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IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON BRAND LOYALTY: MEDIATING EFFECT OF BRAND ATTITUDE IN BANKING SECTOR

Muhammad Faisal
Ghazi University
College Chowk, Dera Ghazi Khan, Punjab, 32200, Pakistan
mmfaisal@gudgk.edu.pk

ABSTRACT

This study investigates the effects of two dimensions of Corporate Social Responsibility (CSR) i.e., ethical and economic on Brand Loyalty (BL) in banking industry of Pakistan. The author tested how the brand attitude work as a mediator between the two dimensions of CSR (ethical and economic) and Brand Loyalty. This study worked on online survey approach which targets the customers of banks in different cities of Pakistan under the convenience sampling strategy. A structured questionnaire with 7 points Likert scale was use to collect the primary data. A total three hundred and fifty three proposed participants were the part of this study and to analyze the results. PLS technique was deployed for testing the hypothesized research frame work. This research provides valuable insight into the complex dynamics of brand loyalty through Corporate Social Responsibility, which has significant implications for banking industry. The result confirms that brand attitude mediates the relationship of CSR and Brand Loyalty. The study's conclusions are helpful to assists the banking industry to develop effective marketing strategy and take decision regarding the investment in corporate social responsibility relevant factors to create brand loyalty, which will ultimately result in a competitive edge. This study is unique kind of study to conduct with respect to prescribed hypothesized model/framework. Many studies have discussed the issue of CSR, but very few are found in the Pakistan, particularly in the banking sector. The author includes the brand attitude between the CSR dimensions (ethical and economic) and Brand loyalty as a mediator.

Keywords: Corporate Social Responsibility, Brand Loyalty, Brand Attitude, Banking Industry

INTRODUCTION

The significance of CSR is clear that trade is an important factor in the development of developing nations. a critical driver for the progress of developing countries is evident, as it supports poverty eradication, promotes education and training, and facilitates equitable and sustainable progress (medina-munoz , 2020), despite the fact that the issue is divisive and has been debated in recent years. The importance of Corporate Social Responsibility (CSR) is extensively talked about in the literature, covering various aspects such as gaining more support from stakeholders (ogunfowora et al., 2018), higher willingness to buy, bring down financial threat to the businesses (Jo and Na, 2012), and higher monetary worth (malik, 2015). Adopting the CSR concepts as a central corporate value leads to this kind of business success. (liu et al., 2014) and using the same for branding purposes (pratihari and Uzma, 2018). As a result, banks are integrating socially conscious business practices into their operations (Jaiyeoba et al., 2018; aramburu and Pescador, 2019). Many authors (i.e., (Wang,2020; perez and del 2015) have initiated research into the business value of socially conscious activities and are identifying significant corporate social responsibility activities that offer advantages to both society and customers.

Banks play a crucial function in the economy, providing a foundation for the growth of business organizations. In the current information age, customers are well-informed and hold significant importance. Moreover, it is imperative for banks to remain competitive in this era of information and competition. For businesses to thrive in a competitive landscape, customer retention is essential. With customers becoming increasingly aware of their assets, banks have recognized the need to embrace practices for corporate social responsibility (CSR).

In recent years, the idea of corporate social responsibility (CSR) in the administration of businesses has advanced significantly. Many businesses are determined to adopt a socially responsible behavior because they are conscious of their responsibilities to society and the environment. Thus, now a day, customers are more willing to make financial investments that contribute to improving their reputation and goodwill. A firm's CRS can be characterized as its operations and status in relation to its duties to its stakeholders and society at large. (Brown and Dacin, 1997; Sen and Bhattacharya, 2001).

Corporate social responsibility (CSR) has gained popularity as a strategic brand management tool over the past decade among academics and practitioners alike (Blumenthal and Bergstrom, 2003; Kumar and Christodoulopoulou, 2014; Nieto, 2009). Managers promote the significance of implementing methods for sustainable business to enhance the brand's reputation with customers (Kiron et al., 2012). Moreover, Improved connection is the result of information and communication technology advancements., enabling customers to access fast and accurate information regarding global warming, resource scarcity, corporate misconduct, and business scams, This has prompted customers to consider the company's or brand's CSR reputation when making decisions (Kitchin, 2003).

Customers express preferences for socially responsible brands and expect more than just high-quality products at affordable prices when comparing similar options (He and Lai, 2014). The involvement in CSR initiatives plays an important part in forming consumers' positive outlook and strengthening the image of brand (Demetriou et al., 2010) this makes CSR a crucial tool for brand managers to gain a competitive advantage. (Porter and Mark, 2006). Research has consistently demonstrated the considerable influence of CSR initiatives on consumer behavior and business market value. For instance, Brown and Dacin (1997) CSR linkages have been found to have an impact on how new products are evaluated in a number of studies. Furthermore, Luo and Bhattacharya (2006) their research showed that Customer satisfaction is positively impacted by CSR efforts.

In the previous few decades, The concept of corporate social responsibility (CSR) has become growing in popularity from shareholders, as well as various stakeholders, and now CRS become an essential part of business practice worldwide. Carroll (1991) four dimensions have been identified for corporate social responsibility (CSR): 1) Economic responsibility: Organizations should operate in accordance with governed by various local, state, and federal laws, emphasizing the significance of compliance. This component is regarded as the foundation for additional elements. 2) Legal responsibility: Throughout this dimension, businesses are expected to adhere to and follow to various federal, state, and local laws. Additionally, it is crucial for organizations to deliver products and services in compliance with their legal duties. 3) Ethical responsibility: Organizations must follow expectations based on this factor ethically or morally and additionally, accept and respect the emergence of new moral and ethical standards. It's crucial to understand that business ethics go beyond legal requirements. 4) Philanthropic responsibility: The pyramid's top place is occupied by this duty. Business organizations are anticipated to behave responsibly and demonstrate their kindness to society. Based on this component, organizations must operate in accordance with societal expectations for philanthropy and charity and participate in volunteer activities. Ethics-based responsibility is distinct from philanthropic responsibility. Like ethical duty, philanthropic responsibility is not a social requirement. Even if businesses do not practice philanthropy, they are not viewed as unethical (Carroll, 1979; Khan and Fatma, 2019). In this study we focused on two main dimensions of CSR, Ethical and Economic.

