# The mediation role of perceived brand trustworthiness in brand social responsibility and brand positioning: evidence from the Tanzanian beverage industry

Brand social responsibility

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Received 21 September 2022 Revised 27 July 2023 Accepted 28 September 2023

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#### Abstract

**Purpose** – The current study was developed in response to the profound impact of ethical practices on the beverage industry. It aims to examine the mediating role of perceived brand trustworthiness in the relationship between brand social responsibility and brand positioning in the Tanzanian beverage industry.

**Design/methodology/approach** – The study adopted a post-positivist approach, as it encompasses a deterministic perspective where causes are believed to determine outcomes or effects. The study focused on customers of two major beverage companies in Tanzania, namely Coca-Cola and Pepsi. Data were collected from 458 customers and analyzed using structural equation modeling.

**Findings** – The findings indicate that brand social responsibility serves as a valuable intangible asset, capable of establishing a competitive edge when integrated into the value proposition. Additionally, the results reveal that brand trustworthiness plays a mediating role in the connection between brand social responsibility and brand positioning.

**Research limitations/implications** – The study employed a convenience sampling technique; hence, generalization of the findings should be approached with caution.

Originality/value — This study represents one of the few scholarly endeavors that explore the role of social responsibility at the product brand level in establishing brand positioning. By doing so, it contributes to the advancement of knowledge concerning the impact of brand social responsibility on building competitiveness within the context of today's competitive business environment.

**Keywords** Brand social responsibility, Perceived brand trustworthiness, Brand positioning, Beverage industry

Paper type Research paper

## Introduction

Following cutthroat competition in various industries, including the beverage industry, scholars and practitioners have turned their attention to brand positioning as a means to strengthen competitiveness (Ameyibor *et al.*, 2021). According to Akbari *et al.* (2019) and Renani *et al.* (2020) the battle for competition in today's marketplace is no longer centered around price, but rather on capturing the hearts and minds of consumers within the realm of brands. Brand positioning is a marketing strategy that involves developing specific offerings and crafting the firm's image in a way that occupies a distinct and valued space in the minds of targeted



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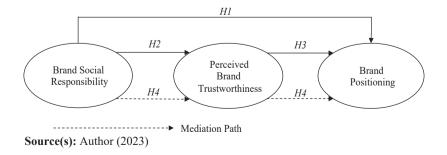
European Journal of Management Studies Vol. 28 No. 3, 2023 pp. 213-227 Emerald Publishing Limited e-ISSN: 283-2648 p-ISSN: 2183-4172 DOI 10.1108/EJMS-09-2022-0059 consumers (Muhamad and Alwi, 2015). In response to the increasing demand for ethical marketing practices, corporate social responsibility (CSR) has emerged as a game changer in building competitive positioning strategies (Akbari *et al.*, 2021). However, Matten and Moon (2008) argue that the meaning, relevance, orientation and applicability of CSR practices vary significantly depending on the context. Dobers and Halme (2009) further contend that CSR research originating from the perspective of developed countries may not be directly applicable in the context of developing countries. Moreover, Visser (2008) presents four reasons why CSR research in developing countries is of paramount importance. Firstly, developing countries have rapidly growing economies, making them markets with the highest potential for business. Secondly, these countries often experience social and environmental disasters. Thirdly, the most significant social and environmental impacts, both positive and negative, are likely to be found in developing countries. Lastly, the CSR agenda in developing countries addresses diverse issues from those encountered in the developed world.

The evidence from developing countries suggests that CSR activities and practices among business firms primarily focus on philanthropy (Dobers and Halme, 2009; Visser, 2008). However, the potential use of CSR as a marketing strategy to boost brand image has not received adequate attention from the majority of business firms in these countries (Kodua et al., 2022). While considerable attention has been given to studying the relationship between CSR and business performance (Makanyeza et al., 2018; Tarus, 2015), there has been limited investment in investigating the effects of CSR on brand equity, particularly in sub-Saharan African marketplaces (Kodua et al., 2022), According to Akbari et al. (2020, 2021), brand positioning is a fundamental business strategy for increasing market differentiation through various marketing programs, including CSR. The integration of CSR into marketing strategies is becoming more relevant due to the growing number of customers who prioritize ethical purchases and green marketing practices (Amani, 2022; Isa et al., 2019; Lee and Jackson, 2010). Furthermore, Amani (2022) and Ikram et al. (2021) argue that CSR can be utilized as a positioning strategy to portray a business firm as a responsible citizen with rights and responsibilities. By presenting themselves as socially responsible and accountable entities, businesses can occupy space in the minds of customers (Akbari et al., 2020). CSR assists marketers in developing strategies that define what the brand represents (Jia et al., 2019), highlight its unique qualities compared to competitors (Akbari et al., 2021) and emphasize why customers should choose the brand (Boccia and Sarnacchiaro, 2018).

