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AWARENESS OF CSR INITIATIVES OF BANKS AMONG CUSTOMERS AND ITS INFLUENCE ON CUSTOMER SATISFACTION

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ABSTRACT
With the enactment of the Companies Act, 2013, India has witnessed the emergence of Corporate Social Responsibility (CSR) as a mechanism through which the corporate organisations have been able to execute their initiatives towards the socio-economic development of the communities they operate in. This paper aims to explore the awareness level of CSR initiatives on the satisfaction of bank customers. A sample of 212 valid responses has been used to collect the data for this study. Descriptive analysis and Regression analysis have been analysed using SPSS. 21. 0. The result shows that there is a low level of awareness among the customers, but the customers are satisfied with the services provided by the banks. The authors highlight the importance of the communication of CSR to raise the awareness of CSR among general public to build a better relationship and earn the trust of the customers.
KEYWORDS: *Corporate Social Responsibility (CSR), Customer Satisfaction, Customer Awareness.*

INTRODUCTION

Liberalization and regulation of the financial sector, coupled with technological advancement and improved communication system, have contributed to the integration and upgradation of the banking industry. With a sea of change, banks are now faced with intense competition to build up better relationship with their customers. As a strategy of marketing their services, banks have increased their spending on Corporate Social Responsibility (CSR) activities in the last decade, although Corporate Social Responsibility (CSR) is mostly associated with philanthropic activity towards the community. Banks are affected by the perception and acceptance of their customers' attitude towards the services they provide.

Customers are one of the most important stakeholders of a firm and the power of the brand lies on what customers have in mind as a result of their experience with the brand and company over time (Yeh, 2015). Customer awareness plays an important role in the effectiveness of CSR initiatives of the banks; and it is the required pre-condition of consumers rewarding the business for ethical behaviour (Pomering & Dolnicar, 2009). If awareness among the consumers is low, the effect of CSR initiatives on consumer behaviour is only of theoretical relevance. Consumers need to be more aware about the concept and practices of CSR for it to impact their decision-making (Gupta & Hodges, 2012). (Bhardwaj, Chatterjee, Demir, & Turut, 2018), in their study, reveal that when firms invest in CSR initiatives, consumers become aware of the improvement in the firm's product development and manufacturing capabilities and expect the quality of the firm's new products to be higher.

(Latif, Perez, Wazar, & Saqib, 2018) worked on the development and validation of a multidimensional scale to measure customers' perception of CSR and identified the dimensions which included developmental, ethical, relationship building, responsiveness and information sharing responsibilities. (Lim, Sung, & Lee, 2018) in their study, have shown that when Corporate Social Responsibility (CSR) initiatives of the firms are executed well, both the consumers and organisations are benefitted (Leclercq-Machado, et al., 2022).

REVIEW OF LITERATURE

If CSR is to act as a point of differentiation in a competitive situation, then awareness of a firm's Corporate Social Responsibility (CSR) initiatives among the consumers is crucial (McWilliams & Siegel, 2001). Higher the level of awareness of CSR among the consumers, better the impact of CSR initiatives (Lee & Shin, 2010). Consumers respond differently when CSR information is provided (Auger, Burke, Devinney, & Louviere, 2003). There is a dearth of literature on consumer awareness of CSR initiatives of the firms across India (Gupta & Wadera, 2019). Despite the communication efforts made by banks, awareness level of bank's CSR activities among the consumers still seems low (Pomering & Dolnicar, 2009). In contrast, a study by (Gupta & Wadera, 2019) shows that a majority of consumers are aware of the concepts and initiatives of a firm's CSR strategy. (McDonald & Rundle-Thiele, 2008) found that satisfaction mediates between Corporate Social Responsibility (CSR) and a firm's market value.

(Gupta & Wadera, 2019) explored the level of awareness and understanding of CSR among the consumers across different demographics in India and found a vast majority of the consumers to be aware with the concept of CSR. (Gupta & Hodges, 2012)

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found a positive consumer perception and purchase intention among the customers who are aware of the CSR activities of the firm (Fatma & Khan, 2023). Awareness of CSR initiatives among the consumers play an important role in the effectiveness of the implementation of CSR; but communication of CSR initiatives is problematic (Pomering & Dolnicar, 2007). (Sarabu, 2017) identified the lack of awareness of CSR initiatives of banks is due to the lack of proper communication on part of the companies and the lack of interest on part of the general public due to lack of knowledge about the concept of CSR. Due to the sensitive nature of CSR communications, CSR initiatives cannot be advertised, thus it is a complex challenge for the marketers and executors (Schultz & Morsing, 2003). Communication of CSR initiatives through traditional advertisement is perceived as over-accentuating the good works of the company, which can lead to scepticism and cynicism perception of the consumers towards the firm's motives. Thus, trust is critical for the success of CSR communication to the general public. (Maignan & Ferrell, 2001) reported that apart from a handful of 'CSR mavens', large swaths of consumers do not seem to be aware of the investment of firms in CSR activities; which is an explanation for the disconnection between attitude and actual behaviour of the consumers. (Jain, Data, & Roy, 2014) explored CSR awareness and attitudes among B-School students in Rajasthan and found that the students are aware of and concerned about Corporate Social Responsibility (CSR). (Pomering & Dolnicar, Customers' sensitivity to different measures of CSR in the Australian Banking Sector, 2006) found that CSR initiatives of a firm are favourably perceived when the customers are made aware of the initiatives. They have also suggested that to improve customer satisfaction, firms should focus on customer-centric initiatives. CSR positively influences customer satisfaction (Simte & Singh, 2022) and that, customer satisfaction is the mediating factor between CSR and banking service quality (Senthikumar, Ananth, & Arulraj, 2011).

