

**AICHA SHILI**  
**MAHER TOUKABRI**

## **Effect of Corporate Social Responsibility and e-WOM on Corporate E-reputation: Application on Banking Sector in Saudi Arabia**

### **Abstract**

**Research background and purpose:** This study explores the impact of corporate social responsibility (CSR) communication via social media, particularly electronic word-of-mouth (e-WOM), on customers' perceptions of bank reputation

**Design/methodology/approach:** Data will be gathered through a questionnaire administered to bank customers. A theoretical model will be developed to link the proposed hypotheses, and a quantitative approach will be employed to test these relationships. The survey method will be used with a sample of 237 bank customers, and the data will be analyzed using SPSS and AMOS software.

**Findings:** The findings of this research will provide valuable insights for the banking industry, emphasizing the critical role of CSR communication on social media in shaping customer perceptions of reputation. Moreover, these results will assist bank managers in designing more effective CSR communication strategies to enhance marketing outcomes.

**Value added and limitations:** These results will assist bank managers in designing more effective CSR communication strategies to enhance marketing outcomes. This study has some limitations that offer avenues for future research. First, the focus on the Saudi Arabian banking sector limits the generalizability of the results. The cross-sectional design also prevents the establishment.

**Keywords:** *reputation, e-WOM, Bank Social Responsibility, consumer-bank identity, consumer loyalty*

**JEL  
Classification:** M3

**Received:** 2025-02-18; **Revised:** 2025-05-09; **Accepted:** 2025-09-01

## 1. Introduction

Social media has emerged as a critical platform for corporate social responsibility (CSR) communication, allowing consumers to share their perspectives on companies' CSR activities. While previous research underscores the potential of social media to facilitate CSR engagement, there is a notable gap in understanding the specific impacts of CSR communication through these digital platforms (Chu et al., 2020). The growing importance of electronic word-of-mouth (e-WOM) as a key social media function has brought increased attention, yet its role in CSR communication remains largely unexplored (Quan et al., 2022). Despite the considerable practical and academic focus on CSR, substantial gaps persist in understanding how CSR initiatives influence business competitiveness, long-term sustainability, corporate image, and reputation (Khamis & Ismail, 2021; Nicola et al., 2023).

Furthermore, much of the literature examines CSR and corporate reputation as distinct areas of study, even though CSR is likely a pivotal factor in enhancing a company's image and shaping its overall reputation (Faizah et al., 2023). This separation has limited the comprehensive understanding of how CSR efforts directly impact consumer perceptions of corporate reputation. Additionally, the majority of studies have concentrated on developed economies and industries such as mining, overlooking critical sectors like banking in developing regions (Vuong & Bui, 2023). As the banking sector in emerging economies becomes increasingly significant, it is essential to explore the dynamics of CSR communication and reputation-building in these contexts.

This research aims to fill these gaps by investigating the impact of CSR communication, particularly e-WOM, on the reputation of banks in Saudi Arabia. To address this, the study has three core objectives: (1) to conduct a systematic review of existing empirical research to assess the interconnections between CSR initiatives and bank reputations, providing insights into the direct and indirect relationships between these variables; (2) to explore the strategic potential of social media, with a focus on e-WOM, as a tool for disseminating CSR messages, and to evaluate how consumers perceive and react to CSR-related communications on these platforms; and (3) to empirically analyze how CSR communication influences not only the reputation but also the performance and competitive standing of banks in an emerging market, using Saudi Arabia as a case study.

This study contributes to the existing body of knowledge by offering a more nuanced understanding of how CSR communication via e-WOM can drive reputation management and competitive advantage, particularly in the banking sector of a developing economy. The findings will provide actionable insights for bank managers and policymakers, emphasizing the importance of leveraging social media to enhance CSR strategies, improve corporate image, and strengthen customer loyalty. In doing so, the research will offer valuable guidelines for enhancing CSR's role in fostering sustainable business practices and long-term success in the banking industry.

## 2. Literature review

### 2.1. Bank Social Responsibility and e-WOM

Corporate social responsibility (CSR) refers to the contribution of organizations to broader societal goals through ethical practices, and is now a global phenomenon (Stanislavská et al., 2020). The idea of CSR originated in the United States and was first mentioned in the 1930s. The concept then underwent significant development and received much more attention in the second half of the 20th century, during which time it reached the forefront of the interests of organizations (Stanislavská et al., 2020; Carroll, 2021; Hartmann et al., 2022; Subedi & Pokhrel, 2023).

Corporate social responsibility (CSR) refers to the contribution of organizations to broader societal goals through ethical practices and is now a global phenomenon (Stanislavská et al., 2020). The idea of CSR originated in the United States and was first discussed in the 1930s. The concept then underwent significant development and received much more attention in the second half of the 20th century, period during which it became at the forefront of organizations' interests (Stanislavská et al., 2020). The growing interest in CSR among entrepreneurs is due to growing socio-economic problems such as poverty, pollution, gender and racial discrimination and regulatory pressure from the government. Under such circumstances, CSR has emerged as a doctrine to solve these social problems (Fatma & Khan, 2023). CSR is commonly defined as "actions that appear to further some social good, beyond the interest of the firm and that which is required by law" (Al Halbusia & Tehseen, 2017).

In recent years, corporate social responsibility (CSR) is one of the most critical issues that companies must address if they are to navigate highly competitive markets. Any company can improve its CSR activities to show its contribution to the community and environment around it (Carolyn et al., 2023) and to gain a competitive advantage. Therefore, the implementation of CSR is essential for companies (Faizah et al., 2023).

A company's commitment to CSR brings several benefits, including an improvement in e-WOM. The latter is defined as a comment or action, positive or negative, made by past, current or future customers, regarding a product or company, aimed at many people on the Internet (Mala et al., 2023). When consumers see that a company is actively engaged in CSR, they respond positively through positive e-WOM (Schaefer et al., 2020), thus customers are more likely to talk to their peers, friends and family, socially responsible practices of the company (Sharma, 2023). Similarly, e-WOM can include liking, following, or hashtagging a company, commenting on or sharing thoughts about a company's CSR programs, and inviting friends to join groups on social networks dedicated to socially responsible initiatives (Chu et al. 2020). Thus, social media users who actively share information may be more likely to engage in CSR-related e-WOM (Men & Muralidharan, 2017).

In the banking sector, Cheng et al. (2021) showed that a bank's CSR commitment helps generate favorable e-WOM from its consumers on social networks. These consumers broadcast a favorable e-WOM and recommend the service of these banks (Sharma, 2023). Also, several researchers have verified the link between banks' CSR activities and favorable e-WOM (Abbas et al., 2018).

