, economic and environmental factors (Schooley, 2019). This is seen as mainly impacting communities in a positive way by ensuring sustainable development (Sustainet software, 2017).

Companies which engage in CSR create positive brand images (Lho & Yu, 2019), which results in consumer trust. A product of consumer trust is high customer satisfaction levels which in turn encourages customers to remain committed to the company, that is, produces consumer loyalty (Ashraf, Ilyas, Imtiaz & Tahir, 2017). In addition to this, CSR engagement develops 'consumers' interest, emotions and

feelings towards their products and services' (Ashraf et al, 2017), which is achieved when consumers are informed of the CSR initiatives that the company has embarked on, as well as the rationale behind the CSR initiative. That is, CSR initiatives build an environment of trust which enables the company 'to reach its customers at different levels and forge deeper connections' (Srivastava, 2017). This is achieved when consumers are provided with regular feedback on the outcome of the initiatives. Thus, increasing consumer loyalty.

7.2 Skills Development

7.2.1 The CSR initiatives that address the challenges faced by residents in rural areas

The challenges faced by residents from rural areas are discussed under 7.3.1. below and some of the key challenges include the following: poverty, illiteracy, and unemployment (Kapur, 2019). Skills development involves identifying skill gaps and developing those skills through education, training, and development activities (Chua, 2020). The skills development CSR initiatives conducted in rural areas play a pivotal role in addressing and overcoming the challenges faced.

The proceeds generated from the sale of Cotton On foundation products are used to fund their CSR initiatives and Cotton On provides feedback on the amount of funds generated and utilised as well as information on which initiatives have been funded by their consumers' contributions on the Cotton On foundation website and social media platforms (Cotton On Foundation, 2020). Grace Aid, which is a CSR initiative, that is funded by multiple corporate companies, one of which being, First View, provides the abovementioned CSR initiatives. Grace Aid aims to address and eradicate the challenges of poverty, illiteracy and unemployment by providing the resources, training and support to the residents of rural areas to enable them to generate an income (Graceaid.org, 2020). Other initiatives include the construction of schools in rural areas, the provision of educational resources which addresses the challenge of poor

quality education and illiteracy in rural areas, as well as, the teaching of skills such as farming to enable the residents to become self-sustainable (Deloitte, 2020).

7.2.2 The contribution of consumer loyalty on Cotton On's CSR initiative

In industries with low switching costs, such as the retail industry, consumer loyalty programs have been identified as potential drivers of differentiation and tools used to sustain a competitive advantage (NastasoIU and Vandenbosch, 2019). Cotton On operates within the retail industry and has a consumer loyalty program called Perks (Cotton On, 2020). Examples of loyalty program rewards include, but are not limited to, discounts, free products or a preferential service (Dorotic, 2019). Cotton On offers regular discounts, personalised preferential offers to Perks members on their birthdays, as well as grants early access to new products on their website to loyalty program members prior to those products being sold at the stores (Cotton On, 2020). Consumers earn loyalty points after every purchase from any of the stores within the Cotton On group and the points have an expiry date, thus, encouraging the consumers to redeem their points by making additional purchases (Cotton On, 2020).

Cotton On Foundation is a registered non-profit organisation that relies on their consumers to purchase in-store or online foundation items whereby one hundred percent of the proceeds are used to sustain their initiative (Cotton On Foundation, 2020). These items consist of bottled water, tissues, tote bags, hand sanitizers, face wipes and mints which are considered daily essential range that are displayed at till points whereby, cashiers encourage every consumer to consider purchasing Cotton On Foundation items, this raises awareness and increases consumer contributions (Cotton On Foundation, 2020). As the CSR projects conducted by the Cotton On Foundation are funded by the proceeds of the Cotton On Foundation products sold by the Cotton On Group (Cotton On Foundation, 2020), this indicates their reliance on consumers for funding their initiatives and further emphasizes the significance that consumer loyalty has on its CSR projects.

7.2.3 The contribution of Consumer loyalty on Cotton On's CSR during the current global pandemic: COVID-19

An outbreak of a respiratory deadly disease that spreads throughout the globe is known as a pandemic (Hickok, 2020). The World Health Organisation declared a pandemic outbreak on 12 March 2020, this announcement was made by Dr Tedros Ghebreyesus who stated countries should stop the spread of the virus by commencing a global lockdown (World Health Organisation, 2020). South African President, Cyril Ramaphosa addressed the nation on Monday 23rd March 2020, and declared that the country will officially be on a nationwide lockdown for 21 days starting at midnight on 26th March 2020 (Eyewitness News, 2020). Since, then the lockdown has been extended for over a month with uncertainty of an expected end (BusinessTech, 2020).

To encourage social distancing businesses not regarded as essential services were to close their doors and not operate to avoid transmission of the virus (South African Government, 2020). Cotton On was not categorised as an essential service provider and therefore was not able to generate any revenue, as sale of their products were prohibited during the initial lockdown period. However, on 01 May 2020, Cotton On was able to generate sales as the South African government permitted the sale of 'winter clothing' (South African Government, 2020). On 14 May 2020, the South African Government further permitted the sale of all products via online platforms (South African Government, 2020), thus enabling the Cotton On Group to continue to operate via e-commerce (Cotton On, 2020).

The Cotton On loyalty program, Perks, is integrated with digital payment systems allowing consumers to earn reward points when shopping online during the lockdown period, hence, further encouraging additional purchases (Dorotic, 2019).

During the lockdown period, the Cotton On Foundation embarked on an initiative to provide hand sanitisers to the less fortunate (Cotton On Foundation, 2020). The influence that local and national Corporate Social Initiatives have on consumer loyalty is discussed further below.

7.3 Community Upliftment In Rural Areas

7.3.1 The challenges faced by rural areas

Residents of rural areas face problems and challenges subject to their location with unfortunate effects on living conditions, this imposes hurdles within the course of their progression (Kapur, 2019). Major challenges identified which include the following: 'poverty, illiteracy, unemployment, homelessness and crime and violence' (Kapur, 2019).

Poverty is not categorised in the lowest income bracket but rather a multi-dimensional issue (Bourguignon & Chakravarty, 2019), rural area residents face poverty in the form of resource scarcity necessary for sustaining of their living conditions (Kapur, 2019). Poverty and illiteracy are intricately linked challenges faced by residents from rural areas (Carroll, 2018).

Illiteracy is defined as 'the inability to read or write' (Collinsdictionary.com, 2019). Residents of rural areas face the challenge of not possessing the basic literacy skills (Akhter & Bhat, 2019). As a result, these residents experience challenges in their ability to perform various tasks and activities (Kupar, 2019). There is an extremely high dropout rate in schools by learners from rural areas (Uleanya & Omoniyi, 2019). Reasons include the following: insufficient household income, children have no option than to drop out of school in search of work; child-headed households are widespread in South Africa, parents have passed on or have abandoned their children, thus forcing children to drop out of school in order to secure employment and provide for their siblings (Carroll, 2018); learners who come from families with illiterate backgrounds s, find it difficult to see the value of education, specifically those who are progressed or 'pushed' through the education systems by their educators even though, the requirements of their grades are not met (Akhter & Bhat, 2019).

The Cotton On Foundation has embarked on a skills development initiative in the KwaMashu rural community wherein literacy skills are taught to students (Cotton On

Foundation, 2020). The challenges as well as the initiatives run by the Cotton On Foundation can be found on their website (Cotton On Foundation, 2020), this raising awareness on their initiatives by providing customers with feedback/keeping customers informed on how funds which are generated from their purchases of Foundation products are utilised for the upliftment of the rural community.

7.3.2 Empowering youth through quality education – Cotton On Foundation's CSR initiative in the KwaMashu Community

The KwaMashu Community is a rural area situated north of Durban, wherein its residents are subject to the challenges of rural living, as outlined in 7.3.1 above. Some of the key challenges include poverty, illiteracy and unemployment (Kapur, 2019), which could be addressed, reduced and ultimately eradicated by the implementation of CSR skills development initiatives.