Therefore, brand positioning is considered an essential aspect of marketing strategy, achievable through various marketing efforts, including CSR practices and strategies that contribute to brand management and performance (Akbari et al., 2021). However, existing literature indicates that the focus of CSR practices in the literature is often more centered on the firm level while neglecting the product brand level (Amani, 2022). Although social responsibility has been examined at the firm level (Dincer and Dincer, 2012), there are instances where customers' perceptions of a firm's product brands significantly differ from their perceptions of the firm's overall social responsibility (Grohmann and Bodur, 2015; He et al., 2016). Consequently, the positioning strategies that a firm should adopt may differ significantly between those related to social responsibility at the firm level and those for the product brand level (Grohmann and Bodur, 2015), Dincer and Dincer (2012) argue that valuing social responsibility at the product brand level allows for a better assessment of social responsibility perceptions across brands in various brand portfolios managed through a house-of-brands or mixed branding strategy. Both Dincer and Dincer (2012) and Grohmann and Bodur (2015) consider brand social responsibility as the degree to which customers perceive that a given brand and its related voluntary activities improve the welfare of society. These social responsibility practices or activities create and reflect brand associations that tend to have a positive effect on the minds of consumers (He et al., 2016). As a result, brand association plays a crucial role in building effective brand positioning strategies.

Numerous studies have explored the impact of social responsibility on various consumer behavioral intentions. The majority of empirical research indicates the significant role of CSR in shaping positive consumer attitudes towards brands across various sectors. Some of these studies have employed the Stimuli-Organism-Responses (S-O-R) model to argue that CSR acts as the stimulus by showcasing a brand's socially responsible actions, thereby influencing the consumer's perceptions and emotions (organism) (Cambra-Fierro et al., 2020). A Consequently, consumers develop positive attitudes towards the brand, leading to increased trust, loyalty and a stronger affinity for the company and its products or services (Amani, 2022). Further support for the positive effects of CSR on businesses comes from the work of Le et al. (2021) who argue that CSR enhances the performance of SMEs in emerging markets through increased brand trust and brand loyalty among consumers. They established CSR as a key antecedent of brand trust and brand loyalty. Moreover, research by Gilal et al. (2020) demonstrates that consumer perceptions of CSR activities play a paramount role in building consumer brand passion and brand attachment, largely through the establishment of brand trust. Additionally, few scholars have investigated the role of CSR in brand positioning (Akbari et al., 2021). For example, Akbari et al. (2020) found that CSR positively affects brand positioning through the enhancement of customer trust, customer satisfaction and customer value. Furthermore, Akbari et al. (2021) revealed that CSR influences hotel brand positioning by fostering identification, satisfaction and loyalty among customers. However, it is worth noting that there has been relatively little research on social responsibility at the product brand level and its associated outcomes (Amani, 2022; Grohmann and Bodur, 2015).

Evidence indicates that, scholars have not vet extensively explored the impact of CSR on consumer behavior and brand-related outcomes (Kodua et al., 2022). However, Grohmann and Bodur (2015) argue that it is crucial to examine social responsibility at the product brand level because consumers may perceive firms' social responsibility differently from that of product brands. This approach is particularly relevant in developing countries that have experienced significant growth in the manufacturing sector, leading to social and environmental disasters (Dobers and Halme, 2009; Visser, 2008). Furthermore, these CSR efforts can have social and environmental repercussions, both positive and negative, which may influence the positioning strategies of specific brands (Kodua et al., 2022). This study introduces the concept of "brand social responsibility" and its impact on consumer-brand relationships. It is among the few studies that explore the influence of brand social responsibility on product positioning. The research investigates the role of brand social responsibility in shaping brand positioning through perceived brand trustworthiness. As depicted in Figure 1, the study proposes and tests a model suggesting that brand social responsibility is essential for building trust among customers and influencing their perception of the beverage industry through brand positioning. The study draws on the Stimulus-Organism-Response (S-O-R) model by Albert and Russell (1974), to examine whether customers' perception of brand social



**Figure 1.** Hypothesized model

responsibility efforts (stimulus) can influence their perceived brand trustworthiness (organism) and ultimately affect brand positioning (response).

