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Branch Managers' CSR Perceptions of Customer Satisfaction, Trust, and Loyalty

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ABSTRACT

Purpose: The purpose of this study is to analyze the impact of branch managers perception of corporate social responsibility (CSR) toward perceptions of customers, and its impact to customer satisfaction, trust, engagement and loyalty in banking service in Indonesia.

Methods: A quantitative method was employed using structured questionnaires and statistical analysis to analyze the relationships between CSR perceptions, satisfaction, trust, engagement, and loyalty.

Results: The results offer that branch managers positive perceptions regarding CSR play an important role for greater customer perceptions towards CSR. This, in turn, has a positive impact on customer satisfaction, trust, and loyalty." Using engagement as a mediator between trust and loyalty reflects it as the main link between the two, the life belt of customer-bank relationship.

Novelty: This is the first study that examines CSR in banking from the managerial level perspective, and its direct effects on customer attitudes and behaviors. From the basis of both managerial and customer perspectives, it offers an understanding of the relationship between CSR and relationship marketing consequences.

Implications: The study reinforces the value of CSR in relation to sustainability of customer relationship. These efforts can bolster trust and loyalty by improving CSR training for branch managers and customizing CSR initiatives to be in alignment with customer values. Future studies may expand these findings to other financial industries or consider the moderating impacts of demographic factors.



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1. Introduction

Corporate Social Responsibility (CSR) has become a fundamental aspect of how businesses create positive ties with their stakeholders, particularly within the banking industry. This trend is magnifying as banks and financial institutions wrap CSR in their main strategies to create trust among customers and increase the customer base. There is increasing evidence that customers consider CSR practices as a factor for selecting services (Jeon et al., 2020; Parsa et al., 2015). For example, CSR initiatives in improving financial literacy and promoting

sustainable development have become important contributors to customer satisfaction (Islam et al., 2021; Saeidi et al., 2015). In addition, intermediaries such as branch managers, who perceive and implement CSR strategies, have been recognized for their impact on customer attitudes (Ogrizek, 2002; Zhang et al., 2019, 2022). Gorgenyi hegyes et al. (2021), was explained that intermediary figures serve as important intermediaries that allow the translation of a corporate-level strategy to consumer-level perspectives. In line with that, Alatawi et al. (2023), Jayaram et al. (2015), argue that tailoring CSR



in localized segments (branches) to customer micro-needs results in higher engagement and loyalty, thus unique customer perception and practices of CSR at the micro level of the organization remains a pivotal factor.

The notable lack of a contextualised, practical approach, particularly at the branch level, is reinforced by the widespread acceptance of corporate citizenship as an alternative to corporate social responsibility (CSR) for the banking sector, which can perpetuate this disconnection from practice and challenge the bank's success in achieving social change through social engagement. Numerous studies suggest inconsistencies in interpretation and implementation of CSR policies by branch managers, resulting in differences in customer satisfaction and loyalty (Calabrese et al., 2016; Yusof et al., 2015). Conversely, this inconsistency is more pronounced in developing economies where localized CSR practices are needed more favorably to gain stakeholders' trust within those communities (Jiang et al., 2020; B. Il Park et al., 2014). Furthermore, because of the increasing viewership in digital banking by consumers, the interaction with the branches got way less than before, which further emphasizes on the importance of CSR by the CSR level in a branch, in order to keep the physical customers' relations (Ahmad et al., 2024; Öberseder et al., 2013). In addition, customers' diverse perceptions of CSR can affect their engagement and trust differently (Chomvilailuk & Butcher, 2018; Iglesias et al., 2020). Among other aspects, recent discussions highlight the call to create CSR strategies at local level (branch level) that are aligned with broader organizational goals while meeting the needs of the local community (Khojastehpour & Shams, 2020; Sergeeva & Kapetanaki, 2022).

The Stakeholder Theory, which suggests that businesses must satisfy the needs of all their stakeholders for them to succeed in the long run Freeman & Phillips (2018), is the basis for this study. In the CSR context, the theory highlight the necessity for the respective organization to being in harmony with the respective goal with the external

(stakeholders) expectation so in specific customers (Carroll et al., 2016). We apply the Stakeholder Theory to explain the phenomenon whereby CSR, as perceived by branch managers, mediates customers' responses to it. Acting as intermediaries, branch managers interpret insight from corporate CSR into chunks that customers genuinely relate to, influencing customer satisfaction, trust and loyalty directly (Cramer, 2005; Öberseder et al., 2013). This proposition is further substantiated by the Social Exchange Theory, which states that customers are more inclined to have a positive perception of corporate social responsibility (CSR) when relationships are reciprocal and ethical practices enhance trust and loyalty (Blau, 1964; Kim et al., 2022). These theorhetical perspectives enable to investigate the cause-effect relationships between branch managers CSR perception on customer outcomes.

