Analysis of the Effect of Corporate Social Responsibility Practices on Customer Satisfaction: A case of Ethio Telecom Enterprise Customers

Prepared By: Selam Solomon

A thesis submitted to the school of graduate studies of Addis Ababa University in partial fulfillment of the requirements for the degree of M.A. **in Marketing Management, School of Commerce**

Advisor:

Getie Andualem (Ph.D.)

June, 2017

Addis Ababa, Ethiopia

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APPROVAL SHEET

Addis Ababa University School of Commerce, Graduate Studies Program Department of Marketing Management

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By: Selam Solomon

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Statement of Certification

This is to certify that Selam Solomon has carried out his research work on the topic entitled ***"Analysis of the Effect of Corporate Social Responsibility Practices on Customer Satisfaction: A case of Ethio Telecom Enterprise Customers"*** *and that this is his original work and is suitable for submission for the award of Master's Degree in Marketing Management.*

_____

Advisor: Getie Andualem (Ph.D.)

June, 2017

Declaration

*I, Selam Solomon, certify that this research paper entitled "**Analysis of the Effect of Corporate Social Responsibility on Customer Satisfaction: A case of Ethio Telecom Enterprise Customers**" has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree.*

I also certify that the thesis has been written by me and that any help that I have received in doing my research work and in the preparation of the thesis itself has been duly acknowledged. In addition, I certify that all information sources and literatures used are indicated in the reference part of this thesis.

Declared by:

Name: Selam Solomon

Date: _____

Signature: _____

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First and foremost glory be to GOD for He has always been my strength and my light throughout this paper work and most importantly, throughout my life. Blessed be our mother Virgin Mary who has always been there to guide me, making my journey ahead a lot easier through Her prayers.

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List of Acronyms

ANOVA	Analysis of Variance
ET	Ethio Telecom
FDRE	Federal Democratic Republic of Ethiopia
KA	Key Account
PHD	Doctor of Philosophy
R	Overall correlation
R2	Correlation Coefficient
SPSS	Statistical Packages for Social Science

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Abstract

In the face of growing worldwide interest in corporate social responsibility (CSR), this paper explores how CSR factors influence customer satisfaction. The purpose of this study is to investigate CSR's effect on customer satisfaction in order to increase the understanding of CSR as a marketing tool, within the service industry. The research questions of the study are "What is the relationship between corporate social responsibilities and customer satisfaction? And how do the different CSR dimensions practices affect customer satisfaction? "The most common and widely used conceptual framework of Carroll's pyramid was used. A quantitative research design was applied to research the casual relationship of the corporate social responsibility dimensions to that of customer satisfaction. A stratified random sampling technique was conducted to select the respondents. Appling a structured questionnaire written in Amharic the researcher together with Ethio Telecom customer service management (CSM) section distributed to 325 peoples through their e-mail and face to face at enterprise sales office. The analysis was performed using descriptive and inferential statistics by using SPSS version 20 software. The finding shows that CSR model can be applied in a monopolist company as well. Ethical Responsibility, Philanthropical Responsibility and Consumer Protection were found to be positively and significantly affecting customer satisfaction as they were hypothesized. The results showed that the causal effect of the consumer protection dimension on customer satisfaction was rather strong. The ethical responsibility variables, on the other hand, turned out to have a weak effect on customer satisfaction. Moreover, there is a strong positive relationship between all the CSR dimensions and customer satisfaction. As both CSR and customer satisfaction are quite complex concepts, a qualitative research approach could be conducted for further research.

Keywords*: Ethical Responsibility, Philanthropical Responsibly, Consumer Protection, Customer Satisfaction, Enterprise, Key Account, Ethio Telecom, CSR and SPSS*

CHAPETER ONE

INTRODUCTION

1.1 Background of the study

Corporate Social Responsibility is the set of standards which is used by organizations to make a positive contribution to the society. In the recent decades managers are trying to find out the ways in which they can help the businesses to work for the development of the society and economy (Rashid Zaman, 2014).

Corporate Social Responsibility was first noticed in the Anglo-Saxon world in 1950s with the idea of contributing societal welfare and environmental responsibility (Kostyuk et al, 2008) as citied in Yeneneh Tadesse (2015).

Corporate Social Responsibility (CSR) has been receiving much attention lately from many organizations. Defined as "the continuing commitment by business to behave ethically and contribute to the economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (Holme and Watts, 2000), it has been recognized as a source of sustainable development (Brammer and Pavellin, 2006) and has become an emerging imperative (Baladi, 2011). In short, CSR can no longer be something complementary or temporary (Yunus, 2007 as cited in Tuongdung 2011).

Corporate Social Responsibility (CSR) is a concept that has attracted worldwide attention and acquired a new resonance in the global economy. While globalization and international trade have given way to tremendous opportunities, it has also opened the door to increased complexities for countries across the globe. This has resulted in the call and urge for enhanced transparency and corporate citizenship and opened the gateway for a culture called Corporate Social Responsibility or CSR which in fact allows for corporations to take on a role in the society, to play the guardian and to show it cares Karpal (2014).

Some of the benefits corporations gain from CSR and that have been "empirically tested include corporate reputation and reducing business risk. Other benefits that have been explored conceptually include boosting sales revenue, customer goodwill and increasing rivals" costs Babatunde et.al (2013).

As per the reviewed literature all the dimensions of CSR are studied on the context of competitive environment. So there is a shortage of research on the monopolistic environment. The argument was the practices of CSR could enhancing attitude toward the company and it could also capable to decrease consumers skepticism

The customer satisfaction literature confirms that the most direct determinants of satisfaction are quality of service, customer expectation and perceived value and performance (Kotler & Keller, 2006). So on this study an attempt will be done to see if CSR could also be one determinants of satisfaction.

There is a high expectation of corporate social responsibility from the corporations because of its importance to the socioeconomic development of any country. Since investment in CSR can be correlated with a firm's survival, economic well-being, competitive advantage and customer loyalty Rahim et al (2011); there is a need for the telecom industry to incorporate CSR into their core business strategy.

Despite the fact that telecom operators in many countries are experiencing a rise in customer dissatisfaction concurrently with increased spending on CSR activities, there has been no investigation on the effects of CSR practices on Ethio Telecom customer satisfactions which was the only operator in the country.

This paper tries to put forth the idea that the different dimensions of CSR can indeed be used as a tool to build a customer satisfaction to Ethio Telecom. This area is certainly worthy of research as many Ethiopian organizations are beginning to practice CSR on the premise that socially responsible corporate activity is an important source of competitive advantage to the degree that it enhances their overall reputation and credibility. It is hoped that this study will be of value both to those concerned about society and those concerned about showing the highest responsibility towards the people from whom they make profits.

1.2 Back ground of the industry

Telecom services in Ethiopia has counted over a century but the growth, penetration rate and quality of the telecom sector is still at a lower level stage compared to other countries. Accordingly, the Ethiopian Government makes agreement with the world-class telecom operator, France telecom which has viable experience and capability in the sector so as to render world standard telecom services. Ethio Telecom's some key CSR initiatives include Sponsoring ICT exhibition ,renascence dam project, Addis Ababa City train project, awareness building on AIDS and national immunization day etc., building ICT centers, giving discount for small scale retailors, Community Information Centers, sponsor in sports, scholarship for poor girls, blood donation camps, emergency relief effort in natural calamities etc.

Table 1 Ethio Telecom Corporate Social Responsibility Practices

Ethio Telecom CSR Practices (2016 G.C)	Lists
Free Bulk SMS (In service)	• Kidney dialysis charity • Red Cross • "Raeiy Betegbar" • "Ye enat weg" charity association • Ethiopian Patriots Association • Harari development lottery • The Macedonians Humanitarian Association (MHA)
In kind support	•
For development associations	• Amhara Development Association • Oromia Development Association • Tigray Development Association • Harari development association
For health related activities	• Ethiopian heart association • HIV(952) • For malaria

For Education	• Ethiopian space center
For Different event Sponsorships	• New year • Supreme court panel discussion • Network of Ethiopian Women's Associations • Ethiopia's Erecha festival • For 100 year Adama city celebration
Sponsorships	· Olympic at RIO
For building ICT centers	· For ICT at "Wag lemat Seqota"

Source: Ethio Telecom Internal Bulletin (2016)

On the basis of societal demand and Ethio Telecom's responsiveness towards society; this study is initiated to measure customer perceptions towards CSR activities of Ethio Telecom. To serve purposes of that study also investigate whether any association within CSR activities and customer satisfaction of Ethio Telecom user's in Ethiopia.

1.3 Statement of the problem

According to Ashley 2002 as cited in Emmanuel (2014), as a source of competitive advantage, CSR is exactly what companies require in order to improve their competitiveness. However, regarding the effects of CSR on competitive advantage, the results have been mixed because Ethio Telecom has no competitor locally in Ethiopia.

According to Aminul et al., (2014), corporate activities such CSR are going unnoticed at the consumer level. This has also been found by The Guardian that CSR activities have been gone unnoticed by consumers (Guardian 2010 as cited in Aminul et al., 2014). The Guardian as cited in Aminul et al., 2014 also states that even by looking at the magnitude of CSR initiatives within the market today, it is still difficult to understand why companies are not getting any credit.

Ethio telecom has initiated new strategies to provide solutions to its customers and enhance satisfaction, especially to enterprise customer, as a result of its transformation from the former Ethiopian Telecommunication Corporation to Ethio telecom as of December 2010 and France Telecom takes over the management. New strategies include new tariff, price discount, new promotion strategy, new product and services, new service delivery process and the like (Ethio Telecom Internal

Communication, 2017). However, the company didn't showed the same initiation to measure the effects of corporate social responsibility activities. So the company need to investigate that what is the major benefit of CSR in the development of customer satisfaction

The arisen skepticism of CSR among customers has lately had a negative impact on customers' attitudes towards brands communicated through CSR. According to Bhattacharya and Sen (2004), CSR's effect on customer behavior is not as straightforward as it seems, and a positive customer response to CSR initiatives is not a fact. Therefore, when planning a CSR strategy, it is important to be conscious about the hazards of the customers' perception of companies being irresponsible (Sen and Bhattacharya, 2001; Sen and Bhattacharya, 2004 ;). This indicates that it is of importance to integrate an appropriate CSR strategy to optimize brand image.

Although so many previous researches analyze the effect of corporate social responsibility, they conduct the research on purely competitive industry. Methodologically most researchers applied quantitative research like questionnaires; moreover, no research were concerned about testing the applicability of CSR concept in the monopolistic environment market in developing countries like Ethiopia, which is appeared to be with the fastest growing good potential telecom business.

Therefore, this study attempts to examine the applicability and practices of CSR performed by Ethio telecom. Further, this study investigates the relationship of CSR and customer satisfaction using the appropriate models.

1.4 Basic Research Questions

1. To what extent are customers satisfied with the ethical practices of ethio telecom?
2. To what extent are customers satisfied with the philanthropic practices of ethio telecom?
3. To what extent are customers satisfied with the consumer protection practices of ethio telecom?
4. To what extent did the practices of corporate social responsibilities have an effect on customer satisfaction?

1.5 Objectives of the study

1.5.1 General Objective of the study

The major objective of this study is to assess the effect of Corporate Social Responsibility practices on customer's satisfaction on ethio telecom in Ethiopia.

1.5.2 Specific objectives of the study

The specific objective of the study includes the following:

- Assess the current practices of ethio telecom's Corporate Social Responsibility
- Assess the extent of customers satisfaction on which Corporate Social Responsibly dimension is more important to consumers
- Analyze the relationship between corporate social responsibility and customers satisfaction

1.6 Research hypothesis

The following hypothesis are formulated to be tested:

H1: There is a positive relationship between ethical responsibility and customer satisfaction.

H2: There is a positive relationship between philanthropical responsibility and customer satisfaction.

H3: There is a positive relationship between Consumer Protection and customer satisfaction.

1.8. Significance of the study

The study is important for Ethio Telecom, for Academicians and for the researcher.

For Ethio Telecom it helps:

- To identify which type of corporate social responsibility activities are highly relevant for the industry in general for the company in particular.
- It will help ET to reallocate resources in areas that have greater influence on customers satisfaction
- To create an awareness on those areas which the company lacks.
- To work on more on key elements in the corporate social responsibility.
- To identify in which area for the corporate social responsibility elements that the company need to invest so that to build a positive image.

For academicians, since it is the first of its kind in the telecom industry which is a monopolistic one, it provides a base for future researchers in the field.