Although CSR activities' influence on marketing has been studied by researchers, there are still gaps in understanding their implications within the banking business (Pérez and del Bosque, 2015). CSR is highly valued in various industry sectors, and its significance for businesses is magnified by the services' complex structure they deliver. Additionally, the evaluation of consumers' perceptions regarding CSR initiatives in the banking sector is a challenging endeavor. CSR initiatives must be crucial and very sensitive in order to affect how customers view banking services because they immediately affect the caliber and reputation of the services offered (Genedy and Sakr, 2017).

LITERATURE REVIEW

Corporate Social Responsibility

The idea that CSR is comprehensive in nature, encompassing the socially responsible initiatives undertaken by companies, their responsiveness to societal needs, and their proactive efforts to make meaningful contributions to society (Carroll, 1991; Han et al., 2020). According to Han et al. (2020)'s analysis, CSR is a comprehensive concept that encompasses active engagement in social responsibility activities, the ability to respond to social issues, and a range of contributions that bring about positive outcomes for society. Recent research (Han et al., 2020; Li et al., 2019; Su et al., 2017), suggests the fruitful results of CSR encompass a range of benefits, including an enhanced attitude on businesses, positive comments about the quality of their products/services, enhanced image and increasing loyalty to the organizations' reputations. These advantages have the potential to reduce firms' advertising, marketing, and operational costs (Li et al., 2019). Companies that promote and implement CSR initiatives establish and strengthen bonds with the communities where they conduct business. (Lee et al., 2018; McWilliams & Siegael, 2001; Su et al., 2017).

Two CSR dimensions will be used in this study.. First Ethical CSR and second Economic CSR. Economic and Ethical CSR is becoming a more crucial aspect of business operations in the modern world. CSR involves the voluntary activities that companies undertake to improve society's welfare, such as environmental sustainability, community involvement, and ethical labor practices (Maignan & Ferrell, 2004). With the rising focus on corporate responsibility and sustainability, ethical CSR has become a key focus for many companies. The benefits of ethical CSR for companies are numerous. Firstly, it can help build a positive reputation for the company, leading to greater trust from consumers and other stakeholders. Economic and Ethical CSR activities can also create loyalty from customers and employees, leading to increased brand loyalty and customer satisfaction. Additionally, economic and ethical CSR activities can help a company differentiate itself from its competitors, giving it an edge in the marketplace. However, there are also potential pitfalls that companies must be aware of when engaging in ethical and economic activities of CSR. Firstly, it is important to ensure that the CSR activities undertaken by the company are in line with its core values, as any discrepancies could lead to a loss of credibility. Secondly, ethical CSR activities can be costly, and companies need to ensure they can afford the resources needed to engage in such activities. Finally, ethical CSR activities must be communicated effectively to the public, as failure to do so could result in a lack of awareness and appreciation of the company's efforts.

CSR Activities and Banks

Consumer attitude of a bank's CSR initiatives may have an impact on their mindset and subsequent behavioral responses. The ability of CSR programs to predict bank customers' brand preferences was shown to be only modest (Chomvilailuk and Butcher, 2010). Nwankwo, (1991) (as cited in McDonald and Lai, 2011) states that "The CSR responsibilities of a bank encompass a wide array of obligations toward multiple stakeholders". These include maximizing shareholder profit, maintaining sufficient liquidity to meet depositors' demands, addressing the legitimate credit requirements of the deficit sector, complying with regulatory mandates for continued operations, contributing to overall economic development, and fulfilling obligations towards the local community". According to consumer opinions, banks should find a middle ground between their desire for financial gain and their attention to social issues (Rugimbana et al., 2008). Consumer perceptions of a bank's CSR initiatives, whether existing or new, play a crucial role in determining their level of liking for the bank.

All organizations view CSR as a generic term, and banks are comparatively becoming more aware of the impact of CSR programs. (Achua, 2008; Perez *et al.*, 2013a, 2013b; Hadfield-Hill, 2014; Perez and Bosque, 2014; Fatma and Rahman, 2015. Due to the nature of its products and services, which serve to a more sophisticated and diverse public than other businesses, the banking sector is particularly affected by CSR (Achua, 2008).

Brand Loyalty

Brand loyalty is consistently viewed as a major marketing goal, as it offers numerous advantages to business because of the benefits to business (Cham and Easvaralingam, 2012; De Villiers, 2015; He et al., 2012). In accordance with the existing literature, scholars have provided diverse definitions of the term brand loyalty. Like, Liu et al., (2012) Brand loyalty can be defined as the strong bond and affinity that customers develop towards a particular brand, whereas Yoo and Donthu (2001) defined Brand loyalty can be characterized as the consumer's final decision regarding a specific brand as their first preference when purchasing a good or service.

