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EFFECT OF ETHICAL CORPORATE SOCIAL RESPONSIBILITY ON CUSTOMER LOYALTY AT MTN, KADUNA

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Abstract

This study examined the effect of ethical corporate social responsibility (ECSR) on customer loyalty at MTN, Kaduna, with the aim of determining how ethically driven ECS practices influence customers' long-term commitment and trust in the organization. The study adopted a descriptive survey design and utilized a quantitative research approach. The population comprised 1,031,842 MTN subscribers in Kaduna South, from which a sample size of 400 respondents was selected using Taro Yamane's formula. Data were collected through a structured questionnaire based on a four-point Likert scale, and analyzed using multiple regression analysis to establish the relationship between ethical ECS and customer loyalty. The results revealed a strong and statistically significant positive relationship between ethical ECS and customer loyalty ($\beta = 0.810$, $t = 29.977$, $p < 0.001$). The model's R value of 0.838 and R^2 of 0.702 indicate that approximately 70.2% of the variation in customer loyalty can be explained by ethical CSR initiatives. The findings demonstrate that customers are more likely to remain loyal to MTN when they perceive the company as ethically responsible in its dealings, transparent in its operations, and committed to community well-being. The study concludes that ethical ECS serves as a strategic tool for enhancing customer satisfaction, retention, and brand advocacy. It recommends that MTN should strengthen its ethical practices of ECS efforts to sustain long-term customer loyalty and corporate reputation in Nigeria's telecommunications industry.

Keywords: Ethical Corporate Social Responsibility, Customer Loyalty

1. Introduction

In today's competitive business environment, companies are increasingly judged not only by the quality of their products and services but also by the ethical standards they uphold and the social impact of their operations. Corporate Social Responsibility (CSR), particularly when grounded in ethical principles, has emerged as a strategic tool for building long-term customer relationships and brand loyalty

(Okonkwo & Akintunde, 2022). As consumers become more socially conscious, they tend to align themselves with brands whose values reflect transparency, fairness, accountability, and social good. Telecommunications companies like MTN Nigeria have played a vital role in Nigeria's economic and social development, offering services that bridge communication gaps across the nation. However, given the rising expectations of ethical business conduct, especially in urban hubs like

Kaduna, CSR efforts are now being closely scrutinized not just for their scale, but for their authenticity and ethical grounding (Yahaya & Bako, 2023). Ethical CSR encompasses initiatives that are not merely philanthropic or promotional but are executed with fairness, respect for stakeholders, environmental responsibility, and transparency (Adeleke & Ogunbajo, 2022)

MTN, as one of Nigeria's leading telecom operators, has engaged in various CSR activities, including youth empowerment, health campaigns, and educational sponsorships. However, customers increasingly expect these efforts to reflect true ethical commitment—such as honesty in advertising, fair pricing, transparent billing practices, and responsible data management (Ibrahim & Dauda, 2024). When these ethical values are clearly embedded in CSR initiatives, they have been shown to influence customer trust and, by extension, loyalty (Eze & Oyetunde, 2022).

In the Nigerian context, CSR has increasingly garnered academic interest and practical adoption, albeit shaped by unique socio-political, economic, and cultural factors (Al-Sakkaf et al., 2024). Over the last two decades, Nigerian companies have faced mounting expectations from host communities, civil society organizations, governmental bodies, and even international watchdogs to conduct their operations responsibly. These demands have been particularly pronounced in sectors associated with environmental degradation, social displacement, and economic inequality, such as oil, gas, and telecommunications (Ezechukwu & Uzuagu, 2022). Nigerian corporations have come to recognize that CSR is no longer optional or symbolic; rather, it is a strategic necessity for securing the social license to operate, mitigating risks, building legitimacy, and unlocking new market opportunities. Failure to prioritize CSR has led to reputational damage, regulatory penalties, operational disruptions, and, in extreme cases, community unrest. Consequently, CSR in Nigeria has evolved from isolated philanthropic acts into structured and strategic

programs that address pressing developmental challenges such as education, healthcare and so on.