## Literature review and development of hypotheses

Theoretical foundation

S-O-R model. This study utilized the S-O-R model to expand on the concept of social responsibility, moving beyond the corporate level, i.e. CSR, to the product brand level, i.e. brand social responsibility. The S-O-R paradigm posits that behavior is shaped by the interaction between the environment (situations), perception and interpretation of the environment. According to this model, specific attributes of the environment act as stimuli (S), which then evoke internal psychological states (O) in individuals, leading to certain behavioral responses (R) as their ultimate actions (Albert and Russell, 1974). The S-O-R model has been applied in studies focusing on CSR to gain theoretical insights into how and why people respond positively to CSR practices and their subsequent outcomes. The model proposes that environmental stimuli (S) trigger an emotional reaction (O), which in turn influences individuals' behavioral responses (R).

Brand social responsibility. Recently, consumers have come to expect product brands to act as responsible members of society, demonstrating a commitment to societal well-being (Amani, 2022). However, in developing countries, CSR activities and practices have often been viewed more as philanthropic gestures rather than integral business strategies. Nevertheless, in modern times, CSR is recognized as a driving force behind the development of competitive positioning strategies (Akbari et al., 2021). While a significant body of literature has focused on consumers' perceptions of business firms' social responsibility activities (Grohmann and Bodur, 2015), there is still a dearth of research on consumers' perception of brand social responsibility (He et al., 2016; Umar and Bahrun, 2017). Brand social responsibility, in this context, refers to individuals' perceptions of a product brand's practices and voluntary activities that contribute to the improvement of social welfare and societal well-being (Dincer and Dincer, 2012; Umar and Bahrun, 2017). Despite the valuable insights gained from the extensive study of CSR, it is important to focus on social responsibility at the product brand level, as consumers' perceptions of brand social responsibility may significantly differ from those of CSR (Amani, 2022). This exploration is essential for both theoretical understanding and practical implementation.

An important factor underlying differences in consumers' perception towards social responsibility, both at the firm and product brand levels, is the way CSR is practiced and perceived in these contexts. At the firm level, CSR is primarily implemented at managerial positions to achieve organizational effectiveness and, consequently, financial benefits (Grohmann and Bodur, 2015). On the other hand, at the product brand level, social responsibility is emphasized by marketers from the consumers' perspective, as it can positively influence the perception of a brand (Amani, 2022; Umar and Bahrun, 2017). Moreover, the variation in consumers' perception of social responsibility can also be attributed to the branding strategy employed by the business firm. There are three main branding strategies to consider: (1) Monolithic Branding Strategy; under this approach, product brands are closely associated with the business firm's corporate name. In this case, business firms using a monolithic branding strategy may perceive less need for individual brand social responsibility since they are using only a single brand name. (2) House of Brands Strategy; this strategy involves multiple product brands owned by a business firm, each carrying a distinct name. Each brand may have its own social responsibility initiatives. (3) Mixed Branding Strategy; in this strategy, a business firm manages products that use the corporate name as well as others that operate under independent names. Depending on the branding approach, social responsibility initiatives may vary for each product. For instance, Dincer and Dincer (2012), Grohmann and Bodur (2015) and Umar and Bahrun (2017) argues the perceived level of social responsibility is

expected to be higher in firms with a house of brands or mixed branding strategy, where the individual product brands are likely to have distinct CSR initiatives and independent identities. Conversely, in firms with a monolithic branding strategy, consumers may perceive less emphasis on brand-specific social responsibility due to the strong association with the overall corporate entity. Thus, with support from the above explanations, the study hypothesized that,

 $H_1$ . Brand social responsibility has a significant positive influence on brand positioning.