The Cotton On Foundation has implemented a CSR initiative in the KwaMashu Community at Dr JL Dube High School. With more than 1 200 learners enrolled at Dr JL Dube High School, the school is reportedly 'overcrowded, rundown, and under resourced.' (Cotton On Foundation, 2020). Therefore, Dr JL Dube High School is not a conducive learning environment. The absence of a conducive learning environment and the lack of resources at Dr JL Dube High School, will result in poor quality education being provided to the learners, as well as the learners becoming demotivated, hence performing poorly academically (Carroll, 2018). These conditions coupled with the other socio-economic challenges that learners residing in rural areas face may ultimately result in learners dropping out of school, which reduces their likelihood of employability, thus increasing South Africa's unemployment rate and keeping the KwaMashu Community below the poverty line in South Africa.

The Cotton On Foundation, however, has embarked on a CSR initiative which involves the renovation of the facilities at Dr JL Dube High School, and the implementation of numerous initiatives such as the Cotton On Foundation's 'Quality Education Model, Pathways Program, Nutrition Mission and Feeding Program' (Cotton On Foundation, 2020). The CSR initiative by the Cotton On Foundation aims to 'ensure young people

in KwaMashu are afforded the best opportunities' (Cotton On Foundation, 2020). The CSR initiative by the Cotton On Foundation at Dr JL Dube High School will play a pivotal role in addressing and reducing the challenges faced by the residents from the KwaMashu rural area, ultimately resulting in a better quality of life.

The Cotton On Foundation anticipated on completing the initiative at Dr JL Dube High School at the end of 2020, which is communicated to consumers via the Cotton On Foundation website (Cotton On Foundation, 2020). Due to the implications of COVID-19, as discussed under 7.2.3 above, there may be possible delays in this goal being accomplished timeously. However, dependent on the support of consumers, as a result of consumer loyalty, it is possible for the Cotton On Foundation to complete the initiative by the end of 2020 as originally anticipated, as all proceeds generated from the sale of the Cotton On Foundation products sold by the Cotton On Group go towards the CSR initiatives of the Cotton On Foundation. Therefore, it is evident that consumer loyalty to the Cotton On Group greatly impacts on the upliftment of KwaMashu Community.

7.3.3 The impact of CSR initiatives in rural areas

In South Africa, CSR is a noticeable effort by many companies as they strive to comply with the Black Economic Empowerment (BEE) legislation, which requires companies to consider all stakeholders (Businessinsa.com, 2019). Many companies use this regulation as an opportunity to empower and develop rural areas as part of their social responsibility programs and business-related activities (Businessinsa.com, 2019). The CSR initiatives which companies have embarked on in rural areas thus far have focussed on development in the following areas: education, health, safety and security, economic growth and employment, skills development, infrastructure, provision of resources such as clean water (Casidra, 2019). Some of the companies which have invested in rural areas through their CSR initiatives include the following: Sun International which established the SHAWCO Health Clinics initiative, which provides free healthcare to residents in the rural areas by use of mobile clinics (Suninternational.com, 2019); Old Mutual created the Green Hands CSR initiative,

which focuses on ‘**educational development and support**, as well as **health** and housing’ as they aim to make a positive and sustainable impact in the lives of many South African residents through their rural development CSR initiatives (Oldmutual.co.za, 2020); the Cotton On Group established the Cotton On Foundation, wherein 100% of their proceeds go towards ‘empowering youth through quality education’ (Cotton On Foundation, 2020).

By informing consumers of the CSR initiatives that companies embark on, the companies portray to their customers that they are good corporate citizens, thus resulting in their customers continuing to purchase from them in order to support their CSR initiatives and ultimately increasing customer loyalty (ResearchGate, 2020).

8 CONCEPTUALISATION

Consumer Loyalty

Consumer loyalty refers to consumers who are satisfied with the goods and services that are offered keeping them loyal to the brand (Bernazzani, 2020). The researcher identifies the mechanisms of developing and retaining consumer loyalty utilised by the Cotton On Group in this research report. In addition, the drivers of consumer loyalty stemming from CSR initiatives identified and investigated in this report.

Corporate Social Responsibility (CSR)

CSR is about incorporating sustainable development within business operations impacting the social, economic, and environmental factors positively (Schooley, 2019). In this research report, the researcher investigates the effect of CSR initiatives in the Kwamashu rural community conducted by the Cotton On Foundation on customer loyalty to the Cotton On Group in Pretoria.

Cotton On Foundation Initiative

The Cotton On Foundation is a non-profit organisation in partnership with a retail group, called, The Cotton On Group (Cotton On Foundation, 2020) with the aim of empowering the youth through quality education and skills development (Cotton On Foundation, 2020). To 'reduce poverty and improve the lives of those in need' by partnering with communities to 'provide long-term opportunities across education, health, sustainability and infrastructure' (Cotton On Foundation, 2020), one hundred percent of the proceeds from Foundation purchases within the Cotton On Group fund their initiatives (Cotton On Foundation, 2020). This research report focuses on the Cotton On Foundation and the Cotton On branch in Pretoria.

KwaMashu rural community

The KwaMashu Community is a rural area in Durban, South Africa, wherein its residents are subject to the challenges such as poverty, illiteracy, and unemployment (South Africa History Online. 2019). The Cotton On Foundation aims to empower the youth in the KwaMashu rural community by providing quality education through skills development (Cotton On Foundation, 2020). In the KwaMashu Community, the Cotton On Foundation, runs a CSR initiative at two schools, namely, Dr JL Dube High School and eThekweni Primary School.

9 RESEARCH PARADIGM

Interpretivists differs from Positivists. Interpretivists believe that a single phenomenon can be interpreted in many ways by human beings (iNtgrty, 2016) whereas Positivist believe in one correct answer (UKEssay, 2018).

Interpretivism is the paradigm used in this research study which, allows the researcher to conduct a study on human beings as interpretivist believe that human beings are different from objects because they have their own perceptions and opinions on elements (Du Plooy-Cilliers, Davis & Bezuidenhout, 2014:27).

This paradigm is applicable to this study because it allows the researcher and respondents to be interactive and share their true feelings, thus enabling the researcher to understand the behaviour and different opinions of the respondents. Therefore, Positivist paradigm is not suitable for this study because it relies on scientific evidence for an accurate reflection of how society operates (Du Plooy-Cilliers et al, 2014: 27). Interpretivism is best suited for this research study because it allows the respondents to share their different perceptions and opinions of the Cotton On initiative.

10 RESEARCH DESIGN

For the purpose of this research report a qualitative approach was used to obtain a deeper understanding of the differential opinions of consumer loyalty from the consumers within the Cotton On Group. Three semi-structured interviews were used to gather data from the participants to gain an understanding on the different perspectives of consumer loyalty.

The nature of this research follows an exploratory research design. This design assisted the researcher to apply a suitable theory to gain an understanding of the Respondents opinions to interpret the role CSR played in influencing consumers and current skills development factors to this specific phenomenon. A cross sectional survey design was used to measure data.

11 POPULATION

11.1 Target Population

Includes all consumers who purchase from Cotton On branches in Pretoria.

11.2 Accessible Population

Consisted of three consumers from Cotton On Kolonnade branch that met the population parameters and had access to Zoom

11.3 Population Parameters

- Consumers who shop at Cotton On at Kolonnade Shopping Centre regularly
- Aware of the perk's loyalty programme
- Aware of the Cotton On Foundation initiative
- Must purchase foundation items
- Must have had access to Zoom

11.4 Unit of Analysis

Consist of Cotton On Kolonnade loyal consumers that participated in the interviews that were transcribed for data analysis.

12 SAMPLING

12.1 Sampling Method

Non-Probability sampling was used in this research study, which enabled the researcher to rely on their own judgement when selecting participants to participate in the research study (Foley, 2018). Semi- structured interviews were conducted for the purpose of this research.

Convenience sampling, which is a type of non-probability sampling, was used by the researcher. This sample method was chosen to fit everyone that meets the exact population parameters. Convenience sampling involves the sample being drawn from that part of the population, which is close to hand, that is, the research selected participants that were present in the Cotton On Kolonnade store.

