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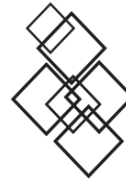
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TOPIC

THE LAW OF CSR AND CUSTOMER LOYALTY: A CASE OF PAKISTAN'S COMMERCIAL BANKS

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THE LAW OF CSR AND CUSTOMER LOYALTY: A CASE OF PAKISTAN'S COMMERCIAL BANKS

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Abstract

Corporate Social Responsibility (CSR) is becoming pivotal with each passing day for value creation, particularly in the banking industry mainly in Pakistan. Although, with of move of financial liberalization of the early 2000s the said industry is competing for enhancing customers' perceived value (PV) which is the foundation of persistent customer loyalty. Henceforth, the study aims to investigate the impact of corporate social responsibility on the perceived value of customers which ultimately converts into loyalty for the long-term upholding of customers in the banking industry of Pakistan. The results of the study confirm that CSR activities conducted by banks have a significant impact on trust, commitment, and satisfaction. However, the value perceived by customers is significantly important for enhancing their loyalty to their bank which is imperative for long-term relationships.

Keywords: Commercial Banks, Corporate Social Responsibility and Loyalty, Perceived Value.

Introduction

Corporate Social Responsibility (CSR) has progressed as a renowned concept in the global environment and its conception evolved in the early 1960s (Al-Mubarak, Hamed and Al-Mubarak, 2018). According to Carroll (1999), the idea of CSR evolved in the 1960s and 1970s in emerging countries where it was only constrained to the theoretical literature but subsequently, it slowly started to take place in the business environment. Companies are adopting multiple measures and practices among which CSR is the most alluring way to attract and maintain their customers' loyalty. CSR is more accentuated in decision-making by

developed countries than the developing or embryonic ones (Qamar, Masood and Junaid, 2016). Therefore, CSR has become the main business activity that provides organizations with various assistance. Furthermore, it works as a key marketing tool for forming long-lasting business-customer affiliations that encourage firms to capitalize millions on developing and executing CSR policies or marketing strategies (Khan, Ferguson and Perez, 2015). Globally, CSR was the most discussed and widely practiced area in the developed world however, in developing countries such as Pakistan this topic is not studied widely (Irshad, Rahim, Khan and Khan, 2017).

In Pakistan, different kinds of national and international organizations are operating, which are only concerned with making profits without considering any social cost or harm to society (Irshad et al., 2017). Financial institutions such as Banks in addition to other organizations are also required to perform by law corporate social responsibilities. As, Qamar et al., (2016) reported that CSR activities of banks not only improve their values and standards but also provide them with the opportunity to attract their customers through emotional campaigns despite the fact, these activities can create challenges for other firms operating in the marketplace. As financial institutions of any country are considered the lifeblood of the economy therefore, banks are insisted on performing their activities in a socially responsible manner for the reason that banks are important drivers for financial economic growth (Iqbal and Pramanik, 2016).

In Pakistan, commercial banks and different financial institutions mark a significant fiscal affiliation with the development of Pakistan's economy and nearly 95% of the financial sector is occupied by banks and other non-banking financial institutions (Qamar et al., 2016). The large share of banks also creates intensive competition in the financial environment customer loyalty has become an acute issue in the banking sector. Resultantly, commercial banks embarked on different social responsibilities, for example, economic, social, philanthropic and legal responsibilities to achieve customers' loyalty. Loyal customers help businesses to become successful in the current severe competitive environment and to increase their profitability. Previous studies have endeavored to explore the association of CSR with customers' loyalty in the banking sector but, still, there is a lack of research in Pakistan and also in other countries that have investigated the relationship between CSR and loyalty through the customer perceived value generated by satisfying said promises, creating positive image of the organization and by providing expected quality services.

The primary objective of this research is to investigate the impact of CSR on customers' loyalty through PV and to explore the role of customers' perceived value in shaping the loyalty of

customers in commercial banks of Pakistan. The secondary objective of this study is to check the impact of different variables namely; communication, expectation, trust, service quality and commitment on perceived value. Finally, the effect of PV on loyalty is also investigated. The study intends to investigate how corporate social responsibility affects customer loyal through perceived value. Secondly, how does corporate social responsibility affect loyalty through customer-perceived value? Lastly, how do perceived value and its dimensions influence loyalty among commercial bank customers in Pakistan? The study is synchronized into four sections: the literature review, theoretical background and development of hypotheses, research methodology of the study, results and discussion and finally, the conclusion of the study.