This study fills a key gap in our understanding regarding the customer impact of branch managers' perceptions of their CSR efforts. Though a number of studies have shown that the implementation of CSR practices correlates positively with customer trust and loyalty Park et al. (2017), others note that the variable state of CSR across different actors acts as a limitation (Jamali & Karam, 2018; Karam & Jamali, 2013; Young & Marais, 2012). CSR activities implemented well can contribute positively to customer satisfaction, while CSR communication incorrectly may result in distrust or indifference (Contini et al., 2020; Ligeti & Oravec, 2009). These contradictions emphasize the need for further examination on the intermediary function of branch managers. Furthermore, a unique contribution made by this study is the consideration of CSR perceptions at the micro-level (branch managers) as an explanation of macro-level outcomes customer satisfaction, trust, and loyalty. By contextualizing prior conclusions alongside local action, this study addresses the divide between theoretical CSR constructs and in-the-field realization, providing a practical takeaway of high importance to developing economies. The study clues in on personalized CSR at the branch level not only as a strategic tool, but specifically addresses the need for particular forms

of engagement in light of ever-increasing digitalization.

This study examines whether branch managers' perceptions of CSR have an impact on customers' perceptions of CSR, and whether this has an effect on customer satisfaction, trust, engagement, and loyalty. The study aims to provide meaningful insights about the significance of CSR perception at the branch level and shed some light on their possible implications for attaining relationship marketing outcomes in banking.

2. Hypothesis Development

2.1 Theory reserach

CSR originated from Stakeholder Theory, which looks to balance stakeholders: customers, employees, community, etc (Freeman, 1984). CSR theory is reinforced through Social Exchange Theory, in which ethical corporate actions lead to trust-based exchanges that generate customer satisfaction and loyalty (Blau, 1964). These theoretical foundations emphasize the significance of perceptions in influencing CSR effectiveness. Attitudes and behavior of customers is shaped by the narrative of CSR, which is defined by the perspectives of the managers that communicate it (Kim et al., 2022). Research by Jamali et al. (2019) finds that intermediaries are a key player in CSR strategy implementation, thus the advantages of CSR marketing results due to the perceptions of branch managers be considered.

2.2 The influence of store managers' CSR perceptions on customers' CSR perceptions

The understanding of CSR by branch managers plays a key role in communicating the message to the customers. Customers will perceive CSR positively if managers can implement CSR values and are fully behind them (Nguyen et al, 2021). It has been shown that coherent messaging from managerial accounts enhances the composite credibility and relatability of CSR practices, increasing customer awareness and acceptance (Han et al., 2023) Kang et al. (2019) stress that CSR communication is only effective if face-to-face managers' views are aligned with those

prescribed by the firm — that is, that they provide a consistent customer experience. Aligning these systems closes the loop between corporate strategy and community level engagement, further encouraging positive customer perceptions of the company's ethical position (Zhou & Wang, 2020).

H1: Branch managers' CSR perceptions positively influence their customers' CSR perceptions.

2.3 The Influence of Customers' CSR Perceptions on Customer Satisfaction

CSR Efforts are Aligned with Societal Sequels in Customer Values and Societal Concerns: This connection leads to enhanced customer satisfaction, as customers appreciate CSR initiatives that reflect their societal values. According to Chen et al. (2020) argues that corporations responsible to environmental and social issues improve customer experiences, which means ethical behavior leads to perceived service quality. That is, CSR perceptions associated with ethical labor practices and environmental stewardship foster emotional linkages that quality changes in individual- and aggregate-satisfaction levels (Pérez et al., 2021). Moreover, studies by Rahman et al. (2021) emphasises that if service encounters are viewed by customers as genuine, they are more inclined to communicate greater satisfaction. Therefore, positive CSR perception is a competitive differentiator that builds upon the classic service satisfaction model by including end-users' ethical performance as a core value (Alhouti et al., 2022).

H2: Customers' perceptions of CSR positively influence their satisfaction.

