

# Consumer attributions for corporate social responsibility: causes and consequences

Corporate  
social  
responsibility

Kajenthiran Konalingam

*Department of Marketing, University of Jaffna, Jaffna, Sri Lanka*

Achchuthan Sivapalan and Umanakenan Ratnam

*Department of Commerce, University of Jaffna, Jaffna, Sri Lanka, and*

Sivanenthira Sivapiragasam

*Department of Marketing Management, University of Vavuniya, Vavuniya, Sri Lanka*

Received 15 May 2022  
Revised 20 September 2022  
Accepted 27 October 2022

## Abstract

**Purpose** – This study aims to investigate the complex relationship between corporate social responsibility (CSR) dimensions and customer loyalty. In particular, this study suggested an intervening process through customer perceived value, which makes banking customers more loyal.

**Design/methodology/approach** – Using a randomised sample of 261 respondents from the Northern Province of Sri Lanka, this study empirically investigates the role of CSR in enhancing customer value and loyalty. The collected data, the study model and hypotheses were assessed by partial least squares structural equation modelling.

**Findings** – According to the results, CSR practices that are both strategic and stakeholder-driven have a positive effect on customer loyalty in the banking industry. Further, customer perceived-value positively impacts customer loyalty. Besides, customer perceived-value mediates the association between CSR practices and customer loyalty.

**Research limitations/implications** – This study is limited to the banking industry. Thus, future studies can replicate the same research in different sectors like retail, tourism and hospitality, insurance and microcredit institutions, garments, textiles, etc.

**Practical implications** – This study suggests specific dimensions of CSR that need to be emphasised while the banking industry designs its loyalty programs.

**Originality/value** – The notion of customer value has been suggested as a mediating mechanism between diversified CSR perspectives and customer loyalty. Thus, this study proposes a comprehensive framework for enhancing customer loyalty to banks via CSR practices and customer value creation.

**Keywords** Corporate social responsibility (CSR), Customer loyalty, Customer perceived value, Banks

**Paper type** Research paper

## 1. Introduction

Scholars emphasise “corporate social responsibility practices” as one of the marketing strategies for achieving the desired outcomes of a firm. Specifically, corporate social responsibility (CSR) strategies could increase the firm’s image and reputation (Lai *et al.*, 2010), influence customer purchasing decisions (Vyas and Raitani, 2015), boost customer satisfaction (Chung *et al.*, 2015) and foster customer loyalty (Nyadzayo *et al.*, 2016). It has been proven that keeping existing customers is more cost-effective than bringing in new



---

customers (Stanisavljević, 2017). These loyal customers show affection and commitment to the corporation and are not involved in rivals' offerings (So *et al.*, 2013). As a result, businesses should make all possible efforts to keep their customers happy, which encourages them to obtain an advantage over their rivals in the long run (Aksoy, 2013).

Companies use diverse strategic implications to create loyal customers. The different strategies are product and service quality (Bloemer *et al.*, 1998; Dick and Basu, 1994; Ivanauskienė and Volungenaite, 2014; Siddiqi, 2011; Sivadas and Baker-Prewitt, 2000; Wong and Sohal, 2003), enriching the e-platform (Amin, 2016; Ju Rebecca Yen and Gwinner, 2003; Newell, 2001; Nikhashemi *et al.*, 2013; Parasuraman and Grewal, 2000), customer relationship management (Kumar and Shah, 2004; Nyadzayo and Khajehzadeh, 2016; Zineldin, 2000; Bhakane, 2015), positioning brand image (Chi *et al.*, 2009; Hsieh and Li, 2008; Shahroudi and Naimi, 2014; Tu *et al.*, 2012), and CSR (Chung *et al.*, 2015; Luo and Bhattacharya, 2006; Moiescu, 2017; Raman *et al.*, 2012). These days, customers are keen to assess the companies' CSR practices (i.e. environmental protection, supporting philanthropic activities and community volunteering). So, among the different strategies, CSR is getting more prominent among industrialists and academics (Du *et al.*, 2010; Moiescu, 2017).

Researchers investigate the notion of CSR from two perspectives (Berger *et al.*, 2007). One field of research has evolved from management research, emphasising whether a corporation would engage in CSR initiatives and how these activities affect profitability. Besides, research in the marketing literature also looks at how customers evaluate CSR efforts on an interpersonal level. A wide array of research on this subject is conducted from a managerial perspective (van Doorn *et al.*, 2017). In the literature, there has been a call to examine the impact of CSR on consumer behaviour. Only a few studies have looked into the effect of CSR in improving consumer behavioural outcomes, including customer satisfaction, retention and loyalty (Ali *et al.*, 2010; Choi and La, 2013; Blut *et al.*, 2014; Galbreath, 2010; Luo and Bhattacharya, 2006; Shin and Thai, 2015). However, there have been few attempts in the literature to investigate the links between CSR and consumer behaviour in emerging markets (Pratihari and Uzma, 2018).

It is also important to note that while loyalty is included in CSR models as an outcome variable, several factors can affect the relationship between loyalty and CSR (Osakwe and Yusuf, 2021). It has been argued that the association between CSR and customer loyalty to firms is claimed to be complex and extends beyond simple direct linkages (Iglesias *et al.*, 2020). Rather than being a simple relationship, it is a mechanism. As a result, more research is needed to determine the mediators that influence CSR and customer loyalty. It reveals a void in the existing body of knowledge. On the contrary, the concept of customer value is getting more prominent among scholars because customer perceived value (CPV) is a key determinant of consumer behavioural responses (Carlos Fandos Roig *et al.*, 2006). Thus, we are keen to investigate how CSR practices influence perceived value, which in turn enhances customer loyalty in the banking industry.

There is high competition among banks and other financial institutions to retain customers, so conducting an in-depth study on how CSR can make customers more likely to stay with them is essential. Banking customers are exposed to switching behaviours because of various specialized financial institutions (i.e. insurance, investment banks, micro-finance, wealth management and brokerage firms) (Moghavvemi *et al.*, 2018). Customers' switching behaviours are the major challenge for commercial banks (Koutsothanassi *et al.*, 2017). As a result, commercial banks are eager to learn how to improve customer loyalty to reduce customer switching behaviour and retain customers. Thus, this research explores the relationship between CSR, perceived value and customer loyalty.

---

This research is significant both academically and practically. This study presents a mediated mechanism that will enhance customer loyalty to banks from an academic perspective. The findings reveal that there are intricate connections between CSR dimensions and customer loyalty to commercial banks. In addition, the consumer attribution theory (CAT) is used in this study to link CSR and its dimensions with perceived value and consumer loyalty. The review of the literature section explains this theoretical background. Further, our research broadens the scope of this theory's applicability and provides a deeper understanding of it in a banking setting. Overall, the findings of this research add to the body of knowledge about customer behaviour and banking. In practice, this study provides commercial banks with advice on which specific CSR qualities they should enhance to improve perceived value and loyalty to their institutions.

## 2. Review of related literature and development of hypotheses

### 2.1 Corporate social responsibility

Today, CSR efforts are recognised as one of the commercial marketing strategies (Pratihari and Uzma, 2018). Therefore, researchers and industrialists have shown a substantial interest in CSR (Pratihari and Uzma, 2018; Pirsch *et al.*, 2007; He and Li, 2011; Nejati and Ghasemi, 2012). In the early days, the firm's goals and objectives focused on sales volume, revenues and market share; however, it was also directed to attain the organisation's social contributions (Samra and Wady, 2017). CSR is simply defined as "the responsibility of the entrepreneur for his or her influences on society" (Commission of the European Communities, 2011). CSR is essential to various corporations' mission statements, strategies and policies to trigger longer-term success and profits (Pratihari and Uzma, 2018).

### 2.2 Corporate social responsibility in consumer's perspective

It is common for customers to believe that a company's motivations are either profit-oriented (egoistic and strategy-driven) or benevolent (values or stakeholder-driven). The profit-centred concept of CSR emphasises profit rather than social responsibility. A firm's primary purpose in CSR projects is to benefit from the cause rather than assist society, as evidenced by egoistical incentives. Besides, strategic-driven motivations are self-centred assertions that companies sponsor CSR events to accomplish business objectives (e.g. increase market share, improve brand recognition and create a favourable impression) and leverage these social causes to achieve those objectives. Conversely, benevolence-centred incentives are more concerned with meeting society's needs than exploiting those needs for the firm's benefit. For instance, the stakeholder perspective implies that customers may believe businesses engage in CSR activities to please their stakeholders. Additionally, value-driven motives are linked to discretionary actions. Customers may feel that enterprises care about society and act very morally.

### 2.3 Corporate social responsibility in the banking industry

There is now a universal requirement that banks practice CSR engagements to achieve their financial and non-financial goals. Notably, these engagements help banks to build lasting, mutually beneficial relationships with their customers (Hur *et al.*, 2018). However, compared to other businesses like manufacturing, hospitals, education, hotels and tourism and retailing, the financial services industry's direct impact on the environment is noticeably smaller (Branco and Rodrigues, 2006). In contrast, financial organisations consume enormous amounts of resources from the environment, such as land, machinery, men, materials, stationaries and energy, as well as produce waste. Because of this, financial institutions like banks place a high priority on their policies that promote the reduction of

---

their environmental impact and the reuse and recycling of materials (Cheng *et al.*, 2021). As a result of their superior expertise and understanding of CSR, larger companies create and implement CSR to attract and maintain their profitable customers (Palazzo *et al.*, 2020). Similarly, the banks in Sri Lanka are experiencing more competition. Thus, they are using and adopting CSR practices to earn higher margins, create loyal customers, build trust in their bank and its services, position a positive bank image and prevent negative publicity. Also, they disclose their CSR initiatives and other community outreach in their annual report (Pirithiviraj and Kajendra, 2010).

