Impact of Corporate Social Responsibility on Brand Image of MTN in Nigeria.

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Abstract
The study looked at how corporate social responsibility (CSR) affected MTN's brand perception in Nigeria. In particular, the study looked into the relationship between MTN brand loyalty in Nigeria and the impact of economic, social, and environmental CSR efforts. The study's research design was a survey. Due to the enormous number of consumers, Cochran used a sample size of 384 people and the 74 million MTN users in Nigeria to examine the data. The results of the research using ordinary least square regression showed that brand loyalty was significantly influenced by economic, social, and environmental activities at significant levels of 0.04, 0.00, and 0.00, respectively. Based on the findings, it was concluded that there is a strong correlation between MTN’s CSR efforts and its brand reputation in Nigeria. According to the survey, MTN management should continue to engage in these brand-building projects as a method to reinvent their economic responsibility policies. Increased consumer base and ultimately more profitability will result from this. Additionally, it advises MTN managers to engage in more CSR projects that are morally justifiable in order to improve community welfare and their reputation. Programs for environmental protection should also be created. These initiatives may involve recycling, finding eco-friendly materials to use with the MTN mark, collaborating with distributors and suppliers who are known for their commitment to the environment, and developing new goods.

Keywords: Corporate Social Responsibility, Economic CSR Activities, Social CSR Activities, Environmental CSR activities, Brand loyalty.

Introduction
Corporate organizations function in a specific setting that is dynamic, complicated, and uncertain. Thus, in carrying out the tasks assigned to them by their company, managers have considered the interests of a wide external public (stakeholders and society). Stakeholders now more than ever expect corporate operations to be conducted responsibly. More than ever, corporate social responsibility and a company's relationship to the community in which it operates and aims to serve are crucial. This is illustrated by the growing prominence and media attention given to social responsibility concerns in managerial practice as well as in academic circles, where scores of empirically based research and analyses have been published. (Dawood, 2019).

In the cutthroat global market, corporate social responsibility (CSR) is garnering a lot of interest and attention. The fact that businesses spend millions on CSR could also indicate how important it is (Abugre & Anlesinya, 2019). CSR, however, actively contributes to developing a positive reputation and brand image. In the current context, CSR cannot be avoided and is essential to the success of business branding (Alam & Islam, 2021). In recent years, many firms have placed a high priority on maintaining their brand image. The most valuable asset of any company is its brand, which is measured in terms of brand equity. By participating in CSR, businesses can enhance their brands because it highlights all of the company's activities. Companies' initiatives encourage consumers to form an image of a brand, which results in brand building. Building a positive perception of the company through branding enables effective customer relationship management, which is a key indicator of brand equity (Lee, 2019).
A critical analysis of firms in Nigeria reveals that many organizations do not rely on the concept of CSR and whether it might have effect on its activities, high sales turnover, increased consumers' patronage and brand image. However, despite customer’s patronage of MTN with more than 70 million customers, corporate social responsibility activities are still not seen in some part of the country. Financial success is the most important benefit that CSR can offer a firm because its benefits shareholders the most. However, this study filled this gap by looking at the impact of corporate social responsibility on brand image specifically in MTN Nigeria. This study emphasizes on the impact of corporate social responsibility on brand image of MTN in Nigeria. Corporate social responsibility is measured by economic, social and environmental activities while brand image is measured by brand loyalty. The study was centered in Abuja as the case study.

Based on the set objectives, the following null hypotheses are formulated:

**H01:** Economic CSR activities have no significant impact on brand loyalty of MTN in Nigeria.

**H02:** Social CSR activities have no significant impact on brand loyalty of MTN in Nigeria.

**H03:** Environmental CSR activities have no significant impact on brand loyalty of MTN in Nigeria.

**Literature Review**

**Concept of Corporate Social Responsibility (CSR)**

As a tool for contemporary business management, the notion of corporate social responsibility (CSR) is quickly gaining attention in a wide range of commercial and academic circles. According to Lindgreen, Maon and Vallaster (2016), the majority of companies are making significant efforts to define and incorporate CSR principles into their business practices because it is frequently seen as the moral component of corporate accountability and management. According to Holme and Watts (2000), corporate social responsibility (CSR) is an ongoing business initiative to promote ethical behavior with the goal of encouraging healthy work-life balance and the success of the local community and society where the corporation bases its activities.