1.9. Delimitation/scope of the study

Theoretical Scope (variables): The study has limited itself on assessing only the effects of corporate social responsibility on customer's satisfaction but customer's satisfaction is affected by many other variables including quality of service, customer expectation and perceived value and performance. Moreover, the assessment is only from the point of view of ethio telecom key account customers only.

Geographical Scope: In terms of the Universe of the study, it is limited to single industry programs (Telecommunication). Even within Ethio Telecom the study is limited only to the Enterprise Key Account customers which found in Addis Ababa.

Methodological Scope: The study only uses a qualitative research method and also the analysis was done using regression statistic method. Moreover, as the selection of the sample indicates that the customers have a frequent relationship with Ethio Telecom and their level of awareness on this study was not measured.

1.10. Limitation of the study

The possible limitations of the study are:

- **Sample Size**: inability to incorporate all Ethio Telecom customers from other segments and key account customers in the other region of the country.
- **Time and Budget Constraint:** due to time constraint and other resource limitations. Therefore, it is difficult to generalize the findings and results to the whole key account customers in Ethiopia.

1.11. Organization of the study

As shown below the study has organized into five chapters. The chapters are comprised of: Introduction, Review of related Literature, research design and methodology, Results and Discussions and, Summary, conclusions and recommendations.

The first chapter is provide a general introduction of the study including background of the study, Background of the industry, Statement of the problem, Research questions, Objectives of the study,

Research hypothesis, Significance of the study, Scope and limitation of the study, organization of the study and Definition of Key Terms.

Chapter two covered the literature relevant to the study. It includes concepts and theoretical framework, empirical literature as well as discussions on corporate social responsibility model and hypotheses and conceptual framework.

Chapter three has elaborated research design and methodology: the type and design of the study. It include research method sampling technique, data collection method and method of data analysis that has been used in the study and reliability and validity tests and Ethical considerations has included.

Chapter four has been summarized the findings of the study and discuss in detail.

Finally chapter Five has comprised of four sections which include summary findings, conclusions, recommendation of the study and future research areas.

1.12 Definition of Key Terms

- **Corporate Social Responsibility:** is the most frequently used term among scholars to describe business engagement in social activities.(Lohman & Steinholtz, 2003)
- **Economic Responsibility**: Economic responsibility refers to profitability of the organization, while legal responsibility is basically complying with laws and regulation (Gudjonsdottir and Jusubova, 2015 p.25).
- **Legal Responsibility**: is basically complying with laws and regulation.
- **Ethical Responsibility:** As for the ethical perspective, the organizations operation should go beyond the laws where they are expected to do the right thing in a fair and just ways (Gudjonsdottir and Jusubova, p.25).
- **Philanthropic Responsibility:** Philanthropic responsibility refers to voluntary giving and service to the society (Gudjonsdottir and Jusubova, p.25).
- **Customer Satisfaction:** Kotler and keller (2006) defines satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's or service’s perceived performance (or outcome) in relation to his or her expectations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The following chapter presents the components and different definitions of the corporate social responsibility and customer's satisfaction concept. Further, the relationship and the gaps between these concepts will be identified and described. Finally, the theoretical framework that the research problem was derived from will be presented. The chapter will give an understanding of what is going to be investigated.

2.1 Theoretical Literature Review

2.2.1 Corporate Social Responsibility

Social responsibility has for long time been defined and conceptualized in many ways by different writers, nevertheless, researchers do not share a common definition or core principles of what being socially responsible consists of (Gudjonsdottir and Jusubova, 2015).

The broadest definitions of corporate social responsibly is concerned with what is - or should be – the relationship between corporations, governments of countries and individual citizens. More locally the definition is concerned with the relation between a corporation and the local society in which it resides or operates (Sharif 2012).

According to Dawkins 2004 as cited in Usman Sharif 2012 CSR is basically consistency of a firm to act ethically, increasing economic development, improvement in the lives of their workforce and their families and playing a role in the development of the society. CSR is defined differently in various CSR definitions.

Other definitions from Center for Ethical Business Culture (CEBC), 2010:

More recent definitions of CSR – drawn from other sources and international organizations – include:

World Bank

"Corporate Social Responsibility is a term describing a company's obligations to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the

full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make a profit."

European Union

CSR is 'behavior by business over and above legal requirements.' [A definition that in part responds to pressure from some to embed CSR requirements in legal frameworks shifting them from voluntary to legally required obligations.

2.2.2. The Dimensions of CSR

The CSR concept has encompassed a wide range of economic, legal, ethical and philanthropic (discretionary) activities of business performance at a given point in time, without any hierarchic order. Gudjonsdottir and Jusubova (2015). Carroll (1979) was one of the first researchers who debated and had a big influence on the CSR concept.

Carroll (1991) developed the most known and a leading paradigm of CSR in the management field: The Pyramid of Corporate Social Responsibility (Carroll & Schwartz 2003 as cited in Gudjonsdottir and Jusubova, 2015). To this day, Carroll's paradigm remains the most known within business.

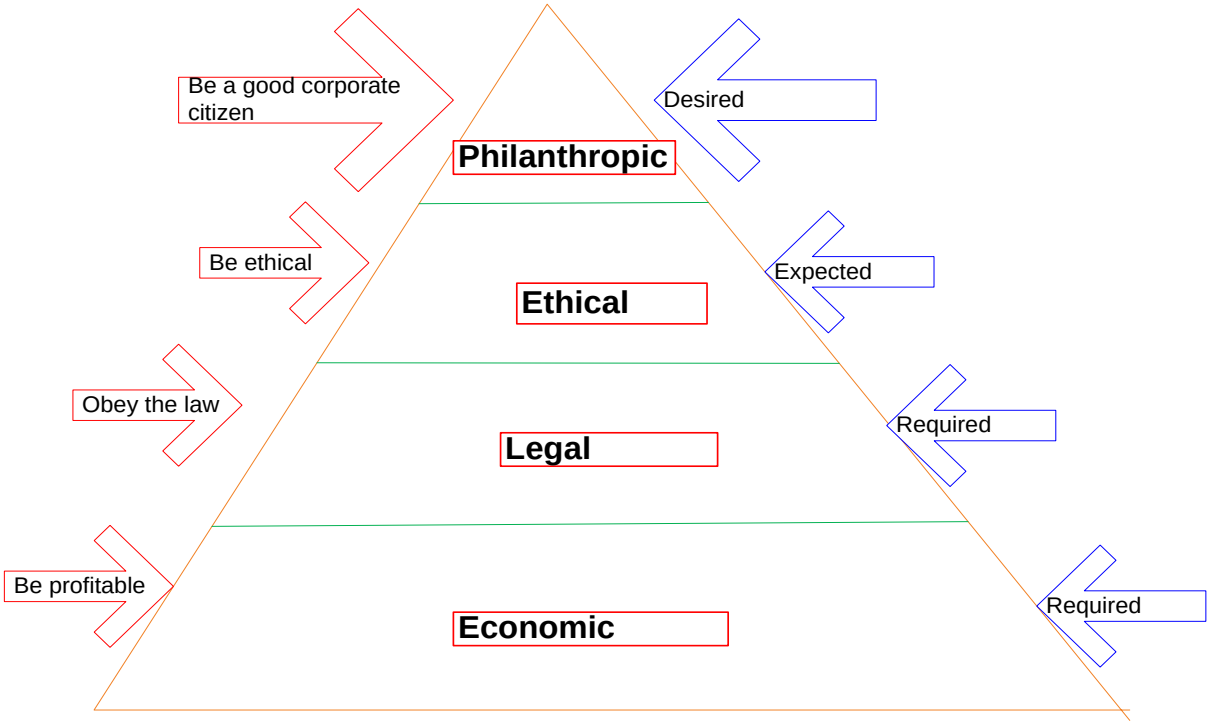
From the perspective of Carroll, Barjoei (2016) points out, economic responsibilities include duty to satisfy consumers through high-value products as well as to create enough profits to investors. This sector includes the main goal of business and entrepreneurship which is to produce goods and services and have profitability.

Barjoei (2016) also describes legal or statutory responsibility requires that companies while acting in their economic obligations observe laws and regulations. This includes government regulations that businesses are required to obey them. Companies should follow these legal requirements to increase profitability.

Moral responsibility refers to a variety of business practices and ethical norms that are expected to be followed, even if they are not codified in law.

And finally Barjoei (2016) notes, philanthropic responsibilities include financial and non-financial assistance to improve the community. It covers the activities of the company that shows the company is like a good citizen. Among cases where companies can have a share in include participation in supporting the arts, education and other sectors that can enhance the quality of life in society.

Figure 2.1 Pyramid of CSR.



Source: Gudjonsdottir and Jusubova (2015) in Carroll's (1991) Pyramid of CSR

For instance Gudjonsdottir and Jusubova (2015) concedes the works of Carroll that the economic category was the most important within social responsibility, and the other three were ranked in the following decreasing order of importance: legal, ethical and philanthropic.

Another famous model by Wartick and Cochran (1985) traced the evolution of the corporate social performance model by focusing on three challenges of the CSR concept, instead of four as in The Pyramid of Corporate Social Responsibility. These three are: economic responsibility, public responsibility, and social responsiveness (Wartick & Cochran, 1985 as cited in Gudjonsdottir and Jusubova 2015).

2.2.3. CSR Practices of Telecom Industry in Ethiopia

Like many other developing countries, CSR practices in Ethiopia are guided by five recognized domains: economical, legal, ethical, philanthropic, and environmental.

Here, philanthropy gets the main attention from the corporate bodies. Nevertheless, CSR practices in Ethiopia are still in infancy. There has been an increasing pressure on the national and multinational corporations in Ethiopia to consider the rigorous incorporation of CSR in their actions. A number of corporations are now following an increased commitment to CSR beyond just profit making and compliance with regulation.

Some larger international companies have introduced corporate social responsibility (CSR) programs; however, most Ethiopian companies do not practice CSR. There are efforts to develop CSR programs by the Ministry of Industry in collaboration with the World Bank, U.S. Agency for International Development, and others. Source: export.gove

In early 2015, the Ethiopian Chamber of Commerce & Sectorial Associations published a 'Model Code of Ethics for Ethiopian Businesses' that was endorsed by Ethiopia's President Mulatu Teshomme as the model for the business community. Source: export.gove

2.2.4 Customer Satisfaction

Customer satisfaction (often abbreviated as CSAT, more correctly CSat) is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals

According to Zekiri (2011) "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some needs, goals or desire". Kotler and keller (2006) defines satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's or service's perceived performance (or outcome) in relation to his or her expectations

CSR improves satisfaction and loyalty intentions when the company's motive is society-serving and aligns with communal norms of care and concern for others (i.e., warmth) held by consumers. Bolton and Mattila (2015)

Shin et.al 2015 underlined that satisfaction is not inherent in the product or the service itself but, instead, satisfaction primarily consists in the consumer's perceptions of the attributes of the product or service as they relate to that individual. Thus, different consumers will express varying levels of satisfaction for the same experience or service encounter. In the marketing literature, customer satisfaction has been recognized as an important part of corporate strategy and a key driver of firm long-term profitability and market value. Thus, it is expected that CSR is positively related to customer satisfaction.

2.2.5 CSR Practices and Customers satisfaction

Boshoff and Gray (2004) said that satisfaction is not inherent in the product or the service itself but, instead, satisfaction primarily consists in the consumer's perceptions of the attributes of the product or service as they relate to that individual. Thus, different consumers will express different levels of satisfaction for the same experience or service encounter (Ueltschy et. al., 2007). In the marketing literature, customer satisfaction has been recognized as an important part of corporate strategy (Fornell et. al., 2006). It is also a key driver of firm long-term profitability and market value (Oh et. al., 2013). Thus, it is expected that CSR can be positively related to customer satisfaction.

2.2 Empirical Literature Review

2.2.1. Corporate Social Responsibility practices Vs Customer Satisfaction

Sen, Sankar & Bhattacharya (2001) examined when, how, and for whom specific Corporate Social Responsibility (CSR) initiatives work. These researchers studied consumers' CSR responses and the means underlying these responses. There were two studies in this research. The first focuses on an evaluation of the relationship between CSR and the company. Meanwhile the second study focuses on CSR's direct influence on consumers' product evaluations which depends on CSR domain, CSR and company ability, beliefs and CSR support. The results showed that reactions from customers to CSR initiative for each company was positive when there was a similarity between the company's character and their own CSR activities carried out. The finding of this research can be divided into two, the

primary finding is the effect of CSR on company evaluations and the secondary finding is the effect of CSR on product purchase intentions. Using real CSR and product information about a company, the researchers found that the positive effect of CSR initiatives on a consumer's company evaluations were mediated by their perceptions of self-company congruence and moderated by their support of the CSR domain.