---

#### *2.4 Customer loyalty and effect of corporate social responsibility*

Loyal customers are an organisation's most valuable asset in this hyper-competitive industry. As a result, banks must have a solid and loyal customer base to operate successfully in the competitive retail banking industry. Customer loyalty improves a company's reputation, revenues and financial performance (Lee *et al.*, 2017; Vlachos *et al.*, 2009; Martinez and Del Bosque, 2013). On the contrary, enhancing customer loyalty is considered a complex practice and also a managerial issue (Dick and Basu, 1994; Bowen and Chen McCain, 2015). As a result, the concept of "customer loyalty" has become a central theme in consumer marketing research (Blut *et al.*, 2014), and it is seen as a critical goal for a company's survival and success (Armstrong *et al.*, 2014).

Customer attitudes, purchasing intentions and loyalty improved as a result of CSR (Chung *et al.*, 2015). CSR is increasingly focused on consumer behavioural research (Raman *et al.*, 2012), and it has evolved into a potent instrument for establishing and maintaining customer loyalty. Indeed, CSR appears to have a considerable benefit in valuing consumer services, which positively affects customer loyalty (Crespo and del Bosque, 2005). Liu and Ji (2010) conducted a study in the Chinese dairy sector, confirming a strong association between CSR and consumer loyalty. Additionally, Pelozo and Shang (2011b) revealed that CSR activities enhance customer loyalty and mitigate a business's reputational risk during a poor phase. Sen *et al.* (2006) observed that when customers are aware of a company's CSR initiatives, they are more willing to work for the company and buy its products and services than customers who do not know about CSR. Mandhachitara and Poolthong (2011) evaluated the relationship between CSR and customer loyalty, discovering that CSR has a significant positive impact on consumer loyalty. Chen *et al.* (2012) found that consumer loyalty is strongly associated with social responsibility. Besides, some research suggests a relationship between CSR and loyalty (Diallo and Lambey-Checchin, 2016; Ailawadi *et al.*, 2014; Samra and Wady, 2017; Bediako, 2017). However, the impact of four key approaches of CSR in the light of egoistic, strategic, stakeholder and value driven aspects on customer loyalty has rarely been investigated in the extant literature.

In this study, the consumers attribution theory (CAT) is used to provide a theoretical underpinning for the association between CSR and consumer loyalty. CAT is a theory that explains how people derive meaning from their self-concept and how this influences their attitudes and behaviour (Heider, 2013). According to Bitner (1990), attributions are people's interpretations of the reasons for their actions or the events they witness. Observing a single person's behaviour toward a stimulus object over a period of time allows for attribution. As a result, psychologists anticipated that the stimulus item would affect the person's perception rather than the thing itself (Sparkman and Locander, 1980). Attribution theory, as defined by Foreh and Grier (2003), is the process through which buyers analyse marketer causes and how these reasons impact customers' attitudes and behaviours. Companies that engage in socially responsible activities attract and retain more customers. As a result, businesses strive to improve their goodwill and reputation, image (Lai *et al.*, 2010), customer

---

loyalty and trust (Martínez and Del Bosque, 2013), consumer behaviour (Becker-Olsen *et al.*, 2006) and customer satisfaction (Hsu, 2012). The preceding theoretical argument suggests that four major CSR dimensions (i.e. egoistic, strategic, stakeholder and value-driven) uniquely influence customer loyalty because of varied consumer attributions. Hence, the following hypotheses are proposed:

- H1. Egoistic-driven CSR has a positive effect on customer loyalty.
- H2. Strategic-driven CSR has a positive effect on customer loyalty.
- H3. Stakeholder-driven CSR has a positive effect on customer loyalty.
- H4. Value-driven CSR has a positive effect on customer loyalty.

### *2.5 Corporate social responsibility and customer perceived value*

Firms that identify and develop their customers' distinctive and compelling advantages can build products and services that provide customers with long-term benefits, resulting in continuous growth and profitability (Kusumawati and Rahayu, 2020). Despite this, the relationship between CPV and CSR has rarely been examined in existing marketing literature. As a result, the researcher used social contract theory (SCT) to draw a link between the two notions. According to the SCT, society's members enter into a series of social contracts (Moir, 2001). Businesses are also considered to be community members, and their success depends on the support and collaboration of their customers, employees and other citizens (Moir, 2001; Jebarajakirthy *et al.*, 2016). Thus, firms must meet societal expectations, particularly customer expectations (Jebarajakirthy *et al.*, 2016).

Based on the SCTs tenets, it follows logically that service-oriented businesses should engage in CSR activities to add value to their consumers. Accordingly, it is stated that customers want firms to act responsibly (Luo and Bhattacharya, 2006). A survey conducted by Cone (2010) revealed that 83% of customers in the USA believe that firms should conduct their operations socially responsibly. It implies that customers have social expectations of the businesses with whom they transact. Additionally, the organisations' CSR actions are inextricably associated with perceived social or stakeholder responsibilities (Luo and Bhattacharya, 2006). The preceding discussion suggests a possible association between CSR dimensions and CPV. The following hypotheses are formulated in light of the prior discussion:

- H5. Egoistic-driven CSR has a positive influence on CPV.
- H6. Strategic-driven CSR has a positive influence on CPV.
- H7. Stakeholder-driven CSR has a positive influence on CPV.
- H8. Value-driven CSR has a positive influence on CPV.

### *2.6 Customer perceived value and customer loyalty*

Nowadays, customers are increasingly value-conscious, and they are more likely to remain loyal to organisations that they perceive to be providing substantial value (El-Adly and Eid, 2016). Service organisations, such as banks and financial institutions, must become value providers to differentiate themselves from competitors, increase profits and increase their chances of survival in the future (Carlos Fandos Roig *et al.*, 2006). Further, they must provide and make sure their customers get better value than their competitors

---

(Monferrer *et al.*, 2019). Recent studies indicate that in a market setting, consumer perceived value may be a more precise predictor of repurchase intentions than customer satisfaction (Hsu and Lin, 2015). CPV influences purchase intention (Li and Petrick, 2008; Tuškej *et al.*, 2013; Nikhashemi *et al.*, 2016), commitment and customer brand loyalty (Chen and Hu, 2010; Sirdeshmukh *et al.*, 2002). Additionally, Kusumawati and Rahayu (2020) claim that perceived value is a fundamental component of customer loyalty and that greater levels of consumer perceived value result in increased levels of customer loyalty, which ultimately determines an organisation's success (Nikhashemi *et al.*, 2016; Ishaq, 2012; Chen and Hu, 2010). The preceding discussion reveals that CPV positively affects customer loyalty. As a result, the following is hypothesised:

*H9.* Customer perceived value has a positive influence on customer loyalty.

### *2.7 Mediating effects of customer perceived value*

CPV has become a key criterion for developing managerial strategies for formulating, communicating and delivering value to customers (Kotler and Keller, 2016). As a result, academics recognise perceived value as a significant factor in today's economy (Ishaq, 2012) and a source of competitive advantage (Nikhashemi *et al.*, 2016). The researchers investigated the relationship between CPV and loyalty (Piyathasanan *et al.*, 2015; Lam, 2016; Shi *et al.*, 2017). Despite this, the literature on the impact of CSR on perceived value and perceived value as a mediator between CSR and consumer loyalty is lacking. This research attempts to address this gap by exploring the relationships between CSR, consumer perceived value and customer loyalty among banking customers in an emerging economy. In light of the above discussion, the researcher formulates the following hypotheses:

*H10.* CPV mediates the relationship between egoistic-driven CSR and customer loyalty.

*H11.* CPV mediates the relationship between strategic-driven CSR and customer loyalty.

*H12.* CPV mediates the relationship between stakeholder-driven CSR and customer loyalty.

*H13.* CPV mediates the relationship between value-driven CSR and customer loyalty.

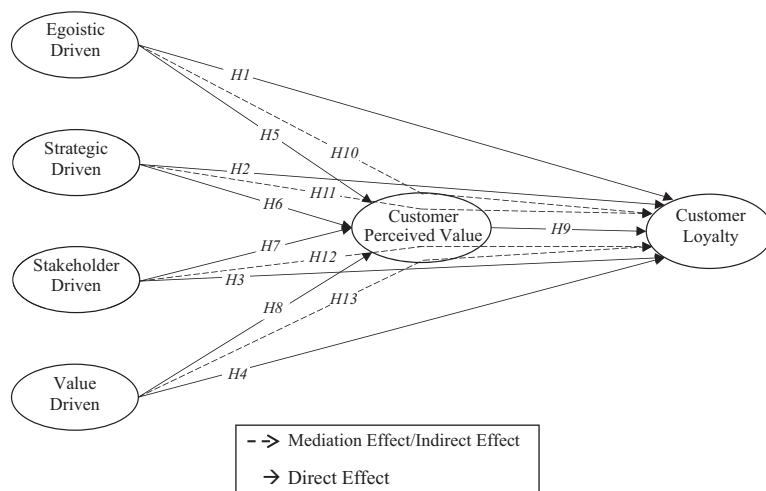
### *2.8 Conceptual model*

Figure 1 illustrates a conceptual model developed for this study based on the literature review and the hypothesised linkages.