Literature Review

Numerous studies have looked into the connection between CSR and consumer loyalty in the past literature. CSR consumer loyalty has become a hot topic in recent days because many researchers have revealed the link between them, especially from the perspective of consumer perceived value, behavior and intention (Pomering and Dolnicar, 2009; Iqbal and Pramanik, 2016; Moisescu, 2017; Rashid, Abdeljawad, Ngali, and Hassan, 2013; McDonald and Lai, 2011; Jose, Rugimbana and Gatfield, 2012; Poolthong and Mandhachitara, 2009). Iqbal and Pramanik (2016) investigated the impact of CSR dimensions on loyalty by collecting data from 320 respondents and employed factor analysis and a structural equation model (SEM). They pointed out the influence of all CSR factors on loyalty, whereas customer centric was divulged as a highly influential factor. Similarly, Moisescu (2017) surveyed 1449 customers in Romania for exploring the effect of customers' perceptions on loyalty and verified that customers' loyalty was most significantly allied with customer-centric CSR. Zafar et al. (2012) concisely explained the SQ-loyalty relationship through satisfaction in the Pakistan banking service context. The regression analysis applied to testing the hypothesis of the study indicated that satisfaction played a significant role in mediating the SQ and loyalty relationship.

Ganguli and Roy (2011) attempted to explore technology-based SQ components on customer satisfaction and loyalty by applying SEM and CFA on 336 respondents' and they concluded that customer loyalty and customer satisfaction were certainly shaped by the technology usage easiness and reliability. Moreover, Chiguvu and Guruwo (2017) carried out a study where customer satisfaction and demographic variables were examined as forecasters of customer loyalty. They surveyed 44 banks through a questionnaire and they indicated that customer satisfaction and customer loyalty were positively linked. Sangeetha (2018) also revealed that in the retail banking environment customer satisfaction was positively and strongly shaped by

the PSQ. Paulik, Kombo and Kljucnikov (2015) focused on how satisfaction and loyalty of bank customers and employees were persuaded by the CSR strategies of Czech Republic banks. They found that most of the customers were satisfied with the overall performance of their banks. Recently, Alnsour (2019) collected 384 responses for spotlighting the effect of CSR on satisfaction and concluded that there is a positive relationship between CSR and customer satisfaction.

Shabbir, Shariff, Yusof, Salman and Hafeez (2018) focused on in what manner loyalty was affected by CSR and corporate image. They concluded that CSR and loyalty were not only correlated but also significantly moderated by corporate image. Aramburu and Pescador (2017) investigated the mediating effect of reputation and type of organization between CSR and loyalty. The results showed that CSR directly affects loyalty. Al-Mubarak et al. (2018) are in view that CSR and banks' image are directly correlated. Zameer, Tara, Kausar and Mohsin (2015) intended to inspect the effect of SQ, satisfaction and bank image on perceived value. The results indicated that there was a positive relation between satisfaction and perceived value. Koupai, Alipourdarvish and Sardar (2015) presented a study that aimed at trust and PV in creating loyalty by mediating the effect of satisfaction. A total of 450 respondents were assessed which portrayed that trust influences loyalty positively, whereas satisfaction was the important mediator between trust and loyalty. Khan et al. (2015) carried out research for investigating how PSQ-loyalty relation was shaped by CSR perceptions in the financial sector. The results provided that PSQ, trust and repurchase intention were regulated by multidimensional CSR.

Khan and Fasih (2014) queried the consequences of SQ's dimensions on loyalty and satisfaction in the banking sector of Pakistan. They analyzed 270 respondents through descriptive statistics, correlation analysis and regression coefficient which identified that SQ and its dimensions such as tangibility, reliability, assurance and empathy bared positive affiliation with satisfaction and loyalty. Raza, Bhutta, Iqbal and Faraz (2018) detected the role of trust in banks between the social activities of banks intended for customer loyalty. The outcomes explained that CSR initiatives have a notable reflection on customer loyalty. Leninkumar (2017) viewed the influence of customer satisfaction and trust among loyalty of commercial bank customers. The study unveiled the expressive relationship between trust, satisfaction and loyalty. Pasha and Waleed (2016) concisely explained the aspects of loyalty using variables like satisfaction, brand trust, perceived price and SQ which recorded the considerable relation of dependent factors with loyalty. Recently, Shah and Khan (2019) explained the relationship between customer-related CSRs with affective and continuous

commitment and the result of the study showed that customers' commitment with their banks was positively associated with the CSR's perceptions. Kajenthiran and Galahitiyawe (2019) examined satisfaction and loyalty in which they found that loyalty was largely enthused by CSR. Qamar et al. (2016) proposed that by applying effective CSR strategies a strong relationship can be developed with customers.