The participants were selected at random at the Cotton On store in Kolonnade by the researcher, and they voluntarily agreed to participate and provided the researcher with their contact details. Thereafter, the researcher had electronically obtained signed independence declarations from each participant via email confirming their agreement to participate in this research study.

13 DATA COLLECTION METHOD

For this research three semi- structured interviews were conducted. These interviews were scheduled to take place face-to-face at the Cotton On store premises at Kolonnade Shopping Centre. Due to the fact that social interactions are prohibited (Cheung, 2020), the interviews conducted for this research study took place in July via a video communications app called Zoom (Zoom Video, 2020) which, were conducted between the researcher and Cotton On Foundation consumers. Interviews were recorded for data analysis. Participants remained anonymous and each interview was recorded. Interviews were password-protected.

Interviews were selected as they allow respondents to think deeply and express their honest opinions. Each interview was approximately 15-20 minutes and consisted of ten semi-structured questions. Participants were asked open-ended questions where they will be allowed to elaborate. Each interview was conducted separately, giving participants time to reflect and answer honestly.

The research question and the research objectives were used alongside the literature review to identify relevant themes that were addressed in the interview questions.

The research question and research objectives were used to develop themes and sub-themes in the literature review. These themes and sub-themes were then used to develop the interview questions (See Table 1 below). The questions gave the

Interviewees the option to be honest and open with their answers creating a trustworthy environment between interviewer and interviewee.

Table 1: Research Question, Research Objectives, Themes and Interview Questions

Research Question	Research Objectives	Themes	Sub-themes	Interview Questions
What impact does consumer loyalty to Cotton On in Pretoria play in the upliftment of the KwaMashu Community by empowering the youth through skills development?	To determine the impact consumer loyalty has in an organisation	Consumer loyalty	The role of consumer loyalty Contribution of consumer loyalty	1. How frequently do you purchase items from Cotton On? 2. Are you aware of the Perks loyalty program? Follow-up question
	To determine if The Cotton On Foundation CSR initiative is making a difference in the KwaMashu community	Corporate Social Responsibility	The influence that CSR initiatives have on consumer loyalty	3. Are you aware of the products being sold for the Cotton On Foundation and that 100% of the proceeds from the foundation items go towards their CSR initiative in the KwaMashu rural community? Follow-up question. 4. After purchasing Cotton On Foundation products, have you received any update on the progress of the non-profit initiative to which your funds were being utilised for? Follow-up question.
	To determine what role The Cotton On Foundation plays in the KwaMashu Community	Community upliftment	The CSR initiatives that address the challenges faced by residents in rural areas	5. Are you aware of the challenges faced by individuals residing in the KwaMashu rural community? 6. Are you aware of the initiatives that the Cotton On Foundation embarks on to eradicate those challenges? Follow-up question.
	To determine if the CSR initiatives are impacting the youth in a positive way	Empowering youth initiative	The impact of CSR initiatives in rural areas	7. As COVID-19 is reaching its peak, the Cotton On Foundation is striving to help the youth with education and basic necessities, what are your thoughts towards this? 8. Are you more inclined to purchase Cotton On Foundation products after being made aware of the fact that 100% of the proceeds from the sale of these products will be utilised to provide the youth with education and basic necessities during the COVID-19 pandemic?
	To determine the role consumer loyalty plays in The Cotton On Foundation CSR program to empower youth	Skills development through quality education	Cotton On's CSR initiative to empower youth through quality education in the KwaMashu Community	9. Will you continue to purchase Cotton On Foundation products in support of Cotton On's CSR initiatives post COVID-19 pandemic? Follow-up question. 10. Are you aware of Cotton On Foundation's empowering youth initiative in the KwaMashu Community? Follow-up question.

14 DATA ANALYSIS METHOD

14.1 Qualitative Data Analysis Software

A software called Qualitative Data Analysis Software known as QDA Miner Lite was used for analysing, coding, and retrieving data in this research study (Provalis Research, 2020). Data collected from the interviews conducted between the researcher and participants were recorded and transcribed into Microsoft Word, then loaded onto QDA Miner Lite to be analysed.

14.2 Utilising QDA Miner Lite for Data Analysis

The researcher has developed main themes and sub-themes in the literature review that were used to analyse the data using eight steps on QDA Miner Lite (Provalis Research, 2020). The researcher prepared an interview schedule before conducting the interviews. Interviews were then be recorded and transcribed word for word into Microsoft Word that was password-protected. The researcher then saved the document in a secure folder. Only the researcher has access to the documents. The researcher identified main themes and sub themes mentioned in Table 1. These themes were used to compile the literature review for data analysis.

Respondents remained anonymous and were categorised by the codes allocated to each participant. The researcher first tested the system by uploading a transcript to ensure themes and sub-themes were picked up accurately.

The researcher used line-by-line coding to go through the document word for word by using a colour coding method to identify how many times each theme and sub-themes were mentioned. Once colour coding the transcript were completed the researcher then activated the program and allowed the programme to calculate which themes were mentioned most to less. Based on the main and sub-themes that were most to less mentioned the researcher drew conclusions. Researcher then interpreted the conclusions based on why that specific theme was most important in literature review.

14.3 The Coding Scheme

Codes Per Respondent 1: (COKR1MT1ST1Q1)

(COKR1MT1ST2Q2)

(COKR1MT1ST2Q3)

(COKR1MT2ST1Q4)

In Table 2 it shows the keys used for coding each respondent that participated in answering all questions during the interview. Research main themes and sub-themes were used to develop the codes. Respondents will remain anonymous and be referred to by the codes mentioned in above in 14.3.

Table 2: Keys Used for Coding Per Respondent:

COKR1	Cotton On Kolonnade Respondent (1,2,3)
MT: Main Themes	1. Consumer loyalty 2. Corporate Social Responsibility 3. Community upliftment 4. Empowering youth initiative 5. Skills development through quality education
ST: Sub-theme (1,2)	Main Theme 1 ST1: The role of consumer loyalty ST2: Contribution of consumer loyalty Main Theme 2 ST1: The influence that CSR initiatives have on consumer loyalty Main Theme 3 ST1: The CSR initiatives that address the challenges faced by residents in rural areas Main Theme 4 ST1: The impact of CSR initiatives in rural areas Main Theme 5 ST1: Cotton On's CSR initiative to

	empower youth through quality education in the KwaMashu Community
Q: Question	1, 2,3,4,5,6,7,8,9,10

15 TRUSTWORTHINESS

The quality and reliability of qualitative research hinges upon trustworthiness, thus trustworthiness in research is imperative (Korstjens & Moser, 2017). Trustworthiness consists of the following quality criteria: 'credibility, transferability, dependability, and confirmability' (Korstjens & Moser, 2017). Even though Zoom was used as the means of communication for Interviews, the interviewees' were guaranteed a safe space and acknowledged that no names would be used in this research report in order to protect their identities to maintain their trustworthiness.

Credibility establishes whether the research findings represent plausible information deduced from the interviewees' original data and is a correct interpretation of the interviewees' original views (Korstjens & Moser, 2017). That is, whether confidence may be placed in the truth of the research findings (Korstjens & Moser, 2017).

The strategies used by the researcher to ensure credibility include prolonged engagement by the researcher conducting interviews of long durations of time with the participants; persistent observation by the researcher identifying the key themes and sub-themes that are most relevant to the research question and formulating the interview questions based on these themes (Nyathi, 2018).

Transferability can be defined as ‘the degree to which the results of qualitative research can be transferred to other contexts or settings with other respondents’ (Korstjens & Moser, 2017). The strategy used by the researcher to ensure transferability is thick description, that is, the researcher describes the context of the research project, being the effect of CSR initiatives on the development and retention of consumer loyalty, in addition to examining the behaviour and experiences of the interviewees (Nyathi, 2018). This results in transferability as the findings can be applied to companies operating in various industries and their investments in Corporate Social Responsibility.

Dependability refers to ‘the stability of findings over time’ (Korstjens and Moser, 2017). Dependability entails the researcher’s evaluation of the findings, interpretation and recommendations of the research report, such that all are supported by the data collated in the completion of research report (Korstjens and Moser, 2017).