## **3. Methods of study**

### *3.1 Research design*

A casual research approach under a conclusive research design was used in this study to approach the research questions systematically and effectively (Bougie and Sekaran, 2019). Besides, this study focuses on the interactions between CSR dimensions, CPV and customer loyalty among banking customers. Thus, quantitative data is required to uncover causal relationships between constructs. As a result, the cross-sectional survey strategy is best suited for this research study.



**Figure 1.**  
Proposed conceptual  
model

### 3.2 Sample and survey design

This study sample reflected banking consumers who maintained accounts with chosen licensed commercial banks in Sri Lanka (two state-owned and four private). To guarantee that data was obtained from customers who were aware of their bank's CSR operations, researchers asked three screening questions: "Banking experience with your bank", "Do you know if your bank engages in any CSR initiatives?" and "If yes, what types of activities are you aware of?"

To enhance the respondents' understanding, we add some specific CSR activities of banks with examples of each activity. The specific activities of the banks' CSR engagements are educating the community, community and livelihood development, health care, entrepreneurship development, environmental protection and conservation. Only those respondents who qualified based on our screening criteria were considered to proceed to the rest of the survey. Furthermore, to ensure loyal bank customers, we were questioned about the "banking experience of the customers", which was divided into five categories: less than 5 years, 6–10 years, 11–15 years and more than 15 years. In this respect, 43.3% of respondents in this survey have banking transactions with their bank for between 6 and 10 years, 22.6% for between 11 and 15 years, 19.5% for less than 5 years and 14.6% for more than 15 years.

The survey was conducted in person by visiting chosen bank outlets in the Island's Northern part. Customers who visited these locations on the day of the study were asked to fill out the questionnaire. Formal approval was received from the banks' authorised representatives. Based on that, the data was collected from December 2019 to March 2020. The researchers chose Monday, Wednesday and Friday as the days for data collection. On the weekdays, as mentioned earlier, research assistants were deployed to the various branches of the selected banks to administer the survey between the hours of 11 a.m. and 3 p.m. This survey was administered to five customers who made transactions at bank branches every hour. Respondents can complete and return the survey on the spot or at a later date and time. Individuals who chose the second option received postage-paid self-addressed envelopes. Furthermore, these respondents were chosen using a systematic sampling technique. Paper-based surveys were administered to 550 banking customers, of

which 420 were eligible to participate in the survey. We received 261 usable surveys from the respondents and used them for analysis. The demographic features of the respondents are summarised in [Table 1](#). Non-response bias impacts survey-based studies ([Deutskens et al., 2006](#)). The independent samples *t*-test found that there were no significant differences between early and late responders in study variables. This indicates that there is no non-response bias.

### 3.3 Development of survey measures and instruments

The survey instrument's items were obtained from previously validated scales, but they were ensured to be appropriate for the study's context. The instrument was evaluated by a panel of specialists consisting of three academics with competence in marketing disciplines and two senior marketing professionals with experience in CSR operations.

The questionnaire was divided into three parts. The first had information on the respondents' demographic characteristics; the second featured the screening question; and the last contained items evaluating the research constructs. The dimensions of CSR (i.e. EGO, STD, STH and VAL) were operationalised using items sourced from [Ellen et al. \(2006\)](#). Specifically, three (03) items have been used to operationalise each EGO, STD, STH and

Category	<i>N</i>	(%)
<i>Respondents' age</i>		
18–30	96	36.8
31–40	89	34.1
41–50	54	20.7
Above 51	22	8.4
<i>Respondents' marital status</i>		
Single	160	61.3
Married	101	38.7
<i>Respondents' gender</i>		
Male	121	46.4
Female	140	53.6
<i>Respondents' educational background</i>		
G.C.E. (O/L)s and lower	3	1.1
G.C.E. (A/L)s	95	36.4
Graduates	124	47.5
Post-graduates	29	11.1
Professional qualifications	10	3.8
<i>Respondents' occupation</i>		
Government	87	33.3
Private	83	31.8
Business	16	6.1
Self-employed	22	8.4
Semi-government	9	3.4
Student	33	12.6
Management trainee	11	4.2
<i>Respondents' monthly income of the family</i>		
Below LKR 50,000	81	31.0
LKR 50,000–100,000	95	36.4
LKR 100,000–150,000	58	22.2
LKR 150,000–200,000	24	9.2
Over LKR 200,000	3	1.1

**Table 1.**  
Respondents'  
demographics  
(*n* = 261)



---

VAL variable. CPV was measured using five items obtained from [El-Adly and Eid \(2016\)](#) and [Carlos Fandos Roig et al. \(2006\)](#), whereas ten items were adopted from [Chaudhuri and Holbrook \(2001\)](#), [Sirdeshmukh et al. \(2002\)](#) and [Foster and Cadogan \(2000\)](#) to operationalise customer loyalty.

All items used to measure research variables were operationalised using a seven-point Likert scale ranging from 1 to 7, with one representing “strongly disagree” and seven representing “strongly agree”. However, “odd scales” as the midway value do not adequately reflect the respondent’s natural reaction ([Coulthard, 2004](#); [Laroche et al., 2004](#)). [Laroche et al. \(2004\)](#) argued in favour of this approach, stating that Asian respondents frequently seek to maintain harmonious relationships and avoid providing excessive rankings. Indeed, some people may choose the point of agreement in the middle. As a result, scales lacking midpoints compel respondents to select either positive or negative responses ([Galahitiyawwe, 2013](#)). As a result of the preceding, we omitted the midpoint from our Likert scale. Besides, researchers conducted a pilot test with 30 bank customers to ensure the internal consistency of the study’s measures. Cronbach’s alpha and item-total correlation analysis were used to examine the measurement’s internal reliability. In this cue, the CSR and its subscales, perceived value and customer loyalty, maintained the internal reliability, where Cronbach’s alpha was above 0.6 ([Nunnally, 1978](#)). At the same time, the item-total correlations for each item were greater than 0.3 ([Lu et al., 2007](#)). With the help of the participants who took part in the pilot study, researchers modified certain words that made respondents inconvenience or challenging to answer. The survey was conducted in Tamil and English, with respondents allowed to select any language. Bilingual researchers used a translation and back-translation method to ensure that survey items’ meanings were consistent between the two languages.

### 3.4 Common method bias

Statistical and procedural solutions were used to address the CBM. We used Harman’s single factor test to check that common method bias (CMB) did not exist statistically ([Podsakoff et al., 2003](#)). The Harman one-factor test was applied to rule out any potential concerns ([Podsakoff and Organ, 1986](#)). A factor analysis of six focal constructs produced a six-factor solution that explained 72.76% of the total variance, with factor one accounting for 14.25%. A common technique bias is unlikely to exist in these data, as no single component emerged, and factor one did not account for the majority of variation. As a result, there is no chance of CMB occurring ([Lindell and Whitney, 2001](#)). From a procedural standpoint, we assured respondents that their identities would be protected and stated that we were interested in genuine responses to the survey items rather than correct or incorrect responses. We also gave them the option to quit the survey if necessary. So, the CMB problem was dealt with both from a procedural and a statistical point of view.

## 4. Analysis

This study uses the partial least squares (PLS) technique, which is a variance-based structural equation modelling (SEM) method, to assess the hypotheses. PLS is well-matched for this investigation for two reasons: first, the research model is quite complicated because of the hypotheses’ types of associations (direct and mediation) and second, the study is focused on predicting and explaining variance in key target dimensions. ([Roldán and Sánchez-Franco, 2012](#); [Chin et al., 2003](#)). Thus, the PLS-SEM was performed using the SmartPLS 3.0 tool. Consequently, the PLS-SEM model was conducted in two phases: the measurement model (outer model) and the structural model (inner model).

#### 4.1 Assessment of the measurement model

The conceptual model's entire structure is reflective, and the criteria for the reflective measurement model are summarised in Table 2. Accordingly, all model evaluation requirements were met, indicating that the model's reliability and convergent are strong. Table 2 shows that each independent variable's factor loading, Cronbach's alpha and composite reliability were above 0.7, indicating that the indicators combined adequately assess each construct (Hair *et al.*, 2013). Each construct's average variance extracted (AVE) varies from 0.607 to 0.728, exceeding the 0.5 requirements (Götz *et al.*, 2010). As a result, all latent constructs in the model share a greater proportion of their variance (50% or greater) with their own indicators than other latent variable indicators. The results have proved that the measurement model as a whole exhibits internal consistency and convergent validity (Hair *et al.*, 2013).