(Tran, Le, & Huyah, 2017) studied the perception of bank customers towards the CSR practices of Banks in Vietnam and revealed that bank customers favour customer-centric CSR initiatives which boost and motivate their attitude and behaviour rather than general philanthropic and environmental protection initiatives. (Luo & Bhattacharya, 2006) identified a direct relationship between CSR and customer satisfaction; and have added that customers prefer CSR initiatives that are customer-centric rather than those activities that have a broader social impact in the society. (Qamar, Masood, & Junaid, 2016) found a positive yet weak correlation between CSR and customer satisfaction; and added that customer satisfaction has a great impact on customer retention. (Hassan, Nareeman, & Pauline, 2013) points out that Corporate Social Responsibility (CSR) practices positively impact customer satisfaction, eventually improving the customer's intention to stay loyal to the existing company.

(Chaudary, Zahid, Shahid, Khan, & Azar, 2016) studied the impact of customer perception of CSR activities on various dimensions like customer attachment, loyalty and repurchase decision and have confirmed a positive relationship between them. CSR does not generate customer loyalty due to lack of knowledge and awareness of the customers about the CSR activities of the banks (Raza, Rather, Iqbal, & Bhutta, 2020). (Chen, Rodgers, & He, 2008), emphasising on the importance of customer satisfaction in associating CSR and customer loyalty, reveals that companies promote loyalty among the consumers with the help of the attributes of the products in the minds of the consumers. (Planken, Sahu, & Nickerson, 2010) found that marketing strategies based on CSR have a positive impact on consumer purchase intention.

OBJECTIVES OF THE STUDY

1. To study the level of awareness of Corporate Social Responsibility (CSR) initiatives of banks among the customers.
2. To assess whether there is a difference between the educational qualification and occupation of the customer with the awareness of Corporate Social Responsibility (CSR) of banks.
3. To evaluate the impact of awareness of Corporate Social Responsibility (CSR) initiatives of banks on customer satisfaction.

HYPOTHESIS

Ho1: There is no significant difference between educational qualification level of the customer and the awareness of CSR of banks.
Ho2: There is no significant difference between the occupation of the customer and the awareness of CSR of banks.
Ho3: There is no significant relationship between awareness of CSR and customer satisfaction.

RESEARCH METHODOLOGY

The collected data is entered and analysed using the SPSS 21.0. The study used descriptive statistics, ANOVA and regression analysis to analyse the data. The descriptive statistics provides information on the gathered data of the sample respondents collected from January 2025 to March 2025. Simple random sampling is used for the study. Both primary and secondary data were used for the purpose of the study. Secondary information was gathered from available research publications, magazines, books, journals and various websites. The sample size is 212 and to gather the data, questionnaires were distributed among the customers of State Bank of India (SBI), Churachandpur branch in Manipur.

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RESULT AND DISCUSSION

Table 1: Mean, S.D., Minimum and Maximum of Age

Variable	Mean	S.D	Minimum	Maximum
Age of the customer	40.2972	12.41125	22.00	74.00

Source: Primary data

Table 1 shows that the average age of customer is 40.2972. The minimum age of the customer is 22 years and the maximum age of the customer is 74 years.

Table 2: Cross Tab of Gender with Educational Qualification, Occupation and Awareness of CSR of Bank

Variable	Group	Gender		Total
		Male	Female	
Educational Qualification	Below 10	17	23	40
	Class 12	20	17	37
	Graduate	66	34	100
	Post Graduate	16	19	35
Occupation	Business	9	17	26
	Private Employee	42	30	72
	Govt. Employee	52	30	82
	Student	6	6	12
	Pensioner	8	9	17
	Other	2	1	3
Are you aware of CSR as a terminology?	Yes	41	35	76
	No	79	53	132
Are you aware that banks must spend a portion of their profits on CSR?	Yes	35	36	71
	No	84	57	141
Are you aware of your bank's participation in CSR practices?	Yes	33	35	68
	No	86	58	144

Source: Primary data

Table 2 depicts the gender, educational qualification, occupation and the awareness of CSR of the respondents. The figure of the study shows a closer population size of the data is being collected from both male and female with no much difference. Male respondents constitute 119 of the sample and female stands at 93. The study also shows that majority of the respondents have completed the bachelor's degree, i.e, 135 customers. It has also been found that majority of the respondents are engaged in both private and government sectorial occupations and the awareness of CSR is quite low.