Furthermore, the researchers found that consumers' were more sensitive to negative CSR information than positive CSR information when evaluating the company. More specifically, all consumers reacted negatively to negative CSR information, whereas only those most supportive of the CSR issues reacted positively to positive CSR information. For the effect of CSR on product purchase intentions, the researchers found that CSR influenced consumer's product purchase intentions in a more complex manner than its straightforward positive effect on their company evaluations. Specifically, this suggested that a company's CSR effort can affect consumers' intentions to purchase its product both directly and indirectly. The researchers stated that people often identify with a company they belong to for their self-consistency and self-enhancement. They also suggest that customers did believe about the trade-offs. A company in such a situation would benefit from informing customers that CSR actions do not detract from its ability to produce quality products or improving its product offering. It also can help the company to dodge the wrong perception from the customers about the CSR.

Another study by Alam and Rubel (2014) they investigated the effects of service quality and consumer satisfaction along with corporate social responsibility actions on consumer purchase intentions and further on consumer loyalty. The study mainly focus on seven terms; sustainable behavior, opinions, awareness, purchase intention, loyalty, service quality and customer satisfaction. The study found no relationship between awareness of corporate social responsibility and purchase intention. However, significant relationship was observed between service quality and customer satisfaction. Moreover, there was no relationship between customer satisfaction and purchase intention and purchase intention and consumer retention for telecommunication industry of Bangladesh.

Based on the above related empirical literature by Sen, Sankar & Bhattacharya (2001) this researcher has formulated the following hypotheses.

Chung et.al (2015) they attempts to understand the level of consumer perceptions related to CSR in China by criteria for evaluating social performance of business firms. The purpose of this study is to identify how CSR influences customer perceptions of customer satisfaction and customer loyalty, as

well as the importance order of CSR factors in China. It is also to examine the moderating effects of corporate image in the relationships between CSR and customer satisfaction and customer loyalty.

This study focuses on CSR activities in China, such as philanthropic, ethical, legal, and economic responsibility, environmental contribution, and consumer protection. The study used structural equation modeling (SEM) to test the hypotheses. The findings show that

CSR positively affects customer satisfaction and loyalty, and customer satisfaction positively affects customer loyalty. The importance order of CSR factors is as follows: consumer protection, philanthropic responsibility, legal responsibility, ethical responsibility, economic responsibility, and environmental contribution. The moderating effect of corporate image in the relationship between CSR and customer satisfaction is identified. This study has the limitation of being a cross-sectional research design. With a cross sectional design, the implications of customers' changed attitude on CSR activities over time would not be detected.

2.2.2. Other impacts of Corporate Social Responsibility practices

From the perspective of studying the impact of CSR researchers like Esmaeilpour and Barjoei (2016) conduct a study on the Impact of Corporate Social Responsibility and Image on Brand Equity. The aim of this study is to investigate the influence of social responsibility and corporate image on their brand equity. The study population consists of all consumers of Morghab food industry (Yekoyek) in Bushehr. The sample size is estimated to be 384. The available sampling method is used. The researchers found that corporate social responsibility has a significant positive impact on corporate image and brand equity. In addition, corporate image positively influences brand equity.

The research variables like (Moral responsibility, Legal Responsibility, Economic Responsibility, Corporate Image, Perceived quality, Brand Awareness, Brand Association and Brand Loyalty) are clearly described. The main gap was observed from the sampling method which most like might not include all the target population.

According to Asamoah (2014) the performance of the companies CSR practices was high in the areas of community support, environmental issues, and ethics. The companies engaged in CSR for various reason including enhancing the reputation of the company's, for positive image and branding of the company, to gain some competitive advantages, to improve business performance etc. The researcher conducted a study on the effect of Corporate Social Responsibility on the competitiveness of firms in

the Mobile Telecommunication industry in Ghana and the author reaches to the mentioned conclusion which shows that CSR has an impact on enforcing a positive brand image. The study used quantitative methodology to achieve its purpose. A survey questionnaire was used to gather data for the study. Overall 360 employees were selected from all the 6 Mobile Telecommunication companies operating in Ghana. The companies selected included GLO, AIRTEL, VODAFONE, MTN, EXPRESO and TIGO. Only senior managers of the various firms were sampled for the study. Both descriptive and inferential statistical tools were used in the data analysis. As the author points out the variables which are: Corporate reputation, Branding positioning, Profit maximization, Reduction in operational cost, Ability to retain employees, Market performance, Investors' confidence, Public interest in the activities of the company, the public goodwill towards the company and Overall performance of the company were tried to be analyzed. As a gap the research was highly focused on each companies profit maximization and neglect the other factors which may show the impact of CSR. Moreover, large companies are selected as a sample but the population of the sample is too much narrowed.

Arslan and Zaman (2014) studied Impact of Corporate Social Responsibility on Brand Image: A Study on Telecom Brands and found that the results of the study strongly support the main hypothesis which is "There is a positive relationship between Corporate Social Responsibility and Brand Image". The correlation value of Corporate

Social Responsibility and brand image is 80.4% which indicates that the relationship between Corporate Social Responsibility and brand image is very strong. Study also proves that all the four dimensions of Corporate Social Responsibility, Economic, Legal, Ethical, Philanthropic, has more effect on the types of brand associations. Which means Corporate Social Responsibility activities just not only improve the image and associations of product related attribute but it also effects the non-product related attributes; Brand personality, user imagery etc. Further the results have confirmed that the large numbers of people are not aware of Corporate Social Responsibility. Among the 400 respondents only 180 were aware of Corporate Social Responsibility which is the 45% of total sample. But it is also clear from research results that Corporate Social Responsibility awareness depends on the education level. The more educated the people are, the more aware they are of Corporate Social Responsibility. So one reason of low rate of Corporate Social Responsibility awareness in Pakistan is low literacy rate.

One of the major thing which is not cover in this research is the finding the level of development of Corporate Social Responsibility in Pakistan. Pakistan is the developing country so it is possible that the Carroll's Corporate Social Responsibility Pyramid might have different priority in its levels as compared to other developed and developing countries.

Hasebur (2014) conducted a study on corporate social responsibility for brand image and customer satisfaction: Assessment of Grameen phone user's in Bangladesh and hypotheses testing results show that there have been positive significant relationship observed between brand value and corporate social responsibility; customer satisfaction and corporate social responsibility and customer satisfaction and brand value relationship.

Chernev and Blair, 2015 studied a research focused on the impact of corporate social responsibility on perceived product performance in scenarios in which the domain of a company's prosocial behavior was unrelated to its core competencies and the functional performance of its products

They further claims that the impact of corporate social responsibility can extend beyond public relations and customer goodwill to influence the way consumers evaluate a company's products. A survey of more than 300 CFOs, investment analysts, and corporate social responsibility experts reports that the vast majority believe the most important way these programs. Furthermore, the survey found that even though managers believed that socially responsible activities can help maintain a good corporate reputation and strengthen a company's brand, they did not consider these activities to have a material impact on perceived product performance.

However, An important question not addressed in this research involves the impact of corporate social responsibility in cases when the prosocial behavior is in the same domain as the company's core competencies, such as in the case of product innovations involving socially responsible technologies.

They further strengthen their argument by harmonizing that, support of CSR may also be used to create a reputation that a firm is reliable and honest, and some consumers may assume that the products of a reliable and honest firm will be of high quality. Therefore, advertising that provides information about CSR attributes may be used to create a reputation for quality or reliability or honesty-all attributes that are important, but may be difficult for consumers to determine.

Researchers like Deyassa (2016) assesses CSR from Ethiopian Perspective The goal is also to examine how companies and organizations in Ethiopia view their role and part in reaching sustainable growth

and development, and to find out what the learning experiences are. The data for the study has been collected through a field study, including personal interviews and dialogues with a number of companies and organizations.

As the researcher concludes in regard to Ethiopia and the empirical findings in the field study there is no understandable connection between CSR activities and cultural situations. This is evidenced in the study by the fact that companies and organizations in Ethiopia understand CSR practices mainly as corporate charity primarily aimed at addressing socio-economic development challenges. In addition what can be learnt from Ethiopia is that, it is important to be aware of differences in sympathetic and usage of CSR definitions and concepts among stakeholders. The main limitation of this research was the samples which were taken are not representative the main sample areas are NGO"s and the author also lacks to identify the variables. Moreover, the author tries to connect CSR with culture which is not clear.

According to Lenguyen (2011) conducted on the impact of corporate social responsibility programs on a company's image and reputation: a case study and Questionnaires were used and personal interviews conducted to survey 400 stakeholders of the case company – Siam Cement Group (SCG) Thailand, considered a CSR pioneer in the CSR movement and finds that CSR programs, which pertain to economic, legal, ethical, and philanthropic concerns, have been found to have a low to medium influence on Siam Cement Group's image and reputation. Each CSR component, economic, legal, ethical, and philanthropic, was tested against image and reputation.

Naqvi et al (2013) explored a research on impact of corporate social responsibility on Brand image in Different FMCGs of Pakistan. Data were collected from 180 students of 22 universities. Four hypotheses were developed and all of them were accepted. Results showed that socially responsible activities of a firm enhance the brand image of the firms' goods as well as the general image of the firm. However, only 22 universities of Pakistan were covered which makes it impossible to generalize results.

In their study Chernev and Blair (2015), examine the impact of corporate social responsibility on consumer perceptions of product performance in a series of four experiments under the title of Doing Well by Doing Good: The Benevolent Halo of Corporate Social Responsibility.

Furthermore, the four experiments reported in this research test the impact of a company's involvement in corporate social responsibility on readily observed product performance in the context of different product categories: wine, a hair loss treatment, a teeth-whitening product, and resolution-enhancing software. Thus, the impact of corporate social responsibility on observed product performance is tested across different modalities, including taste, density assessment, color comparison, and resolution assessment.

This research documents that acts of social goodwill—even when they are unrelated to the company's core business, as in the case of charitable giving—can alter product perceptions, such that products of companies engaged in prosocial activities are perceived as performing better.

More important, the data show that inferences drawn from a company's prosocial actions are strong enough to alter the product evaluations even when consumers can directly observe and experience the product. The data further show that this effect is a function of the moral undertone of the company's motivation for engaging in socially responsible behavior and is attenuated when consumers believe that the company's behavior is driven by self-interest rather than by benevolence. By documenting that social goodwill can benefit consumer perceptions of product performance, these findings show that doing good can indeed translate into doing well.

Daubaraite and Virvilaite (2011), did a study focusing on the impact corporate social responsibility has on corporate image, basing the findings theoretically and empirically. Quantitative research was carried out in Lithuania using virtual questionnaire. 181 correctly filled out questionnaires were collected. The results of the empirical research reveals that corporate social responsibility has positive impact on corporate image though it is not the most important factor. The main weakness of the study was it considers the four models of CSR (Ethical, Legal, Philanthropic and Economic) but the tasted hypotheses (H1: The most important source of information about CSR is the people around respondent. H2: Elements of corporate individuality influence CI. H3: Elements of corporate identity influence CI. H4: CSR influences CI. H5: Demographic characteristics influence consumers' attitude towards CSR.

Servaes and Tamayo (2013), studied on The Impact of Corporate Social Responsibility on Firm Value: The Role of Customer Awareness. They conclude that the effect of awareness on the CSR–value relation is reversed for firms with a poor prior reputation as corporate citizens. This evidence is consistent with the view that CSR activities can add value to the firm but only under certain conditions.

However, their argument was only focus that CSR enhances the value of firms with higher customer awareness about the firm relies on advertising being a good proxy for awareness.

Hill and Olsen (2005), studied The Impact of Perceived Corporate Social Responsibility on Consumer Behavior and found that that consumers expect firms to be involved in social initiatives and may reward them for their efforts through purchase behavior. The main limitation of this study was it tries to measure the impact from the key variables of fit and motivation. This variables are only best for studying the buying behavior of the customer not the brand image.

McWilliams and Siegel (2001), explored Corporate Social Responsibility: A Theory of The Firm Perspective and concluded that profits will be equal may explain why there is inconsistent evidence regarding the relationship between CSR provision and firm performance. According to their argument, in equilibrium there should be no relation- ship. CSR attributes are like any other attributes a firm offers. The firm chooses the level of the attribute that maximizes firm performance, given the demand for the attribute and the cost of providing the attribute, subject to the caveat that this holds true to the extent that managers are attempting to maximize shareholder wealth. From this they predict that there will generally be a neutral relationship between CSR activity and firm financial performance.

