

# UNVEILING THE IMPACT OF ELECTRONIC WORD-OF-MOUTH ON CORPORATE SOCIAL RESPONSIBILITY COMMUNICATION IN THE BANKING SECTOR

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## ABSTRACT

Corporate social responsibility (CSR) has become increasingly crucial for banking organizations to enhance competitiveness and financial success. This study investigates the impact of CSR communication on electronic word of mouth (eWOM), value co-creation, and the performance of Indonesian financial businesses. A research gap exists in understanding the specific effects of CSR communication in the Indonesian banking industry. The stratified sampling technique collects data from 150 customers aware of banking sector CSR initiatives. A questionnaire is administered via Google Forms and has the screening to gather relevant information. The survey data is analyzed using confirmatory factor analysis (CFA) and structural equation modeling (SEM). The results reveal that CSR communication significantly influences the CSR activities of Indonesian financial firms. CSR communication significantly affects Indonesian financial firms' electronic word-of-mouth (eWOM) activities. It positively influences eWOM, which in turn enhances value co-creation. Additionally, CSR communication has a significant impact on value co-creation. These findings highlight the importance of prioritizing CSR communication to improve the banking sector's competitive advantage and financial performance. Incorporating effective CSR communication into business strategies can enhance customer relationships, generate value, and improve all aspects. Understanding these dynamics can provide valuable insights for banks to optimize their CSR communication strategies, strengthen their impact on customers, and drive sustainable growth.

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## 1. INTRODUCTION

CSR has emerged as a crucial concern for organizations in today's global marketplace. Because many stakeholders and customers have high expectations for the banking industry's performance, the industry must be ethical and socially responsible in its actions [1]. CSR programs aim to accomplish many goals and objectives to enhance the social interaction between employees and the community. CSR has been identified as an important component of design that assists firms by influencing how customers feel about a specific brand [2]. These initiatives encourage firms, governments, and individuals to adopt a more environmentally conscious approach to banking to help them adapt to social and environmental change [3].

The significance of CSR communication today cannot be emphasized. Individuals seek knowledge across many platforms and connect alongside like-minded people across boundaries because of the advent of

social media [4]. Alongside the introduction of social media, customers may easily discover the activities of firms and discuss, cooperate, and evaluate CSR information with one another. It has resulted in a greater emphasis by firms on connecting their brand's purpose and value to CSR and engaging in CSR communication through marketing initiatives. Furthermore, firms are teaming up with Influencers on social networks to promote their CSR activities on social media, recognizing the value of such tactics [5]. Social networking influencers have become an important avenue for organizations to contact their customers and stakeholders, and they can greatly affect customer behavior [6]. Therefore, businesses need to incorporate social media and influencers into their CSR communication strategies to enhance their social interaction with employees and the community and encourage more socially responsible approaches to business. These influencers can significantly impact customer behavior and can be instrumental in promoting CSR efforts by companies [7]. Electronic word of mouth (eWOM) has also grown in importance as a means of helping companies communicate with their clients, enabling immediate form feedback and information sharing [8].

This study addresses the research gap concerning the social consequences and CSR outreach of non-environmentally sensitive companies, specifically focusing on the banking industry [9]. The research gap identified in this study pertains to the need for a comprehensive understanding of the factors influencing CSR communication, electronic word of mouth (eWOM), and the role of value co-creation within the Indonesian banking industry. While studies have examined the relationship between CSR and eWOM in other Asian countries, such as the Philippines, Thailand, and Malaysia, it is crucial to recognize that Indonesia possesses a distinct sociocultural and economic environment. Banks play a vital role in supporting economies within the ASEAN region, where institutions are dynamic and diverse. However, more information should be given regarding CSR communication activities in Indonesian banks. This study aims to investigate the social responsibilities of banks and assess their impact on performance. By conducting this investigation, regulators and banks can benefit economically by improving their financial performance. The study will utilize primary data sources from Indonesian bank customers, crucial for enhancing the bank's reputation. Although the banking industry may not typically be associated with environmental concerns, it is essential for financial institutions to demonstrate social responsibility, particularly considering their critical role in supporting society and the dependence on public trust. While the specific benefits of CSR for banks are still being explored, it is evident that a bank's reputation and public perception can significantly influence its business, including aspects such as accessing tax breaks and government guarantees.

The paper will conduct a literature review on CSR communication, eWOM, value co-creation, and its implications for the banking business. It will specifically investigate the role of CSR communication in supporting banking organizations' CSR initiatives, the impact of eWOM, and customer value co-creation through digital platforms to assist CSR operations. As a result, The Theory of Reasoned Action (TRA) analyzes how humans act in terms of intents [10]. The Theory suggests that people's behavior is primarily determined by their attitudes and subjective norms toward the behavior. Despite the growing interest in CSR and eWOM communication in the banking industry, there needs to be more research that examines these topics in the Indonesian context.

