

THE IMPACT OF CSR ACTIVITIES ON BRAND LOYALTY OF SAUDI HIGH STREET BANKS

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Abstract: This paper aims to explore key concepts in relation to corporate social responsibility (economic, legal, ethical, and discretionary attributes) and the impact that the concept may have on consumer behaviour patterns, focusing specifically on brand loyalty of the Saudi (does this need to be capital?) high street bank. Data was collected by using the online survey. Convenience sampling technique was used to get the response from the respondents. 224 questionnaires were returned with the rate of 44% response. A PLS-SEM approach was employed to test the hypotheses. The results revealed that three attributes of the CSR namely legal, ethical, and discretionary attributes found, significantly correlated with the brand loyalty of the high street bank customers. However, one attribute, namely economic, was not found to be statistically significant. The results of this study suggest that the high street banks operating in the KSA should focus more on the CSR attributes, particularly, legal, ethical, and discretionary attributes which significantly affect the customer brand loyalty.

Keywords: Corporate social responsibility, brand loyalty, banks, financial institutions, Saudi Arabia.

1. Introduction:

The concept of corporate social responsibility refers to the commitment that businesses pay in order to operate in a socially responsible manner (Alsahlawi, 2016; Dahlsrud, 2008; Financial Time, 2019). Companies make certain decisions in order to adhere with their internal and external environments, comply with regulations, become competitive and secure long-term sustainable profits; such decisions could be financial, strategic or operational (Alsahlawi, 2016). All decisions that companies make should take into consideration the social and environmental implications and the influence, which they may have, to the overall society. Therefore, nowadays the classic profit maximisation approach has been replaced by a socially responsible approach and has led the companies in incorporating corporate social responsibility policies in their portfolios and strategies (Alsahlawi, 2016; Financial Time, 2019). One of the main reasons to support this significant shift is that the overall expectations of consumers, employees, investors and of local communities towards businesses have increased.

Additionally, technology, the rapid expansion of the World Wide Web and the effect it had on disseminating information are also reasons, which played role in shifting focus on corporate social responsibility (Crowther and Seifi, 2018). Overall, corporate social responsibility aims to ensure that companies conduct their business affairs ethically, taking at the same time into account, the social environmental and economic impact. The concept can include actions such as working closely and supporting the local communities, investing responsibly to support social initiatives, developing relationships with employees and customers and following policies to ensure environmental sustainability.

The above observations are linked with the traditional notions in relation to corporate social responsibility. Modern approaches to corporate social responsibility include business decisions and impact on public policy, stakeholder management and corporate accountability (Garriga and Melé, 2004). Instrumental theories support that the main role of corporate social responsibility is the one of a strategic tool, which is underpinned by economic objectives aiming ultimately to raise profits (McWilliams et al., 2006). Integrative theories support that businesses depend on the social structure therefore it is inevitable to support and adopt corporate social responsibility initiatives otherwise, they will be unable to survive in the long-term (Garriga and Melé, 2004). Therefore, through corporate social responsibility the companies find a way to incorporate social demands and integrate them in such a way that they operate in accordance with social values. In this case, companies ought to accept corporate social responsibility as an ethical obligation in order to survive and become sustainable (Garriga and Melé, 2004). Undoubtedly, and regardless of the reasons that drive corporate social responsibility within companies, the concept needs to be addressed and businesses need to develop ways to incorporate it in their strategies and portfolios.

2. CSR in Saudi Arabia

Aldosari (2017) investigates the awareness of corporate social responsibility practice and disclosure in Saudi Arabia. The research is carried out by examining the perception of stakeholders in Saudi Arabia and analyzing the extent of reporting practices among the companies listed in the stock market. The study looks into the disclosure and understanding of CSR by examining company policies. The results of the research were that the concept of CSR is well understood in Saudi Arabia through systems that are guided by the legitimacy theory. There is also an additional increased integration of CSR in company policies with factors such as culture and religious laws governing businesses having a crucial role to play in disclosure and implementation of the legislation. The stakeholders are also made to understand the role and importance of CSR to the society in which the company operates.

Ajina et al. (2019) examine the effect of corporate social responsibility and the impact on organizational financial performance in Saudi Arabia. The measure for CSR is Zakat, which is a religious obligation that orders all Muslims to make a secure donation of a portion of their wealth for charitable purposes. The purpose of Zakat is said to be

that it purifies annual earnings that are above the necessary requirements to provide essentials for a person's family. The analysis is carried out on company data collected from a sample of 107 Saudi Arabian firms for over ten years. They found a strong positive correlation between CSR and CFP, which suggests that Zakat has a positive contribution to the profitability of the firms while making considerations for improvement of the society as a whole. The practice can be enforced further using Shar'iah laws to ensure that the firms achieve their goals successfully in the market while helping build up the community. Their results suggested that CSR activities are more likely to have customer loyalty because the perception by customers is that involvement in CSR activities translates to a company being more caring of the society and the population around them.

