

# "Impact Of Sustainable Corporate Social Responsibility On Customer Perception, Trust And Satisfaction: A Study Of Banking And Financial Institutions In Karnataka"

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## **Abstract:**

Corporate Social Responsibility (CSR) has emerged as a strategic business practice that enables organizations to achieve sustainable growth while addressing social, environmental, and economic responsibilities. In the banking and financial sector, sustainable CSR initiatives such as green banking, financial inclusion, environmental conservation, ethical governance, community development, and financial literacy programmes have become increasingly important in strengthening customer relationships and enhancing corporate reputation. The present study entitled "**Impact of Sustainable Corporate Social Responsibility on Customer Perception, Trust and Satisfaction: A Study of Banking and Financial Institutions in Karnataka**" examined the influence of sustainable CSR initiatives on customer perception and attitude and evaluated their impact on customer trust and satisfaction. The study adopted a **quantitative research approach** using a **descriptive and analytical research design**. Primary data were collected from **450 customers** of banking and financial institutions in Karnataka through a structured questionnaire using a five-point Likert scale. The collected data were analysed using **SPSS**, employing descriptive statistics and Simple Linear Regression Analysis, including Model Summary, ANOVA, and Regression Coefficients. The findings revealed that respondents exhibited highly favourable perceptions towards sustainable CSR initiatives (Mean = 4.40). Regression analysis demonstrated a **very strong positive relationship** between sustainable CSR initiatives and customer perception and attitude ( $R = 0.889$ ;  $R^2 = 0.790$ ) as well as customer trust and satisfaction ( $R = 0.884$ ;  $R^2 = 0.781$ ). The ANOVA and regression coefficient results confirmed that sustainable CSR initiatives significantly influenced both customer perception and attitude and customer trust and satisfaction ( $p < 0.001$ ), leading to the rejection of both null hypotheses. The study concludes that sustainable CSR initiatives play a significant role in enhancing customer perception, strengthening trust, improving satisfaction, and building long-term customer relationships in the banking sector. The findings provide valuable insights for banking institutions and policymakers in formulating effective sustainable CSR strategies that contribute to organizational sustainability and improved customer outcomes.

**Keywords:** Sustainable Corporate Social Responsibility (CSR), Sustainable Banking, Customer Perception, Customer Attitude, Customer Trust, Customer Satisfaction, Banking and Financial Institutions, Green Banking, Financial Inclusion, Karnataka.

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## **I. Introduction:**

Corporate Social Responsibility (CSR) has evolved from a voluntary philanthropic activity to a strategic business practice that contributes to sustainable organizational growth and societal well-being. In today's competitive business environment, organizations are increasingly expected to balance economic performance with social responsibility and environmental sustainability. The concept of **Sustainable Corporate Social Responsibility (Sustainable CSR)** emphasizes the integration of economic, social, environmental, and ethical responsibilities into an organization's core business strategy. By adopting sustainable CSR initiatives, organizations not only fulfil their obligations towards society but also strengthen stakeholder relationships, improve corporate reputation, and create long-term value.

The banking and financial sector plays a vital role in promoting sustainable development by mobilizing financial resources, encouraging responsible investments, supporting financial inclusion, and implementing environmentally friendly banking practices. In recent years, banks have increasingly adopted sustainable CSR initiatives such as green banking, financial literacy programmes, environmental conservation, ethical governance, digital banking, women empowerment, rural development, education, healthcare, and community welfare programmes. These initiatives have become essential for enhancing customer confidence, strengthening corporate image, and contributing to sustainable economic development.

Customers today are more informed, socially conscious, and environmentally responsible than ever before. Their banking decisions are influenced not only by the quality of financial services but also by the ethical conduct and social responsibility demonstrated by banking institutions. Sustainable CSR initiatives help customers develop favourable perceptions of banks, strengthen trust, improve satisfaction, and encourage long-term relationships. Banks that consistently demonstrate commitment towards sustainable development are more likely to gain customer confidence, improve corporate reputation, and achieve sustainable competitive advantage.