Hypotheses Development:

Corporate Social Responsibility has been defined as *"The formal and informal ways in which business contributes to improving the social, ethical, governance, environmental and labor conditions of the country in which they operate"* (Qamar et al., 2016). In the present study, CSR has been studied based on four dimensions as presented in the pyramid of Carroll (1991) and these can be explained as:

- **Economic CSR** refers to the obligation of organizations in terms of maximizing the earning per share, generating reasonable profit for the customers in the process of delivering goods or services to them, having a strong competitive position in the market, and providing customers with consistent profits (Carroll, 1991).
- **Ethical CSR** means "Those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights", (Carroll, 1991).
- **Legal CSR** portrays a view of organized moral principles in a manner that they represent fundamental concepts of reasonable actions of organizations as proven by the legislator (Carroll, 1991).
- **Philanthropic responsibilities** are actions targeted at the society or humanity that leads towards the enhancement of human well-being and goodwill, (Carroll, 1991).

Trust is demarcated as *"A belief that allows the customers to behave in a way, so the long-term relationship can be built"* (Ashraf et al., 2017). Generally, clients are more attracted to organizations which does something for the betterment of the general community, which transmit that the ethical obligations of the institution and end-user trust have a direct relationship in the service industry (Khan et al., 2015). Vallejo et al. (2011) have defined commitment as *"An endured desire to maintain a valued relationship"* This definition provides that commitment to the organization should be for the long term where parties have relation based on legal obligation and lastly commitment should be a way to gain satisfaction Furthermore, there is an important link between CSR and customer's commitment (Ashraf et al., 2017; Shah and Khan, 2019).

H₁: CSR has a significant impact on consumer loyalty.

Perceived value is defined as “The consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Koupai et al., 2015). Corporate’s image characteristics are an important way of representing the positioning of an organization and it is a source of competitive advantage for the organization (Shabbir et al., 2018). Image is defined as “The perception about the organization that the customer holds in their memories” (Zameer et al., 2015). Parasuraman et al. (1988) defined the term SQ as “The discrepancy between customers’ perceptions of services offered by a particular firm and their expectations about firms offering such service”. The SERVQUAL model of Parasuraman et al. (1988) which consist of five dimensions was adopted in this study with the addition of a new dimension such as; technology. These dimensions have been defined as;

- **Responsiveness:** As stated by Kheng et al. (2010), “Willingness to help customers and provide prompt service”.
- **Reliability:** Kheng et al. (2010) explained it as the “Ability to perform the promised service dependably and accurately”.
- **Assurance:** Kheng et al. (2010) viewed it as “The level of knowledge and courtesy of employees and their ability to inspire trust and confidence”.
- **Empathy:** means “Caring and individualized attention that the firm provides to its customers” (Kheng et al., 2010).
- **Tangibility:** It denotes “The physical appearance of the things and facilities provided to customers, for instance, response of bank employees, equipment they use, material associated with service which is visually appealing to the customers” (Ali and Zhou, 2013).

Perceived Value has been expounded in numerous meaning which expresses a discrepancy based on the functioning context, for instance, value in an economic context deal with monetary cost and utility, in an industrial context is it related to processes and costs, social sciences represent it as human values and in marketing perceived value is perceived as tradeoffs between cost and benefits on the perspective of users (Roig et al., 2009; Jumaev et al., 2012). Auka (2012) defined PV as “The customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given”. This study has employed the SERVPERVAL model of Petrick (2002) for gaging PV by containing three dimensions such as emotional response, monetary price and behavioral price. These dimensions have been explained as:

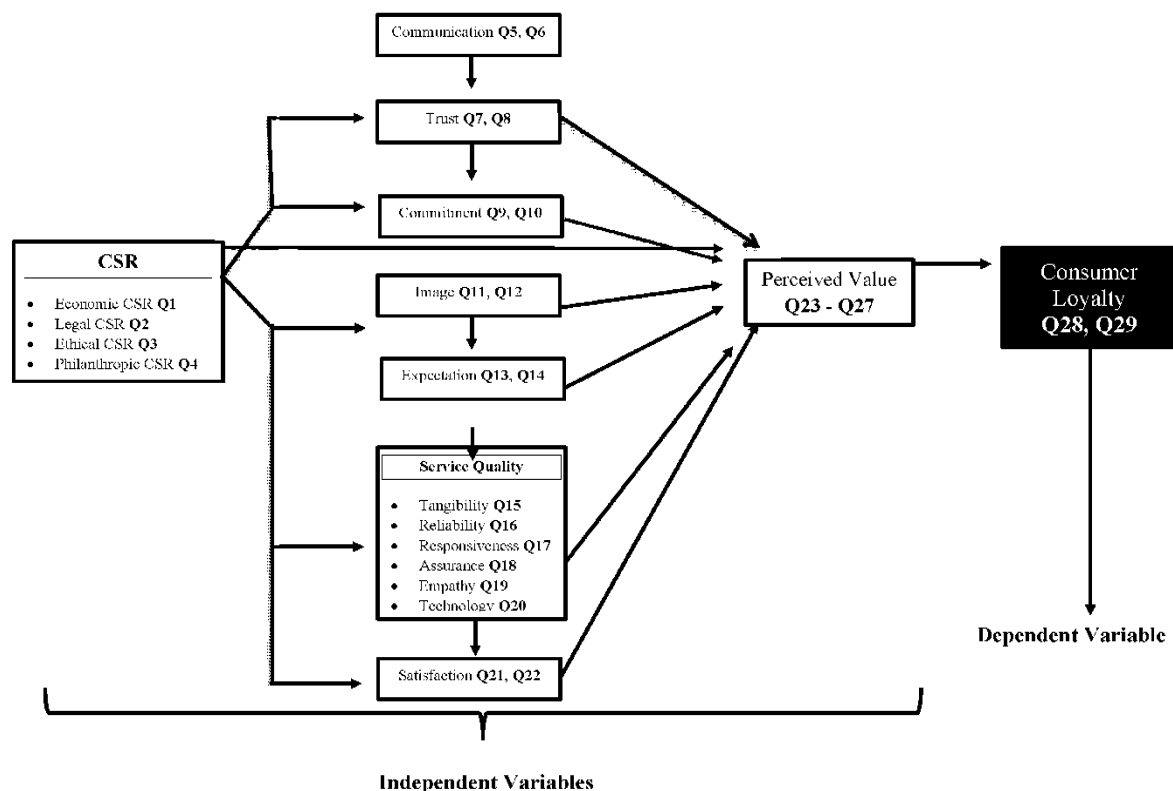
- **The emotional response** is explained as “The descriptive judgment regarding the pleasure that a product or service delivered to a consumer” (Sahoo and Telang, 2019).
- **Monetary price** has been defined as “The price of a service as encoded by the consumer” (Sahoo and Telang, 2019).
- **The behavioral price** dimension is defined as “The non-monetary price such as time and effort used to search for the service” (Sahoo and Telang, 2019).

A lot of studies have addressed the need for enhancing the PV of users for attaining loyalty and it was agreed by researchers that PV leads towards creating customer loyalty (Sahoo and Telang, 2019; Jumaev et al., 2012; Auka, 2012). Accordingly, the hypothesized is offered:

H2: CSR has a significant impact on consumer loyalty through the moderating role of perceived value.

Methodology:

In this study, consumer loyalty has been used as the dependent variable, perceived value as the moderator and CSR, trust, communication, SQ, satisfaction and bank image were the independent variables. A total of 300 questionnaires were distributed among respondents and 285 were answered. The respondents were selected through convenience sampling techniques from all walks of life.



The questionnaire was based on three parts where first part demonstrated the purpose of the research and in the second part factual data of respondents was recorded including age, gender, marital status, educational level, occupation, income level, banking system they use and their awareness about CSR while the third part of the questionnaire has consisted on the closed-ended items related to the variables of the study which were measured on a five-likert scale (strongly-disagree=1 to strongly agree=5). In this study, CSR was measured through four items where the targeted respondents rated to legal, philanthropic, economic and ethical activities of the banks. The variables such as communication, trust, commitment, image and expectation each include two indicators whereas, the concept of SQ was measured by six items based on five dimensions of SQ adopted from the SERVQUAL model (Parasuraman et al., 1988; Parasuraman, Zeithaml and Berry, 1985). One dimension of SQ was adopted from (Ali and Zhou, 2013). Similarly, satisfaction was assessed by two items where respondents' extent of satisfaction with the bank's services was measured. The moderating variable, perceived value, was measured through five items where three items were selected from the SERV-PERVAL scale for measuring the emotional response of consumers, their attitude towards monetary prices and their effort to find the services of banks. Lastly, two items were selected for approaching the likelihood of recommending to others (family and friends) and priority to choose bank services. In this study, Cronbach's alpha was used to check the reliability of the instruments to trust the results of the analysis. Factor analysis was conducted to ratify the items loading and to analyze the validity of the measures used so that items with non-significant loading on their related variable can be deleted. Finally, Partial least Square-SEM was applied to look at the relationship of the variables proposed in the hypotheses.