This paper defines a research void of the need for a more thorough comprehension of the variables influencing CSR communication, eWOM, and the role of value co-creation in the Indonesian banking industry. In contrast, several studies have examined CSR and eWOM in other Asian nations [11, 12, 13]. Given Indonesia's distinct sociocultural and economic environment, these findings might not be relevant to the country's banking industry. The authors argue that it is necessary to investigate the role of CSR communication in promoting eWOM communication and value co-creation in Indonesia, which is gaining importance in the digital age. This study examines the attitudes and behaviors of Indonesian consumers toward CSR, eWOM, and value co-creation in the banking industry to address this research.

Some experts believe that banks' responsibilities go beyond ensuring staff and product safety and that the banking sector has been increasingly adopting CSR practices to keep up with societal expectations. Banks have a social and legal responsibility to avoid financing businesses that harm the environment or society. Hence, CSR reporting research has become common in the banking industry to ensure they are accountable for their actions and promote sustainable practices [14]. However, banks' lending and investment policies aim for substantial involvement in enterprises' societal context [15]. Banks' lending and investment strategies are equally damaging to the environment as polluting businesses [15]. Banks contribute to socioeconomic development and Sustainability. The organization assists cash flow as a link between loans and debtors [16]. The financial industry is well-known [17]. When a business's public image improves, it may be more forthcoming with its customers. CSR disclosure is required regarding institutions' energy, resource preservation, and waste management practices [15].

The TRA is an integral theory of human behavior. It focuses on the variables that influence the deliberate planning of actions [10]. In addition, it can identify the key presumptions that influence individuals' behavioral decisions. This research analyzes the various factors that impact the development and implementation of CSR communication. We have employed the TRA approach to study CSR communication, eWOM (electronic word-of-mouth), and value co-creation. Behavioral intention determines

an organization's inclination towards implementing CSR, while attitude measures the assessment. This research aims to understand the nuances of CSR communication and how it can effectively benefit the organization and society [18]. Intention helps predict the likelihood that a consumer will purchase within a particular time and represents actual behavior [5].

Scholars have focused on enhancing the efficiency of conveying knowledge and benefits related to CSR communication. Consequently, they have conducted investigations concerning the factors that impact CSR communications. [19] conducted a literature evaluation to comprehend better how to convey CSR initiatives. Several factors, such as the CSR association with the good or service in question and the relevance of the CSR issue, have been identified as influencing the result of CSR communication. Numerous other research [20, 21, 22] have investigated the impact of company-specific traits, such as reputation and credibility. Social media's interactive, prevalent, and user-centric environment has facilitated consumer engagement with corporate information. This expression refers to the positive (eWOM), negative (eWOM), or neutral (eWOM) spreading of knowledge concerning goods or assistance by customers, prospective clients, or former customers [23]. In addition, it refers to disseminating goods and services descriptions and opinions via social media [24]. This study assesses how social media users accumulate, establish, and circulate details regarding a company's CSR efforts through CSR communication. eWOM behaviors include admiring, following, or utilizing hashtags for a brand's causes, remarking on or sharing thoughts about the business's CSR program, and encouraging peers to join social media groups dedicated to socially responsible efforts [25].

Furthermore, companies participate in CSR for various purposes, including acquiring favorable WOM [26]. Consumers engaged in CSR are more likely to interact with the ethical behaviors of businesses with their peers, families, and coworkers [27]. Participation in CSR contributes to establishing a socially responsible image for businesses. Due to the rapid and spontaneous transmission of information, eWOM on social networking sites (SNSs) offers several advantages over offline WOM. It can also establish the shared ideals and CSR agenda of a company. Discovering how CSR communication influences eWOM in online hangouts requires extensive analysis [28].

### **1.1. Hypothesis 1: CSR communication has a significant positive effect on eWOM**

Internet's prevalence has facilitated the fast global diffusion of eWOM communication. [29]. The information source for eWOM could be recognized or undisclosed [30]. SNSs serve as a virtual platform for consumers to seek and share objective product knowledge and consumption experiences. The co-creation process involves the consumer, the supplier, and the company [31]. They highlighted that active customer engagement with a brand lead to a better comprehension of its offerings and influences purchase intent. This active participation includes electronic and verbal communication on social networking sites (SNS) as part of the value co-creation process. Customer-generated eWOM influences the development of mutual respect and admiration in this context [32].

[32] elaborated on the inception of value co-creation, in which businesses create interactive SNS fan pages to develop their brand image and distribute market information. The value of these fan pages is contingent on consumer participation, such as liking, sharing, and viewing. The value of the company's fan pages is co-created through the customers' active participation and exchange of information and opinions on these pages. Customers' actions on these sites allow two-way contact and help the company better serve its customers. