

Corporate social responsibility initiatives of banks and customers' selection of banks in Hong Kong

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Abstract

Purpose – This study examines whether corporate social responsibility (CSR) initiatives positively impact customers' selection of retail banks in Hong Kong (HK) and identifies which CSR domains affect customers' selection of banks.

Design/methodology/approach – This study adopted a quantitative approach. Primary data were collected from 416 customers of 22 retail banks in HK. The theoretical framework of this study was developed from a literature review, prior studies by Oberseder *et al.* (2013 and 2014), and CSR initiatives implemented by leading retail banks in HK. Descriptive statistics and statistical tests were used to analyze the data.

Findings – The study found that CSR initiatives positively affect customers' bank selection. CSR initiatives related to the customer and environment domains are likely to have a greater impact on customers than those related to the society domain and are not likely to significantly impact customers' bank selection.

Originality/value – This study contributes to the CSR literature by offering enhanced insight into the dynamics of CSR and its effects on customer bank selection. Furthermore, this study tests consumers' perceptions of CSR initiatives in each CSR domain in the banking sector in Hong Kong – a novel approach that has not been previously explored in existing studies. These findings can help banks review the effectiveness of their CSR initiatives and make informed decisions on which initiatives should pursue improved CSR performance and efficient resource allocation.

Keywords Corporate social responsibility, CSR domains, Purchase intention, Banking sector, Hong Kong, Customers' selection of banks

Paper type Research paper

1. Introduction

Corporate social responsibility (CSR) can help firms improve their performance and create a social impact. Although CSR initiatives affect customer purchase intentions (Baskentli *et al.*, 2019), the impact of different CSR initiatives on customer purchase intentions varies (Marin and Ruiz, 2007; Nickerson *et al.*, 2021). Specifically, Tirado *et al.* (2023) also found that there is

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a positive correlation between vulnerable customers' perception of banks' CSR practices and their satisfaction and trust in the banks.

However, there is insufficient research on the impact of CSR initiatives on customers' bank selection ("purchase intention"), particularly in Hong Kong (HK). In addition, prior studies have mainly focused on marketing aspects (e.g. [Khatoon et al., 2020](#)) or CSR disclosure and reporting (e.g. [Menassa and Dagher, 2020](#); [Tran, 2018](#)). Few studies (e.g. [Fatma and Rahman, 2016](#); [Lagasio et al., 2021](#)) have examined the relationship between CSR initiatives and customer bank selection, with little attention paid to the impact of CSR domains on customer decisions.

To fill these gaps, this study (1) investigates whether CSR initiatives have a positive impact on customers' selection of retail banks in Hong Kong and (2) identifies which CSR domains affect customers' bank selection. [Oberseder et al. \(2013\)](#) employed seven CSR domains in this study, given their wide coverage of stakeholders and the importance of stakeholders to banks.

Retail banks in HK are defined as licensed banks, which are the focus of this study, given their critical role in the economy. The banking sector in HK was selected because it accounted for 14% of the nominal GDP and 3% of total employment in 2020 ([Census and Statistics Department, 2022](#)). HK is an international financial center, and almost everyone in HK needs banking services for their daily activities. Bank operations, sales behavior, and CSR initiatives affect customers and other stakeholders.

This study is significant because it raises awareness of the CSR initiatives banks should adopt to reap the benefits of CSR. Banks must assess the impact of CSR initiatives and allocate resources to implement CSR effectively and efficiently. From the banks' perspective, this study provides actionable insights into effectively aligning CSR strategies with customer expectations, thereby increasing their competitive advantage. Additionally, this study is interdisciplinary, incorporating concepts/theories from management, marketing, and policy, thereby contributing to the *literature on banking CSR*. Building on the foundational work of previous research, this study introduces a comprehensive collection of CSR initiatives from a sample of retail banks in Hong Kong, offering valuable insights into the effects of CSR domains on banking selections.