In the highly competitive Nigerian telecommunications industry, customer loyalty has become a critical determinant of long-term business sustainability. While service quality and pricing remain important, ethical corporate social responsibility (ECSR) has increasingly emerged as a vital strategy for cultivating deeper customer trust and sustained patronage (Okonkwo & Akintunde, 2022). However, many firms, including MTN, often face challenges in ensuring that their CSR efforts are perceived as genuinely ethical rather than marketing-driven (Yahaya & Bako, 2023). Despite MTN's significant investments in CSR initiatives such as youth empowerment, community development, and health campaigns there is a growing concern among stakeholders in Kaduna about the ethical orientation of these interventions. Issues such as unclear billing policies, data privacy concerns, service downtime, and perceived profit-driven motives have raised doubts about the authenticity of MTN's CSR practices (Ibrahim & Dauda, 2024). This has led some customers to question whether the company's social responsibility efforts are truly aligned with ethical principles or are merely corporate branding tactics. Moreover, existing studies in Nigeria have generally focused on the broader impact of CSR on organizational image or customer satisfaction, without isolating the ethical dimension of CSR and its specific influence on customer loyalty (Eze & Oyetunde, 2022). In Kaduna, where customers are increasingly aware of and responsive to ethical issues, this gap in empirical evidence limits the ability of firms like MTN to effectively integrate ethical CSR into their loyalty-building strategies infrastructure, environmental conservation, and youth empowerment (Gupta & Das, 2022).

Despite the growing body of literature on CSR and customer loyalty, there remains a gap in understanding the specific impact of ethical dimensions of CSR on customer loyalty within the Nigerian telecom sector at the state level. Particularly in Kaduna, a diverse and economically vibrant city, customer retention is

becoming more challenging amid rising competition and consumer awareness. The perception of ethical CSR may be a differentiating factor for telecom providers like MTN in cultivating loyal customers (Nwachukwu & Yusuf, 2023).

Therefore, this study seeks to assess the effect of ethical corporate social responsibility on customer loyalty at MTN in Kaduna. By examining how MTN's ethically oriented CSR initiatives influence customer attitudes and behaviors, the study aims to provide insights that can guide ethical business strategies and customer engagement practices in the telecom industry.

Research Question

Does ethical corporate social responsibility have any significant effect on customer loyalty in MTN Kaduna?

The objective of this study is to determine the effect of ethical corporate social responsibility on customer loyalty at MTN, Kaduna.

The study test the following hypothesis,

H_{01} : Ethical corporate social responsibility has no significant effect on customer loyalty at MTN, Kaduna.

The research will investigate the effect of Ethical Corporate Social Responsibility (CSR) on customer loyalty, using a case study of MTN Kaduna State, one of the leading telecommunications companies in Nigeria. In this study, Ethical CSR serves as the independent variable, while customer loyalty represents the dependent variable.

The justification for this study lies in its potential to contribute to both academic knowledge and practical business strategies, particularly in the telecommunications sector in Nigeria. The growing importance of Ethical Corporate Social Responsibility (CSR) in shaping consumer perceptions and business sustainability necessitates an in-depth examination of its impact on customer loyalty, particularly in Nigeria's telecommunications industry. The study addresses a gap in the existing literature by exploring the relationship between Ethical CSR and customer loyalty

in the context of a major telecommunications company in Nigeria.

The Nigerian government, particularly through its ministries of Communications, Trade, and Industry, will find the study beneficial for informing national policies aimed at promoting corporate accountability and sustainable business practices. By understanding the linkage between Ethical CSR and economic outcomes like customer loyalty and sectoral stability, policymakers can craft legislation that encourages or mandates socially responsible behavior among corporations operating in Nigeria. Furthermore, evidence from the study could support government initiatives focused on community development, economic empowerment, and digital inclusion, aligning corporate actions with national development priorities such as those outlined in Nigeria's Economic Recovery and Growth Plan (ERGP) and the Sustainable Development Goals (SDGs).

2. Literature Review

2.1 Conceptual Review

Concept of Customer Loyalty

Customer loyalty refers to a strong and enduring relationship between a customer and a product or service provider (Cui et al., 2023). From the customer's viewpoint, loyalty manifests as a sustained commitment, often demonstrated through positive word-of-mouth after repeated purchases (Gunawan, 2022). According to Kim (2022), loyal customers typically develop an emotional attachment or affection for a company's products. Externally, loyalty can be observed through factors like purchase volume and repeat buying behavior, though scholars often assess it using behavioral metrics, such as how environmental changes impact customer loyalty (Jarideh, 2016; Aghamolaei et al., 2014). From a business perspective, customer loyalty plays a crucial role in determining success and profitability, making it a key long-term objective for companies (Srivastava & Rai, 2018). Although intangible, customer loyalty holds immense

commercial value, especially when companies face challenges such as a buyer's market, weak customer relationships, and increased competition. In these situations, customer loyalty takes on strategic importance (Srivastava & Rai, 2018). When customers trust a product or service and develop psychological dependence on it (Cui, 2014), they are likely to recommend it to others, effectively providing free word-of-mouth marketing (Liu, 2015). Thus, repeated purchases and recommendations serve as vital indicators of customer loyalty (Zhang, 2019).