Perceived brand trustworthiness. Perceived brand trustworthiness represents customers' perception of brands, wherein the brand is perceived as dependable and customer-centric (Kosiba et al., 2018; de Oliveira et al., 2021; Tien et al., 2019). de Oliveira et al. (2021) conceptualize perceived brand trustworthiness as the confidence customers place in a brand due to its practices or actions that demonstrate consideration for their interests. Kosiba et al. (2018) argue that perceived brand trustworthiness is associated with a brand that consistently fulfills its promises of providing value and standard services while also considering customers' social and economic welfare. Research in the marketing domain indicates that Corporate Social Responsibility (CSR) symbolizes a brand's commitment to the welfare and well-being of society (González-Rodríguez et al., 2021). It conveys the message that the product brand assumes a specific role and responsibility as a member of society (Amani, 2022). Highlights that CSR practices are powerful drivers for enhancing consumer trust towards a product brand. Traditionally, CSR was considered an engine for promoting consumer trust towards organizations and their brands, ultimately enhancing corporate reputation. Perceived brand trustworthiness encompasses customers' expectations and reliability towards the brand (Kang and Choi, 2016). It is widely accepted that reliability, as an indicator of perceived brand trustworthiness, enhances the belief in the brand's actions, thereby increasing credibility in the minds of customers (Kosiba et al., 2018). This argument finds support in the S-O-R model, which suggests that when a person is exposed to external stimuli, including CSR practices, they assign positive or negative meaning to these practices, ultimately influencing various responses or behaviors (Chang and Jai, 2015). Thus, with support from the above explanations, the study hypothesized that.

H<sub>2</sub>. Brand social responsibility has a significant positive influence on perceived brand trustworthiness.

Brand positioning. Brand positioning refers to the strategic process of establishing a product's position in the minds of target consumers, differentiating it from competitors in a distinct and attractive manner (Muhamad and Alwi, 2015; Perera et al., 2020). In today's competitive business landscape Perera et al. (2020) and Renani et al. (2020) argue that the real battleground is the minds of the customers. As a result, brand positioning has become crucial for businesses seeking to occupy a unique space in customers' minds. According to Akbari et al. (2020) and Ltifi and Hichri (2022), brand positioning involves the deliberate design of offerings aimed at capturing a distinctive place in the customers' minds. One of the key aspects of brand positioning, as highlighted by Perera et al. (2020), is the delivery of offerings that set the brand apart from its competitors, Moreover (Amani, 2022), emphasizes that brand social responsibility plays a role in regaining performance through effective positioning. By presenting similar offerings in innovative ways or employing unique approaches, brand positioning, as noted by Muhamad and Alwi (2015) and Sirianni et al. (2013), can significantly enhance business performance. In turbulent market settings, brand positioning serves as a valuable organizational resource that is challenging to replicate and impossible to substitute. By employing practices and actions that contribute to building a competitive advantage, brand positioning enables businesses to achieve superior performance compared to their competitors.

Literature suggests that putting more efforts into building trust can positively influence various customers' behavioral intentions, such as word of mouth (Le et al., 2021). Consequently,

businesses can reposition their brand in the minds of customers by focusing on trust-building initiatives. Previous research has employed the S-O-R model to conceptualize the relationship between brand trust and positioning. According to this model, the success of brand positioning efforts depends on how well the stimuli resonate with consumers' individual characteristics (organism), thus shaping their perception and attitude towards the brand. Ultimately, this can lead to increased brand trust and preference (Amani, 2023; Ibrahim et al., 2021). Brand positioning encompasses the value proposition, which involves actively informing the target customers about the organization and providing competitive advantages over rival brands (Akbari et al., 2019, 2020; Iyer et al., 2019). To build a competitive edge, perceived brand trustworthiness should be an integral part of these value propositions. Brand positioning is a strategic approach that includes specific brand promises designed to differentiate the brand from its competitors (Akbari et al., 2020; Dogbe et al., 2021). Its primary objective is to create a customer-focused value proposition, placing customers at the core of all brand-related decisions. Thus, with support from the above explanations, the study hypothesized that,

H<sub>3</sub> Perceived brand trustworthiness has a significant positive influence on brand positioning.

Mediation role of perceived brand trustworthiness. Extant literature suggests that CSR is fundamentally important in building brand trust (Martínez and Rodríguez del Bosque, 2013). Le et al. (2021) highlighted that CSR practices can strengthen customer trust in brands. In addition, Isa et al. (2019) found that CSR practices establish associations between customers and brands since they increase or improve brand credibility. Consumers tend to associate with an organization because of its capacity to produce quality products and engage in CSR practices. This corporate association is an important driver in shaping consumers' attitudes toward product brands. Drawing from CSR literature, this study suggests that firms that appropriately embrace brand social responsibility have an opportunity to gain consumers' trust in their product brands. Muniz et al. (2019) contend that brand social responsibility has the potential to boost brand attitudes, purchase intent and brand equity. Other researchers, such as Le et al. (2021), have observed that attitudes, purchase intention and brand equity represent the behaviors of consumers who have strong associations with the brand.