2. Literature review

2.1 CSR and customers

CSR is defined as firms' responsibilities beyond legal and economic obligations ([Azmat and Ha, 2013](#)). CSR initiatives should satisfy stakeholders' needs and interests ([Sen and Cowley, 2013](#)) before improving financial performance ([Golrida et al., 2020](#)). [Pham and Tran \(2020\)](#) commented that satisfying stakeholder needs is important for firms' image-building and retaining and attracting customers. Customers' interests in CSR must be well addressed, and firms should utilize their available resources to implement appropriate CSR initiatives ([McWilliams and Siegel, 2001](#)). Most firms have limited resources and are unable to implement CSR initiatives. Therefore, implementing CSR initiatives with the highest impact is beneficial for firms.

Customers are the main stakeholders of firms and significantly influence firm survival ([Buchholtz and Carroll, 2012](#)). [Aramburu and Pescador \(2019\)](#) find that CSR initiatives have a positive relationship with customer loyalty, purchase intention, and willingness to pay more. [Paluri and Mehra \(2018\)](#) found a positive relationship between CSR initiatives and banks' customer selection in India. [Carroll \(1991, 2004, 2016\)](#) explains that ethical and philanthropic CSR can help firms enhance customer trust and loyalty.

2.2 CSR domains

Carroll (1991) classifies CSR initiatives into economic, legal, ethical, and philanthropic levels (Table A1[1]). Brunk (2010) classifies CSR initiatives into six domains. Vurro and Perrini (2011) propose that CSR initiatives can be categorized into four domains. Ferrell *et al.* (2014) present another way to classify CSR activities: social issues, consumer protection, sustainability, and corporate governance. Finally, Adhikari *et al.* (2016) discuss the four main sources of CSR.

Based on the classification of CSR activities, Oberseder *et al.* (2013) developed a framework of seven CSR domains: community, employee, shareholder, environment, society, customer, and supplier. Oberseder *et al.* (2014) found that different CSR domains have different impacts on customers that reflect their personal values and beliefs. Hence, implementing appropriate CSR domains and initiatives positively impacts firms' customer perceptions. Furthermore, aligning CSR domains with business strategies could help reduce customer suspicion about firms' motives when carrying out CSR initiatives (Nickerson *et al.*, 2021).

2.3 CSR and customers' selection of banks

Stakeholders are pressing the banking sector to stop unethical practices (de la Cuesta-González *et al.*, 2021). Miller *et al.* (2020) found that a firm's CSR activities can affect its financial performance. Thus, many banks carry out more CSR activities than firms in other sectors and spend millions of dollars on CSR programs to build their corporate reputation and brand image (McDonald and Rundle-Thiele, 2008). CSR adoption can help banks foster identity and communication with stakeholders and differentiate themselves from competitors (Sorour *et al.*, 2021).