The consensus among Rupp, Ganapathi, Aguilera, and Williams (2006) centers on the general description of voluntary actions undertaken by businesses to improve social and environmental conditions; the firm's readiness to respond to issues pertaining to the economic, technological, and legal environments in order to achieve social and environmental benefits in addition to economic benefits, which is the foundation of traditional businesses. CSR was first used as a marketing tactic in the United States in the 1960s, and it has since spread to other countries (Blowfield & Murray, 2014). CSR, according to the European Commission, is the responsibility of an organization for its social impact (Moon, et al., 2012). It relates to businesses that take on obligations that go well beyond the limits of simple economic dealings (Rupp et al., 2006). The following variables are as follows:

**Economic Activities:** Economic CSR "is a crucial tool for businesses to distinguish their goods and services from those provided by their competition while also enhancing their brand image." Muhumed (2018) concentrated on the ways in which a business can flourish and make money while enhancing the community and our society. This means that businesses that generate profits by strengthening their operations for sustainability and giving back to society will always enjoy positive brand equity among their stakeholders.

**Social Activities:** Social activities "involve the pursuit of ethically right decisions, the enforcement of codes of behaviour, the fair treatment of all stakeholders, and adherence to norms." When compared to businesses that were only concerned with marketing and sponsoring
activities, organizations who practice social responsibility are seen as being good by their clients. An organization's brand image is improved via social CSR. Social CSR is a master plan by which businesses use their resources to build strong brand equity that ensures they have a long-lasting corporate relationship with their stakeholders (Dawood, 2019).

**Environmental Activities:** Dawood (2019) also pointed out that environmental CSR initiatives that include reducing the degradation of natural resources used for corporate purposes, ensuring that the production process is environmentally friendly, and improving products to be ecologically friendly boost the corporate brand image, which is a sign of brand image. He also pointed out that when an organization develops a positive public image as a result of participating in environmental preservation, this results in pleased consumers, content staff, and lower costs. Companies that use environmental CSR programs have a clear competitive advantage over their rivals in terms of being able to access new market opportunities, winning over investors, and maintaining a positive reputation.

**Concept of Brand Image**

Customers' predisposition to choose an item or company over others for a specific need is known as brand loyalty (Lee, 2019). Brand loyalty refers to the likelihood that a customer may switch to another brand, especially if the first brand changes the pricing or other features of the product (Tan, et al. 2022). The customer's good attitude toward a brand, the brand's commitment, and his determination to continue buying that brand in the future are all examples of brand loyalty. Brand loyalty is the tendency of customers to choose one company or product over another for a specific demand. Client loyalty preparation strategies concentrate on repeat purchases or potential repurchases (Kim et al., 2003).

**Empirical Review**

Cherono and Maende (2022) the research design used that effectively assisted in addressing the study's main purpose was the descriptive research design. Corporate Social Responsibility on the brand equity of Kenya Tea Development Agency in Kenya. The best survey tool was investigated to obtain replies from research participants for data analysis. The target market was made up of 130 tea purchasers from KTDA, including 43 from direct sales and 87 from auctions. For the study, 97 buyers were sampled, including 32 from direct sales and 65 from auctions. The impact of KTDA's brand equity on economic, charitable, and environmental CSR was established using the suitable approach, multiple regression. According to the regression results, economic CSR increases KTDA's brand equity.

Alakkas et al. (2021) explored how CSR actions help a firm grow its brand and are beneficial to increasing its brand equity. Software versions AMOS (version 24) and SPSS (version 25) were used to analyze the study's sampling dataset. The study's conclusions showed a favorable relationship between corporate social responsibility (CSR), marketing communication, brand identity, and brand equity. It follows that CSR influences Brand Equity through the mediating actions of Marketing Communication and Brand Identity. Instead of reiterating what is already known, the study is based on original research that allows for new understanding.