Bolton and Mattila (2014), studied on How Does Corporate Social Responsibility Affect Consumer Response to Service Failure in Buyer–Seller Relationships? They conducted a series of three experiments demonstrate that CSR is more effective under communal (vs. exchange) relationship norms, consistent with the alignment of CSR with the communal norm of concern for the needs of others. The effectiveness of CSR is also shown to vary as a function of company motives and CSR framing, serving as theoretically and managerially relevant boundary conditions.

Luo and Bhattacharya (2006), in their study focusing on Corporate Social Responsibility, Customer Satisfaction, and Market Value they identified a route through which CSR is related to a firm's market value. The results of the significant CSR - customer satisfaction market value causal chain suggest that a firm's CSR helps build a satisfied customer base and that customer satisfaction partially mediates the financial returns to CSR. They use variable like: CSR; Customer Satisfaction; Product Quality; Innovativeness Capability; Tobin’s q; and Stock Return. They found that CSR increases customer satisfaction, which in turn leads to positive financial returns, may improve managers' understanding of why CSR matters. They suggested that an additional insight to managers: CSR initiatives also influence customers' satisfaction levels, which ultimately lead to higher market returns. To managers,

this means that building satisfaction is an important intermediate step in converting CSR into financial gains.

Lai et al (2010): The Effects of Corporate Social Responsibility on Brand Performance: The Mediating Effect of Industrial Brand Equity and Corporate Reputation

The aims of this study are to investigate: first, the effects of CSR and corporate reputation on industrial brand equity; second, the effects of CSR, corporate reputation, and brand equity on brand performance; and third, the mediating effects of corporate reputation and industrial brand equity on the relationship between CSR and brand performance. Empirical results support the study's hypotheses and indicate that CSR and corporate reputation have positive effects on industrial brand equity and brand performance. In addition, corporate reputation and industrial brand equity partially mediate the relationship between CSR and brand performance.

Lacey and Kennett-Hensel (2010): Longitudinal Effects of Corporate Social Responsibility on Customer Relationships

The findings show how a firm that engages in CSR initiatives may reap rewards by building trusting and committed customer relationships which, in turn, help forge desirable customer behaviors. The results also demonstrate how CSR's influence strengthens over the course of the tested business cycle, thus yielding revealing insights to academics and practitioners when it comes to understanding the real- world impact of CSR performance for strengthening customer relationships.

Based on the above related empirical literatures this researcher has formulated the following hypotheses.

H1: There is a positive relationship between ethical responsibility and customer satisfaction.

H2: There is a positive relationship between philanthropical responsibility and customer satisfaction.

H3: There is a positive relationship between Consumer Protection and customer satisfaction.

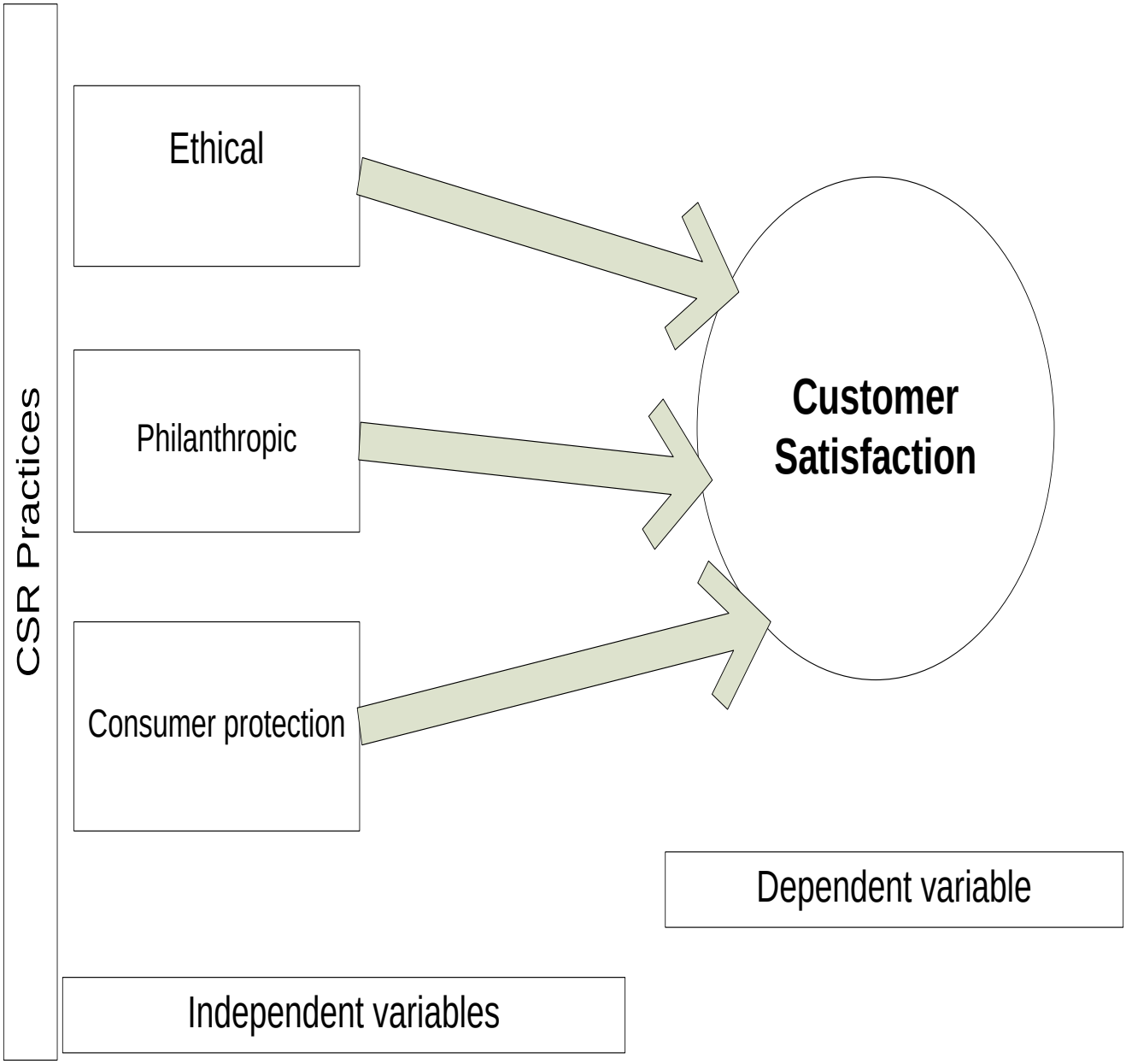
2.3 Conceptual framework of the study

The following model has been developed and based on established theories from previous research. In this thesis CSR has been defined by two different concepts (see literature review). This theoretical model consist of components which has been selected from Carroll's pyramid (ethical and philanthropic) Gudjonsdottir and Jusubova (2015) and the modified Carroll's model (Consumer Protection) by Chung et.al (2015).

Relevant components from the established models have been selected to fit the research question in this thesis. The economic and legal dimension have been excluded from this model due to the low relevance of the research question. Since these factors are considered to be required by the society and by the legal framework within businesses, especially government companies like Ethio Telecom expected to follow the framework of these responsibilities. Likewise, Perez and Rodriguez Del Bosque (2013) imply that customer CSR perception can be measured through ethical and philanthropic responsibilities, as economic and legal responsibilities are considered to be necessarily performed by corporations. Ethical and philanthropic dimensions are also expected by the society, but are considered to be voluntary activities; the actions vary depending on the industry sector and are selectable, since they are not directly requested. In this study, the ethical dimension includes issues related to the ethical actions that the customer expects from a service (Gudjonsdottir and Jusubova, 2015). The activities within the philanthropic dimension are voluntary (Gudjonsdottir and Jusubova, 2015), for example, avoiding hazardous waste within the service industry or being involved in community issues.

Nowadays, social responsibility is an important factor to customers and shareholders. Since businesses only make profit when products and services are being consumed by the society, a business must run its activities in a socially acceptable way to maintain a long-term relationship and long-run sustainability of the business. So consumer Protection is now a big issue on all over the world and in our country. This study will focus on both modified Carroll's models although the relative importance might vary; the elements drawn by Carroll has been applied to examine the applicability of corporate social responsibility in Ethio Telecom which is shown in Figure 2.3 below.

Figure 2.3: Conceptual Framework of the Study



Source: Adopted from Carroll's pyramid (ethical and philanthropic) Gudjonsdottir and Jusubova (2015) and the modified Carroll's model (Consumer Protection) by Chung et.al (2015)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research approach

The research approach can be either deductive, inductive or abductive. The main difference between the deductive and inductive approach is that the inductive processes begin with collection of data from which a theory is created based on the result. The deductive research, on the other hand, is dependent on former research and theories. From this knowledge the researcher develop hypotheses which will be analyzed and either confirmed or rejected (Saunders et al., 2009).

In this study, a deductive approach has been applied which is closely related to the positivistic and quantitative research approaches. Since this study has a deductive approach, a research question was developed to explore the effect of CSR's different dimensions on customer satisfaction. Furthermore, a theoretical model, based on former theories and concepts was developed, which is typical for a deductive approach. The different components of the theoretical model was operationalized to make collection of data possible. Regarding CSR and customer satisfaction, which are the two main concepts in this study, there is a large number of studies made. However, there is limited knowledge of how the different CSR dimensions affect customer satisfaction on monopoly industries.

In this study, a quantitative method has been applied to answer the research question. The justification of the chosen method are several. Firstly, a quantitative method enables a broad and comprehensive coverage. Secondly, the data collected is objective and measurable. Thirdly, previous researchers have conducted this method to explore CSR, customer satisfaction and brand image, which show that this method is appropriate (Martinez, Pérez & Rodríguez del Bosque, 2014). Finally, this method is suitable since this research has to be completed within a short time frame and by using a quantitative method the researcher can make a relatively fast analyses in statistical programs.

3.2 Research Design

Saunders et al. (2009) state that there are three different research designs, namely exploratory, descriptive and explanatory designs. Explanatory studies are used when exploring relationships between different factors and variables and how they affect each other (Saunders et al., 2009). Since the aim of this study is to explore how the CSR's dimensions affect customer satisfaction, this research design is appropriate. The uncovered relationships between these variables will be analyzed to find out how the independent variables affect the dependent variable.

3.3 Sampling Design

For this study, a stratified random sampling was used. Stratified random sampling according to, (Fienberg, 2003), is a technique which attempts to restrict the possible samples to those which are less extreme by ensuring that all parts of the population are represented in the sample in order to increase the efficiency (that is, to decrease the error in the estimation). From each stratum a sample, of pre-specified size, is drawn independently in different strata. Then the collection of these samples constitutes a stratified sample. If a random sample selection scheme is used in each stratum then the corresponding sample is called a stratified random sample.

3.4 Target population and Sampling Frame

Beneficiaries of Corporate Social Responsibility programs of Ethio Telecom are huge as it is a government company. However, for this specific study purpose the enterprise key account customers in Addis Ababa are the subject of this research. Totally there are 2500 in number and those who are in Addis Ababa are around 2362. The sample frame list was taken from the Enterprise division, key account section recent customer database in December 31, 2016

3.5 Sampling Technique

The researcher was used one of the probability sampling method, stratified random sampling. Researchers use stratified random sampling to obtain a sample population that best represents the entire population being studied. Its advantages include minimizing sample selection bias and ensuring certain segments of the population are not overrepresented or underrepresented. Its disadvantage is that it is unusable when researchers cannot confidently classify every member of the population into a subgroup. (Source: Investopedia)

This sampling method is appropriate because Ethio Telecom has the following six segments or groups of key account enterprise customers:

- Government Administration=595
- International Organizations, NGOs and Embassies=526
- Production Enterprise=323
- Financial Institutions=80
- Private Enterprises=390
- Public Enterprises=448

3.6 Sample Size

The sample frame list was taken from the Enterprise division, key account section recent customer database in December 31, 2016. The sample size of 333 (three hundred thirty five) key account customers respondents were selected based on the sample size table suggested by Krejcie and Morgan (1970) at 95% confidence level and 5% margin error.

$$n = \frac{X^2 * N * P * (1-P)}{(ME^2 * (N-1)) + (X^2 * P * (1-P))}$$

Where:

n = sample size

X^2 = Chi – square for the specified confidence level at 1 degree of freedom

N = Population Size

P = population proportion (.50 in this table)

ME = desired Margin of Error (expressed as a proportion)

Source: Sample Size Determinant Formula Proposed by Krejcie & Morgan, 1970

Table 3.1: Required Sample Size

Required Sample Size†

Population Size	Confidence = 95% Margin of Error				Confidence = 99% Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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Table 3.2: Sample Breakdown

No.	Type of Key Account Customer	Target Sample Sizes	Total No. of Samples
1	Government Administration	595	83
2	International Organizations, NGOs and Embassies	526	73
3	Production Enterprise	323	43
4	Financial Institutions	80	11
5	Private Enterprises	390	53
6	Public Enterprises	448	63

(Source: Researcher's Survey, 2017)

3.7 Sources and Instruments of Data Collection

The researcher has used both primary and secondary sources of data in the study. The secondary data was collected from books, research journals and articles conducted on CSR and other related titles, unpublished materials of Ethio Telecom and web addresses and/or internet and the sources were used only for literature purpose. In this study, primary data will be collected from enterprise key account customers through a structured questionnaire to investigate the impact of CSR dimensions on brand image from customers' point of view.