Results and discussion

The Cronbach's Alpha value of the study is $0.912 > 0.80$ which depicts that data has strong consistency for any further valuation. Moreover, factor analysis is also performed for isolating the main factors affecting banks' loyalty and the value of KMO is 0.916 which indicates that factor analysis can be useful for data validation. The total variance explained (TVE) signified how many components can be extracted. The initial eigenvalues greater than 1.0 is considered to be suitable. Three components are extracted as they have eigenvalues greater than 1.0 but the extraction stops as the eigenvalues reduce from 1.0. Whereas, the second portion of Table no 01 explained that nearly 62% of the variability in the data was explained by the three extracted components, so almost 38% of information is lost. The Rotation sum of Squared Loadings is the third portion of the table that depicts the rotation sustained and the cumulative

percentage of variance expounded by the extracted components. The findings show a 61.515% variance while 60% is the minimum percentage required by social sciences therefore, the test can be continued.

Table No. 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.916
Bartlett's Test of Sphericity	Approx. Chi-Square	1752.056
	Df	91
	Sig.	.000

Table No. 2: Correlation Matrix

	PV	SAT	S_Q_TECH	S_Q_EMP	S_Q_ASSU	S_Q_RESP	S_Q_R_ELI	S_Q_TANG	EXPE	IMG	COMMIT	TRUST	COMMUNI	CSR
PV	1.000	0.594	0.442	0.535	0.494	0.437	0.278	0.312	0.498	0.527	0.510	0.575	0.471	0.490
SAT	0.594	1.000	0.523	0.527	0.440	0.393	0.266	0.328	0.430	0.542	0.471	0.560	0.478	0.441
S_Q_TECHNOLOGY	0.442	0.523	1.000	0.532	0.399	0.309	0.276	0.308	0.272	0.402	0.420	0.415	0.325	0.331
S_Q_EMPATHY	0.535	0.527	0.532	1.000	0.502	0.431	0.276	0.316	0.401	0.487	0.448	0.403	0.427	0.349
S_Q_ASSURANCE	0.494	0.440	0.399	0.502	1.000	0.584	0.307	0.324	0.264	0.382	0.445	0.405	0.420	0.350
S_Q_RESPONSIVENESS	0.437	0.393	0.309	0.431	0.584	1.000	0.338	0.185	0.257	0.395	0.329	0.355	0.432	0.363
S_Q_RELIABILITY	0.278	0.266	0.276	0.276	0.307	0.338	1.000	0.501	0.154	0.206	0.247	0.266	0.332	0.069
S_Q_TANGIBILITY	0.312	0.328	0.308	0.316	0.324	0.185	0.501	1.000	0.330	0.327	0.353	0.378	0.373	0.252
EXPECTATION	0.498	0.430	0.272	0.401	0.264	0.257	0.154	0.330	1.000	0.579	0.383	0.435	0.519	0.406
IMAGE	0.527	0.542	0.402	0.487	0.382	0.395	0.206	0.327	0.579	1.000	0.490	0.510	0.509	0.507
COMMITMENT	0.510	0.471	0.420	0.448	0.445	0.329	0.247	0.353	0.383	0.490	1.000	0.535	0.496	0.459
TRUST	0.575	0.560	0.415	0.403	0.405	0.355	0.266	0.378	0.435	0.510	0.535	1.000	0.572	0.501
COMMUNICATION	0.471	0.478	0.325	0.427	0.420	0.432	0.332	0.373	0.519	0.509	0.496	0.572	1.000	0.483
CSR	0.490	0.441	0.331	0.349	0.350	0.363	0.069	0.252	0.406	0.507	0.459	0.501	0.483	1.000

a. Determinant = .002

Table No. 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.367	45.480	45.480	6.367	45.480	45.480	3.984	28.458	28.458
2	1.227	8.766	54.247	1.227	8.766	54.247	2.956	21.114	49.572
3	1.018	7.268	61.515	1.018	7.268	61.515	1.672	11.943	61.515
4	0.838	5.989	67.504						
5	0.692	4.943	72.447						
6	0.562	4.014	76.461						
7	0.528	3.770	80.232						
8	0.502	3.583	83.815						
9	0.456	3.258	87.073						
10	0.428	3.056	90.129						
11	0.398	2.845	92.974						
12	0.368	2.631	95.605						
13	0.328	2.340	97.945						
14	0.288	2.055	100.000						

Extraction Method: Principal Component Analysis.

The rotated components matrix is the result of principal component analysis and it describes the extent of correlation that exists between each of the estimated components. The analysis has sorted 13 factors into three component groups. The findings interpreted that component 1 is mostly highly correlated with expectation, and component 2 is also highly correlated with SQ-assurance and responsiveness but assurance is a better indicator of it and component no 3 is extremely correlated with SQ- reliability. Overall, factor analysis concludes that customers' expectations and SQ dimensions such as assurance, and reliability are the main factors that affect customer loyalty more significantly whereas, 'reliability' a dimension of SQ is the most influencing factor.