The study focused on the role of perceived brand trustworthiness as a mediator in examining the impact of brand social responsibility on brand positioning. According to Tien et al. (2019), trustworthiness is considered as a characteristic of the organization (trustee) that influences customers (trustors) to make judgments based on implied values and past behaviors. This argument is supported by the S-O-R model, which suggests that consumers, when exposed to various organizational practices and actions, derive meaning from those actions that ultimately shape their perceptions and attitudes. The study suggests that consumers assign meaning to brand responsibility practices, leading to positive perceptions and attitudes. A separate study by de Oliveira et al. (2021) also argues that trustworthiness can be cultivated through an organization's actions and practices, which aim to gain trust from their customers. As such, trustworthiness encompasses traits related to the organization's ability, integrity and benevolence, and it reflects the customers' dispositional readiness to trust others (Kosiba et al., 2018). Thus, trustworthiness plays a vital role in a trustor's decision-making process when they have no prior acquaintance with the trustee (organization). Evaluating this trait helps the trustor decide whether or not to purchase a brand. Thus, with support from the above explanations, the study hypothesized that,

H<sub>4</sub>. Perceived brand trustworthiness mediates the relationship between brand social responsibility and brand positioning.

Conceptual model. The conceptual model of this study was developed to test the relationship between brand social responsibility and brand positioning through perceived brand trustworthiness. The study used theoretical underpinning from the S-O-R model (Stimulus-Organism-Response) to provide a theoretical explanation of how brand responsibility, as an environmental cue, can influence consumers' responses, specifically brand positioning. The notion is that brand responsibility fosters trust towards the brand in consumers. Drawing from this model, the hypothesized model in Figure 1 suggests that brand social responsibility acts as an environmental stimulus that elicits emotional reactions, i.e. perceived brand trustworthiness, ultimately influencing brand positioning as a behavioral response.

## Methodology

The study was conducted in two regions of Tanzania: Dar-es-Salaam, known as the business hub, and Dodoma, the capital city. It adopted a post-positivist approach, which encompasses a deterministic perspective where causes determine outcomes or effects (Gales, 2003). Furthermore, the study utilized a cross-sectional survey research design, involving data collection at a single point in time across a specific sample population or pre-defined subset. A cross-sectional research design allows for the investigation of a given subject matter during a single instance with well-defined starting and ending points (Cummings, 2014). The off-site survey was conducted between August 2021 and September 2021, involving customers of selected beverage companies in Tanzania that employed a mixed branding approach, where brand social responsibility was deemed appropriate. Considering the nature of the study's sample population, participants were selected through convenience sampling technique (Zikmund et al., 2009), Zikmund et al. (2009) argue that convenience or accidental sampling is more suitable when there are difficulties in establishing a sampling frame for the study population. This sampling strategy involves selecting participants based on their accessibility and availability, such as surveying respondents in malls, on the street, or in other crowded areas (Moutinho et al., 2014). In this study, respondents were accessed mainly through shopping malls and crowded areas, particularly entertainment centers. A total of 458 respondents were contacted, and all of them willingly participated in the study by filling out the questionnaire. The study employed structural equation modeling (SEM) to test the proposed hypotheses.

### Common method bias (CMB)

The study conducted an analysis to detect potential common method bias (CMB) with the goal of confirming the validity and reliability of the research findings. According to Fuller et al. (2016), CMB can introduce errors in estimating parameters during hypothesis testing. To mitigate this challenge, the study employed procedural remedies, such as clarifying research instruments and ensuring confidentiality. Additionally, statistical remedies using Harman's single-factor model were adopted to assess the presence of common method bias in the data. Harman's single-factor model involves subjecting all latent factors to Exploratory Factor Analysis (EFA) with fixed rotation to check if a single factor explains more than 50% of the variance (Podasakoff et al., 2003). The results from the analysis showed that the un-rotated factor accounted for only 36.9% of the variance, indicating that common method bias was not a significant concern in the data. Therefore, the study's findings are less likely to be affected by common method bias.