Confirmability refers to ‘the degree to which the findings of the research study could be confirmed by other researchers’ (Korstjens & Moser, 2017). Confirmability is primarily concerned with determining that data and interpretations of the research findings are not figments of the researcher’s imagination, but are clearly derived from the data (Nyathi, 2018).

The researcher utilised QDA Miner Lite to analyse data (Provalis Research, 2020) to avoid human error. The researcher kept the records of the research path throughout the study by referencing the sources of data collected by the researcher and kept a record of intext referencing, including the original recordings of the interviews conducted with the interviewees when conducting the research.

16 PRESENTATION OF FINDINGS

The findings of this research study were presented through the compilation of interviews between various interview respondents. The different themes will be presented along with their corresponding sub themes. The **number of mentions per main theme ranked from most to least mentioned** from each respondent and an overall view is provided in the tables below (Tables 3,4,5 and 6) to illustrate how often the themes were mentioned during the interviews:

Table 3: Sub-Themes Mentioned **Most To Least** by- COKR1

Main-themes	Sub-themes	Sub-themes mentioned most to least by- COKR1
Corporate Social Responsibility	influence that CSR initiative have on consumer loyalty	69
Community Upliftment	CSR initiatives that address challenges faced in rural areas	46
Consumer Loyalty	contribution of consumer loyalty	45
Skills Development through education	empower youth through quality education	25
Empowering Youth Initiative	Impact of CSR initiatives in rural areas	22
Consumer Loyalty	Role of consumer loyalty	19

Table 4: Sub-Themes Mentioned **Most To Least** By- COKR2

Main-themes	Sub-themes	Sub-themes mentioned most to least by- COKR2
Corporate Social Responsibility	influence that CSR initiative have on consumer loyalty	30
Consumer Loyalty	contribution of consumer loyalty	21
Community Upliftment	CSR initiatives that address challenges faced in rural areas	15
Empowering Youth Initiative	Impact of CSR initiatives in rural areas	15
Consumer Loyalty	Role of consumer loyalty	13
Skills Development through education	empower youth through quality education	9

Table 5: Sub-Themes Mentioned **Most To Least** By- COKR3

Main-themes	Sub-themes	Sub-themes mentioned most to least by- COKR3
Corporate Social Responsibility	influence that CSR initiative have on consumer loyalty	31
Consumer Loyalty	contribution of consumer loyalty	21
Community Upliftment	CSR initiatives that address challenges faced in rural areas	18
Empowering Youth Initiative	Impact of CSR initiatives in rural areas	13
Skills Development through education	empower youth through quality education	9
Consumer Loyalty	Role of consumer loyalty	6

Table 6: Overall Number Of Mentions Per Theme Ranked From **Most To Least** From All Respondents

Main-themes	Sub-themes	Sub-themes mentioned most to least by- COKR1-COKR2-COKR3
Corporate Social Responsibility	influence that CSR initiative have on consumer loyalty	130
Consumer Loyalty	contribution of consumer loyalty	87
	Role of consumer loyalty	38
Community Upliftment	CSR initiatives that address challenges faced in rural areas	79
Empowering Youth Initiative	Impact of CSR initiatives in rural areas	50
Skills Development through education	empower youth through quality education	43

The sub-theme of Influence that CSR initiative have on consumer loyalty within the main theme of Corporate Social Responsibility was most mentioned. The second most mentioned sub-theme was Contribution of consumer loyalty within the main theme of Consumer Loyalty, as respondents mentioned that they were aware of the positive difference that their purchases of the Cotton On Foundation products were making via Cotton On's CSR initiatives.

Theme 1: Corporate Social Responsibility

Regarding the main theme: Corporate Social Responsibility, the sub-theme Influence that CSR initiative have on consumer loyalty was mentioned most often as it was the

sole sub-theme. Respondent 1 mentioned CSR more than Respondent 2 & 3 even though they all stressed the importance of CSR.

Theme 2: Consumer Loyalty

Regarding the main theme: Consumer Loyalty, the sub-theme of Contribution of consumer loyalty was mentioned most often, thereafter the sub-theme of Role of consumer loyalty was also mentioned often. Respondent 2 & 3 mentioned consumer loyalty least as opposed to Respondent 1.

Theme 3: Community Upliftment

Regarding the main theme: Community Upliftment, the sub-theme of CSR initiatives that address challenges faced in rural areas was mentioned most often as it was the sole sub-theme. Respondent 1 & 2 mentioned Community Upliftment more than Respondent 3.

Theme 4: Empowering Youth Initiative

Regarding the main theme: Empowering Youth Initiative, the sub-theme of Impact of CSR initiatives in rural areas was mentioned most often as it was the sole sub-theme. Respondent 1 mentioned Empowering Youth Initiative more than Respondents 2 & 3

Theme 5: Skills development through education

Regarding the main theme: Skills development through education, the sub-theme empower youth through quality education was mentioned most often as it was the sole sub-theme. Respondent 1 mentioned Skills Development more than Respondent 2 & 3.

17 INTEPRETATION OF FINDINGS

17.1 Corporate Social Responsibility

During the interviews, the influence that CSR initiatives have on consumer loyalty as a theme was mentioned the most by the respondents as an element of corporate social responsibility (see Table 4 in Section 16). This can be seen in the following quotes by respondents 1, 2 and 3 followed by sub theme, contribution of consumer loyalty, as an element of consumer loyalty.

COKR1: “I am aware of the Cotton On Foundation... Knowing fully well that the proceeds are uplifting the community so yes definitely this does influence my purchasing. A CSI initiative influences me to purchase more ... I am aware of their corporate social responsible initiative and uhm I know the benefits...

COKR2: “They need to be uplifted ...and if Cotton On is giving uh children that advantage and giving them skills development uhm then if I can impact or make a contribution in some small way ...”

COKR3: “Uh Yes, I am aware, of the products uhm actually I purchase them at the end when I’m done with my shopping at the till. It’s usually like a bottle of water or uhm tissues or something...

According to Casidra (2019) CSR initiatives focuses on development within the rural communities that addressed the following: education, economic growth and employment, skills development, infrastructure, provision of resources. Many companies influence their consumers by portraying that they are good corporate citizens by their CSR initiatives that they embark on to keep their customers satisfied by supporting their CSR initiatives and increasing customer loyalty (ResearchGate, 2020). Based on the feedback per respondent quoted above, it is evident that the CSR initiatives have a positive correlation on consumer loyalty.

CSR was the most mentioned theme due to the fulfilment it gave the respondents knowing that their contributions made a difference in the lives of the KwaMashu community and the fact that one hundred percent was given to the foundation made a huge impact on all respondents.

17.2 Consumer Loyalty

The second most mentioned sub theme by respondents during the interviews was *Contribution of Consumer Loyalty an element of Consumer Loyalty* (see Table 4 in Section 16). Based on the feedback from the interviews, this is evident from the following quotes by respondents 1, 2 and 3, however the Role of Consumer Loyalty an element was least mentioned by respondents.

COKR1: "...I am a member of the Perks loyalty program and this does influence me to shop from Cotton On ... vouchers for my ...presale basically like a date before every uhm, items go on sale. I get access to it because I am a loyalty member. I get access to the items and the discounted prices on the online store ... being a Perks loyalty member does influence me to shop more uhm with Cotton On and I think its good also for growing customer loyalty ... it influences me to continually purchase and be loyal to the cotton on brand".

COKR2: "I purchase items quite regularly from Cotton On.... I am a member ... I do have a perks loyalty card and it does influence me to shop because of all the specials I get and the points. So, that encourages me to shop even more ...

COKR3: "I would say around once or twice a month. I am a member. It does actually influence me to shop more based on me receiving loyalty points through this uh program and in turn I do get vouchers emailed to me to use in, for my next purchases in the store".