The discriminant validity of the measures was determined using the method proposed by Fornell and Larcker (1981). Table 3 revealed that the square root of AVE for each

Construct	Statements	Factor loading
Egoistic driven $\alpha = 0.741$ , CR (0.848), AVE (0.652)	This bank is involved in CSR activities for the purpose of a tax write-off	0.735
	This bank takes advantage of the non-profit organisation to help its own business	0.831
	This bank takes advantage of the cause to help their own business from its CSR activities	0.850
Strategic driven $\alpha = 0.741$ , CR (0.852), AVE (0.659)	This bank will keep more customers by involving in CSR activities	0.864
	This bank will attract more new customers by doing CSR programs	0.860
	This bank aims to increase profits by doing CSR activities	0.702
Stakeholder driven $\alpha = 0.814$ , CR (0.889), AVE (0.728)	This bank feels that their customers expect CSR activities	0.817
	This bank feels that their stakeholders expect it	0.881
	This bank feels that society, in general, expects CSR activities	0.861
Value driven $\alpha = 0.772$ , CR (0.868), AVE (0.687)	This bank feels that morally obligated to help	0.809
	This bank has a long-term interest on the community	0.855
	This bank is trying to give back something to the community through its CSR activities	0.821
Customer perceived value $\alpha = 0.838$ , CR (0.885), AVE (0.607)	Compared to other banks, this bank offers attractive services	0.797
	Compared to alternative banks, this bank charges me fairly for similar services	0.764
	Compared to alternative banks, this bank provides more free services	0.735
	Comparing what I pay to what I might get from other competitive banks, I think this bank provided me with good value	0.801
Customer loyalty $\alpha = 0.930$ , CR (0.941), AVE (0.614)	The personnel knows about all the services offered by this bank	0.796
	I consider this bank as my first choice when I need banking services	0.767
	This bank provides unique services, compared to other banks	0.822
	I wouldn't give up being a customer even if a competitor came up with a better offer	0.746
	In comparison to other banks, this bank is growing in popularity	0.729
	I say positive things about this bank to other people	0.774
	I recommend this bank to someone who seeks my advice	0.802
	I encourage others to do their banking activities with this bank	0.827
I will continue to be a customer of this bank	0.806	
I will use this bank the next time when I need new service	0.757	
I will do most of my banking with this bank	0.801	

**Table 2.**  
Measurement model  
summaries and  
insights

**Notes:**  $\alpha$ : Cronbach's  $\alpha$ ; CR: construct reliability; AVE: average variance extracted

Construct	1	2	3	4	5	6
1. Customer perceived value	0.779					
2. Customer loyalty	0.749** (0.838)	0.784				
3. Egoistic driven	0.394** (0.477)	0.413** (0.474)	0.807			
4. Strategic driven	0.420** (0.520)	0.488** (0.577)	0.626** (0.855)	0.812		
5. Stakeholder driven	0.328** (0.387)	0.405** (0.464)	0.485** (0.609)	0.565** (0.740)	0.853	
6. Value driven	0.485** (0.503)	0.437** (0.514)	0.401** (0.515)	0.454** (0.607)	0.55** (0.693)	0.829

**Notes:** The square root of each latent construct's AVE is represented by the diagonal value. \*\*Correlation is significant at  $p < 0.01$ . HTMT stats are shown in italic letters within the bracket

**Table 3.**  
Fornell–Larcker  
checking  
discriminant validity

construct on the upper diagonal was bigger than the respective off-diagonal correlation coefficients, implying that the scales were discriminantly valid (Fornell and Larcker, 1981). Also, the heterotrait–monotrait (HTMT) values are bolded in the same table. HTMT values for all pairs of constructs are below the threshold of 0.90. Therefore, it can be concluded that there is satisfactory discriminant validity among the constructs (Hair *et al.*, 2013). So, each construct's indicator is not substantially associated with the other constructs in the model.

#### 4.2 Hypothesis testing

The model's path coefficients are used to gauge the strength of the study's hypotheses. As a result, the hypotheses were examined in two tiers: direct effect testing and mediation effect testing. To test the statistical significance of the path coefficients, we used bootstrapping (with 2,000 resamples) to generate standard errors and *t*-statistics. The suggested model's VIF values were below the cutoff value of 5.0, indicating that the model does not exhibit multicollinearity. The proposed model's findings in Table 4 show that strategic-driven ( $\beta = 0.151^{**}$ ) and stakeholder-driven ( $\beta = 0.105^{**}$ ) CSR dimensions significantly and positively affect customer loyalty to banks. Along these lines, *H2* and *H3* were accepted. Nevertheless, egoistic-driven ( $\beta = 0.016^{ns}$ ) and value-driven ( $\beta = -0.01^{ns}$ ) did not significantly influence customer loyalty. As a result, *H1* and *H4* were not supported.

Another finding was that egoistic-driven ( $\beta = 0.157^{**}$ ), strategic-driven ( $\beta = 0.186^{**}$ ) and value-driven ( $\beta = 0.368^{***}$ ) were all statistically significant and positively associated with CPV. Thus, *H5*, *H6* and *H8* were accepted. Though CPV was not significantly influenced by stakeholder-driven ( $\beta = -0.056^{ns}$ ), thus *H7* was not supported. More specifically, CPV ( $\beta = 0.65^{***}$ ) significantly and positively affected customer loyalty. Hence *H9* was accepted.

Following that, we investigated mediation effects, beginning with the requirements for the mediation procedure. According to Schneider *et al.* (2005), the requirements are met when there is a significant association between the predictor and the mediator and between the mediator and the outcome variable. CPV was studied using the model proposed (the direct effects of each dimension of CSR on CPV). The results showed that, with the exception of stakeholder value, all other dimensions, such as egoistic-, strategic- and value-driven, had significant effects on CPV. Furthermore, CPV was found to have a significant impact on customer loyalty.

Multiple methods were used in this study to test for mediation effects of consumer perceived value on the relationship between CSR dimensions and customer loyalty. (Hair *et al.*, 2013; Preacher and Hayes, 2008). To investigate mediational hypotheses, researchers used the Barron and Kenny technique, the bootstrapping method, and the variance-account for (VAF). To help with the Barron and Kenny technique, we ran non-mediated direct and indirect effects, both shown in Table 4. As shown in non-mediated direct effects, strategic-driven ( $\beta = 0.151^{**}$ ) and stakeholder-driven ( $\beta = 0.105^{**}$ ) had a significant impact on customer loyalty, whereas egoistic-driven ( $\beta = 0.016^{ns}$ ) and value-driven ( $\beta = -0.01^{ns}$ ) did not have significant impact on customer loyalty.

Partial and full mediation effects are two different types of mediation effects. Full mediation is assumed if only the indirect effect is important and the direct effect is negligible, rather than partial mediation (Cheung and Lau, 2008). Table 5 gives a snapshot of the mediation's effects. In conformity with the findings of Table 5, CPV completely mediates the impact of egoistic (direct-effect =  $0.016^{ns}$ ; indirect-effect =  $0.102^{**}$ ) and value-driven (direct-effect =  $0.010^{ns}$ ; indirect effect =  $0.24^{***}$ ) on customer loyalty. Another finding showed that CPV partially mediated the relationships between strategic-driven and customer loyalty (direct-effect  $0.151^{**}$ ; indirect-effect  $0.121^{**}$ ). Nevertheless, CPV did not

Hypothesis/path relationships	( $\beta$ )	<i>t</i> -value	Decision
<i>Direct effects</i>			
EGO → CUL	0.016 <sup>ns</sup>	0.341	Not accepted
STD → CUL	0.151**	2.687	Accepted
STH → CUL	0.105**	2.135	Accepted
VAL → CUL	-0.01 <sup>ns</sup>	0.207	Not accepted
EGO → CPV	0.157**	2.064	Accepted
STD → CPV	0.186**	2.438	Accepted
STH → CPV	-0.056 <sup>ns</sup>	0.741	Not accepted
VAL → CPV	0.368***	4.811	Accepted
CPV → CUL	0.65***	14.812	Accepted
<i>Indirect Effects</i>			
EGO → CPV → CUL	0.102**	2.247	
STD → CPV → CUL	0.121**	2.541	
STH → CPV → CUL	-0.037 <sup>ns</sup>	0.735	
VAL → CPV → CUL	0.24***	4.421	

**Table 4.**  
Structural model's  
findings

**Notes:** ns: not significant; \*\*\* $p < 0.001$ , \*\* $p < 0.01$ ; EGO: egoistic-driven, STD: strategic-driven; STH: stakeholder-driven; VAL: value-driven; CPV: customer perceived value; CUL: customer loyalty

mediate the association between stakeholder-driven (direct-effect 0.105\*\*; indirect-effect -0.037<sup>ns</sup>) and bank customer loyalty. Furthermore, in the case of stakeholder-driven, the requirement of mediation (i.e. stakeholder-driven → CPV  $\beta = -0.056$ <sup>ns</sup>) was not met.

The VAF refers to the size of the indirect effect with respect to the overall effect (i.e. the direct effect plus the indirect effect) (Hair *et al.*, 2013). Full mediation is indicated by a VAF greater than 80%, partial mediation is indicated by a VAF between 20% and 80% and no mediation is indicated by a VAF less than 20%.

Accordingly, the mediation's VAF value for CPV for egoistic-driven and value-driven were 86.4% and 96%, respectively, indicating consumer perceived-value fully mediates the effects of egoistic- and value-driven on customer loyalty. For strategic-driven, the mediation effects of CPV accounted for 44.5% of VAF. Ultimately, strategic-driven impacts on customer loyalty are partially mediated by CPV. Overall, the results show that *H10*, *H11* and *H13* were supported, and *H12* was not supported.

On the other extreme, coefficients of determination ( $R^2$ ) show how much the predictor variable can account for variance in an endogenous construct. According to Falk and Miller (1992), the cutoff value for  $R^2$  should be more than 10%. Our proposed model explains 60.55% of the variance in customer loyalty ( $R^2 = 0.605$ ), indicating that the proposed model has adequate explanatory power on customer loyalty.