Brand loyalty can be divided into two distinct categories: attitudinal loyalty and behavioral loyalty (Back and Parks, 2003; Li and Petrick, 2008). Attitudinal brand loyalty the degree to which a person feels emotionally connected to and committed to a brand is referred to as loyalty. An individual who displays attitudinal brand loyalty is prepared to spend more for a certain brand and is more inclined to promote the brand to others. However, behavioral brand loyalty relates to how often a customer makes the same purchase from a specific brand. Customers who show behavioral brand loyalty are more likely to repurchase a specific product's brand (Chaudhuri and Holbrook, 2001; Zhang and Bloemer, 2008). Regarding the current study, brand loyalty refers to its behavioral and attitudinal components.

Brand Attitude

Customers' attitude towards a brand, whether positive, negative, or neutral, is a learned characteristic that plays a crucial role in shaping their consumer behavioral patterns (Hellier, et al., 2003; Suh & Yi, 2006). Brand attitude represents the favorability towards a specific brand once a buyer has assessed the attributes of various brands' relevant goods (Howard, 1994). As it has the ability to predict consumers' propensity to make purchases and other related behaviors, brand attitude plays a crucial role (Arjun, 1999). Businesses must have a comprehensive understanding of consumers' perceptions and examine their attitudes towards the brand. As a result, brand attitude becomes an essential indicator of consumer preferences, allowing for the prediction of their propensity to purchase and level of brand loyalty (Burton & Garretson, 1998).

Brand attitude is an important factor in understanding consumer sentiment and Their readiness to buy a specific good or service (Burton & Garretson, 1998). It is used to measure consumer preferences and predict consumer buying behavior (Till & Busler, 1998). Additionally, brand attitude can be used to assess the effectiveness of marketing campaigns and promotional activities (Mowen & Minor, 2000). Companies that understand how consumers view their brand can use this information to create effective messaging and marketing strategies that resonate with their target audience. Brand attitude is based on a combination of factors such as brand familiarity, brand loyalty, perceived value, perceived quality, and perceived risk (Burton & Garretson, 1998). These elements can be used to understand how consumers view a brand, their response to brand-related messaging (Till & Busler, 1998). Their readiness to buy a specific good or service (Mowen & Minor, 2000). Consumers have different attitudes towards different brands and products and it's crucial for companies to comprehend the contributing elements to these attitudes in order to create effective marketing strategies.

Understanding consumer brand attitude is essential for companies to create effective marketing strategies and messaging. Companies must analyze consumer brand attitude to determine what factors influence consumer preference and buying behavior. Companies can use this information to create messaging and marketing strategies that are tailored to their target audience. Additionally, companies should use brand attitude to measure the effectiveness of their marketing campaigns and promotional activities (Mowen & Minor, 2000). By understanding consumer brand attitude, companies can create more effective messaging and marketing strategies that will resonate with their target audience and increase their chances of success.

Ethical CSR and Brand Loyalty

As it projects a sense of character, the perception of socially responsible action can increase brand loyalty (Keller and Aaker, 1992), a set of unique values (Turban and Greening, 1997), respecting customers and encouraging a sense of loyalty to the business (Maignan et al., 1999). On the other hand, particular researchers have found that a significant percentage of consumers show a strong preference for products from companies that dynamically participate in societal issues (Maignan et al., 1999; Garcı´a de los Salmones et al., 2005). In the literature on the relationship between CSR and brand loyalty, According to some authors, CSR increases brand loyalty and enhances performance (He & Lai, 2012; Tulcanaza-Prieto, Shin, Lee, & Lee, 2020), though other significant investigations, including (Koschate-Fischer & Gärtner, 2015); Wang, Chen, Yu, and Hsiao (2015) described that CSR does not play a special role in determining brand loyaltyHowever, the overwhelming body of evidence points to this causal relationship's existence.

Corporate Social Responsibility is an important aspect of modern firm practices, and ethical CSR has been demonstrated to have a positive effect on brand loyalty. Ethical CSR refers to a company's dedication to ethical corporate practices, environmental sustainability, and social responsibility. Consumers are becoming increasingly aware of the impact their purchasing decisions have on society and the environment, and they are choosing to support brands that align with their values.

Several studies have found that ethical CSR can positively impact brand loyalty. A study by Brown and Dacin (1997) found that consumers were more likely to have brand loyalty towards companies that had a strong commitment to ethical and social responsibility. Similarly, a study by Sen and Bhattacharya (2001) found that ethical CSR initiatives positively influenced consumers' attitudes towards the company, which in turn led to increased brand loyalty.

In a more recent study, Du, Bhattacharya, and Sen (2010) found that customers' opinions of a company's ethical CSR initiatives positively impacted brand loyalty, and this effect was stronger for consumers who identified with the cause the company was supporting. This suggests that consumers not only appreciate a company's commitment to ethical CSR, but they are also more likely to remain loyal to the brand when they share the same values and beliefs as the company. H1. Ethical CSR positively and significantly affects Brand loyalty.

Economic CSR and brand loyalty

Moreover, some studies have found that economic CSR can positively influence consumer trust in the brand, which can result in higher brand loyalty levels (Choi & La, 2013; Mohr et al., 2001). Additionally, economic CSR can enhance consumer-perceived value of the brand, leading to higher levels of satisfaction and loyalty (Jiang & Liu, 2018). In research by Bigne-Alcaniz et al. (2014), the writers discovered that economic CSR had a positive effect on brand image, consumer trust, and loyalty in the context of banking industry. The authors argued that economic CSR initiatives, such as providing affordable financial services to underserved communities, can enhance consumer perceptions of the brand's social responsibility, leading to higher levels of loyalty. Research suggests that economic CSR can increase consumer brand loyalty. For example, a study by Lin and Lu (2011) found that consumers were more open to develop a strong emotional connection with brand that engaged in economic CSR activities, such as investing in research and development and providing good working conditions for employees. Similarly, a study by Kim and Park (2018) found that economic CSR positively influenced brand loyalty among consumers in the retail industry.

