

*Full Length Research Paper*

# Impact of corporate social responsibility on customer satisfaction in banking service

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The past three decades have witnessed the emergence of Corporate Social Responsibility (CSR) as a field of study and a framework for the role of business corporations and financial institutions in society. After the Tsunami in 2004 people were need financial assistance to recover from the loss of tsunami and revamping their life. Only source they perceive is availing loans from banking sector and other guidance. The topic of Impact of Corporate social responsibility on Customer Satisfaction in banking service is of relevance especially for those suffered from Tsunami. This study aims to explore the perception of the customer on CSR in banking service. The data were analyzed by modeling it using Structural Equation Modelling (SEM) using AMOS 18 and found that customer satisfaction is the mediating factor for banking service quality and the CSR is the most influential factor for the customer satisfaction.

**Key words:** Corporate social responsibility, customer satisfaction, Tsunami, India.

## INTRODUCTION

The banking system in India is considered to be significantly different from that of other Asian nations because of the country's unique geographic, social, and economic characteristics. Liberalization and deregulation of the financial sector, coupled with rapid technological advancement and improved communication systems, have contributed to the integration process. As a result, banks are now faced with very high and intense competition. With hot winds of competition blowing across Indian banking industry, developing a symbolic relationship with customers has become more important. The perceptions of the customer have undergone a sea change and customers are more demanding. Since customer is the heart of any service industry, delivering superior service to the customer is increasingly important today.

## CSR in banking

The merits of corporate social responsibility (CSR) for

companies, including increased profits, enhancing customer loyalty, trust, enhancing the brand attitude and skirmishing negative publicity, are well- documented (Brown and Dacin, 1997; Drumwright, 1996; Maignan and Ferrell, 2001; Murray and Vogel, 1997; Sen and Bhattacharya, 2001; Sen et al., 2006). In light of these known optimistic effects, CSR strategies have been embraced by the international banking community. Yeomans (2005) studied the recently signed Equator Principles agreement which supports socially-responsible development of 30 major international private bank's investment in socially responsible activities. Scott (2006) studied the varied bank's investment in socially responsible initiatives. The extensive adoption of CSR by the global banking community suggests we may be reaching a situation where parity has once again returned to the banking sector. That is, the banking population may be perceived by the general public to be socially responsible in all sense. In an arena where banks are increasing the amount of funds allotted towards CSR activities, many banks across the world are experiencing increasing levels of retail customer discontent (Australian Consumer Association, 2005; IBM, 2006; Thornhill, 2007). For example, in their 2006 CSR report, Japan's biggest bank, MUFG, reported extremely low customer satisfaction with

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with the bank's interest rates and service charges despite massive investment in diverse CSR activities (Mitsubishi UFJCSR Report, 2006). An analogous situation exists in Australia also for banking's CSR leaders, Westpac and ANZ in spite of both banks were highly ranked according to RepuTex CSR rankings in 2006 (Bullock, 2007).

Research suggests that discontent is the major reason why customers switch to different banks (Manrai and Manrai, 2007, p. 209). Amongst other factors, bank discontent typically stems from steep increase in the fees (Colgate and Hedge, 2001; Manrai and Manrai, 2007; Competition Commission, 2006; Santonen, 2007), and customers usually switch to a different banks to achieve more favorable prices (Farquhar and Panther, 2007). Managing the ill effects of Customer churn, or turnover, is a top priority of executives in service industries especially in banking (Sweeney and Swait, 2007). A net customer loss can have a harmful effect on bank market share and profit (Manrai and Manrai, 2007, p. 208). Yet directing resources towards CSR in contexts where discontent is high may not represent the best allocation of company funds. This is, in particular very important given that satisfaction is positively related to share of profit (Cooil et al., 2007) and firm's market value. Notwithstanding the fact that banks in many countries are experiencing a rise in customer discontent concurrently with enhanced spending on CSR activities, there has been a very little investigation of the impact of CSR measures on retail bank customer satisfaction. However, Luo and Bhattacharya (2006) studied the Fortune 500 companies and concluded a direct positive relationship between CSR and customer satisfaction. Hence it is understood that customer satisfaction also mediated the impact of CSR on firm's market value, there is a need to better understand the relationship between satisfaction and CSR. In view of the ever-increasing CSR activity and allocation of funds by banks, the answer to the major question of how banks may achieve a competitive customer edge in this socially responsible scenario may lie with opting for a more customer-centric approach. That is, managers must be able to evaluate, even prior to their implementation, the most likely impact on customer satisfaction of CSR initiatives Vis-a-vis other marketing initiatives, such as improved customer service, or reduced fees and interest rates.

### **Objective of the study**

The objectives of the study are three fold as listed below:

1. To analyze the overall banking service quality as perceived by the consumers.
2. To identify the mediating factor for Banking Service Quality.
3. To find out the relationship between the Corporate Social Responsibility and Customer Satisfaction and their influence on the Service Quality.

### **Literature review**

#### ***CSR activities lead to customer satisfaction***

While researchers have considered the impact of CSR by innumerable number of factors, including word of mouth, customer loyalty, their attitudes, their intentions, customer's emotional attachment, shopping in-store, and brand identification, very few studies have considered the relationship between customer satisfaction and CSR. Luo and Bhattacharya (2006) investigated Fortune 500 companies, concluded a direct link between CSR and customer satisfaction. Their study concludes that customer satisfaction is mediated by the relationship between CSR and firm market value. That is, the incorporation of the customer satisfaction construct diminished to non-significance as the effect of CSR on market value. However, the researchers also identified situations where CSR did not always lead to customer satisfaction. The review of the above listed studies indicated that the role of CSR in determining customer satisfaction has received diminutive research attention despite the acknowledged importance of customer satisfaction in the marketing literature (Anderson et al., 2004; Fornell et al., 2006; Gruca et al., 2005). Of the existing experiential research into consumers' expectations and their responses to CSR activities, much has been on consumer goods, with very little research on service industries such as banking. Till date, the efficacy of banks' CSR strategies in enhancing retail banking customer satisfaction is only understood that too not in a vivid manner. Indeed, a study by Pomeroy and Dolnicar (2006) indicated that customers may prefer more self-serving initiatives rather than waiting to avail the services to be rendered. Thus, in some instances, companies choosing to pursue CSR programs with the expectation of a simultaneous improvement in customer satisfaction may misguide to spend precious resources towards causes that do not benefit the majority of their own customers' satisfaction. Instead, it is suggested that customer-centric initiatives may be a better option to achieve improved customer satisfaction levels than CSR initiatives.