#### 4.3 Predictive relevance

The model's predictive relevance was determined via Stone-Geisser's  $Q^2$  parameters (Götz *et al.*, 2010). This can be used to assess the predictive relevance of endogenous latent variables (dependent variables) and is supplementary to  $R^2$ . Perceived customer value and customer loyalty are endogenous latent variables in our analysis. According to Henseler *et al.* (2015), the  $Q^2$  values of 0.02, 0.15 and 0.35 indicates that the endogenous variables have a minor, medium or substantial predictive relevance, respectively. As a result, CPV and customer loyalty in the model had  $Q^2$  values of 0.163 and 0.34, respectively,

**Table 5.**  
Overview of  
mediation's results

Path	Direct effect		Indirect effect via CPV		Decision
	95% CI	t-value	95% CI	t-value	
EGO → CUL	0.016 <sup>ns</sup> (-0.081 to 0.103)	0.341	0.102 <sup>**</sup> (0.005-0.192)	2.247	Full mediation
STD → CUL	0.151 <sup>**</sup> (0.048-0.269)	2.687	0.121 <sup>**</sup> (0.026-0.225)	2.541	Partial mediation
STH → CUL	0.105 <sup>**</sup> (0.015-0.198)	2.135	-0.037 <sup>ns</sup> (-0.133 to 0.067)	0.735	No mediation
VAL → CUL	-0.010 <sup>ns</sup> (-0.103 to 0.100)	0.207	0.24 <sup>***</sup>	4.421	Full mediation

**Notes:** ns: not significant; \*\*\* $p < 0.001$ , \*\* $p < 0.01$ ; EGO: egoistic driven; STD: strategic driven; STH: stakeholder driven; VAL: value driven; CPV: customer perceived value; CUL: customer loyalty

---

inferring that the suggested framework would have medium predictive relevance for both CPV and customer loyalty.

#### 4.4 Predictive validity

Two methodologies were used to test the predictive validity of the advocated model. Initially, a cross-validation technique was performed. Based on the study by [Reguera-Alvarado et al. \(2016\)](#), the sample was divided randomly into two sample groups of 131 and 130 complete cases, respectively. The proposed model was then applied to each subsample. For both subsamples, all relationships between variables followed the same pattern (positive or negative, significant or insignificant). Both subsamples had similar  $R^2$  values for perceived value and customer loyalty (first half, 39.5% and 59.8% for CPV and customer loyalty, respectively; the second half, 34.2% and 63.6% for CPV and customer loyalty, respectively). In a sense, it can be assumed that the findings have predictive validity.

### 5. Discussion

We proposed a mediated model to enhance customer loyalty to banks via CSR. The first set of findings focused on the direct impact of CSR dimensions on customer loyalty. The results indicated that both the strategic and stakeholder-driven elements of CSR positively affected consumer loyalty. These findings corroborate prior research ([Öberseder et al., 2013](#); [Vlachos et al., 2009](#); [Van Den Berg and Lidfors, 2012](#)). The results implied that the intensive competition in the banking sector encourages involvement in more corporate social activities to build customer loyalty.

Further, the findings revealed that egoistic- and value-driven drivers are not significantly associated with loyalty. The insignificant effects of egoistic driven might be because customers believe that the fundamental goals of banks are participating in CSR efforts, which would be to profit themselves (for example, a tax write-off, using a non-profit organisation, and assisting their own business) instead of supporting or helping society ([Skarmees and Leonidou, 2013](#)). Because of this excessive self-motive of banks' CSR involvement, customers perceive CSR as a predetermined effort to mislead them into erroneous notions about social ethics. Therefore, customers do not seriously consider the bank's egoistic motives behind CSR initiatives when they decide to continue their banking activities/transactions. At the same time, customer evaluation of the value-driven CSR initiatives of banks does not enhance their loyalty to banks.

As discussed, there has been scant research on the association between CSR dimensions and CPV. Therefore, we hypothesised the direct effects of CSR attributes on CPV. The findings revealed that CSR dimensions such as egoistic-, strategic- and value-driven significantly impact CPV. This research suggests that banks' CSR initiatives could provide their customers with additional benefits/utilities (e.g. consumer self-enhancement and self-esteem). This conclusion is congruent well with the existing research findings ([Peloza and Shang, 2011a](#); [Staudt et al., 2014](#)). Even though the stakeholder-driven motives of CSR and CPV are not significantly associated. The possible explanation for this insignificant result is that banking customers may believe banks engage in CSR activities because of pressures from stakeholders. Thus, owing to pressures from stakeholders, CSR practices did not influence much on customer value perception in the banking context.

The results show that CPV positively influences customer loyalty. CPV is widely regarded as the key motivator of customer loyalty. This study's findings are in accordance with existing research ([Hsu and Lin, 2015](#); [Floh et al., 2014](#); [Nikhashemi et al., 2016](#); [Ishaq, 2012](#); [Sirdeshmukh et al., 2002](#)). Another set of hypotheses focused on the mediating role of CPV in the relationship between CSR dimensions and customer loyalty. CPV was found to

---

partially mediate the link between strategic-driven and customer loyalty and fully mediate the link between egoistic-driven, value-driven and customer loyalty. These findings acknowledge the role of CPV in the services industry.

## 6. Academic implications

The findings of this study make a number of significant scholarly contributions. First and foremost, this research provided a comprehensive mediated technique for investigating the role of perceived value in mediating the relationship between CSR dimensions and customer loyalty. According to our findings, the impact of CSR dimensions on customer loyalty is mediated by CPV. Except for the link between strategic driven and customer loyalty, the data supports the mediation effects of all dimensions of CSR. As a result, these data provide sufficient evidence for the proposed mediation mechanism.

It is also notable that we used CAT to demonstrate the relationship between the CSR of banks and customer loyalty. According to CAT, attributions are how consumers understand the cause of their conduct or the events they see. Using CAT as a foundation, we established that customers' assessments of CSR dimensions enhance their perceived value and customer loyalty. Our findings have confirmed these hypotheses. The authors believe this is the first empirical study to identify linkages between CSR dimensions, perceived value and customer loyalty in a banking context. Our research improves understanding of the CAT in the context of banking and financial services.

Finally, it is vital to highlight that this research was carried out in Sri Lanka, which is considered to be an emerging market. From the customer's perspective, CSR was created in a Western setting and has yet to be adopted in emerging economies like Asia and South Asia. As a result, we have adapted consumer perceptions of CSR to a new setting. Overall, our findings are intriguing and contribute significantly to the literature on consumer perceptions of CSR and customer loyalty, particularly in the realm of consumer behaviour.

## 7. Managerial implications

In addition to its scholarly contributions, the current study has several important consequences for the banking industry that should be considered. The banking industry is hyper-competitive, and banks are exploring ways to increase their market share. Thus, banks can use this study's findings to design marketing strategies to increase consumer loyalty, thereby increasing their market share. For instance, the results suggest that egoistic-, strategic- and value-driven CSR practices trigger CPV, which in turn influences customer loyalty. It indicates that ensuring and strengthening these three dimensions relating to CSR will lead to a higher level of CPV, which will ultimately enhance customer loyalty toward banks.

This study confirms that the CSR activities of banks can enhance customer loyalty. Therefore, the banks that do the business in this region should be involved in wide range of CSR activities, such as *educating community* (e.g. providing scholarship support programme, starting smart school programs, donation of computer laptops, renovating libraries and, providing career advice and internships to undergraduates), *helping the community and improving peoples' livelihood* (e.g. supports disaster relief works, conducting anti-dengue campaign, village rehabilitation, uplifting sanitary facilities in remote area schools, building bus holds and donation of drinking water storage tank), *conducting health-care campaigns* (e.g. organising medical and health camps and donating necessary funds and medical equipment for government cancer and other hospitals), *take part in entrepreneurship development* (e.g. training programmes for micro-financing entrepreneurs, providing entrepreneurship loans in low interest rate and empowering micro and small-scale female



---

entrepreneurs) and *environmental protection and conservation* (e.g. creating awareness and training on environmental conservation amongst school children and tree planting Projects) to build a loyal customer base. To this end, the study results could help practitioners and policymakers by emphasising how important it is to combine CSR activities with other essential marketing traits, like branding and positioning.

## 8. Limitations and future research directions

This research initiative explores the major effect of CSR practices on customer loyalty. In this sense, the study has certain limitations. This study is limited to the banking industry. Future research can replicate the same study in different sectors like retail, tourism and hospitality, insurance and microcredit institutions and garments and textiles. This research is confined to CSR – related consumer behaviour in the emerging country of Sri Lanka. There are socio-cultural differences between Sri Lanka and other emerging countries. Thus, the outcomes of this research to other emerging countries globally (India, China, Malaysia, Pakistan and Bangladesh) may not be generalisable.

The present study focused on consumer perspectives of CSR. Future researchers can focus on employee perspectives of CSR and its influence on employee engagement and commitment towards organisations. The current model only incorporates consumer perceived value as a mediator variable. Branding-related constructs are gaining more prominence among scholars in the domain of consumer behaviour research. Future studies can also investigate the moderating and mediating effects of brand image and brand trust on the association between CSR and customer loyalty in the banking industry.

Past studies in the domain of CSR-related consumer behaviour mainly used survey-based data. Meanwhile, the notion of big data is recently getting prominence among consumer behaviour researchers. Future researchers can extract the bigdata regarding consumer reviews on banks' CSR practices with the aid of internet of things. As discussed, this research focused solely on the customer's perspective as it pertained to CSR motives. Concomitant consequences of different CSR attributes, such as CSR target, CSR fitness and CSR media channel, can also be evaluated. It is fascinating to analyse how consumer demographic profiles shape the relationship between customer loyalty and CSR dimensions. Comparable studies can be undertaken across other groups of customers (for example, between teenage and aged individuals and customers with different income levels), and the findings can be compared. Banks and other financial institutions can use the information from these studies to better target their CSR efforts at specific customer segments.