Other studies have found that economic CSR can indirectly impact brand loyalty through its effect on corporate reputation. For example, a study by Sen and Bhattacharya (2001) found that consumers were more likely to have a favorable attitude toward a company that engaged in economic CSR activities, As a result, their loyalty to the brand was enhanced. Similarly, a research by Du et al. (2013) learned that economic CSR positively influenced corporate reputation, which in turn positively affected brand loyalty. Overall, the literature suggests that economic CSR can increase consumer brand loyalty, both directly and indirectly through its effect on corporate reputation. By fulfilling its economic responsibilities and creating value for its stakeholders, a company can build a strong brand and foster customer loyalty. H2. Economic CSR positively and significantly affects Brand loyalty.

Economic CSR and Brand Attitude

There have been many studies that have researched the effects of economic CSR on brand attitude. Economic CSR refers to a company's responsibility to fulfill its economic obligations and to create value for its shareholders while also considering the results of its actions regarding the environment and society. One study conducted by Mohr and Webb (2005) found that economic CSR activities such as creating high-quality products and services, providing good customer service, and investing in employee training and development can have a favorable effect on brand attitudes. The authors suggest that economic CSR can result in higher client satisfaction and loyalty, which in turn can improve brand attitudes.

Another study by Kim and Park (2011) examined the results of economic CSR on brand attitude in relation to the banking industry. The study found that economic CSR activities such as providing low-interest loans and contributing to social welfare programs can positively influence brand attitude. The authors suggest that economic CSR can enhance customer trust and perception of the company, which can lead to improved brand attitudes. Similarly, a study by Zeng et al. (2020) evaluated the effect of economic CSR on brand attitude in the context of the hotel industry. The study found that economic CSR activities such as investing in employee training and development and providing high-quality products and services can positively influence brand attitudes. The authors suggest that economic CSR can improve customer satisfaction and loyalty, which can lead to improved brand attitudes.

Similarly, a study by Zeng et al. (2020) evaluated the effect of economic CSR on brand attitude in the context of the hotel industry. The study found that economic CSR activities such as investing in employee training and development and providing high-quality products and services can positively influence brand attitudes. The authors suggest that economic CSR can improve customer satisfaction and loyalty, which can lead to improved brand attitudes. Overall, these studies suggest that Economic CSR initiatives can influence brand attitude favorably by enhancing customer satisfaction, trust, and loyalty. H3. Economic CSR positively and significantly affects brand attitude.

Ethical CSR and Brand Attitude

Numerous studies have explored ethical corporate social responsibility's (CSR) effects on brand attitude, highlighting the positive relationship between the two concepts. Ethical CSR activities refer to voluntary activities that companies undertake to improve society's welfare, such as environmental sustainability, community involvement, and ethical labor practices (Maignan & Ferrell, 2004). For example, in a study by Lee and Park (2018), ethical CSR activities were discovered to have a profoundly favorable effect on brand attitude, leading to higher levels of trust, respect, and admiration towards the brand. Similarly, in a study by Bhattacharya and Sen (2004), ethical CSR initiatives were found to be positively associated with brand attitude and perceived quality of the brand.

Moreover, Kim and Park (2020) found that ethical CSR activities positively influenced consumers' perceptions of a brand's social responsibility and reputation, leading to more favorable brand attitudes. Similarly, in a study by Du, Bhattacharya, and Sen (2010), it was found that ethical CSR activities, such as philanthropic initiatives, led to more positive attitudes towards a brand and greater brand loyalty.
Overall, the literature suggests that ethical Brand attitudes can benefit from CSR initiatives, leading to greater consumer trust, respect, admiration, and loyalty towards the brand. H4. Ethical CSR positively and significantly affects brand attitude.

Brand Attitude and Brand Loyalty
The attitudes towards a brand can have an immediate effect on consumer brand loyalty and an indirect influence on the brand's assets (Arjun, 1999). This statement indicates that brand attitudes have a direct impact on consumers' inclination to purchase and their future commitment to brand loyalty. When consumers possess a favorable brand attitude, it can serve as an indication of their propensity for future loyalty (Bennett & Rundle-Thiele, 2002). Therefore, Brand attitudes of consumers significantly impact loyalty (Priester et al., 2004). The attitude towards a socially responsible brand serves as a precursor to consumer loyalty, This is a result that can be encouraged by assessing the firm's values and social actions, which, if favorable, lead to consumer identification with the brand (Marin, Ruiz & Rubio, 2009; Sen & Bhattacharya, 2001). Hence, brand attitude is a key factor influencing consumer behavior, as demonstrated by the desire to use the product and service, as well as brand loyalty, encompassing elements such as attitude toward loyalty, desire to purchase, amount spent, and recommendation intention. It has been discovered that brand attitude significantly affects consumers' brand loyalty.

Several studies have investigated the impact of brand attitude on brand loyalty. In a study by Chang and Chen (2008), they discovered that brand attitude influences brand loyalty in a favorable way in context of mobile phone services. Back and Parks (2003) discovered that behavioral brand loyalty is positively impacted by brand attitude in the context of athletic shoes. Chen and Chen, (2010) discovered that brand attitude influences both attitudinal and behavioral brand loyalty in a positive way in the context of coffee shops. Kim et al., (2011) discovered that brand attitude influences both attitudinal and behavioral brand loyalty in a positive way in context of luxury fashion brands. These studies suggest that a positive brand attitude can increase both attitudinal and behavioral brand loyalty. This emphasizes the importance for companies to focus on building a positive brand attitude among consumers in order to enhance their brand loyalty. H5. Brand Attitude positively and significantly affects Brand loyalty. Figure 1 shows the theoretical framework.