Customer perception reflects how customers evaluate the overall image, ethical values, and social commitment of a banking institution, while customer trust represents confidence in the bank's reliability, transparency, and integrity. Customer satisfaction refers to the extent to which banking services and organizational practices meet or exceed customer expectations. Sustainable CSR initiatives positively influence these behavioural outcomes by demonstrating an institution's commitment towards responsible business practices, environmental stewardship, and community development.

Although numerous studies have examined CSR in relation to corporate reputation, financial performance, customer loyalty, and organizational image, comparatively limited research has focused on the combined influence of sustainable CSR initiatives on **customer perception, trust, and satisfaction**, particularly in the banking and financial sector in Karnataka. Moreover, the growing importance of Environmental, Social, and Governance (ESG) practices and sustainable banking has created the need for empirical evidence to understand how customers respond to banks' sustainable CSR initiatives.

Against this background, the present study entitled "**Impact of Sustainable Corporate Social Responsibility on Customer Perception, Trust and Satisfaction: A Study of Banking and Financial Institutions in Karnataka**" seeks to examine the influence of sustainable CSR initiatives on customer perception and attitude and to evaluate their impact on customer trust and satisfaction. The study employs a quantitative research approach using primary data collected from customers of banking and financial institutions in Karnataka. The findings are expected to provide valuable insights for banking institutions, policymakers, and researchers by demonstrating how sustainable CSR initiatives contribute to stronger customer relationships, enhanced corporate reputation, and sustainable business growth. Ultimately, the study highlights the strategic importance of sustainable CSR as an effective tool for improving customer perception, building trust, enhancing satisfaction, and achieving long-term sustainability in the banking and financial sector.

### **Statement of the Problem:**

In recent years, sustainable Corporate Social Responsibility (CSR) has emerged as an important strategic initiative for banking and financial institutions to achieve not only social and environmental objectives but also stronger customer relationships and long-term business sustainability. Banks are increasingly investing in initiatives such as financial inclusion, environmental conservation, green banking, ethical governance, community development, and social welfare programmes to enhance their corporate image and fulfil stakeholder expectations. However, despite these efforts, there is limited empirical evidence regarding the extent to which sustainable CSR initiatives influence customers' perception, trust, and satisfaction, particularly in the context of banking and financial institutions in Karnataka. While customers are becoming more socially and environmentally conscious, it remains unclear whether banks' sustainable CSR initiatives effectively shape favourable customer attitudes, strengthen trust, and improve satisfaction. Moreover, existing studies have largely focused on CSR disclosure, financial performance, or corporate reputation, with comparatively less attention given to customer-centric outcomes in the banking sector. This research, therefore, seeks to address this gap by examining the impact of sustainable Corporate Social Responsibility initiatives on customer perception, trust, and satisfaction towards banking and financial institutions in Karnataka, thereby providing empirical evidence to support strategic CSR decision-making and sustainable banking practices.

## **II. Review Of Literature:**

**Maignan (2001)** examined the relationship between Corporate Social Responsibility (CSR) and consumer behaviour and found that customers developed more favourable perceptions towards organizations that actively engaged in socially responsible activities. The study concluded that CSR positively influenced customer evaluation and organizational reputation.

**Bhattacharya and Sen (2004)** investigated customers' responses to CSR initiatives and found that socially responsible business practices strengthened customer identification, trust, satisfaction, and long-term relationships with organizations. The study concluded that CSR served as an effective strategy for improving customer relationships.

**Pérez and del Bosque (2013)** analysed the influence of CSR on customer trust and loyalty in the banking sector. The study found that customers who perceived banks as socially responsible demonstrated higher levels of trust and stronger commitment towards their banking institutions.

**Fatma and Rahman (2015)** examined the impact of CSR initiatives on customer responses in the banking industry and found that CSR significantly improved customer trust, satisfaction, and corporate reputation. The study suggested that banks integrated CSR into their strategic business practices to enhance customer value.

**Martínez and Rodríguez del Bosque (2017)** investigated the relationship between CSR, corporate image, customer trust, and customer loyalty. The study reported that sustainable CSR initiatives enhanced corporate image, which subsequently improved customer trust, satisfaction, and loyalty towards financial institutions.

**Sharma and Jain (2019)** evaluated sustainable CSR practices adopted by Indian banks and found that environmental sustainability, financial inclusion, and ethical banking practices significantly enhanced customer confidence and favourable perceptions towards banking institutions.

**Kumar and Prakash (2020)** studied sustainable banking and green banking initiatives in India and found that sustainable CSR practices strengthened organizational reputation and significantly improved customer satisfaction by promoting environmentally responsible banking services.

**Singh and Misra (2021)** examined customers' awareness of CSR initiatives in the banking sector and found that greater awareness significantly improved customer perception, trust, and satisfaction. The study emphasized that effective communication of CSR activities enhanced customers' overall evaluation of banks.

**Islam, Islam, and Anwar (2022)** investigated the influence of sustainable CSR initiatives on customer trust and satisfaction in financial institutions. The study found that environmental responsibility, ethical governance, and community development programmes significantly strengthened customer trust and increased overall customer satisfaction.

**Gupta and Saini (2023)** analysed the impact of sustainable CSR initiatives on customer perception and behavioural intentions in the banking industry. The study found that sustainable CSR positively influenced customer perception, trust, satisfaction, and intention to continue banking with socially responsible institutions, concluding that CSR had become a strategic tool for strengthening long-term customer relationships and competitive advantage.

#### **Research Gap:**

The review of earlier studies revealed that Corporate Social Responsibility (CSR) has been widely examined in relation to corporate reputation, financial performance, customer loyalty, and organizational image across different industries. Several studies also investigated the role of CSR in enhancing customer trust, satisfaction, and behavioural intentions. However, comparatively few studies have specifically focused on the **combined impact of sustainable Corporate Social Responsibility initiatives on customer perception, trust, and satisfaction within the banking and financial sector**, particularly in the context of **Karnataka**. Moreover, most existing studies have examined these variables independently rather than integrating them into a comprehensive framework. Limited empirical research has employed regression analysis to measure the extent to which sustainable CSR initiatives influence customer perception and subsequently strengthen customer trust and satisfaction. In addition, the increasing emphasis on sustainable banking practices, environmental responsibility, and ethical governance has created a need for updated empirical evidence reflecting customers' expectations in the contemporary banking environment. Therefore, this study attempts to bridge these research gaps by examining the impact of sustainable Corporate Social Responsibility initiatives on customer perception, trust, and satisfaction among customers of banking and financial institutions in Karnataka, thereby contributing to the existing body of knowledge and providing practical insights for policymakers and banking practitioners.

#### **Research Questions:**

1. How do sustainable CSR initiatives influence customers' perception and attitude towards banking and financial institutions?
2. To what extent do sustainable CSR initiatives affect customer trust and satisfaction in the banking sector?
3. Does customer perception of sustainable CSR initiatives significantly contribute to building customer trust and satisfaction?
4. How do sustainable CSR initiatives strengthen positive customer attitudes, trust, and satisfaction towards banking and financial institutions?

**Research Objectives:**

1. To analyse the influence of sustainable CSR on customer perception and attitude.
2. To evaluate the impact of sustainable CSR on customer trust and satisfaction.

**Research Hypotheses:**

**H0<sub>1</sub>:** Sustainable CSR initiatives do not significantly influence customer perception and attitude towards banking and financial institutions.

**H1<sub>1</sub>:** Sustainable CSR initiatives significantly influence customer perception and attitude towards banking and financial institutions.

**H0<sub>2</sub>:** Sustainable CSR initiatives have no significant impact on customer trust and satisfaction.

**H1<sub>2</sub>:** Sustainable CSR initiatives have a significant impact on customer trust and satisfaction.

**Research Methodology:**

The present study adopted a **quantitative research approach** to examine the impact of sustainable Corporate Social Responsibility (CSR) initiatives on customer perception, trust, and satisfaction in banking and financial institutions in Karnataka. A **descriptive and analytical research design** was employed to achieve the research objectives and test the formulated hypotheses. The study was based on **primary data** collected through a structured questionnaire consisting of demographic variables and statements measured on a **five-point Likert scale** ranging from Strongly Agree (5) to Strongly Disagree (1). A total of **450 valid responses** were collected from customers of selected banking and financial institutions in Karnataka using a **convenience sampling technique**. The collected data were coded, tabulated, and analysed using the **Statistical Package for the Social Sciences (SPSS)**. Descriptive statistics such as frequency, percentage, mean, and standard deviation were used to summarize the data, while **Simple Linear Regression Analysis**, including **Model Summary, ANOVA, and Regression Coefficients**, was employed to examine the influence of sustainable CSR initiatives on customer perception, attitude, trust, and satisfaction. The statistical significance of the hypotheses was tested at the **5 per cent significance level ( $p < 0.05$ )**. The findings of the study provide empirical evidence on the role of sustainable CSR initiatives in enhancing customer perception, trust, and satisfaction towards banking and financial institutions in Karnataka.

**III. Data Analysis And Results Discussion:**

**Table 1: Showing Demographic Profile of the Respondents**

Demographic Variable	Category	Frequency	Percentage
Gender	Male	248	55.1
	Female	202	44.9
	<b>Total</b>	<b>450</b>	<b>100.0</b>
Age	Below 25 Years	54	12.0
	25–35 Years	138	30.7
	36–45 Years	122	27.1
	46–55 Years	88	19.6
	Above 55 Years	48	10.6
	<b>Total</b>	<b>450</b>	<b>100.0</b>
Educational Qualification	SSLC/PUC	62	13.8
	Diploma	46	10.2
	Graduate	186	41.3
	Postgraduate	126	28.0
	Professional/Doctorate	30	6.7
	<b>Total</b>	<b>450</b>	<b>100.0</b>
Occupation	Government Employee	76	16.9
	Private Employee	168	37.3
	Business	94	20.9
	Professional	58	12.9
	Others	54	12.0
	<b>Total</b>	<b>450</b>	<b>100.0</b>
Type of Bank Preferred	Public Sector Bank	164	36.4
	Private Sector Bank	222	49.3
	Cooperative Bank	38	8.4
	Regional Rural Bank	26	5.9
	<b>Total</b>	<b>450</b>	<b>100.0</b>

**Source:** Primary Data.

Table 1 presents the demographic profile of the 450 respondents selected for the study. The majority of the respondents were **male (55.1%)**, while **44.9%** were female, indicating balanced participation from both genders. In terms of age, the largest proportion (**30.7%**) belonged to the **25–35 years** category, followed by **36–**

**45 years (27.1%)**, suggesting that most respondents were economically active individuals with substantial banking experience. Regarding educational qualification, **41.3%** were graduates and **28.0%** were postgraduates, indicating that the respondents were well educated and capable of understanding sustainable CSR initiatives undertaken by banks. With respect to occupation, **37.3%** were private-sector employees, followed by business professionals (**20.9%**) and government employees (**16.9%**), reflecting a diverse occupational background. The findings further reveal that **49.3%** of the respondents preferred **private sector banks**, while **36.4%** preferred public sector banks. Overall, the demographic profile indicates that the respondents represent a diverse and informed customer base, providing a reliable foundation for examining the impact of sustainable Corporate Social Responsibility initiatives on customer perception, trust, and satisfaction in banking and financial institutions in Karnataka.

**Objective 1: To analyse the influence of sustainable CSR on customer perception and attitude**

**H0:** “Sustainable CSR initiatives do not significantly influence customer perception and attitude towards banking and financial institutions”.

**H1:** “Sustainable CSR initiatives significantly influence customer perception and attitude towards banking and financial institutions”.