A structured, self-administered questionnaire was used to collect the primary data. The first section of the questionnaire comprised of demographic information of the respondents like their current experience, total experience, educational background and categories of their company. In the second section, dimensions of the corporate social responsibility were divided into multiple item scales after exploring the literature. Ethical responsibility was measured by 4 items, philanthropical responsibility by 4 items, and consumer protection by 4 items and customer satisfaction by 4 items as adopted by (Chung et.al (2015). All the variables were measured on five point Likert scale ranging from 1 strongly disagree to 5 strongly agree. The resulting questionnaire was originally drafted in English, which then was translated into Amharic, then translated back into English by the professional translators. The questionnaire was handed out to respondents by the customer service management staffs through e-mail. Each Enterprise key account customers has a contact/representative from the customer service division

of Ethio Telecom and by presenting proper authentication the representatives disseminated the questionnaires to each enterprise customers randomly by their e-mail address by carbon coping (CC) the researcher e-mail address.

3.8 Reliability Test

Though, questionnaire which was adopted with minor customization from previous research done by Chung et.al (2015) a pre-test was made for reliability and validity. Out of the 30 copies of questionnaires sent out 25 were completed and returned. The Cronbach's alpha was used to test reliability of the scales used from the pre-test sample. For this study Cronbach's alpha was also used to assess the internal consistency of variables in the research instrument.

Table 3.2 Reliability Analysis of the Variables

Measurement	Number of items	Cronbach's Alpha if Item Deleted
Ethical Responsibility	4	.781
Philanthropical Responsibility	4	.736
Consumer protection	4	.808
Customer satisfaction	4	.873

Source: Researcher's Survey data, 2017

3.9 Validity Test

A quantitative study is objective, measurable and enables a broad and comprehensive coverage (Gudjonsdottir & Jujubova, 2015). A strong validity increases the generalizability of the study (Descombe, 2011 as cited by Gudjonsdottir & Jujubova, 2015). To measure what is supposed to be measured a theoretical model will be developed on literature review. The dimensions were operationalized to help find specific survey questions relevant to the dimensions of CSR which increase the internal validity: questionnaires represent the reality of what is measured (Saunders et al., 2009 as cited by Gudjonsdottir & Jujubova, 2015). The theoretical model was developed from established frameworks, therefore, the industries using similar CSR strategies as Ethio Telecom can apply the findings of this study to their business.

3.10 Data analysis and analytical tools

The analytical tool used to analyze the collected empirical data was the software program IBM SPSS Statistics 20. This tool helps to translate and analyze data into to relevant information for studies. Furthermore, this analytical tool is recognized within the fields of statistics and science, which increases the validity of the research. The specific tools to be used in this study are:

- Cronbach's alpha was used to evaluate the all the collected data's reliability and significance of the components used in this study.
- Descriptive statistic and cross tabulation was used to understand the interrelation between two variables and to find interactions between them.
- Spearman's correlation was used to measure the relationship between variables.
- A regression analysis was conducted to see how different CSR dimensions affect brand image. More specifically, a multiple regression was applied to learn more about the relationship between CSR dimensions, which are independent variables, and customer satisfaction which is a dependent variable.

The regression equation or model specification for an examination of corporate social responsibility practices on customer satisfaction in Ethio Telecom.

$$Y = a + b1x1 + b2x2 + b3x3 + \varepsilon$$

Where, Y = Customer Satisfaction

a = y intercept

b1 = the regression coefficient or beta weight of ethical responsibility

x1= Ethical responsibility

b2 = the regression coefficient of philanthropical responsibility

x2= Philanthropical responsibility

b3 = the regression coefficient of consumer protection

x3= Consumer protection

ε = error term

3.13 Ethical Considerations

The participants in this study was selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis; and the researcher was assure that as he will keep the information confidential and the data will used only for intended purpose.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter deals with presentation, interpretation and analysis of the data used for the study. The data were gathered through questionnaires and interviews.

As the theoretical framework showed, some of the dimensions of corporate social responsibilities are Ethical Responsibility, Philanthropic Responsibility and Consumer Protection. The study took these dimensions as variables to study their effect on customer satisfaction of Ethio Telecom. Questionnaires were distributed to the key account customers who are at Addis Ababa.

4.2 Results

4.2.1 Sample and Response Rates

Out of 350 questionnaires sent out, only 350 were returned during a period of two weeks' time. Of the total 340 questionnaires which were returned, 15 were discarded because they were not fully completed, and the rest 325 representing a response rate of 93%.

4.3 Demographic Information of Respondents

This subsection contains paragraphs that capture and summarize demographic characteristics of respondents of this study. To this end the following paragraphs reveals the position in the company, experience in the current position, educational background and categories of the participants of this research.

The table below shows the frequency of total respondents in accordance with their demographic information and this tells us that all the 325 respondents who were found fit for this study provided this information and that no missing values were found.

Table 4.1. Frequency Table of total Respondents

Variables	Description	Frequency	Percent
What is your position in your company?	IT head	69	21.2
	Network administrator	80	24.6
	Management member	118	36.3
	Staff/ End user	43	13.2
	Others	15	4.6
Experience in the current position?	1-3 years	138	42.5
	4-5 years	95	29.2
	above 5 years	92	28.3
Experience in the company?	1-3 years	55	16.9
	4-5 years	114	35.1
	above 5 years	156	48.0
Educational background	Information and communication Technology	58	17.8
	Business related fields	99	30.5
	Computer science	129	39.7
	Engineering	35	10.8
	Others	4	1.2
To which categories of the following	Government Administration	78	24.0

key account customer are you belong?	International Organizations, NGOs & Embassies	72	22.2
	Production Enterprises	43	13.2
	Financial Institutions	12	3.7
	Private Enterprises	49	15.1
	Public Enterprises	71	21.8

(Source: Researcher's Survey, 2017)

4.4 Descriptive analysis

4.4.1 Descriptive Analysis of Effects of Corporate Social Responsibility practices on Customer Satisfaction

The mean scores of each practices of corporate social responsibility were calculated as well as the mean scores of each item under these dimensions. The respondents were then asked to rate their perception, knowledge, feelings and attitudes of these practices on a five point Likert scale ranging from one (strongly disagree) to five (strongly agree).

Table 4.3: Descriptive Analysis of Effects of Corporate Social Responsibility practices on Customer Satisfaction

Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Ethical Responsibility	324	2.00	5.00	3.2415	.73720
Philanthropic Responsibility	324	2.00	4.50	3.0177	.69848
Consumer protection	324	2.25	5.00	3.4074	.76968
Valid N (list wise)	324				

(Source: Researcher's Survey, 2017)

The mean score values of corporate social responsibility practices for Ethio telecom ranges between 3.02 (mean score value of Philanthropic Responsibility) with standard deviation of 0.69 and 3.41 (mean score value of consumer protection) with standard deviation of 0.74.The overall the effects of corporate social responsibility practice on ethio telecom, as measured by the customers, is well above average.

Descriptive Analysis for Ethical Responsibility

As shown in the table below, Ethical Responsibility is measured by four items for which, the mean score values were calculated and were found 3.02 for respondents who said Ethio Telecom operates in a manner consistent with expectations of societal and ethical norms, 3.05 for respondents who said Ethio Telecom recognizes and respects new ethical/moral norms and a mean score value of 3.50 for respondents who said Ethio Telecom make efforts to be good citizenship. Generally, almost all items have a high standard deviation but the highest calculated was 1.093, where there was a high variation in response among sample respondents for the item that states "Ethio Telecom operates in a manner consistent with expectations of societal and ethical norms".

Table 4.4: Descriptive Statistics of Ethical Responsibility

Variables	N	Mean	Std. Deviation
Ethio Telecom operates in a manner consistent with expectations of societal and ethical norms.	324	3.0185	1.09302
Ethio Telecom recognizes and respects new ethical/moral norms.	324	3.0309	.98234
Ethio Telecom prevents unethical behaviors in order to achieve organizational goals.	324	3.4136	.96467
Ethio Telecom make efforts to be good citizenship.	324	3.5031	.78491
Valid N (listwise)	324		

(Source: Researcher's Survey, 2017)

Descriptive Analysis for Philanthropic Responsibility

As shown in the table below, the prime factor with the highest mean value is Ethio Telecom supports culture and art activities of local community (3.05) followed by Managers and employees participate in charitable activities of their local communities (3.01) and Ethio Telecom assists to enhance quality of life in the local community (3.01). However, one variable with the least mean score was Ethio Telecom supports private and public educational institutions (2.99).

Table 4.5: Descriptive Statistics of Philanthropic Responsibility

Descriptive Statistics

Variables	N	Mean	Std. Deviation
Ethio Telecom supports culture and art activities of local community.	324	3.0556	1.06303
Managers and employees participate in charitable activities of their local communities.	324	3.0123	1.09311
Ethio Telecom supports private and public educational institutions.	324	2.9907	.96209
Ethio Telecom assists to enhance quality of life in the local community.	324	3.0123	.53355
Valid N (listwise)	324		

(Source: Researcher's Survey, 2017)

Descriptive Analysis for Consumer Protection

As shown in the table below, the prime factor with the highest mean value is Ethio Telecom practices product improvement by customers' requirement (3.55) followed by Ethio Telecom makes efforts to improve product quality (3.40) and Ethio Telecom settles customers' complaints quickly (3.37). However, one variable with the least mean score was Ethio Telecom makes efforts to improve customer service (3.29).

Table 4.6: Descriptive Statistics of Consumer Protection

Descriptive Statistics

Variables	N	Mean	Std. Deviation
Ethio Telecom makes efforts to improve product quality.	324	3.4012	1.15627
Ethio Telecom settles customers' complaints quickly.	324	3.3765	1.07902
Ethio Telecom practices product improvement by customers' requirement.	324	3.5556	1.14843
Ethio Telecom makes efforts to improve customer service.	324	3.2963	1.30912
Valid N (listwise)	324		

(Source: Researcher's Survey, 2017)

4.5 Measurement of Model Validity

4.5.1 Normal Distribution

A normal distribution is a distribution of the values of a variable that, when plotted, produces a symmetrical, bell-shaped curve that rises smoothly from a small number of cases at each extreme to a large number of cases in the middle.

The standard normal distribution is one with a mean of 0 and a standard deviation of 1 (Garson, 2012). Severe asymmetry then is stated to be the result of strong outliers. A common test for normality is to run descriptive statistics to get skewness and kurtosis. Skewness should be within +2 and -2 range, if the data is normally distributed. Kurtosis is the peakedness or flatness of a distribution and this distribution shall also commonly fall between +2 and -2, although a few other authors according to (Garson, 2012), are more lenient and allow kurtosis to fall within +3 and -3.

Positive values of skewness indicate too many low scores in the distribution, whereas negative values indicate a build-up of high scores (Field, 2006).

Positive values of kurtosis indicate a pointy and heavy-tailed distribution, whereas negative values indicate a flat and lighttailed distribution.

According to (Field, 2009), we can convert these scores to z-scores by dividing by their standard error. If the resulting score (when you ignore the minus sign) is greater than 1.96 then it is significant ($p < .05$).

Following the above justification, the normality test was done for three variables on SPSS, which resulted in all the variables' skewness to fall within +2 and -2 range and all the variables' kurtosis to fall within +3 and -3 range. Consequently, the data utilized for this research are normally distributed.

Table 4.6 Test of Normal distribution

	N	Skewness		Z-Value	Kurtosis		Z-Value
	Statistic	Statistic	Std. Error	Statistic Std. Error	Statistic	Std. Error	Statistic Std. Error
Ethical Responsibility	325	.371	.135	2.7467079	-.421	.270	-1.559360616
Philanthropic Responsibility	325	.309	.135	2.2844195	-.414	.270	-1.535725963
Consumer protection	325	.345	.135	2.5492487	-.638	.270	-2.36742793
Customer satisfaction	325	.490	.135	3.624693	-.699	.270	-2.590077016
Valid N (listwise)	325						

(Source: Researcher's Survey, 2017)

4.5.2 Reliability Test

In statistical terms, reliability is based on the idea that individual items (or sets of items) should produce results consistent with the overall questionnaire. There are two ways of assessing internal consistency reliability; using coefficient alpha and split half reliability. Cronbach alpha measures the extent to which item responses obtained at the same time correlate highly with each other and the widely accepted social science cut off is that alpha should be 0.70 or higher for a set of items to be considered a scale (Field, 2006).