Although academicians and business stalwarts have engaged in much discussion concerning the social responsibilities of business, there has been only a meager research conducted on customers' expectations concerning the contribution of CSR to the standing of their service suppliers (Mohr et al., 2001). Answers to questions such as the influences of CSR initiatives on customer attitudes remain largely unreliable and only partially empirically answered by the studies. But discussion concerning the relationship of CSR initiatives and their outcomes has, however, increased in recent years (Argenti et al., 2005).

Murray and Vogel (1997) concluded that CSR is considered to be a pro-social corporate and Turban and Greening (1997) concluded that CSR is considered to be

corporate social performance. It also has received increasing attention by many number of scholars research work (Berens et al., 2007; Chapple and Moon, 2005; Lichtenstein et al., 2004; McWilliams and Siegel, 2001; Pirch et al., 2007; Garcia de los Salmones et al., 2005; Sen and Bhattacharya, 2001). More evidence can be enacted from the corporate world. For example, almost all the companies' web sites include CSR reports (Ginsberg and Bloom, 2004). One reason converging from the different researches is the increasing acceptance of the positive impact of CSR on consumer behavior (Sen and Bhattacharya, 2001). Traditional definition of CSR in business is conceptualized as "The managerial obligation to take action to protect and improve both the welfare of society as a whole and the interest of organization" (Davis and Blomstrom, 1975). Brown and Dacin (1997) define CSR in a larger and societal view as "the company's status and activities with respect to its perceived societal obligation".

A review of the literature carried by Maignan and Ferrell (2004) identified a number of studies on CSR programs' and their positive effects on customers. Handelman and Arnold (1999) noted that consumers will engage in positive word of mouth communication about those firms that were committed or engaged to actions that were allied with institutional norms. Research by Maignan and Ferrell (2001) identified by using a managerial survey that there exists a direct positive relationship between CSR and customer loyalty. Studies by Barone et al. (2000), Creyer and Ross (1997, and Berger and Kanetkar (1995), concluded that customers are readily willing to actively support companies committed to cause-related marketing, environmentally-friendly practices, or business ethics (Maignan and Ferrell, 2004). Few researchers also concluded about the positive impacts of CSR initiatives in the banking sector. For example, Lemke (1987) reports that a Massachusetts bank found to be highly successful in promoting new accounts (138 accounts worth \$11 million) by assisting a campaign to revive the dying out animal species with donations made to the World Wildlife Fund. Collective impact of consumers on CSR programs are reported in few other studies.

### ***Proposed conceptual model for banking service quality***

The proposed conceptual model of banking service quality (BANKQUAL) (Figure 1) constructed on the basis of formative research model of service quality. The dimensions framed are in line with the formative models by Senthilkumar & Arulraj (2009) SQM-HEI Model, Prabakaran and Arulraj (2010) TNTOURQUAL Model.

### **METHODOLOGY**

The research employed a cross-sectional methodological approach.

Methodology described as cross-sectional "is one used to collect data on all relevant variables at one time" (O'Sullivan and Rassel, 1999). This approach is particularly useful for studies designed to collect information on attitudes and behaviors of large geographically diverse populations (O'Sullivan & Rassel, 1999). The survey design is regarded as the most appropriate research design to measure the perceptions of the respondents in this study.

The current study is a relational study that seeks to explore the relationship between the different dimensions Tangibles (TAN), Deposit Schemes (DS), Location and Convenience (LC), Credit Facility and Interest Rate (CF), Technology (TH), People (PEO), Corporate Social Responsibility (CSR), Customer Satisfaction (CS) and Service Quality (QUL).

### **Data source**

The study utilized the primary data collected from the district of Nagapattinam in Tamilnadu. The reason behind the area chosen is a well known fact that during the Tsunami in the year 2004 the worst hit district in India is the district of Nagapattinam in Tamilnadu where more than 8000 people lost their life. The Tsunami overnight left many young women as widows and children as orphans. Another 200,000 people were affected in the district. Using a structured questionnaire the data are collected.

### **Pilot study**

Prior to beginning actual data collection with the procedure described above, the researcher utilized similar procedures to conduct a pilot study to ensure that the survey materials and procedure were clear and did not provoke any confusion or problems for participants. The draft questionnaire was eventually subjected to pilot testing with a total of 100 customers of banking service comprising of public sector, private and cooperative banks and they were asked to comment on any perceived ambiguities, omissions or errors concerning the draft questionnaire. The feedback received was rather ambiguous thus only minor changes were made. For instance, technical jargon was rephrased to ensure clarity and simplicity. The revised questionnaire was subsequently submitted to three experts (an academican, a nominee of the board of governors of a bank and a banking professional) for feedback before being administered for a full-scale survey. These experts indicated that the draft questionnaire was rather lengthy, which in fact coincided with the preliminary feedback from customers. Nevertheless, in terms of number of items in the questionnaire, the current study conforms broadly with similar research work (Senthilkumar and Arulraj, 2009; Cronin and Taylor, 1992; Teas, 1993a; Lassar et al., 2000; Mehta et al., 2000; Robledo, 2001) that attempted to compare various instruments for measuring service quality.