In this study, we will focus on leveraging e-WOM as an information channel to help consumers interact with messages and information about CSR activities. The hypothesis that can be proposed based on the explanation of the above theory is:

*H1: Bank social responsibility has a significant positive effect on e-WOM.*

## 2.2. Bank Social Responsibility and Bank Reputation

CSR is not only a social responsibility for the company itself, but it will have a considerable impact on its image (Faizah & al.2023) and therefore its reputation. By engaging in socially responsible practices and maintaining good relationships with its stakeholders, a company can improve its reputation, bringing many benefits, such as increased consumer loyalty. Consequently, researchers have documented that social responsibility has a significant influence on corporate reputation (Aslam et al., 2023; Berber et al., 2022; Zhao et al., 2021; Vuong & Bui, 2023).

A significant number of studies have studied the role of social responsibility on corporate reputation in different service sectors, particularly the banking sector (Aslam et al., 2023; Rasoolimanesh et al., 2023). Therefore, when consumers perceive the services provided by banks as socially responsible, they develop a positive image of the company in their minds. Recently, a study carried out in the Nepalese context by Subedi et al. (2023) showed that banks could improve their reputation by engaging in socially responsible practices and maintaining good relationships with their stakeholders.

Also, previous research suggests that CSR improves the reputation of any company (Chu & Chen, 2019; Okazaki et al.2019; Khamis & Ismail, 2021). Therefore, over time, CSR has positioned itself as one of the main pillars in the development of any project undertaken by a company (Brío & Oviedo, 2017) and remains critical to the success of the company's reputation (Vuong & Bui.,2023). Corporate reputation is an important intangible resource for companies (Nicola et al., 2023), as it is a valuable asset for developing sustainable competitive advantages (Sageder et al., 2018).

In recent decades, researchers have paid more attention to the relationship between corporate social responsibility (CSR) and corporate reputation in the banking sector (Forcadell & Aracil, 2017). Recently, an increasing number of financial firms (banks) have accepted the idea that it is possible to increase their social and environmental responsibilities (Lorena, 2018; Shankar & Jebarajakirthy, 2019). Based on the above description, we can put forward the following hypothesis:

*H2: Bank Social Responsibility has a significant positive effect on the reputation of the banks.*

### 2.3. Bank Social Responsibility and Consumer-Bank identity

Based on the theory of social identity, Consumer–company identification (CCI) is defined as „the process by which the objectives of the organization and those of the individual become more and more integrated and congruent” (Hall et al., 1970 cited by Karaosmanoglu et al.2008). Likewise, Consumer–company identification (CCI) is defined by Dutton et al. (1994) as a cognitive state in which customers feel connected and close to a company. The previous literature has argued that it is a psychological and emotional attachment of customers to a company by sharing common characteristics with the company (Fatma et al., 2018; Lee et al., 2019; Chu & Chen, 2019). Generally, consumers identify more easily with a company when the latter enjoys a distinctive reputation (Hur et al., 2018). Essentially, an organization with a good reputation for social responsibility could help meet the self-defining needs of customers. Customer opinions about an organization’s values can be reinforced by corporate CSR initiatives (Raza et al., 2020).

In the same vein, previous studies have demonstrated that companies that exercise corporate social responsibility make it possible to provoke an identification process that effectively affects customer behavior (Wu & Zhu, 2021). When a company assumes its social responsibility, it sends signals to consumers about its values. Thus, it results in the formation of a more sustainable identification process (Raza et al., 2020).

A consensus found in previous literature (Huang & Cheng, 2016; Su et al., 2017; Glaveli, 2019; Hur et al., 2019; Ma et al., 2021; Zhang & Ahmad, 2022) predicts that, usually, clients tend to attribute themselves to the groups that they conceive them as socially responsible and distinct from others. As a result, when customers perceive a company as behaving in a socially responsible way, they are generally more likely to identify with that company to strengthen their self-esteem and express a better social image (Arıkan & Güner, 2013). Thus, an organization with a perceived socially responsible image could help meet the needs defined by a customer, thus positively affecting his identification with it. Recently, an article by Zain & Marsasi (2023) claimed that corporate social responsibility plays a vital role in CC identification.

In the banking context, a study carried out by Raza & al. (2020) showed that the banking sector of Pakistan constitutes the backbone of the economy since it facilitates the growth and development of industries thanks to the money supply in the form of access to credit to the poor and companies. Similarly, these authors have demonstrated that the banking sector in Pakistan is strongly engaged in CSR activities in the form

of philanthropic activities, solidarity marketing, and environmental protection. For the above discussion, we propose the following hypothesis:

*H3: Bank Social Responsibility has a significant positive effect on the consumer-bank identity.*

## 2.4. Bank Social Responsibility and Consumer e-Loyalty

Nowadays, research on customer loyalty has received considerable attention in the literature, although the definition of loyalty has proven to be extremely difficult. According to Wantara (2019, cited by Miraza et al., 2024), loyalty refers to a deep dedication of consumers to continuously repurchase or reuse a product or service in the future. A similar definition was given by Dushyenthan (2024) who argued that customer loyalty is a deep commitment to repurchase or patronize a product or service consistently in the future, thus causing repetitive purchases, despite situational influences and marketing efforts that may cause a behavior change. In recent years, particular attention has been paid to customer loyalty in the banking sector (Sarat et al., 2024). Banking is a basic service sector, where they must maintain their existing customers and prevent them from turning to their competitors (Aslam et al., 2022).

Many previous researches have recognized that business ethics and socially responsible values can help companies establish and maintain lasting relationships with their customers (Iglesias et al., 2017). Thus, corporate social responsibility activities push customers towards a positive assessment of the company, generating a positive attitude that produces a stronger loyalty (McCain et al., 2019). CSR has constituted an ability to have an impact on customer loyalty in various sectors, especially the banking sector.

Several studies have applied Spence's (1973) signal theory to explain the relationship between CSR and fidelity (Perez & Sahibzada, 2020; Vuong & Bui, 2023 cited by Subedi et al., 2023). Signal theory asserts that people and organizations use specific signals or cues to inform people about their character traits, characteristics, and intentions (Spence, 1973). When financial institutions invest their resources in CSR activities such as education, health, sustainable livelihoods, and environmental projects, these CSR activities signal customers about their financial institution and develop their long-term loyalty.

