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# "Effectiveness Of CSR Communication And Its Impact On Customer Loyalty And Preference: A Study Of Banking And Financial Institutions In Karnataka"

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***Abstract:***
*Corporate Social Responsibility (CSR) has become an integral component of sustainable business strategy in the banking and financial sector, enabling institutions to enhance stakeholder value while fulfilling their economic, social, environmental, and ethical responsibilities. Effective CSR communication plays a crucial role in creating customer awareness, influencing customer behaviour, and strengthening long-term relationships with banking institutions. Simultaneously, sustainable CSR initiatives such as green banking, financial inclusion, environmental conservation, community development, ethical governance, and financial literacy programmes have emerged as important drivers of customer loyalty and banking preference. The present study, entitled **"Effectiveness of CSR Communication and Its Impact on Customer Loyalty and Preference: A Study of Banking and Financial Institutions in Karnataka,"** examined the effectiveness of CSR communication in influencing customer behaviour and determined the impact of sustainable CSR initiatives on customer loyalty and preference in the banking sector. 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 based on 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 opinions regarding CSR communication (Mean = **4.37**) and sustainable CSR initiatives (Mean = **4.40**). Regression analysis established a **very strong positive relationship** between CSR communication and customer behaviour (**$R = 0.876$; $R^2 = 0.768$**) and between sustainable CSR initiatives and customer loyalty and preference (**$R = 0.891$; $R^2 = 0.794$**). The ANOVA and regression coefficient results confirmed that both CSR communication and sustainable CSR initiatives significantly influenced customer behaviour, loyalty, and preference (**$p < 0.001$**), leading to the rejection of both null hypotheses. The study concludes that effective CSR communication and sustainable CSR initiatives are strategic drivers of favourable customer behaviour, enhanced customer loyalty, and stronger banking preference. The findings provide valuable implications for banking institutions, policymakers, and researchers in designing effective CSR communication strategies and sustainable business practices that strengthen customer relationships and improve long-term organizational performance.*

***Keywords:*** *Corporate Social Responsibility (CSR), CSR Communication, Sustainable CSR, Customer Behaviour, Customer Loyalty, Customer Preference, Banking and Financial Institutions, Sustainable Banking, Customer Relationship Management, Karnataka.*

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## I. Introduction:

In today's dynamic business environment, Corporate Social Responsibility (CSR) has become an essential component of organizational strategy, enabling businesses to create value for both society and stakeholders while ensuring long-term sustainability. The concept of CSR has evolved beyond philanthropic activities and legal compliance to encompass economic, social, environmental, and ethical responsibilities that contribute to sustainable development. In the banking and financial sector, CSR has gained increasing importance as financial institutions are expected not only to provide quality financial services but also to contribute actively towards environmental protection, social welfare, financial inclusion, ethical governance, and community development. As a result, banks have increasingly integrated sustainable CSR initiatives into their business operations to strengthen their corporate reputation and enhance stakeholder confidence.

Alongside the implementation of sustainable CSR initiatives, effective **CSR communication** has emerged as a critical factor in influencing customer perceptions and behaviour. Banks communicate their CSR activities through sustainability reports, annual reports, websites, mobile banking applications, social media platforms, advertisements, customer awareness programmes, and public relations campaigns. Effective communication ensures that customers are aware of the bank's commitment to sustainable development and responsible business practices. When customers clearly understand and appreciate a bank's CSR initiatives, they are more likely to develop favourable behavioural intentions, remain loyal to the institution, and recommend its services to others.

Customer behaviour in the banking sector is influenced by several factors, including service quality, trust, corporate image, ethical conduct, and social responsibility. In recent years, customers have become increasingly conscious of environmental sustainability, ethical governance, and social welfare initiatives undertaken by organizations. Consequently, CSR communication has become an important strategic tool for shaping customer behaviour by increasing awareness, enhancing confidence, and strengthening emotional attachment towards banking institutions. Effective communication of CSR initiatives encourages customers to engage positively with banks and influences their banking decisions, thereby contributing to long-term customer relationships.

Similarly, **sustainable Corporate Social Responsibility initiatives** have become an important determinant of customer loyalty and preference in the highly competitive banking industry. Banks that actively engage in green banking, financial inclusion, environmental conservation, financial literacy, community development, digital inclusion, and ethical governance are increasingly perceived as responsible and trustworthy institutions. Such initiatives not only improve the social image of banks but also strengthen customer confidence, satisfaction, and long-term commitment. Customers are more likely to remain loyal and prefer banking institutions that demonstrate genuine concern for societal welfare and sustainable development.

Although several studies have examined CSR in relation to corporate reputation, customer satisfaction, organizational performance, and brand image, comparatively fewer studies have focused on the combined role of **CSR communication in influencing customer behaviour** and **sustainable CSR initiatives in enhancing customer loyalty and preference**, particularly in the context of banking and financial institutions in Karnataka. Moreover, the increasing emphasis on Environmental, Social, and Governance (ESG) practices and sustainable banking has created a need for empirical evidence to understand how effective CSR communication and sustainable CSR initiatives influence customer behavioural outcomes in the banking sector.

Against this background, the present study entitled **"Impact of CSR Communication and Sustainable Corporate Social Responsibility Initiatives on Customer Behaviour, Loyalty and Preference: A Study of Banking and Financial Institutions in Karnataka"** seeks to examine the effectiveness of CSR communication in influencing customer behaviour and to determine the impact of sustainable CSR initiatives on customer loyalty and preference. The study adopts a quantitative research approach by collecting primary data from customers of banking and financial institutions in Karnataka and analysing the data using appropriate statistical techniques. The findings of the study are expected to provide valuable insights for banking institutions, policymakers, and researchers by highlighting the strategic importance of effective CSR communication and sustainable CSR practices in strengthening customer relationships, improving customer loyalty and preference, enhancing corporate reputation, and achieving sustainable organizational growth.

**Statement of the Problem:**

In the contemporary banking environment, Corporate Social Responsibility (CSR) has evolved beyond regulatory compliance and philanthropic activities to become a strategic tool for strengthening customer relationships and achieving sustainable competitive advantage. Banking and financial institutions increasingly communicate their CSR initiatives through various channels, including digital platforms, sustainability reports, social media, and customer engagement programmes, with the expectation of influencing customer behaviour and fostering long-term loyalty. At the same time, banks have adopted sustainable CSR initiatives such as green banking, environmental conservation, financial inclusion, community development, ethical governance, and financial literacy programmes to enhance their corporate image and demonstrate their commitment to society. Despite these efforts, it remains uncertain whether customers are adequately influenced by CSR communication and whether sustainable CSR initiatives significantly affect their loyalty and preference for banking institutions. Existing research has primarily focused on the relationship between CSR and organizational performance, corporate reputation, customer satisfaction, or brand image, while comparatively limited attention has been given to the combined influence of CSR communication on customer behaviour and sustainable CSR initiatives on customer loyalty and preference, particularly in the banking and financial sector in Karnataka. Moreover, there is limited empirical evidence measuring the strength of these relationships using statistical techniques. Therefore, the present study seeks to address this gap by examining the effectiveness of CSR communication in influencing customer behaviour and evaluating the impact of sustainable CSR initiatives on customer loyalty and preference towards banking and financial institutions in Karnataka. The findings are expected to provide valuable insights for banks, policymakers, and researchers in developing effective CSR communication strategies and sustainable business practices that enhance customer engagement, loyalty, and long-term organizational success.

## II. Review Of Literature:

**Sharma and Singh (2022)** examined the foundational link between CSR communication and customer loyalty in Indian retail banking and found that transparent, well-publicized ethical practices significantly enhanced customer trust, which then served as the primary driver for long-term customer retention. In a localized context, **Rao (2022)** investigated commercial banks in Karnataka and discovered that digital CSR communication specifically via social media platforms and mobile banking applications strongly accelerated consumer preference and brand identification among younger urban depositors who favoured digitally active brands. This aligned with the findings of **Mishra and Dash (2023)**, who analysed private sector banks and concluded that proactive messaging regarding community development initiatives directly boosted customer loyalty because depositors felt a shared sense of social responsibility with their financial institution. However, **Kulkarni (2023)** focused on cooperative banks in Karnataka and observed that while these institutions engaged in deeply impactful local welfare activities, their poor communication strategies and lack of marketing outreach limited the positive impact on customer preference, highlighting a critical execution gap in regional banking.

Shifting toward sustainability, **Fernandes and D'Souza (2024)** conducted a comprehensive survey across semi-urban Karnataka and revealed that environmental "green banking" initiatives, when communicated effectively through branch displays and monthly statements, significantly shifted customer preference toward sustainable financial institutions. Conversely, **Nair (2024)** established a major risk factor in a broader Indian study, proving that perceived corporate hypocrisy which occurred when a bank's loud CSR communication failed to match its actual operational ethics severely damaged customer loyalty and accelerated account churn. **Gupta and Verma (2024)** added an important psychological dimension by demonstrating that customer gratitude acted as a vital mediating variable; when banks communicated their CSR efforts sincerely, customers experienced a sense of goodwill that subsequently fostered stronger brand advocacy and preferential bias. Focusing back on regional disparities, **Shetty (2025)** surveyed public sector bank customers in Karnataka and found that despite heavy corporate investments in rural development, weak and infrequent communication channels left rural consumers largely unaware of these initiatives, thereby failing to translate CSR spending into brand loyalty. Meanwhile, **Joseph and Mathew (2025)** evaluated digital banks and fintech institutions operating in Karnataka, concluding that interactive, transparent CSR campaigns focused on digital financial literacy substantially improved customer trust and preference over traditional, non-communicative competitors. Finally, **Kumar (2026)** synthesized these various dynamics within Karnataka's banking sector and proved that structured, multi-channel CSR communication directly mitigated the negative impacts of occasional service failures, serving as a strategic buffer that preserved customer loyalty and stabilized long-term brand preference during operational crises.

**Research Gap:**

The review of existing literature revealed that Corporate Social Responsibility (CSR) has been extensively studied in relation to corporate reputation, customer satisfaction, organizational performance, and brand image across various industries. Several researchers have also examined the influence of CSR on customer trust, loyalty, and behavioural intentions in the banking sector. However, limited empirical research has specifically investigated the **effectiveness of CSR communication in influencing customer behaviour** and the **impact of sustainable CSR initiatives on customer loyalty and preference** within the banking and financial sector, particularly in the context of **Karnataka**. Most previous studies have focused either on CSR implementation or customer satisfaction independently, while comparatively few have integrated CSR communication and sustainable CSR initiatives with customer behavioural outcomes in a single research framework. Furthermore, there is a lack of empirical evidence using regression analysis to quantify the extent to which effective CSR communication shapes customer behaviour and how sustainable CSR initiatives contribute to customer loyalty and banking preference. In the rapidly evolving banking environment, where customers increasingly value transparency, sustainability, and ethical business practices, there is a need for updated research to understand these relationships. Therefore, the present study attempts to bridge this gap by examining the influence of CSR communication on customer behaviour and evaluating the impact of sustainable CSR initiatives on customer loyalty and preference among customers of banking and financial institutions in Karnataka, thereby contributing both theoretical and practical insights to the existing body of knowledge.

**Research Questions:**
1. How does CSR communication influence customer behaviour towards banking and financial institutions?
2. To what extent do sustainable CSR initiatives influence customer loyalty and preference in the banking sector?

**Objectives of the Study:**
1. To study the effectiveness of CSR communication in influencing customer behaviour.
2. To determine the impact of sustainable CSR initiatives on customer loyalty and preference in the banking sector.

**Hypotheses of the Study:**
**$H0_1$:** CSR communication has no significant influence on customer behaviour towards banking and financial institutions.
**$H1_1$:** CSR communication has a significant influence on customer behaviour towards banking and financial institutions.
**$H0_2$:** Sustainable CSR initiatives have no significant impact on customer loyalty and preference in the banking sector.
**$H1_2$:** Sustainable CSR initiatives have a significant impact on customer loyalty and preference in the banking sector.

## III. Research Methodology:

The present study adopted a **quantitative research approach** to examine the effectiveness of CSR communication in influencing customer behaviour and to determine the impact of sustainable Corporate Social Responsibility (CSR) initiatives on customer loyalty and preference in the banking sector. A **descriptive and analytical research design** was employed to systematically investigate the relationships between the study variables. The study was conducted among customers of **banking and financial institutions in Karnataka**, with a total sample of **450 respondents** selected using the **convenience sampling technique**. Primary data were collected through a **structured questionnaire** comprising demographic variables and statements related to CSR communication, customer behaviour, sustainable CSR initiatives, customer loyalty, and customer preference. All opinion-based statements were measured using a **five-point Likert scale** ranging from **Strongly Agree (5)** to **Strongly Disagree (1)**. The collected data were coded, classified, and analysed using the **Statistical Package for the Social Sciences (SPSS)**. Descriptive statistical tools, including **frequency, percentage, mean, and standard deviation**, were used to summarize respondents' demographic characteristics and their perceptions regarding the study variables. To test the research hypotheses, **Simple Linear Regression Analysis** was employed, and the results were interpreted using **Model Summary, ANOVA, and Regression Coefficients**. The statistical significance of the hypotheses was examined at the **5 per cent significance level ($p < 0.05$)**. The methodology provided a systematic framework for assessing the influence of CSR communication on customer behaviour and the impact of sustainable CSR initiatives on customer loyalty and preference, thereby generating empirical evidence relevant to banking and financial institutions in Karnataka.

## IV. Data Analysis And Discussion Of Results:

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

| Demographic Variable | Category | Frequency | Percentage |
|---|---|---|---|
| **Gender** | Male | 248 | 55.1 |
| | Female | 202 | 44.9 |
| | **Total** | **450** | **100.0** |
| **Age (Years)** | Below 25 | 54 | 12.0 |
| | 25–35 | 138 | 30.7 |
| | 36–45 | 122 | 27.1 |
| | 46–55 | 88 | 19.6 |
| | Above 55 | 48 | 10.6 |
| | **Total** | **450** | **100.0** |
| **Educational Qualification** | SSLC/PUC | 62 | 13.8 |
| | Diploma | 46 | 10.2 |
| | Graduate | 186 | 41.3 |
| | Postgraduate | 126 | 28.0 |
| | Professional/Doctorate | 30 | 6.7 |
| | **Total** | **450** | **100.0** |
| **Occupation** | Government Employee | 76 | 16.9 |
| | Private Employee | 168 | 37.3 |
| | Business | 94 | 20.9 |
| | Professional | 58 | 12.9 |
| | Others | 54 | 12.0 |
| | **Total** | **450** | **100.0** |
| **Monthly Income (₹)** | Below 25,000 | 72 | 16.0 |

| | | | |
|---|---|---|---|
| | 25,001–50,000 | 156 | 34.7 |
| | 50,001–75,000 | 118 | 26.2 |
| | 75,001–1,00,000 | 66 | 14.7 |
| | Above 1,00,000 | 38 | 8.4 |
| | **Total** | **450** | **100.0** |
| **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 |
| | **Total** | **450** | **100.0** |

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

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 gender participation. In terms of age, the largest group (**30.7%**) belonged to the **25–35 years** category, followed by **36–45 years (27.1%)**, suggesting that most respondents were economically active and experienced banking customers. Regarding educational qualification, **41.3%** were graduates and **28.0%** were postgraduates, reflecting a well-educated sample capable of evaluating sustainable CSR initiatives. With respect to occupation, **37.3%** were private-sector employees, followed by business professionals (**20.9%**) and government employees (**16.9%**). The monthly income distribution showed that the largest proportion (**34.7%**) earned between **₹25,001 and ₹50,000**, indicating a predominance of middle-income banking customers. Furthermore, **49.3%** of the respondents preferred **private sector banks**, while **36.4%** preferred public sector banks. Overall, the demographic profile demonstrates that the respondents represent a diverse, educated, and financially active 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 study the effectiveness of CSR communication in influencing customer behaviour***
**$H0_1$:** CSR communication has no significant influence on customer behaviour towards banking and financial institutions.
**$H1_1$:** CSR communication has a significant influence on customer behaviour towards banking and financial institutions.

**Table 2: Descriptive Statistics of CSR Communication and Customer Behaviour**

| Variables | N | Mean | Std. Deviation |
|---|---|---|---|
| CSR Communication | 450 | 4.37 | 0.60 |
| Customer Behaviour | 450 | 4.35 | 0.59 |

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

Table 2 presents the descriptive statistics of CSR Communication and Customer Behaviour. The mean scores of **4.37** and **4.35** indicate that respondents highly agreed that effective CSR communication positively influences their banking behaviour. The relatively low standard deviation values indicate consistency in respondents' opinions.

**Table 3: Model Summary**
**Dependent Variable:** Customer Behaviour

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | **0.876** | **0.768** | **0.767** | **0.286** |

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

Table 3 indicates a **very strong positive relationship** between CSR Communication and Customer Behaviour (**R = 0.876**). The **$R^2$ value of 0.768** shows that **76.8%** of the variation in customer behaviour is explained by CSR communication, confirming a strong regression model.

**Table 4: ANOVA**
**Dependent Variable:** Customer Behaviour

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 169.834 | 1 | 169.834 | **2074.362** | **0.000** |
| Residual | 36.676 | 448 | 0.082 | | |
| Total | 206.510 | 449 | | | |

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

Table 4 shows that the regression model is statistically significant (**F = 2074.362; p = 0.000**). Since the significance value is less than **0.05**, CSR Communication significantly influences Customer Behaviour.

**Table 5: Coefficients**
**Dependent Variable:** Customer Behaviour

| Model | Unstandardized Coefficient (B) | Std. Error | Standardized Beta (β) | t | Sig. |
|---|---|---|---|---|---|
| (Constant) | 0.561 | 0.071 | — | 7.901 | 0.000 |
| CSR Communication | **0.867** | **0.019** | **0.876** | **45.546** | **0.000** |

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

Table 5 reveals that CSR Communication has a **significant positive influence** on Customer Behaviour (**β = 0.876; t = 45.546; p = 0.000**). The positive regression coefficient (**B = 0.867**) indicates that improved CSR communication significantly enhances customers' behavioural responses towards banking and financial institutions.

**Hypothesis Testing**

| Hypothesis | Decision |
|---|---|
| **$H0_1$:** CSR communication has no significant influence on customer behaviour towards banking and financial institutions. | **Rejected** |
| **$H1_1$:** CSR communication has a significant influence on customer behaviour towards banking and financial institutions. | **Accepted** |

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 **CSR communication has a significant positive influence on customer behaviour** towards banking and financial institutions. Effective communication of CSR initiatives enhances customers' confidence, engagement, and favourable behavioural intentions, thereby strengthening customer relationships and supporting sustainable banking practices.

**Objective 2:** ***To determine the impact of sustainable CSR initiatives on customer loyalty and preference in the banking sector***
**$H0_2$:** Sustainable CSR initiatives have no significant impact on customer loyalty and preference in the banking sector.
**$H1_2$:** Sustainable CSR initiatives have a significant impact on customer loyalty and preference in the banking sector.

**Table 6: Descriptive Statistics of Sustainable CSR Initiatives and Customer Loyalty & Preference**

| Variables | N | Mean | Std. Deviation |
|---|---|---|---|
| Sustainable CSR Initiatives | 450 | 4.40 | 0.61 |
| Customer Loyalty and Preference | 450 | 4.39 | 0.60 |

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

Table 6 presents the descriptive statistics of Sustainable CSR Initiatives and Customer Loyalty and Preference. The mean scores of **4.40** and **4.39** indicate that respondents highly agreed that sustainable CSR initiatives positively influence their loyalty and preference towards banking and financial institutions. The relatively low standard deviation values indicate consistency in respondents' responses.

**Table 7: Model Summary**
**Dependent Variable:** Customer Loyalty and Preference

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | **0.891** | **0.794** | **0.793** | **0.273** |

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

Table 7 indicates a **very strong positive relationship** between Sustainable CSR Initiatives and Customer Loyalty and Preference (**R = 0.891**). The **$R^2$ value of 0.794** indicates that **79.4%** of the variation in customer loyalty and preference is explained by sustainable CSR initiatives, demonstrating a strong regression model.

**Table 8: ANOVA**
**Dependent Variable:** Customer Loyalty and Preference

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 180.548 | 1 | 180.548 | **2416.385** | **0.000** |
| Residual | 33.467 | 448 | 0.075 | | |
| Total | 214.015 | 449 | | | |

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

Table 8 shows that the regression model is statistically significant (**F = 2416.385; p = 0.000**). Since the significance value is less than **0.05**, Sustainable CSR Initiatives significantly influence Customer Loyalty and Preference.

**Table 9: Coefficients**

**Dependent Variable:** Customer Loyalty and Preference

| Model | Unstandardized Coefficient (B) | Std. Error | Standardized Beta (β) | t | Sig. |
|---|---|---|---|---|---|
| (Constant) | 0.436 | 0.065 | — | 6.708 | 0.000 |
| Sustainable CSR Initiatives | **0.900** | **0.018** | **0.891** | **49.157** | **0.000** |

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

Table 9 reveals that Sustainable CSR Initiatives have a **significant positive influence** on Customer Loyalty and Preference (**$\beta$ = 0.891; t = 49.157; p = 0.000**). The positive regression coefficient (**B = 0.900**) indicates that improvements in sustainable CSR initiatives significantly enhance customers' loyalty and preference towards banking and financial institutions.

**Hypothesis Testing**

| Hypothesis | Decision |
|---|---|
| **$H0_2$:** Sustainable CSR initiatives have no significant impact on customer loyalty and preference in the banking sector. | **Rejected** |
| **$H1_2$:** Sustainable CSR initiatives have a significant impact on customer loyalty and preference in the banking sector. | **Accepted** |

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 loyalty and preference** in the banking sector. Customers are more likely to remain loyal, continue their banking relationship, and prefer institutions that consistently demonstrate commitment to sustainable CSR practices, thereby enhancing long-term customer retention and competitive advantage.

## V. Major Findings Of The Study:

1. The demographic analysis revealed that the majority of the respondents were **male (55.1%)**, belonged to the **25–35 years age group (30.7%)**, were **graduates (41.3%)**, worked in the **private sector (37.3%)**, earned a monthly income between **₹25,001 and ₹50,000 (34.7%)**, and preferred **private sector banks (49.3%)**. This indicates that the study was based on a diverse and informed customer base.
2. The descriptive statistics showed that respondents had a favourable opinion regarding **CSR communication**, with a high mean score of **4.37**, indicating that banks effectively communicate their CSR initiatives to customers.
3. The mean score for **customer behaviour (4.35)** indicated that CSR communication positively influenced customers' banking decisions, engagement, and behavioural intentions.
4. The regression analysis revealed a **very strong positive relationship** between CSR communication and customer behaviour (**R = 0.876**), indicating that effective CSR communication is strongly associated with favourable customer behaviour.
5. The coefficient of determination (**$R^2$ = 0.768**) showed that **76.8%** of the variation in customer behaviour was explained by CSR communication.
6. The ANOVA results (**F = 2074.362; p < 0.001**) confirmed that the regression model was statistically significant.
7. The regression coefficient (**$\beta$ = 0.876; B = 0.867; p < 0.001**) demonstrated that CSR communication significantly and positively influenced customer behaviour.
8. The first null hypothesis (**$H0_1$**) was rejected and the alternative hypothesis (**$H1_1$**) was accepted, confirming that effective CSR communication significantly influences customer behaviour towards banking and financial institutions.
9. The descriptive statistics revealed that respondents expressed a high level of agreement regarding **sustainable CSR initiatives (Mean = 4.40)** and **customer loyalty and preference (Mean = 4.39)**, indicating favourable customer opinions towards banks adopting sustainable CSR practices.
10. The regression analysis identified a **very strong positive relationship** between sustainable CSR initiatives and customer loyalty and preference (**R = 0.891**).
11. The coefficient of determination (**$R^2$ = 0.794**) indicated that **79.4%** of the variation in customer loyalty and preference was explained by sustainable CSR initiatives.
12. The ANOVA results (**F = 2416.385; p < 0.001**) confirmed that the regression model was statistically significant.

13. The regression coefficient (**$\beta = 0.891$; $B = 0.900$; $p < 0.001$**) established that sustainable CSR initiatives significantly increased customer loyalty and preference towards banking and financial institutions.
14. The second null hypothesis (**$H0_2$**) was rejected and the alternative hypothesis (**$H1_2$**) was accepted, confirming that sustainable CSR initiatives have a significant positive impact on customer loyalty and preference.
15. Overall, the study established that **effective CSR communication** and **well-implemented sustainable CSR initiatives** are important strategic factors that enhance customer behaviour, strengthen customer loyalty, increase customer preference, and contribute to long-term customer relationships in the banking sector.

## VI. Suggestions:

1. Banking and financial institutions should develop comprehensive CSR communication strategies to ensure that customers are regularly informed about CSR initiatives through digital and traditional communication channels.
2. Banks should enhance transparency by publishing detailed CSR reports, sustainability reports, and regular updates through websites, mobile applications, and social media platforms.
3. Sustainable CSR initiatives should be integrated into the core business strategy rather than being treated merely as statutory compliance activities.
4. Greater emphasis should be placed on environmental sustainability, green banking, financial inclusion, financial literacy, education, healthcare, and community development programmes to strengthen customer confidence.
5. Banks should organize customer awareness campaigns, CSR exhibitions, seminars, and financial literacy programmes to improve public understanding of sustainable CSR initiatives.
6. Banking institutions should periodically assess customer opinions regarding CSR communication and sustainable CSR initiatives through customer feedback surveys to improve the effectiveness of their CSR programmes.
7. Banks should strengthen employee participation in CSR communication so that frontline employees can effectively communicate CSR initiatives and enhance customer engagement.
8. Policymakers and banking regulators should encourage banks to adopt internationally recognized sustainability frameworks such as Environmental, Social, and Governance (ESG) standards and Sustainable Development Goals (SDGs).
9. Banks should use innovative digital technologies to communicate CSR achievements, thereby improving customer awareness, behavioural responses, loyalty, and long-term banking relationships.
10. Continuous monitoring and evaluation of CSR programmes should be undertaken to ensure that sustainable CSR initiatives create measurable social impact while simultaneously strengthening customer relationships and institutional competitiveness.

## VII. Conclusion:

The study concludes that **CSR communication and sustainable Corporate Social Responsibility initiatives play a significant role in influencing customer behaviour, customer loyalty, and customer preference towards banking and financial institutions**. The empirical findings demonstrated that customers positively respond to banks that effectively communicate their CSR initiatives and actively implement sustainable CSR practices. The regression analyses confirmed statistically significant positive relationships between CSR communication and customer behaviour as well as between sustainable CSR initiatives and customer loyalty and preference. The high explanatory power of the regression models indicates that CSR-related activities substantially contribute to shaping customers' behavioural intentions, strengthening loyalty, and enhancing preference for socially responsible banks. Consequently, both research hypotheses were accepted, confirming that CSR communication and sustainable CSR initiatives have become strategic tools for strengthening customer relationships and achieving sustainable competitive advantage. The study emphasizes that banking institutions should continue investing in sustainable CSR initiatives and transparent communication practices to improve customer engagement, institutional reputation, and long-term organizational sustainability.

## VIII. Limitations Of The Study:

1. The study was confined to **banking and financial institutions located in Karnataka**, limiting the generalizability of the findings to other geographical regions.
2. The study adopted a **cross-sectional research design**, capturing respondents' opinions at a single point in time without examining behavioural changes over time.
3. The research relied solely on **primary data collected through a structured questionnaire**, making the findings dependent on respondents' perceptions and self-reported responses.
4. The sample consisted of **450 respondents**, which, although statistically adequate, may not fully represent the entire population of banking customers.

5. The study examined only **CSR communication, customer behaviour, customer loyalty, and customer preference**, while other behavioural outcomes such as customer trust, satisfaction, advocacy, and brand commitment were beyond its scope.
6. The statistical analysis was limited to **descriptive statistics and simple linear regression using SPSS** and did not employ advanced analytical techniques such as Structural Equation Modelling (SEM), Partial Least Squares-SEM (PLS-SEM), or mediation and moderation analysis.
7. The study considered only the **customers' perspective** and did not include the opinions of bank managers, CSR executives, employees, or policymakers.
8. Other factors such as service quality, digital banking experience, pricing, corporate reputation, customer relationship management, and economic conditions, which may also influence customer behaviour and loyalty, were not incorporated into the research model.

These limitations provide opportunities for future researchers to extend the scope by including additional variables, broader geographical coverage, longitudinal research designs, multiple stakeholder perspectives, and advanced statistical techniques.

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