Corporate Social Responsibility

The idea of corporate social responsibility, or CSR, is quickly gaining traction as a tool for contemporary business management in a wide range of academic and business settings. CSR is "a form of self-regulation whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms," according to (Matten & Moon, 2020). They highlight how companies should proactively align their operations with ethical norms and broader societal expectations. CSR is the voluntary activities undertaken by a company to operate in an economic, social, and environmentally sustainable manner," (Crane et al., 2019). This definition emphasises the sustainable approach to corporate operations and the voluntary nature of CSR initiatives. CSR is reframed by (Schwartz and Carroll, 2017) as a global business practice that involves initiatives that benefit society. Their definition is brief but highlights the global reach and societal impact of CSR initiatives, implying that businesses take steps to address social and environmental issues beyond profitability. McWilliams and Siegel, (2001) define CSR as business initiatives that promote social welfare beyond legal obligations and the firm's direct interest to include environmental sustainability efforts, ethical labor practices, and philanthropic activities. Similarly, the World Business Council for Sustainable Development (WBCSD) (2004) characterizes CSR as a company's commitment to sustainable development, engaging with employees, their families, local communities, and society to improve overall well-being. According to Lindgreen et

al., (2016), as corporate social responsibility (CSR) is frequently seen as the moral aspect of corporate accountability and management, most companies are making significant efforts to define and incorporate CSR concepts into their operations. Amin-Chaudhry, (2016) held that CSR is the self-regulation of action. It is the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time (Carroll, 2016). Porter and Kramer (2006) view CSR as a strategic business commitment to addressing social and environmental challenges in a way that enhances competitive advantage. They argue that CSR is not limited to philanthropy but involves integrating social and environmental concerns into business strategies to create shared value. Dahlsrud (2008) echoes this by saying that CSR is a practice in which businesses incorporate social and environmental considerations into their operations and stakeholder interactions, ultimately contributing to sustainable development. Leclercq-Machado (2022) described CSR as the extent to which businesses acknowledge economic, legal, ethical, social, and policy obligations toward stakeholders, which can, in turn, influence customer perceptions. Within academic discussions, the scope of CSR remains a topic of debate, with scholars questioning to whom corporations should be accountable. Marrewijk (2023) identifies three primary perspectives on corporate responsibility: the shareholder, stakeholder, and societal approaches.

The shareholder approach, rooted in classical economic theory, asserts that businesses primarily serve their shareholders. Hasnas (2018) argued that corporations exist to maximize shareholder profits, with CSR efforts justifiable only if they align with long-term financial returns. This perspective aligns with Milton Friedman's (2023) assertion that a business's core responsibility is to use its resources to generate profit while complying with legal and ethical standards.

In contrast, the stakeholder approach expands corporate responsibility to include all individuals and groups affected by a company's actions. Freeman (2014) defined stakeholders as anyone who can influence or be

influenced by a firm's objectives. This perspective suggests that businesses should consider the interests of employees, customers, suppliers, and the wider community in their decision-making processes. Evan and Freeman (2015) emphasize that stakeholders should have a say in a company's strategic direction, as their contributions are essential to corporate success and sustainability.

The societal approach further broadens CSR by asserting that corporations have obligations beyond their direct stakeholders, extending to society as a whole. Marrewijk (2023) argued that corporations operate with public consent and should actively contribute to societal well-being. This view recognizes that businesses are embedded in a broader social structure and must address pressing societal issues. Pinkston and Carroll (2016) highlighted that corporations face growing pressure from NGOs, socially responsible investors, labor unions, and local communities to tackle issues such as labor rights, human rights, and ethical consumerism.

Ethical Corporate Social Responsibility

Ethical Corporate Social Responsibility (CSR) refers to a company's commitment to conducting business in a manner that aligns with moral principles, societal norms, and stakeholder expectations (Carroll, 2016). It goes beyond legal compliance and focuses on ensuring fairness, transparency, and integrity in business operations (Crane, Palazzo, Spence, and Matten, 2023). Ethical CSR emphasizes corporate accountability, environmental sustainability, fair labor practices, and consumer protection to foster trust among stakeholders (Fatma, Khan, & Rahman, 2023). Ethical CSR is based on moral obligations rather than legal mandates, ensuring that businesses operate in ways that are socially and environmentally responsible (Kim, Kim, & Choi, 2023). Companies that embrace ethical CSR adhere to principles such as:

a) **Honest and Transparent Business Practices** Ethical CSR promotes truthful advertising, fair pricing, and transparent financial reporting to build trust with consumers and investors (Nguyen, 2023).

b) **Fair Treatment of Employees** Ethical companies ensure safe working conditions, fair wages, and respect for workers' rights, avoiding exploitative labor practices (Jain, Aguilera, & Jamali, 2022).

c) **Environmental Responsibility** Ethical CSR involves minimizing environmental harm through sustainable resource use, pollution reduction, and investment in green technologies (Porter & Kramer, 2019).

d) **Consumer Protection** – Businesses practicing ethical CSR prioritize product safety, quality assurance, and customer satisfaction (Ali, Frynas, & Mahmood, 2023).

