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ROLE OF CUSTOMER TRUST AND LOYALTY IN LINKING CSR & CUSTOMER CITIZENSHIP BEHAVIOUR IN BANKING SECTOR

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KEYWORDS	ABSTRACT
<p>CSR, The Structural Model, Mediation, Customer Citizenship Behavior, Customer Trust, Customer Loyalty</p>	<p>It is need of the hour for management to formulate strategies and policies that will help to initiate the activities which identify the customer's behavior towards respective organizations and choose the better off CSR activities to strive in attainment of the goals and aims of the organization. The main objective of study is to check the mediating role of the customer trust and loyalty in analyzing the impact of CSR on customer citizenship behavior. The sample size comprised of 243 respondents. The Structural Model and Correlation Matrix are used for estimation of the data. Results shows CSR is statistically significant toward Customer Citizenship Behavior and Customer loyalty directly. The CT and CL has positive and statistically significant effect on customer citizenship behavior. customer trust is competitive mediating, that is statistically significant between CSR & customer citizenship behavior. Moreover, the Competitive mediating effect of Customer Loyalty between CSR and CCB is higher than Customer Trust. Consequently, both of them have competitive mediation between CSR and CCB. The results offered the significant information in reching the decision and offering some valuable recommendations.</p>
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INTRODUCTION

The corporation are making voluntary effort to give response to environmental and social issues consideration in its operations and as the way to communicate with its stakeholders. Through CSR, businesses are expected to make their decisions not only on economic single bottom line, which measures the company's worth solely in terms of profit, but also on triple bottom line, which considers social issues and environment (Kadir & Yovana, 2020), (Mahyuni & Ardani, 2020). CSR, has gained attention as field of study in recent years. Researchers have discovered

benefits of CSR for companies and business (Velte, 2022). Nowadays, it is easy for customers to know about the organizations that are involved in CSR activities by means of higher education & access of both social and electronic media. As literacy rate increases, consumers are become more conscious about corporate social responsibility. So, it must be main focus of organization to adopt CSR initiatives to gain attention of valued customers. The organizations are now doing effort to satisfy their stakeholders and customers to achieve their business goals (Harrison & Freeman, 1999). Thus, organizations which cannot properly develop their CSR related policies are unable to compete in global markets to gain competitive advantage in modern era (Altman, 2007).

There is a strong rivalry in the banking sector of Pakistan due to its large size (Mohsan, et al., 2011). So, because of such competition most of the banks in Pakistan are introducing the new and different concept such as Islamic banking, online and mobile banking to gain more market shares. As the past studies highlight that rivalry in the service sector can be minimized by some extra tools of awareness to attract the attentions of customers towards the company (Poolthong & Mandhachitara, 2009). To develop such like behaviors and attitudes of customers the CSR initiatives are one of the marketing tools to gain the competitive advantages in the industries (McWilliams & Siegel, 2001; Porter & Kramer, 2006). Trust is the foundation of any successful relationship, including that between a bank and its customers. Customers need to trust that the bank will act in their best interests, safeguard their assets, and provide the reliable services. In addition to customer trust and loyalty, there are a number of other factors that must be taken into account in order to keep customers loyal to a business. One of these factors is customer satisfaction, which is crucial in keeping customers loyal to business. As such, businesses must be able to pay attention to what customers want so as to make them feel satisfied. If customers are satisfied and receive what they want, then customer loyalty be even higher (Gultom, et al., 2020).

Every consumer has a variety of expectations when purchasing goods or services. For example, they anticipate being satisfied when they shop, and if they are, they will return. As the result, businesses must monitor customer satisfaction so as to retain customer loyalty and meet their objectives (Santoso, 2019). CSR has become one of global marketing tools to get know about the consumer's perceptions and behavior in the developing countries (Fatma & Rahman, 2015). It is need of the hour for management to formulate the strategies and policies that will help to initiate the CSR activities which identify customer's behavior towards respective organizations and choose better off CSR activities to strive in attainment of goals and aims of organization. CSR initiatives in both the private and public sectors have great impact on the organization's performance at their respective markets. Among all other sectors banking sector prefers more attention toward CSR activities around the world (Moullakis, 2003, Marin & Ruiz, 2007). Loyal customers are not only valuable in terms of their continued business but also in their advocacy for the bank. They are likely to defend the bank against criticism and promote its CSR efforts to others, by amplifying the positive impact of CSR on customer citizenship behavior. The socially responsible banking sector increase their reputations in society (Poolthong & Mandhachitara, 2009).

Hence, It is noted that the influence of CSR on the customer citizenship behavior in banking industry are identified by very few studies and researches to check the customer behavior about CSR perceptions in the banking industry (Rugimbana, Quazi, & Keating, 2008 and Carnevale,

Mazzuca, & Venturini, 2012; Scholtens, 2009). Besides, the influence of ethical standards and value relevance on consumers' opinions of merchants' commitment to CSR and how it affects their behavior as citizens in the various cultural contexts done by Hassan, Aboul and Gomaa (2022), of the UK and Egyptian consumers. The trust influences customers' perceptions of the bank's motives and intentions. When customers perceive the bank as genuinely caring about social and environmental issues, they are more likely towards trust the bank and feel a sense of connection with its values. Norouzi and Teimourfavian (2023), Investigate the effects of CSR on customer citizenship behavior with the mediating roles of corporate image and perceived service quality on Iranian Pasargad Bank, While this study has examine and identify the CSR impact on CCB with mediating effect of customer trust, and customer loyalty in banking sector of Pakistan.

LITERATURE REVIEW

The concept of CSR has expanded quickly in the recent years across the number of businesses, particularly banking sector (Fatma, Khan, Kumar, & Shrivastava, 2022). As per Thompson and Cowton (2004) has argued that banking industry have responsibility to care about recognition by the people because this sector can be easily reported wrongly by the people. So, to gain the competitive advantage in industry banks must report properly their strategies to distinguish by their customers from others (Flavián, Guinaliu, & Torres, 2005). Banking industry is investing large number of amounts in the CSR activities to enhance their reputation (McDonald & Thiele, 2008). Service industry has to care about reputation to develop trust among their customers as industry only depends on their services (Perez, Salmones, & Bosque, 2013). Exactly, socially responsible company attracts customers to show a valuable capability to the organization and then help respective company in their businesses (Bartikowski and Walsh, 2011) so, loyal and committed customers support the respectable organization in their activities (Sung and Yang, 2008). CSR is one of marketing tools regarding corporate values to create customers awareness (Karaosmanoglu, et al., 2016) that provides various developmental opprutunities from different perspectives.

It further helps in developing firms' significant responses like extra role behavior of customer (Lee & Lii, 2012). The employees help in creating value in past (Grönroos & Gummerus, 2014). The role behavior or citizenship behavior of customers are playing a leading role in the value co-creation that increase the reputation and effectiveness of organization (Groth, 2005; Bove et al., 2009). Since, due to the modern technologies and socially aware customers basically plays sizable role for organizational process and creating values (Xie et al., 2017). Accordingly, that CSR initiatives impact customers perceptions for good corporate reputation of firm (Hur et al., 2014) and this type of corporate reputations construct to CCB (Bartikowski & Walsh, 2011). Scholars and practitioners have both paid close attention to customer loyalty, which is a critical component of marketing (Jung et al., 2020). In this linking, the loyal customers of the firm show loyalty towards their respective firms and its employees which indicates that they show citizenship behavior and consider that concerned employees should be good-hearted (Summer & Acito, 2000, Groth, 2005; Bove et al., 2009), and employee attributes in developing the CCB through personality traits by means of customer towards company identification (Aherne et al., 2005).

Moreover, argues that particular kind of behavior are considered as extra-role, behavior which is valuable for organizations to operate their activities but it is not formal part of organizational process. Recently, the structure of the Organizational Citizenship Behavior has been expended

to customer discourse by regarding that customers are one of key players to show citizenship behavior where they want to buy products and get services (Gruen, et al., 2002; Rossenbaum and Massiah, 2007; Rossenbaum et al., 2009). In addition, Bettencourt (1997) examines that customer citizenship as the extra-role behaviors of customers who act as partial employees and support the employees to perform the organizational activities. The CSR plays important part for success of any organization. CSR helps firm to gain customer trust and loyalty as a result it improves firm performances and help to build a long turn relationship between firms and customers. With the company's CSR program, it can enhance the company's reputation and foster consumer trust, given the high caliber of goods and services offered in the marketplace, enabling customers to turn down offers from a range of other businesses (Machado, et al., 2022).

When it comes to corporate social responsibility initiatives, they can tell the community about the nature and significance of the company's values and are a great way to build community trust (Martínez & Bosque, 2013). Effective corporate social responsibility initiatives can foster public trust in the organization, hence enhancing its positive public perception (Rahmadika & Riauan, 2022). Customers who believe in a company indicate that they have high confidence in the business, which will eventually cause customers to maintain relationship with the business and still maintain a strong emotional bond so that decision to use the business's products will be felt by customers with greater openness and satisfaction (Mawey, et al., 2018). Customers' readiness to put their faith or confidence in the brand, even at risk, in the hope that it would deliver on its promises of success, is known as trust. This trust develops when a business is able to establish and preserve close emotional connection with its customers; this kind of link needs to be developed gradually and steadily (Faizal & Nurjanah, 2019). Basic goal of marketing is to create relationship between the consumer and brand; that relationship is called trust, (Atulkar, 2020).

According to earlier studies, trust is both positively correlated with and necessary for corporate social responsibility (Jung & Im, 2023). When consumers trust a company, it means they have high levels of trust in the company. This trust will ultimately drive the consumer to maintain their relationship with the company, and stay emotionally strong, so that they will choose to use company's products and satisfaction will follow. This trust also works to build consumer loyalty (Machado et al., 2022). Trust plays an important role in furthering customer repurchase intent. Trusted behavior by customers directly impacts trust. Achieving customer trust is a key factor in customer loyalty. Customer trust will ultimately drive customer loyalty (Gultom et al., 2020). When a client and a brand contact briefly in the marketplace, trust building is essential (Kong, Wang, Hajli, & Featherman, 2020) and (El Naggar & Bendary, 2017). Consumers who believe in company means that they have high level of trust in company, makes the consumer maintain their relationship with company remain emotionally strong, so that consumers later experience decision and pleasure to use company products as trust works to rise consumer loyalty (Machado et al., 2022), as trust ultimately leads towards customer loyalty (Gultom et al., 2020).

Theories Supporting Model

Social Exchange Theory & Customer Trust

The idea of consumer citizenship behavior is based on the social exchange Theory, as with this concept, customer share interdependent interaction in series that result in the responsibilities

some of the trade parties. The customers have benefitted through act of party and responsible to go back the choose (Blau 1964; Emerson 1976; Gilde, pace, Pervan, & sturdy, 2011; Homans, 1958; Mitchell, Cropanzano & Quisenberry, 2012). To view implication of the theory to the service business environment may also impact that customer experiencing a nice come across, for instance, returning of favors at no cost, through showing CCB. Moreover, Bove et al. (2009) suggests the most comprehensive measure of consumer citizenship behavior in the services advertising context (Gilde et al. 2011). Benevolence based totally believe consists of consumer intensions that corporate is without a doubt worried about the benefits of the society (Mayer et al., 1995).

In addition, Pivato et al., (2008) has suggested that patron consider in an organization's moral activities changed into one of the maximum instantaneous consequences of the corporation's social responsibility affect positively overall performance and substantially affected purchaser movements responding towards CSR (Osterhus, 1997). The mediating variable recognized in numerous disciplines mainly, trust which includes the psychology (Luhmann, 1979), Marketing (Gronroos, 1989), Management (Blomqvist, 1997) and philosophy (Hosmer, 1994). Thus, the organizations which are practicing CSR related activities attracted the customers to increase their identification which can develop the trust among the customers (Glavas & Godwin, 2012). So, the organizations CSR activities create a pleasant and smooth environment for the firm to solve the customer issues to build their trust about company. The practices of firms are socially responsible in stakeholder perceptive; that are addressing customer expectations and customer rights. In this connection, the customer trust can be earned through positive reputation and image.

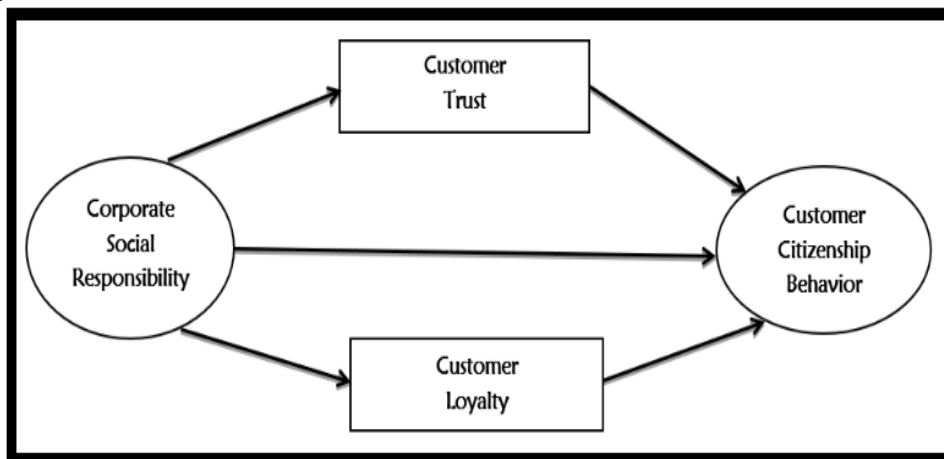
Expectancy Theory & Customer Loyalty

Vroom's (1964) developed the expectancy theory which states that increasing the amount of effort will increase performance. This theory's central idea is that consumers will be driven to act if they think their choice will result in the outcome they want (Redmond, 2010). According to expectation theory (Ilgen, Nebeker, & Pritchard, 1981), customers' motivation is based upon how much they think expected outcomes will be worth. Since it may assist the hypermarket industry and managers in building customers' qualities toward loyalty through satisfaction in hypermarkets, this has the beneficial advantage in improving consumers' motivation towards satisfaction as well as loyalty. This concept builds upon the concept that motivation drives from a patron believing they'll get what they expectation withinside the shape of perceived cost and satisfaction (Eerde & Thierry, 1996). Basically, expectancy idea is a system idea of motivation because it emphasizes exceptional perceptions of surroundings and next interactions springing up due to the consumer expectation. Lawler, Porter, & Vroom (2009) located that effort or and performance (instrumentality) are definitely correlated and favorable overall performance will bring about a perfect reward (valence) or price of predicted final results to individual (Miller, 2013).

Conceptual Framework

The rational and logical relation between the independent variable and dependent variable are constructed as constructed under figure 1, the intermediating variables which are customer trust and customer loyalty are used to identify the impact of independent variable which is corporate social responsibility (CSR) on the dependent variable customer citizenship behavior (CCB).

Figure 1
Conceptual Framework



RESEARCH METHODOLOGY

Research Design

This research is based on primary data, so the data has been collected through questionnaires. As per [Sekaran \(2003\)](#) questionnaire be explained as “pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives”. The questionnaires are formulated in Likert scale. This Likert Scale types questions are famous to get the data from desire customers to analyze respondent’s behavioral responses inclusive of emotions, judgments, evaluations perception and ability of conduct ([Jupp, 2006](#)). Sample size comprised of 243 respondents, structural model & correlation matrix are used for estimation of data.

Targeted Population

The Targeted Population of the current study includes different banks customers in different cities of Pakistan. The banks which have operations in Pakistan are ABL, HBL, Silk Bank, MCB, Summit Bank, UBL, JS Bank, Askari Bank, alBaraka, Meezan Bank, Bankislami as well as Faysal Bank. Public sector banks are State Bank of Pakistan- Banking services corporation, National Bank of Pakistan, Bank of Punjab, The Bank of Khyber and First Women Bank. This research is based on quantitative research approach. Simple convenience sampling is used. The customers were accessed in different offices, universities, and on business outlets of different major cities across Pakistan to fill the questionnaires. And some customers are also assessed through online questionnaires.

RESULTS OF STUDY

Descriptive Analysis

The main objective of study is to check the effect of CSR with customers trust (CT), customer’s citizen behavior (CCB) and customer’s Loyalty (CL). Therefore, final sample size comprised of 243 respondents due to awareness of CSR activities. The 57 responses with no CSR awareness

are dropped from overall sample. According to the CSR operational definition, the first sections of questionnaire were designed to sort out the awareness of CSR by the respondents and 243 respondents were aware about term CSR. Table No.1 shows the demographic analysis of the study. Thus, final sample of 243 responses has some demographic information related to the respondents. The first demographic variable is related to gender of respondents. The strength of the male respondents in the sample in term of percentage are 81.1% out of 243. Therefore, remaining sample comprises with female respondents which are 18.9% of overall sample with 46 respondents of total 243. The majority representations of the sample are male respondents. The second demographic variable is related to age categories of the respondents are mentioned in table 1. Accordingly, there were four categories to measure age groups of respondents in the questionnaire.

The age of the respondent between 18 and 25 (first group) has 67 responses which is 27.6% of overall sample. The second age group 26-35 has 125 responses with the 51.4% of the sample which is more than half representation of the total sample. The third age group 36-45 has 47 responses and final age group 46 and above has only 4 respondents in the total sample. The occupation variable has five categories in questionnaire as; students, Employees, Owner of business, unemployed, and other. The first category in occupation variable was student as mentioned earlier and the 57 respondents were students which is 23.5% of the sample. The private sector and public sector employee (second category) represents 53.5% of total sample with 130 responses, which represents the more than half of the total sample. The respondents are business owner by the occupation are 42 responses which is 17.30% of sample. Thus, 12 respondents are unemployed which is 5% of sample and 2 respondents are in other category that is less than 1% of sample given in table 1. Finally all respondents have awareness regarding CSR.

Table 1
Descriptive Analysis

Particulars	Description	Frequency	Percent
Gender	Male	197	81.1
	Female	46	18.9
	Total	243	100
Age	18-25	67	27.6
	26-35	125	51.4
	36-45	47	19.3
	45+	4	1.6
	Total	243	100
Occupation	Student	57	23.5
	Employee- Public/Private	130	53.5
	Business Owner	42	17.3
	Unemployed	12	4.9
	Other	2	0.8
	Total	243	100
CSR awareness	Yes	243	100
	Total	243	100

Variable Correlation Matrix

Table 2 represents the Pearson correlation values among latent variables. The CSR is positively correlated to all of the three variables; customer's citizenship behavior (CCB), customer's trusts and customer's Loyalty (CL) with correlation coefficients of .772, .262, and .495. The correlation amid customer's trusts with customer's citizenship behavior is .516 and with customer Loyalty

is .574 and correlation among the customer citizenship behavior and customer Loyalty is .692. All correlation coefficients show positive relationship among variables. The high correlation is between CSR & CCB which is .772 and weak correlation is found between CSR and CT which is .262.

Table 2
Correlation Matrix

	(1)	(2)	(3)	(4)
CSR	1			
Customer citizenship behavior	.772	1		
Customer trust	.262	.516	1	
Customer-Loyalty	.495	.692	.574	1

Cronbach's Alpha Reliability Test

According to Nunnally (1978) the Cronbach's Alpha statistic value is greater than 0.7 indicates acceptable reliability for the variable. In this connection, in this study, table 3 reports the value of Cronbach's Alpha which shows that the all values are greater than the acceptable threshold. Therefore, the value ranges from .799 to .908, which shows the good reliability for the given constructs.

Table 3
Reliability Statistics

Variables	Cronbach's Alpha
CCB	0.799
CL	0.890
CSR	0.903
CT	0.908

Measurement Model

PLS-SEM of two step approaches have used for analyzing questionnaire data. In the first step measurement model as recommended by scholars it is necessary to find indicator reliability, internal consistency, convergent validity & discriminant validity (Hair Jr et al., 2016; Henseler et al., 2009). According to Hair et al., (2012) the indicator reliability can be finding through the outer loading of each variable. It is mentioned that the item can retained between 0.40 to 0.70 factor loadings. In the present study loadings of the observed variables (items) are higher than 0.7 except single item CT1 with factor loading .639. CT1 is retained because test for reliability and validity dose not effected by retained item. Factor loading with less than .40 was dropped and over all five questions (CCB1, CCB5, CL5, CSR 6, & CSR 7) was dropped from the analysis in table.

Table 4
Measurement Model

Variables	Factor loadings	CR	AVE
Customer citizenship behavior		0.875	0.569

CCB2	0.878
CCB3	0.748
CCB4	0.867
CCB6	0.724
CCB7	0.846

Table 4A
Measurement Model

Variables	Factor loadings	CR	AVE
Customer Loyalty		0.916	0.645
CL1	0.745		
CL2	0.836		
CL3	0.836		
CL4	0.816		
CL6	0.771		
CL7	0.811		
CSR		0.929	0.724
CSR1	0.902		
CSR2	0.803		
CSR3	0.837		
CSR4	0.785		
CSR5	0.918		

Table 4B
Measurement Model

Variables	Factor loadings	CR	AVE
Customer Trust		0.926	0.644
CT1	0.639		
CT2	0.822		
CT3	0.790		
CT4	0.879		
CT5	0.832		
CT6	0.826		
CT7	0.808		

Internal Consistency Reliability

Bagozzi and Yi (1988) and Hair, Ringle, and Sarstedt (2011) provided the rule of thumb for assessing internal consistency by composite reliability in Partial least square modeling. The level of the coefficient for the composite reliability is .7 and above. In this connection, the table 4 reports the results for composite reliability for all latent variables. The values ranges from .875 (CCB) to .929 (CSR). Which shows acceptable internal consistency reliability for further analysis.

Convergent Validity

It is suggested by [Fornell and Larcker \(1981\)](#) that Convergent validity be found out through average variance extracted (AVE). The threshold of AVE must be at least 0.50 or more to show the convergent validity of latent variables. Table 4 shows AVE values for the latent variables, CCB has the lowest value of AVE (.569) and CSR (.724) has the highest value of AVE among the latent variables, other latent variables reports AVE values of CL (.645) and CT (.644). The AVE value in Table 4 indicates that the variables in study have achieved the minimum criteria of 0.5.

Discriminant Validity

As [er [Fornell and Larcker \(1981\)](#) to attain required discriminant validity it is considered that the square root of the Average Variance Extract should be higher than the correlations among latent variables. Table 5 shows square root values of AVE and correlational values, the bolded diagonal values are square root of AVE, which is greater than correlational values (row wise & column wise) Therefore, Discriminant validity has been proved based on Fornell and Larcker criteria.

Table 5
Discriminant Validity

	CCB	CL	CSR	CT
Customers Citizenship Behavior	0.754			
Customer-Loyalty	0.692	0.803		
CSR	0.712	0.495	0.851	
Customer Trust	0.516	0.574	0.262	0.802

Structural Model

In this study the standard bootstrapping approach was used to test the hypothesis. Hair Jr et al. (2016) suggested 5000 bootstrapping for samples was used to determine direct relationship. Table 6 shows results of direct effect of CSR on CCB, CL and CT, CT on CCB, and CL on CCB. It shows regression coefficient (β value), standard error, t-statistics, p-values and decision for the hypothesis.

Table 6
Results of Direct Relationships

Hypothesis	B	STDEV	T-Values	P-Values	Decision
H ₁ : CSR → CCB	0.574	0.051	5.736	0.000	Supported
H ₂ : CSR → CT	0.262	0.051	11.324	0.000	Supported
H ₃ : CSR → CL	0.495	0.054	9.088	0.000	Supported
H ₄ : CT → CCB	0.197	0.060	4.376	0.000	Supported
H ₅ : CL → CCB	0.295	0.039	5.089	0.000	Supported

The results in table 6 shows that the CSR is positively and significantly affect the Customer Citizenship Behavior. 1% change in CSR of the bank's affects Customer Citizenship Behavior by 0.574% while keeping effect of other variables constant. According to [Dalna et al., \(2013\)](#), the customer trust is key element towards the company. Moreover, the customer trust establishes

the loyalty among the Customer and company. Therefore, the customer has positive thinking towards company and shows citizenship behavior towards company. The result shows in Table 6 significant relationship between CSR and CCB ($\beta = 0.574, t = 5.736, \rho < 0.000$). Hence H1 is supported.

The relationship between CSR and CT, the results shows the positive and significant effect of CSR and Customer trust. 1% change in CSR will bring 0.262% change in CT while keeping effect of the other variables constant. This finding is proved by Sindhu and Arif (2017) that organizations which have CSR initiative policies are able to increase customer trust positively. The CSR helps to find out the targeted customers and identify their problems; which needs to be settled. The customers know the banking firms from their social activities and realization of their problems. Ultimately, it helps in establishing trust relationship among them. Therefore, it creates positive association between CSR and Customer Trust. The results indicate that there is significant relationship between CSR and CT ($\beta = 0.262, 11.324, \rho < 0.000$). Therefore, H2 is supported.

Figure 2

Structural Model Exhibiting Relationship Between CSR & CCB with Mediating Role of CT & CL



CSR is statistically significant and positively related to CL. CSR of the banks effect Customer-Loyalty by 0.495% while keeping effect of other variables constant. It is supported by [Arikan and Guner \(2013\)](#) CSR has positive effect on CL to increase customer loyalty and satisfaction. The CSR helps to find out targeted customers and identify their problems; which needs to be settled. The customers know banking firms from their social activities. So, it creates positive association between CSR and CL ($\beta = 0.495, t = 9.088, \rho < 0.000$). So H3 is also supported. The customer trust has positive statistically significant effect on Customer Citizenship Behavior. Customer Trust of bank’s effects Customer Citizenship Behavior by 0.197% while keeping effect of the other variables constant. Our study finding is supported by [Zia, David and Andrea \(2015\)](#) “customer trust has direct, positive impact on repurchase and word of mouth intentions”. The result shows positive relationship amid CT and CCB ($\beta = 0.197, t = 4.376, \rho < 0.000$). So H4 is supported.

The Customer- Loyalty has positive and statistically significant effect on Customer Citizenship Behavior. When Customer- Loyalty of banks increases by 1% effect on Customer Citizenship Behavior will increase by 0.295% while keeping effect of other variables constant. The result of our study is confirmed by Tuzun and Devrani (2010) “customers who identify more strongly with the organization indicate more voluntary behavior”. The results obtained in Table 6 shows that direct positive relationship between CL and CCB ($\beta = 0.295, t = 5.089, \rho < 0.000$). So H5 is supported.

Mediating Effect of Customer Trust & Customer Loyalty

Table number 7 shows result of mediating effect of customer trust and customer loyalty. The mediation effect of customer trust between CSR and CCB is statistically significant. Increase in Customer trust of the bank’s by 1% will cause the increase the relationship between CSR and customer citizenship behavior by 0.051% while keeping effect of the other variables constant. This finding has been confirmed by Jalilvand, Vosta, Mahyari, Pool, (2017) “CSR is a significant antecedent of WOM; and CSR and WOM are positively associated with Customer Trust”. The current study shows significant results CT mediates the CSR and CCB relationship ($\beta = 0.051, t = 3.355, \rho < 0.001$) so H6 is supported. The mediation effect of CL between CSR and CCB is positively and statistically significant. Customer-Loyalty of banks affects the relationship amid CSR and customer citizenship behavior by 0.146% while keeping effect of the other variables constant.

Table 7
Result of Mediating Effect of CT and CL

Hypothesis	B	(STDEV)	T-Values	P Values	Decision
H ₆ : CSR → CT → CCB	0.051	0.015	3.355	0.001	Supported
H ₇ : CSR → CL → CCB	0.146	0.033	4.474	0.000	Supported

This finding is supported by Kim (2017) “customer-Loyalty was found to mediate the positive relationship between customers' perceptions of CSR and customer citizenship behavior”. The results show in Table 7 and Figure 2 that CL mediate positively the relationship between CSR and CCB ($\beta = 0.146, t = 4.474, \rho < 0.000$). Hence H7 is supported. As per Hair et al., (2011) the explained variance of exogenous variables in PLS-SEM model gives the R2 value known as coefficient of determination, R2 shows change in dependent due to change in the independent variables.

Table 8
Predictive Relevance of Model and Explained Variance

	R2	ADJUSTED R2	Q2
CCB	0.749	0.745	0.415
CL	0.245	0.242	
CT	0.069	0.065	

The variability in CCB due to CSR, CT, and CL is 75%, which means these three variables brings 75% change in CCB and remaining 25% in due to unknown factors. The variability in CL due to CSR is approximately 25%. Known variation in CT by CSR is 7%. Q2 statistics value greater zero shows that model is constructed well. Statistics value of Q 2 is 0.415, which is greater than zero,

means independent variable has predictive power for dependent variable & model is constructed well.

DISCUSSION

CSR is statistically significant to CCB. According to [Dalna et al., \(2013\)](#), the customer trust is key element towards the company. Moreover, the customer trust establishes the loyalty among Customer and company. Thus, the customer has positive thinking towards company and shows citizenship behavior towards company. It is insignificant due toward low investment in CSR by banking sector. This finding is proved by [Sindhu and Arif \(2017\)](#) that organizations which have CSR initiative policies are able to increase customer trust positively. The CSR helps to find out targeted customers and identify their problems; which needs to be settled. The customers know banking firms from their social activities and realization of their problems. Ultimately, it helps in establishing trust relationship among them. So, it creates positive association between CSR and Customer trust. CSR is statistically significant to CL. It is supported by [Arikan and Guner \(2013\)](#) that CSR has positive effect on CL to increase the customer loyalty and satisfaction. The CSR helps to find out targeted customers and identify their problems; that needs to be settled. The customers know the banking firms from their social activities. The customer trust has positive & statistically significant effect on CCB. Our study result is supported by [Zia, David and Andrea \(2015\)](#) “customer trust has direct and positive impact on repurchase & word of mouth intentions”.

The Customer- Loyalty has positive and statistically significant effect on Customer Citizenship Behavior. The result of our study has been confirmed by [Tuzun and Devrani \(2010\)](#) “customers who identify more strongly with organization indicate more voluntary behavior”. CSR is highly impact on customer citizenship behavior directly as compare to customer trust and customer-loyalty. CSR is highly impact on Customer Citizenship Behavior directly instead having more impact on Customer trust and Customer loyalty. Therefore, CSR gain more attention for CCB. The mediation effect of CT between CSR and CCB is statistically significant. In this linking, this finding has been confirmed by [Jalilvand, Vosta, Mahyari, Pool, \(2017\)](#) “CSR is a significant antecedent of WOM; and CSR and WOM are positively associated with Customer trust”. The competitive mediation effect of the CL between CSR and CCB is statistically significant. This finding is supported by [Kim \(2017\)](#) “customer loyalty was found to mediate the desired positive relationship between the customers' perceptions of CSR and customer citizenship behavior”. Customer trust is Competitive mediating, which is statistically significant between CSR and CCB. Moreover, the Competitive mediating effect of Customer loyalty between CSR and CCB is higher than Customer Trust. Thus, both of them have competitive mediation between CSR and CCB.

CONCLUSION

This study is conducted to evaluate the impact of corporate social responsibility (CSR) on customer citizenship behavior through mediating role of customer trust, and customer loyalty in banking industry of Pakistan. The results implied that CSR improves customer citizenship behavior, customer trust and customer loyalty. It depicts improvement in customer citizenship behavior due to Customer trust and Customer loyalty. Moreover, it shows the positive and significant mediation of Customer Trust amid CCB and CSR and mediation of Customer loyalty between CCB and CSR in banking industry of Pakistan. As a result, CSR consideration becomes important to gain more attention for CCB. CSR is one of main tools to develop the customer

citizenship behavior. So, corporate policies should be CSR focused and oriented that will help firm to develop and strong and long relationship with the customers. Based on the results, it's suggested for companies to establish strategies for customer company identification that will help companies to build its image in public and maintain a strong bondage between clients and company. Emotional attachments and feelings are key factors for linking customer-company over CSR. So corporate policy give CSR that will help to attain strong customer trust & customer loyalty.

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