### **Construct measures and data collection**

Data were collected by means of a structured questionnaire comprising nine dimensions namely (1) Tangibles (TAN), (2) Deposit Schemes (DS), (3) Location and Convenience (LC), (4) Credit Facility and Interest Rate (CF), (5) Technology (TH), (6) People (PEO), (7) Corporate Social Responsibility (CSR), (8) Customer Satisfaction (CS) and (9) Service Quality (QUL). Tangibles (TAN) consists of six questions, Deposit Schemes (DS) consists of five questions, Location and Convenience (LC) consists of four questions, Credit Facility and Interest Rate (CF) consists of five questions, Technology (TH) consists of four questions, People (PEO) consists of five questions, Corporate Social Responsibility (CSR) consists of four questions, Customer Satisfaction (CS)

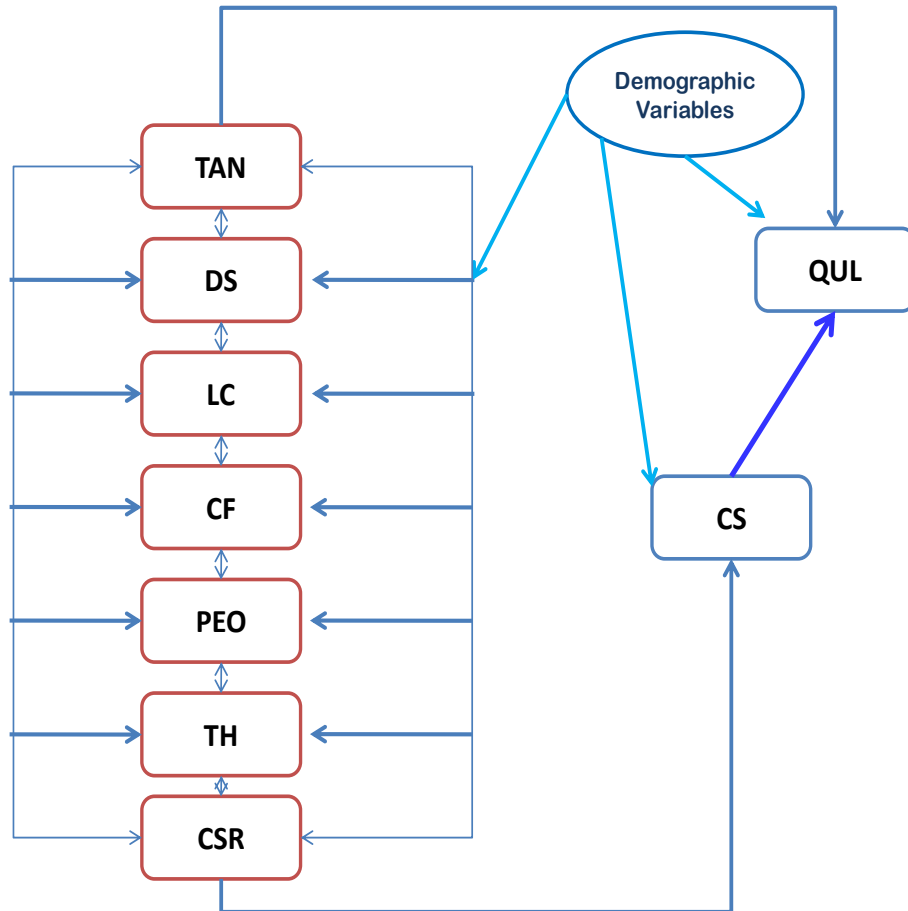


Figure 1. Conceptual model – BANKQUAL.

consists of six questions and Service Quality (QUL) consists of three questions. All the dimensions were presented as statements on the questionnaire, with the same rating scale used throughout and measured on a seven-point, Likert-type scale that varied from 1 highly dissatisfied to 7 highly satisfied.

#### Sample design

The sampling unit chosen for the study is Nagapattinam district, Tamilnadu. The sampling method adopted for the study is disproportionate sampling method. 1325 questionnaires are used for the data collection. Upon codification and editing of questionnaire some were not usable due to insufficient and / or incomplete data, finally 1200 samples are found to be complete. Hence the sample size for this study is 1200. The sample coverage is as follows, out of 1200 customers of bank, 500 are the customers of Public Sector bank, 400 are the customers of Private sector bank and 300 are from the Cooperative banks.

#### Data analysis

Structural equation modeling using AMOS 18 was used for knowing the dimension influencing the service quality and to identify the mediating factor that satisfies the customer.

## RESULTS

### Regression model of the overall BANKQUAL mediated structural model

In hierarchical regression, the predictor variables are entered in sets of variables according to a pre-determined order that may infer some causal or potentially mediating relationships between the predictors and the dependent variable (Francis, 2003). Such situations are frequently of interest in the social sciences. The logic involved in hypothesizing mediating relationships is that “the independent variable influences the mediator which, in turn, influences the outcome” (Holmbeck, 1997). However, an important pre-condition for examining mediated relationships is that the independent variable is significantly associated with the dependent variable prior to testing any model for mediating variables (Holmbeck, 1997). Of interest is the extent to which the introduction of the hypothesized mediating variable reduces the magnitude of any direct influence of the independent variable on the dependent variable.