Ethical CSR plays a crucial role in business sustainability and stakeholder engagement. Research suggests that ethical corporate behavior enhances consumer trust and loyalty, which in turn improves brand reputation and competitive advantage (Chin, Hambrick, & Treviño, 2022). Additionally, companies that uphold ethical values are more likely to attract investors, as ethical practices reduce financial and reputational risks (Lin, Ho, & Sambasivan, 2023). Ethical CSR also fosters employee satisfaction and retention, as workers prefer organizations that prioritize ethics and fairness in the workplace (McWilliams & Siegel, 2021).

Many multinational corporations integrate ethical CSR into their business strategies. For example, Unilever's Sustainable Living Plan focuses on reducing environmental impact while improving social conditions across its supply chain (Du, Bhattacharya, & Sen, 2021). Similarly, companies like Patagonia emphasize ethical sourcing, fair wages, and eco-friendly products to align with stakeholder expectations (Saeidi et al., 2022). In Nigeria, firms like MTN Foundation and Dangote Group have adopted ethical CSR by supporting educational programs, healthcare services, and environmental conservation projects (Adeleke & Ogunbajo, 2022).

2.2 Empirical Review

Fatma and Khan (2023) studied the integrative framework to explore corporate ability and corporate social responsibility association's influence on consumer responses in the banking Sector in Indian retail banking sector. The researchers used confirmatory factor analysis and structural equation modeling to analyze data from 357 banking customers. The findings reveal that CSR initiatives significantly enhance consumer trust, which in turn positively impacts word of mouth and purchase intentions.

Shengyu (2023) examined corporate social responsibility and customer loyalty: The Mediating Role of Co-creation and Customer Trust". This research explores how CSR influences customer loyalty in the Chinese commercial banking sector, emphasizing the mediating roles of co-creation and customer trust. Analyzing responses from 235 customers using SEM, the study reveals that CSR positively affects customer loyalty both directly and indirectly through enhanced co-creation and trust.

Ezechukwu and Uzuagu (2022) studied corporate social responsibility: Its Perception, Practice, Impact, and Challenges in Nigeria. The study employed a qualitative methodology by reviewing existing literature to analyze the definitions, aspects, and impact of CSR, with a focus on Nigeria. Findings revealed that CSR in Nigeria is predominantly philanthropic, with companies focusing on charitable contributions rather than broader economic, legal, ethical, or political CSR aspects.

Tahir, Khan, and Guangzhou (2021) examined the impact of corporate social responsibility on customer loyalty: The Mediating Role of Corporate Reputation, Customer Satisfaction, and Trust", was carried out in the telecommunications sector of developing countries. The study employed the resource-based view and stakeholder theory to propose a model, using corporate reputation, customer satisfaction, and trust as mediators between CSR and customer loyalty. Findings show that CSR initiatives positively influence these mediators, which in turn enhance customer loyalty. Additionally,

corporate abilities moderated the relationship, showing that high corporate abilities coupled with CSR activities lead to increased customer loyalty.

Agyei, Yamoah, and Tsakpo (2021) investigated the role of customer-brand identification and customer satisfaction" this was conducted in the life insurance sector. The research utilized structural equation modeling to analyze survey data from 293 life insurance customers. Findings revealed that Corporate Social Responsibility (CSR) significantly impacts customer-brand identification and satisfaction, which in turn drives customer engagement.

2.3 Theoretical Review

For the purpose of this study, the Stakeholder theory was discussed below:

Stakeholder Theory

Stakeholder Theory was first propounded by R. Edward Freeman, a prominent scholar in business ethics and strategic management. In his groundbreaking 1984 book, *Strategic Management: A Stakeholder Approach*, Freeman fundamentally redefined the purpose of businesses. Instead of viewing corporations solely as entities responsible to shareholders, Freeman asserted that businesses must acknowledge and address the interests of all stakeholders, that is, individuals or groups who can affect or are affected by the company's activities (Freeman, 1984). He emphasized that long-term business success relies not just on profit maximization but also on maintaining harmonious and ethical relationships with employees, customers, suppliers, governments, and communities. Freeman's work was revolutionary at the time because it challenged Milton Friedman's (1970) influential view that the sole responsibility of business is to increase its profits for shareholders.