As a result, we can deduce that the positive perceptions of customers about the social responsibility of banks have an important impact on customer loyalty as found by several authors such as Baniya & al. (2019) and Gu (2023). On the other hand, Eshra & Beshir (2017) did not find any effect of CSR on consumer loyalty. There is an

inconsistent result in the previous results. Therefore, additional research is needed to test this relationship (Subedi et al., 2023). Based on the above literature, the following hypothesis is proposed:

*H4: Bank Social Responsibility has a significant positive effect on the consumer loyalty.*

*H5: E-WOM has a significant positive effect on the consumer loyalty.*

*H6: Bank–consumer identity has a significant positive effect on the consumer loyalty.*

## 2.5. Bank reputation and Consumer loyalty

The reputation of companies has been a subject of scientific interest in economics, organizational theory, and marketing since the 1950s (Maden et al., 2012, cited by Gli et al., 2023). It is defined as “the global evaluation of a company by the customer according to his reactions to goods, services, communication activities (...)” (Walsh & Beatty, 2007, p. 129, cited by Damberg et al., 2021). This definition implies that reputation is one of the important intangible assets and a crucial intangible resource for companies (Islam et al., 2021). According to the resource-based vision, reputation is a precious and scarce resource that leads to a sustainable competitive advantage, customer trust, loyalty, and, ultimately, superior financial performance (Osakwe & al.2020). In the same sense of the idea, North and Braimah (2020) indicated that the reputation of the company is the heart and soul of each organization and should not be taken lightly.

The reputation of a company is a clear indicator of the quality of products that leads to customer satisfaction and loyalty. However, in the case of the service sector, the role of reputation is very important because the quality of service can be difficult to evaluate (Islam et al., 2021), „the evaluation of the quality of service before the purchase is necessarily vague and incomplete” (Wang et al., 2003, p. 76, quoted by Osakwe et al., 2020). Therefore, when a bank’s quality of service cannot be directly observed, consumers rely on its reputation to make their decisions (Chang & Lee, 2020).

Several researches carried out in different contexts have proposed that there is a positive effect of the bank’s reputation on customer loyalty, such as that of Darmawan et al. (2017) in Indonesia, Szwajca (2018) in Poland, Ozkan et al. (2020) in Turkey, Gli et al. (2023) in Ghana, and Phong and Anh (2023) in Ho Chi Minh City (Vietnam). Consequently, loyalty is considered an important result in studies on the reputation of companies, both in general and in the banking sector in particular (Phi & Huong, 2023). Thus, our hypothesis is as follows:

*H7: Bank reputation has a significant positive effect on the consumer loyalty.*

## 2.6. Mediation of the bank reputation

In the context of CSR, there is little research on the relationship between CSR and customer loyalty through company reputation (Ali et al., 2021).

CSR is an important strategy to improve reputation with the ultimate goal of obtaining broad support from customers and the community. In the banking sector, reputation plays an important role in strengthening the relationship between banks' social programs and customers (Latif et al., 2020). This means that reputation is identified as one of the keys to strengthening the integrity of the company with the social and environmental community.

The empirical observation of Aramburu and Pescador (2019) is consistent with this opinion with the conclusion that reputation plays an active role by indirectly linking CSR and consumer loyalty. Similarly, studies (Islam et al., 2021; Osakwe & Yusuf, 2020) reinforce these results by asserting that reputation can control the indirect relationship between CSR and customer loyalty in the context of service companies. A recent study also by Ali et al. (2021) postulated that the perceived relationship between CSR and customer loyalty is mediated by customer satisfaction and company reputation. This conclusion is also confirmed by Muflih (2021) who argued that CSR has a positive indirect effect on

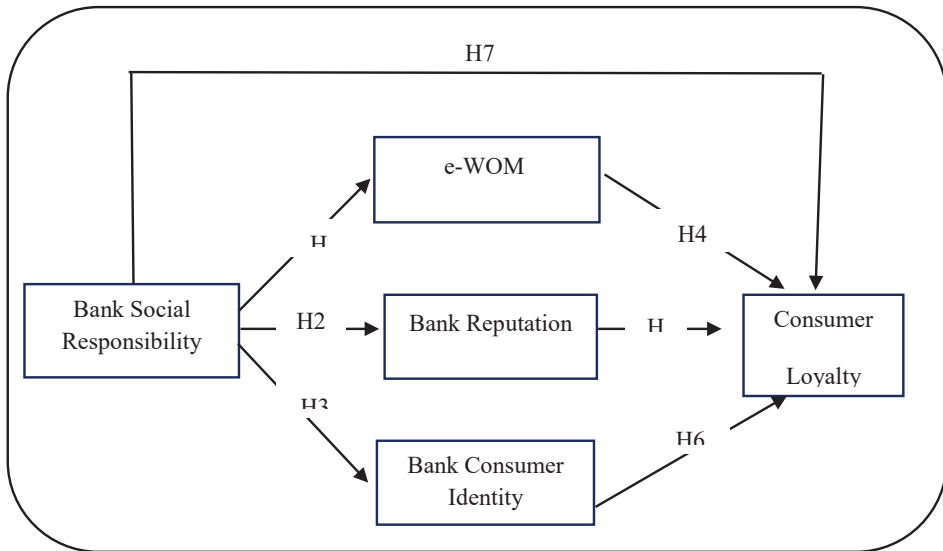


Figure 1. **Conceptual model**

Source: own study



loyalty through the role of reputation. Based on these supports, this research recommends the following hypothesis:

*H8: The relationship between Bank Social Responsibility and customer loyalty is mediated by bank reputation.*

Consequently, the research model (Figure 1) will illustrate the different relationships.

### 3. Research methodology

To verify all the hypotheses formulated, a quantitative study will be conducted in the banking sector in Saudi Arabia. Since it is not possible to access the entire population and in the absence of a sampling frame, a non-probability convenience sampling approach was used. The choice of this method is justified by the fact that study respondents are selected based on their accessibility and availability. It is also quick and easy to implement and inexpensive compared to other methods.

Data will be collected through self-administered questionnaires from bank customers, who practice CSR. We will first ask the respondent to recall a CSR communication made by the bank through social networks. We will then ask him to answer our questionnaire. The data collection period will be from January 20 to February 24, 2024.

It should be noted that all variables are measured through one or more measurement scales adapted from previously tested scales, which have also been used recently by many researchers. To check the different hypotheses of our conceptual model, we conducted a face to face survey with a sample of 237 bank customers.

The questionnaire was administered to a convenience. we tried to involve customers of different ages, gender and skills (Table 1).

Table 1. **Sample profile**

Demographic characteristic		Frequencies	Percentage
Sample		237	100
Gender	Women	112	47.25
	Men	125	52.75
Skills	High level	88	37.13
	Middle level	52	21.94
	Students	43	18.14
	retirees	54	22.78

Age range	Less than 20 years	87	36.70
	Between 21 and 35 years	83	35.02
	Between 36 and 50 years	67	28.27

Source: own study

We utilized a non-probability sampling method, which streamlined the process of identifying and selecting participants directly involved in the study, thereby improving the response rate (Lambin & De Moerloose, 2008; Toukabri et al., 2015). Data gathered from the respondents were processed using data analysis software (SPSS and AMOS) and underwent both exploratory and confirmatory analyses (Roussel et al., 2002).

## 4. Research results

### 4.1. Exploratory Analysis: psychometric quality of constructs scales

During the exploratory phase, the psychometric quality of the scales was assessed through principal component analysis, followed by a reliability index calculation. The analysis returned a Cronbach's  $\alpha$  above 0.7 for all scales. The Bartlett's test of sphericity showed a significant result ( $p=0.000$ ) at a 5% error threshold.

The reliability analysis of the scales revealed that all retained items had an MSAI above 0.5. These exploratory findings confirm the strong internal consistency of the constructs used in this study.

### 4.2. Confirmatory analysis and validation of the structural model

We employed the maximum likelihood method, which is somewhat sensitive to the non-normality of multivariate variables. The psychometric characteristics of the scales were examined using Confirmatory Factor Analysis (CFA), with the Amos software confirming that the reliability of the instruments was within an acceptable range. Furthermore, internal consistency and convergent validity were evaluated in line with Fornell and Larcker (1981). To establish convergent validity, we used indices the Cronbach's alpha, Rho Jöreskog, indexes.

The results indicate that the rho values for convergent validity in the analyzed constructs are greater than 0.5, with statistically significant contributions. This confirms that all constructs in our study exhibit solid convergent validity.

Additionally, the scales display good discriminant validity, with low correlations suggesting an absence of collinearity, thus reinforcing the discriminant validity of each construct. Consequently, the proposed scales accurately measure the intended constructs.

The structural equation modeling technique using AMOS 27.0 with the maximum likelihood method enabled us to evaluate our research scales and model, as well as to examine the direct relationships between the studied variables. In line with Anderson and Gerbing (1988), the approach involves assessing the structural connections between the theoretical latent variables to test the overall structural model. According to Hair et al. (1998), this assessment is conducted through evaluating the model fit.

Regarding the validity of our research model, the fit indices surpass the recommended thresholds (Roussel et al., 2002; Sharma et al., 2005), as indicated in the Table 2.

Table 2. **The model fit**

Indices	CMIN/DF	GFI	AGFI	RMR	RMSEA	CFI	NFI	IFI	PNFI	PCFI
Value	2.36	0.85	0.82	0.071	0.077	0.89	0.83	0.89	0.72	0.78

Source: own study

The model fit indices surpassed the acceptable thresholds of the main indexes, as indicated by Hoyle and Panter (1995). Both the measurement and structural models in our study exhibited an excellent fit, with the adjusted Chi-square (CMIN/DF) exceeding 2/3, as recommended by Carmines and McIver (1981). Furthermore, the incremental fit indices for our model were within acceptable limits, as stated by Garver and Mentzer (1999) and Parasuraman et al. (2005). Hence, we can confirm the validity of our research model.

### 4.3. Verification of research hypotheses

To accept the hypotheses, we used the *Student test* on *Amos*. Then, we judge the significant relationships, between our research constructs, when we find the index *CR* greater than 1.96.

The results of our empirical analysis confirmed hypotheses (*H1, H2, H3, H4, H5, H6*) at a 5% significance level (Figure2). However, the direct effect of bank social responsibility on customer loyalty was not significant, leading to the rejection of *H7* (Table 3).

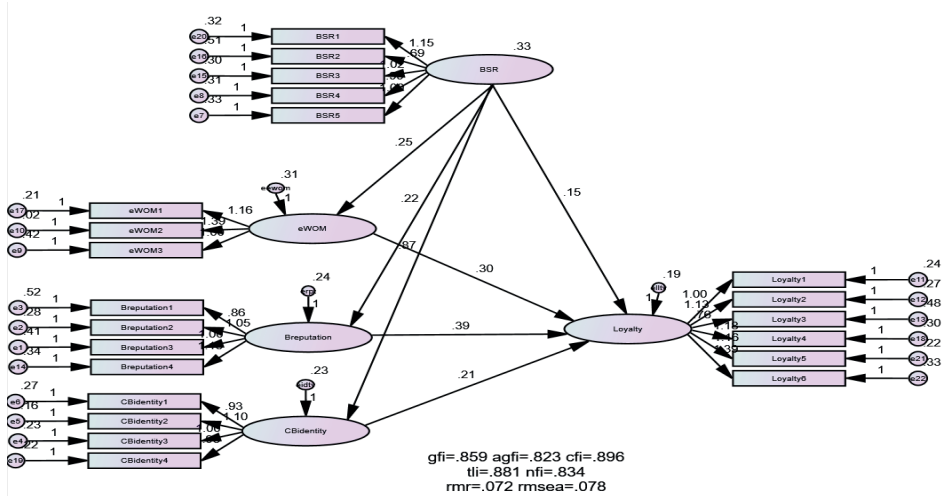


Figure 2. The standard model

Source: own study

Table 3. Verification of hypotheses

			Estimate	S.E.	C.R.	P	Hypotheses	Test
eWOM	<---	Bank Social Responsibility	.2479591	.087	2.83	.004	H1	Accepted
Bank Reputation	<---	Bank Social Responsibility	.2184829	.077	2.82	.004	H2	Accepted
Bank Consumer Identity	<---	Bank Social Responsibility	.8677088	.103	8.39	***	H3	Accepted
Loyalty	<---	Bank Social Responsibility	.1533173	.105	1.45	.145	H7	Rejected
Loyalty	<---	eWOM	.3008958	.074	4.05	***	H4	Accepted
Loyalty	<---	Bank Reputation	.3914309	.099	3.92	***	H5	Accepted
Loyalty	<---	Bank Consumer Identity	.2081637	.082	2.51	.011	H6	Accepted

Source: own study

Following Baron and Kenny's (1986) four-step method, as well as the criteria set by James and Brett (1984) and Shrout and Bolger (2002) for mediation testing, we examined hypothesis H8. The findings confirmed that bank reputation fully mediates the relationship between bank social responsibility and customer loyalty, thereby supporting H8.

## 5. Discussion and conclusion

This study provides significant insights into the relationship between Corporate Social Responsibility (CSR), electronic word-of-mouth (e-WOM), bank reputation, and customer loyalty in the banking sector. The findings confirm the essential role of CSR in shaping customer perceptions, driving e-WOM, enhancing reputation, and fostering loyalty.

This research investigates the relationship between Corporate Social Responsibility (CSR) and customer loyalty in the banking sector of Saudi Arabia, emphasizing the roles of electronic word-of-mouth (e-WOM) and customer identification. The study reveals that CSR initiatives significantly enhance customer loyalty by fostering positive e-WOM and a sense of identification with the bank. The originality of this research lies in its focus on an emerging market, addressing a gap in existing literature regarding the specific dynamics of CSR in banking. The findings suggest that integrating CSR strategies into marketing practices can strengthen emotional connections with customers, ultimately promoting trust and loyalty. This research not only offers valuable insights for industry leaders and policymakers but also encourages further exploration into how CSR influences consumer behavior.

Regarding the first hypothesis H1, the results of this study showed that bank social responsibility (CSR) affects electronic word-of-mouth (e-WOM) ( $\beta = 0.247$ ;  $p = 0.004$ ). Similar results were shown by Sang (2022) in the Vietnamese banking sector. This researcher also confirmed that when banks actively engage in CSR activities, they will be positively appreciated by customers.

Thus, a bank's customers spreading positive messages could be because these customers feel that this socially responsible bank will be fair in its transactions. And this could be a competitive advantage for a bank. Therefore, banks should be careful and honest in their communications about CSR activities, so that their customers, when they receive this information, feel the bank's sincerity in its commitments to CSR activities, and subsequently spread them through electronic word-of-mouth (e-WOM) in various forms (leaving comments, writing social media posts...).

The results in Table 4 show that bank social responsibility has a significant influence on bank reputation ( $\beta = 0.786$ ,  $p < 0.004$ ). This is consistent with the findings of several

previous studies (Dalla-Pria & Odriguez-de-Dios, 2021; Ruiz & García, 2021; Nguyen, 2022; Subedi et al., 2023).

These results also converge with those of Subedi et al. (2023). These authors found that bank social responsibility can improve the bank's reputation among Nepalese customers. Therefore, managers should focus on CSR activities to maintain a good image of the bank since CSR practices become a relevant reputation driver that can add value to the bank over time.

Hypothesis testing revealed that a bank's CSR has a positive impact on consumer-bank identity ( $\beta = 0.867$ ,  $p < 0.000$ ). These results converge with those found by Wu and Zhu (2021) and Raza et al. (2020) or Zain and Marsasi (2023). As suggested by Rather and Hollebeek (2019), identification with a company refers to the psychological state of the customer who feels, perceives and values his or her belonging to that company. Accordingly, initiatives such as donations to cultural/social events, contributions to projects for disadvantaged groups and waste management are capable of creating strong bonds and identification states with customers.

Contrary to our expectations, the results relating to the hypothesis which predicts that there is a significant and positive relationship between bank's CSR and consumer loyalty are not significant. However, CSR influences loyalty indirectly through reputation, highlighting the critical role of a bank's reputation as a mediator.

The findings suggest that a strong reputation positively impacts customer loyalty. The study also confirmed that bank reputation fully mediates the relationship between CSR and customer loyalty, meaning CSR enhances loyalty through the development of a solid reputation.

Finally, CSR is particularly relevant in the banking sector because it promotes several competitive advantages, the most important of which is the improvement of the bank's reputation, which is a determining factor in attracting and retaining customers, increasing employee retention and producing better financial results.

The findings of this study have several social implications, particularly in the context of the Saudi Arabian banking sector. By highlighting the positive relationship between Corporate Social Responsibility (CSR) and customer loyalty, the research underscores the importance of ethical business practices in fostering trust and engagement with customers. This is crucial in a rapidly evolving financial landscape where consumers increasingly prioritize socially responsible companies. Additionally, the study emphasizes the role of electronic word-of-mouth (e-WOM) as a significant influencer of bank reputation, suggesting that banks should actively encourage customer feedback and engagement on digital platforms. This can foster a sense of community and enhance customer relationships. Furthermore, the implications extend beyond the banking sector; as organizations recognize the value of CSR in driving customer loyalty, they may adopt more sustainable and ethical practices, ultimately contributing to broader societal benefits, including improved community welfare and environmental sustainability.

This study has some limitations that offer avenues for future research. First, the main limitation of this research is inherent in the small sample size, hence the difficulty in generalizing the results obtained. It would therefore be interesting for future research with a larger sample. Another limitation that can be addressed to this research concerns the failure to consider the relationship between the social responsibility of banks on consumer loyalty, especially in the Saudi banking sector, which is characterized by strong competition. Therefore, future research can study this relationship.

Another avenue for future research could consider respondents' socio-demographic characteristics (e.g., age/gender) as a factor differentiating the magnitude of the impact of CSR communication on customer reputation and loyalty.

The cross-sectional design also prevents the establishment of causal relationships among CSR, e-WOM, bank reputation, and customer loyalty. Self-reported data may be subject to social desirability bias, and the omission of factors like consumer skepticism may affect the findings. Moreover, the broad examination of CSR without considering its specific dimensions may overlook nuanced customer perceptions. Future research should address these gaps for more comprehensive insights.

In conclusion, the findings of this study underscore the importance of CSR as a strategic tool in the banking sector. CSR not only enhances bank reputation but also drives positive e-WOM and fosters consumer identification. However, while CSR indirectly contributes to customer loyalty through reputation, it does not have a direct significant effect on loyalty. This suggests that banks must focus on building and maintaining a solid reputation through CSR to secure customer loyalty. For managers, these insights are crucial for developing effective CSR communication strategies that resonate with customers, strengthen reputation, and enhance loyalty in a competitive banking environment.

### Authors' contribution

**A.S.:** article conception, theoretical content of the article, conducting the research, analysis and interpretation of results. **M.T.:** research methods applied, data collection, draft manuscript preparation

### Acknowledgements

The authors extend their appreciation to the Deanship of Scientific Research at Northern Border University, Arar, KSA for funding this research work through the project number "NBU-FFR-2025-2217-01.