## References

- Ailawadi, K.L., Neslin, S.A., Luan, Y.J. and Taylor, G.A. (2014), "Does retailer CSR enhance behavioral loyalty? A case for benefit segmentation", *International Journal of Research in Marketing*, Vol. 31 No. 2, pp. 156-167.
- Aksoy, L. (2013), "How do you measure what you can't define? The current state of loyalty measurement and management", *Journal of Service Management*, Vol. 24 No. 4, pp. 356-381.
- Ali, I., Rehman, K.U., Yilmaz, A.K., Nazir, S. and Ali, J.F. (2010), "Effects of corporate social responsibility on consumer retention in the cellular industry of Pakistan", *African Journal of Business Management*, Vol. 4 No. 4, pp. 475-485.
- Amin, M. (2016), "Internet banking service quality and its implication on e-customer satisfaction and e-customer loyalty", *International Journal of Bank Marketing*, Vol. 34 No. 3, pp. 280-306.
- Armstrong, G., Adam, S., Denize, S. and Kotler, P. (2014), *Principles of Marketing*, Pearson, Victoria.

- 
- Becker-Olsen, K.L., Cudmore, B.A. and Hill, R.P. (2006), "The impact of perceived corporate social responsibility on consumer behavior", *Journal of Business Research*, Vol. 59 No. 1, pp. 46-53.
- Bediako, B. (2017), *The Impact of Corporate Social Responsibility on Customer Loyalty. A Case Study of StanBed Tours ky*, Vaasan Ammattikorkeakoulu University of Applied Sciences, Vaasan.
- Berger, I.E., Cunningham, P.H. and Drumwright, M.E. (2007), "Mainstreaming corporate social responsibility: developing markets for virtue", *California Management Review*, Vol. 49 No. 4, pp. 132-157.
- Bhakane, B. (2015), "Effect of customer relationship management on customer satisfaction and loyalty", *International Journal of Management (IJM)*, Vol. 6 No. 5, pp. 1-7.
- Bitner, M.J. (1990), "Evaluating service encounters: the effects of physical surroundings and employee responses", *Journal of Marketing*, Vol. 54 No. 2, pp. 69-82.
- Bloemer, J., De Ruyter, K. and Peeters, P. (1998), "Investigating drivers of bank loyalty: the complex relationship between image, service quality and satisfaction", *International Journal of Bank Marketing*, Vol. 16 No. 7, pp. 276-286.
- Blut, M., Beatty, S.E., Evanschitzky, H. and Brock, C. (2014), "The impact of service characteristics on the switching costs–customer loyalty link", *Journal of Retailing*, Vol. 90 No. 2, pp. 275-290.
- Bougie, R. and Sekaran, U. (2019), *Research Methods for Business: A Skill Building Approach*, John Wiley and Sons, New York, NY.
- Bowen, J.T. and Chen McCain, S.-L. (2015), "Transitioning loyalty programs: a commentary on 'the relationship between customer loyalty and customer satisfaction'", *International Journal of Contemporary Hospitality Management*, Vol. 27 No. 3, pp. 415-430.
- Branco, M.C. and Rodrigues, L.L. (2006), "Communication of corporate social responsibility by Portuguese banks: a legitimacy theory perspective", *Corporate Communications: An International Journal*, Vol. 11 No. 3, pp. 232-248.
- Carlos Fandos Roig, J., Sanchez Garcia, J., Angel Moliner Tena, M. and Llorens Monzonis, J. (2006), "Customer perceived value in banking services", *International Journal of Bank Marketing*, Vol. 24 No. 5, pp. 266-283.
- Chaudhuri, A. and Holbrook, M.B. (2001), "The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty", *Journal of Marketing*, Vol. 65 No. 2, pp. 81-93.
- Chen, F.-Y., Chang, Y.-H. and Lin, Y.-H. (2012), "Customer perceptions of airline social responsibility and its effect on loyalty", *Journal of Air Transport Management*, Vol. 20, pp. 49-51.
- Chen, P.-T. and Hu, H.-H. (2010), "The effect of relational benefits on perceived value in relation to customer loyalty: an empirical study in the Australian coffee outlets industry", *International Journal of Hospitality Management*, Vol. 29 No. 3, pp. 405-412.
- Cheng, G., Cherian, J., Sial, M.S., Mentel, G., Wan, P., Álvarez-Otero, S. and Saleem, U. (2021), "The relationship between CSR communication on social media, purchase intention, and e-WOM in the banking sector of an emerging economy", *Journal of Theoretical and Applied Electronic Commerce Research*, Vol. 16 No. 4, pp. 1025-1041.
- Cheung, G.W. and Lau, R.S. (2008), "Testing mediation and suppression effects of latent variables: bootstrapping with structural equation models", *Organizational Research Methods*, Vol. 11 No. 2, pp. 296-325.
- Chi, H.K., Yeh, H.R. and Yang, Y.T. (2009), "The impact of brand awareness on consumer purchase intention: the mediating effect of perceived quality and brand loyalty", *The Journal of International Management Studies*, Vol. 4 No. 1, pp. 135-144.
- Chin, W.W., Marcolin, B.L. and Newsted, P.R. (2003), "A partial least squares latent variable modeling approach for measuring interaction effects: results from a Monte Carlo simulation study and an electronic-mail emotion/adoption study", *Information Systems Research*, Vol. 14 No. 2, pp. 189-217.

- Choi, B. and La, S. (2013), "The impact of corporate social responsibility (CSR) and customer trust on the restoration of loyalty after service failure and recovery", *Journal of Services Marketing*, Vol. 27 No. 3, pp. 223-233.
- Chung, K.-H., Yu, J.-E., Choi, M.-G. and Shin, J.-I. (2015), "The effects of CSR on customer satisfaction and loyalty in China: the moderating role of corporate image", *Journal of Economics, Business and Management*, Vol. 3 No. 5, pp. 542-547.
- Commission of the European Communities (2011), "Corporate social responsibility (CSR) [online]", available at: [http://ec.europa.eu/growth/industry/corporate-social-responsibility\\_en](http://ec.europa.eu/growth/industry/corporate-social-responsibility_en) (accessed October 12, 2018).
- Cone, L. (2010), *Cone Cause Evolution Study*, Cone Communications, Boston.
- Coulthard, L.J.M. (2004), "A review and critique of research using Servqual", *International Journal of Market Research*, Vol. 46 No. 4, pp. 479-497.
- Crespo, A.H. and Del Bosque, I.R. (2005), "Influence of corporate social responsibility on loyalty and valuation of services", *Journal of Business Ethics*, Vol. 61 No. 4, pp. 369-385.
- Deutskens, E., De Ruyter, K. and Wetzels, M. (2006), "An assessment of equivalence between online and mail surveys in service research", *Journal of Service Research*, Vol. 8 No. 4, pp. 346-355.
- Diallo, M.F. and Lambey-Checchin, C. (2016), "Relationships between CSR and customer loyalty: what lessons for retailers?", RIODD 2016, Saint-Étienne, France, pp. 1-20.
- Dick, A.S. and Basu, K. (1994), "Customer loyalty: toward an integrated conceptual framework", *Journal of the Academy of Marketing Science*, Vol. 22 No. 2, pp. 99-113.
- Du, S., Bhattacharya, C.B. and Sen, S. (2010), "Maximizing business returns to corporate social responsibility (CSR): the role of CSR communication", *International Journal of Management Reviews*, Vol. 12 No. 1, pp. 8-19.
- El-Adly, M.I. and Eid, R. (2016), "An empirical study of the relationship between shopping environment, customer perceived value, satisfaction, and loyalty in the UAE malls context", *Journal of Retailing and Consumer Services*, Vol. 31, pp. 217-227.
- Ellen, P.S., Webb, D.J. and Mohr, L.A. (2006), "Building corporate associations: consumer attributions for corporate socially responsible programs", *Journal of the Academy of Marketing Science*, Vol. 34 No. 2, pp. 147-157.
- Falk, R.F. and Miller, N.B. (1992), *A Primer for Soft Modeling*, University of Akron Press, Akron.
- Floh, A., Zauner, A., Koller, M. and Rusch, T. (2014), "Customer segmentation using unobserved heterogeneity in the perceived-value-loyalty-intentions link", *Journal of Business Research*, Vol. 67 No. 5, pp. 974-982.
- Foreh, M.R. and Grier, S. (2003), "When is honesty the best policy? The effect of stated company intent on consumer skepticism", *Journal of Consumer Psychology*, Vol. 13 No. 3, pp. 349-356.
- Fornell, C. and Larcker, D.F. (1981), *Structural Equation Models with Unobservable Variables and Measurement Error: Algebra and Statistics*, Sage Publications, Los Angeles, CA.
- Foster, B.D. and Cadogan, J.W. (2000), "Relationship selling and customer loyalty: an empirical investigation", *Marketing Intelligence and Planning*, Vol. 18 No. 4, pp. 185-199.
- Galahitiyawe, N.W. (2013), "Outsourcing success: determining its critical managerial factors in services industry", PhD thesis, University of Malaya.
- Galbreath, J. (2010), "How does corporate social responsibility benefit firms? Evidence from Australia", *European Business Review*, Vol. 22 No. 4, pp. 411-431.
- Götz, O., Liehr-Gobbers, K. and Krafft, M. (2010), "Evaluation of structural equation models using the partial least squares (PLS) approach", *Handbook of Partial Least Squares*, Springer, Verlag Berlin Heidelberg.
- Hair, J.F., Ringle, C.M. and Sarstedt, M. (2013), "Partial least squares structural equation modeling: rigorous applications, better results and higher acceptance", *Long Range Planning*, Vol. 46 Nos 1/2, pp. 1-2.