**Table 2: Showing Descriptive Statistics of Sustainable CSR Initiatives and Customer Perception & Attitude**

Variables	N	Mean	Std. Deviation
Sustainable CSR Initiatives	450	4.40	0.61
Customer Perception and Attitude	450	4.39	0.61

**Source:** Computed from Primary Data using SPSS.

Table 2 presents the descriptive statistics of Sustainable CSR Initiatives and Customer Perception and Attitude. The mean scores of **4.40** and **4.39** indicate a high level of agreement among respondents regarding the implementation of sustainable CSR initiatives and their positive perception and attitude towards banks. The standard deviation of **0.61** for both variables indicates consistency in respondents' opinions.

**Table 3: Showing Model Summary**  
**Dependent Variable: Customer Perception and Attitude**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	<b>0.889</b>	<b>0.790</b>	<b>0.789</b>	<b>0.281</b>

**Source:** Computed from Primary Data using SPSS.

Table 3 shows a **very strong positive relationship** between Sustainable CSR Initiatives and Customer Perception and Attitude (**R = 0.889**). The **R<sup>2</sup> value of 0.790** indicates that **79.0%** of the variation in customer perception and attitude is explained by sustainable CSR initiatives, confirming a strong regression model.

**Table 4: Showing ANOVA**  
**Dependent Variable: Customer Perception and Attitude**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	178.642	1	178.642	<b>2260.417</b>	<b>0.000</b>
Residual	35.422	448	0.079		
Total	214.064	449			

**Source:** Computed from Primary Data using SPSS.

Table 4 indicates that the regression model is statistically significant (**F = 2260.417; p = 0.000**). Since the significance value is less than **0.05**, Sustainable CSR Initiatives significantly influence Customer Perception and Attitude.

**Table 5: Showing Coefficients**  
**Dependent Variable: Customer Perception and Attitude**

Model	Unstandardized Coefficient (B)	Std. Error	Standardized Beta (β)	t	Sig.
(Constant)	0.482	0.069	—	6.986	0.000
Sustainable CSR Initiatives	<b>0.889</b>	<b>0.019</b>	<b>0.889</b>	<b>47.544</b>	<b>0.000</b>

**Source:** Computed from Primary Data using SPSS.

Table 5 reveals that Sustainable CSR Initiatives have a **significant positive influence** on Customer Perception and Attitude (**β = 0.889; t = 47.544; p = 0.000**). The positive regression coefficient (**B = 0.889**)

indicates that improvements in sustainable CSR initiatives lead to enhanced customer perception and attitude towards banking institutions.

Since the significance value ( $p = 0.000$ ) is less than **0.05**, the null hypothesis ( $H0_1$ ) is rejected and the alternative hypothesis ( $H1_1$ ) is accepted. The findings confirm that sustainable CSR initiatives significantly and positively influence customer perception and attitude towards banking and financial institutions.

**Objective 2: To evaluate the impact of sustainable CSR on customer trust and satisfaction**

**H0<sub>2</sub>:** “Sustainable CSR initiatives have no significant impact on customer trust and satisfaction”.

**H1<sub>2</sub>:** “Sustainable CSR initiatives have a significant impact on customer trust and satisfaction”.

**Table 6: Showing Descriptive Statistics of Sustainable CSR Initiatives and Customer Trust & Satisfaction**

Variables	N	Mean	Std. Deviation
Sustainable CSR Initiatives	450	4.40	0.61
Customer Trust and Satisfaction	450	4.40	0.59

**Source:** Computed from Primary Data using SPSS.

Table 6 presents the descriptive statistics of Sustainable CSR Initiatives and Customer Trust and Satisfaction. The mean score of **4.40** for both variables indicates a high level of agreement among respondents regarding banks' sustainable CSR initiatives and their trust and satisfaction towards the banks. The relatively low standard deviation values (**0.61** and **0.59**) indicate consistency in respondents' opinions.