As can be seen on Table 4.6, Cronbach alpha can also be calculated using SPSS, which is also the case for this study. The calculated coefficient alpha for this study was found to be 0.801 for all variables, which is well above the required threshold of 0.70 confirming the variables to be internally consistent. Moreover, all the variables are greater than 0.70 and this shows the consistency of the variables.

Table 4.6: Reliability Statistics

Cronbach's Alpha	N of Items
.801	4

Item-Total Statistics

Variables	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Ethical Responsibility	9.2623	3.448	.550	.781
Philanthropical Responsibility	9.4861	3.354	.647	.736
Consumer protection	9.0965	3.038	.696	.708
Customer satisfaction	9.6667	3.351	.568	.773

(Source: Researcher's Survey, 2017)

The table below shows the inter item correlation which gives us the correlation coefficients for items in the study's scale. Therefore, we need to use the inter item correlation table to check and see if the items interrelate well where the inter item correlation must be above 0.3 (Field, 2009). As can be seen

from this study, the correlation between items for all variables are well above 0.3 which is encouraging.

Table 4.13: Inter Item Correlation

Variables	Ethical Responsibility	Philanthropic Responsibility	Consumer Protection
Ethical Responsibility	1.000	.518	.521
Philanthropic Responsibility	.518	1.000	.560
Consumer Protection	.521	.560	1.000

(Source: Researcher's Survey, 2017)

4.6 Inferential Analysis of Variables

The next paragraphs will deal with testing the hypotheses proposed in the first chapter of this study. To this end, hypotheses one through four were tested using multiple regression as expressed in chapter three after making sure the model fulfills all the assumptions related with multiple regression.

4.6.1 Regression Analysis

Regression analysis is a way of predicting an outcome variable from one predictor variable (simple regression) or several predictor variables (multiple regressions) (Field, 2009). But before carrying out a regression analysis, there are a few assumptions of linear regression analysis that must be maintained.

4.6.2 Assumptions of linear regression analysis

4.6.2.1 Multicollinearity

After the normality of the data in the regression model are met, the next step, which is to determine whether there is similarity between the independent variables in a model, is necessary to do a multicollinearity test (Field, 2009).

Table 4.14 Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Ethical Responsibility	.654	1.529
Philanthropic Responsibility	.616	1.624
Consumer Protection	.614	1.630

(Source: Researcher's Survey, 2017)

As shown on the table above, based on the coefficients output (collinearity statistics), the obtained variance inflation factor (VIF) for all independent variables was found to be between 1 and 10, which means that there is no Multicollinearity problem.

4.6.2.2 Spearman's rho correlation test

The Spearman's rho correlation test shows the strength of the relationship between different variables that represent the different concepts of the theoretical model. The Spearman's rho correlation test is commonly used to disclose relationships between different variables. Since all the statement variables in this study are ordinal, this type of correlation test is suitable (Pallant, 2005; Bryman & Bell, 2011).

A relationship between the variables occur when the value is close to 1 or -1, indicating the strength and the direction of a relationship. There is no relationship if the value is 0. However, this test does not uncover the causal effect of the related variables (Bryman & Bell, 2011). A relationship is considered to be weak when the correlation value is below 0.2. To determine a strong relationship the value has to lie between 0.2 and 0.8 (Wahlgren, 2008; Pallant, 2005).

As presented in table 4.16, the result of the correlation test show that there is a relationship between the variables. The consumer protection dimension and customer satisfaction have a correlation value of 0.462, while the philanthropic dimension and customer satisfaction have a correlation value of 0.388. These relationships have a positive direction and are considered to be strong.

Ethical responsibility and customer satisfaction, on the other hand, have a correlation value of 0.215, which is also a good but weaker one relationship.

The correlations between all the CSR dimensions and customer satisfaction are significant on a significance level of $p < 0.05$. This means that there are only 5 in 100 chances that one of these correlations appear by coincidence (Pallant, 2005).

Table 4.16 Relationship

			Ethical Responsibility	**Philanthropic Responsibility**	**Consumer Protection**	**Customer satisfaction**
Spearman's rho	Ethical Responsibility	Correlation Coefficient	1.000			
		Sig. (2-tailed)	.000			
		N	324			
	Philanthropic Responsibility	Correlation Coefficient	.473**	1.000		
		Sig. (2-tailed)	.000	.		
		N	324	324		
	Consumer Protection	Correlation Coefficient	.451**	.463**	1.000	
		Sig. (2-tailed)	.000	.000	.	
		N	324	324	324	
	Customer satisfaction	Correlation Coefficient	.215**	.388**	.462**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	324	324	324	324

(Source: Researcher's Survey, 2017)

4.6.2.3 Interpreting the R square

Table 4.17 presents the regression model in which the R square is found. The result shows a value of 0.375, which explains how much the independent variables affect the dependent variable. This means that the regression explains 37.5 % of the variance in the data, in other words, 37.5 % of customer satisfaction variation depends on the three independent variables (the three CSR dimensions). The ANOVA table shows if the regression model is significant. The significance value of this regression model is 0.000, which equals $p<0.0005$, and F equals 64.107, which means that the model reaches statistical significance (Pallant, 2005).

Table 4.17: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.613[a]	.375	.370	.60088

a. Predictors: (Constant), Consumer protection, Ethical Responsibility, Philanthropic Responsibility

b. Dependent Variable: Customer satisfaction

(Source: Researcher's Survey, 2017)

Table 4.18: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.438	3	23.146	64.107	.000[b]
	Residual	115.536	320	.361		
	Total	184.974	323			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Consumer protection, Ethical Responsibility, Philanthropic Responsibility

(Source: Researcher's Survey, 2017)

The next part of the SPSS output reports an analysis of variance (ANOVA). The summary table shows the various sums of squares described in the Figure above and the degrees of freedom associated with each. From these two values, the average sums of squares (the mean squares) can be calculated by dividing the sums of squares by the associated degrees of freedom. The most important part of the table is the F-ratio, which is a test of the null hypothesis that the regression coefficients are all equal to zero. Put in another way, this F statistic tests whether the R^2 proportion of variance in the dependent variable accounted for by the predictors is zero and the table also shows the associated significance value of that F-ratio (Field, 2009). For this data, F is 64.107, which is significant at $p < 0.001$ (because the value in the column labeled Sig. is less than 0.001). This result tells us that there is less than a 0.1% chance that an F-ratio this large would happen, if the null hypothesis proposed about F-ratio were true. Therefore, we can conclude that our regression model results in significantly better prediction of customer satisfaction of Ethio Telecom and that the regression model overall predicts customer satisfaction significantly well.

Table 4.19: Regression analysis of overall corporate social responsibility dimensions

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.586	.180		3.262	.001
	Ethical Responsibility	.223	.056	.243	4.412	.000
	Philanthropic Responsibility	.272	.061	.251	4.452	.000
	Consumer protection	.442	.055	.450	7.972	.000

a. Dependent Variable: Customer satisfaction

(Source: Researcher's Survey, 2017)

The unstandardized coefficient refers to the direction of the relationship and the amount of change that the different independent variables contribute to brand image given that one unit change in the value of the independent variable. Table 4.19 shows that the effect of the ethical dimension would increase the brand image value with 0.223 units, given that all other variables in the model are constant. The philanthropic and the consumer protection dimensions are huge related to customer satisfaction than the ethical dimension. This means that the philanthropic and the consumer protection are more important factors to enhance customer satisfaction.

The standardized coefficient, in contrast to the unstandardized, explains how much each independent variable uniquely contributes to the regression model. In this case the consumer protection has the largest beta coefficient of 0.442, which means that this variable contributes the most to the model compared to the other independent variables.

4.6.2.4 Statistical significance

In general, values of the regression coefficient b represent the change in the outcome, resulting from a unit change in the predictor and if a predictor is having a significant impact on our ability to predict the outcome, then, this b should be different from 0 (and big, relative to its standard error). And also the t-test tells us whether the b-value is different from 0.

If this observed significance is less than 0.05, then scientists agree that the result reflects a genuine effect (Field, 2009). For all the independent variables of this study, the probabilities are less than 0.05 and so we can say that the probability of these t-values or larger occurring, if the values of b in the population were 0, is less than 0.05. Therefore, the bs are different from 0 and we can conclude that the corporate social responsibility dimensions make a significant contribution ($p < 0.05$) in predicting customer satisfaction of Ethio Telecom.

The regression model of this study can now be properly written in an equation form as the following.

Y (CS) = (0.586) constant + (0. 223) ET + (0.272) PH + (0.442) CO + 0.60088

Where, Y = Customer Satisfaction

a = y intercept

b1 = the regression coefficient or beta weight of ethical responsibility

x1= Ethical responsibility

b2 = the regression coefficient of philanthropical responsibility

x2= Philanthropical responsibility

b3 = the regression coefficient of consumer protection

x3= Consumer protection

ε = error term

4.7 Hypothesis Testing and Interpretation of Results

Table 4.20 Summary of the overall outcome of the Research Hypotheses

Hypotheses	**Result**	**Analysis Technique**
Ho: There is a positive relationship between ethical responsibility and customer satisfaction.	Ho: Accepted	Multiple Regression
Ho: There is a positive relationship between philanthropical Responsibility and customer satisfaction.	Ho: Accepted	Multiple Regression
There is a positive relationship between Consumer Protection and customer satisfaction.	Ho: Accepted	Multiple Regression

(Source: Researcher's Survey, 2017)

Based on the tables and justifications provided in the preceding paragraphs, Ethical Responsibility has a positive relationship with the dependent variable customer satisfaction. The value of the

coefficient of Ethical Responsibility was also found to be 0. 223 and it significant level also 0.000 which is less than 0.05. This result tells us the value of b is positive and shows it Ethical Responsibility by Ethio Telecom has an influence with Customer Satisfaction. Also this result is supported by Sen, Sankar & Bhattacharya (2001), Alam and Rubel (2014) and Chung et.al (2015).

The second hypothesis testing provided that the coefficient of philanthropical Responsibility was calculated to be 0.272, which indicates that keeping other factors constant, a unit change in philanthropical responsibility causes a 27.2% increase in customer satisfaction of Ethio Telecom. And the relationship of the independent factor Philanthropical Responsibility (whose t-statistic value was found to be 4.452 at p-value of 0.000) with that of the dependent variable customer satisfaction is found to be positive and statistically significant, which leads to the acceptance of H2. Also this result is supported by Sen, Sankar & Bhattacharya (2001), Alam and Rubel (2014) and Chung et.al (2015).

As shown in the table 4.17, the coefficient of consumer protection was computed to be 0.442, which means that a unit change in consumer protection has the influence to increase customer satisfaction by 44.2% assuming all other variables constant. The calculated t-statistic value of this independent variable is 7.972 at p-value of 0.000, which proves a positive and significant relationship with the dependent variable, customer satisfaction. Also this result is supported by Sen, Sankar & Bhattacharya (2001), Alam and Rubel (2014) and Chung et.al (2015).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Major Findings

The intention of this study was to explore how the different dimensions of CSR's effect on brand image within the service industry. Since most research regarding CSR's effect on customer satisfaction has been made within the competitive industry, a theoretical model adjusted to the monopoly industry was developed. The theoretical model was based on two concepts: Carroll's (1991) CSR pyramid and modified CSR pyramid by Chung et.al (2015). In this study CSR is composed of the ethical dimension, the philanthropic dimension and the consumer protection dimension. These dimensions were analyzed separately to see what effect they had on customer satisfaction.

- All the respondents were found to be Ethio Telecom key account customers
- In order to examine the applicability of the above models in Ethio Telecom, the study considered three determinants namely ethical responsibility, philanthropical responsibility and consumer protection. A sample size was selected using stratified random sampling technique. Based on the conceptual frame work and objectives of the study 12 items were provided in a 5 point Likert scale to the respondents. The gathered data has analyzed by means of descriptive and inferential statistics using SPSS version 20 software.
- The results of this study, once again, confirms that there is a positive CSR effect on the customer satisfaction, which is aligned with the previous studies.

In the inferential statistics part the following results were achieved.