RESEARCH METHODOLOGY

In current study a quantitative research was used. Quantitative research is a type of study that gathers and examines numerical data through structured, objective and systematic approaches. This type of research usually involves the use of surveys, experiments, and statistical analysis to gather and interpret data. Quantitative research is often used to test hypotheses and make predictions based on statistical data analysis. The study population refers to the total number of people from whom a representative will be drawn (Bryman and Bell, 2007). The target population for this study contains accounts holders of different banks from major cities (Lahore, Multan, Quetta and DG Khan) of Pakistan. Convenience sampling was employed to collect the data. Convenience sampling, as its name implies, involves collecting information from conveniently accessible members of the population. It is commonly utilized during the exploratory stage of a research project and is recognized as an efficient way to gather essential information swiftly. Convenience sampling is a sampling technique where the sample is chosen at the researcher's convenience (Hair *et al.*, 2004). Some researchers have suggested a suitable standard sample size for factor analysis. Like Krejcie and Morgan (1970), the inclusion of a table has simplified the size decision process, creating a highly effective decision model. Table 1. provides that A universal scientific guideline for making judgments about sample size.

Based on the criteria, research sample size was 384, out of which 353 people responded. The respondents' age, gender, education level, occupation, and time since opening a bank account were all divided proportionally. In the ongoing research, a seven-point Likert scale questionnaire was utilized through online survey through Google Forms. Seven point Likert's scales are better than five-point scales when it comes to the ability to reliably and sensitively spot subtle but significant discrepancies (Nunnally and Bernstein, 1994; Churchill, 1999). For measuring marketing and brand-related empirical investigations, Likert's scales are advised (Brakus *et al.*, 2009).

A self-administered questionnaire with two sections: one on respondents' demographic traits and the other on respondents' opinions regarding CSR (ethical and economic), brand attitude and brand loyalty. To measure economic CSR Four item scale is will take from (Corson and Steiner, 1974, Fatma et at., 2015 , Ostlund and L.E , 1977 , Lee et at., 2013). Ethical CSR will measure on five item scale from Podnar and Golob (2007), Gunesh and Geraldine (2015), Perez and Bosque (2014, 2015a, 2015b). The study's four-item scale for measuring brand loyalty will be used (Zeithaml et at., 1996) to measure brand loyalty. A 5-item scale will be used to assess brand attitude based on Dabholkar and Bagozzi (2002). For data analysis in this study, we used SPSS and Smart PLS software. In the current study, various quantitative methods like Structural Equation Model (SEM), instruments' validity and reliability, descriptive and normality test, correlation analysis and the hypotheses were tested to examine data.

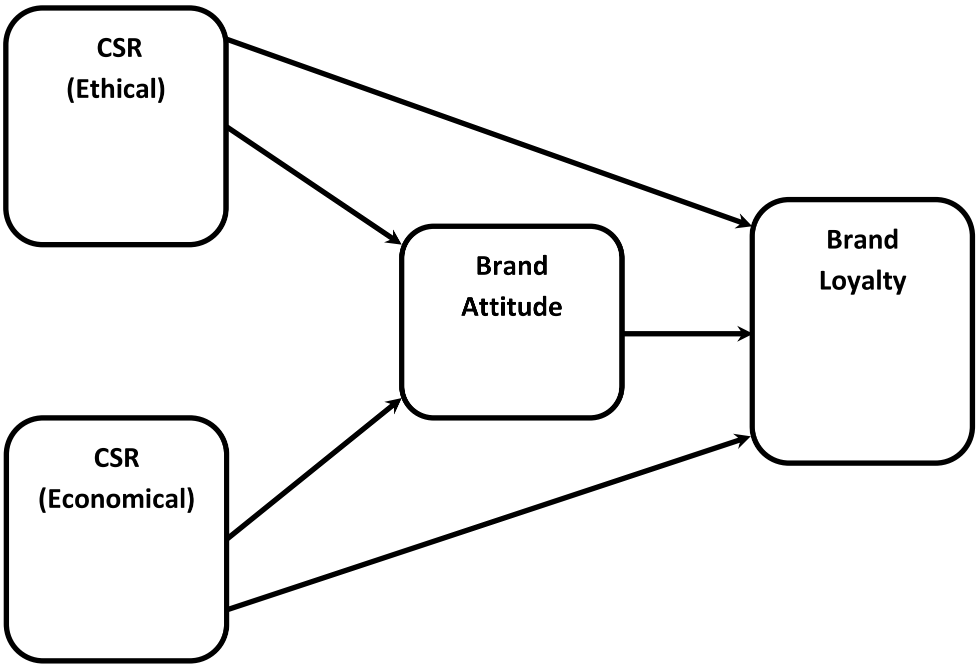

Figure 1. Theoretical Framework
Source: Processed Data (2025)

Table 1. Sample Size Criteria

Population	Sample Size
10000	370
15000	375
20000	377
30000	379
40000	380
50000	381
100000	383
>100000	384

Source: Processed Data (2025)

RESULTS

Reliability Analysis

Research uses reliability analysis to verify the internal consistency of the elements employed in a construct (Bryman & Bell, 2012). Internal consistency can be measured through Cronbach's alpha values and composite reliability. For internal consistency all the Cronbach's alpha values should be greater than 0.7 However, if the Cronbach's alpha values of one or two variables are lesser than 0.70, it can be ignored (Sekaran, 2003). The numbers should be more than 0.70 for composite reliability (Garson, 2016; Hair et al., 2011). The research observed the following four variables. It was interesting to conclude that Economic CSR consists of 4 items with Cronbach's alpha values ranged 0.249 and its composite reliability was 0.633. Ethical CSR had 5 items with the value of cronbach’s alpha 0.366 and its comoposite realiablity was 0.658. The Cronbach’s Alpha of Brand Attitude represents 0.491 with 3 items and its composite ralliability was 0.747 the Cronbach’s Alpha of Brand Loyalty represents 0.451 and composite reliability represents 0.700 with 4 items.