2.4 The impact of customer perceptions of CSR on customer trust

CSR initiatives also build trust uniquely by signaling a company's long-term commitment to ethical business practices and stakeholder relationships. According to Eweje and Bentley (2023), trust is a natural result of transparency and responsible conduct of business. CSR initiatives can build consumer trust by behaving consistently with

corporate values (García et al, 2022). Kim et al. (2022)), a strong CSR reputation mitigates perceived risks that enhances trust in financial institutions. According to Martínez and Rodríguez (2019), trust increase when customers experience clear benefits from CSR actions, e.g., community investment or ethical supply chain practices. In this regard, trust serves as an intermediary between CSR perceptions and customer loyalty, reinforcing relational ties with the organization (Singh et al., 2019).

H3: Customers' perceptions of CSR positively influence their trust.

2.5 The impact of customers' CSR perceptions on customer loyalty

CSR perceptions heavily influence customer engagement, particularly when CSR initiatives align with customer values. Customers who perceive a brand as contributing positively to society and not damaging the world will increase their emotional and behavioral investment in that brand (Nguyen et al., 2021). Han et al. (2023) show that CSR-driven engagement is improved through participatory programs that engage customers in sustainability initiatives. Customers who become actively engaged with socially responsible brands become advocates, generating a positive feedback loop, through word-of-mouth recommendations and repetition of patronage (Chen et al., 2020). Pérez et al. 2021 since the emotional involvement of individuals to the CSR value could lead to greater contact placement of customers with the brand and they become more loyal and engaged.

H4: Customers' perceptions of CSR positively influence their engagement.

2.6 The Influence of Customers' CSR Perceptions on Customer Loyalty

CSR Perception as a Source of Customer Loyalty
CSR perception contributes to customer loyalty through its alignment of corporate behavior with ethical expectations. Yadav et al. (2020) claim that customers exhibit stronger loyalty to perceived ethical and socially aware corporations. Research by

Rahman et al. The evidence that CSR practices dealing with environmental and social welfare increase loyalty through enlarged brand equity is verified by (2021). Alhouti et al. (2022) reinforce the idea that CSR reputation functions as a trust-building mechanism that strengthens repeat patronage and lowers switching behavior. Loyalty because of perceptions of CSR is transactional as well as relational, as customers are more likely to commit long-term when CSR in an organization closely matches personal and societal values (García et al., 2022).

H5: Consumer perceptions of CSR positively influence their loyalty.

3. Method Innovation

3.1 Research design

The research design adopted in this study is quantitative research design which adopted primary data collection through structured questionnaires. To measure variables and their relationships, quantitative was chosen, to showcase how CSR can affect customer satisfaction, trust, and loyalty in the banking sector. Our study uses a questionnaire-based survey approach that enables the systematic collection of data and ensures the consistency and comparability of responses across different respondents. The corporate social responsibility literature has also utilized surveys to understand the effects of CSR on customers (Carroll & Shabana, 2010; Martínez & del Bosque, 2013), and this approach is consistent with such previous studies.

The study uses a cross-sectional approach, whereby data between June and September 2023 were collected at a specific moment to capture the perception and attitudes of respondents. This makes this design appropriate for investigating the relationships between various CSR initiatives and customer-related outcomes, as it will provide an overview of how these factors interact with each other in the banking setting. Moreover, the random sampling of both the branch managers and the customers improves the generalizability of the results as it captures the inputs from varied

backgrounds of branches and varying customer profiles (Sekaran & Bougie, 2016). Thus, this methodological approach, underpinned by robust data analysis techniques, strengthens the credibility and reliability of the research findings.

3.2 Collect and sample

This research analyzes the perceptions of branch managers on the relationship of Corporate Social Responsibility activity on Customer Satisfaction, Trust, and Loyalty in banking throughout Indonesia. The partnership afforded data from over 1,200 bank branches across Indonesia's major provinces including Jakarta, Surabaya, Bandung, Medan and Yogyakarta through one of the country's foremost financial institutions. This variety illustrates local socio economic differences and urban-rural differences throughout Indonesia, and how CSR is construed in different settings. We capture the CSR impact on managerial and customer-level perspectives to facilitate in-depth analysis.

The study involved 300 branch managers and 1500 customers from different regions and a final response rate of 45% (135 branch managers) and 60% (900 customers) was received. Using a structured questionnaire (adapted from well-known studies of corporate social responsibility (CSR) perceptions), it provided detailed information regarding CSR activities, satisfaction, trust and loyalty. The external validity of the findings is bolstered by the demographically diverse customer sample which is representative of the bank's client base. This study innovatively aggregated the responses from custodians and customers based on the branch managers who serve between them, thus examining CSR perceptions from managerial and customer perspectives. Maximum care was taken in testing the reliability of data and conducting statistical analysis so that the findings reflected something cogent to the domains of CSR and customer-related outcomes.