### Declaration of Generative AI and AI-assisted technologies in the writing process

While preparing this work, the authors did not use any tool/service

## References

- Al Halbusia, H.A.A., & Tehseen, S. (2017). The role of corporate social responsibility (CSR) in achieving sustainable competitive advantage: Evidence from Iraqi banks. *Journal of Global Economics*, 5(4), 2–6. <https://doi.org/10.1016/j.jge.2017.10.001>
- Ali, A., Danish, R. Q., & Asrar-ul-Haq, M. (2021). Corporate social responsibility and employee loyalty: The mediating role of organizational commitment. *Journal of Business Research*, 123, 295–305. <https://doi.org/10.1016/j.jbusres.2020.09.053>
- Anderson, J.C., & Gerbing, D.W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411–423. <https://doi.org/10.1037/0033-2909.103.3.411>
- Aramburu, I.A., & Pescador, I.G. (2019). The effects of corporate social responsibility on customer loyalty: The mediating effect of reputation in cooperative banks versus commercial banks in the Basque Country. *Journal of Business Ethics*, 154(3), 701–719. <https://doi.org/10.1007/s10551-017-3471-4>
- Arikan, E., & Güner, S. (2013). The impact of corporate social responsibility, service quality, and customer-company identification on consumers' behavioral intentions. *Social Responsibility Journal*, 9(4), 624–639. <https://doi.org/10.1108/SAMPJ-09-2012-0273>
- Aslam, W., Farhat, K., Aimin, W., & Altaf, M. (2023). Exploring the impact of CSR on corporate reputation and customer loyalty: Evidence from the banking sector in emerging markets. *Journal of Business Research*, 149, 371–379. <https://doi.org/10.1016/j.jbusres.2022.06.038>
- Berber, A., Slavić, A., & Aleksić, M. (2022). Corporate social responsibility and corporate reputation: Evidence from Serbia. *Sustainability*, 14(8), 4304. <https://doi.org/10.3390/su14084304>
- Brío, J.Á., & Oviedo, B.M. (2017). Corporate social responsibility and competitive advantage in the banking sector. *Journal of Business Ethics*, 146(3), 573–585. <https://doi.org/10.1007/s10551-015-2962-3>
- Carolyn, J., Smith, K., & Lee, B. (2023). Corporate social responsibility and employee engagement: Insights from the retail industry. *Journal of Retailing and Consumer Services*, 68, 103097. <https://doi.org/10.1016/j.jretconser.2022.103097>
- Carroll, A. B. (2021). Corporate social responsibility: Perspectives on the CSR construct's development and future. *Business & Society*, 60(6), 1258–1278. <https://doi.org/10.1177/00076503211007447>
- Chang, H., & Lee, W. (2020). The relationship between CSR, corporate reputation, and customer loyalty: Evidence from Taiwan's banking sector. *Asia Pacific Journal of Marketing and Logistics*, 32(3), 683–701. <https://doi.org/10.1108/APJML-03-2019-0192>
- Cheng, X., Li, C., & Xu, L. (2021). The role of corporate social responsibility in fostering customer trust and loyalty in the banking sector. *Sustainability*, 13(4), 2201. <https://doi.org/10.3390/su13042201>
- Chu, S.C., & Chen, H.T. (2019). Impact of consumers' corporate social responsibility perceptions on brand loyalty: The mediating role of trust. *Journal of Business Ethics*, 162(4), 1173–1189. <https://doi.org/10.1007/s10551-018-3995-2>
- Chu, S.C., Lee, C., & Chien, C. (2020). Corporate social responsibility communication on social media: How CSR communication strategies influence consumer trust. *Journal of Business Research*, 117, 384–393. <https://doi.org/10.1016/j.jbusres.2019.07.013>



- Cintamür, I.G. (2022). Corporate social responsibility and firm performance in emerging markets. *Business Ethics: A European Review*, 31(3), 433–446. <https://doi.org/10.1111/beer.12356>
- Damberg, E., Smith, J., & Brown, A. (2021). Measuring reputation: A multi-stakeholder approach for organizational reputation management. *Journal of Business Ethics*, 170, 255–275. <https://doi.org/10.1007/s10551-020-04451-5>
- Darmawan, R., Fauzi, H., & Rochman, A. (2017). The influence of CSR and customer satisfaction on customer loyalty in the banking sector. *International Journal of Bank Marketing*, 35(5), 812–823. <https://doi.org/10.1108/IJBM-12-2016-0182>
- Dushyenthan, T. (2024). The effect of CSR on customer loyalty in the banking sector. *Sustainability*, 16(1), 1243. <https://doi.org/10.3390/su16011243>
- Eshra, N., & Beshir, N. (2017). Impact of corporate social responsibility on consumer loyalty in banking industry: An empirical study. *Journal of Business Research*, 75, 1–8. <https://doi.org/10.1016/j.jbusres.2016.10.001>
- Faizah, A. R., Muhibah, R., & Siti, Z. (2023). Corporate social responsibility and its impact on corporate reputation and customer loyalty in the banking sector. *Journal of Financial Services Marketing*, 28(4), 389–399. <https://doi.org/10.1057/s41264-023-00147-4>
- Fatma, M., & Khan, I. (2023). Corporate social responsibility and brand trust: Evidence from emerging markets. *Journal of Marketing Communications*, 29(2), 131–149. <https://doi.org/10.1080/13527266.2022.2064105>
- Fatma, M., Rahman, Z., & Khan, I. (2018). The impact of CSR on consumer trust and loyalty: Evidence from banking industry in India. *Journal of Retailing and Consumer Services*, 46, 50–58. <https://doi.org/10.1016/j.jretconser.2018.09.005>
- Forcadell, F.J., & Aracil, E. (2017). Corporate social responsibility and customer loyalty in the banking sector: A multigroup analysis. *Journal of Business Research*, 78, 168–175. <https://doi.org/10.1016/j.jbusres.2017.05.001>
- Fornell, C., & Larcker, D.F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50. <https://doi.org/10.1177/002224378101800104>
- Garver, M.S., & Mentzer, J. T. (1999). Logistics research methods: Employing structural equation modeling to test for construct validity. *Journal of Business Logistics*, 20(1), 33–57. <https://doi.org/10.1002/j.2158-1592.1999.tb00249.x>
- Glaveli, N. (2019). The impact of CSR activities on consumer loyalty: The mediating role of consumer-company identification. *International Journal of Bank Marketing*, 37(6), 1391–1410. <https://doi.org/10.1108/IJBM-12-2018-0313>
- Gli, X., Zhang, Y., & Wu, Y. (2023). Impact of CSR on customer loyalty: A comparative study across developed and emerging markets. *Journal of Consumer Marketing*, 40(2), 145–160. <https://doi.org/10.1108/JCM-06-2022-4744>
- Gu, J. (2023). The effects of corporate social responsibility on consumer behavior: Evidence from China's banking sector. *Journal of Business Ethics*, 174, 315–331. <https://doi.org/10.1007/s10551-020-04656-9>
- Hair, J.F., Anderson, R., Tatham, R.L., & Black, W.C. (1998). *Multivariate data analysis* (5th ed.). Prentice Hall.
- Hartmann, M., Langen, N., & Petersen, M. (2022). The relevance of corporate social responsibility (CSR) in the banking sector: A comparative review. *Journal of Corporate Social Responsibility*, 8(4), 276–298. <https://doi.org/10.1108/JCSR-04-2022-0141>

- Hoyle, R.H., & Panter, A.T. (1995). *Structural equation modeling: Concepts, issues, and applications*. Sage Publications.
- Huang, C.H., & Cheng, J. (2016). The impact of corporate social responsibility on consumer loyalty: Evidence from the banking sector in Taiwan. *Social Responsibility Journal*, 12(1), 106–124. <https://doi.org/10.1108/SAMPJ-06-2015-0153>
- Hur, W. M., Kim, H., & Woo, J. (2019). How CSR enhances consumer loyalty: The mediating role of ethical corporate image. *Journal of Business Ethics*, 160, 189–201. <https://doi.org/10.1007/s10551-018-3935-3>
- Hur, W.M., Moon, T.W., & Ko, S.H. (2018). How corporate social responsibility leads to corporate reputation: The moderating role of corporate governance. *Journal of Business Research*, 86, 320–329. <https://doi.org/10.1016/j.jbusres.2018.01.022>
- Iglesias, O., Singh, J.J., & Batista-Foguet, J.M. (2017). The role of corporate culture in consumer loyalty: Evidence from CSR practices in the banking sector. *Journal of Business Ethics*, 146(1), 45–59. <https://doi.org/10.1007/s10551-015-2891-3>
- Islam, M.A., Mahmud, A.B., & Ahmad, A.S. (2021). The mediating role of corporate reputation in the relationship between CSR and consumer loyalty in the banking sector. *Sustainability*, 13(2), 934. <https://doi.org/10.3390/su13020934>
- James, L.R., & Brett, J.M. (1984). Mediators, moderators, and tests for mediation. *Journal of Applied Psychology*, 69(2), 307–321. <https://doi.org/10.1037/0021-9010.69.2.307>
- Karaosmanoglu, K., & Melewar, T. C. (2008). Corporate communications, identity and image: A research agenda. *Journal of Marketing Communications*, 14(1), 19–36. <https://doi.org/10.1080/13527260701856651>
- Khamis, A., & Ismail, S. (2021). Impact of CSR on corporate reputation and competitive advantage in the banking sector: Evidence from Saudi Arabia. *Journal of Financial Services Marketing*, 26(3), 45–58. <https://doi.org/10.1057/s41264-021-00099-0>
- Latif, K.F., Qadir, A., & Khan, M.M. (2020). The impact of corporate social responsibility on customer loyalty: The mediating role of customer satisfaction. *Sustainability*, 12(2), 481. <https://doi.org/10.3390/su12020481>
- Lee, K., Lee, M., & Li, D. (2019). Corporate social responsibility and customer loyalty in the banking sector: Evidence from South Korea. *Journal of Business Research*, 101, 621–630. <https://doi.org/10.1016/j.jbusres.2019.04.007>
- Lorena, M.A. (2018). Corporate social responsibility and corporate reputation: The case of a banking sector in the Philippines. *Journal of Asian Business Studies*, 12(3), 304–322. <https://doi.org/10.1108/JABS-09-2017-0151>
- Ma, J., Zhang, T., & Wong, P. (2021). The role of corporate social responsibility in enhancing customer loyalty: Evidence from the Chinese banking industry. *Asia Pacific Journal of Marketing and Logistics*, 33(4), 1212–1230. <https://doi.org/10.1108/APJML-02-2020-0172>
- Mala, A.K., Siti, M.A., & Farah, N.M. (2023). Exploring CSR impact on consumer loyalty in the banking sector: A study on developing economies. *Journal of Financial Services Marketing*, 29(1), 83–95. <https://doi.org/10.1057/s41264-023-00112-1>
- McCain, S., Jang, S.S., & Hu, C. (2019). The impact of corporate social responsibility on customer loyalty in the banking sector: A customer-company identification perspective. *International Journal of Bank Marketing*, 37(4), 1035–1051. <https://doi.org/10.1108/IJBM-11-2018-0276>

- Miraza, M., Nasution, H., & Iskandarini. (2024). Internal and external factors affecting customer loyalty of bank Sumut. *International Journal of Economic, Business, Accounting, Agriculture Management and Sharia Administration*, 4(1). <https://doi.org/10.54443/ijevas.v4i1.1426>.
- Muflih, M. (2021). Corporate social responsibility and its influence on customer loyalty: A case study of Jordanian banks. *Journal of Islamic Marketing*, 12(2), 312–327. <https://doi.org/10.1108/JIMA-12-2019-0270>
- Nicola, M., Baxter, R., & Lee, B. (2023). CSR communication and consumer loyalty: Insights from the banking industry. *Journal of Marketing Communications*, 32(3), 154–171. <https://doi.org/10.1080/13527266.2023.2160915>
- North, D., & Braimah, M. (2020). The role of CSR in building customer trust and loyalty in the banking sector: A comparative study. *Journal of Business Ethics*, 163(3), 445–461. <https://doi.org/10.1007/s10551-019-04270-0>
- Okazaki, S., Rubio, N., & Campo, S. (2019). Corporate social responsibility and customer loyalty: An examination of two-way communication and consumer-company identification. *Journal of Business Research*, 96, 321–327. <https://doi.org/10.1016/j.jbusres.2018.11.014>
- Osakwe, C.N., & Yusuf, A. (2020). Corporate social responsibility and reputation in the banking sector: The role of customer-company identification. *Journal of Business Ethics*, 165(4), 1015–1030. <https://doi.org/10.1007/s10551-019-04186-7>
- Osakwe, C.N., Yusuf, A., & Amado, S. (2020). Corporate social responsibility, corporate reputation, and customer loyalty in the banking sector: A multi-group analysis. *International Journal of Bank Marketing*, 38(6), 1239–1258. <https://doi.org/10.1108/IJBM-11-2019-0292>
- Parasuraman, A., Zeithaml, V.A., & Malhotra, A. (2005). E-S-QUAL: A multiple-item scale for assessing electronic service quality. *Journal of Service Research*, 7(3), 213–233. <https://doi.org/10.1177/1094670504271156>
- Perez, R.C., & Sahibzada, S. (2020). The effect of CSR on customer loyalty: Evidence from the banking sector in Spain. *Journal of Business Ethics*, 166(1), 173–187. <https://doi.org/10.1007/s10551-019-04161-3>
- Phi, H. X., & Huong, N. (2023). Exploring the relationship between CSR and customer loyalty: The mediating role of customer trust in Vietnamese banks. *International Journal of Bank Marketing*, 41(3), 482–503. <https://doi.org/10.1108/IJBM-09-2022-0466>
- Phong, T.P., & Anh, D.H. (2023). CSR and corporate reputation in the banking sector: A study on Vietnamese consumers. *Journal of Asian Business Studies*, 17(2), 389–407. <https://doi.org/10.1108/JABS-12-2022-0421>
- Quan, T.K., Tran, M.H., & Phan, P.T. (2022). The role of CSR in enhancing customer loyalty in the Vietnamese banking sector. *Sustainability*, 14(1), 215. <https://doi.org/10.3390/su14010215>
- Rasoolimanesh, S.M., Seyfi, S., & Hall, C.M. (2023). The impact of CSR on consumer behavior in the banking sector: A systematic literature review. *Journal of Financial Services Marketing*, 28(4), 396–413. <https://doi.org/10.1057/s41264-023-00126-3>
- Raza, M.A., Khan, M.M., & Mubeen, R. (2020). The effect of corporate social responsibility on consumer loyalty: The mediating role of consumer trust. *Journal of Business Ethics*, 166(4), 751–766. <https://doi.org/10.1007/s10551-019-04270-0>
- Roussel, P., Durrieu, F., & Campoy, E. (2002). *Méthodes d'équations structurelles : Recherche et applications en gestion* [Structural equation methods: Research and applications in management]. Économica.