#### Measurement

To assess the study variables, the research utilized well-established and validated scales that are widely used in the fields of brand social responsibility, brand positioning and perceived brand trustworthiness. This approach ensured that all measures for the constructs possessed proven content validity and reliability. These scales were only minimally adjusted to suit the

specific requirements of the current research. A 5-point Likert scale was employed, ranging from 1 (strongly disagree) to 5 (strongly agree) (Likert *et al.*, 1934). To increase the accuracy of measurement and minimize potential errors, multiple measurement items were employed for each construct. This strategy allowed capturing various attributes of the constructs more effectively (Churchill, 1979). Table 1 presents the specific items used in the study, along with their corresponding reliability and validity values. Brand social responsibility was measured using the scale by (Grohmann and Bodur, 2015). Perceived brand trustworthiness, on the other hand, was measured using the scale developed by Kosiba *et al.* (2018) and de Oliveira *et al.* (2021). Finally, brand positioning was assessed using the scale provided by Akbari *et al.* (2020) and Perera *et al.* (2020).

## Data analysis and results

Evaluation of measurement model

Overall, the psychometric properties and goodness of fit of the measurement model were assessed through confirmatory factor analysis (CFA). The results indicate that the measurement model satisfactorily fits the data with the following fit indices:  $\chi^2=180.048$ , df=73, p<0.001,  $\chi^2/df=2.466$ , comparative fit index (CFI) = 0.963, goodness fit index (GFI) = 0.946, adjusted goodness of fit index (AGFI) = 0.922, normed fit index (NFI) = 0.939, tucker lewis index (TLI) = 0.954, root mean square error of approximation (RMSEA) = 0.057). These values are within the recommended thresholds for a well-fitting model. The value of

Constructs	Items	Measurement scales	λ	CR	α
Brand social				0.871	0.865
responsibility	BSR1	This is a socially responsible product	0.626		
	BSR2	This product is more beneficial to society's welfare than other products	0.793		
	BSR3	This product contributes something to society	0.759		
	BSR4	This product is actively involved in the community	0.881		
	BSR5	This product sponsors and finances voluntary service	0.715		
Perceived brand				0.800	0.794
trustworthiness	BTWO1	This product doesn't pretend to be something it isn't	0.704		
	BTWO2	This product makes believable claims	0.783		
	BTWO3	Over time, my experiences with this product have led me to expect it to keep its promises, no more and no less	0.703		
	BTWO4	This product demonstrate the ability to deliver what it promises	0.634		
Brand positioning				0.871	0.861
	BRPO1	A good image of the product has been created in my mind	0.783		
	BRPO2	This product conveys a clear image in all its actions	0.794		
	BRPO3	I have a good impression of this product	0.680		
	BRPO4	The product offers different and superior services than its competitors	0.719		
	BRPO5	This product clearly communicates what it stands for	0.807		
Source(s): Data anal	ysis, 2022				

**Table 1.**Constructs, items, reliability and validity of measurement scales

 $\chi^2/df$  should be less than 3 (Hooper et al., 2008), (Kline, 2015; Schermelleh-Engel et al., 2003) suggests that the value of CFI, GFI, AGFI, NFI and TLI should be greater than 0.9. RMSEA should be less than 0.08 (Hooper et al., 2008). The study followed established guidelines to assess the validity and reliability of the instruments used. The factor loadings for all indicators in Table 1 are above the acceptable range of 0.6 and are positively significant. indicating good validity (Kline, 2015). Additionally, the composite reliability coefficient values ranging from 0.800 to 0.871 suggest convergent validity (Hair et al., 2017; Valentini et al., 2016). Furthermore, the average variance extracted (AVE) values presented in Table 2 exceeded the acceptable threshold of 0.5, indicating a proper degree of convergent validity (Shook et al., 2004). The internal consistency of the measurement items was also assessed using Cronbach alpha coefficients, which ranged from 0.794 to 0.865, suggesting satisfactory internal consistency (Ursachi et al., 2015). Discriminant validity was evaluated using the Fornell-Larcker criterion, where the square root of AVE should be greater than the squared correlation between constructs (Ab Hamid et al., 2017; Fornell and Larcker, 1981). As shown in Table 2, the AVE values for each study construct exceeded the squared correlation values, indicating satisfactory discriminant validity.