Finally, the Partial Least Squares-Structural Equation Modeling is used for estimating the relationships among variables (Hair, Ringle and Sarstedt, 2011). The PLS-SEM method consists of two steps firstly, the constructs' reliability and discriminant validity are measured through the PLS algorithm, and in the second step structural model is tested through bootstrapping for validating the proposed hypotheses of the study (Fornell, 1987). The composite reliability (CR) is also used for checking the internal consistency of the scale and constraints' reliability based on the interrelationship between the variables. It is the more accurate alternative to Cronbach's alpha as this provides the true reliability of the scale and its' value varies from 0 to 1 but the value of CR>0.70 is acceptable (Hair et al., 2011).

Table 4: Rotated Component Matrix

	Component		
	1	2	3
EXPECTATION	.777		
IMAGE	.732		
CSR	.701		
TRUST	.682		
COMMUNICATION	.645		
P.V	.602		
COMMITMENT	.587		
SAT	.574		
S.Q_ASSURANCE		.780	
S.Q_RESPONSIVENESS		.774	
S.Q_EMPATHY		.635	
S.Q_TECHNOLOGY		.559	
S.Q_RELIABILITY			.836
S.Q_TANGIBILITTY			.798

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

The CR of this study is greater than 0.70 for all the constructs such as trust holds the maximum CR whereas CSR has the minimum CR of value 0.894 and 0.806 respectively. After that average variance extracted (AVE) is assessed for measuring the convergent validity which is a measure of the correlation between measures of the same construct. A value of AVE equal to or greater than 0.50 is required which indicates that more than 50% of the variance is explained by the constructs (Hair et al., 2011). It is established that the minimum criteria are met by the constructs that is all constructs retained AVE greater than 0.50 where the highest AVE of 0.808 and lowest of 0.5 is retained by the trust and SQ respectively. The values of CR and AVE and the maximum of those values exceeded the minimum criteria.

The discriminant validity of the model is tested by adopting Fornell-Larker Criterion which measures the degree to which a construct and its correlation indicators differ from another construct and its correlation constructs (Fornell and Larcker, 1981 & Bagozzi, Yi and Phillips, 1991). It can be calculated by taking the square root of AVE and then matching it with the correlation of its variables and then that of others (Fornell and Larcker, 1981). Lastly, the bootstrapping test of the path coefficient at 5000 sub-samples is applied for testing the hypotheses of the study. The results of bootstrapping are based on a T-statistics value which is acceptable above 1.96 at a P-value of 5% significant level (Garson, 2016). Which means that

any structural path with a T-value >1.96 will support the null hypothesis at alpha 5% or less. The findings indicate the significant relation of CSR with the following variables trust ($t=4.576$, $P \leq 0.05$), commitment ($t=4.214$, $P \leq 0.05$), image ($t=9.891$, $P \leq 0.05$), SQ ($t=5.268$, $P \leq 0.05$), satisfaction ($t=4.12$, $P \leq 0.05$).

Variables	Items	Loadings	CR	AVE
CSR	ECO1	0.626	0.806	0.511
	LEGAL1	0.785		
	ETH1	0.728		
	PHIL1	0.710		
COMMUNICATION	COM1	0.841	0.884	0.793
	COM2	0.937		
TRUST	TRU1	0.895	0.894	0.808
	TRU2	0.903		
COMMITMENT	COMM1	0.900	0.844	0.730
	COMM2	0.807		
IMAGE	IMAGE1	0.887	0.885	0.793
	IMAGE2	0.895		
EXPECTATION	EXP1	0.899	0.859	0.753
	EXP2	0.836		
SQ	TAN1	0.577	0.843	0.501
	REL1	0.561		
	RESP1	0.697		
	ASSUR1	0.775		
	EMP1	0.788		
	TECH1	0.713		
SATISFACTION	SAT1	0.880	0.878	0.783
	SAT2	0.889		
PV	PV1	0.648	0.842	0.518
	PV2	0.758		
	BP1	0.731		
	MP1	0.752		
	ER1	0.702		
LOYALTY	LOY1	0.883	0.855	0.746
	LOY2	0.844		
Note: CR ≥ 0.7 ; AVE ≥ 0.5				