- 
- He, H. and Li, Y. (2011), "CSR and service brand: the mediating effect of brand identification and moderating effect of service quality", *Journal of Business Ethics*, Vol. 100 No. 4, pp. 673-688.
- Heider, F. (2013), *The Psychology of Interpersonal Relations*, Psychology Press, London.
- Henseler, J., Ringle, C.M. and Sarstedt, M. (2015), "A new criterion for assessing discriminant validity in variance-based structural equation modeling", *Journal of the Academy of Marketing Science*, Vol. 43 No. 1, pp. 115-135.
- Hsieh, A.-T. and Li, C.-K. (2008), "The moderating effect of brand image on public relations perception and customer loyalty", *Marketing Intelligence and Planning*, Vol. 26 No. 1, pp. 26-42.
- Hsu, C.-L. and Lin, J.C.-C. (2015), "What drives purchase intention for paid mobile apps? – An expectation confirmation model with perceived value", *Electronic Commerce Research and Applications*, Vol. 14 No. 1, pp. 46-57.
- Hsu, K.-T. (2012), "The advertising effects of corporate social responsibility on corporate reputation and brand equity: evidence from the life insurance industry in Taiwan", *Journal of Business Ethics*, Vol. 109 No. 2, pp. 189-201.
- Hur, W.M., Kim, H. and Kim, H.K. (2018), "Does customer engagement in corporate social responsibility initiatives lead to customer citizenship behaviour? The mediating roles of customer-company identification and affective commitment", *Corporate Social Responsibility and Environmental Management*, Vol. 25 No. 6, pp. 1258-1269.
- Iglesias, O., Markovic, S., Bagherzadeh, M. and Singh, J.J. (2020), "Co-creation: a key link between corporate social responsibility, customer trust, and customer loyalty", *Journal of Business Ethics*, Vol. 163 No. 1, pp. 151-166.
- Ishaq, I.M. (2012), "Perceived value, service quality, corporate image and customer loyalty: empirical assessment from Pakistan", *Serbian Journal of Management*, Vol. 7 No. 1, pp. 25-36.
- Ivanauskienė, N. and Volungenaite, J. (2014), "Relations between service quality and customer loyalty: an empirical investigation of retail chain stores in emerging markets", *American International Journal of Social Science*, Vol. 3 No. 2, pp. 113-120.
- Jebarajakirthy, C., Thaichon, P. and Yoganathan, D. (2016), "Enhancing corporate social responsibility through market orientation practices in bottom of pyramid markets: with special reference to microcredit institutions", *Journal of Strategic Marketing*, Vol. 24 No. 5, pp. 398-417.
- Ju Rebecca Yen, H. and Gwinner, K.P. (2003), "Internet retail customer loyalty: the mediating role of relational benefits", *International Journal of Service Industry Management*, Vol. 14 No. 5, pp. 483-500.
- Kotler, P. and Keller, K.L. (2016), *A Framework for Marketing Management*, Pearson, Boston, MA.
- Koutsothanassi, E., Bouranta, N. and Psomas, E. (2017), "Examining the relationships among service features, customer loyalty and switching barriers in the Greek banking sector", *International Journal of Quality and Service Sciences*, Vol. 9 No. 3/4, pp. 425-440.
- Kumar, V. and Shah, D. (2004), "Building and sustaining profitable customer loyalty for the 21st century", *Journal of Retailing*, Vol. 80 No. 4, pp. 317-329.
- Kusumawati, A. and Rahayu, K.S. (2020), "The effect of experience quality on customer perceived value and customer satisfaction and its impact on customer loyalty", *The TQM Journal*, Vol. 32 No. 6, pp. 1525-1540.
- Lai, C.-S., Chiu, C.-J., Yang, C.-F. and Pai, D.-C. (2010), "The effects of corporate social responsibility on brand performance: the mediating effect of industrial brand equity and corporate reputation", *Journal of Business Ethics*, Vol. 95 No. 3, pp. 457-469.
- Lam, A. (2016), "The impact of corporate social responsibility on customer loyalty: a study of the banking industry in Hong Kong", PhD thesis, Heriot-Watt University.
- Laroche, M., Ueltschy, L.C., Abe, S., Cleveland, M. and Yannopoulos, P.P. (2004), "Service quality perceptions and customer satisfaction: evaluating the role of culture", *Journal of International Marketing*, Vol. 12 No. 3, pp. 58-85.

- Lee, C.-Y., Chang, W.-C. and Lee, H.-C. (2017), "An investigation of the effects of corporate social responsibility on corporate reputation and customer loyalty—evidence from the Taiwan non-life insurance industry", *Social Responsibility Journal*, Vol. 13 No. 2, pp. 355-369.
- Li, X. and Petrick, J.F. (2008), "Examining the antecedents of brand loyalty from an investment model perspective", *Journal of Travel Research*, Vol. 47 No. 1, pp. 25-34.
- Lindell, M.K. and Whitney, D.J. (2001), "Accounting for common method variance in cross-sectional research designs", *Journal of Applied Psychology*, Vol. 86 No. 1, p. 114.
- Liu, Y. and Ji, H. (2010), "A study on the perceived CSR and customer loyalty based on dairy market in China", *Service Systems and Service Management (ICSSSM), 2010 7th International Conference on, IEEE*, pp. 1-6.
- Lu, C.-S., Lai, K.-H. and Cheng, T.E. (2007), "Application of structural equation modeling to evaluate the intention of shippers to use internet services in liner shipping", *European Journal of Operational Research*, Vol. 180 No. 2, pp. 845-867.
- Luo, X. and Bhattacharya, C.B. (2006), "Corporate social responsibility, customer satisfaction, and market value", *Journal of Marketing*, Vol. 70 No. 4, pp. 1-18.
- Mandhachitara, R. and Poolthong, Y. (2011), "A model of customer loyalty and corporate social responsibility", *Journal of Services Marketing*, Vol. 25 No. 2, pp. 122-133.
- Martinez, P. and Del Bosque, I.R. (2013), "CSR and customer loyalty: the roles of trust, customer identification with the company and satisfaction", *International Journal of Hospitality Management*, Vol. 35, pp. 89-99.
- Moghavvemi, S., Lee, S.T. and Lee, S.P. (2018), "Perceived overall service quality and customer satisfaction", *International Journal of Bank Marketing*, Vol. 36 No. 5, pp. 908-930.
- Moir, L. (2001), "What do we mean by corporate social responsibility?", *Corporate Governance: The International Journal of Business in Society*, Vol. 1 No. 2, pp. 16-22.
- Moisescu, O.-I. (2017), "From CSR to customer loyalty: an empirical investigation in the retail banking industry of a developing country", *Scientific Annals of Economics and Business*, Vol. 64 No. 3, pp. 307-323.
- Monferrer, D., Moliner, M.A. and Estrada, M. (2019), "Increasing customer loyalty through customer engagement in the retail banking industry", *Spanish Journal of Marketing - ESIC*, Vol. 23 No. 3, pp. 461-484.
- Nejati, M. and Ghasemi, S. (2012), "Corporate social responsibility in Iran from the perspective of employees", *Social Responsibility Journal*, Vol. 8 No. 4, pp. 578-588.
- Newell, F. (2001), *Loyalty. Com: Customer Relationship Management in the New Era of Internet Marketing*, McGraw-Hill, New York, NY.
- Nikhashemi, S.R., Paim, L., Haque, A., Khatibi, A. and Tarofder, A.K. (2013), "Internet technology, CRM and customer loyalty: customer retention and satisfaction perspective", *Middle-East Journal of Scientific Research*, Vol. 14 No. 1, pp. 79-92.
- Nikhashemi, S.R., Tarofder, A.K., Gaur, S.S. and Haque, A. (2016), "The effect of customers' perceived value of retail store on relationship between store attribute and customer brand loyalty: some insights from Malaysia", *Procedia Economics and Finance*, Vol. 37, pp. 432-438.
- Nunnally, J. (1978), *Psychometric Methods*, McGraw-Hill, New York, NY.
- Nyadzayo, M.W. and Khajehzadeh, S. (2016), "The antecedents of customer loyalty: a moderated mediation model of customer relationship management quality and brand image", *Journal of Retailing and Consumer Services*, Vol. 30, pp. 262-270.
- Nyadzayo, M.W., Leckie, C. and McDonald, H. (2016), "CSR, relationship quality, loyalty and psychological connection in sports", *Marketing Intelligence and Planning*, Vol. 34 No. 6, pp. 883-898.