Consumer loyalty refers to consumers who are satisfied with the goods and services that are offered to them keeping them loyal to the brand (Bernazzani, 2020). Based on the feedback from the interviews, as evidenced by the quotes above, all respondents purchase from Cotton On on a regular basis, indicating customer loyalty. In industries with low switching costs, such as the retail industry, consumer loyalty programs have been identified as potential drivers of differentiation and tools used to sustain a competitive advantage (NastasoIU & Vandenbosch, 2019). Cotton On operates within the retail industry and has a consumer loyalty program called Perks (Cotton On, 2020). As evidenced by the quotes provided above, all respondents stated that they are members of the Perks loyalty program and this reward influences them to continue purchasing from Cotton On, however respondents didn't seem to be interested in the role consumer loyalty plays in the organisation as their focus was mainly based on the CSR initiative.

17.3 Community Upliftment

The third most mentioned theme by respondents during the interviews of the five themes in this research report was *Community Upliftment* (see Table 4 in Section 16). The sub-theme, *CSR initiatives that address challenges faced in rural areas*, was the sole sub-theme. This can be seen in the following quotes by respondents 1 and 2:

COKR1: "I am aware of the challenges of uh that the residents face at the KwaMashu rural community ... whenever I purchase products from them, I am told that the proceeds are going towards uhm helping the less fortunate. I know uhm with Cotton On they are focusing on skills development and uhm uplifting the youth through providing educational... they literally are changing lives by this initiative it's not a once off ... Cotton On helps to rebuild the infrastructure uh like the schools and ah maintain it is amazing so that's one good thing that they have an environment that is conducive for learning. Students are motivated uhm so that they can preserve and focus on their studies... They giving them the tools the necessary the basic tools so that they can get a quality education and progress in life".

COKR2: “I think customer loyalty also plays a very big part in us getting together to make a difference in such communities because I know that there’s a lot of thief that goes on there’s a lot of violence uhm you know, by youngsters robbing the older people and this you know, if Cotton is doing skills development and uplifting the community ...making a difference to a rural community and we know that rural communities need social development, they need uhm you know community upliftment”.

Residents of rural areas face problems and challenges subject to their location. In addition to imposing unfortunate effects upon the living conditions of the residents of rural areas, these challenges also impose hurdles within the course of their progression (Kapur, 2019). The major challenges that have been identified include the following: ‘poverty, illiteracy, unemployment, homelessness and crime and violence’ (Kapur, 2019). As per the feedback from the respondents as quoted above, It was mentioned more by respondents 1 & 2 who were aware of the challenges that residents in rural communities’ face. The Cotton On Foundation has embarked on a skills development initiative in the KwaMashu rural community wherein literacy skills are taught to students living in the area (Cotton On Foundation, 2020). the proceeds from the foundation items go towards their CSR initiative in the KwaMashu rural community, were clearly aware of the products sold for the Cotton On Foundation and have purchased such items and after being informed about the CSR initiative, these respondents provided their opinions on it and stated that this motivates them to purchase more of the Cotton On Foundation products.

17.4 Empowering Youth Initiative

During the interviews the impact of CSR initiatives in rural areas an element of empowering youth initiative was one of the least mentioned themes. This can be seen in the feedback provided by respondent 1:

COKR1: “I am aware of the initiative that the Cotton On Foundation embarks on to eradicate those challenges uhm as mentioned like the poor quality education and the high dropout rate and uhm like those factors that the youth face there. They don’t

deserve that. No human being deserves that because uhm education is a basic right and by Cotton On doing this empowering through quality education initiative in the KwaMashu Community they are actually combatting that fact that the youth are challenge within that area”.

According to Kapur (2019) some of the key challenges rural communities face are poverty, illiteracy and unemployment. The respondent indicated that CSR initiatives play a vital role in addressing and reducing the challenges residents in rural communities are faced with, thus, ultimately resulting in a better standard of living.

17.5 Skills Development Through Education

Empowering youth through quality education was least mentioned during the interviews as an element of skills development through quality education (see Table 4 in Section 16) This was mentioned second to least by all respondents and is evident in responses by respondent 2 and 3:

COKR2: “No, I’m not aware of it uhm, but like you saying if they are making a difference uhm through education which is uhm I think the basis of any good grounding...So, unlike people that were disadvantaged previously kids now can make a difference through these foundations by uplifting their community through skills development that, that Cotton On provides and through these educational based programmes”.

“Steer them in the right direction towards aiming for a better future for themselves”.

COKR3: “Uhm, I would think by providing an education for the youth cancels out any challenges community faces. Cotton On Foundation helping the youth by providing education its giving them that opportunity to self-improve and be able to actually brighten their futures with this initiative”.

The KwaMashu Community is a rural area north of Durban, wherein its residents are subject to the challenges of living in a rural area, as outlined in 7.3.1 above, which could be addressed, reduced and ultimately eradicated by the implementation of CSR skills development initiatives. The Cotton On Foundation has implemented a CSR initiative in the KwaMashu Community at Dr JL Dube High School (Cotton On Foundation, 2020). All of the respondents indicated that CSR skills development initiatives would reduce the challenges faced by residents in rural communities. However, the majority of the respondents were not aware of the Cotton On CSR initiative in the KwaMashu Community.

18 RESEARCH OBJECTIVES AND RESEARCH QUESTION ADDRESSED

18.1 Research Objectives

To determine what role Cotton On Foundation plays in the upliftment of the KwaMashu Community

It was determined that Cotton On plays a pivotal role in the upliftment of the KwaMashu Community by addressing challenges faced in rural communities through skills development to the less fortunate. The subtheme related to this objective was mentioned 79 times by all responds, therefore, resulting in this objective been addressed.

To determine the impact consumer loyalty has in an organisation

It was determined that consumer loyalty is the driving force for any organisation and without consumer loyalty organisations would not be able to survive or meet their goals and is likely to fail. This was shown in the results as Respondents collectively mentioned it 125 times.

To determine if the CSR initiatives are impacting the youth in the KwaMashu Community in a positive way

It was determined that CSR initiatives in the KwaMashu Community has a positive impact in the community as Cotton On's CSR initiative is one of the initiatives to empower youth through quality education which steers the youth in the right direction and turns them away from crime and violence as a means of survival. This was prioritized by all Respondents as it was mentioned 130 times during their interviews.

To determine the role consumer loyalty plays in the Cotton On Foundation CSR program to empower youth

It is determined that without the contributions from Cotton On's loyal consumers the CSR initiative would not be financially maintained. It was also determined that majority of the respondents were not aware of what initiative Cotton On was involved in but were aware that their proceeds were going towards a CSR initiative. As mentioned, 50 times by all Respondents youth empowerment is vital. Skills development is also an important component of youth empowerment which was mentioned 43 times by all Respondents.

18.2 Research Question

What impact does consumer loyalty to Cotton On in Pretoria play in the upliftment of the KwaMashu Community by empowering the youth through skills development?

Consumers being loyal to the brand as their means of giving back to the community. It was evident that skills development plays a pivotal role in the upliftment of the KwaMashu Community and in eradicating challenges such as poverty, crime and violence faced by the youth in the rural community.

19 ETHICAL CONSIDERATIONS, LIMITATIONS AND HEURISTIC VALUE

19.1 Ethical Considerations

Ethical consideration is one of the most vital elements in research (Research Methodology, 2019). Ethics refers to what is right and wrong. It is about morals and values (Walker, 2017). Ethics is concerned with honesty, trustworthiness and respecting the privacy of others (ACM Council, 2018).

The researcher has provided sufficient information that enabled the participants to make an informed decision with respect to consenting to participate in the research. In addition to this, the researcher informed the participants of the ethical consideration of consent, risk of harm, and confidentiality (enago academy, 2019).

To gain the trust and protection of interviewed participants, their identities remained anonymous in this research. Participants are protected through clarification that this research will not be published as a public domain without prior consent. Participants consented to the interviews by means of a consent form. No sensitive questions were asked, and all interviews were scheduled at the participants availability. All interviews were done virtually via Zoom (Zoom Video, 2020) due to the present Covid19 lockdown restrictions in South Africa (South African Government, 2020).

19.1.1 Ethical Concerns of Researcher and Cotton On Respondents

- The Assistant Manager has provided consent to conduct research at Cotton On Kolonnade (Refer to Appendix G).
- Participants consented to be interviewed and recorded for this research study by means of consent forms (Refer to Appendix H and I).
- The researcher has confirmed that all participants are over 18.
- Interviews were scheduled to take place face-to-face at the Cotton On store premises at Kolonnade Shopping Centre, however, due to Covid-19 these

interviews took place via a video communications app called Zoom which, was password-protected.