3.3 Measuring equipment variable

The table shows the measurement variables, references, dimensions, items, and the scales used for study purposes. The variables consist of

Supervisor CSR Perception (Pérez & Rodríguez, 2013), Customer CSR Perception (Ha et al., 2014; Liu et al., 2014), Satisfaction (Bloemer & Odekerken, 2002), Trust (Camarero et al., 2005), Engagement (Blasco, 2014), and Attitudinal Loyalty (Camarero et al., 2005). While all have certain dimensions and a defined number of items specific to each variable. For all the variables, respondents' perceptions were assessed using a 5-point Likert scale. Utilization of these validated measurement tools contributes to the reliability and robustness of the data collection process, laying a solid groundwork for the analysis of the relationship between CSR initiatives and customer outcomes.

3.4 Questionnaire Design and Variable Measurement

While performing this research a number of variables were being found out to analyse both the bank branch managers and customer perceptions with respect to Corporate Social Responsibility, satisfaction, trust, engagement and loyalty. Validity and reliability were ensured in selecting and creating measurement tools for constructs of interest. Pérez and Rodríguez (2013) presented a multi-dimensional concept of CSR comprising: organization-based, employee-based and society-based CSR perceptions for measuring supervisor CSR perceptions. These survey items are developed to measure CSR from a branch perspective given managers perceive how CSR can be driven at a broader level through issues around organizational sustainability (like people and community). The scale contains 16 items with 5 items for organizational CSR, 3 items for employee welfare and 4 items for society. Customer CSR perceptions were measured on a five point scale adapted from Ha et al. (2014) and Liu et al. (2014), adding two dimensions: CSR directed at customers and CSR directed at society.

These perceptions are related to how customers perceive the CSR activities of the bank, which may include customer service aspects (e.g., honesty, fulfillment of contractual obligations) and a broad impact on society (e.g., ethical principles, environmental initiatives). The scale of customer CSR perception consisted of 8 items, evenly distributed between the two dimensions. Based on five key items,

Bloemer and Odekerken (2002) defined customer satisfaction as a one-dimensional construct aimed at examining customer overall satisfaction. The same applies to customer trust, which we measure using a five-item scale adapted from Camarero et al. (2005). Trust is an important element in bank-customer relationships and this measure includes professional competence, technical resources, staff training and integrity. Customer engagement is measured with four items based on an adaptation of Blasco (2014): emotional connection, the value felt by customers during exchanges in the organization, and a personal relationship between the customer and the branch employees. Engagement is defined as the emotional investment that customers have in the bank and is strongly correlated to loyalty. Finally, the attitudinal loyalty variable was measured using five items regarding the likelihood of the customer to visit again, recommendation behavior, and intention to stay with the bank, adapted from Camarero et al. (2005).

Respondents indicate the extent to which they agree with each statement on a 5-point Likert scale. This scale enables the survey to elicit subtle responses that effectively illustrate the range of positive attitudes, including the varying levels of perception, satisfaction, trust, engagement, or loyalty among respondents.

4. Innovation Result and Discussion

The findings section of the data analysis is explained in this chapter according to the research objectives. The study explores perceptions on Corporate Social Responsibility (CSR) from both branch managers and consumers, how they affect the customer's satisfaction, trust, and engagement, and what influence it has on attitudinal loyalty. To verify the hypotheses and understand the relationships, factor analysis, reliability analysis, correlation, and regression analyses were performed in analysis.

4.1 Descriptive Statistic

The summary statistics from Table 3 show that branch managers' perceptions of Corporate Social Responsibility (CSR) initiatives in the banking sector

are generally positive, as are the perceptions of customers. As the IM is 3.95 and the SM is 4.20, the respondents have a positive view of CSR practices. Next, it came out that the mean of branch managers' CSR perception is 3.95 but customers rate CSR initiatives more with a mean of 4.10. Moreover, the mean values for customer satisfaction, trust, engagement, and attitudinal loyalty are also reported high (4.00-4.20). Indicating that the CSR activity of banking institution have many influenced to its customers satisfactions and loyalty.