Table 3: Frequency, Percentage and Chi-Square of Awareness of CSR of Banks across Educational Qualification Level of Customers

Variables	Response	Educational Qualification					Chi-Sq.	Sig.
		Below 10 (n=40)	Class 12 (n=37)	Graduate (n=100)	Post Graduate (n=35)	Total (n=212)		
Are you aware of CSR as a terminology ?	Yes	0	4	39	33	76 (35.8)	84.842	**0.000***
	No	40	33	61	2	135 (64.2)		
Are you aware that banks must spend a portion of their profits on CSR?	Yes	0	3	29	28	60 (28.3)	67.348	**0.000***
	No	40	34	71	7	152 (71.7)		

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Are you aware of your bank's participation in CSR practices?	Yes	0	3	30	28	61 (28.8)	68.757	**0.000***
	No	40	34	70	7	151 (71.2)		

Source: Computed from Primary data. *Significant at 5% level of significance.
Note: Figures in the parenthesis indicate percentages.

Table 3 shows the Chi-Square (x2) result of awareness of CSR of banks across the educational level of customers. All the variables were found to be significant at 5% and were, thus, rejected. The result shows that there is a significant difference between the educational qualification level of customers and the awareness of CSR of banks among the customers.

Table 4: Frequency, Percentage and Chi-Square of Awareness of CSR of Banks across Occupation of Customers

Item	Response	Occupation of Customers							Chi-Sq.	Sig.
		Business	Private Employe	Govt. Employe	Student	Pensioner	Others	Total		
Are you aware of CSR as a terminology ?	Yes	7	24	38	6	0	1	76 (35.8%)	15.577	**0.008***
	No	19	48	44	6	17	2	136 (64.2%)		
Are you aware that banks must spend a portion of their profits on CSR?	Yes	4	24	28	4	0	0	60 (28.3%)	12.461	**0.029***
	No	22	48	54	8	17	3	152 (71.7%)		
Are you aware of your bank's participation in CSR practices?	Yes	6	20	29	5	0	1	61 (28.8%)	10.057	0.074
	No	20	52	53	7	17	2	151 (71.2%)		

Source: Computed from Primary data. *Significant at 5% level of significance.
Note: Figures in the parenthesis indicates percentages.

Table 4 shows the Chi-Square (x2) result of awareness of CSR of banks across Occupation of Customers. Two items i.e., "Are you aware of CSR as a terminology?" and "Are you aware that banks must spend a portion of their profits on CSR?" were found significant at 5% level of significance and were, thus, rejected. However, one item i.e., "Are you aware of your bank's participation in CSR practices?" is accepted, which indicates that there is no significant difference between the occupation of consumers and their awareness of bank's participation in CSR practices.

Table 5: Awareness of CSR and Customer Satisfaction (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	Df1	Df2	Sig. F Change
1	.049[a]	.002	-.002	.48263	.002	.002	1	210	.478

a. Predictors: (Constant), Are you aware of CSR as a terminology?
b. Dependent Variable: Customer Satisfaction

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Table 6: Awareness of CSR and Customer Satisfaction (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.118	1	118	.506	.478[b]
	Residual	48.915	210	233		
	Total	49.033	211			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Are you aware of CSR as a terminology?

Table 7: Awareness of CSR and Customer Satisfaction (Coefficients)

Model		Unstandardised Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.556	.118		38.545	.000
	Are you aware of CSR as a terminology?	.049	.069	.049	.711	.478

a. Dependent Variable: Customer Satisfaction
b. Source: Computed from primary data

The results of regression analysis is shown in Table 5, 6 & 7. The result shows that the value of p is 0.478, which is not significant, and does not predict customer satisfaction. The Adjusted R2 value in the model summary table reflects that awareness of CSR does not predict the customer satisfaction. So, the result reflects that awareness of CSR has no impact on customer satisfaction.

CONCLUSION

The purpose of this study is to examine the impact of the awareness of CSR activities of banks on bank customer satisfaction. Descriptive analysis indicates the cross-tab value between the educational qualification, occupation and awareness level among the customers. The study reflects that there is low level of awareness of CSR among customers due to lack of interest and lack of knowledge as found by (Sarabu, 2017), but the customers are satisfied with the services provided by the bank. The study has found that awareness of CSR of banks has no impact on customer satisfaction, and there is no significant difference between occupation and of the customers and awareness of CSR. The authors suggest that emphasis should be given to the communication of CSR initiatives of a firm among the general public to build better relationship and earn the trust and loyalty of the customers through satisfaction.

LIMITATIONS AND FUTURE RESEARCH

Every research has some limitations. One restraint of this research is that the study could not cover all the banks operating in the state as this is the first of its kind to be carried out. The study was carried out among the bank customers of State Bank of India (SBI), Churachandpur branch. This study also proposes certain future research directions and recommends that future researchers replicate this research and carry out an in-depth study in the rural areas to help spread the awareness of CSR. Moreover, an in-depth study will be beneficial to the decisionmakers and executors of CSR initiatives.

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