- The results indicates that philanthropical responsibility and consumer protection has a significant positive effect on overall customer satisfaction.
- The first hypothesis which states that there is a positive relationship between ethical responsibility and customer satisfaction was accepted. An explanation of the ethical dimension's weak relationship on customer satisfaction can be that the ethical CSR activities have a direct effect on the customer's everyday life.
- The second hypothesis was accepted the philanthropic dimension has the most effect on customer satisfaction. This result is not consistent with Carroll's (1991) CSR pyramid, where he states that the philanthropic dimension is of least importance. This shows that Ethio

Telecom customers expect the company to engage in philanthropic activities even if it is considered to be a voluntary activity (Carroll, 1979; Carroll, 1991).

- The third hypothesis were also accepted as it claims that consumer protection has a positive impact on customer satisfaction. The causal effect of the consumer protection dimension on customer satisfaction was proven to be very high, which is somewhat expected. This dimension was expected to have a larger impact on customer satisfaction, since it asks about the quality of the product, customer complaints and product improvement which were recently customer sensitive issues.

To conclude this summery, CSR has a positive effect on customer satisfaction. However, the contributions of the different dimensions are somewhat different. The ethical dimension have the weakest effect on customer satisfaction, whereas the consumer's protection dimension have the most effect on brand image. The philanthropical responsibility dimension had also a significant effect on customer satisfaction.

5.2 Conclusions

The purpose of this study was to explore CSR and its different dimension's effect on customer satisfaction within the telecom industry in order to increase the understanding of CSR as a marketing tool. Research questions were formed to reach the purpose of this study: "How does a telecom industry company's involvement in CSR as a marketing strategy affect customer satisfaction? And how do the different CSR dimensions affect customer satisfaction?" To enhance the customer satisfaction, it is important to consider the customer's way of identifying with the satisfaction. Since the studies within this area are limited in number and scope, this specific research area was chose.

To reach appropriate conclusions, a Spearman's rho correlation test and a regression analysis were conducted to see if there were any significant relationships between the CSR and the customer satisfaction. The Spearman's rho correlation test showed that there were strong positive relationships between all the CSR dimensions and customer satisfaction. The test indicated that the relationships between philanthropic dimension and customer satisfaction and the consumer protection dimension and customer satisfaction were strong. The relationship between ethical responsibility and customer satisfaction, however, were rather weak. The regression model showed that the causal effect of the consumer protection dimension on customer satisfaction was rather strong.

This study was aimed at finding out if there is a possibility to use corporate social responsibility dimensions to satisfy customers of Ethio Telecom in Ethiopia. Much of previous literature concentrated on relating competitor based industry in the developed nations, not in the monopolistic environment like Ethiopia. So, this study confirmed to us that corporate social responsibility dimensions can be used to show that companies in any environment, particularly the telecom sector, can satisfy their customers in Ethiopia. Although Ethio Telecom in Ethiopia have internalized the importance of a strong CSR strategy, it is obvious that the country at large has no clear polices regarding CSR. However, this company need to have a clearly strategy to implement CSR if not, the company will not stand a chance against foreign competitors if the country's regulation allows foreign operators to enter the sector.

5.3 Recommendations

Based on the findings discussed in chapter four, this study proposes the following recommendations

- As the consumer protection dimension shows the highest level significance this tells us Ethio Telecom need to work more on improving product quality, settling customer's complaints, enhancing customer's requirement and improving customer service.
- It is important that the higher the level of CSR has a positive effect on customer satisfaction. Customer perception of CSR is important and has consequences for customer satisfaction. Customer expectations towards CSR activities lead to stronger evaluations of corporate image. Therefore, Ethio Telecom should ensure that they proactively maximize their CSR budgets.
- Ethio Telecom may consider its involvement in some CSR initiatives such as community and environment support and customer relations. In order to increase customer intentions for repeat business, firms' involvement in CSR activities tend to increase favorable attitudes of their customer which results in behavior disposition.
- The finding indicates that ethical responsibility dimension are low and Ethio Telecom have an obligation to promote social welfare and to behave as good corporate citizens, it is important that they spend the resources allocated to CSR initiatives in ways that yield optimum benefits to society as well as to the stakeholders of the company.

5.4 Limitations and Directions for Future Research

This study is not without limitations. Specifically, the survey data suffers and this fact might have influenced the findings of the paper. The questionnaire survey could have been designed in a different way. Each CSR dimension used in the model, was measured by four statements in the questionnaire. More statements within each dimension would increase the accuracy of the dimensions as some statements might have been more weighted than others. This could, however, decrease the participant's willingness to participate as the survey would become complicated and time-consuming. Furthermore, since this study was a cross sectional study, an expanded time horizon would have enabled a greater collection of data which would have increased the reliability of this study. Finally, this study could have included more Ethio Telecom customers and other types of service companies to enhance the generalizability of the derived results.

Further research on this topic is needed. More research on this subject will increase the understanding of CSR as a marketing tool. This study examined CSR and its different dimensions' effect on customer satisfaction. Since CSR is constantly emerging and there is still no common definition or core principles of what CSR means, it is of importance to maintain further research of CSR as a marketing tool. As both CSR and customer satisfaction are quite complex concepts a qualitative research approach could be conducted for further understanding. Interviews would enable more flexible questions to get better answers.

To conclude, the researcher consider that, the findings still serve the goal of answering the initial research question "To what extent are customers satisfied with the ethical practices, philanthropic practices and consumer protection of ethio telecom? And what is the relationship between corporate social responsibilities and customer satisfaction?"

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Appendix 1

Appendix 1-A. Questioner on English

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MNAGEMENT

MASTERS OF ART IN MARKETING MANAGEMENT

FOR PARTIAL FULFILLMENT OF THE DEGREE OF MASTER

IN

MARKETING MANAGEMENT

QUESTIONNAIRE

Dear respondents, the purpose of this questionnaire is to gather data on the effect of corporate social responsibility practices on customer satisfaction: In the case of Ethio Telecom. The study is purely for academic purpose and thus not affects you in any case. So your genuine, frank and timely response is vital for successfulness of the study. Therefore, I kindly request you to respond to each items of the question very carefully.

The item have five-point Likert type scales, the scales have the following meaning

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

General Instructions

- There is no need of writing your name
- Where answer options are available please tick(√)

Contact Address

If you have any query, please do not hesitate to contact me and I am available as per your convenience at (Mobile: 0911-502626 or e-mail: selam.solomon@ethiotelecom.et)

Section I Demographic Data of the customers (Please tick (□) in the box of your response for the following questions)

1. What is your position in your company?

IT head ☐ Staff/ End user ☐

Network administrator ☐ others, please specify_____

Management member ☐

2. Experience in the current position?

Less than 1 year ☐ 4-5 years ☐

1-3 years ☐ above 5 years ☐

3. Experience in the company?

Less than 1 year ☐ 4-5 years ☐

1-3 years ☐ above 5 years ☐

4. Educational background?

Information and communication Technology ☐ Computer science ☐

Business related fields ☐ Engineering ☐

Others, please specify _____

5. To which categories of the following key account customer are you belong?

Government Administration ☐

International Organizations, NGOs & Embassies ☐

Production Enterprises ☐

Financial Institutions ☐

Private Enterprises ☐

Public Enterprises ☐

Section II. CORPORATE SOCIAL RSEPONSBILTY (CSR) ITEMS

1. Ethical responsibility	Strongly Disagree (1)	Dis-agree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.1. Ethio Telecom operates in a manner consistent with expectations of societal and ethical norms.					
1.2. Ethio Telecom recognizes and respects new ethical/moral norms.					
1.3. Ethio Telecom prevents unethical behaviors in order to achieve organizational goals.					
1.4. Ethio Telecom make efforts to be good citizenship.					

2. Philanthropic responsibility	Strongly Disagree (1)	Dis-agree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
2.1. Ethio Telecom supports culture and art activities of local community.					
2.2. Managers and employees participate in charitable activities of their local communities.					
2.3. Ethio Telecom supports private and public educational institutions.					
2.4. Ethio Telecom assists to enhance quality of life in the local community.					

3. Consumer protection	Strongly Disagree (1)	Dis-agree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
3.1. Ethio Telecom makes efforts to improve product quality.					
3.2. Ethio Telecom settles customers' complaints quickly.					
3.3. Ethio Telecom practices product improvement by customers' requirement.					
3.4. Ethio Telecom makes efforts to improve customer service.					

Section III. CUSTOMERS SATISFACTION ITEMS

4.Customer satisfaction	Strongly Disagree (1)	Dis-agree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
4.1. The policy of CSR of Ethio Telecom meets my expectation.					
4.2. Overall, I am satisfied with CSR activities of Ethio Telecom.					
4.3. Overall, I am satisfied with product and service of Ethio Telecom.					
4.4. I would like to positively speak to surrounding people about Ethio Telecom.					

Comment or additional information

Please use the space below for additional comment or additional information.

_____

_____

Thank you

Appendix 1-B

አዲስ አበባ ዩኒቨርሲቲ ስኩል ኦፍ ኮሜርስ

የማርኬቲንግ ማኔጅመንት ክፍል

በማርኬቲንግ ማኔጅመንት ማስተርስ ኦፍ አርት

በማርኬቲንግ ማኔጅመንት የማስተርስ ኦፍ አርት ዲግሪ በከፊል ለማሟላት

በ

ማርኬቲንግ ማኔጅመንት

በቁልፍ ደንበኞች መሞላት ያለበት መጠይቅ

ውድ መላሾቻችን፤የዚህ መጠይቅ አላማ በኮርፖሬት ማህበራዊ ሀላፊነት ትግበራ በኢትዮ ቴሌኮም ደንበኞች እርካታ ላይ የሚያመጣውን ተጽእኖ ለመመርመር ነው፡፡

ይህ ጥናት ለመማማሪያ አገልግሎት ብቻ ስለሚውል ምንም አይነት ጉዳትን በእርሶ ላይ አያስከትልም፡፡ ስለዚህም የእርስዎን ትክክለኛ፤ግልጽ እና ወቅታዊ ምላሽዎትን በመስጠት ለጥናቱ ስኬታማነት የበኩልዎን አስተዎጽዎ እንዲያደርጉ እንጠይቃለን፡፡ በመሆኑም በእያንዳንዱ ጥያቄዎች ላይ የእርስዎን ትክክለኛ ምላሽን እንዲሰጡኝ በትህትና እጠይቃለሁ፡፡

እያንዳዱ ጥያቄ በባለአምስት ሊንከርት እስኬል የሚለካ ሲሆን፤ የመለኪያውም ትርጉም እንደሚከተለው ነው፤

1. በጣም አልስማማም
2. አልስማማም
3. እርግጠኛ አይደለሁም
4. እስማማለሁ
5. በጣም እስማማለሁ

አጠቃላይ መመሪያ

- ስሞትን መጻፍ አያስፈልግም
- የሚመልሱትን መልስ እርግጠኛ ሲሆነኑ በሚፈልገት መልስ ላይ (√) ይህን ምልክት ያስቀምጡ

ሙሉ አድራሻዬ

ማንኛውንም አይነት ጥያቄ ሲኖርዎት፤እባክዎትን እኔን ለማግኘት ወደ ኃላ እንዳይሉ፡፡ በመሆኑም እኔን ለማግኘት በተመችዎት ወቅት(የሞባይል ስልክ ቁጥር፡0911502626 ወይም በኢሜይል፤ selam.solomon@ethiotelecom.et)

ክፍል 1፡ የደንበኞች ዲሞግራፊክ ዳታ

(ለሚከተሉት ጥያቄዎች መልሱን በሳጥኑ ውስጥ (☐) እባክዎትን ምልክት ያድርጉበት)

1. በመስሪያ ቤቱ ውስጥ እርስዎ ያልዎት ሃላፊነት ምንድ ነው?

   የአይቲ ሃላፊ ☐ ሰራተኛ/ኢንድ ዩዘር ☐

   የኔትወርክ አስተዳዳሪ ☐ ሌላ ከሆነ ይግለጹ፡_____

2. አሁን ባሉት ስራ ላይ የስንት አመት ልምድ አለዎት?

   ከአንድ አመት ያነሰ ☐ 4-5 አመት ☐

   ከ1-3 አመት ☐ ከ5 አመት በላይ ☐

3. በኩባንያው ውስጥ ያልዎት የስራ ልምድ?

   ከአንድ አመት ያነሰ ☐ 4-5 አመት ☐

   ከ1-3 አመት ☐ ከ5 አመት በላይ ☐

4. የትምህርት ሁኔታ

   ኢንፎርሜሽን ኤንድ ኮሚዩኒኬሽን ቴክኖሎጂ ☐

   ኮምፒዩተር ሳይንስ ☐ ከቢዝነስ ጋር የተያያዘ ትምህርት ☐

   ኢንጅነሪንግ ☐ ሌላ ከሆነ ይግለጹ፡ _____

5. ከዚህ በታች ካሉት የቁልፍ ደንበኛ ዝርዝር ውስጥ ራስዎን የቱ ጋር ይመድባሉ?