Table 2. Reliability

Variables	Items	Cronbach’s Alpha	Composite Reliability
Economic CSR	4	0.249	0.633
Ethical CSR	5	0.366	0.658
BA	3	0.491	0.747
BL	4	0.451	0.700

Source: Processed Data (2025)

Descriptive Statistics and Normality

To determine whether the data are normal, descriptive statistics are utilized. The values for skewness and kurtosis must be between -3 and +3 in order for the data to be considered normal. (Kline, 2011a). Additionally, these statistics aid in comprehending the form and composition of skewness and kurtosis. Additionally, descriptive statistics are utilized to interpret the variance, range, and standard deviation ideas connected to measuring central tendency (Hair et al., 2006; Kline, 2011a; Perera et al., 2017). In descriptive statistics, measures of central tendency like mean, median, and mode are used. Additionally, these statistics might make use of variance, range, and standard deviation numbers (Avkiran & Ringle, 2018; Bandara Wanninayake & Chovancová, 2011; Ramish et al., 2019; Varkevisser et al., 2003). As mentioned above, this thesis has performed normality, skewness, and kurtosis analyses.

Descriptive Statistics

The mean and standard deviation of the variables are displayed in Table 4.2. The mean of Economic CSR was (M=3.80, SD= 1.25), Ethical CSR (M=3.91, SD= 1.57), Brand Attitude (M= 3.33, SD= 1.34) Brand Loyalty (M= 3.54, SD= 1.87)

Table 3. Descriptive Statistics

Variables	Mean	Standard Deviation
CSR Economic	3.80	1.25
CSR Ethical	3.91	1.57
BA	3.33	1.34
BL	3.54	1.87

Source: Processed Data (2025)

Normality Test

The values for skewness and kurtosis must be between -3 and +3 in order for the data to be considered normal (Kline, 2011a). To determine whether the constructs utilized in the thesis were normal, skewness and kurtosis analyses were performed. Table 4.3 displays the results in summary.

Table 4 Normality Test

Variables	Skewness	Excess kurtosis
CSR Economic	0.014	0.030
CSR Ethical	0.351	0.159
BA	-0.156	-0.300
BL	0.156	-0.011

Source: Processed Data (2025)

Correlation Analysis

The association between each variable is determined on a one-to-one basis using correlation analysis. This examination displays the potency and connections between all the elements (Hair Jr. et al., 2014; Wong & Kwong, 2013). A correlation coefficient can have a value between -1 and +1. The highest correlation is shown by numbers near ±1, while those near zero show no association or a very sluggish connection between the variables.

The correlation coefficient's positive and negative signs indicate the direction of the association between the variables (Bryman & Bell, 2007). Riaz et al. (2015) ideally, the correlation coefficients should fall between 0.3 and 0.9. The constructs have no association or a very weak relationship if the correlation value is less than 0 (Kline, 2011a). It has been proposed that all pairs with values less than 0.2 should be eliminated (Hair Jr. et al., 2014). However, a correlation value larger than 0.9 indicates problems with multicollinearity (Garson, 2016; Hair Jr. et al., 2017). The researchers have proposed two solutions in this case: either eliminate the pair with a correlation of more than 0.90 or combine both constructs (Hair Jr. et al., 2014; Kline, 2011a). The latter strategy, however, requires the researcher to have theoretical justification for joining two variables and treating the result as a brand-new variable (Garson, 2016; Hair et al., 2010, 2009). The sample size affects the correlation coefficient's significance (Bryman & Bell, 2007). Therefore, Researchers advise taking the study's sample size into account before drawing conclusions regarding the strength of a relationship (Hair Jr. et al., 2014; Kline, 2011a).

Table 5. Correlation Analysis

Construct	CSR Economic	CSR Ethical	BA	BL
CSR Economic	1.000			
CSR Ethical	0.660**	1		
BA	0.602**	0.521**	1	
BL	0.654**	0.591**	0.601**	1

Source: Processed Data (2025)

All values were between 0.30 and 0.70, hence all the factors show moderately favorable associations, according to Table 5.8. In present research the correlation higher than 0.01 was significant at $p < 0.05$. According to this value bivariate correlation shows that

Economic Corporate social responsibility have strong positive correlation to Ethical Corporate Social Responsibility (r = 0.66, p<0.01). Economic CSR have a strong positive correlation between Brand Attitude (r= 0.60, p<0.01). Economic Corporate social responsibility have a good correlation to brand loyalty (r= 0.65, p<0.01). Meanwhile, Ethical CSR have a substantial correlation with Brand Attitude (r= 0.52, p<0.01). , Ethical Corporate social responsibility have a substantial correlation with Brand loyalty (r= 0.59, p<0.01). Likewise, Brand attitude and Brand loyalty have a significant beneficial relationship (r= 0.60, p<0.01).

R-Square, PLS-Predict LV-Summary Statistics

R-square is the proportion of variation in the dependent variable caused by the independent variable. R squared in Smart PLS illustrates how effectively an independent variable predicts a set of dependent variables and study results. Additionally, the change in the dependent variable brought on by one or more of the study's independent variables demonstrate the relationship between the two variables. The interpretation of R squared in smart PLS is same as in other software and it is called coefficient of determination. The amount of variance in the endogenous variables that is explained by external factors is shown by this coefficient. R sqaured is calculted by squaring correlation of predictive and actual values used for model (Hair et al., 2017). A larger R-squared value signifies that the model is a good fit for the data. R squared's value ranges from 0% to 100%.