## Evaluation of structural model and testing of hypotheses

Overall assessment of the proposed structural model's goodness of fit confirms a satisfactory fit  $\chi^2=181.845$ , df=74, p<0.001,  $\chi^2/df=2.457$ , comparative fit index (CFI) = 0.962, goodness fit index (GFI) = 0.95, adjusted goodness of fit index (AGFI) = 0.9, normed fit index (NFI) = 0.94, tucker lewis index (TLI) = 0.96, root mean square error of approximation (RMSEA) = 0.056). The findings presented in Table 3 support the proposed hypotheses. Firstly, brand social responsibility has a positive effect on brand positioning ( $\beta=0.293$ , t=5.188, p<0.001), indicating that brand social responsibility is an antecedent of brand positioning, which supports  $H_1$ . Secondly, the study finds a significant positive relationship between brand social responsibility and perceived brand trustworthiness ( $\beta=0.460$ , t=6.873, p<0.001), supporting  $H_2$ . This implies that brand social responsibility can enhance customers' trust in the brand. Finally, the findings also support  $H_3$ , indicating that perceived

	AVE	MSV	MaxR(H)	BRPO	BSR	BTWO
BRPO	0.575	0.299	0.876	0.758		
BSR	0.577	0.166	0.891	0.281	0.759	
BTWO	0.501	0.299	0.808	0.547	0.407	0.708
Source(s):	Data analysis, 2	2022				

Table 2.
Discriminant validity
with Fornell-Larcker
criterion

Hypotheses	Path models	Path coefficient	t-statistics	LLCI	ULCI	Support (yes/no)
$H_1$ $H_2$ $H_3$	BSR → BRPO BSR → BTWO BTWO→BRPO	0.293*** 0.460*** 0.526***	5.188 6.873 9.285			Yes Yes Yes
$H_4$	BSR → BRPO without BTWO	0.081***	0.200	0.017	0.144	Yes
	$BSR \rightarrow BTWO \rightarrow BRPO$	0.116***		0.078	0.163	Yes

Note(s): LLCI denotes lower-level confidence interval, ULCI denotes upper-level confidence interval,

\*\*\* p-value < 0.001

Source(s): Data analysis, 2022

**Table 3.** Hypotheses testing results

brand trustworthiness influences brand positioning ( $\beta = 0.526$ , t = 9.285, p < 0.001). Thus, the companies in the beverage industry can improve their market position by rebuilding trust among customers.

Testing mediation effect of perceived brand trustworthiness

The study tests H4, which aims to assess the mediating role of perceived brand trustworthiness using a process procedure in SPSS version 3.4 by Hayes (2018). The results indicate that BSR influence BRPO ( $\beta=0.288$ , Boostrap LLCI = 0.219 and ULCI = 0.357). Furthermore, as shown in Table 3 the relationship between BSR and BRPO in absence of BTWO is significant with ( $\beta=0.081$ , Boostrap LLCI = 0.017 and ULCI = 0.144). Further statistics indicate that, BTWO influence BRPO ( $\beta=0.403$ , Boostrap LLCI = 0.324 and ULCI = 0.482). Finally the results as shown in Table 3 indicate that the relationship of BSR and BRPO via BTWO has ( $\beta=0.116$ , Boostrap LLCI = 0.078 and ULCI = 0.163). Overall, these findings as shown in Table 3 indicate that bootstrap results for indirect effect have the upper limit of 0.163 and a lower limit of 0.078, and therefore, there is no 0 in the 95% confidence interval. Therefore, the study confirms H4, stating that perceived brand trustworthiness mediates the relationship between brand social responsibility and brand positioning.

#### Discussion

The findings of the present study contribute significantly to our understanding of the role and impact of brand social responsibility in creating a competitive edge for companies operating in the beverage industry. As indicated in prior research by Iver et al. (2019) and Tsanga and Christiane (2021), this study confirms the crucial importance of brand social responsibility in establishing a competitive advantage for business firms. Additionally, this study advances knowledge regarding the influence of social responsibility at the product or brand level, particularly in terms of its effect on brand positioning through brand trustworthiness. The research sheds light on the pivotal role of brand social responsibility in shaping positive perceptions and attitudes towards the beverage industry. These findings are consistent with the findings of Bhaduri and Ha-Brookshire (2017), Grohmann and Bodur (2015), Iyer et al. (2019) and Tsanga and Christiane (2021), who suggest that social responsibility enhances the competitiveness of business firms by generating favorable attitudes in the minds of customers. Furthermore, the study proposes that brands' social responsibility can serve as an effective marketing strategy to create memorable experiences for customers. For business firms, it is essential to leverage brand social responsibility in order to rebuild their reputations and establish unique value propositions, especially in competitive scenarios where they are vying with each other (Bhaduri and Ha-Brookshire, 2017; He et al., 2016).