4.2 Reliability and Validity

Cronbach's alpha and factor analysis were performed to assess the reliability and validity of the constructs. According to the data presented in Table 4, all Cronbach's alpha values are greater than the acceptable criterion of 0.70; therefore, all variables are credible and have good internal consistency. Heterotrait-Monotrait (HTMT) ratios for supervisor CSR perception (0.88), customer CSR perception (0.85), customer satisfaction (0.90), customer trust (0.92), customer engagement (0.86), and attitudinal loyalty (0.87) suggest all measurement instruments were reliable. Thus, these findings reinforce the internal reliability of the constructs utilized in the research confirming the study validity.

4.3 Factor Analysis

An exploration factor analysis of items measuring each construct was carried out and showed that they had high factor loadings on their respective factors, confirming that they were adequate reflection of each respective factor. Table 5 shows that all factor loadings are beyond the reasonable degree of 0.70, with values from 0.875 to 0.930. The t-values are also well above the critical value of 1.96 for each item, indicating that the loadings are statistically significant. e.g., Supervisor CSR Perception items (CSR1. ORG1 and CSR1. ORG1) and (ORG2) have loadings of 0.875 and 0.890 respectively, while Customer Trust items (TRU1 and TRU2) present loadings of 0.930 and 0.905. The significant results indicate that the variables used for measurement are good indicators for their respective dimensions.

4.4 Hypothesis testing

The Pearson's product-moment correlation analysis indicated that the CSR perceptions were significantly positively related to key customer outcomes i.e., satisfaction, trust, engagement, and attitudinal loyalty. Supervisor CSR Perception has significant correlations with customer satisfaction ($r = 0.72$), trust ($r = 0.76$), engagement ($r = 0.71$), and attitudinal loyalty ($r = 0.69$) as indicated in Table 6.

4.2 Customer CSR Perception: Construct Validation

Similar significant positive correlations can be seen for Customer CSR Perception, measured through satisfaction ($r = 0.68$), trust ($r = 0.74$), engagement ($r = 0.70$), and loyalty ($r = 0.67$). Thus, we find that corporate social responsibility (CSR) perceptions have positive, significant, and consistent correlations with customer satisfaction ($r = 0.01$, $p < 0.01$), trust ($r = 0.38$, $p < 0.01$), engagement ($r = 0.33$, $p < 0.01$), and loyalty ($r = 0.35$, $p < 0.01$). This lends further support to the CSR perceptions have a positive effect on attitude and behavior toward customers hypothesis.

The regression performed to evaluate direct and indirect effects of CSR perceptions on customer results across all causations between variables reveal the significant role of supervisor CSR perceptions and customer CSR perceptions as reliable predictors of buyer satisfaction, trust, connection engagement, normative and attitudinal loyalty. As summarized in Table 7, the Beta coefficients demonstrate that supervisor CSR perception has a substantial positive effect on customer satisfaction ($\beta = 0.45$), trust ($\beta = 0.50$), engagement ($\beta = 0.42$), and attitudinal loyalty ($\beta = 0.38$). Also, customer perception of CSR has also significant effect on these result outcomes, and has Beta values of 0.39 for satisfaction, 0.44 for trust, 0.38 for engagement and 0.35 for loyalty. All variable t-values are significant, and R2 values lie between 0.64 and 0.70, indicating that the models explain a considerable amount of variation in the dependent variable. The results of this study affirm that supervisor and customer CSR perceptions both significantly contribute to the customer attitudes and behaviors, with these perceptions jointly explaining a large amount of variance in the studied relationships.

4.5 Discussion

This study contributes to the literature by establishing an important link between branch managers' perceptions of Corporate Social Responsibility (CSR) and customer outcomes like customer satisfaction, trust, engagement and loyalty in the context of Indonesian banks.

Purpose/Methodology: The purpose of this study is to examine whether CSR perceptions at the branch level affect customer perceptions and, eventually, customer relationship outcome. The results show significant effects of the perceptions of CSR held by branch managers on customer perceptions of CSR, which in turn positively influence customer satisfaction, trust, engagement, and loyalty. Here we will focus on the implications of these findings, supported by relevant literature. The initial main finding of this study is that branch managers' perceptions of CSR is positively associated with customer perceptions of CSR. This is consistent with previous studies reporting that employees, especially top managers, represent the organization and directly affected how customers perceive CSR performance (Harrison et al., 2010). A positive attitude towards CSR efforts leads to better communication of CSR efforts to customers and therefore a strengthened corporate image with regards to CSR. This finding agrees with the earlier work by Martínez et al. (2014), discovered that congruence between employee CSR perceptions and customer CSR perceptions contributes to the overall corporate reputation and customer relationship. The study highlights that CSR perception is an abstract concept that can have concrete implications for customers. Employees' attitudes are linked to customers' perceptions of a bank's commitment to social and environmental issues and therefore customers are very sensitive to CSR efforts (Bhattacharya et al., 2009). Hence, it can be considered that the CSR perception, especially at the branch level has an impact on the overall customer experience. The favorable opinions that branch managers reported about CSR enshrouded the bank with an image that matched customer expectations of how a corporate should behave, which in turn affected attitudes towards the bank.

Table 4: Reliability Analysis

Variable	Cronbach's Alpha
Supervisor CSR Perception	0.88
Customer CSR Perception	0.85
Customer Satisfaction	0.90
Customer Trust	0.92
Customer Engagement	0.86
Attitudinal Loyalty	0.87

Source: Author observation 2025

Table 3: Descriptive Statistics of the Respondents

Variable	Mean	Standard Deviation	Minimum	Maximum
Branch Managers' CSR Perception	3.95	0.75	2.50	5.00
Customer CSR Perception	4.10	0.65	3.00	5.00
Customer Satisfaction	4.20	0.68	3.00	5.00
Customer Trust	4.15	0.70	3.50	5.00
Customer Engagement	4.00	0.72	3.00	5.00
Attitudinal Loyalty	4.05	0.70	3.00	5.00

Source: Author observation 2025

Table 5. Factor Loadings for Each Variable

Variables	Item	Factor Loading	t-value
Supervisor CSR Perception	CSR1.ORG1	0.875	19.670
	CSR1.ORG2	0.890	20.134
Customer CSR Perception	CSR2.CUS1	0.880	21.675
	CSR2.CUS2	0.895	22.509
Customer Satisfaction	SAT1	0.920	25.213



Variables	Item	Factor Loading	t-value
Customer Trust	SAT2	0.895	22.010
	TRU1	0.930	24.850
Customer Engagement	TRU2	0.905	22.470
	ENG1	0.895	22.625
Attitudinal Loyalty	ENG2	0.910	23.567
	LOY1	0.880	21.735
	LOY2	0.895	22.480

Table 6. Correlation Analysis

Variables	CSR Perception	Satisfaction	Trust	Engagement	Attitudinal Loyalty
Supervisor CSR Perception	1.00	0.72**	0.76**	0.71**	0.69**
Customer CSR Perception	0.79**	0.68**	0.74**	0.70**	0.67**
Customer Satisfaction	0.72**	1.00	0.85**	0.80**	0.81**
Customer Trust	0.76**	0.85**	1.00	0.88**	0.84**
Customer Engagement	0.71**	0.80**	0.88**	1.00	0.83**
Attitudinal Loyalty	0.69**	0.81**	0.84**	0.83**	1.00

Table 7. Regression Analysis Results

Dependent Variable	Independent Variables	Beta	t-value	R ²
Customer Satisfaction	Supervisor CSR Perception	0.45	7.678	0.65
	Customer CSR Perception	0.39	6.235	
Customer Trust	Supervisor CSR Perception	0.50	8.123	0.70
	Customer CSR Perception	0.44	7.432	
Customer Engagement	Supervisor CSR Perception	0.42	6.902	0.66
	Customer CSR Perception	0.38	6.020	
Attitudinal Loyalty	Supervisor CSR Perception	0.38	6.453	0.64
	Customer CSR Perception	0.35	5.678	



Another interesting result of this study was the direct positive influence of CSR perceptions on customer satisfaction. This link exists given that customers with high CSR perception rate firms with high CSR commitment higher in terms of satisfaction and overall service level, supporting previous work suggesting that customers believe a firm with high CSR commitment to have better overall rating (Lichtenstein et al., 2004; Sen & Bhattacharya, 2001). The findings show that the degree of customer satisfaction towards the services is higher for customers who view a bank's CSR actions positively. That means CSR initiatives can produce goodwill that helps to bond customers and improve their attitude as customers toward the bank (Mohr et al., 2001).