Table No. 6: Discriminant Validity

	AVE	CSR	COMI	TRUST	COMM	IMAGE	EXP	SQ	SAT	PV	LOY
CSR	0.511	0.715									
COMI	0.793	0.494	0.891								
TRUST	0.808	0.511	0.597	0.899							
COMM	0.73	0.468	0.519	0.553	0.855						
IMAGE	0.793	0.518	0.512	0.509	0.499	0.891					
EXP	0.753	0.431	0.522	0.438	0.389	0.592	0.868				
SQ	0.501	0.442	0.565	0.541	0.555	0.548	0.421	0.707			
SAT	0.783	0.455	0.496	0.561	0.463	0.543	0.439	0.616	0.885		
PV	0.518	0.497	0.48	0.574	0.529	0.53	0.497	0.621	0.594	0.719	
LOY	0.746	0.363	0.413	0.383	0.421	0.372	0.387	0.448	0.477	0.578	0.864

Diagonal = \sqrt{AVE} ; Off-Diagonal = $(AVE)^2$

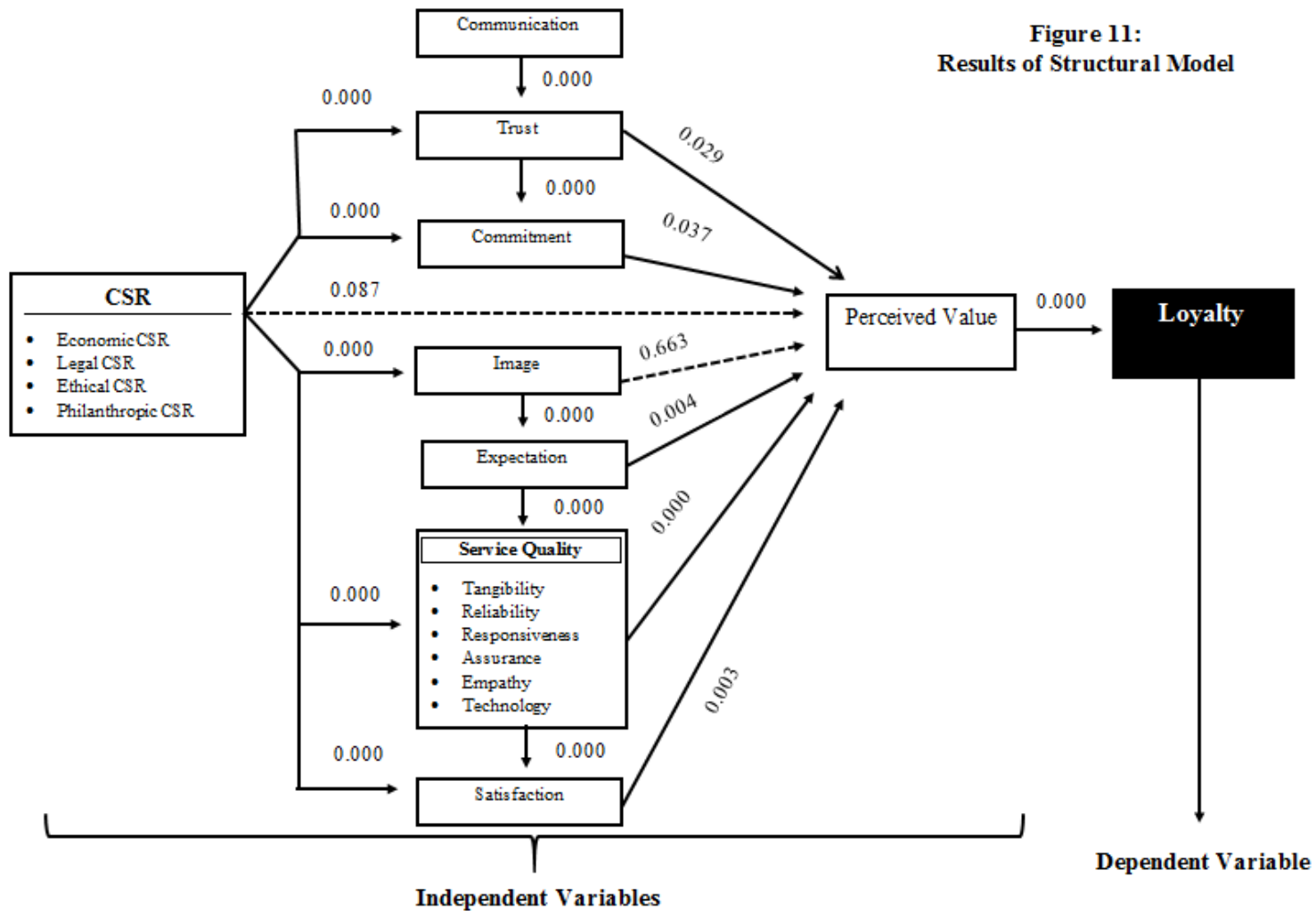
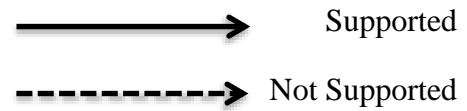
Table No. 7:PLS-SEM (Path Coefficient)

