

Impact of Corporate Social Responsibility on Customer Loyalty with Special Reference to Licensed Commercial Banks in Sri Lanka: Mediate Effect of Customer Satisfaction

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This research investigates the impact of corporate social responsibility (CSR) on customer loyalty within the banking industry, focusing on the effectiveness of CSR initiatives. The study assesses the degree of customer awareness regarding CSR initiatives and their influence on loyalty. By examining CSR projects from the customer's perspective, the research aims to redefine banks' stakeholder relationships, emphasising customer-centric CSR practices to enhance customer loyalty, reduce attrition, and boost market share and revenues. Utilising Carroll's pyramid as the conceptual framework, a quantitative research design explores the relationship between CSR dimensions (ethical responsibility, philanthropic responsibility, economic responsibility, and legal responsibility), customer satisfaction, and customer loyalty. Through descriptive and inferential statistical analyses, the study hypothesises these dimensions' positive and significant effects on customer loyalty. Adopting a convenience sampling method, the research collects 395 responses, revealing a weak impact of philanthropic responsibility variables on customer loyalty. However, a robust positive relationship is identified between all CSR dimensions and customer loyalty. This research contributes to understanding how CSR initiatives in the banking sector influence customer loyalty, providing valuable insights for strategic improvements in customer-focused CSR practices.

Keywords: *Customer Loyalty, Economic Responsibility, Ethical Responsibility, Legal Responsibility, Philanthropic Responsibility*