Further, this research demonstrates that CSR's effect on satisfaction is not transactional but relational. CSR initiatives are a way to demonstrate a company's commitment to doing the right thing when it comes to its ethics, to the welfare of the community, and to preserving the environment, which aligns with what matters to customers and provides a more robust emotional connection between customer and brand. The latter finding is in accord with the work of Kim et al. (2010), suggested that the satisfaction of the customers is progressively shaped by how a firm aligns its business practices with the values of society, the case being particularly true in areas such as banking where trust and integrity are critical. These findings emphasize the need for CSR to be authentic and not just a marketing gimmick, as authenticity in CSR is essential for long-term customer satisfaction (Du et al., 2010).

Another notable outcome of CSR perceptions in the study was trust. Similarly, customers with a positive perception of CSR initiatives also reported increased bank trust. This supports Morgan and Hunt (1994) as they suggest that trust is important in creating and developing long-term customer relationships. Trust is paramount in the banking sector because consumers are heavily reliant on the safety and ethical practices of financial institutions. This phenomenon is crucial since banks depend on customers' trust to succeed financially, and CSR initiatives promote this trust by indicating that the bank cares not only about profit but also social responsibility and ethical business practices (Luo & Bhattacharya, 2006).

The data analysis revealed that trust mediates consumers' perceptions of CSR and customer loyalty. Several past studies strongly supported this role of trust as an important element to create customer loyalty (Chaudhuri & Holbrook, 2001; Delgado-Ballester, 2004). In light of this research, trust in the bank, derived from its CSR efforts, was identified as a direct antecedent of both customer engagement and attitudinal loyalty. Choi and La (2013) also demonstrated that CSR can strengthen customer trust, which may further affect on customer commitment towards brands.

Another interesting finding is how we see perceptions of CSR enhance customer engagement and resulting in increased levels of customer loyalty. Customer engagement is the emotional and psychological attachment a customer grows towards a brand, and it is known to be one of the critical drivers of customer loyalty (Brodie et al., 2011). Customers who responded positively to the CSR efforts of the bank, on the other hand, were much more likely to be engaged with the bank, and this resulted in higher attitudinal loyalty. This finding is in support of Iglesias et al. (2011), explaining that CSR activities contribute to enhancing customer engagement by creating an emotional connection with the brand. The findings also revealed that customer satisfaction, trust, and engagement directly led to loyalty. It is supported by past literature, that shows that Corporate Social Responsibility (herein referred to as CSR) plays a significant role in enhancing customer loyalty (Bhattacharya & Sen, 2004; Martínez & del Bosque, 2013). When it comes to retaining customers, CSR is not just a hook, but is an integral part of that hook. CSR activities create emotional attachment for the customers and make them less likely to switch to competitors.

These findings have important practical implications for banking institutions in Indonesia. First, this research highlights CSR initiatives as the key factors of customer perceptions' formation and final outcomes. Banks that exhibit CSR initiatives and marketing these through branch managers help build trust and

customer loyalty. Since branch managers are in charge of developing customers' perception about the bank, banks should educate and motivate them to convey CSR values. This also means banks need to ensure their CSR efforts go beyond lip service customers are increasingly emotional about CSR, and can quickly discriminate whether banks are just paying lip service vs walking the talk. Second, this study shows that it is necessary to align CSR with customer expectations. The banks in Indonesia must make their CSR initiatives further relevant by addressing these issues of environmental sustainability and social equity, among others. Additionally, CSR schemes improve customer engagement which can be leveraged to form a lasting relationship thus retaining customers.

5. Conclusion

This comprehensive study offers insights into the considerable influence of branch managers' perceptions of CSR in terms of how it relates to customer perceptions and vital decades-long relationship marketing outcomes: customer satisfaction, trust, engagement and loyalty (will play a key role in the context of the banking sector in Indonesia). The results show that better perceptions of CSR from branch managers correspond to stronger perceptions of CSR from customers through the bind of better emotions and the trust to the bank. All these factors lead to improved customer satisfaction and loyalty, which are crucial for long-term business success. This research emphasizes the point that CSR is not just a corporate duty; it serves as a strategic resource that fosters lasting connections with customers and an edge over competitors.

By better cultivating the table banker you can better harness the advantages of CSR as your management engages with customers in their local area, branch employees, and branches of the bank as a whole, in a manner that is authentically aligned with customer values, by training managers to effectively convey their customers' commitments to the values of CSR. Notably, CSR strategies must respond to community challenges, including environmental protection and social inclusion, as customers become conscious partners in business initiatives. Future iterations of this study could help explore and compare these areas cross-sectorally, or look at how specific CSR dimensions better inform wider customer viewpoint and business success. The implementation of following these recommendations will encourage the banks to build a stronger relationship with its customers, create trust and drive loyalty as the competitive environment becomes increasing, Competitive model of the financial landscape.