   የመንግስት አስተዳደር ☐

   አለም አቀፍ ድርጅቶች መንግስታዊ ያልሆኑ ድርጅቶች እና ኤምባሲዎች ☐

   ፕሮዳክሽን ኢንተርፕራይዝ ☐

   የፋይናንስ ኢንስቲቲዩት ☐

   የግል የአገልግሎት ኢንተርፕራይዝ ☐

   የህዝብ አገልግሎት ኢንተርፕራይዝ ☐

ክፍል ሁለት

የኮርፖሬት ማህበራዊ ሀላፊነት

1.የስነምግባር ሃላፊነት	በጣም አልስማማም (1)	አልስማማም (2)	እርግጠኛ አይደለሁም (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
1.1. ኢትዮ ቴሌኮም ማህበረሰቡ እና ስነምግባር በተከተለና በሚጠብቀው መሰረት ቀጣይነት ባለው ሁኔታ ስራውን ያከናውናል					
1.2. ኢትዮ ቴሌኮም አዲስ የስነ ምግባር/የሞራል ህጎችን ያውቃል ያከብራል					
1.3. ኢትዮ ቴሌኮም የድርጅቱን ግቦች ለመምታት ከስነ ምግባር ውጪ የሆኑ ባህሪያትን ያስወግዳል					
1.4. ኢትዮ ቴሌኮም ጥሩ ዜጋዎችን ለማፍራት ጥረት ያደርጋል					
2.ፊላንትሮፒክ ሃላፊነት	**በጣም አልስማማም (1)**	**አልስማማም (2)**	**እርግጠኛ አይደለሁም (3)**	**እስማማለሁ (4)**	**በጣም እስማማለሁ (5)**
2.1. ኢትዮ ቴሌኮም ባህልን እና የማህበረሰቡን የስነ ጥበብ ተግባራት ይደግፋል					
2.2. መሪዎችና ሰራተኞች በአካባቢው ላሉት ማህበረሰቦች ድጋፍ ይሰጣል					
2.3. ኢትዮ ቴሌኮም የግል እና የህዝብ					

የትምህርት ተቋማትን ይደግፋል					
2.4. ኢትዮ ቴሌኮም ለአካባቢው ማህበረሰብ ህይወቱ እንዲቀየር እርዳታ ያደርጋል					
3. የተጠቃሚ ጥበቃ	**በጣም አልስማማም (1)**	**አልስማማም (2)**	**እርግጠኛ አይደለሁም (3)**	**እስማማለሁ (4)**	**በጣም እስማማለሁ (5)**
3.1. ኢትዮ ቴሌኮም የምርቱ ጥራት እንዲሻሻል ጥረት ያደርጋል					
3.2. ኢትዮ ቴሌኮም ቅሬታዎችን ይፈታል					
3.3. ኢትዮ ቴሌኮም የደንበኞች መስፈርትን በማሟላት ምርቶችን ያሻሽላል					
3.4. ኢትዮ ቴሌኮም የደንበኛ አገልግሎት ለማሻሻል ጥረት ያደርጋል					

ክፍል ሶስት ፡-

የደንበኛ እርካታ

4. የደንበኛ እርካታ	**በጣም አልስማማም (1)**	**አልስማማም (2)**	**እርግጠኛ አይደለሁም (3)**	**እስማማለሁ (4)**	**በጣም እስማማለሁ (5)**
4.1. ኢትዮ ቴሌኮም የኮርፖሬት ማህበራዊ ሀላፊነት ፖሊስ እንደጠበኩት ነው፤					
4.2. በአጠቃላይ በኢትዮ ቴሌኮም የኮርፖሬት					

	ማህበራዊ ሀላፊነት ተግባራት ረክቻለሁ፤				
4.3.	በአጠቃላይ በኢትዮ ቴሌኮም ምርት እና አገልግሎት ረክቻለሁ፤				
4.4.	ስለ ኢትዮ ቴሌኮም ለአካባቢዬ ሰው ጥሩ ነገር መናገር እፈልጋለሁ፤				

ተጨማሪ አስተያየት ካለዎት ከዚህ በታች ይግለጹ

_____

_____

_____

_____

አመሰግናለሁ!

Appendix 2- Results of the SPSS test

Appendix 2A-Over all Reliability Test

Reliability Statistics

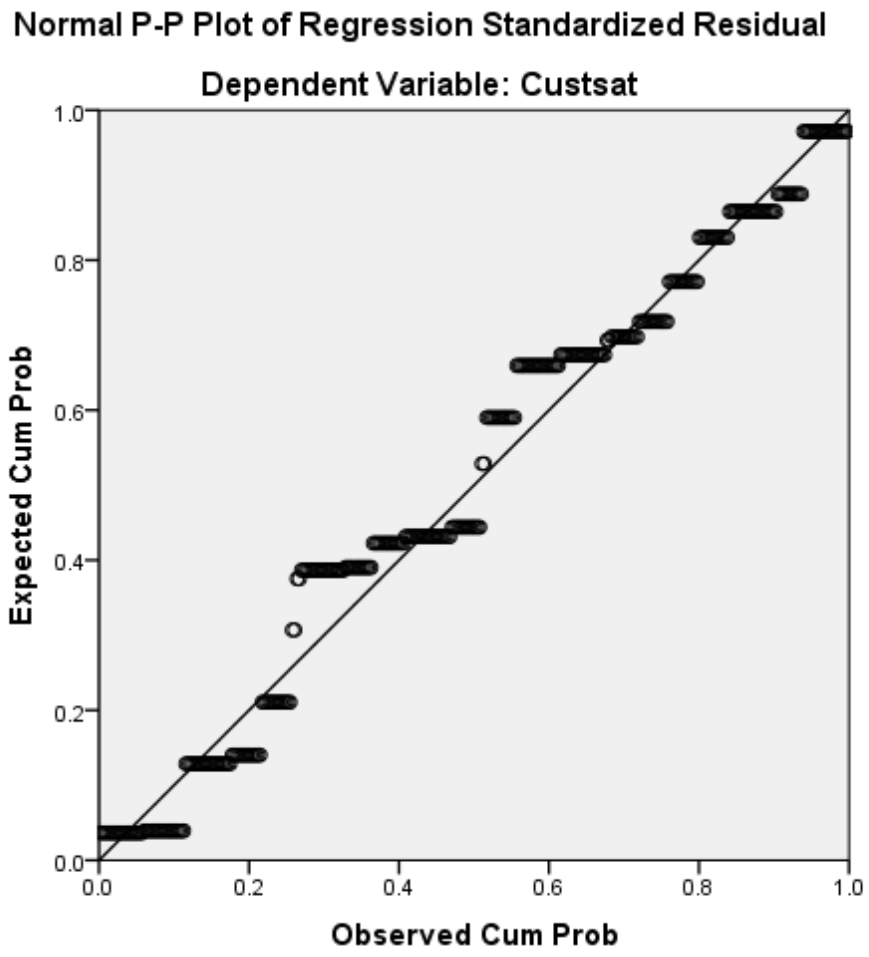
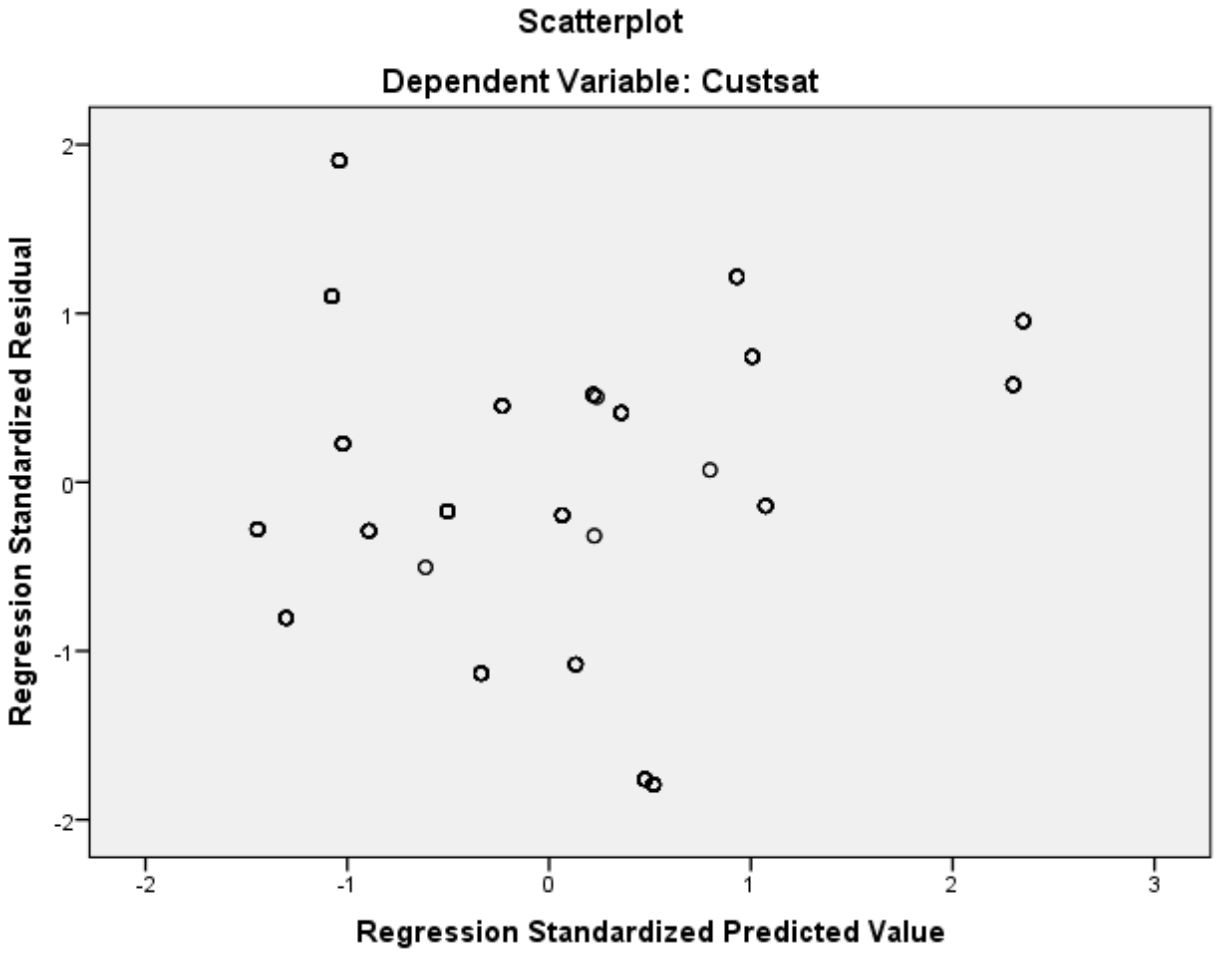
Cronbach's Alpha	N of Items
.851	16

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Ethio Telecom operates in a manner consistent with expectations of societal and ethical norms.	46.9969	77.328	.491	.842
Ethio Telecom recognizes and respects new ethical/moral norms.	46.9846	78.207	.506	.842
Ethio Telecom prevents unethical behaviors in order to achieve organizational goals.	46.6019	77.627	.553	.839
Ethio Telecom make efforts to be good citizenship.	46.5123	80.895	.457	.845
Ethio Telecom supports culture and art activities of local community.	46.9599	75.240	.628	.835
Managers and employees participate in charitable activities of their local communities.	47.0031	75.842	.574	.838
Ethio Telecom supports private and public educational institutions.	47.0247	75.368	.698	.832
Ethio Telecom assists to enhance quality of life in the local community.	47.0031	86.827	.085	.856
Ethio Telecom makes efforts to improve product quality.	46.6142	73.519	.661	.832
Ethio Telecom settles customers' complaints quickly.	46.6389	79.290	.391	.847
Ethio Telecom practices product improvement by customers' requirement.	46.4599	80.354	.305	.852
Ethio Telecom makes efforts to improve customer service.	46.7191	75.379	.478	.844
The policy of CSR of Ethio Telecom meets my expectation.	47.5463	91.283	-.203	.883

Overall, I am satisfied with CSR activities of Ethio Telecom.	47.1451	74.292	.691	.832
Overall, I am satisfied with product and service of Ethio Telecom.	46.9722	72.838	.701	.830
I would like to positively speak to surrounding people about Ethio Telecom.	47.0494	74.889	.750	.830

Appendix 2B –P-P Plot



Appendix2C- Scatterplot