Hypotheses		T Statistics	P Values	Interpretation
H1	CSR -> TRUST	4.576	0.000	Supported
H2	CSR -> COMMITMENT	4.214	0.000	Supported
H3	CSR -> PV	1.717	0.087	Not Supported
H4	CSR -> IMAGE	9.891	0.000	Supported
H5	CSR -> SQ	5.268	0.000	Supported
H6	CSR -> SATISFACTION_	4.12	0.000	Supported
H7	COMMUNICATION -> TRUST	8.523	0.000	Supported
H8	TRUST -> COMMITMENT	6.999	0.000	Supported
H9	IMAGE -> EXPECTATION	12.83	0.000	Supported
H10	EXPECTATION -> SQ	4.782	0.000	Supported
H11	SQ -> SATISFACTION_	10.789	0.000	Supported
H12	TRUST -> PV	2.194	0.029	Supported
H13	COMMITMENT -> PV	2.088	0.037	Supported
H14	IMAGE -> PV	0.436	0.663	Not Supported
H15	EXPECTATION -> PV	2.885	0.004	Supported
H16	SQ -> PV	4.020	0.000	Supported
H17	SATISFACTION_ -> PV	3.013	0.003	Supported
H18	PV -> LOYALTY	13.280	0.000	Supported

Note: Hypotheses statistically significant if, $T \geq 1.96$ at $P \leq 0.05$

The analysis of data established that the positive relationship of CSR with customer trust shows that consumers trust those organizations who conduct activities for the welfare of society (Khan et al., 2015; Ashraf et al., 2017; Raza et al., 2018). The positive relationship between CSR and customer commitment to their banks is supported by the findings (Vallejo et al., 2011; Ashraf et al., 2017; Shah and Khan, 2019). Additionally, the findings of the existing study are not able to prove the significant relation of CSR-loyalty by way of PV in the banking sector which contrasts with the followings (Frances and Tomas, 2019). Further, the significant and positive influence of banks' CSR activities on its image confirmed by the current study is in line consistent with the results of (Shabbir et al., 2018;Goyal and Chanda, 2017). The communication strategies adopted by the banks significantly shape the consumers' trust in the services offered by their entities which ultimately motivates them to remain committed to banks and this connection is supported by the findings of the current study and also by other studies (Ball et al., 2004; Frances and Tomas, 2019). Besides, it was also assumed that the customers' expectations from specific financial service providers are based on the image of that bank in the marketplace, and when an organization meets the expectations of their consumers' then the

quality of their services increases for the consumers which in turn make them satisfied. Therefore, the positive relation of these four factors obtained in the current study is by (Koesharijadi, 2016; Alnsour, 2019; Qamar et al., 2016; McDonald and Thiele, 2008; Khan and Fasih, 2014; Al-Hakim and Maamari, 2017).



Conclusion

This study intends to investigate the impact of CSR on customer loyalty where perceived value has played the role of moderator. Further, the study also focuses on finding the relationship of PV with customer loyalty in commercial banks of Pakistan. Therefore, it can be concluded that activities of CSR directed at consumers have not created value for them besides, these activities are important for creating customers' trust and commitment with banks. Moreover, it is propounded that provisions of CSR policies in banks are positively related to the improvement of the quality of the bank's services, users' satisfaction and fulfillment of expectations of stakeholders. Simultaneously, results showed the significant link of trust with commitment, image with expectations which in turn is significantly linked with SQ and at the last SQ has a significant impact on satisfaction. In regards to PV, it positively affects customer loyalty and it can be concluded that the execution of CSR programs in the organizations for meeting the requirements of customers and general stakeholders provided the banks with a competitive edge over others, which means investment in CSR policies is associated with the lessening of social or financial harm to society but, also leads towards the creation of loyalty and PV using different factors. This research presents that most of the respondents are aware of the social responsibilities fulfilled by the banks and respect them for their actions.

These findings set up some implications for different persons at different levels. First of all, this research provides a theoretical implication as most studies in different countries have been conducted to analyze the direct impact of CSR on loyalty or through different factors, and where PV has been used as an individual variable to measure loyalty but, this study has integrated different variables which are affected by CSR that generate values and ultimately results in loyalty. This indicates a contribution to the existing banking literature about the use of PV as the indicator of loyalty. Further, marketing managers can use this for developing their strategies to confirm that people are properly informed about the CSR activities of banks and to create a strong position of firms in the marketplace. Lastly, the practical implication for managers could be to develop policies that build customer trust and improves the quality of services for the satisfaction of customers, which can provide customers with value.

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