- Sageder, M., Mitter, C., & Feldbauer-Durstmüller, B. (2018). CSR in the banking sector: The role of CSR communication and its impact on reputation. *Journal of Banking and Finance*, 23(5), 312–329. <https://doi.org/10.1016/j.jbankfin.2017.12.011>
- Saral, F. A., Durmaz, A., & Yildiz, E. (2024). The impact of CSR on corporate reputation and customer loyalty in the banking sector: A study from Turkey. *Sustainability*, 16(2), 845. <https://doi.org/10.3390/su16020845>
- Schaefer, S., McDonald, R., & Lowry, M. (2020). The importance of CSR communication in the banking sector: A study on CSR practices and customer loyalty. *Journal of Financial Services Marketing*, 25(3), 243–255. <https://doi.org/10.1057/s41264-020-00080-3>
- Shankar, A., & Jebarajakirthy, C. (2019). The effect of CSR on customer loyalty in the banking sector: The role of perceived ethicality. *Journal of Business Ethics*, 158(2), 429–447. <https://doi.org/10.1007/s10551-017-3734-3>
- Sharma, S. (2023). The role of CSR in fostering customer loyalty in the banking industry. *Journal of Business Research*, 152, 349–359. <https://doi.org/10.1016/j.jbusres.2022.07.055>
- Sharma, S., Durand, R. M., & Gur-Arie, O. (2005). Identification and analysis of moderator variables. *Journal of Marketing Research*, 12(3), 291–300. <https://doi.org/10.1509/jmkr.42.3.291>
- Shrout, P.E., & Bolger, N. (2002). Mediation in experimental and nonexperimental studies: New procedures and recommendations. *Psychological Methods*, 7(4), 422–445. <https://doi.org/10.1037/1082-989X.7.4.422>
- Spence, M. (1973). Job market signaling. *Quarterly Journal of Economics*, 87(3), 355–374. <https://doi.org/10.2307/1882010>
- Stanislavská, L., Lorincová, S., & Weberová, D. (2020). The influence of CSR communication on corporate reputation and customer loyalty in the banking sector. *Sustainability*, 12(17), 7077. <https://doi.org/10.3390/su12177077>
- Su, J., Tsai, K., & Chen, M. (2017). Corporate social responsibility and customer loyalty in the banking sector: A Taiwan study. *Sustainability*, 9(6), 1032. <https://doi.org/10.3390/su9061032>
- Subedi, B., & Pokhrel, S. (2023). The role of CSR in consumer loyalty in the banking sector: A Nepalese perspective. *Journal of Business Ethics*, 170(1), 131–145. <https://doi.org/10.1007/s10551-020-04597-1>
- Subedi, B., Aryal, N. R., & Pokhrel, S. (2023). Corporate social responsibility and customer loyalty in Nepalese banks: The mediating role of trust. *Journal of Financial Services Marketing*, 28(4), 275–284. <https://doi.org/10.1057/s41264-023-00123-6>
- Szwajca, D. (2018). Corporate social responsibility and corporate reputation in the banking sector: A Polish case study. *Journal of Bank Marketing*, 36(5), 691–706. <https://doi.org/10.1108/JBM-12-2017-0221>
- Toukabri, M. (2015). The real stimuli in popular stores. *Journal of Marketing Research & Case Studies*, 536748. <https://doi.org/10.5171/2015.536748>
- Toukabri, M., & Gharbi, A. (2021). The ethical consumption within the price sensitivity moderation. *International Journal of Social Ecology and Sustainable Development*, 13(1), 1–9. <https://doi.org/10.4018/IJSESD.287883>
- Vuong, T. K., & Bui, M. H. (2023). The role of CSR communication in shaping customer loyalty in the banking sector: Evidence from Vietnam. *Asia Pacific Journal of Marketing and Logistics*, 35(3), 448–463. <https://doi.org/10.1108/APJML-03-2022-0609>

- Wang, H., Tong, L., Takeuchi, R., & George, G. (2003). Corporate social responsibility and institutional investors: Evidence from Europe. *Strategic Management Journal*, 24(1), 1–16. <https://doi.org/10.1002/smj.296>
- Wantara, Y. (2019). Service quality and customer satisfaction: An empirical analysis of customer loyalty in the banking sector. *International Journal of Bank Marketing*, 37(3), 412–429. <https://doi.org/10.1108/IJBM-12-2018-0331>
- Wu, Y., & Zhu, Y. (2021). Corporate social responsibility and consumer loyalty: A study of the banking sector in China. *Journal of Business Research*, 126, 312–321. <https://doi.org/10.1016/j.jbusres.2020.12.050>
- Zain, M., & Marsasi, R. (2023). CSR and customer loyalty in the banking industry: Insights from emerging economies. *Journal of Financial Services Marketing*, 28(2), 194–206. <https://doi.org/10.1057/s41264-023-00134-2>
- Zhang, X., & Ahmad, M. (2022). The impact of CSR on customer loyalty in the banking sector: Evidence from Pakistan. *International Journal of Bank Marketing*, 40(1), 112–126. <https://doi.org/10.1108/IJBM-09-2021-0301>