- 
- Öberseder, M., Schlegelmilch, B.B. and Murphy, P.E. (2013), "CSR practices and consumer perceptions", *Journal of Business Research*, Vol. 66 No. 10, pp. 1839-1851.
- Osakwe, C.N. and Yusuf, T.O. (2021), "CSR: a roadmap towards customer loyalty", *Total Quality Management and Business Excellence*, Vol. 32 Nos 13/14, pp. 1424-1440.
- Palazzo, M., Voller, A. and Siano, A. (2020), "From strategic corporate social responsibility to value creation: an analysis of corporate website communication in the banking sector", *International Journal of Bank Marketing*, Vol. 38 No. 7, pp. 1529-1552.
- Parasuraman, A. and Grewal, D. (2000), "The impact of technology on the quality-value-loyalty chain: a research agenda", *Journal of the Academy of Marketing Science*, Vol. 28 No. 1, pp. 168-174.
- Pelozo, J. and Shang, J. (2011a), "How can corporate social responsibility activities create value for stakeholders? A systematic review", *Journal of the Academy of Marketing Science*, Vol. 39 No. 1, pp. 117-135.
- Pelozo, J. and Shang, J. (2011b), "What business leaders should know: investing in CSR to enhance customer value", *Director Notes Series, The Conference Board Governance Center*, pp. 1-9.
- Pirithiviraj, J. and Kajendra, K. (2010), "Relationship between market orientation and corporate social responsibility with special reference to Sri Lankan financial sector", *Journal of Emerging Trends in Economics and Management Sciences*, Vol. 1 No. 2, pp. 107-113.
- Pirsch, J., Gupta, S. and Grau, S.L. (2007), "A framework for understanding corporate social responsibility programs as a continuum: an exploratory study", *Journal of Business Ethics*, Vol. 70 No. 2, pp. 125-140.
- Piyathanasan, B., Mathies, C., Wetzels, M., Patterson, P.G. and De Ruyter, K. (2015), "A hierarchical model of virtual experience and its influences on the perceived value and loyalty of customers", *International Journal of Electronic Commerce*, Vol. 19 No. 2, pp. 126-158.
- Podsakoff, P.M. and Organ, D.W. (1986), "Self-reports in organizational research: problems and prospects", *Journal of Management*, Vol. 12 No. 4, pp. 531-544.
- Podsakoff, P.M., MacKenzie, S.B., Lee, J.-Y. and Podsakoff, N.P. (2003), "Common method biases in behavioral research: a critical review of the literature and recommended remedies", *Journal of Applied Psychology*, Vol. 88 No. 5, p. 879.
- Pratihari, S.K. and Uzma, S.H. (2018), "CSR and corporate branding effect on brand loyalty: a study on Indian banking industry", *Journal of Product and Brand Management*, Vol. 27 No. 1, pp. 57-78.
- Preacher, K.J. and Hayes, A.F. (2008), "Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models", *Behavior Research Methods*, Vol. 40 No. 3, pp. 879-891.
- Raman, M., Lim, W. and Nair, S. (2012), "The impact of corporate social responsibility on consumer loyalty", *Kajian Malaysia: Journal of Malaysian Studies*, Vol. 30 No. 2, pp. 71-93.
- Reguera-Alvarado, N., Blanco-Oliver, A. and Martín-Ruiz, D. (2016), "Testing the predictive power of PLS through cross-validation in banking", *Journal of Business Research*, Vol. 69 No. 10, pp. 4685-4693.
- Roldán, J.L. and Sánchez-Franco, M.J. (2012), "Variance-based structural equation modeling: guidelines for using partial least squares in information systems research", *Research Methodologies, Innovations and Philosophies in Software Systems Engineering and Information Systems*, IGI Global, Hershey.
- Samra, M.Y.A. and Wady, R. A. E. (2017), "The effect of corporate social responsibility on loyalty according to the role of mediators (satisfaction, trust and corporate image)-from clients perspective case study: bank of Palestine-Gaza strip".
- Schneider, J.F., Poseskill, M. and Ranger, J. (2005), "Does self-consciousness mediate the relation between self-talk and self-knowledge?", *Psychological Reports*, Vol. 96 No. 2, pp. 387-396.
- Sen, S., Bhattacharya, C.B. and Korschun, D. (2006), "The role of corporate social responsibility in strengthening multiple stakeholder relationships: a field experiment", *Journal of the Academy of Marketing Science*, Vol. 34 No. 2, pp. 158-166.

- Shahroudi, K. and Naimi, S.S. (2014), "The impact of brand image on customer satisfaction and loyalty intention (case study: consumer of hygiene products)", *International Journal of Engineering Innovations and Research*, Vol. 3 No. 1, p. 57.
- Shi, F., Meng, C., Li, X. and Cai, X. (2017), "Research on the impact of game users' perceived value on satisfaction and loyalty-based on the perspectives of hedonic value and utilitarian value", *Wuhan International Conference on e-Business (WHICEB)*. p. 39.
- Shin, Y. and Thai, V.V. (2015), "The impact of corporate social responsibility on customer satisfaction, relationship maintenance and loyalty in the shipping industry", *Corporate Social Responsibility and Environmental Management*, Vol. 22 No. 6, pp. 381-392.
- Siddiqi, K.O. (2011), "Interrelations between service quality attributes, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh", *International Journal of Business and Management*, Vol. 6 No. 3, p. 12.
- Sirdeshmukh, D., Singh, J. and Sabol, B. (2002), "Consumer trust, value, and loyalty in relational exchanges", *Journal of Marketing*, Vol. 66 No. 1, pp. 15-37.
- Sivadas, E. and Baker-Prewitt, J.L. (2000), "An examination of the relationship between service quality, customer satisfaction, and store loyalty", *International Journal of Retail and Distribution Management*, Vol. 28 No. 2, pp. 73-82.
- Skarmeas, D. and Leonidou, C.N. (2013), "When consumers doubt, watch out! The role of CSR skepticism", *Journal of Business Research*, Vol. 66 No. 10, pp. 1831-1838.
- So, K.K.F., King, C., Sparks, B.A. and Wang, Y. (2013), "The influence of customer brand identification on hotel brand evaluation and loyalty development", *International Journal of Hospitality Management*, Vol. 34, pp. 31-41.
- Sparkman, R.M., Jr. and Locander, W.B. (1980), "Attribution theory and advertising effectiveness", *Journal of Consumer Research*, Vol. 7 No. 3, pp. 219-224.
- Stanisavljević, M. (2017), "Does customer loyalty depend on corporate social responsibility?", *Naše gospodarstvo/Our Economy*, Vol. 63 No. 1, pp. 38-46.
- Staudt, S., Shao, C.Y., Dubinsky, A.J. and Wilson, P.H. (2014), "Corporate social responsibility, perceived customer value, and customer-based brand equity: a cross-national comparison", *Journal of Strategic Innovation and Sustainability*, Vol. 10 No. 1, p. 65.
- Tu, Y.-T., Wang, C.-M. and Chang, H.-C. (2012), "Corporate brand image and customer satisfaction on loyalty: an empirical study of Starbucks coffee in Taiwan", *Journal of Social and Development Sciences*, Vol. 3 No. 1, pp. 24-32.
- Tuškej, U., Golob, U. and Podnar, K. (2013), "The role of consumer-brand identification in building brand relationships", *Journal of Business Research*, Vol. 66 No. 1, pp. 53-59.
- Van Den Berg, H. and Lidfors, L. (2012), "The effect of perceived CSR on customer loyalty an empirical study on consumer behavior on the Swedish chocolate Market".
- Van Doorn, J., Onrust, M., Verhoef, P.C. and Bügel, M.S. (2017), "The impact of corporate social responsibility on customer attitudes and retention – the moderating role of brand success indicators", *Marketing Letters*, Vol. 28 No. 4, pp. 607-619.
- Vlachos, P.A., Tsamakos, A., Vrechopoulos, A.P. and Avramidis, P.K. (2009), "Corporate social responsibility: attributions, loyalty, and the mediating role of trust", *Journal of the Academy of Marketing Science*, Vol. 37 No. 2, pp. 170-180.
- Vyas, V. and Raitani, S. (2015), "An examination of linkages between CSR and cross-buying", *Social Responsibility Journal*, Vol. 11 No. 3, pp. 622-640.
- Wong, A. and Sohal, A. (2003), "Service quality and customer loyalty perspectives on two levels of retail relationships", *Journal of Services Marketing*, Vol. 17 No. 5, pp. 495-513.
- Zineldin, M. (2000), "Beyond relationship marketing: technological ship marketing", *Marketing Intelligence and Planning*, Vol. 18 No.1, pp. 9-23.

### About the authors

Kajenthiran Konalingam is a young passionate and growing researcher attached with Department of Marketing, Faculty of Management Studies and Commerce at the University of Jaffna, Sri Lanka. His research focuses on corporate social responsibility, retail service quality and consumer behavioral studies. Kajenthiran's research has been published in *Services Marketing Quarterly*, *ANZMAC*, *Journal of Business Studies*, and *International Journal of Accounting and Business Finance* among others.

Achchuthan Sivapalan is based in the Faculty of Management Studies and Commerce at the University of Jaffna, Sri Lanka. His research interests are in the areas of consumer behaviour, services marketing and business ethics. Achchuthan's research has been published in *Marketing Intelligence and Planning*, *Journal of Retailing and Consumer Services*, *International Journal of Hospitality Management*, *International Review of Public and Non-profit Marketing*, *Journal of International Consumer Marketing*, and *Services Marketing Quarterly* among others. Achchuthan Sivapalan is the corresponding author and can be contacted at: [achchu@univ.jfn.ac.lk](mailto:achchu@univ.jfn.ac.lk)

Umanakenan Ratnam is a Lecturer in Commerce, Faculty of Management Studies and Commerce at the University of Jaffna, Sri Lanka. His research interests are Customer satisfaction, Banking, Services Marketing, Customer Relationship Management and Digital Marketing. Umanakenan's research has been published in the *Journal of Business Studies*, *Business Management and Strategy*, *Journal of Sociological Research* and various management related journals locally as well as globally.

Sivanenthira Sivapiragasam is a lecturer in Marketing Management, Department of Marketing Management, Faculty of Business Studies, University of Vavuniya, Sri Lanka. His research interests are customer satisfaction, banking, services marketing, customer relationship management and digital marketing. Sivanenthira's research has been published in the *Journal of Business Studies* among others.