Adjusted R-Square is taken into account when a model has multiple independent variables (Garson, 2016; Hair Jr. et al., 2014). The model can be regarded as being good if R-Square or Adjusted R-Square is more than 0.2 (Cohen, 1988).

Table 6. R-Square

Independent	Dependent	R2
CSR Ethical	Brand Attitude	25.5%
CSR Ethical	Brand Loyalty	18.2%
CSR Economic	Brand Attitude	25.5%
CSR Economic	Brand Loyalty	18.2%
Brand Attitude	Brand Loyalty	18.2%

Source: Processed Data (2025)

F^2 Effect Sizes Evaluation

F squared is also called Cohen’s f squared effect size coefficients. According to Cohen (1998) it helps researchers to determine effect size of path coefficients is small (less than and equal to 0.02), medium (less than and equal to 0.15) or large (less than and equal to 0.35). Values less than 0.02 propose that effect is very weak from practical point of view even when its p value shows its significance statistically. Such situations occur when sample is large. By effect size it is meant that how remarkable is the relationship between two or more variables and how large is the difference between the means of groups. Measures of effect size are considered practically significant when compared with traditional statistical significance. It is useful to determine how strongly two variables are associated (Garson, 2016). It can be found that by removing any predictor from the model, how much it affects R2. This shows the importance of each variable in the model and their effect size (small, medium, large) on the dependent variable.

Table 7. F^2 Effect Sizes Evaluation

Variables	F Value
CSR Economic	0.19
CSR Ethical	0.24
Brand Attitude	0.21
Brand Loyalty	0.27

Source: Processed Data (2025)

Structural Equation Modeling

The impact of sensory marketing on consumer loyalty was investigated using structural equation modeling. The researcher has applied the partial least squares approach for analysis with SmartPls 4.0 software for this aim. According to Lomax & Schumacker (2012) Different models used by SEM aid in determining the link between latent and observable variables. Testing the theoretical model and the connections between its constructions is the main objective. Regression, factor analysis, and route analysis are all a part of SEM.

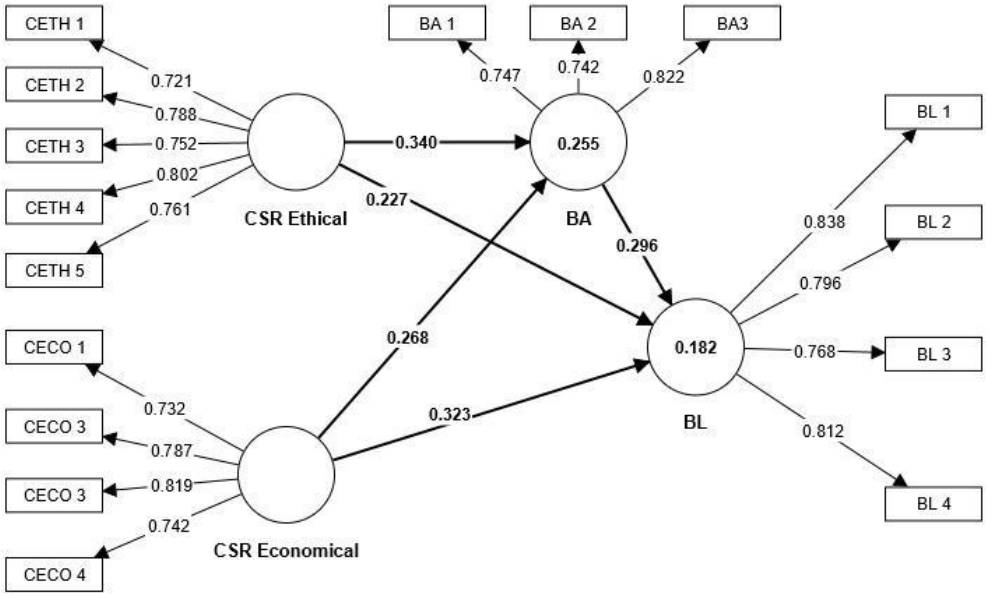

Figure 2. Structural Equation Model
Source: Processed Data (2025)

Table 7. Summary of Direct Hypothesis affects outcomes

Sr. No.	Hypothesis	Relationship	(β)	t-Value	R2	Results
1	H1	CSR Ethical-Brand Loyalty	0.22	9.92	0.182	Accepted
2	H2	CSR Economic-Brand Loyalty	0.32	7.65	0.182	Accepted
3	H3	Economic CSR-Brand Attitude	0.26	8.17	0.255	Accepted
4	H4	Ethical CSR-Brand Attitude	0.34	9.94	0.255	Accepted
5	H5	Brand Attitude-Brand Loyalty	0.29	8.17	0.182	Accepted

Source: Processed Data (2025)

Discussion

The current study evaluates CSR's contribution to fostering brand loyalty and brand attitude. The study assesses only two dimension of CSR (Ethical and Economic). The causal connection is examined among two dimensions of CSR, brand attitude and brand loyalty. According to this research, brand loyalty is positively impacted by CSR activities as they serve as powerful signals of the brand's authenticity. As brand attitude fosters a positive image of the company, consumers become more receptive to the brand, resulting in heightened brand loyalty. Additionally, brand attitude exerts a favorable impact on brand loyalty. As a result, consumers are more inclined to repurchase and demonstrate long-term commitment to it.