With regard to the mediation role of perceived brand trustworthiness in linking brand social responsibility and brand positioning, the study suggests that when customers perceive a brand as trustworthy, it can lead to the formation of specific value propositions in their minds. Consequently, the study findings confirm the proposed model, emphasizing that deliberate strategic measures to thrive in the beverage industry should prioritize building positive perceptions and attitudes among customers. The research findings strongly support the strategic significance of brand social responsibility in cultivating customers' favorable perceptions and attitudes. This aligns with the findings of a previous study by Umar and Bahrun (2017), which underscored that, in a fiercely competitive market, brand social responsibility should be regarded as a strategic measure to foster customer loyalty through the promise of value propositions. In light of these study results, brand social responsibility signifies a sense of accountability and responsibility of beverage companies in their ethical behavior, demonstrating a greater concern for society's welfare and wellbeing.

## Theoretical implication

In the context of conceptual understanding, this study contributes to the advancement of knowledge regarding social responsibility at a product brand level and its related outcomes. Unlike the majority of studies in CSR within business, this research focuses on examining CSR activities and practices in developing countries that go beyond mere philanthropy. The study proposes and tests a model suggesting that CSR practices should be considered a marketing strategy capable of building strong brand positioning. The conceptual model posits that brand social responsibility serves as an antecedent of brand positioning through perceived brand trustworthiness. By investigating the interplay of brand social responsibility, perceived brand trustworthiness and brand positioning, this study enhances our understanding of the role of CSR at the product brand level, an area that has not received sufficient attention among scholars in developing countries. Furthermore, this research expands our knowledge of CSR as a powerful tool for building brand positioning while considering perceived brand trustworthiness as a mechanism to ensure the brand stands out from competitors in a unique and appealing way. This theoretical perspective is based on the S-O-R model, widely used to theorize that brand positioning is a consumer response that can be developed when consumers are exposed to external cues that hold specific meaning in their minds. Thus, this study advances the application of the S-O-R model in conceptualizing the theoretical relationship between CSR practices and consumer behaviors positively associated with brand positioning.

# Practical implication

The study presents various practical implications that can be adopted by practitioners in the beverage industry to build a competitive edge in their respective markets. Marketers are recommended to make significant investments in social responsibility to enhance the performance of their brands. By doing so, they can ensure that their brand stands out from competitors in a unique and appealing way. For successful implementation of CSR initiatives that go beyond mere philanthropy, marketers must establish strong connections with consumers through both formal and informal dialogues and engagement practices. This approach allows firms to enhance and maximize both the social and economic value of their brand by linking CSR activities to areas that bolster the business's long-term competitive potential. To achieve this, marketers should strategically leverage the firm's distinctive strengths and align them with relevant activities in accordance with the value chain model. Consumers have shown a preference for brands or products that embrace ethical marketing practices and are unwilling to support brands that disregard social welfare or wellbeing. Therefore, ethical marketing practices, including compliance and adherence to brand social responsibility initiatives, should be used as a positioning strategy to portray beverage companies as social entities that prioritize social wellbeing. Marketing efforts, particularly marketing communication, should deliver messages that focus on positioning beverage companies while highlighting their brand social responsibility practices. Managers can utilize various forums and outlets, such as social media platforms, to inform customers about their brand's ethical practices and commitment to social responsibility. By doing so, they can strengthen their brand image and reputation among socially conscious consumers.

#### Limitation and future studies

Despite the valuable contribution of this study to advanced knowledge in brand positioning, it is important to acknowledge and address the following limitations in the current research. First and foremost, it must be noted that the study's focus is solely on the Tanzanian beverage industry, which raises concerns about generalizing the findings. Cultural differences and contextual factors significantly influence the beverage industry, necessitating caution when applying the results to other regions. To establish a more

comprehensive understanding, the proposed conceptual model should be tested in diverse settings and contexts to provide more robust and applicable insights on the subject under investigation. Additionally, to gain deeper insights into brand social responsibility and its consequences across various countries, a comparative study is recommended. By examining and contrasting brand practices in different cultural and market environments, a more nuanced understanding of their impact can be obtained. To capture the evolving nature of brand social responsibility practices and their outcomes, it is essential to adopt a longitudinal approach. Such an approach would enable researchers to track changes and developments in brand strategies over time, providing a more dynamic perspective on the subject matter. Finally, future studies should consider adopting a qualitative approach. A qualitative methodology would offer a more naturalistic and in-depth portrayal of the topic, providing valuable context and rich insights into brand positioning and social responsibility. By addressing these limitations and employing more diverse research methodologies, future studies can contribute to a more comprehensive and well-rounded understanding of brand positioning and its implications on social responsibility.

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