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## **Consumer perception towards corporate social responsibility practices: a study of the Malaysian banking sector**

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**Abstract:** Organisations can gain enormous benefits when they are perceived as being socially responsible to their stakeholders. One of the important stakeholder groups that appear to be particularly susceptible to the banks' Corporate Social Responsibility (CSR) initiatives is their consumers. Thus, this research aims to investigate how banks' customers perceived CSR practices in the banking industry in Malaysia. Administering through a Google-form survey instrument, supplemented with a created link via Facebook and WhatsApp, a total of 240 responses were collected, resulting in a response rate of 80%. Data collected were analysed using statistical tools such as descriptive statistics, correlations and multiple regressions mainly on the predictive power of the constructs in this study. The notable results indicated 'consumer awareness' tended to be positively correlated to CSR practice and it was also one of the most important constructs contributing to the prediction of CSR with the exception of 'knowledge of consumers' and 'purchasing decision'. This suggests that bank managers need to take seriously 'consumer awareness' into the next level of analysis, in which social media has an essential role to play in disseminating important information relating to CSR practices and implementation, including the use of mobile learning as an educative tool.

**Keywords:** CSR practices; consumer awareness; purchase decision; consumer knowledge; social media; Malaysian banking industry.

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## **1 Introduction**

The purpose of the study is to investigate the relationship between consumer perceptions toward CSR practices in the Malaysian Banking sector. Banks have many roles to play; supporting economic growth, the transition of economies (Petkovski and Kjosevski, 2014), affecting very large numbers of people; owners and employees, and those that use the services offered by the financial institution. According to Sági (2012), using the services offered is considered as a system that cannot be easily dissolved as it is a long-term commitment. Financial institutions and external stakeholders have 'co-existed' for decades through their short term loans and long-term investments.

Relaño (2011) claimed that a new type of bank has emerged. Since the mid-1980s, banks have come up with plans to quantify profitability by considering both financials and social responsibilities. Thus, corporate social responsibility (CSR) has become part of banks' activities. CSR has now taken an important place in researchers' arguments and debates and it is a main subject for practitioners in the industries (Rahim et al., 2011). The main point of corporate social responsibility is that companies should focus to do works that contribute to the development of public society (Safi and Ramay, 2013). Therefore, companies strategise to include social and environmental added value to their business operations and actions (Relaño, 2011).

Moreover, research conducted by Silver and Berggren (2010) stated that the management of corporate social responsibility is crucial in order to avoid brand problems and recover status in a recession context of business. They consider policies that are not only beneficial for the society but also want to elevate those marginal economic classes. Overall, the banking industry reckons that its microcredit schemes, microfinance, ethical workplaces practices, investment in the construction of social development are getting better. For example, banks in Taiwan have implemented CSR strategies to be used efficiently for environment enhancement as well as to gain the greatest consumer outcomes (McDonald and Lai, 2011).

There are three main approaches to CSR; the 'Milton Friedman approach' the 'stakeholder approach' and the 'resource based approach'. The first approach views social responsibility to imply that business has a single purpose, i.e. to satisfy its investors and shareholders and that any other considerations are outside its scope. The stakeholder approach views that in order for corporations to succeed, they must manage their relationships with key groups of people, and these people are influenced by, and have influence on, their organisations, such as shareholders, customers, employees and communities, etc. (Freeman and Evan, 1990; Sharma and Vredenburg, 1998). Other

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scholars, taking a resource-based view/theory (RBV/RBT) perspective on strategic management, believed that CSR has the potential to become a source of competitive advantage if it is valuable, rare, inimitable, and non-substitutable (VRIN) (McWilliams and Siegel, 2011).

This research takes a 'stakeholder approach', particularly the view of customers as stakeholders of Malaysian banks as banks are a) recent newcomers to CSR and b) the authors teach in Higher Education Institutions in Malaysia. It is intended to assess consumer perceptions of banks CSR practices and if this affects the consumer decision to purchase their services. Suggestions on implications for theory and bank practice, including the role of mobile learning as an 'education' medium, are principal outcomes of the research.