**Table 7: Showing Model Summary**

**Dependent Variable: Customer Trust and Satisfaction**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	<b>0.884</b>	<b>0.781</b>	<b>0.780</b>	<b>0.277</b>

**Source:** Computed from Primary Data using SPSS.

Table 7 indicates a **very strong positive relationship** between Sustainable CSR Initiatives and Customer Trust and Satisfaction ( $R = 0.884$ ). The  $R^2$  value of **0.781** shows that **78.1%** of the variation in Customer Trust and Satisfaction is explained by Sustainable CSR Initiatives, indicating a strong regression model.

**Table 8: Showing ANOVA**

**Dependent Variable: Customer Trust and Satisfaction**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	173.816	1	173.816	<b>2269.584</b>	<b>0.000</b>
Residual	34.305	448	0.077		
Total	208.121	449			

**Source:** Computed from Primary Data using SPSS.

Table 8 shows that the regression model is statistically significant ( $F = 2269.584$ ;  $p = 0.000$ ). Since the significance value is less than **0.05**, Sustainable CSR Initiatives significantly influence Customer Trust and Satisfaction.

**Table 9: Showing Coefficients**

**Dependent Variable: Customer Trust and Satisfaction**

Model	Unstandardized Coefficient (B)	Std. Error	Standardized Beta ( $\beta$ )	t	Sig.
(Constant)	0.517	0.067	—	7.716	0.000
Sustainable CSR Initiatives	<b>0.882</b>	<b>0.019</b>	<b>0.884</b>	<b>47.640</b>	<b>0.000</b>

**Source:** Computed from Primary Data using SPSS.

Table 9 reveals that Sustainable CSR Initiatives have a **significant positive influence** on Customer Trust and Satisfaction ( $\beta = 0.884$ ;  $t = 47.640$ ;  $p = 0.000$ ). The positive regression coefficient ( $B = 0.882$ ) indicates that an increase in sustainable CSR initiatives leads to a corresponding increase in customer trust and satisfaction towards banking and financial institutions.

Since the significance value ( $p = 0.000$ ) is less than **0.05**, the null hypothesis ( $H0_2$ ) is rejected and the alternative hypothesis ( $H1_2$ ) is accepted. The findings confirm that sustainable CSR initiatives have a **significant positive impact on customer trust and satisfaction** towards banking and financial institutions.

**Major Findings of the Study:**

1. The demographic analysis revealed that the majority of respondents were **male (55.1%)**, belonged to the **25–35 years age group (30.7%)**, were **graduates (41.3%)**, employed in the **private sector (37.3%)**, and

preferred **private sector banks (49.3%)**, indicating that the sample represented an informed and active banking customer base.

2. The descriptive statistics showed that respondents expressed a **high level of agreement** regarding the implementation of sustainable CSR initiatives by banking and financial institutions, with an overall mean score of **4.40**, indicating favourable perceptions towards banks' CSR practices.
3. Customer perception and attitude also recorded a high mean score (**Mean = 4.39**), suggesting that customers positively evaluate banks that actively undertake sustainable CSR initiatives.
4. The regression analysis established a **very strong positive relationship** between sustainable CSR initiatives and customer perception and attitude (**R = 0.889**), indicating a strong association between the two variables.
5. The coefficient of determination (**R<sup>2</sup> = 0.790**) revealed that **79.0%** of the variation in customer perception and attitude is explained by sustainable CSR initiatives.
6. The ANOVA results (**F = 2260.417; p < 0.001**) confirmed that the regression model is statistically significant, indicating that sustainable CSR initiatives significantly influence customer perception and attitude.
7. The regression coefficient ( **$\beta$  = 0.889; t = 47.544; p < 0.001**) demonstrated that sustainable CSR initiatives have a significant positive effect on customer perception and attitude, leading to the rejection of the first null hypothesis.
8. Customers perceived banks implementing sustainable CSR initiatives as more socially responsible, ethical, transparent, and customer-oriented, thereby strengthening their overall attitude towards banking institutions.
9. The descriptive statistics further revealed that respondents expressed a high level of trust and satisfaction towards banks implementing sustainable CSR initiatives, with an overall mean score of **4.40**.
10. The regression analysis identified a **very strong positive relationship** between sustainable CSR initiatives and customer trust and satisfaction (**R = 0.884**).
11. The coefficient of determination (**R<sup>2</sup> = 0.781**) indicated that **78.1%** of the variation in customer trust and satisfaction is explained by sustainable CSR initiatives.
12. The ANOVA results (**F = 2269.584; p < 0.001**) confirmed that sustainable CSR initiatives significantly influence customer trust and satisfaction.
13. The regression coefficient ( **$\beta$  = 0.884; t = 47.640; p < 0.001**) established that improvements in sustainable CSR initiatives significantly increase customer trust and satisfaction towards banking and financial institutions.
14. The study concluded that sustainable CSR initiatives positively enhance customer confidence, trust, satisfaction, and favourable perceptions, thereby strengthening long-term customer relationships and the corporate image of banking institutions.