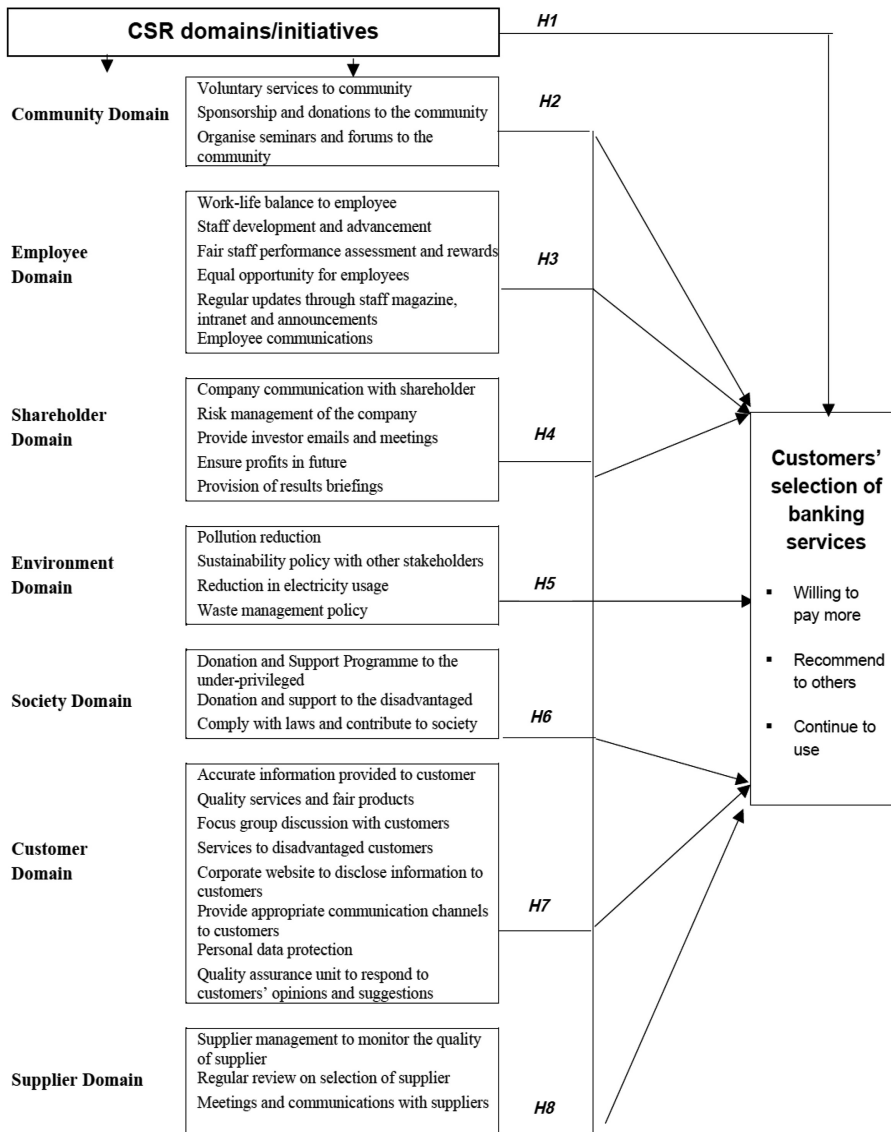
McDonald and Rundle-Thiele (2008) commented that customer-centric CSR initiatives have a greater impact on customer bank selection. Lagasio *et al.* (2021) found that different CSR initiatives influence customers' bank selection in Italy. CSR implementation can affect customer bank selection and performance (Maji and Lohia, 2023). Considering the implications of CSR adoption, a meaningful discussion of banks' CSR practices would unpack significant customer concerns in the banking sector (Fatma and Rahman, 2016).

3. Theoretical framework and hypothesis development

This study's theoretical framework and hypotheses were developed from a literature review, studies by Oberseder *et al.* (2013, 2014), and CSR initiatives implemented by major retail banks in HK. Based on the domains suggested by Oberseder *et al.* (2014), the CSR initiatives in each domain were collected from major retail banks in HK, as shown in Figure 1. These initiatives were then used as sub-variables (CSR initiatives) of the independent variable (CSR domains). At the same time, the dependent variable, customers' selection of banks, included three components: (1) willingness to pay more, (2) recommendations to others, and (3) continued use (Zeithaml *et al.*, 1996).

The following hypotheses were tested:

- H1. CSR initiatives have a positive impact on customers' selection of banks in HK.
- H2. Customer perception of CSR initiatives related to the "community" domain has a positive impact on customers' selection of banks in HK.
- H3. Customer perception of CSR initiatives related to the "employee" domain has a positive impact on customers' selection of banks in HK.
- H4. Customer perception of CSR initiatives related to the "shareholder" domain has a positive impact on customers' selection of banks in HK.