Zhao et al. (2021) examined the connection between brand equity, business reputation, and corporate social responsibility (BE). However, "this study presents a theoretical framework, drawing on the resource-based theory of the company. According to this approach, CSR can increase brand equity and CR both directly and indirectly by fostering consumer trust. A questionnaire survey method was employed. A 5-point Likert-Scale was utilized with 17 items in the questionnaire. The findings of this study support the notion that CSR has a big impact on
CR and brand equity. Additionally, it is shown that trust mediates the relationship between CSR, CR, and BE in a favorable and significant way.

Cha and Jo (2019) Franchising coffee shops' corporate image and behavioral intention were evaluated in relation to their CSR practices. The study used survey questions to gather information from 300 sample participants on franchise stores in South Korea. The study's findings demonstrated that company image was significantly impacted by financial, discretionary, and legal obligations. According to the research, upholding legal requirements, abiding by mandatory social welfare legislation, performing contractual obligations, and enhancing compliance with regulations were crucial to the firm's corporate image.

Mohammed and Rashid (2018) focused on a conceptual model of customer happiness, brand image, and corporate social responsibility components in the Malaysian hotel business. The quantitative nature of the study's findings revealed that the CSR dimensions of economic, philanthropic, legal, and ethical influence consumer happiness in an indirect manner. The results also demonstrated a positive relationship between CSR aspects and the hotel companies' brand perception. The study only considers a theoretical viewpoint; as a result, a more thorough empirical investigation evaluating the connection between CSR and corporate image is required, which is what this study does.

Hussein and Attiq (2017) created a model to establish the relationship between CSR results and determinants by conducting an empirical investigation. Utilizing practical sampling, the study collected information from 210 employees of banks and cement companies in Islamabad and Rawalpindi. It was decided to use structural equation modeling to analyze the data gathered. The study found a clear connection between moral leadership and effective employee CSR results. Additionally, it was discovered that the ethical atmosphere had a substantial impact on the partnership between ethical leadership and CSR, leading to trust, which was identified as a crucial component influencing the success of CSR programs.

Theoretical Review

Stakeholder Theory

According to this view, a stakeholder is any person or group of people whose interests are influenced by the decisions made by business executives (Freeman, 1984). (Friedman & Miles, 2002). Based on its usefulness to descriptive and empirical research, its instrumental power, and its validity, Donaldson and Preston (1995) described this theory as a fundamental instrument that adds to management literature. The theory has since been broadened in the context of contemporary business to include the idea that managers can strengthen relationships with people inside and outside of an organization by generating economic values. The applicability of stakeholder theory in studies on corporate social responsibility programs is acknowledged by Lu et al. (2013).

Methodology

The study was used the survey research design. This involved collecting data in order to test the hypotheses and answer the research questions raised. The population of the study covered 74 million MTN customers in Nigeria. The sample was centered in Central business district, Wuse Zones, Garki and Wuse Zone 2. Due to the large number of customers, the sample population of 384 according to Cochran (1977) was adopted with significance level 5% with the following formula.
Descriptive statistics, such as frequencies, percentages, the Ordinary least squares (OLS) method, and multiple regression, were used to analyze the data.

Table 1: Scale Reliability of Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Activities</td>
<td>0.91</td>
</tr>
<tr>
<td>Social Activities</td>
<td>0.71</td>
</tr>
<tr>
<td>Environmental Activities</td>
<td>0.84</td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>0.85</td>
</tr>
</tbody>
</table>

Source: Researcher’s Computation (2022)

Model Specification

The model below is specified to tests the three hypotheses as follows:

\[ BRL = \beta_0 + \beta_1 ECO + \beta_2 SOC + \beta_3 ENV + \mu \]

where:
- BRL = Brand Loyalty
- ECO = Economic Activities
- SOC = Social Activities
- ENV = Environmental Activities
- \( \beta_0 \) = Intercept
- \( \mu \) = Error Term

Data Analysis and Interpretation

Data Presentation

Corporate social responsibility was the independent variable in the study, and brand image was the dependent variable. It looked at how corporate social responsibility affected the brand image of MTN in Nigeria.

Table 2: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>BRL</th>
<th>ECO</th>
<th>SOC</th>
<th>ENV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.1075</td>
<td>3.4225</td>
<td>3.1650</td>
<td>3.3775</td>
</tr>
<tr>
<td>Median</td>
<td>3.2100</td>
<td>3.3700</td>
<td>3.2150</td>
<td>3.3350</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>0.3289</td>
<td>0.1189</td>
<td>0.8223</td>
<td>0.1103</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>0.6134</td>
<td>0.9131</td>
<td>0.4135</td>
<td>0.8144</td>
</tr>
<tr>
<td>Probability</td>
<td>0.7358</td>
<td>0.6334</td>
<td>0.8132</td>
<td>0.6655</td>
</tr>
<tr>
<td>Sum</td>
<td>12.4300</td>
<td>13.6900</td>
<td>12.6600</td>
<td>13.5100</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>3.2467</td>
<td>0.0424</td>
<td>2.0289</td>
<td>0.0364</td>
</tr>
<tr>
<td>Observations</td>
<td>262</td>
<td>262</td>
<td>262</td>
<td>262</td>
</tr>
</tbody>
</table>

Source: Authors Computation, 2022 (Eview-9.0)

Table 4 is an overview of the descriptive statistics. It is evident that consumer loyalty increased by roughly 3.1%. ENV had an average value of 3.16%, SOC increased by 3.37%, and ECO was found to be 3.42%.
BRL and SOC all exhibited negative distributions and tailed to the left of the normal distribution curve, according to the skewness statistics that were used to illustrate the orientation of the curve. Their respective skewness values were -0.83 and -0.13. On the other hand, it was discovered that ECO and ENV had positive skewness and tailed to the right of the normal distribution. Brand Loyalty (BRL), ECO, and SOC are all normally distributed at the 5% level of significance, according to the Jarque-Berra statistics that were used to demonstrate the normality of the data. However, at a 10% statistical level, it was also discovered that ENV was normally distributed.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>1.212356</td>
<td>0.022989</td>
<td>52.73543</td>
<td>0.0121</td>
</tr>
<tr>
<td>ECO</td>
<td>0.113319</td>
<td>0.058207</td>
<td>1.94303</td>
<td>0.0495</td>
</tr>
<tr>
<td>SOC</td>
<td>0.542450</td>
<td>0.280098</td>
<td>1.93664</td>
<td>0.0099</td>
</tr>
<tr>
<td>ENV</td>
<td>2.853737</td>
<td>0.227271</td>
<td>12.55654</td>
<td>0.0006</td>
</tr>
</tbody>
</table>

| R-squared | Mean dependent var | 3.107500 |
| Adjusted R-squared | S.D. dependent var | 0.328976 |
| S.E. of regression | Akaike info criterion | -7.021867 |
| Sum squared resid | Schwarz criterion | -7.482146 |
| Log likelihood | Hannan-Quinn criter. | -8.031915 |
| F-statistic | Durbin-Watson stat | 1.924874 |
| Prob(F-statistic) | 0.000198 |

**Source:** Authors Computation, 2022 (Eview-9.0)

The value of the F-statistic, 12.11, determined to be significant at the 5.0 percent level, indicated that the result is significant, according to the F-statistics used to analyze the overall significance of the regression model. In other words, a P-value of 0.001 for the F-statistic is less than 0.05. The computed model's coefficient of determination (R-square), which assesses how well it fits the data, shows that it has low predictive ability. The (R-square) value of 59.98 demonstrates that the influence of CSR has a moderate effect on MTN's brand image in Nigeria. According to the data, corporate social responsibility accounts for around 59.98% of the variation in business launches, with accounting for the remaining variation of 40.02% by the white noise error term. The Durbin Watson (DW) statistic was used to determine whether the error terms had any serial correlation or autocorrelation. The Durbin Watson (DW) statistic of 1.92 from the model also suggests that the variables do not exhibit any autocorrelation. This demonstrates that the estimates are impartial and trustworthy for making policy decisions.