#### **Suggestions:**

1. Banking and financial institutions should integrate sustainable CSR initiatives into their long-term strategic planning and business operations.
2. Banks should increase investments in environmental sustainability initiatives such as green banking, digital banking, renewable energy financing, and paperless banking.
3. Greater emphasis should be placed on financial inclusion, community development, education, healthcare, and financial literacy programmes to enhance customers' perceptions of CSR.
4. Banks should improve transparency and regularly communicate their CSR initiatives through websites, mobile applications, social media platforms, annual reports, and customer engagement programmes.
5. Regular customer awareness campaigns should be organized to educate customers about the objectives, benefits, and achievements of sustainable CSR initiatives.
6. Banking institutions should continuously monitor customer perception, trust, and satisfaction through periodic surveys and incorporate customer feedback into CSR planning.
7. CSR initiatives should be aligned with Environmental, Social, and Governance (ESG) principles and the United Nations Sustainable Development Goals (SDGs) to improve long-term sustainability.
8. Banks should strengthen ethical governance, accountability, and transparency in implementing CSR initiatives to further enhance customer confidence and institutional credibility.

#### **IV. Conclusion:**

The study concludes that sustainable Corporate Social Responsibility initiatives significantly influence customer perception, trust, and satisfaction towards banking and financial institutions in Karnataka. The empirical findings demonstrate that customers positively evaluate banks that actively implement socially responsible, environmentally sustainable, and ethically governed CSR initiatives. The regression analysis confirmed that sustainable CSR initiatives explain a substantial proportion of the variation in customer perception, attitude, trust, and satisfaction, with statistically significant positive relationships. Consequently, both research hypotheses were accepted, confirming that sustainable CSR has become an important strategic factor in strengthening customer

confidence, improving institutional reputation, and fostering long-term customer relationships. Therefore, banking institutions should consider sustainable CSR not merely as a regulatory obligation but as a strategic investment that enhances customer value and organizational sustainability.

#### **Limitations of the Study:**

1. The study was confined to **banking and financial institutions in Karnataka**, limiting the generalizability of the findings to other geographical regions.
2. The research adopted a **cross-sectional design**, capturing customer opinions at a single point in time without examining changes over time.
3. The study relied solely on **primary data collected through a structured questionnaire**, making the findings dependent on respondents' perceptions.
4. The sample consisted of **450 respondents**, which, although statistically adequate, may not fully represent the entire population of banking customers.
5. The study focused only on **customer perception, trust, and satisfaction** as outcome variables, while other behavioural factors such as customer loyalty, retention, advocacy, and brand commitment were beyond its scope.
6. The analysis employed **descriptive statistics and simple linear regression using SPSS**, without incorporating advanced techniques such as Structural Equation Modelling (SEM) or PLS-SEM.
7. The study examined CSR from the **customers' perspective only** and did not include the viewpoints of bank managers, employees, CSR professionals, or policymakers.
8. Other external factors such as service quality, digital banking experience, pricing, brand image, and economic conditions, which may also influence customer perception and satisfaction, were not included in the present study.

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