Stakeholders Theory will serve as the anchor theory for the current study. To reiterate, Stakeholders Theory posits that the organizations have a responsibility to consider the interests and well-being of all their stakeholders, not just shareholders. This theory is

particularly relevant in the context of CSR, where the focus extends to the impact of corporate actions on various stakeholders, including employees, customers, suppliers, and the broader community (Nnadi & Mutyaba, 2023). This broader perspective recognizes that the long-term success and sustainability of a company are closely tied to the health and prosperity of its stakeholders. By addressing the needs and concerns of a diverse group of stakeholders, companies can build stronger, more resilient relationships and foster an environment of trust and cooperation (Kalra, 2024). This approach ultimately contributes to the sustainable growth and stability of the business.

In applying Stakeholder Theory to the study of Corporate Social Responsibility (CSR) and customer loyalty, this can be seen through the lens that CSR initiatives underscores the important role in maintaining and enhancing relationships with key stakeholders, specifically the customers in the telecommunication sector. Under this context of which the study on telecommunications companies like MTN, Stakeholder Theory provides a robust framework for understanding how CSR activities can influence customer loyalty.

3. Methodology

The research design that was adopted for this study is descriptive survey design. Descriptive research design is a scientific method which involves the description, analysis, exploring and evaluation of study variables without manipulating them in any way. The design will enable the researcher to collect sufficient data that provide an enhanced and thoughtful understanding of a research problem whereby quantitative research approach will be utilized. The study population comprised of estimated one million, thirty-one thousand, eight hundred and forty-two (1,031,842) MTN subscribers Kothari (2004). This figure provides the basis for determining the appropriate sample size and guides the generalization of the study's findings to the broader subscriber base in Kaduna State. The sample size was determined to be 400 using Taro Yamani's formula for sample size determination. A

well-structured questionnaire was utilized in data collection from the respondents, using a stratified random sampling technique to ensure adequate representation of various demographic segments. The researcher used four points Likert scale to determine the extent of how the respondents perceived the study. The four-point Likert scale is ranked as shown below: Strongly Agreed – SA = 4, Agreed – A = 3, Disagreed – D = 2, Strongly Disagreed – SD = 1. To empirically model the effect of ethical corporate social responsibility on customer loyalty at MTN, Kaduna, Linear regression analysis was used. The structural model can be specified as:

$$CL = \beta_0 + \beta_1 ECS + \varepsilon$$

Where:

CL = Customer Loyalty (Dependent Variable)

ECS = Ethical Corporate Social Responsibility

In this model, β_0 is the constant. β_1 is the coefficients for the independent. ε represents the error term that accounts for unmodeled variables that might impact the dependent variable. ε represents error term (captures unobserved factors affecting Customer Loyalty). β_1 is expected to be positive ($\beta > 0$), implying that increased commitment to CSR enhances customer loyalty.

Reliability Statistics

Cronbach's Alpha	N of Items
.861	5

Source: Authors computation using SPSS 25, 2025

The result of the reliability test presented in the table shows a Cronbach's Alpha value of 0.861 for the five items used in the study's research instrument. This value indicates an exceptionally high level of internal consistency among the questionnaire items used to measure the constructs related to change management and employee performance. According to Nunnally and Bernstein (1994), a Cronbach's Alpha value above 0.70 is generally considered acceptable for social science research, while values above 0.80 demonstrate excellent reliability. Therefore, the coefficient of 0.861

confirms that the instrument used for data collection was highly reliable and that the items consistently measured the intended variables.

4. Results and Discussion

4.1 Questionnaire Distribution

The presentation and analysis of results are key aspects of any research, offering valuable insights into the collected data and its relevance to the study's objectives. Out of the 400 questionnaires distributed, 384 were correctly completed and returned, representing a high response rate of 96%. The retrieval process involved both immediate collection on-site and follow-up visits

where respondents needed more time. However, 16 questionnaires were found to be invalid due to various issues, including incomplete responses, multiple answers to single-response questions, or inconsistencies that indicated a lack of understanding of the items. These invalid responses were excluded from the final analysis to maintain the integrity and reliability of the data.

Thus, the final sample size of 384 valid responses was used for statistical analysis. This number is still statistically significant and meets the sample requirement based on Cochran's formula, ensuring the findings remain generalizable and representative of the target population.