Al-Malkawi and Javaid (2018) analyse the existing relationship between factors such as the size of firm customer perception, age, board independence, and profitability. The data collected is drawn from the thirteen sectors of the Kingdom of Saudi Arabia, and the analysis is done based on 418 responses received. The report was completed using the structural equation model and partial least squares regression. The results showed that the revelation of CSR initiatives of a company to customers and stakeholders shaped the perception of what the social actions entail. Additionally, the understanding by customers about the social activities carried out by a firm has a direct relationship with the level of CSR expectations and outcomes, to mean that the customers will expect more of the companies, especially in times of crisis.

However, their study found that CSR perception did not influence the loyalty of customers and is a contradiction of other studies on CSR and customer relationships. The study was the only one out of the other reviews that suggested that there was no correlation between consumer loyalty and CSR activities. However, they found some relationships that might influence customer loyalty, such as the perception by customers about a company depending on their involvement in CSR activities. Additionally, the revelation of the CSR initiatives that a company was involved in the customers and stakeholders affected their perception. Therefore, the customers will be indirectly influenced to be affiliated with individual companies based on the activities they are involved in with the community. Despite the conclusion by the researchers being that there does not exist a relationship, there are various factors that can be presented as evidence to support the claim that CSR activities affect company perception and overall outcomes.

The research on the effects of CSR, the linkages with ethics, legal attributes, brand loyalty, and economic attributes of organizations in the Kingdom of Saudi Arabia will be analyzed from various perspectives. The different perspectives will focus on different hypotheses and seek to find whether there exists a correlation between the four hypotheses and to investigate their relationship with CSR activities. The research attempts to prove that the hypotheses are true since there is a notable level of success identified within organizations that have strong CSR activities in Saudi Arabia. People

can attribute the justification for the success of the organizations to factors such as the religious and spiritual association of CSR activities and the perception.

The state of CSR involvement in Saudi Arabia is highly influenced by factors such as customer perception, religion, and Shari'ah laws, among other internal organizational policies. The factors driving the involvement in CSR activities are what drive the level of involvement in related activities. The current study will attempt to determine if there exists a relationship between CSR activities and customer or brand loyalty. This study will also inspect various elements such as economic and legal attributes of organizations and identify whether CSR affects their overall financial performance. This will also investigate the relationship between creating awareness of CSR activities to customers and their perception of the company to determine whether there are any differences when companies fail to reveal their involvement, and when they reveal the extent of their activities.

3. Literature review:

The concept of brand loyalty is characterised by repeat purchasing behaviours. When consumers show commitment towards a certain brand over time, then they exhibit brand loyalty. Companies adopt creative marketing strategies, such as reward schemes, and incentives to build brand loyalty. Twenty percent of future business income out of eighty percent of the total revenues will be a result of brand loyalty (Forbes, 2019). The Pareto effect is in support of this observation (Forbes, 2019). Companies try to create distinctive brand images through their products in order to enhance brand loyalty. Furthermore, uncertainty, competition and diminishing product differentiation have increased the need for managing brand loyalty effectively. There are various behavioural theories, which have tried to explain brand loyalty. However, there is a lack of a clear framework to explain what exactly drives brand loyalty. A few ways to build brand loyalty effectively are investing in quality, following a personalised marketing approach, investing in providing high quality customer services, be authentic, consistent and innovative (Forbes, 2019). Additional tips to achieve brand loyalty are to develop techniques to keep customers engaged, utilise feedback, stay relevant to the market and provide consistency though value. Finally, it is important to show appreciation. Representative examples of companies who have achieved strong brand loyalty by applying combinations of the above methods are Apple, Google, Amazon, Ikea, Starbucks and Nike.

Consumer commitment could be achieved by building strong marketing strategies including investing in brand loyalty. Companies can achieve this by generating solid marketing strategies and achieving commitment through emotion (Chaudhuri and Holbrook 2001). However, the fast pace of change in the era of the World Wide Web means that companies face difficulties in building sustainable competitive advantage and maintaining a pool of loyal customers. Taking into consideration the explosion of choice that consumers nowadays face, companies need to remain relevant and superior

by reinventing continuously their business models to remain innovative and at the same time invest in concepts such as corporate social responsibility.

a. Relationship between CSR and Brand Loyalty

A number of studies have identified a connection between brand loyalty and corporate social responsibility. Mandhachitara and Poolthong (2011) demonstrated a clear positive connection between corporate social responsibility and attitudinal loyalty. The relationship was mediated by the perceived service quality. Pivato et al. (2011) found direct correlations between corporate social responsibility and consumer trust that was supported by corporate social performance. Castaldo et al. (2009) and Lai et al. (2010) have reported similar results. He and Lai (2014) focused on investigating the different dimensions of corporate social responsibility and the effects they had on brand loyalty. Based on their study, functional and symbolic images were improved when consumers had a positive perception of a company's ethical and legal obligations and responsibilities. This in return had a positive impact on brand loyalty. The legal dimension enhanced a functional image, but the ethical dimension had a significant impact on the symbolic image.