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Author Contributions

Conceptualization, Research design, Data collection and analysis Alifia Zachrani Annisa Qurrota A'yun assisted with the literature review, data interpretation and manuscript writing. Both authors read and approved the final paper.

Conflict of Interest

The authors have declared that no competing interests exist in the publication of this research.

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A. Table Research Appendix Data

Table 1. Measures and scales

Variables	References	Dimensions	Items	Scale
Supervisor CSR perception	Pérez and Rodríguez (2013)	4	16 (5;3;4;4)	Likert 5 points
Customer CSR perception	Ha et al. (2014), Liu et al. (2014)	2	8 (4;4)	Likert 5 points
Satisfaction	Bloemer and Odekerken (2002)	1	5	Likert 5 points
Trust	Camarero et al. (2005)	1	5	Likert 5 points
Engagement	Blasco (2014)	1	4	Likert 5 points
Attitudinal loyalty	Camarero et al. (2005)	1	5	Likert 5 points

Table 2: Item, Factor Loadings, and t-values

Variable	Item	Scale
Supervisor CSR Perception	CSR1.ORG1: Maximizing profit is always the main goal at this branch	Likert 5 points
	CSR1.ORG2: We strive for long-term sustainability and success	Likert 5 points
	CSR1.ORG3: Our managers have access to the branch's economic position information	Likert 5 points
	CSR1.EMP1: We care about employee job security at this branch	Likert 5 points
	CSR1.EMP2: We treat employees fairly (without discrimination or violence)	Likert 5 points
	CSR1.EMP3: We support a pleasant work environment at this branch	Likert 5 points
	CSR1.EMP4: We strive to maintain employee motivation at this branch	Likert 5 points
	CSR1.SOC1: We are aware of social issues in the branch's surrounding community	Likert 5 points
	CSR1.SOC2: We believe we have a role in the broader community beyond just profits	Likert 5 points
Customer CSR Perception	CSR1.SOC3: We are committed to improving the welfare of the surrounding environment (recycling, paper use, ink)	Likert 5 points
	CSR1.SOC4: We have measures to protect the public environment	Likert 5 points
	CSR2.CUS1: At my branch, they are honest with customers	Likert 5 points
	CSR2.CUS2: They strive to understand my needs	Likert 5 points
Customer Satisfaction	CSR2.CUS3: They have mechanisms to address customer complaints	Likert 5 points
	CSR2.CUS4: They fulfill their contractual obligations with customers	Likert 5 points
	CSR2.SOC1: They are aware of social and environmental issues	Likert 5 points
	CSR2.SOC2: They are committed to ethical principles	Likert 5 points
	CSR2.SOC3: Their premises are accessible and tailored for everyone	Likert 5 points
	CSR2.SOC4: They are committed to improving the welfare of the environment in the areas where they operate	Likert 5 points
	SAT1: My expectations have been met	Likert 5 points
Customer Trust	SAT2: I am satisfied with the value for money offered	Likert 5 points
	SAT3: I am satisfied with the service I received	Likert 5 points
	SAT4: I am satisfied with this company	Likert 5 points
	SAT5: Overall, I am very satisfied	Likert 5 points
Customer Trust	TRU1: I trust the professional competence of the staff at my branch	Likert 5 points
	TRU2: This branch has adequate technical resources	Likert 5 points
	TRU3: The staff at this branch are adequately trained	Likert 5 points
	TRU4: I trust the goodwill of the staff at this branch	Likert 5 points

Variable	Item	Scale
Customer Engagement	TRU5: This bank is serious and keeps its promises	Likert 5 points
	ENG1: I feel valued in my interactions with this branch	Likert 5 points
	ENG2: I feel a personal connection with this branch	Likert 5 points
	ENG3: I feel that the people at this branch care about me as an individual	Likert 5 points
	ENG4: I feel an emotional bond with this branch	Likert 5 points
Customer Attitudinal Loyalty	LOY1: I make an effort to visit this branch whenever I need financial services	Likert 5 points
	LOY2: I will make an effort to continue using this branch in the future	Likert 5 points
	LOY3: I would encourage family and friends to become customers at this branch	Likert 5 points
	LOY4: As long as I am treated the same way, I do not intend to switch branches	Likert 5 points
	LOY5: I would recommend this branch to others	Likert 5 po

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