Table 1: Demographic Distribution of Respondents

Variable	Group	Frequency	Percentage
Gender	Male	177	46.1
	Female	207	53.9
	Total	384	100.0
Age			Mean: 3
	below 20 years	51	13.3
	21-30	84	21.9
	31-40 years	85	22.1
	41-50 years	36	9.4
	50 years and above	128	33.3
	Total	384	100.0
Highest educational qualification			Mean: 2
	SSCE	73	19.0
	OND/NCE	103	26.8
	BSC/HND	174	45.3
	MSc and above	34	8.9
	Total	384	100.0
Occupation	Student	29	7.6
	Civil Servant	118	30.7
	Business Owner	125	32.6
	Private Sector	82	21.4
	Unemployed	30	7.8
	Total	384	100.0

Source: Authors computation using SPSS 25, 2025

The demographic distribution of respondents provides critical insight into the diversity and representativeness of the sample used. In terms of gender, the data show

that 207 respondents (53.9%) were female while 177 (46.1%) were male. For age distribution, the majority of respondents fall within the 21–30 years (44.0%) and

31–40 years age brackets, while 50 years and above account for 33.3%. This mix provides perspectives from both younger, tech-savvy customers and older, more experienced users. These age groups are particularly important for a telecommunications provider like MTN, as they are most likely to actively engage with and evaluate corporate practices, including ethical and philanthropic activities.

With regard to educational qualification, most respondents held at least a tertiary-level certificate: 45.3% had BSc/HND, 26.8% had OND/NCE, while only 8.9% had postgraduate qualifications, and 19% had SSCE. The dominance of educated respondents enhances the credibility of the data, as individuals with formal education are more likely to understand and critically assess the concepts of ECS and customer loyalty. Occupationally, the sample was diverse.

Business owners (32.6%) and civil servants (30.7%) formed the largest groups, followed by those in the private sector (21.4%), with students (7.6%) and the unemployed (7.8%) making up smaller proportions. This distribution suggests that most respondents are economically active and likely to depend on consistent and ethically driven telecommunication services for business or professional purposes.

Inclusively, this demographic profile reveals that the study engaged a broad and meaningful cross-section of MTN's customer base in Kaduna. The diversity in gender, age, education, and occupation contributes to a well-rounded understanding of how ECS influence customer loyalty, making the study's findings both robust and generalizable.

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	384	1	2	1.54	.499
Age	384	1	5	3.28	1.451
Highest educational qualification	384	1	4	2.44	.898
Occupation	384	1	5	2.91	1.063
MTN usage	384	1	4	3.53	.807

Source: Authors computation using SPSS 25, 2025

Table 1 provide a vital context for interpreting the results of this study on the demographic characteristics of the respondents provide. The gender distribution, with a mean of 1.54 and a standard deviation of 0.499, indicates a relatively balanced participation between male and female respondents, though slightly more females were represented. This balance enhances the objectivity of the study by reducing gender bias in perception toward CSR and loyalty.

The age variable had a mean of 3.28 and a standard deviation of 1.451, suggesting that the majority of respondents were within the 31–40 age range. This demographic is critical as individuals within this age bracket are often economically active, socially engaged, and likely to be more aware of corporate behavior and

its implications. Their views on MTN's CSR practices and customer loyalty are therefore particularly valuable. Regarding educational attainment, the mean value of 2.44 with a standard deviation of 0.898 shows that most respondents held at least an OND/NCE or Bachelor's degree (HND/BSc). This indicates that a significant portion of the respondents had the capacity to understand the concepts of CSR and evaluate MTN's performance critically.

Occupationally, the mean of 2.91 and standard deviation of 1.063 implies a varied workforce, with many respondents likely being private-sector employees or small business owners, who typically rely on telecommunications services and are sensitive to corporate practices, especially those affecting service

delivery, pricing, and customer relations. Lastly, MTN usage duration yielded a mean of 3.53 and a standard deviation of 0.807, indicating that most respondents had used MTN services for over 4 years. This is a positive indicator of reliability in customer responses, as long-term users are more likely to have developed informed and consistent opinions on MTN's CSR activities and

how these influence their loyalty. In general, the demographic data suggest that the study was conducted among informed, experienced, and diverse respondents, thereby providing a strong foundation for drawing valid conclusions about the relationship between corporate social responsibility and customer loyalty.