## **2 Theoretical underpinnings**

### *2.1 Overview of CSR*

The term social responsibility has been used widely in the world of business during the 1970s, however some confusion remains on the exact meaning of the term. Salleh et al. (2012) define CSR as "the state of consciousness which the company making promises to do the right thing at the right time, in the right place and with the right means to get the correct results within a framework of sustainable development and with respect to balance the society, environment and profitability". On the other hand, the economist Milton Friedman explained that the view of social responsibility was articulated to imply that business has a single purpose, i.e. to satisfy its investors and shareholders and that any other considerations are outside its scope. Vicianova (2011) also posited that, CSR can help to improve community welfare by working as a flexible business practice and corporate contribution. Thus it can be found, in the social context, that corporations are required to consider the welfare of the community in decisions making (Rahim et al., 2011).

### *2.2 Consumer awareness and CSR*

Consumers, nowadays, are more alert to the responsibility of the corporations through better education and through the influence of media. This clearly demonstrates that social media, in particular, aided by mobile technology learning has intensified the consumer awareness (Eschenbrenner and Nah, 2007). Therefore, it can no longer be acceptable for business organisations to neglect CSR. There is no longer a role for businesses in society to be focused only on making profit but they have also to be focused on responsibly acting towards stakeholders (Harrison and Freeman, 1999).

Businesses that do not involve themselves with CSR activities will often be left behind due to the increasing competition of global and borderless markets and strong international corporations with sound CSR activities (Altman, 2007). Consumers are more aware of the need for pro-social corporate behaviour as the level of education is increased. Mello et al. (2018) found the use of mobile learning benefited work applicability and presentable instructions and hence improved the level of learning process. Therefore the following hypothesis is proposed:

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*H<sub>1(a)</sub>: There is a positive relationship between consumer awareness and CSR practices by banks in Malaysia.*

*H<sub>1(b)</sub>: Perceived consumer awareness will contribute to the CSR practiced by banks in Malaysia.*

### 2.3 Consumer knowledge in relation to CSR

A study carried by Rahim et al. (2011) found that Malaysian consumers have different views on CSR priority from other nations. The basic economic responsibility was still most favoured. However, philanthropic responsibility was ranked as the second most important responsibility compared with responsibility of legal as suggested in the study conducted by Carroll (1991), and responsibility of legal was ranked the last, compared to philanthropic responsibility in Carroll's (1991) research. The philanthropic responsibility was viewed by Malaysian consumers as more important compared to their legal responsibility. Consumers seem to want companies to contribute their money, facilities and employees' time to humanitarian programs or commitments. Hence, the following hypothesis is proposed:

*H<sub>2(a)</sub>: The Knowledge of consumers are positively related to CSR practices by banks in Malaysia.*

*H<sub>2(b)</sub>: The knowledge of consumers are perceived to contribute to the CSR practices by banks in Malaysia.*

### 2.4 Consumer purchasing decision and CSR

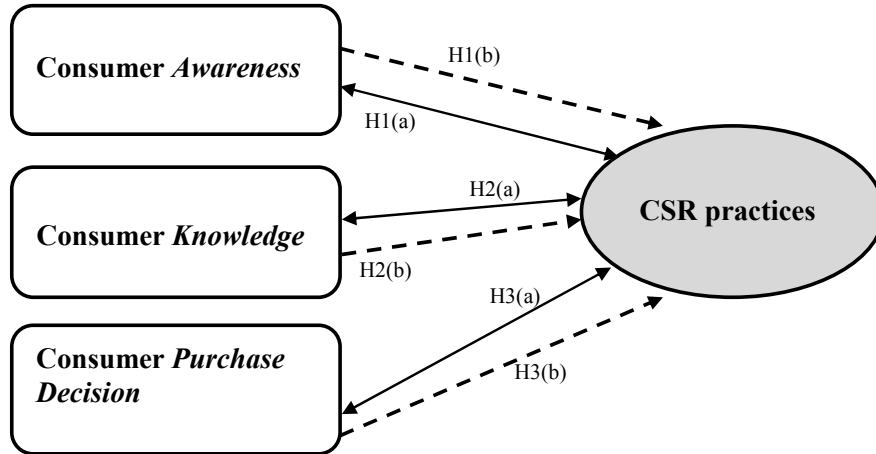
A question which needs to be asked of the firm is, is there a relationship between purchasing intention and CSR activities? It is related to the willingness of the consumers to buy the products from a company that has a proven record of being truly concerned about environmental issues (Pornprotang et al., 2013). In addition, CSR activities have a positive relationship with consumer's purchasing decision sometimes and that is the reason why environmental concerns closely shave a stronger positive effect on the purchasing decision than the price of products. Sen et al. (2014) also concurred that there was a positive relationship between CSR activities and consumer's buying intention. The result was supported by Lin et al.'s (2011) findings in which they found that there is a positive relationship between CSR activities and customer's buying behaviour. As society becomes affluent, awareness has increased accordingly among customers. If consumers become more sensitive about companies' ethical behaviour, it will affect their purchasing behaviour (Rahim et al., 2011). This lead to hypothesis 3:

*H<sub>3(a)</sub>: There is a positive relationship between purchasing decision of consumer and CSR practices by banks in Malaysia.*

*H<sub>3(b)</sub>: The purchasing decision of consumer are perceived to contribute to CSR practices by banks in Malaysia.*

Based on the review of previous research findings, the following proposed framework was developed for this study.

**Figure 1** Proposed conceptual model



### **3 Research method**

The research approach was primarily positivist and designed to investigate the relationship between consumer perception and the CSR policies in the banks. The sample comprised of customers of Malaysian banking services, had one account at least and over 18 years of age. Non-probability, snowball sampling was used as it was difficult to identify the respondents of the target population. The questionnaire was in three parts; part A (background information comprising 8 items designed by the researchers), Part B (awareness of customers, comprising 7 items adapted from Thammasitboon, 2009 and Jayakumar and Geetha, 2014), Part C (knowledge of customer, comprising 17 items adapted from Thammasitboon, 2009), Part D (purchase decision of the consumer, comprising of 8 items adapted for Thammasitboon, 2009 and Jayakumar and Geetha, 2014) and Part E (CSR practices, comprising 10 items, adapted from Du et al., 2013). Respondents recorded their responses on 5 point Likert scales, dichotomous and open ended questions. It was made clear in the pilot that the study was about CSR and not about bank marketing campaigns. This understanding was incorporated in the questionnaire design. Data was analysed using SPSS version 21 and both descriptive and inferential statistics were obtained. The unit of analysis used was customers of Malaysian banking services over 18 years old.

The structured questionnaires were distributed, after a pilot test on 30 full time students who had bank accounts, in English, via a Google form link via e mail, WhatsApp and Facebook page to 300 respondents in cities of Malaysia where bank headquarters were cited and deemed commonly used by respondents. The method was supplemented by a personal administered approach to obtain the required number. Data collection took place between July and September 2017. Anonymity in response was assured. Two hundred and forty (240) usable questionnaires were obtained, an 80% response rate.

## 4 Results

### 4.1 Descriptive statistics of respondents

The frequency results of the respondent's demographic profile such as gender, nationality, race, marital status, age, education level, employment status and monthly income of consumers was obtained. Appendix A summarises the respondent's demographic profile. The results show that there were 137 male respondents (57%) and 130 female respondents (42.9%). The majority of the respondents were Malaysian (208 respondents), the remaining 32 respondents were foreigners. The number of Malay respondents was the highest, 172 respondents (71.7%), followed by 'other races' respondents which was 34 respondents (14.2%) and 19 Chinese respondents (7.9%) respectively. The remaining were from Indian respondents, 15 (0.8%). Most of the respondents were single (70%). About 27% were married and 1.7% of widowed status. The remaining (1.3%) were divorced. The majority of the respondents were between 25 and 34 years old 125 (52%), 65 (27%) were between 18 and 24 years old and those between 35 and 44 age bracket were 36 (15%). The rest were in the 51–60 age bracket 14 people (5.8%). As for education level, most of the respondents had Bachelor's Degree qualification (70.8%). Twenty one had a Masters/PhD and 5.2% had secondary education qualification. The remaining 2.9% were Matriculation qualifications holders. In terms of employment, 145 respondents (62%) were employed and 68 (28%) were still students, Followed by 21(9%) which were unemployed and the 6 (3%) were retired. As for monthly income, 64% of respondents (the majority) had an income less than RM 3000. The respondents that had an income range in RM 3001 to RM 6000 was 21.7% of the total percentage followed by 10% who had an income in the range RM 6001 to RM 9000. The rest of respondents had a monthly income in range RM 9001 and above RM 9501, about 3.8% respectively.