- Researcher used an interview schedule to conduct interviews (Refer to Appendix B).
- The researcher developed 10 open-ended questions that allowed participants to answer and express their opinions honestly.
- Interviews were transcribed word-for-word into Microsoft Word then stored into a secure file that was password-protected. Only the Researcher had access to these files. Transcripts were loaded onto QDA Miner to be analysed accurately leaving no room for human error.

19.2 Limitations

Due to the South African Government regulations on the lockdown restrictions during the COVID-19 pandemic, the researcher was unable to conduct face to face interviews with the respondents which makes it difficult to examine the body language of the respondents in a natural environment. Interviews were conducted via a conference call, called Zoom which enables video and audio inputs, thus enabling the researcher to see and hear the respondent. Respondents did not enable the video feature which made it difficult for the researcher to examine their body language.

Since interviews were conducted via conference call, called Zoom, there was a risk of poor connectivity, which caused technical interference, potentially resulting in the researcher not being able to hear the respondents' answers clearly which may result in incomplete information. To eliminate this limitation, the researcher had to request that the respondents repeat their answers as well as the respondent requesting the researcher to repeat a question due to bad connectivity.

Interviews were conducted with respondents who were willing to partake in the study, however, the sample size was small in comparison to the population, thus, is unlikely to be a true representation of the entire Cotton On Group customer population, therefore, secondary research via academic articles and journals, was also conducted by the researcher in this research report.

19.3 Heuristic Value

Companies will benefit from the research as the findings indicate that investing in CSR creates and develops consumer loyalty, hence, providing insight to companies on whether it is feasible to invest in CSR if their intention is to create and develop consumer loyalty.

This research report contributes to non-profit organisations. The research study provides information on the contribution and impact of the work that non-profit organisations have on the lives of the less fortunate and towards overcoming the challenges faced by those living in rural communities. This research report will motivate companies to invest more in CSR, as well as motivate consumers to purchase products wherein the proceeds from the sale of the products contribute to non-profit organisations. The findings from this research report will motivate non-profit organisations to source funding for their initiatives from companies.

Based on the findings Consumer loyalty is an important element as it shows that through their loyal purchases of consumers Cotton On foundation can impact and make a positive change in the KwaMashu Community.

20 CONCLUSION

This research study is important as it affects the next generation of leaders, the youth of SA. This research also shows the impact of consumer loyalty involvement in skills development initiatives to empower youth and shaping our future leaders giving them a sense of hope, therefore, interpretivism paradigm was used in this research study to allow consumers to share their different viewpoints.

The research problem defined the role of CSR initiatives on consumer loyalty, to understand how a CSR initiative can influence people to support a company in their initiative to uplift a community.

Edward Freeman's Stakeholder Theory was used in this study to give the researcher a better understanding of how a business operates to stay above their competitors and achieve organisational success by keeping consumers satisfied and loyal.

The literature review examined the fundamental impact of consumer loyalty in non-profit organisations and how the pandemic of COVID-19 affected the retail industries. The literature review also examined community upliftment in rural areas, CSR and Skills development. QDA Miner was used by the researcher to analyse data to ensure accuracy of findings.

A qualitative approach was used in this research report, as interviews were conducted to collect data from respondents with the aim of addressing the research objectives. The findings from the interviews confirmed that without the contributions from Cotton On's loyal consumers the CSR initiative would not be able to be financially maintained. It was also determined that majority of the respondents were not aware of what initiative Cotton On was specifically involved in but were aware that their proceeds were going towards a CSR initiative. Respondents mentioned that they were aware of the positive difference that their purchases of the Cotton On Foundation products were making via Cotton On's CSR initiatives, thus increasing their customer loyalty as, this motivated them to purchase more Cotton On Foundation items, more frequently, as a means of giving back to the less fortunate.

The research report took the concept of trustworthiness into account, due to its qualitative approach and by considering ethical considerations. Thereafter, the interpretation and presentation of findings were provided, as well as a discussion on how the research question and problems were addressed. Finally, the anticipated findings and limitations of the report were discussed.

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APPENDICES

Appendix A: Final Research Report Summary Document Template

Title: The Role Of CSR In Cotton On's KwaMashu Upfliftment initiative on Consumer Loyalty In Pretoria											
Research Purpose/ Objective	Primary Research Question	Research Rationale	Seminal Authors/ Sources	Literature Review - Conceptual Framework	Paradigm	Approach	Data Collection Method(s)	Ethics	Key Findings	Recommendations	
Purpose Statement: The purpose of this study is to understand the importance of CSR and how consumer loyalty impacts the Cotton On Foundation initiative through increased financial contributions which enable Cotton On to make a difference in the KwaMashu community. Research objectives: - To determine what role the Cotton On Foundation plays in the KwaMashu Community. - To determine the impact consumer loyalty has in an organisation. - To determine if the CSR initiatives are positively impacting the youth in the KwaMashu Community. - To determine the role consumer loyalty plays in the Cotton On Foundation CSR program to empower youth.	Are consumers from the Cotton On Group aware of the vital role they play in uplifting the KwaMashu Community?	This research report will play a vital role in contributing to the organisational body of knowledge because consumer loyalty in the non-profit sector is a commonly researched topic. The findings from this report could be useful to: This information could be beneficial to the Bachelor of Commerce in Strategic Management field as a source of reliable information for research purposes and to the public by helping them understand how vital consumer loyalty is in community upliftment.	Austin, R. and V. Rothman 2015. <i>Research Ethics: A Practical Guide to Research Ethics</i>. Available at: http://www.knowledgequest.org.au/2015/05/20/10-ways-to-improve-your-research-ethics/ [Accessed 27 Apr 2020]. Chen, S. S. 2018. <i>Consumer Loyalty</i>. Available at: http://www.researchgate.net/publication/328888222_Consumer_Loyalty [Accessed 30 Apr 2020]. Cotton On Group 2019. <i>Education and youth employment</i>. Available at: http://www.cottonon.co.za/education-and-youth-employment [Accessed 30 Apr 2020]. Cotton On Group 2020. <i>Our commitment to the community</i>. Available at: http://www.cottonon.co.za/our-commitment-to-the-community [Accessed 30 Apr 2020]. Cotton On Group 2020. <i>Our commitment to the community</i>. Available at: http://www.cottonon.co.za/our-commitment-to-the-community [Accessed 30 Apr 2020]. Cotton On Group 2020. <i>Our commitment to the community</i>. Available at: http://www.cottonon.co.za/our-commitment-to-the-community [Accessed 30 Apr 2020].	Theme 1: Consumer Loyalty Theme 2: Corporate Social Responsibility Theme 3: Community Upliftment Theme 4: Empowering Youth Initiative Theme 5: Skill Development	Paradigm: Interpretivism Interpretivism is the paradigm used in this research study which allows the researcher to conduct a study on human beings as interpretivist believe that human beings are different from objects because they have their own perceptions and opinions on elements (Du Plooy-Cilliers, Davis & Bezuidenhout, 2014:27). This paradigm is applicable to this study because it allows the researcher and respondents to be interactive and share their true feelings, thus enabling the researcher to understand the behaviour and different opinions of the respondents.	Qualitative For the purpose of this research report a qualitative approach was used to obtain a deeper understanding of the differential opinions of consumers. Population The accessible population consists of all consumers who purchase from Cotton On in the KwaMashu Community. The target population consists of all consumers who purchase from Cotton On in the KwaMashu Community. Population Parameters: Consumers who purchase from Cotton On in the KwaMashu Community. Sampling Non-Probability Sampling Convenience sampling, which is a type of non-probability sampling, was used by the researcher. This sample method was chosen to fit a venue that meets the needs of the research. 3 interviews will be conducted between the researcher and Cotton On.	Interviews For the purpose of this research three semi-structured interviews were conducted via Zoom. The researcher prepared an interview schedule with questions that were asked. Participants remained anonymous and each interview were recorded. Interviews were password-protected. Data Analysis Method(s) Unit of Analysis: Consist of Cotton On Kolonnade consumers. Data Analysis Method: QDA Miner	The researcher has provided sufficient information that enabled the participants to make an informed decision with respect to consenting to participate in the research. In addition to this, the researcher informed the participants of the ethical consideration of consent, risk of harm, and confidentiality (enago academy, 2019).	Companies will benefit from the research as the findings indicated that investing in CSR creates and develops consumer loyalty.	To promote the strategy of companies investing in CSR initiatives with the intention to create and develop consumer loyalty, by selling products wherein the proceeds from the sale of the products contribute to non-profit organisations.	
Research Problem	Secondary Questions/Hypotheses/Objectives	Key Concepts	Key Theories				Sampling	Data Analysis Method(s)	Limitations	Key Contribution	
What impact does consumer loyalty to Cotton On in Pretoria play in the upliftment of the KwaMashu Community by empowering the youth through skill development?	Are Cotton On consumers from Pretoria aware of how their financial contributions uplift skill development by empowering the youth through quality education in the KwaMashu Community?	1. Consumer loyalty 2. Corporate Social Responsibility 3. Community upliftment 4. Empowering youth 5. Skill development	Edward Freeman's Stakeholder Theory Stakeholder Theory (Edward Freeman's Stakeholder Theory, 1984 as cited in Brusseau, 2020)				Non-Probability Sampling Convenience sampling, which is a type of non-probability sampling, was used by the researcher. This sample method was chosen to fit a venue that meets the needs of the research. 3 interviews will be conducted between the researcher and Cotton On.	Unit of Analysis: Consist of Cotton On Kolonnade consumers. Data Analysis Method: QDA Miner	The researcher has provided sufficient information that enabled the participants to make an informed decision with respect to consenting to participate in the research. In addition to this, the researcher informed the participants of the ethical consideration of consent, risk of harm, and confidentiality (enago academy, 2019).	Companies will benefit from the research as the findings indicated that investing in CSR creates and develops consumer loyalty.	To promote the strategy of companies investing in CSR initiatives with the intention to create and develop consumer loyalty, by selling products wherein the proceeds from the sale of the products contribute to non-profit organisations.

Appendix B: Interview Schedule

INTERVIEW SCHEDULE

1. How frequently do you purchase items from Cotton On?
2. Are you aware of the Perks loyalty program?
 - a. Follow-up question: if so, are you a member and does this influence you to frequently shop at Cotton on?
3. Are you aware of the products being sold for the Cotton On Foundation and that 100% of the proceeds from the foundation items go towards their CSR initiative in the KwaMashu rural community?
 - a. Follow-up question: does this influence you to frequently shop at cotton on?
4. After purchasing Cotton On Foundation products, have you received any update on the progress of the non-profit initiative to which your funds were being utilised for?
 - a. Follow-up question: did this feedback motivate you to purchase more Cotton On Foundation products?
5. Are you aware of the challenges faced by individuals residing in the Kwamashu rural community?
6. Are you aware of Cotton On Foundation's empowering youth through quality education initiative in the KwaMashu Community?
 - a. Follow-up question: what are your thoughts on this initiative?
7. Are you aware of the initiatives that the Cotton On Foundation embarks on to eradicate those challenges?
 - a. Follow-up question: how did you find out?
8. As COVID-19 is reaching it's peak, the Cotton On Foundation is striving to help the youth with education and basic necessities, what are your thoughts towards this?
9. Are you more inclined to purchase Cotton On Foundation products after being made aware of the fact that 100% of the proceeds from the sale of these products will be utilised to provide the youth with education and basic necessities during the COVID-19 pandemic?
10. Will you continue to purchase Cotton On Foundation products in support of Cotton On's CSR initiatives post COVID-19 pandemic?

Appendix C: Ethical Clearance Letter



Date: 3 July 2020

Student name: Tanya Loganathan

Student number: 13016020



Campus: Varsity College, Waterfall

Re: Approval of RESMB419p (BM Honours) Proposal and Ethics Clearance



Your research proposal and the ethical implications of your proposed research topic were reviewed by your supervisor and the campus research panel, a subcommittee of The Independent Institute of Education's Research and Postgraduate Studies Committee.



Your research proposal posed no significant ethical concerns and we hereby provide you with ethical clearance to proceed with your data collection.

There may be some aspects that you still need to address in your proposal. If this is the case, feedback will be provided to you in writing. You will need to address these aspects in consultation with your supervisor.

In the event of you deciding to change your research methodology in any way, kindly consult your supervisor to ensure that all ethical considerations are adhered to and pose no risk to any participant or party involved. A revised ethical clearance letter will be issued in such instances.

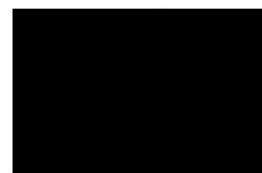
We wish you all the best with your research!

Yours sincerely,



Dr. EA van der Walt

Supervisor
Campus Postgraduate Coordinator



Programme Manager
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Appendix D: Ethics Checklist



HONOURS RESM ETHICS CHECKLIST

Dear student

Please complete this checklist and include this in your proposals as an appendix:

Student name: Tanya Marie Loganathan

Title of the research: The effect of Cotton On's upliftment initiative in KwaMashu on consumer loyalty In Gauteng

	Yes	No	Comment: supervisor/ navigator/lecturer
Are you using human subjects in your research?	✓		
I intend to use human subjects - I understand that I will not conduct research with human subjects under the age of 18 and other vulnerable groups. - I understand I can only proceed once I receive an ethical clearance letter.	✓ ✓		
Interviews/ Focus groups An example of the <i>written consent form</i> I intend to use is attached.	✓		
I will record the interview/focus groups and the sample of the letter where I ask for permission to do so is attached.	✓		
I plan to use an interview schedule: The example of my research instrument is attached.	✓		
I plan to use a questionnaire: The example of my research instrument is attached.		✓	
I plan to use a gate-keepers letter: The example of my letter is attached.	✓		
I plan to do research on an IIE site/with IIE students/staff/artefacts and I filled in the application for permission to do so. The application is attached. I understand I can only proceed once I receive IIE Approval for this.		✓	

Signed

Appendix E: Gatekeepers Letter



Gatekeepers letter/ Request to conduct research

Dear Sir/Mam

I am writing to ask your permission to conduct research at your Cotton On Kolonnade Shopping Centre store

My name is Tanya Marie Loganathan, a Honours in Bcom Management student at Varsity College Waterfall a brand of the Independent Institute of Education (IIE). The research I wish to conduct for my Honours thesis titled the effect of Cotton On's upliftment initiative in KwaMashu on consumer loyalty in Gauteng.

The aim of this study is to understand the importance of consumer loyalty and how consumer loyalty impacts the Cotton On Foundation by playing a vital role in making a difference in the KwaMashu Community by providing quality education through skills development to the youth. The project consists of interviewing Cotton On Kolonnade consumers during July and August 2020. The nature of your firm's participation will consist of consumers who shop at Cotton On kolonnade that will participate in these interviews. Participants will remains anonymous and be asked open-ended questions where they will be allowed to elaborate. Interviews will be approximately 30 mintues and will be recorded. However, due to Covid19 these interviews will take place via a video communications app called Zoom. Which, will be conducted between the researcher and Cotton On consumers. Data collected will be password-protected, analysed and interpreted and avaiable after graduation.