Source(s): Figure created by authors

Figure 1.
Theoretical framework
for CSR domains and
customers' bank
selection

H5. Customer perception of CSR initiatives related to the “environment” domain has a positive impact on customers’ selection of banks in HK.

H6. Customer perception of CSR initiatives related to the “society” domain has a positive impact on customers’ selection of banks in HK.

H7. Customer perception of CSR initiatives related to the “customer” domain has a positive impact on customers’ selection of banks in HK.

H8. Customer perception of CSR initiatives related to the “supplier” domain has a positive impact on customers’ selection of banks in HK.

4. Research method

4.1 Data collection

First, the CSR initiatives practiced by major retail banks in HK were gathered from their websites, annual reports, and CSR reports (2014–2016). These CSR initiatives are classified into different domains, as discussed by [Oberseder et al. \(2013\)](#) (Figure 1).

Second, primary data were collected from the customers of retail banks in HK. The population of this study is 6.25 million adults who are potential bank customers in HK ([Census and Statistics Department, 2016](#)). As of 2015, Hong Kong had 22 major retail banks with 1,786 branches ([Table A2\[1\]](#)). Following the guidelines of previous studies ([Sekaran and Bougie, 2013](#)), the minimum recommended sample size for this study was 400.

Cluster sampling was employed to collect the data. One branch from each bank was randomly selected to prevent selection bias and capture diverse customer profiles [2]. This helps consider potential variations in perceptions across different locations in HK. The questionnaires were then distributed to customers at randomly selected branches in various regions in prepaid envelopes. The questionnaires were distributed in three different timeslots per day on different days at each branch for three months, which helped us ensure that each branch’s varying levels of banking activities and different customer demographics were considered. This study reached out to customers who visited physical branches as their interactions with bank employees and their firsthand experience of the bank environment offered opportunities for more experiential observations. This can lead to a better understanding of customer experiences than using data gathered solely from online interactions. Importantly, the sample is still representative, as the selection of branches across different demographics covers a wide spectrum of customer profiles; that is, there was no bias in the respondents’ background and selection.

4.2 Response rate

A mail-only survey by [Suzer-Gurtekin et al. \(2016\)](#) achieved a response rate of 30%. Thus, the response rate in this study was expected to be approximately 30%. To secure a sample of at least 400, 1,400 questionnaires were distributed to potential respondents. A total of 416 responses were received ([Table A2\[1\]](#)). The final response rate in this study was 29.71%, which met expectations.

4.3 Research instrument

[Oberseder et al.’s \(2013, 2014\)](#) questionnaire was adopted in other studies (e.g. [Alvarado-Herrera et al., 2015](#)). The CSR domains and the questionnaire used by [Oberseder et al. \(2013, 2014\)](#) were tested and selected for this study. A questionnaire was designed based on the questions used by [Oberseder et al. \(2013, 2014\)](#) across seven domains. To ensure the relevance and familiarity of the respondents in this study, the questionnaire was adapted to the specific context of HK, i.e., the CSR initiatives from leading banks in HK were used.

The questionnaire included two parts: Part A concerned the respondents’ demographics, and Part B included CSR-related questions. Question 1 (Q1) aims to collect respondents’ views on the relationship between CSR initiatives and bank selection. Question 2 (Q2) aimed to collect respondents’ perceptions of CSR initiatives. Questions 3–5 (Q3 – Q5) explore which CSR initiatives and domains have a positive impact on bank selection ([Table A3\[1\]](#)). A seven-point Likert scale was used to collect data.

4.4 Data analysis

Descriptive statistics were used to analyze the demographic data in Part A. The data in Part B were analyzed in two stages. First, data reliability was tested using Cronbach's alpha. Second, Spearman's rank correlation coefficient and a one-sample *t*-test were used to test H1 (Q1) [3]; for Q2–Q5, the coefficient of correlation (*r*), one-sample *t*-tests, and regression models were used to test H2–H8. Correlation Coefficients are used to examine the association between CSR initiatives and bank selection. A one-sample *t*-test was used to examine whether the respondents agreed with the CSR-related statements (Creyer, 1997). Finally, regression models aim to examine whether the independent variable (i.e., customer perception of CSR initiatives and domains) impacts the dependent variable (i.e., bank selection) (Table A4[1]).