The results of above-mentioned studies indicated that companies could focus on different key dimensions to invest in corporate social responsibility by taking into consideration the marketing expectations that consumers have (He and Lai, 2014). Adams (2014) reported secondary results from a research study, which investigated 30,000 consumers and the connections they were reported in relation to corporate social responsibility and brand loyalty. Based on this sample sixty seven percent showed a significant preference towards employment by socially responsible companies, and fifty five percent reported that there were happy to pay more money in order to buy sustainable products by companies which were committed to demonstrate positive environmental and social impact. Additionally, more than 50% would check packaging to ensure that products had a sustainable impact or that they were produced sustainably (Adams, 2014). The above observations clearly demonstrate strong connections between corporate social responsibility and brand loyalty. Companies could invest in corporate social responsibility to solidify their strategies, but at the same time to achieve value-based marketing by enhancing brand loyalty. This way corporate social responsibility could become part of a company's brand identity and help them to achieve brand engagement and enhance trust.

b. Research Theme

Saudi Arabia is one of the world's fastest rising economies and one of the largest oil producers. The country is currently undergoing a massive economic development. This development has created space for new businesses, also, placing emphasis on corporate social responsibility (Ali and Al-Ali, 2012; Mandurah et al., 2012). The interest of Saudi based businesses on corporate social responsibility has increased significantly, contributing positively on the wider communities in which they operate. The firms have

focused on strategic initiatives, incorporating corporate social responsibility in their portfolios, mainly, to achieve a competitive advantage, contributing at the same time on the country's future national development. Additionally, corporate social responsibility initiatives have received support from Saudi Arabia's government, which is awarding companies when they decide to incorporate corporate social responsibility in their business goals. This positive movement has encouraged innovative, sustainable development, which has generated social challenges pushing Saudi Arabia's business community to include corporate social responsibility in their initiatives. However, a number of studies, which investigated potential weaknesses in the market, revealed that companies in Saudi Arabia are undertaking limited activity towards this change. Furthermore, Saudi Arabia's firms have focused only on specific areas, aiming to overcome competition rather than concentrating on the overall impact that corporate social responsibility policies could have on the environment and the society (Alsuhaibani and Naifar, 2014). From the above observations, it becomes prominent that although the country has undergone significant changes, there are still steps to be undertaken towards a more responsible approach, which will include the communities and the environment.

The banking sector plays a significant role in affecting a number of stakeholders and influencing the activities of financial organisations, including borrowers, regulatory authorities, owners, depositors, managers and employees (Lentner et al., 2015). Therefore, banks have an obligation to apply efficient management techniques in order to control their socioeconomic and environmental impact, taking at the same time into consideration the overall society and economy and the responsibility they have towards their stakeholders. This includes the incorporation of corporate social responsibility in their strategic initiatives. High street banks in developed countries have focused and invested heavily on corporate social responsibility. Representative examples are those of Santander and Deutsche Bank (Santander, 2014; Deutsche Bank, 2017). Nevertheless, in developing countries, there is a lack of intentional initiatives, which incorporate actively corporate social responsibility in business portfolios (Azim et al., 2011; Ramdhony, 2015). Alsahlawi (2016) investigated the impact of corporate social responsibility in Saudi Arabia's high street banks and reported that for a period of four years between 2011-2014, almost none of Saudi Arabia's 12 high street banks, which were sampled for this study, made an effort to report in their statements details about disability employment, value added statement and consulting employees to improve services. Most of the banks made an effort to report corporate social responsibility initiatives in relation to employee data, shared ownership and community impact and provided less information in relation to the environment, charity initiatives, pension and health and safety (Alsahlawi, 2016). Habbash (2016) observed similar results. Based on the above results Saudi Arabia's high street banks need to invest in corporate social responsibility practices in order to achieve stronger brand loyalty and social respect. Additionally, customer satisfaction rates for Saudi Arabia's high street banks are relatively low in relation to technology and internet banking, accuracy of bank

statements, shariah compliance, confidentiality, and friendliness indicating that brand loyalty levels can also improve through customer services (Altwijry and Abduh, 2013).

Therefore, based on the above discussion this study will investigate the effect of CSR activities on the brand loyalty of the street bank customers. By doing so, this study examines the four attributes of CSR (e.g., economic attributes, legal attributes, ethical attributes, and discretionary attributes) to investigate the possible impact of these attributes on the brand loyalty of the Saudi street bank's customers. For this purpose, this study proposed four hypotheses as follows.

H1: Economic attributes of the CSR positively influence the brand loyalty.

H2: Legal attributes of the CSR positively influence the brand loyalty.

H3: Ethical attributes of the CSR positively influence the brand loyalty.

H4: Discretionary attributes of the CSR positively influence the brand loyalty

4. Study Hypothesis

H1: Economic attributes of the CSR positively influence brand loyalty

Al-Malkawi & Javaid (2018) estimate the relationship between corporate social responsibility and financial performance for Islamic banks in the Gulf Corporation Council over fourteen years using disclosure analysis data. Their study reveals that a significant positive relationship exists between the disclosure and financial performance of the banks in the countries. They found that the disclosure results in a positive relationship between the future of the financial institutions and their long-term sustainability. The current CSR activities carried out by the banks are likely to drive more customers to their institutions because they touch on their religious perspectives and other attributes that are somewhat personal to the customers (Wan & Ibrahim, 2016). The mission and vision statements of the institutions also show a positive correlation with CSR activities and financial performance. Individuals are more likely to work with a company or institution that discloses their CSR activities in theory and practice because it indicates that the institutions' operations are not aimed at making profits only, but are aimed at improving the society around them to uplift them.

Van Doorn, Onrust, Verhoef, & Bugel (2017) looks into the varying results of CSR activities on customer attitudes and brands through carrying out a research on 93 brands across 18 industries and collecting responses from 1375 customers. The results show that CSR has a positive attitude on customer perception and retention. The brand characteristics have a role to play in the perception of CSR, which can help compensate for stronger brand presence with smaller advertising budgets. The companies that do more good for society and constantly being innovative, are more likely to have positive

customer retention and customer attitude perception. A company needs to continually adjust its CSR operations so that they create a positive image with their clients, which helps them increase their market share. CSR is suggested to have a strong correlation with economic influence because of the increased brand loyalty of the customers. Institutions should seek to strengthen their relationships with their clients by being involved in CSR activities and looking for new and innovative ways to build up the communities and help them rise through crises. Organizations that fail to be innovative in their approaches are likely to be faced with challenges such as poor retention of customers and poor attitudes towards the institutions.

Xie, Jia, Meng, & Li (2017) looks into the integration of corporate social responsibility in the operating process of firms, with explanations for the roles of customer satisfaction and institutional environments as they seek to determine the relationship with financial performance. The research is carried out among 238 firms, and the discoveries made from the research are that the relationship between an organization's CSR efforts and their financial performance is mediated by the level of customer satisfaction with the efforts. The other outcome is that a good institutional environment positively impacts the CSR efforts of a company because they can achieve improved customer satisfaction. Additionally, there is a notable significant difference in the moderating effect of institution's environments.

H2: Legal attributes of the CSR positively influence brand loyalty

Ferrell, Harrison, Ferrell, & Hair (2019) looks into the CSR from the point of firm value, legal compliance, and brand loyalty, their findings support that companies having weaker CSR activities have a lower brand image. The justification is that lacking strong CSR activities is translated as lack of compliance because there are several laws in place for organizations to involve themselves in charity and to give back to the community. Aside from the legal enforcement, the people in Saudi Arabia, according to aspects of their religion, believe in uplifting others in the community as part of Islamic brotherhood. The lack of involvement in CSR activities will result in a loss of market share for a company, which should push companies to push their processes for further improvement so that they can be able to capture a larger market share and improve brand perception and loyalty.

Aldosari (2017) examines the perception of green brand image on customer perception. Aldosari seeks to understand the extent to the emotional benefits associated with green brands to customers or other aspects of green production. A green production is an approach that complies with various legal requirements of producing material to ensure that the environment is not harmed by the process of manufacturing or the process of recycling or disposing of the products. The survey carried out to test the adoption of green production processes shows that customers have a positive perception of a company going green in their production and that it drives their brand loyalty. The justification is that companies that are going green are evident to be conservative of the environment they operate in. The involvement in CSR activities builds confidence and

trust in the company. The justification is that despite ensuring that the production processes are environmentally sustainable, there is increased confidence in the company's CSR activities. The justification is that it is seen as a show of their concern for the population and are willing to dedicate their resources to improve their livelihoods while ensuring their safety.

H3: Ethical attributes of the CSR positively influence brand loyalty.

Ajina et al. (2019) tried to create an ethical branding framework where aspects of price and product were reviewed. These factors were examined to identify whether they impact a firm's ethical branding and its eventual market reputation and loyalty enjoyed by customers. The case focused on Malaysian corporations that purchase electronic office equipment. The analysis, through the application of structural equation modelling, revealed that the quality of a company's products influences both its reputation and ethical brand perceptions. With the other factors of price and service quality, it emerged that these have to affect identification. The conclusion drawn from the research was that product quality, deemed price, and quality of services influence a corporation's reputation. If corporations are to retain their reputation among buyers, an ethical brand is mandatory.

Alwi, Ali, & Nguyen (2017)'s study was executed following a failure by past studies to delve into distinctions between business ethics and corporate social responsibility. They analyzed customer attitudes by examining previous inquiries on customer-brand specializing in ethics and social responsibility. By using four distinct scenarios, it was possible to observe different outcomes in company behaviour, which was positive or negative depending on the intervention of CSR activities and business ethics. They collect the response from 351 respondents. . The analysis of the responses revealed that, overall, although CSR is an essential concern to customers, when reviewing brand attitudes, business ethics is a superior indicator.

El Ghouli, Guedhami, & Kim (2017) estimated the impact of customer loyalty on an enterprise's success. They explore the existing relationship between the objectives of a company's corporate social responsibility initiatives and its ethical standards. These two factors were considered as the primary determinant of the success of a company's CSR initiatives as well as its commitment to them. The survey method was used to conduct the analysis. The survey collected 931 responses that were used in the analysis to make conclusions. Analysis of the responses revealed that corporations with high ethical standards and practices resulted in customers viewing it as being devoted to its CSR initiatives. Consequently, customer loyalty is achieved as it implies customers are highly satisfied with the products and services provided by a corporation.

The perception by most customers is that ethical companies are likely to be considerate of the society around them. The ethical nature of a company is seen in its efforts to improve the society around them, and their involvement in community programs and services provides an equal measure for customers. The communities that are

beneficiaries of the services and products offered as part of CSR activities are more likely to be affiliated with the companies because of the selflessness observed in their operations. Despite an organization having strong financials, the customers and stakeholders are the individuals that lead a company to achieve sustainable outcomes (Lin, Lobo, & Leckie, 2017). The Saudi Arabian market is more focused on the ability of a company to have ethical operations than having financial strength.

The various studies analysed show a strong correlation between brand loyalty and perception among customers for organizations with CSR activities as part of their programs. The research shows that there is an affective commitment from customers based on what an organization makes them feel. The information from the research should be used by organizations to guide their operations to highlight that the success of an organization is not solely dependent on their financial metrics, but that they should also look into consumer needs. Small and medium-sized organizations are more likely to grow and achieve sustainability because of their ethical nature of operations and involvement in CSR activities as opposed to large organizations that have higher capital.

H4: Discretionary attributes of the CSR positively influence brand loyalty

Previous studies neglected the customer-specific implications that corporate social initiatives have on a corporation. While dwelling on the perceptual and attitudinal effects of CSR, the study found that CSR, directly and indirectly, affects customer's behaviour. The structural equation modelling approach was utilized to review responses from fast food restaurant clients. The findings of the analysis were that there exists a positive correlation between the CSR initiatives executed by fast-food restaurants and citizenship behaviour. The research was paramount as it addressed the lack of research into the relationship between CSR initiatives and customer citizenship behaviour (Park, Kim, & Kwon, 2017). The implications and practical implications were that managers within fast food restaurants should increase their investment in CSR initiatives to reap the benefits of customer citizenship behaviour.

Pérez & del Bosque (2017) focused on Saudi Arabia's banking sector, where the impact of corporate social responsibility initiatives on customer satisfaction and loyalty, were examined. A qualitative method was applied with the web-based surveys being used to collect data. A total of 624 acceptable responses were reviewed and analysed using Pearson Correlation to examine the statistical significance and relevance of responses. The findings were that the CSR activities of firms in Saudi Arabia's banking sector positively impact customer satisfaction and loyalty. The conclusions of the research apply to bank managers, as it will aid them in formulating their bank's CSR initiatives.

Platonova, Asutay, Dixon, & Mohammad (2018) revealed that the CSR activities being carried out at the discretion of the financial institutions stood a chance to bear more positive results. Individuals are more likely to be comfortable in an organization where the CSR activities are outlined in their mission and vision statements and other

organizational policies, as opposed to those who carry the activities out of the need to respond to certain legal requirements. The customers surveyed responded that they had a positive brand perception and were likely to stay loyal to such brands and would be less likely to switch to competition despite being given competitive offers. The justification for the perception is deeply rooted in their spirituality, where they are of the perception that brands that are not willing to engage in CSR are less likely to treat their customers better.

One of the objectives that the research aimed to achieve was reviewing the impact of CSR activities on customer participation. A research survey was implemented in the examination, where 615 bank customers participated. Analysis of the results revealed that there was a positive association between how bank customers perceived CSR programs and the emotional brand attachment that these customers had. This finding implies that customers are likely to remain loyal to banks whose CSR initiatives they perceive to be positive and impactful. There is a likelihood for customers to develop an emotional attachment with an organization because of the CSR activities the organization is involved in. The justification is that if an organization can assist non-consumers and non-profit clients, then the business is being run ethically and humanely.

Another aspect of CSR perception was customer spirituality that acted as a factor to moderate the indirect effect of CSR and customer relationships. Customers based on their spiritual and religious aspects were observed to have stronger brand loyalty with companies that practice CSR because they associate them with some aspects of religion such as those about looking out for the less fortunate in the society and being a brother's keeper. The research outcomes can be used as a point of reflection to determine what activities a business venture should focus on to improve the relationship with their customers.

5. Methodology

In this study, an empirical approach was employed for the hypotheses development and to examine the relationships between proposed constructs. To test the research model and hypotheses, a quantitative method was used. For this purpose, an online survey was conducted to gather primary data for the further analysis of the relationships between the latent constructs proposed by the researcher (Saunders, Lewis, & Thornhill, 2009). This online survey was conducted through E-mail and online social-media networks, as in this current technological era, online survey is considered a more active method to get higher response rate from the target populations (Pirsch, Gupta, & Grau, 2007).

5.1 Data Collection

This online survey was comprising on sections. In the first section, questions asked regarding the demographic profile of the respondents, and the second section contains the questions regarding the perceptions of the respondents about the latent constructs (i.e.) CSR, and brand loyalty. To consider the respondents native language, the

questionnaire was translated into the Arabic language from English to enhance the comprehensibility of the target respondents. Before distribution, the translated questionnaire was reviewed by three professors to reduce any ambiguity and to get assurance on the design and clarity of the translated questionnaire.

The PLS-SEM approach were employed to test the relationships proposed in this study by using the statistical analysis tool namely smart-PLS 3.2, which is a variance-based approach. Another reason to use PLS is its ability to accommodate the relatively modest sample size and its predictive abilities. A convenience sampling approach was employed to collect the data due to the limited access of street bank customers in Saudi Arabia. The researcher received 224 valid responses from 500 participants, producing a response rate of 44%. This study used five-point Likert scale to measure CSR, and brand loyalty. The items referred to economical, legal, ethical, and discretionary dimensions of the CSR. The measurement scale of CSR attributes namely economic attributes, legal attributes, ethical attributes, and discretionary attributes, used in this study were adopted by the (Maignan & Ferrell, 2000, 2001) This scale was used by several studies. For instance,(Crespo & del Bosque, 2005; Galbreath & Shum, 2012) although we had to adapt them in order to make them more suitable for the specific requirements of our research, and the measurement scale of the brand loyalty adopted by the (Crespo & del Bosque, 2005).

Next, this study assessed the demographic profile of the respondents such as, gender, marital status, age, education, monthly income, and occupation of the respondents. The results of the demographic assessment of the respondents in this study show that the Male respondents are dominating as 82.8% and the female respondents as 17.2% in this study. In relation to the marital status most of the respondents are married, as 59.4%, and the singles were reported as 40.6% in this study. Moreover, the age group of the 25-30 years old are the dominating group as 42.6% in this study. In relation to education most of the respondents have bachelor's and master's degree as 36.9% and 34.9% respectively, and 27.5% respondents have high school or less education. As far as the income is concerned, most of the respondents have income in between the SR.11,000- 15,000 per month as 45.5% the second income group falling in between SR.16,000-20,000 as 31.6%, and only 7.4% respondent's monthly income was SR.21,000 and above. Interestingly, more than half of the respondents were running their own business as 52.0%, 36.1% of the respondents doing jobs and the remaining 11.9% were retired. The detail summary of the respondent's demographic profile is presented in Table 1.

Table 1. Demographic profile of the respondents

Demographic variables	Category	Frequency	Percentage
Gender	Male	202	82.8%
	Female	42	17.2%
Marital Status	Married	145	59.4%
	Single	99	40.6%
Age group	Below 25	16	6.6%
	25-30	104	42.6%
	31- 40	78	32.0%
	41-50	17	7.0%
	Above 50	29	11.9%
Education	High school or less	67	27.5%
	Bachelors	90	36.9%
	Masters	84	34.4%
	PhD	3	1.2%
Monthly income	SR.5,000-10,000	38	15.6%
	SR.11,000-15,000	111	45.5%
	SR.16,000-20,000	77	31.6%
	SR.21,000 and above	18	7.4%
Occupation	Job	88	36.1%
	Business	127	52.0%
	Retired	29	11.9%

5.2 Validity and reliability

To evaluate the proposed model of this research, this study employed the PLS-SEM approach by using the software Smart-PLS 3.0. The PLS-SEM approach involves two steps; (1) measurement model and (2) structural model. In the first step, measurement

model examines the internal consistency reliability, individual item reliability, Cronbach Alpha, composite reliability, and average variance extracted. Moreover, measurement model eligible to access the discriminant validity of the latent constructs.

The measurement model results show that internal consistency reliability, Cronbach alpha (CA), composite reliability (CR), and average variance extracted (AVE) are lying within the range of established threshold level. As Table 2 shows that all the outer loadings of individual items achieved the minimum criteria of 0.70 (Wong, 2013). Composite reliability and Cronbach alpha values are also acceding the minimum threshold of 0.70, which shows that all the measures are robust in terms of their individual item reliability and internal consistency reliability (Wong, 2013). Moreover, the values of average variance extracted (AVE) for each construct above the threshold value of 0.50 which demonstrated statistical correctness of all items of the measurement model as shown in Table 2.

Table 2. Measurement model results (Cronbach-alpha, composite reliability, and AVE)

Construct Name	Items	Loading	C-Alpha	CR	AVE
	EA1	0.896			
	EA2	0.870			
	EA3	0.826			
	EA4	0.865			
	EA5	0.880			
	EA6	0.877			
Economic attributes	EA7	0.886	0.947	0.957	0.760
	LA1	0.888			
	LA2	0.888			
	LA3	0.887			
	LA4	0.891			
	LA5	0.878			
	LA6	0.873			
Legal attributes	LA7	0.902	0.955	0.963	0.787
Ethical attributes	ETH1	0.808	0.928	0.942	0.700

	ETH2	0.862			
	ETH3	0.765			
	ETH4	0.846			
	ETH5	0.877			
	ETH6	0.807			
	ETH7	0.886			
	DA1	0.825			
	DA2	0.848			
	DA3	0.757			
	DA4	0.833			
	DA5	0.824			
	DA6	0.860			
	DA7	0.854			
Discretionary attributes	DA8	0.850	0.936	0.947	0.692
	BL1	0.891			
	BL2	0.900			
	BL3	0.869			
Brand Loyalty	BL4	0.873	0.906	0.934	0.780

Note. *EA-economic attributes, LA- legal attributes, ETH-ethical attributes, DA-discretionary attributes, and BA- Brand loyalty.*

Furthermore, to assess the measurement model of this study discriminant validity of the latent constructs were assessed. For this purpose this study employed the Fornell and Larcker (1981) criteria to assess discriminant validity, which explains that all the latent constructs are different from the other constructs by indicating the square root of AVE's of all constructs are greater than their correlations comparatively to the other constructs (Roldán & Sánchez-Franco, 2012). Therefore, the discriminant validity of the latent constructs are achieved as shown in Table 3.

Table 3. Discriminant validity Fornell and Larcker (1981)

	BL	DA	EA	ETH	LA
BL	0.883				
DA	0.443	0.832			
EA	0.277	0.446	0.872		
ETH	0.454	0.358	0.297	0.837	
LA	0.508	0.476	0.535	0.623	0.887

Note. *EA-economic attributes, LA- legal attributes, ETH-ethical attributes, DA-discretionary attributes, and BA- Brand loyalty.*

Additionally, for the assurance of the discriminant validity, another newly developed tool named Heterotrait-Monotrait Ratio (HTMT) employed to further validate the discriminant validity of the constructs. This tool is built-in in the smart-PLS 3.0. Henseler, Hubona, and Ray (2016) suggested that the HTMT is the more robust technique to assess the discriminant validity of the latent constructs. The HTMT values were obtained by running the PLS algorithm procedure, which indicated that the HTMT values were significantly lower than 0.85, signifying that all the latent constructs attained discriminant validity (Henseler, Ringle, & Sarstedt, 2015). The results suggested that discriminant validity was established at HTMT 0.85, which means that the values for inter-construct ratio were below 0.85 and that the confidence intervals did not contain the value of 1.0 (Henseler et al., 2015). The HTMT values are shown in Table 4 below.

Table 4. Discriminant validity (HTMT)

	BL	DA	EA	ETH	LA
BL					
DA	0.474				
EA	0.296	0.473			
ETH	0.493	0.381	0.315		
LA	0.542	0.499	0.561	0.663	

Note. *EA-economic attributes, LA- legal attributes, ETH-ethical attributes, DA-discretionary attributes, and BA- Brand loyalty.*

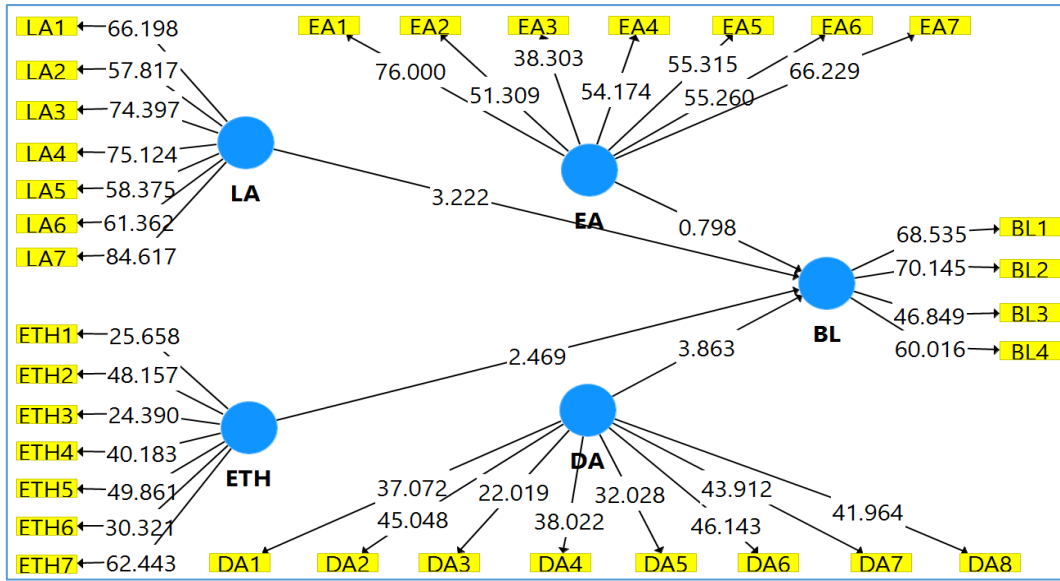


Figure 1: Structural Model (bootstrapping results)

5.3 Structural model Results

After the assessment of the measurement model the next step is to assess the structural model for the hypotheses testing the proposed research model. The structural model assessment involves the number of steps such as, “Coefficient of determination (R^2), and in the second step the significance of path coefficients and predictive relevance (Q^2)”. For the assessment of the structural model, this study used PLS-SEM approach by using the software Smart-PLS. In the first step, the R^2 of the latent constructs was evaluated. The R^2 of the latent constructs explains the overall predictive power of the model involved in this study. To attain a required level of explanatory power, the criteria established by the Chin (1998) that R^2 values are substantial, moderate, and weak for 0.67, 0.33 and 0.19, respectively. The R^2 values of this study show the substantial predictive power of the latent constructs as the R^2 value of Brand loyalty are 0.33.

In the second step of the assessment of the structural model, the strength of the relationships among the latent constructs is evaluated as the hypothesis proposed in the research model. By doing so, the bootstrapping method was used to assess the significance of the relationships. After performing the bootstrapping method in the Smart-PLS the results revealed that the direct relationship between legal attributes and brand loyalty found significant as (beta=0.290, t-value=3.222), ethical attributes and brand loyalty as (beta=0.197, t-value=2.469), and Discretionary attributes to brand loyalty as (beta=0.062, t-value=0.842) accordingly. Which shows that there CSR attributes (legal, ethical, and Discretionary) are significantly correlated with the brand loyalty and have positive correlation among them. However, one attribute of the CSR, i.e. economic, was not found to have any significant impact on the brand loyalty of the high street bank customers in KSA. These results of the direct relationships show that

the hypotheses of this study i.e., H2, H3, H4 were accepted. However, the results of the H1 were not found statistically significant. the summary of the direct relationship results shows in Table 5.

Table 5. Direct relationship of CSR and Brand Loyalty

Hypotheses	Relationships	Beta	STDEV	T Statistics	P Values	Results
H1	EA -> BL	0.052	0.065	0.798	0.425	Not supported
H2	LA -> BL	0.290	0.090	3.222	0.001	Supported
H3	ETH -> BL	0.197	0.080	2.469	0.014	Supported
H4	DA -> BL	0.257	0.067	3.863	0.000	Supported

Note. EA-economic attributes, LA- legal attributes, ETH-ethical attributes, DA-discretionary attributes, and BA- Brand loyalty.

6 Discussion

As mentioned above there are clear connections between corporate social responsibility and brand loyalty. Results of this study show that there is a significant relationship between the selected attributes (i.e., legal, ethical, and Discretionary attributes) of corporate social responsibility and brand loyalty. Which explains that Corporate social responsibility is the key factor, which enhances the relationship between the customer and the street banks operating in KSA. Additional results supported that positive perceptions of the customer regarding discretionary image, enhance brand loyalty (He and Lai, 2014). The results of this study also supported past studies, which have been conducted to examine the CSR practices towards brand loyalty of the customers. for instance, (Crespo & del Bosque, 2005; Mandhachitara & Poolthong, 2011).

Moreover, the results of this study indicated that companies should focus on different key dimensions to invest in corporate social responsibility by taking into consideration the marketing expectations that consumers have (He and Lai, 2014). Branding and brand loyalty within the banking sector increased when banks invested in corporate social responsibility. In this case, brand loyalty increased when the banks incorporated in the strategic portfolio's corporate social responsibility initiatives in relation to legal, economic, ethical and discretionary mechanisms (Pratihari and Uzma, 2018). According to the findings of this study KSA street banks should implement corporate social responsibility an integral part of their marketing. It is suggested that such initiatives could help managers to promote brand loyalty.

From the above observations, it becomes prominent that Saudi Arabia's banking sector could invest in corporate social responsibility initiatives to achieve competitive advantage, but also taking into consideration the broader community and investing at the same time in improving customer satisfaction rates. Saudi Arabia's banks could achieve this by making corporate social responsibility an integral part of their corporate branding and enhancing brand loyalty with clients. This will include effort to report details about disability employment, value added statement and utilising employee feedback taking into consideration the effects the banking sector has on the broader community and the environment.

The conclusions that can be drawn from the research are that there is a strong correlation between CSR activities and brand loyalty on several fronts. The various publications analyzed to show that customers are more likely to be involved with an organization if they have CSR activities or other means of giving back to the community. The research was carried out in Saudi Arabia, where the main religion practised is Islam, and Islamic principles such as Zakat support the involvement of companies in strong CSR because of beliefs of involvement in charitable causes to enable the growth of institutions and personal growth.

The research supports the four hypotheses showing strong evidence for each. There is a strong correlation between brand loyalty and economic attributes of CSR noted in the research because more clients are likely to be affiliated with an institution that has strong considerations for the community. The companies practising CSR are bound to have economic success and sustainability since they fulfil the principles of Islam about uplifting others when a venture succeeds. The compliance to CSR and proper implementations have been observed in the research where companies in the Kingdom adhere to the Sharia laws and other laws implemented to enforce CSR concepts to ensure that the society is uplifted as companies make progress in their operations. The compliance to legal authority draws in more customers as it builds confidence in their ability to make considerations for the customers and their ability to adhere to the set laws and regulations.

The ethical attributes of CSR have a positive influence on brand loyalty among customers. The justification from the research is that the customers can gain more confidence in companies that operate ethically because the assumption will be that the ethical CSR activities are a reflection of the company's ethical internal operation process. The optional attributes of an organization's CSR involvement have a positive correlation with customer perception and other elements of growth. The reasoning is that the customers can understand that the involvement in CSR activities is a choice made by the company and not an activity they have been pushed into engaging, which shows that the institution operates within their discretion to carry out the CSR practices.

6. Conclusion

This study explored key theories in relation to corporate social responsibility and the effects that the concept has on consumer behaviour patterns focusing specifically on brand loyalty. Nowadays the classic profit maximisation approach has been replaced by a socially responsible approach and has led companies in incorporating corporate social responsibility policies in their portfolios and strategies. The concept of brand loyalty is characterised by repeat purchasing behaviours. When consumers show commitment towards a certain brand over time, then they exhibit brand loyalty. Additionally, offering high quality services can increase customer retention, which in return it could lead to higher levels of commitment and brand loyalty.

Overall, it is important for a company to build a strong brand loyalty in order to secure consumer commitment. Companies can achieve this by investing into corporate social responsibility and incorporating these in their marketing strategies. Saudi Arabia's high street banks have invested into corporate social responsibility; however, there are still significant steps to be undertaken in order to include the communities and the societal and environmental impact. Furthermore, brand loyalty could improve in this sector. The above observations support that Saudi Arabia's high street banks should invest into corporate social responsibility and at the same time in improving their customer services; this would help them to increase brand loyalty and to develop a stable client base through positive initiatives, such as corporate social responsibility.

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