Yours sincerely

Student: Tanya Marie Loganathan



Supervisor: Dr EA van der Walt



My contact details are as follows:

Tanya Marie Loganathan

[REDACTED]

[REDACTED]

The contact details of my supervisor/navigator/lecturer are as follows:

Dr EA van der Walt

[REDACTED]

[REDACTED]

Appendix F: Gatekeepers Approval



Gatekeepers Approval

I [REDACTED]	
Representative of <u>Cotton On Kolonnade</u>	
My capacity: <u>ZIC / Assistant manager</u>	
Give my permission the [REDACTED]may conduct research at my branch. This research has been explained to me and I understand what participation in this research will involve. I reserve the right to withdraw this permission at any time. I also understand that research reports are available in the library and IIE Repository unless I indicate below that I would not	
Select below:	
☐ I request that my company's identity be kept confidential.	
☒ My company can be identified in the study DB	
☐ The study may never be available on the repository.	
☒ The study may be made available on the repository. DB	
☐ The study may be made available on the repository after ...!2..... months.	
[REDACTED]	13/06/20
Signature	Date

Appendix G: Consent Form Template To Be Explained To Participants



CONSENT FORM TEMPLATE TO BE EXPLAINED TO PARTICIPANTS

Explanatory information sheet and consent form for participants
To whom it may concern, My name is Tanya Loganathan and I am a student at Varsity College Waterfall. I am currently conducting research under the supervision of Dr EA van der Walt about the effect of Cotton On's upliftment initiative in KwaMashu on consumer loyalty In Gauteng. The purpose of this study is to understand the importance of consumer loyalty and how consumer loyalty impacts the Cotton On Foundation initiative by playing a vital role in making a difference in the KwaMashu Community by providing quality education through skills development to the youth to eliminate the circle of poverty. I hope that this research will enhance our understanding of. This study that will contribute to the non-profit organisations. The research study provides information on the contribution and impact that the work of non-profit organisations has on the lives of the less fortunate and towards overcoming the challenges faced by those living in rural communities. The researcher may motivate companies to invest more in CSR as well as motivate consumers to purchase products wherein the proceeds from the sale of the products contribute to non-profit organisations. The research findings may motivate non-profit organisations to source funding for their initiatives from companies. I would like to invite you to participate in my study. In order to explain to you what your participation in my study will involve, I have formulated questions that I will try to fully answer so that you can make an informed decision about whether or not to participate. If you have any additional questions that you feel are not addressed or explained in this information sheet, please do not hesitate to ask me for more information. Once you have read and understood all the information contained in this sheet and are willing to participate, please complete and sign the consent form below.
What will I be doing if I participate in your study?
I would like to invite you to participate in this research because (insert reason). If you decide to participate in this research, I would like to (explain exactly what participation will involve). You can decide whether or not to participate in this research. If you decide to participate, you can choose to withdraw at any time or to decide not to answer particular interview questions.
Are there any risks/ or discomforts involved in participating in this study?
Whether or not you decide to participate in this research, there will be no negative impact on you. There are no direct risks or benefits to you if you participate in this study. You might, however, indirectly find that it is helpful to talk about your (insert what you are examining). If you find at any stage that you are not comfortable with the line of questioning, you may withdraw or refrain from participating.

Do I have to participate in the study?

- Your inclusion in this study is completely voluntary;
- If you do not wish to participate in this study, you have every right not to do so;
- Even if you agree to participate in this study, you may withdraw at any time without having to provide an explanation for your decision.

Will my identity be protected?

I promise to protect your identity. I will not use your name in any research summaries to come out of this research and I will also make sure that any other details are disguised so that nobody will be able to identify you. I would like to ask your permission to record the interviews, but only my supervisor, I and possibly a professional transcriber (who will sign a confidentiality agreement) will have access to these recordings. Nobody else, including anybody at Varsity College Waterfall, will have access to your interview information. I would like to use quotes when I discuss the findings of the research, but I will not use any recognisable information in these quotes that can be linked to you.

What will happen to the information that participants provide?

Once I have finished all interviews, I will write summaries to be included in my research report, which is a requirement to complete my Honours In BCom Management. You may ask me to send you a summary of the research if you are interested in the final outcome of the study.

What happens if I have more questions about the study?

Please feel free to contact me or my supervisor should you have any questions or concerns about this research, or if there is anything you need to know before you decide whether or not to participate.

You should not agree to participate unless you are completely comfortable with the procedures followed.

My contact details are as follows:

Tanya Marie Loganathan

[REDACTED]

[REDACTED]

The contact details of my supervisor are as follows:

Dr EA van der Walt

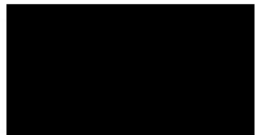
[REDACTED]

[REDACTED]

Appendix H: Consent Form For Interviews



CONSENT FORM FOR INTERVIEWS

PARTICIPANTS	
I, _____, agree to participate in the research conducted by Tanya Marie Loganathan about the effect of Cotton On's upliftment initiative in KwaMashu on consumer loyalty in Gauteng. The purpose of the study is to understand the importance of consumer loyalty and how consumer loyalty impacts the Cotton On Foundation initiative by playing a vital role in making a difference in the KwaMashu Community by providing quality education through skills development to the youth. This research has been explained to me and I understand what participation in this research will involve. I understand that: • I agree to be interviewed for this research. • My confidentiality will be ensured. My name and personal details will be kept private. • My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research. • I may choose not to answer any of the questions that are asked during the research interview. • I may be quoted directly when the research is published, but my identity will be protected.	
	15/06/2020
Signature	Date

CONSENT FORM FOR INTERVIEWS

PARTICIPANTS	
I, [REDACTED], agree to participate in the research conducted by Tanya Marie Loganathan about the effect of Cotton On's upliftment initiative in KwaMashu on consumer loyalty in Gauteng. The purpose of the study is to understand the importance of consumer loyalty and how consumer loyalty impacts the Cotton On Foundation initiative by playing a vital role in making a difference in the KwaMashu Community by providing quality education through skills development to the youth. This research has been explained to me and I understand what participation in this research will involve. I understand that: ☒ I agree to be interviewed for this research. ☒ My confidentiality will be ensured. My name and personal details will be kept private. ☒ My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research. ☒ I may choose not to answer any of the questions that are asked during the research interview. ☒ I may be quoted directly when the research is published, but my identity will be protected.	
Signature	09/06/2020 Date

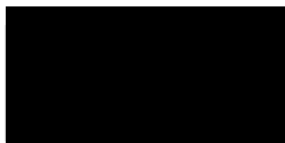
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☒	My confidentiality will be ensured. My name and personal details will be kept private.
☒	My participation in this research is voluntary and I have the right to withdraw from the research at any time. There will be no repercussions should I choose to withdraw from the research.
☐	I may choose not to answer any of the questions that are asked during the research interview.
☐	I may be quoted directly when the research is published, but my identity will be protected.
	11/06/2020
Signature	Date

Appendix I: Consent Form For Audio Or Video Recording



CONSENT FORM FOR AUDIO OR VIDEO RECORDING

PARTICIPANTS	
I, [REDACTED], agree to allow Tanya Marie Loganathan to audio record my interviews as part of the research about the effect of Cotton On's upliftment initiative in KwaMashu on consumer loyalty in Gauteng. The purpose of the study is to understand the importance of consumer loyalty and how consumer loyalty impacts the Cotton On Foundation initiative by playing a vital role in making a difference in the KwaMashu Community by providing quality education through skills development to the youth. This research has been explained to me and I understand what participation in this research will involve. I understand that: • My confidentiality will be ensured. My name and personal details will be kept private. • The recordings will be stored in a password-protected file on the researcher's computer. • Only the researcher, the researcher's supervisor and possibly a transcriber (who will sign a confidentiality agreement) will have access to these recordings.	
	15/06/2020
Signature	Date

CONSENT FORM FOR AUDIO OR VIDEO RECORDING

PARTICIPANTS	
I, [REDACTED], agree to allow Tanya Marie Loganathan to audio record my interviews as part of the research about the effect of Cotton On's upliftment initiative in KwaMashu on consumer loyalty in Gauteng. The purpose of the study is to understand the importance of consumer loyalty and how consumer loyalty impacts the Cotton On Foundation initiative by playing a vital role in making a difference in the KwaMashu Community by providing quality education through skills development to the youth. This research has been explained to me and I understand what participation in this research will involve. I understand that: ☒ My confidentiality will be ensured. My name and personal details will be kept private. ☒ The recordings will be stored in a password-protected file on the researcher's computer. ☒ Only the researcher, the researcher's supervisor and possibly a transcriber (who will sign a confidentiality agreement) will have access to these recordings.	
[REDACTED]	09/06/2020
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