4.5 Ethical considerations

The questionnaire was prepared in English and Chinese to ensure that the respondents fully understood the content. This study was approved by the Human Research Ethics Committee of the respective university. Participation in the study was voluntary. All returned questionnaires were anonymous; no respondents could be identified.

5. Findings

5.1 Demographic data

A total of 416 responses were collected, and the respondents' demographics are summarized in Table A5[1]. No obvious bias was observed in the demographic data. More female respondents (55%) participated in the survey than male respondents (41.4%). About 55.8% of the respondents were aged 18–39. Of them, 87.3% had upper secondary school education. This can be interpreted as indicating that most respondents understood the questions about CSR.

5.2 Data reliability

Cronbach's Alpha was used to measure the internal consistency of the data. Table A6[1] shows that the values of Cronbach's Alpha for all items in Q1 to Q5 were above 0.7, indicating a high level of internal consistency (Sekaran and Bougie, 2013).

5.3 Common method bias

We used Harman's one-factor test for common method bias. The results indicate no issue with common method bias in the data because the total variance extracted by one factor was 25.022%. This is lower than the recommended threshold of 50% (Crick, 2023).

5.4 Impact of CSR initiatives on customers' selection of banks (H1)

The positive correlation of the statements in Q1 is reflected by the Spearman's rank correlation coefficients shown in Table A7[1] as all coefficients are strong, at least 0.699.

A one-sample *t*-test was used to examine whether the score for each statement was higher than 5. In this case, two calculations were required: (1) the first computed the mean score for each statement (Q3.1, Q1.2 and Q1.3), and (2) the second computed the mean score for all statements. The mean scores for the individual statements and Q1 in Part B were tested using a one-sample *t*-test to test whether respondents agreed on the importance of CSR initiatives when selecting banking services.

The results of the one-sample *t*-tests for Q1 are summarized in Table A8[1]. Since the *p*-values of the *t*-tests of the statements in Q1 were less than 0.05, the results were said to be

statistically *significant*; the respondents agreed with the statements. Therefore, H1 cannot be rejected; CSR initiatives have a positive impact on customer bank selection.

5.5 CSR domains and initiatives and their impact on customers' selection of banks (H2–H8)

Regression analysis was adopted to examine how CSR initiatives would affect customers' bank selection. Data skewness was used to check for normality. The skewness was not higher than 0.5 or less than -0.5 in this study; therefore, the assumptions of the regression model were met.

According to McCulloch (2000), a multivariate generalized linear model (GLM) should be used when two or more components/measures are part of the dependent variable. Thus, multivariate GLMs were used because customer bank selection includes three components/measures: 'willingness to pay more,' 'recommendations to others,' and 'continued use' (Creyer, 1997).

Two GLMs were developed to analyze the results. The first GLM examines whether customer perceptions of CSR *initiatives* affect bank selection. The independent variable is the perception of each CSR initiative (Q2), and the dependent variable is the selection of banking services, which is reflected in the data for Q3 to Q5.

The second GLM examines how perceptions of CSR *domains* affect bank selection. The independent variable is the perception of the overall CSR domain (Q2), while the dependent variable is customers' selection of banking services, which is reflected in the data for Q3–Q5.

Table A9[1] shows the results of the first GLM; that is, all 32 CSR initiatives are important to customers, as the values of the slopes of all sub-questions of Q2 are positive and larger than 1, and all *F*-test statistics are higher than the critical value (3.8415) at the 5% significance level.