**Table 1** Source of awareness of CSR

<i>Sources</i>	<i>Frequency</i>	<i>Percentage</i>
Press	200	34.3
Family and friends	90	15.5
Annual Report	85	14.6
Books	30	5.2
Internet	152	26.1
Others	25	4.3
Total	582	100
<i>Yes</i>	143	59.6
<i>No</i>	97	40.4
Total	240	100

Table 1 illustrates the sources of awareness of CSR, about 34.3% of the (the majority) knew about CSR through the Press, 26.1% came to know through Internet, 15.5% shared CSR with their family and friends and 14.6% got information through annual reports. 5.2% of the respondents from the total came to know CSR through books and the remaining were from the other sources. The same table also shows the opinion of the respondents on the awareness of CSR activities. About 59.6% of the respondents were aware on CSR activities and 40.4% were not aware of the CSR activities practiced by the banks.

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*4.2 Reliability of constructs*

Cronbach's alpha was used to test reliability in this study and the results are recorded in Table 2. The interpretation of Cronbach's alpha in this study is based on 'the rule of thumb' provided by George and Mallery (2003).

**Table 2** Results of Cronbach's alpha reliability analysis

<i>Variables</i>	<i>Number of items</i>	<i>Value of Cronbach's alpha</i>
Awareness of consumer	7	0.739
Knowledge of consumer	17	0.912
Purchasing decision of consumer	8	0.802
CSR Practices	10	0.732

Table 2 shows the result of all the variables used in this study from the reliability analysis. The value of Cronbach's alpha for all variables were above 0.7, the value for awareness of consumer was 0.739, knowledge of consumer was 0.912, purchasing decision of consumer was 0.802 and the value for CSR practices was 0.732.

*4.3 Pearson product correlation results*

Pearson correlation analysis was conducted in order to test the association between the two variables. Based on the correlation coefficient's rule of thumb stated in Table 3, the larger the coefficient indicates the stronger relationship between the examined variables.

Table 3 shows the inter-correlation between the respective variables. The correlation coefficient (r) among the variables was in the range of 0.406 to 0.019. Thus, it indicated that the entire coefficients were in the moderate relationship level and none of the variables was considered high and strong (0.75 and above) as according to Sekaran (2003).

**Table 3** Correlation between variables

		<i>Correlations between variables</i>			
		<i>AW</i>	<i>KC</i>	<i>PD</i>	<i>CSR</i>
AW	Pearson Correlation	1			
	Sig. (2-tailed)				
KC	Pearson Correlation	0.099	1		
	Sig. (2-tailed)	0.125			
PD	Pearson Correlation	0.019	0.406**	1	
	Sig. (2-tailed)	0.769	0.000		
CSR	Pearson Correlation	0.142*	0.085	0.038	1
	Sig. (2-tailed)	0.280	0.189	0.559	

Notes: \* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

AW (Awareness of consumer), KC (Knowledge of consumer), PD (Purchasing decision of consumer) and CSR (CSR Practices).



Table 3 shows that there were positive relationships between each measurement of consumer perceptions and CSR practices of the banks. Among the three measurements of consumer perception only the awareness of consumer had a significant relationship ( $r=0.142$ ,  $p$ -value of  $\leq 0.05$ ). The remaining variables of knowledge of consumer ( $r=0.085$ ) and purchasing decision of consumer ( $r=0.038$ ) had no significant relationship with CSR.

#### 4.4 Regression analysis

The relationship between one independent variable, two or more independent variables can be examined by using multiple linear regression analysis (Malhotra, 2010).

Multiple linear regression analysis was conducted in this research to identify whether the independent variables (awareness of CSR, knowledge of CSR and purchasing decision of the consumer) individually influenced the dependent variables (CSR practices). The results of the Multiple Regression analysis are illustrated below:

**Table 4** Result of model summary

<i>Model Summary</i>				
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	0.159 <sup>a</sup>	0.025	0.013	0.39973

Notes: <sup>a</sup>Predictors: (Constant), AW (Awareness of consumer), KC (Knowledge of consumer), PD (Purchasing decision of consumer).

As shown in model summary Table 4, R square is 0.025 and adjusted R square for the regression is 0.013. It indicated that only 2.5% variance in the consumer perception could be explained by awareness of consumer, knowledge of consumer and purchasing decision of consumer. Another 97.5% cannot be explained by the model.

**Table 5** ANOVA

<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
Regression	0.978	3	0.326	2.041	0.109 <sup>b</sup>
1 Residual	37.708	236	0.160		
Total	38.687	239			

Notes: <sup>a</sup>Dependent Variable: CSR Practices; <sup>b</sup>Predictors: (Constant), AW (Awareness), KC (Knowledge), PD (Purchasing Decision of consumer).

Based on Table 5, the F-value is 2.041 with a significance level of 0.109. Thus, it can be concluded that there was a positive relationship present between all the measurements of the consumer's perceptions. However, some were not significant.

Table 6 illustrated the standardised regression coefficient (beta weight) for three measurements of consumer perceptions. According to Hoyt et al. (2006), the Beta value is used to determine the causal impact of one predictor (independent variables) toward criterion (dependent variables). Therefore, in this research, if the Beta value of the variable was high, it means it would have had a strong effect on the consumer perception. Awareness of consumer on CSR had the highest beta with a value of 0.135 followed by Knowledge of consumer on CSR which was 0.069. The purchasing decision of consumer

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exhibited the lowest beta value which meant that this characteristic had the least influence on the consumer perception of CSR practices conducted by the banks in Malaysia. Hence, this study showed that the consumer's awareness of CSR practices contributed more in determining consumer perceptions towards CSR practices of the banks in Malaysia. Therefore, we can conclude that consumer's perceptions can be changed as there is awareness on the CSR practices conducted by the banks in Malaysia. The *p*-value for consumer's purchasing decision was 0.916 which is more than alpha value ( $p < 0.05$ ). The result showed that the alternate hypothesis could be rejected. Therefore, it can be concluded that the purchasing decision of the consumer will not contribute to the perceptions of consumer towards CSR practices by the banks in Malaysia.

Thus, the alternative hypothesis for  $H_{1(a)}$  and  $H_{1(b)}$  were supported while  $H_{2(a)}$ ,  $H_{2(b)}$ ,  $H_{3(a)}$  and  $H_{3(b)}$  were not supported. The result of the hypotheses can be summarised in the Table 7.

**Table 6** Result of coefficient

<i>Model</i>	<i>Coefficients</i>			<i>T</i>	<i>Sig.</i>
	<i>Unstandardised Coefficients</i>		<i>Standardised Coefficients</i>		
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
(Constant)	3.103	0.304		10.210	0.000
1 Awareness	0.283	0.136	0.135	2.090	0.038
Knowledge	0.051	0.053	0.069	0.970	0.333
Purchasing decision	0.006	0.059	0.007	0.106	0.916

Note: <sup>a</sup> Dependent Variable: CSR practices.

**Table 7** Summary of the hypotheses results

Hypothesis 1 $H_{1(a)}$	There is a positive relationship between consumer <i>awareness</i> and CSR practices by banks in Malaysia.	Accepted
Hypothesis 1 $H_{1(b)}$	<i>Consumer awareness</i> will contribute to the perception of consumer towards CSR practices by the bank in Malaysia.	Accepted
Hypothesis 2 $H_{2(a)}$	There is a positive relationship between <i>knowledge</i> of consumes and CSR practices by banks in Malaysia.	Not Accepted
Hypothesis 2 $H_{2(b)}$	<i>Knowledge</i> of consumer will contribute to the perception of consumer towards CSR practices by the bank in Malaysia.	Not Accepted
Hypothesis 3 $H_{3(a)}$	There is a positive relationship between <i>purchasing decision</i> of consumer and CSR practices by banks in Malaysia.	Not Accepted
Hypothesis 3 $H_{3(b)}$	<i>Purchasing decision</i> of consumer will contribute to the perception of consumer towards CSR practices by the banks in Malaysia.	Not Accepted

## **5 Discussion**

In this study, there were six hypotheses developed in order to answer the research objectives. Thus, the relationship between awareness, knowledge, and purchasing decision of consumer as measurement of consumer's perceptions and CSR practices conducted by the banks were examined by investigating all of the developed hypotheses. The findings showed that only one of the variable measurements was positively significant and positively influenced consumer's perceptions towards the CSR practices conducted by the banks.

Table 6 shows that  $p$  value for awareness of consumer was 0.038. The value is smaller than alpha value ( $p < 0.05$ ). Therefore, it can be concluded that hypothesis 1(a) and 1(b) can be accepted and indicates that there is a relationship between consumer awareness in determining the consumer perception and CSR practices by the banks in Malaysia. The findings of this study are supported by previous research (e.g. Yeo et al., 2018; Arli and Lasmono, 2010; Futerra, 2005). They identified that awareness had a positive relationship and contributed to consumer perception towards CSR practices. Thus, the banks should make an effort to educate customers and make them aware of the banks social responsibility practices.

One way to do this, maybe, could be by the use of 'mobile learning' (Mello et al., 2018). Banks could make use of 'content' and educate the customers, via mobile facilities, to educate customers on their CSR activities. However, the findings contradict Jayakumar and Geetha (2014) who found that there was no relationship between the awareness and CSR practices conducted by the banks.

Based on the Table 6, the  $p$ -value for the knowledge of consumer was 0.333. The value is bigger than the alpha value ( $p < 0.05$ ). Hence, it can be concluded that hypothesis 2 cannot be accepted and so indicates that there is no relationship between the knowledge of the consumer and CSR practices conducted by the banks in Malaysia and knowledge of the consumer cannot contribute to consumer perceptions towards CSR practices by the banks in Malaysia. Such results probably could be due to the facts that majority of the respondents' age ranged from 25 to 34; 71% of them possessed a degree and are currently employed. Although they were 'aware' of the important of CSR practices, they might not have the spare time to pursue further CSR knowledge from the banking perspective locally.

The result for knowledge of consumer in this study did not align with a previous study conducted Sen et al. (2014). The previous study showed that the knowledge of the consumer contributed to consumer perception and had a significant relationship with CSR practices. On the other hand, the result is in line with the previous study carried by Jayakumar and Geetha (2014). It has been also found that there is no relationship between the CSR knowledge of the consumer in determining the consumer perceptions toward CSR practices by the banks in Malaysia.

Table 6 also shows that  $p$ -value for purchasing decision of consumer was 0.916. The value is bigger than alpha value ( $p < 0.05$ ). Hence, it can be concluded that hypothesis 3 can be rejected and it indicates that there is no relationship between the purchasing decision of the consumer and the CSR practices by the banks in Malaysia. The purchasing decision of the consumer cannot contribute to the perception of the consumer towards CSR practices by the banks in Malaysia.

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The findings of this study showed that there was no relationship between the purchasing decision of the consumer and the CSR practices by the banks in Malaysia. These findings are consistent with the studies that have been conducted previously (Jayakumar and Geetha, 2014; Bravo et al., 2009). However, the result of a study done by Tian et al. (2011) showed that there was a relationship between the purchasing decision of the consumer and CSR practices.

Therefore, the result signifies that consumer perceptions can be determined by the awareness of the consumer towards CSR practices conducted by the banks in Malaysia. However, for the knowledge that the consumer has, and purchasing decision of consumer, cannot contribute more to the consumer's perceptions towards the CSR practices in the banking industry in Malaysia.

## **6 Theoretical implications**

This study aims to determine if consumer awareness, their knowledge and decision making correspond to CSR practices. The results revealed that among the variables, only consumer awareness was significant in determining the consumer's perceptions towards CSR practices by the banks in Malaysia. Interestingly, the other two constructs, namely knowledge and purchasing decision, did not show a positive influence and hence, would not contribute to the possibility of CSR implementation in the context of Malaysian banks.

As advocated by the previous CSR scholars and researchers (Yeo et al., 2018; Rahim et al., 2011; Chatzoglou et al., 2017) the 'awareness' construct does have a profound impact on the decision to adopt CSR given all other potential contributors. For instance, Ditlev-Simonsen (2010) carried out a seminal work on awareness of CSR and found that the impact was due to increased openness about environmental and social activities. From the Malaysian perspective, Rahim et al. (2011) and Yeo et al. (2018) respectively have also argued that consumer CSR awareness has contributed enormously towards the CSR realisation, engagement and their potential impact on organisational performance. Although this study found that consumer awareness was one of the constructs that showed positive relationship and perceived contributors to the CSR practices, it clearly has an effect on implementation of CSR particularly in the banking industry. The current research results were timely to reinforce the pre-conceived idea of the Malaysian banking institutions in relation to economic, social and environmental sustainability. The combined strength of consumer awareness and CSR practice should also be integrated into the banks' overall corporate level strategies.

## **7 Managerial implications**

Researchers and bankers could use the findings of study in order to understand the mindset of banking customers at the time of taking CSR initiatives in the Malaysian banking sector. Moreover, banks in Malaysia should be aware of stakeholders' CSR needs and preferences as there is a difference between the various stakeholders view and needs of CSR. In order to fulfil the needs of stakeholders, banks should commence a more holistic stakeholder approach towards the improvement of CSR strategies. Furthermore, this study also helps to encourage the banks in Malaysia to plan and

implement the CSR practices within the organisations. According to Oketch (2005), the effect of CSR should not be underestimated. Thus, CSR activities should not discount the fact of profit earning that is essential for the business survival.

There is a noticeable trend that banks in Malaysia have begun to emphasise more on CSR initiatives rather than purely on financial performance. More importantly, top officials of Malaysian banks have given their full support and commitment to CSR initiatives and implementation. Evidences have shown that local banks have even developed the mechanisms to link its CSR initiatives with KPIs, one of the largest local banks which has adopted this approach is RHB bank.

Furthermore, bank managers could also create awareness through CSR social media strategies such as the use of Facebook, Twitter, Instagram and Whatsapp that have undoubtedly amplified the good actions of CSR companies while generating droves of supporters. From raising awareness, to connecting with consumers in the way they want to engage and fostering positive action, leveraging CSR in the social media world can strengthen consumer trust and loyalty, encourage followers (and their friends) to take action and participate. In so far as CSR awareness and social media is concerned, bank managers must be mindful that social media is an important platform to communicate CSR activities. This finding confirmed the research of Tench and Jones (2015), who found that respondents believed that social media is a trustworthy tool to communicate CSR activities, engage stakeholders and influence their buying behaviour positively. Using Social Media for CSR communication and engaging stakeholders (Ali et al., 2015) might be more effective tools not just for CSR communication but also for knowledge acquisition and learning as well, the latter particularly lending itself to mobile learning applications

## **8 Conclusion and future research**

There are a few limitations in this study. The first limitation is related to the generalisation of the results. This study covered consumers in Malaysia only. So, the study is limited to the consumers' perceptions in a single nation setting that may not be generalisable to consumers from diverse businesses and nations. Malaysian perceptions about CSR practices are relatively different from other countries, like the United States or European countries.

Secondly, according to Saunders et al. (2012), due to the limitation of time, the researcher could not reach all the expected respondents targeted in this study. Thus, future research should engage a larger sample in order to facilitate generalisation of the results.

Thirdly, this study does not take into consideration the role of personal factors in the proposed path relationship model. Future research should examine the role of personal factors such as personality traits, cultural values, variety seeking behaviour etc. Furthermore, this study has not considered the control variables, for instance, firm size, profitability and various levelled structures that may impact on the consumer's perceptions. Hence, future studies may include such factors and so enrich the results.

The foremost objective of this study was to investigate consumer's perceptions towards various CSR initiatives by the banks in Malaysia. Therefore, the findings of this study are beneficial for the Malaysian banking sector. From the results, awareness of the consumer has a positive and significant impact on the consumer's perceptions towards

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CSR practices by the banks in Malaysia. Thus it can be concluded that, banks in Malaysia should focus more in improving the understanding of the consumers and make the consumers become more aware when conducting the CSR practices.

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**Appendix A: Demographic profile of respondents**

<i>Characteristics</i>	<i>Number</i>	<i>Percentage</i>
<i>Gender</i>		
Female	103	42.9
Male	137	57
<i>Nationality</i>		
Malaysian	208	86.7
Others	32	13.3
<i>Race</i>		
Malay	172	71.7
Chinese	19	7.9
Indian	15	6.3
Others	34	14.2
<i>Marital status</i>		
Single	168	70
Married	65	27
Widowed	4	1.7
Divorced	3	1.3
<i>Age</i>		
18–24	65	27.1
25–34	125	52.1
35–44	36	15
45 and above	14	5.8
<i>Education level</i>		
Secondary education	13	5.4
Matriculation	7	2.9
Bachelor Degree	170	70.8
Master/PhD	50	20.8
<i>Employment status</i>		
Employed	145	60.4
Unemployed	21	8.6
Student	68	28.3
Retired	6	2.5
<i>Monthly income</i>		
Less than RM 3000	155	64.6
RM 3001–6000	52	21.7
RM 6001–9000	24	10
RM 9001 and above	9	3.8