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Table 3: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	β	Std. Error				Beta	Tolerance
1 (Constant)	2.577	.428		6.023	.000		
ECS	.810	.027	.838	29.977	.000	1.000	1.000

a. Dependent Variable: CL

Source: Authors computation using SPSS 25, 2025

In table 3, the intercept is 2.577 and this suggest that when the ethical corporate social responsibility (ECS) is zero, the estimated customer loyalty (CL) is 2.577. The unstandardized coefficient for the predictor ethical corporate social responsibility (ECS) is .810. This implies that for every one unit increase in ECS, CL increases by .81 units, holding other factors constant. The standardized coefficient (Beta) is .838, indicating that ethical corporate social responsibility (ECS) has a strong positive impact on customer loyalty (CL). The low P-value (0.000) for ECS suggest that the intercept and the coefficient for ECS are statistically significant. The highly significant P-value indicate that the model is a good fit and the coefficient provide estimate of the impact of the predictor ECS on CL, thus, the null hypothesis which state that ethical corporate social responsibility has no significant effect on customer loyalty at MTN Kaduna is hereby rejected.

The Collinearity Statistics (Tolerance = 1.000, VIF = 1.000) indicate the absence of multicollinearity, implying that the model is stable and the predictor variable (ECS) independently contributes to explaining

Inclusively, this demographic profile reveals that the study engaged a broad and meaningful cross-section of MTN's customer base in Kaduna. The diversity in gender, age, education, and occupation contributes to a well-rounded understanding of how ECS influence customer loyalty, making the study's findings both robust and generalizable.

customer loyalty without interference from other correlated predictors.

Empirically, this result finds robust support from multiple previous studies. For instance, Fatma and Khan (2023) found that CSR initiatives significantly enhance consumer trust, leading to positive behavioral outcomes such as word-of-mouth recommendations and repeat patronage in India's retail banking sector. Their study confirmed that CSR is not merely a moral obligation but a strategic tool for strengthening customer relationships — consistent with the high β -value obtained in this study. Similarly, Tahir, Khan, and Guangzhou (2021) observed that CSR positively influences customer satisfaction, trust, and corporate reputation, which in turn boost customer loyalty in the telecommunications sector of developing countries. This closely mirrors the context of MTN Kaduna, affirming that CSR activities grounded in ethical intent generate emotional and relational bonds that sustain loyalty.

Furthermore, Shengyu (2023) provided evidence from China's commercial banking sector showing that CSR

affects customer loyalty both directly and indirectly through mediating factors such as trust and co-creation. This supports the current study's implication that ethical CSR not only attracts customers but also deepens their sense of belonging and identification with the company. The strong standardized coefficient ($\beta = 0.838$) recorded here suggests that customers perceive MTN's ethical practices as trustworthy and socially responsible, thereby reinforcing their continued patronage and advocacy for the brand.

Additional support is found in the work of Agyei, Yamoah, and Tsakpo (2021), who discovered that CSR significantly improves customer-brand identification and satisfaction in the life insurance industry. Their findings highlight that CSR-driven ethical engagement enhances emotional connection with the brand a key antecedent of loyalty. The high level of customer responsiveness to MTN's ethical CSR, as shown by the regression result, similarly indicates that when customers identify with a company's ethical values, they are more likely to exhibit loyalty-oriented behaviors.

Conversely, Ezechukwu and Uzuagu (2022) reported that in Nigeria, CSR practices often remain largely philanthropic and short-term, with limited long-term impact due to weak regulatory frameworks and corruption. However, the current result provides a contrasting empirical outcome, suggesting that where CSR is ethically grounded and strategically implemented as appears to be the case with MTN Kaduna it can indeed produce significant loyalty effects even within the Nigerian context. This implies that the effectiveness of CSR in driving loyalty depends not only on its presence but also on the ethical intent, transparency, and alignment with stakeholder needs.

Inclusively, this study's result empirically validates the argument that ethical CSR is not merely a philanthropic exercise but a strategic lever that enhances brand trust, customer satisfaction, and ultimately loyalty. The finding aligns with prior research across sectors and countries, emphasizing that when CSR initiatives are genuinely ethical and stakeholder-oriented, they yield substantial relational and financial dividends for organizations.

Table 4: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.838 ^a	.702	.701	1.35646

a. Predictors: (Constant), ECS

b. Dependent Variable: CL

Source: Authors computation using SPSS 25, 2025

Table 4 result showed that the correlation coefficient (R) is 0.838. This indicates a strong positive relationship between the two variables, suggesting that as MTN intensifies its ethical CSR practices such as fairness in business dealings, transparency, and community-oriented initiatives customers are likely to become more loyal to the brand.

The R Square value of 0.702 reveals that approximately 70.2% of the variation in customer loyalty can be

explained by the company's ethical CSR efforts. This means that ethical CSR plays a significant role in shaping customers' trust and continued patronage of MTN's services. The Adjusted R Square value of 0.701 confirms the stability and reliability of the model, implying that the explanatory power remains strong even after adjusting for the number of variables included in the analysis. The Standard Error of the Estimate (1.35646) represents the average deviation of observed values from the predicted regression line. This

relatively small value indicates that the model's predictions are reasonably accurate and that the data points are closely clustered around the fitted line.

Table 5: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1653.447	1	1653.447	898.621	.000 ^b
	Residual	702.873	382	1.840		
	Total	2356.320	383			

a. Predictors: (Constant), ECS

b. Dependent Variable: CL

Source: Authors computation using SPSS 25, 2025

Table 5 is the analysis of variance (ANOVA) of the regression model. The seen square for regression is 1653.447. The mean square for the regression is 1653.447. The F-statistics is 898.621 and this indicates a strong relationship between the predictor (ECS) and the dependent variable (CL). The P-value (significance) is very low (.000) indicating that the regression model is statistically significant. The sum of squares for

residual (unexpected variability) is 702.87. The residual (unexpected variability) are relatively small compared to the explained variability, thus, supporting the model's goodness of fit. The ANOVA result suggest that the regression model is highly significant in explaining the variance in the dependent variable (CL) and the predictor (ECS) plays a crucial role in this explanation.

Table 6: Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation
Predicted Value	5.9779	16.1802	15.2339	2.07776
Residual	-5.58020	4.39298	.00000	1.35469
Std. Predicted Value	-4.455	.455	.000	1.000
Std. Residual	-4.114	3.239	.000	.999

Source: Authors computation using SPSS 25, 2025

The predicted values range from 5.9779 to 16.1802, with a mean of 15.2339 and a standard deviation of 2.07776 suggesting yhat on the average, the model predicts a value around 2.07776 fpt dependent variable (CL). This indicates that, on average, the model predicts relatively high levels of customer loyalty among respondents, reflecting the strong positive influence of ethical CSR practices. The narrow spread of the predicted values suggests that most customers share similar perceptions of MTN's ethical conduct and its

impact on their loyalty, showing a consistent pattern across the sampled population. The residuals, which represent the differences between the actual and predicted values of customer loyalty, range from -5.58020 to 4.39298, with a mean of 0.00000 and a standard deviation of 1.35469. The near-zero mean residual indicates that the model's predictions are unbiased on average meaning the model neither consistently overestimates nor underestimates customer loyalty. The relatively small standard deviation of the

residuals further implies that the prediction errors are limited, confirming that the model fits the data well.

Similarly, the standardized predicted values range between -4.455 and 0.455 , and the standardized residuals range between -4.114 and 3.239 . These values fall within acceptable thresholds (typically between -3 and $+3$ for standardized residuals), indicating that there are no major outliers or extreme deviations affecting the model's accuracy. The slight extension beyond ± 3 for a few residuals is tolerable and does not significantly distort the overall model reliability.

In essence, these statistics demonstrate that the regression model predicting customer loyalty from ethical CSR is both statistically sound and stable. The limited variation in residuals and strong clustering of predicted values around the mean reinforce the conclusion that ethical CSR is a consistent and significant driver of customer loyalty at MTN Kaduna.

5. Conclusion and Recommendations

This study examined the effect of ethical corporate social responsibility (ECS) on customer loyalty at MTN, Kaduna, with the objective of determining how ethically grounded ECS initiatives influence customers' continued patronage, satisfaction, and trust in the organization. The analysis, which employed a descriptive survey design and multiple regression technique, revealed a strong and statistically significant

positive relationship between ethical ECS and customer loyalty. Specifically, the regression coefficient and the high coefficient of determination demonstrate that ethical ECS accounts for approximately 70.2% of the variations in customer loyalty among MTN subscribers in Kaduna. Therefore, the study highlights that ethical corporate social responsibility is a key determinant of customer loyalty in MTN Kaduna. When customers perceive a company as socially conscious, transparent, and fair, they are more inclined to sustain long-term relationships, advocate for the brand, and overlook minor service shortcomings. Thus, ethical ECS serves both as a moral compass and a driver of organizational sustainability.

Based on this finding, the study made the following recommendations:

- a) MTN should strengthen ethical corporate social responsibility through institutionalize ethical standards in its operations, emphasizing honesty, fairness, and transparency in service delivery, billing, and customer communications. This will reinforce customer trust and deepen loyalty.
- b) MTN should intensify its investments in ethical CSR programs that directly benefit the Kaduna community. When customers perceive tangible benefits from ECS, they are more likely to remain loyal to the brand.

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