The results of the one-sample *t*-tests in Table A10[1] indicate that the *p*-values of the *t*-tests of the 16 CSR initiatives in Q2 are less than 0.05; that is, the scores of these items are significantly higher than 5. This can be interpreted to mean that all CSR initiatives in the customer and supplier domains are important to customers' bank selection, and only "Q2.2 Sponsorship and donations to the community" in the community domain is important to customers. In the employee domain, "Q2.6 Fair staff performance assessment and rewards" and "Q2.7 Equal opportunity for employees" are likely to be important to customers, whereas only "Q2.13. Ensure future profits in the shareholder domain are important to customers. Lastly, CSR initiatives in the environment (Q2.14–Q.218) and society (Q2.19 Q2.21) domains are unlikely to have a positive impact on customers' bank selection.

Table A11[1] shows the results of the *F*-test statistics for the second GLM, which ranged from 237.974 to 530.458 ($p < 0.05$). The critical value of the *F*-statistic with a 5% significance level is 3.8415. All the *F*-statistics are higher than the critical value (3.8415); thus, the regression model is not rejected; each domain has a significant impact on customers' purchase intention.

Additionally, the R-square value is at least 0.546 (see Table A12[1]), indicating that at least 54.86% of the CSR initiatives in the respective domains can explain customers' bank selection. The customer domain shows the strongest association, and approximately 71.5% of the CSR initiatives in the customer domain can explain bank selection.

Finally, one-sample *t*-tests were used to examine whether the mean score for each CSR domain exceeded 5. Table A13[1] shows that the *p*-values of the *t*-tests for the six domains were 0 (p -value < 0.05), whereas the Society domain had a *p*-value of 0.214. This can be interpreted to mean that CSR initiatives in the six domains have a positive impact on customers' bank selection, whereas CSR initiatives in the society domain are unlikely to have a positive impact.

The results of the one-sample *t*-tests for Q3, Q4 and Q5 are summarized in Table A14[1]. The *p*-values of the *t*-tests for the 20 CSR initiatives in Q3 were less than 0.05. This can be interpreted to mean that customers are likely to pay more for banks that implement CSR

initiatives in the employee (except for Q3.8), shareholder, customer (except for Q3.24, Q3.25, and Q3.26), and supplier domains. Only “Q3.1 Voluntary services to the community” in the community domain and “Q3.17 Reduction in electricity usage” in the environment domain will likely affect customers paying more for banks’ services. None of the CSR activities in the society domain are likely to affect customers’ willingness to pay more for bank services. This result is consistent with the findings presented in Table A13[1].

Similarly, the *p*-values of the *t*-tests for the 23 CSR initiatives in Q4 were less than 0.05. This implies that customers are likely to recommend banks’ services to others if they implement CSR initiatives in the community, employee (except Q4.8), shareholder (except Q4.13), customer (except Q4.23), and supplier domains. Only the “Q4.18 Waste management policy” in the environment domain will likely affect customers’ references of their banks’ services to others. None of the CSR activities in the society domain will likely affect customers’ willingness to refer their banks’ services to others. This result is consistent with the findings presented in Table A13[1].

Finally, the *p*-values of the *t*-tests for the eight CSR initiatives in Q5 were less than 0.05. This can mean that customers are likely to select the current banks’ services if they implement all CSR initiatives in the customer domain. None of the CSR activities in other domains, including society, are likely to affect customers’ willingness to continue with their banks’ services—the findings on this variable present opportunities for further research.

Based on the test results, H2 to H8, but not H6, were not rejected. Overall, CSR initiatives related to the domains of employees, community, suppliers, customers, environment, and shareholders are likely to have a positive impact on the customer selection of banks, but not the society domain. The test results for H1–H8 are summarized in Table 1.

6. Discussion, contributions to literature, managerial and practical implications

6.1 Discussion

This study examines the influence of CSR initiatives on customers’ bank selection in HK. The results of this study confirm that CSR initiatives are a pivotal factor in customers’ bank choices, which aligns with the findings of Tirado *et al.* (2023). The positive relationship between CSR initiatives and bank selection suggests that customers in HK are inclined towards banks that actively engage in CSR practices.