Therefore, it is essential for companies to direct their efforts towards bolstering by taking into account and enhancing all the contributing factors, the brand's reputation (e.g., price, quality, availability, social responsibility, etc.). Customers are more likely to become brand loyalists if the brand has a positive attitude. According to the findings, it is crucial for researchers and companies to focus on understanding the cognitive processes that drive consumers' perceptions of the CSR image. This marks a departure from the prevailing emphasis on affective outcomes in prior research (Hsu, 2012). By scientifically demonstrating how brand attitude emerging from CSR contributes to the long-term relationship with customers, this study makes significant discoveries. Customers are more likely to identify with a brand's CSR initiatives that support their efforts to improve their self-worth. CSR initiatives are a powerful tool for improving consumer brand attitudes and brand loyalty.

Theoretical Contributions

Finding the critical role of brand attitude in the relationship between CSR and brand loyalty is one of the study's major contributions. This study's findings offer empirical support for the proposed conceptualization. The results demonstrate that a consumer who strongly associates their brand with charitable endeavors has greater brand loyalty. Additionally, the findings imply that businesses can build brand loyalty through brand attitude. A consumer is more likely to identify with a brand if they see similarities between it and their own ideals. Hence, this may pave the way for a sustained, enduring connection with the brand.

Managerial Contributions

Banking industry of Pakistan is an important part of service sector and it helps in improving GDP of Pakistan. CSR matters when brand loyalty is looked after. Management of the banks should know that considering corporate social responsibility is crucial that helps in generating brand attitude and brand loyalty. First, the study confirms that the corporate social responsibility positively impacts on Brand loyalty. Managers may strengthen brand loyalty by enrolling in corporate social responsibility activities. Second, the study confirms that the corporate social responsibility positively impacts on brand attitude. Third, the study confirms that the brand attitude positively impact on brand loyalty.

Bank managers should take note of the significant implications arising from the study's results. The study suggests that CSR should be viewed not as an extra activity but as an integral core function of the business, deserving considerable attention, given its impact on performance. CSR initiatives should be integrated into a company's core operations for long-term success, improving both the social and financial performance of the organization. An organization can profit from the findings by understanding how CSR (Ethical and Economic) can improve the brand's attitude about the brand and lead to brand loyalty. Numerous studies have shown that a customer's favorable attitude about a company's social engagement can greatly affect their perception and behaviors (Perez, 2015). Accordingly, CSR is seen as an essential obligation for the firm to undertake initiatives that enhance social well-being and align with the interests of stakeholders (Davis, 1975). Based on the study's findings, it becomes evident that the customer of banks looks forward to their company engaging in socially responsible practices, potentially leading to the favorable result of nurturing a loyal customer following. There are multiple advantages for the company in being involved in CSR activities. These actions have a significant impact on the brand's reputation, which elevates brand attitudes toward the company and fosters brand loyalty.

Investment in CSR initiatives has surged recently since the Company Bill of 2013 was put into effect in India, so organizations are encouraged to devise innovative investment strategies for their CSR activities, with the goal of generating a larger, positive effect on society Most importantly, to capitalize on the investment made in CSR programs, it is crucial to communicate them effectively through multiple platforms, thereby raising consumer awareness (Fatma and Rahman, 2016).

CONCLUSION

The emerging significance of CSR offers a golden opportunity to shape the course of world businesses towards sustainable and socially conscious progress. However, there is still a lack of data on the role of socially conscious elements in banking services and how they affect different marketing outcomes. By studying the impact of CSR and brand attitude on customer brand loyalty in the banking services, this study broadened the conventional view of CSR effects on consumers and attempted to fill the gap. This study's main goal was to develop and examine a theoretical framework that outlines the direct and indirect connections between consumer views of CSR in banking organizations and a range of marketing outcomes, including brand attitude and brand loyalty. This study was successful in establishing a significant and relevant link between CSR and brand loyalty by taking into account brand attitude in the path relationship. The findings show that although there was a direct connection between CSR and brand attitude and brand loyalty, it was not statistically significant. CSR can influence brand attitude, so banks should emphasize different CSR initiatives to strengthen their relationship with customers.

Limitation and Future Research Direction

Acknowledging the substantial results obtained from the present study, it is equally important to acknowledge its limitations, offering potential avenues for future researchers to further enrich the knowledge of this concept. First, the environment of this study is limited to banking services alone; this fact should be taken into account when extrapolating the findings to other business models. There is potential for the researchers to validate the proposed model by examining its applicability across various industries, considering the diverse nature of CSR activities resulting from distinct functional contexts. Hence, to increase the generalizability of findings, studies should encompass a cross-section of industries. The second aspect of this study involves investigating the interplay of one indirect (mediating) variable, brand attitude, in the connection between brand loyalty and CSR. While focusing on the proposed model, researchers can also test other variables, such as intention to determine their potential as mediator or moderator. Third, examining how CSR affects consumer-brand relationships differently among various consumer demographics would bring valuable and interesting perspectives to light. Future studies may delve into the variations among different consumer groups concerning gender and age, facilitating comparisons of the outcomes. Future research may incorporate demographic variables as control variables, providing valuable insights for banks to develop CSR strategies tailored to specific consumer groups. Fourth, the collected data represent the respondents from the major cities (Multan, Quetta, Lahore, and DG khan) of Pakistan. Major cities like Karachi were not included due to time and financial limitation; hence future research should include more respondents from different cities of Pakistan to obtain stronger results. Fifth, the sample size of the present study comprised 384 respondents from the five major cities of Pakistan. This number can be increased to obtain more absolute findings on the phenomenon under research which can be addressed in future research.

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