Hence the researcher empirically tested the hierarchical

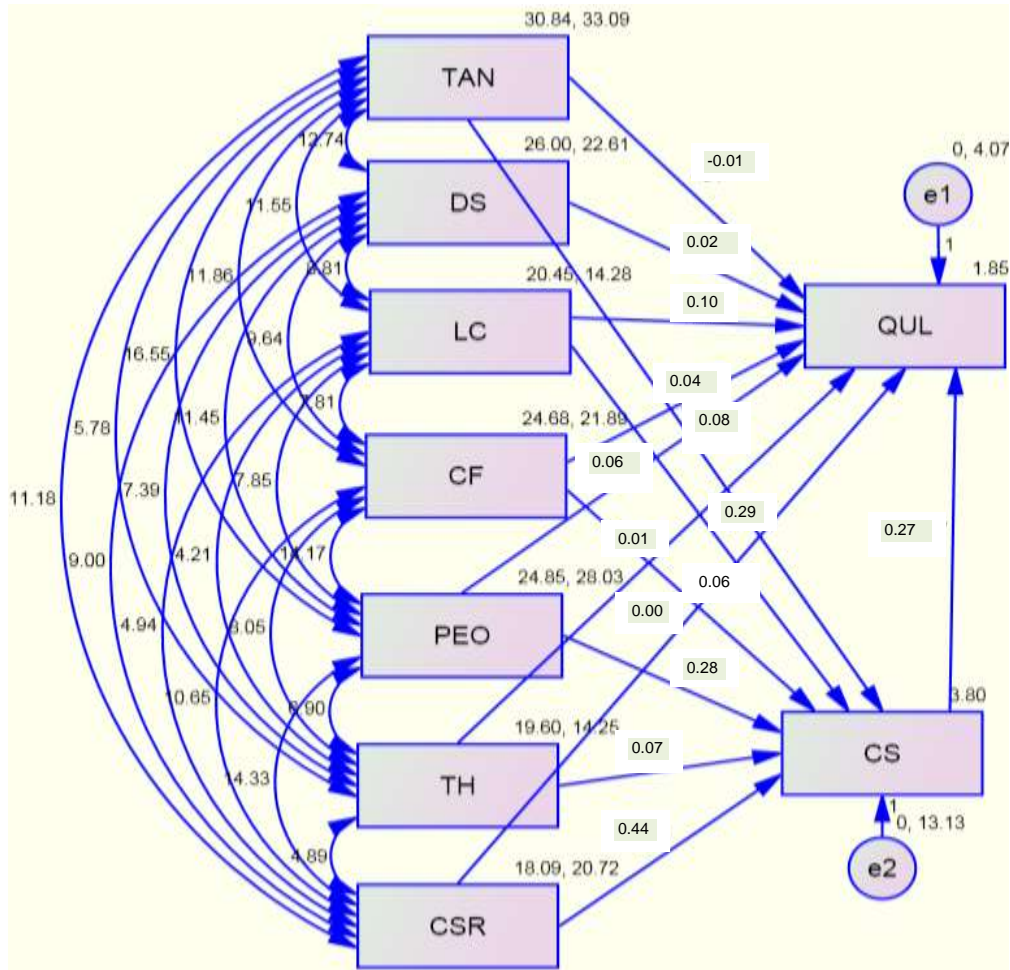


Figure 2. Shows the AMOS output with regression weights of BANKQUAL mediated model.

regression for the model conceptualized in the Figure 1 within the AMOS graphics environment. The following figure (Figure 2) shows the AMOS output with regression weights of BANK QUAL mediated model.

The analyses conducted, the parameter estimates are then viewed within AMOS graphics and it displays the standardized parameter estimates. The regression analysis revealed that the customer's perception on the various dimensions of service quality, CS influenced 0.27 to the QUL, followed by CSR which explains 0.44 to the Customer satisfaction. The  $R^2$  value of 0.26 is displayed above the box Service Quality in the AMOS graphics output. The visual representation of results suggests that the relationships between the dimensions of Banking service quality. Corporate Social Responsibility (CSR  $\Rightarrow$  CS =.44) resulted significant impact on the mediated factor 'Customer Satisfaction'. The TAN, CF & TH resulted very limited influence on the Customer satisfaction. It shows that the customer's perception towards the Banking Service Tangibles, Credit facility, Technical, People dimensions towards the outcome of Service quality is

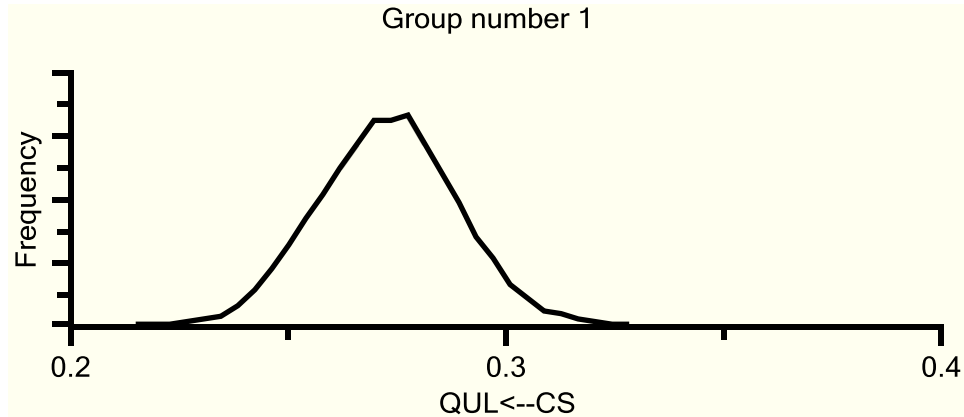
insignificant.

**Bayesian estimation and testing for regression model of BANKQUAL mediated structural equation model**

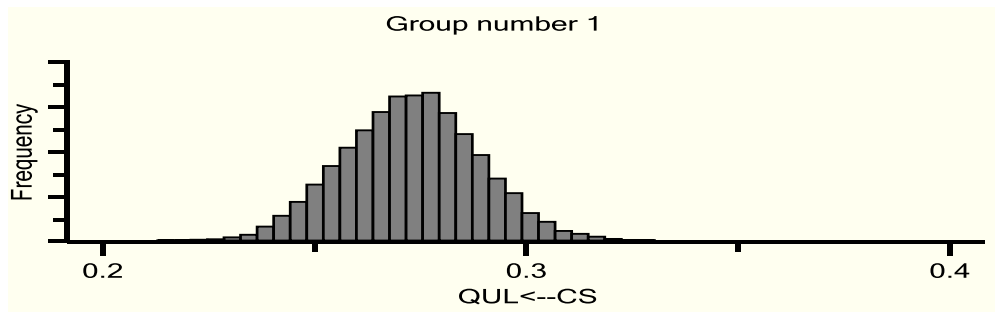
The research model is a SEM, which many management scientist are most familiar with the estimation of these models using software that analyses covariance matrix of the observed data (LISREL, AMOS, EQS), the researcher adopted a Bayesian approach for estimation and inference in AMOS 18.0 environment (Arbuckle and Wothke, 2009). Since, it offers numerous methodological and substantive advantages over alternative approaches.

**Posterior diagnostic plots of 'BANKQUAL' mediated regression model**

To check the convergence of the Bayesian MCMC method the posterior diagnostic plots are analyzed.



**Figure 3.** Posterior frequency polygon distribution of the mediating factor Customer satisfaction and Service Quality regression weight.



**Figure 4.** Posterior frequency polygon distribution of the mediating factor Customer satisfaction and Service Quality regression weight.

Figures 3 and 4 show the posterior frequency polygon of the distribution of the parameters across the 60,000 samples. The Bayesian MCMC diagnostic plots reveal that for all the figures the normality is achieved, so the structural equation model fit is accurately estimated.

The trace plot also called as time-series plot shows the sampled values of a parameter over time. This plot helps to judge how quickly the MCMC procedure converges in distribution. Figure 5 shows the trace plot of the mediated BANKQUAL model for the mediated factor Customer satisfaction to Service Quality dimension across 60,000 samples. If we mentally break up this plot into a few horizontal sections, the trace within any section would not look much different from the trace in any other section. This indicates that the convergence in distribution takes place rapidly. Hence the mediated BANKQUAL MCMC procedure very quickly forgets its starting values.

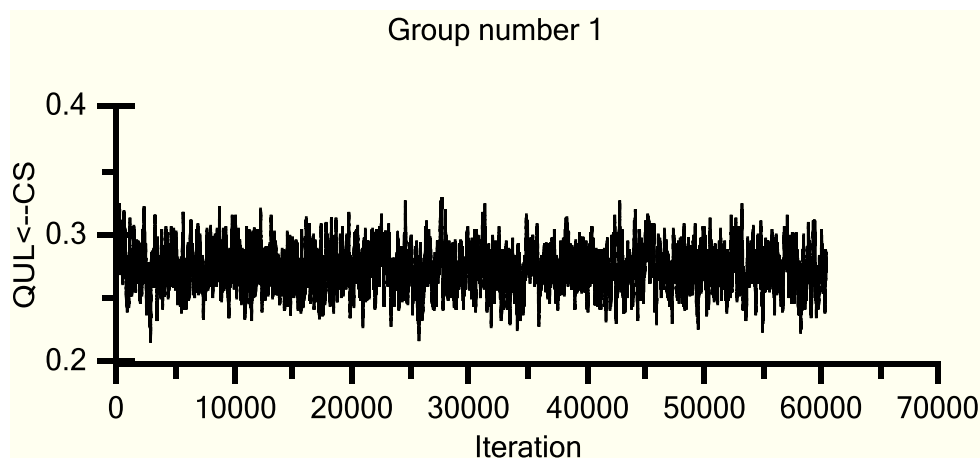
To determine how long it takes for the correlations among the samples to die down, autocorrelation plot which is the estimated correlation between the sampled value at any iteration and the sampled value  $k$  iterations later for  $k = 1, 2, 3, \dots$  is analyzed for the BANKQUAL regression model. Figure 6 shows the correlation plot of the BANKQUAL model for the mediated factor Customer

satisfaction to Service Quality dimension across 60,000 samples. The figure exhibits that at lag 100 and beyond, the correlation is effectively 0. This indicates that by 90 iterations, the MCMC procedure has essentially forgotten its starting position. Forgetting the starting position is equivalent to convergence in distribution. Hence it is ensured that convergence in distribution was attained and that the analyzed samples are indeed samples from the true posterior distribution.

Even though marginal posterior distributions are very important, they do not reveal relationships that may exist among the two parameters. The summary given in Table 1 and the frequency polygons given in Figures 2 and 3 describe only the marginal posterior distributions of the parameters. Hence to visualize the relationships among pairs of parameters in three-dimension (Figures 7 and 8) provides bivariate marginal posterior plots of the BANKQUAL model for the mediated factor Customer satisfaction with other dimensions across 60,000 samples. Figures 7 and 8 revealed that the three-dimensional surface plots also signify the interrelationship between the mediating variable Customer satisfaction with the other dimensions QUL, CSR.

Figure 9 displays the two-dimensional plot of the





**Figure 5.** Posterior trace plot of the BANK QUAL regression model for the mediated factor Customer satisfaction and Service Quality.

bivariate posterior density across 60,000 samples. Ranging from dark to light, the three shades of gray represent 50, 90 and 95% credible regions, respectively. From Figure 9, it is revealed that the sample respondent's responses are normally distributed.

The various diagnostic plots featured in Figures 2 to 7 of the Bayesian estimation of convergence of MCMC algorithm confirms the fact that the convergence takes place and the normality is attained. Hence absolute fit of the BANKQUAL regression model. From the BANKQUAL regression model which is empirically tested with mediating factor Customer Satisfaction with the dimensions CSR, and the service Quality (QUL) it is evident that the Banking Sector should concentrate on the Customer Satisfaction (CS) as the mandatory aspect of higher education which is not the case in developing countries.

### Managerial implication

Attracting new customers has become as crucial as retaining existing customers (Wisner and Corney, 2001; Jones et al., 2002). Therefore, understanding the customers' perception of banks' service quality dimensions is vital and important for banks. The selected dimensions are positively influenced to service quality except Tangible dimension (-0.012). The Customer satisfaction dimension is the mediating factor to Service Quality (0.273). Corporate Social Responsibility (CSR => CS = 0.44) resulted significant impact on the mediated factor 'Customer Satisfaction'. The TAN, CF & TH are resulted very limited influence on the Customer Satisfaction. It shows that the customer's perception towards the Banking Service Tangibles, Credit facility, Technical, People dimensions towards the outcome of Service quality is insignificant.

The proposed model discloses that several well-known goodness-of-fit indices were used to evaluate model fit:

the chi-square  $\chi^2$ , the comparative fit index (CFI) the normal fit index (NFI), the Tucker-Lewis Index (TLI), the root mean square error of approximation (RMSEA) and the standardized root mean square error residual (SRMR). The RMSEA fit statistics for the model was 0.056, which was considered as a best fit model.

The model shows that Tangible (TAN) is negatively correlated to service Quality. Deposit Schemes (DS) and Credit Facility and Interest rate (CF) dimensions are having very low correlation to service quality. The corporate Social Responsibility (CSR) dimension is most influential factor to the mediating factor Customer Satisfaction 0.443 and other dimensions Location and Convenience (LC), People (PEO) and Technology (TH) are positively correlated to the mediating factor Customer Satisfaction.

### Conclusion

The study reveals that Customer Satisfaction is most significant predictor of banking service quality. This suggests that management should ensure that the banking environment should concentrate on fair and prompt service to their customers. Corporate Social Responsibility (CSR) positively influences customer satisfaction toward banking service quality. Since Tsunami attacked the Nagapattinam District, more rehabilitation activities are needed to improve their standard of living. Nagapattinam District is basically rural area; farmers and fisherman mostly depend on financial assistance from banks. The public sector and cooperative banks are offering more credit facility to farmers and fisherman and the State Government announcement of waiving of agricultural loan has given more satisfaction to the customers. Banking sector in Nagapattinam District should concentrate on Social Responsibility activities with the intention to provide loan, business guidance to self

**Table 1.** Bayesian convergence distribution for 'BANKQUAL' regression model.

<b>Regression weights</b>	<b>Mean</b>	<b>S.E.</b>	<b>S.D.</b>	<b>C.S.</b>	<b>Skewness</b>	<b>Kurtosis</b>	<b>Min</b>	<b>Max</b>	<b>Name</b>
QUL<->TAN	-0.012	0.001	0.014	1.001	-0.076	0.033	-0.071	0.04	W1
QUL<->DS	0.018	0.001	0.016	1.001	0.005	0.097	-0.045	0.086	W2
QUL<->LC	0.102	0.001	0.02	1.001	0.038	-0.111	0.03	0.17	W3
QUL<->CF	0.042	0.001	0.017	1.001	0.124	-0.085	-0.014	0.111	W4
QUL<->PEO	0.063	0.001	0.016	1.001	0.095	0.002	0.006	0.135	W5
QUL<->TH	0.011	0.001	0.019	1.001	0.002	-0.102	-0.061	0.075	W6
CS<->CSR	0.443	0.001	0.03	1.001	0.032	0.02	0.323	0.573	W7
QUL<->CS	0.273	0.001	0.016	1.001	0.025	0.021	0.203	0.33	W8
CS<->TAN	0.084	0.001	0.024	1.001	-0.022	-0.067	-0.019	0.166	W9
CS<->LC	0.283	0.001	0.035	1	-0.001	-0.069	0.163	0.408	W10
CS<->CF	0.056	0.001	0.031	1	0.107	0.045	-0.052	0.175	W11
CS<->PEO	0.279	0.001	0.027	1.001	0.073	-0.061	0.181	0.378	W12
CS<->TH	0.065	0.001	0.033	1.001	0.014	0.208	-0.052	0.213	W13
QUL<->CSR	0	0.001	0.019	1.001	0.052	-0.198	-0.059	0.057	W14
<b>Means</b>	<b>Mean</b>	<b>S.E.</b>	<b>S.D.</b>	<b>C.S.</b>	<b>Skewness</b>	<b>Kurtosis</b>	<b>Min</b>	<b>Max</b>	<b>Name</b>
TAN	30.844	0.008	0.17	1.001	0.001	-0.073	30.228	31.474	M1
DS	25.999	0.006	0.14	1.001	0.121	-0.03	25.506	26.522	M2
LC	20.454	0.004	0.106	1.001	-0.122	0.086	20.019	20.831	M3
CF	24.679	0.005	0.136	1.001	-0.062	0.16	24.182	25.253	M4
PEO	24.846	0.007	0.155	1.001	0.063	0.071	24.285	25.469	M5
TH	19.598	0.005	0.109	1.001	0.041	-0.221	19.172	19.962	M6
CSR	18.099	0.005	0.133	1.001	-0.064	0.019	17.587	18.604	M7
<b>Intercepts</b>	<b>Mean</b>	<b>S.E.</b>	<b>S.D.</b>	<b>C.S.</b>	<b>Skewness</b>	<b>Kurtosis</b>	<b>Min</b>	<b>Max</b>	<b>Name</b>
CS	3.872	0.031	0.755	1.001	-0.052	0.159	0.481	6.451	I1
QUL	1.846	0.017	0.427	1.001	0.041	-0.095	0.314	3.527	I2
<b>Co-variances</b>	<b>Mean</b>	<b>S.E.</b>	<b>S.D.</b>	<b>C.S.</b>	<b>Skewness</b>	<b>Kurtosis</b>	<b>Min</b>	<b>Max</b>	<b>Name</b>
TAN<->CSR	11.361	0.035	0.844	1.001	0.153	0.181	8.366	14.67	C1
DS<->CSR	9.132	0.029	0.705	1.001	0.108	0.429	6.398	12.51	C2
LC<->CSR	5.01	0.021	0.521	1.001	0.109	0.15	2.939	7.169	C3
CF<->CSR	10.811	0.029	0.688	1.001	0.119	0.034	8.47	13.82	C4
PEO<->CSR	14.569	0.031	0.813	1.001	0.195	0.271	11.825	18.517	C5
TH<->CSR	5.001	0.021	0.54	1.001	0.097	-0.146	3.109	6.841	C6
TAN<->TH	5.835	0.029	0.651	1.001	0.078	0.075	3.395	8.533	C7
DS<->TH	7.524	0.032	0.594	1.001	0.104	-0.124	5.307	9.614	C8
LC<->TH	4.281	0.025	0.456	1.001	0.12	0.095	2.615	6.118	C9
CF<->TH	8.168	0.023	0.595	1.001	0.174	-0.05	5.89	10.455	C10
PEO<->TH	7.009	0.023	0.624	1.001	0.096	-0.145	4.859	9.307	C11
TAN<->PEO	16.789	0.046	1.018	1.001	0.063	-0.176	13.288	20.352	C12
DS<->PEO	11.635	0.032	0.806	1.001	0.127	0.032	8.786	14.832	C13
LC<->PEO	7.938	0.024	0.621	1.001	-0.022	-0.135	5.451	10.107	C14
CF<->PEO	14.384	0.032	0.862	1.001	0.148	-0.101	11.32	17.457	C15
TAN<->CF	12.036	0.035	0.887	1.001	0.065	-0.212	8.855	15.093	C16
DS<->CF	9.785	0.027	0.716	1.001	0.122	-0.022	7.259	12.732	C17
LC<->CF	7.901	0.023	0.57	1.001	0.087	-0.107	5.828	10.14	C18
TAN<->LC	11.704	0.033	0.727	1.001	0.135	0.187	8.457	14.763	C19
DS<->LC	8.918	0.031	0.59	1.001	0.182	-0.135	7.16	11.34	C20
DS<->TAN	12.915	0.033	0.849	1.001	0.132	-0.151	9.927	16.161	C21



Table 1. Cont'd

Variiances	Mean	S.E.	S.D.	C.S.	Skewness	Kurtosis	Min	Max	Name
TAN	33.553	0.062	1.432	1.001	0.185	-0.002	28.836	39.085	V1
DS	22.925	0.042	0.937	1.001	0.05	-0.128	19.531	26.664	V2
LC	14.46	0.026	0.579	1.001	0.179	0.197	12.135	17.026	V3
CF	22.177	0.031	0.917	1.001	0.205	-0.185	19.417	26.303	V4
PEO	28.454	0.043	1.162	1.001	0.109	-0.079	24.414	32.972	V5
TH	14.484	0.031	0.617	1.001	0.131	-0.088	12.299	16.951	V6
CSR	21.083	0.047	0.868	1.001	0.276	0.239	18.108	24.924	V7
e1	4.103	0.006	0.16	1.001	0.136	0.185	3.508	4.785	V8
e2	13.273	0.023	0.534	1.001	0.113	-0.001	11.491	15.569	V9

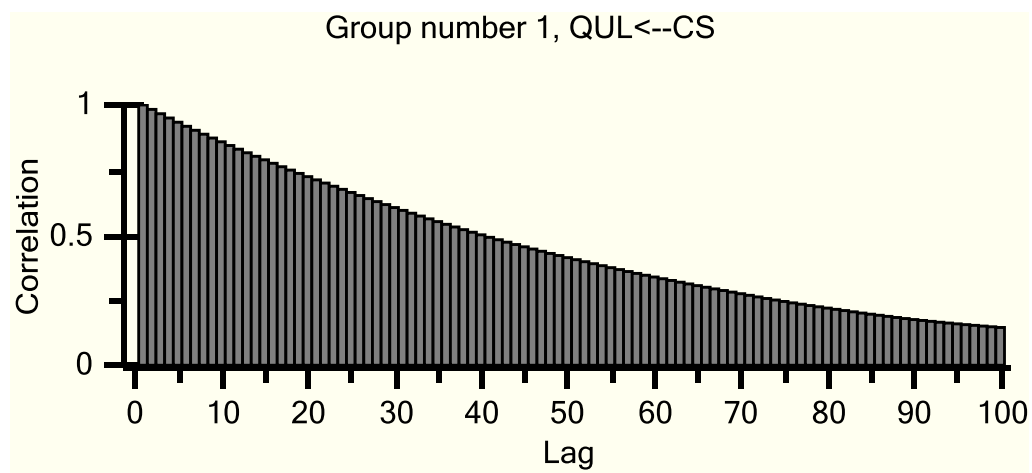


Figure 6. Posterior correlation plot of the BANKQUAL regression model for the mediated factor Customer Satisfaction and Service Quality.

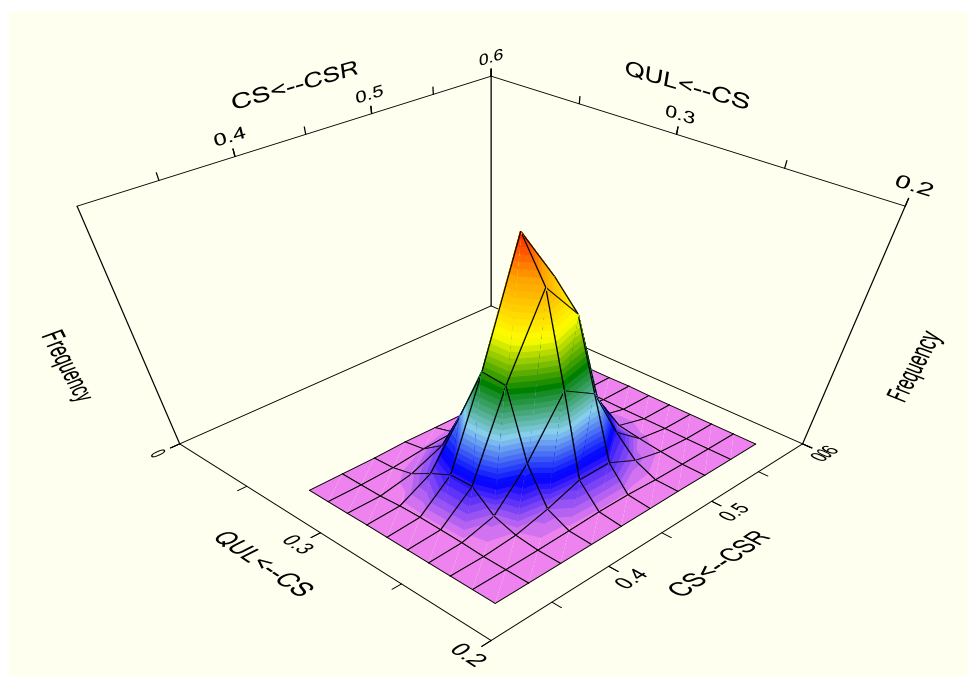
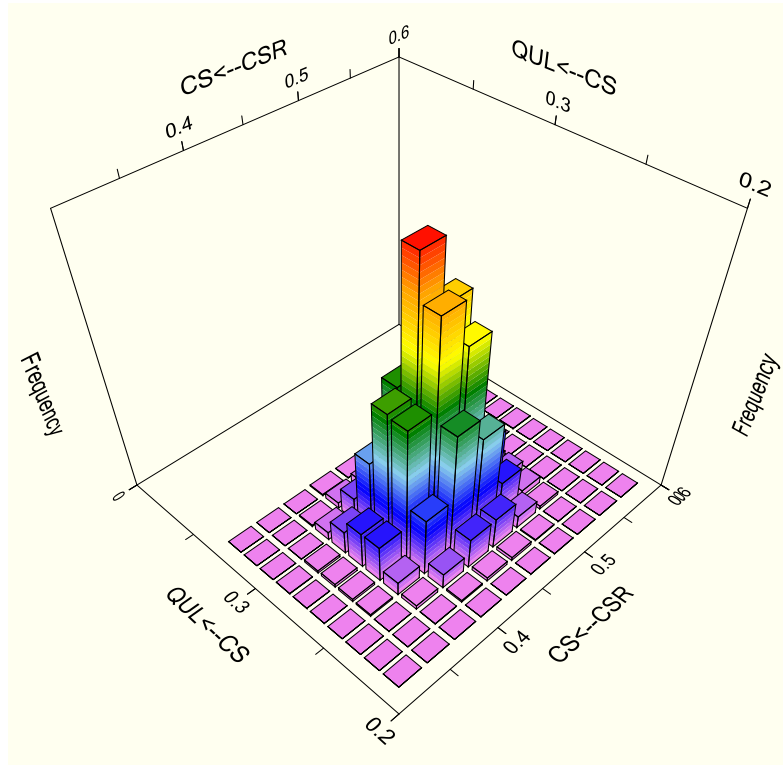
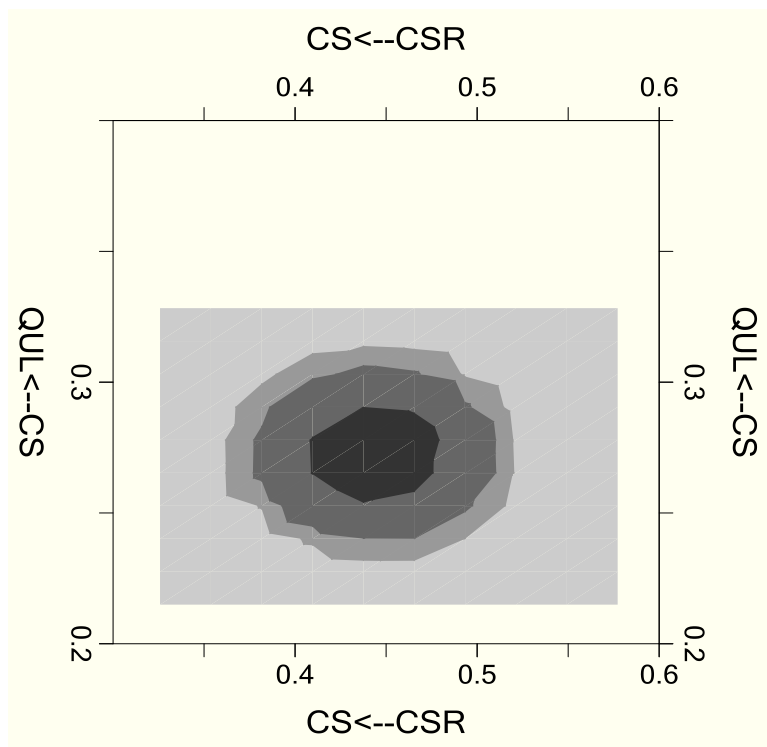


Figure 7. Two-dimensional surface plot of the marginal posterior distribution of the mediating factor Customer Satisfaction with the CSR.



**Figure 8.** Two-dimensional surface plot of the marginal posterior distribution of the mediating factor Customer Satisfaction with the CSR.



**Figure 9.** Two-dimensional plot of the bivariate posterior density for the regression weights Customer satisfaction to Service Quality and Corporate Social Responsibility.

Help Groups, Women, organizing customer meets and grievances meeting with emphasis on Tsunami rehabilitation work.

According to Ombudsman Scheme of Customer Service, Banking being a service industry it is all the more important that there is a well defined functional mechanism to ensure fairness to the customer so that the banking sector can satisfy their customer and make them loyal to banking sector. Since the Tsunami rehabilitation work has made CSR is the most influential factor to the Mediating factor Customer Satisfaction.

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