Customers have high expectations of banks and expect them to behave ethically because banks’ actions may affect their interests (Tirado *et al.*, 2023). However, customers may have different perceptions of CSR initiatives. Banks may need a clearer understanding of customer perceptions of CSR initiatives, leading to initiatives that may not resonate as intended. This variation in the effectiveness of CSR initiatives is supported by Fatma and Rahman (2016) and Oberseder *et al.* (2013). These studies also find that CSR initiatives in different domains impact customer bank selection differently.

Hypothesis	Correlation	One-sample <i>T</i> -test	Regression model	Conclusion
H1	Not rejected	Not rejected		Not rejected
H2		Not rejected	Not rejected	Not rejected
H3		Not rejected	Not rejected	Not rejected
H4		Not rejected	Not rejected	Not rejected
H5		Not rejected	Not rejected	Not rejected
H6		Rejected	Not rejected	Rejected
H7		Not rejected	Not rejected	Not rejected
H8		Not rejected	Not rejected	Not rejected

Source(s): Table created by authors

Table 1.
Summary of the test
results for H1 to H8

This study also identifies the CSR domains that positively influence bank selection. Consistent with studies in other Asian contexts, this study found that not all CSR initiatives are equally influential. For example, Indian banks have undertaken more CSR initiatives in the environment, education, and health than in the customer and supplier domains (Narwal, 2007). In contrast, banks in Taiwan and Thailand have focused more on CSR initiatives in the customer domain (McDonald and Lai, 2011). In this study, CSR initiatives in the customer and environment domains had the highest impact on customers' bank selection. This is consistent with findings from India, Taiwan, and Thailand.

However, Polychronidou *et al.* (2014) found that CSR initiatives related to society and the environment have a greater impact on customer selection of banks than others. Pérez and del Bosque (2016) revealed that CSR initiatives related to shareholders, customers, employees, and the community have a greater impact on customer purchase intentions. Contrary to these authors' findings, this study reveals that CSR initiatives in the society domain do not influence bank selection more than those in other domains. This may be attributed to cultural and regulatory differences that shape customers' expectations, which may also indicate that the customers value direct benefits over broader societal gains.

Overall, each of the multifaceted aspects of CSR examined by the models impacts customers' purchase intentions. This suggests that HK banks would benefit from adopting a holistic CSR approach aligned with their clientele's diverse expectations.

6.2 Contribution to literature

Previous studies explored the impact of CSR initiatives and how these CSR initiatives influence customer purchase intentions. However, there is a lack of studies discussing the overall effect of CSR domains on customers' bank selection in HK. This study addresses this gap by examining customers' perceptions of CSR domains and initiatives and their impact on customer purchase behavior in HK.

Additionally, this study tests consumers' perceptions of CSR initiatives in each CSR domain of banks in HK, which has not been done previously. This suggests that banks should strategically consider the CSR initiatives that should be adopted. Hence, this study provides strategic insights into the specific CSR domains most salient to customers. The findings of this study also serve as a foundation for further research on the relationship between CSR and bank customer behavior, which can be extended to other sectors.

6.3 Managerial and practical implications

In light of these findings, it is essential for banks to implement CSR initiatives. This reiterates the concept of implementation of CSR as a "must-have" strategy in today's business landscape (Hamadi, 2021). However, this study also indicates that the effectiveness of CSR initiatives can be compromised when banks implement measures that are perceived as less relevant.