**Test of Hypothesis One:**

**H01: Economic activities has no significant impact on brand loyalty of MTN in Nigeria.**

The computed t-value for economic activities is 1.94, according to the regression result in Table 3, while the tabulated (absolute) value is 1.96. We reject the null hypothesis (H01) with a value of 0.0495 because the t-calculated (1.94 1.96) is less than the t-tabulated (1.94 1.96), and as a result, falls in the acceptance region. This leads to the conclusion that economic activity has a big impact on brand loyalty.

**Test of Hypothesis Two**

**H02: Social activities has no significant impact on brand loyalty of MTN in Nigeria**

Furthermore, the calculated t-value for social activities is 1.93 and the critical value is 1.96 under a 95% confidence level based on the regression result in Table 3. We reject the second null hypothesis (H02) with a value of 0.0099 since the t-calculated is less than the crucial value (1.93 1.96), and it also falls in
the acceptance range. As a result, it was determined that social activities significantly affect MTN brand loyalty in Nigeria.

**Test of Hypothesis Three**

**H03: Environmental activities has no significant impact on brand loyalty of MTN in Nigeria**

Last but not least, it was discovered that the calculated t-value for environmental activities was 12.55 and that, based on a general rule, the tabulated value is 1.96 under 95% confidence interval levels. We accept the third null hypothesis (H03) with a value of 0.0006 and draw the conclusion that environmental activities have no appreciable effect on brand loyalty of MTN in Nigeria because the calculated t-value for environmental activities was found to be greater than the tabulated value (12.55>1.96).

**Discussion of Findings**

The findings showed that economic activity significantly affects MTN brand loyalty in Nigeria. These were backed up by Amin-(2016) Chaudhry's findings that economic social responsibility and profitability make for better social actors. Furthermore, the study found that MTN brand loyalty in Nigeria is significantly impacted by social activities. These findings were consistent with research by Al Mubarak et al. (2019), whose findings revealed a statistically significant link between corporate social responsibility and a company's brand image. Choongo's (2017) findings, which showed that social responsibility had a favorable and significant impact on brand image.

However, the study found that environmental actions have no appreciable influence on MTN brand loyalty in Nigeria. This was in line with studies by Okwemba, et al. (2014), who discovered that environmental initiatives had a favorable but negligible impact on the financial success of banks. The study indicated that these efforts were salient and that clients were unaware of their existence. These was in contrast to studies by Ganesuc and Dindire (2014), who discovered a positive association between brand loyalty and environmental responsibility since actions like lowering pollutants improved safety among local populations, customers, and employees. This was further corroborated by Kinoti's (2017) research, which shown that competitive advantage, innovativeness, and green marketing strategies all had a substantial impact on brand image.

**Conclusion and Recommendations**

In conclusion, economic, social, and environmental factors are crucial in shaping MTN brand loyalty and policymaker behavior. This study concluded that the adoption and implementation of CSR activities will determine the level of the brand image of the services offered by MTN and the level of company reputation. Based on the findings of this study, the recommendations are as follows:

i. The study recommends that the MTN management may be able to innovate in terms of its economic responsibility procedures. To be effective despite the current economic crisis in Nigeria, these actions should be tailored to the individual. Participating in these activities will improve a brand's image, which will attract more customers and ultimately increase profitability.

ii. The study recommends that MTN managers ought to engage in more CSR projects that are morally justifiable since they will improve brand reputation and community welfare. Customers will value a business that doesn't engage in unethical behavior, particularly with the intention of creating rapid profits.

iii. Finally, the study recommends that programs for environmental protection should be created. Recycling, obtaining environmentally friendly materials for use with the MTN brand, enlisting distributors and suppliers that are known for their environmental prudence, and developing environmentally friendly products are a few examples of these practices.
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