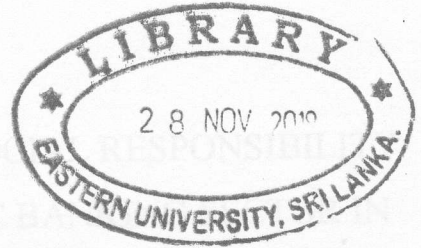


**THE RELATIONSHIP OF CORPORATE SOCIAL
RESPONSIBILITY WITH CUSTOMER LOYALTY IN PUBLIC
BANKING SECTOR IN AMPARA DISTRICT**



By

HERATH MUDIYANSELAGE SUGANDIKA JEEWANTHI KUMARI

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ABSTRACT

Ampara is a city from the country's leading financial hub with a highly competitive financial market. It is essential for banks to retain customers and explore the tools to get customer loyalty. Corporate social responsibility has gain attention as a tool to enhance corporate image. This study is an effort to explore the missing link of corporate governance with corporate image to influence customer loyalty. Despite growing interest in corporate social responsibility (CSR), empirical studies on banks were lack of available. Hence, the researcher conducted research on CSR using the government banks named as Bank of Ceylon and Peoples Bank. The research question is "Does corporate social responsibility contribute positively to customer loyalty of the public banks in Ampara district ", and a CSR framework was used to investigate the influence of CSR on loyalty, mediated by perceived service quality and trust. It distinguished the CSR requirements of primary and secondary stakeholders, and introduced business practice CSR that influences the former and philanthropic CSR that affects the latter.

The research framework was developed according to concept of CSR and Customer Loyalty and data were collected through survey questionnaires from 150 public bank customers of the banks. Those questionnaire were based on five point likert scale. Statistical analysis was conducted using SPSS.

Research findings confirmed the relationships between perceived service quality, customers' trust and loyalty. Business practice CSR reputation targeting primary stakeholders and customers was found to have a strong relationship with trust, retain of customer and loyal customer. The results illustrates that CSR has a significant impact on Customer Loyalty and it plays an important role of mediator for the purpose of customer retention and customer loyalty. The study has linked CSR to stakeholders, adapted a model for business empirical study, and provided insight for mediating factors, perspectives on strategic CSR and a new CSR definition.

Keywords: Corporate Social Responsibility, Customer Loyalty, Economic Responsibility, Legal Responsibility, Ethical Responsibility and Philanthropic Responsibility, Public Banking Sector.

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