Previous studies have found that customers may be skeptical of firm's motives when implementing CSR initiatives (Chen and Latif, 2023). Kim *et al.* (2023) also explained that negative events may make stakeholders doubt the organization's ability to be responsible for stakeholders. When firms' CSR initiatives differ from their core businesses, their impact on customers may be undesirable (Pomeroy and Dolnicar, 2009). CSR initiatives congruent with a firm's core business strategy can help mitigate stakeholder distrust and enhance the effectiveness of these initiatives. This study derives similar results for the banking sector. In this study, two CSR initiatives in the society domain, "donations" and "assisting the underprivileged," might be too common. Thus, they may not attract customers' attention. Therefore, bank managers should consider the outcomes of CSR initiatives when designing CSR initiatives, especially those in the society domain.

Firm survival is contingent on customer purchases, which are integral to business sustainability. This, in turn, can affect the interests of other stakeholders. Firms should address their customers' demands by adopting relevant CSR initiatives because CSR can reflect their corporate values (Maji and Lohia, 2023). Moreover, the implementation of inappropriate CSR initiatives leads to resource wastage. Hence, banks need to review the effectiveness of their current CSR initiatives before making informed decisions regarding which CSR initiatives should be continued or discontinued.

This study provides valuable insights to help banks refine their CSR strategies. The findings of this study could assist banks in reevaluating the effectiveness of their CSR initiatives, enhancing their CSR performance, and allocating resources more efficiently.

7. Conclusion

This study examines whether CSR initiatives have a positive impact on customer bank selection in HK and identifies the CSR domains that affect customer bank selection. This study's theoretical framework was built from the CSR domains suggested by Oberseder *et al.* (2013, 2014) and the CSR initiatives implemented by leading retail banks in HK. Eight hypotheses were tested to address the research objective. This study corroborates CSR crucial role in customers' bank selection and highlights the specific effects of each CSR domain and initiative. This study reveals that CSR initiatives are likely to affect customers' bank selection in HK positively, and that CSR initiatives in all CSR domains, except the society domain, are likely to affect customers' bank selection in HK positively. The varying impacts of different CSR domains highlight the complexity of customer perceptions and the need for banks to tailor their CSR strategies to suit the values and perceptions of their customers. Overall, this study fills the gap in the literature and provides directions for banks to review, design, and implement CSR initiatives and better utilize their resources.

A limitation of this study was its cross-sectional design. The results only reflect the respondents' behavior at a specific time. However, bank customers' perceptions may change over time and banks may implement new CSR initiatives in the future. In addition, many customers are young and well-educated, and the criteria they select for banks and stay loyal to them may change. To secure updated data, similar surveys should be conducted occasionally, including customers visiting banks physically and online, collecting the latest information, reviewing customer perceptions, and any changes in the relationship between CSR initiatives and customer bank selection.

Finally, the study finds that the CSR society domain is unlikely to have a positive impact on customers' bank selection. Therefore, further investigation should be conducted in this CSR domain to determine the underlying reasons. Additionally, remaining loyal to banks could be further explored by investigating the mediating and moderating effects of other factors on encouraging customers to continue with their current bank services. Customers' awareness of CSR initiatives may moderate their bank selection. This could be another variable for future research. In addition, further investigation should be conducted into other factors (e.g. the duration that customers remain with their respective banks) besides CSR initiatives that might influence customers' bank selection. In subsequent research, the findings of this study could be further explored by employing Structural Equation Modeling to investigate the mediating and moderating effects within the CSR-customer selection nexus .

Notes

1. Please see it on the Online Appendix.
2. Each bank has different numbers of branches to provide services for customers in different districts in HK, so the background of the customers in different districts or branches might not be the same.

3. Although the data in this study are not normally distributed (the p -value of Shapiro–Wilks tests for the variables is zero <0.05), Kim and Park (2019) explained that if the sample size is large enough (>30), parametric tests can be used even when the data are not normally distributed. Creyer (1997) also used a t -test to check whether the scores were significantly higher than the scale mid-point (5 and higher). The sample size in Creyer’s (1997) study was 280, and our sample size is 416. Therefore, we adopted t -tests in this study.

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Online Appendices

Supplementary/Appendix material for this article can be found online.

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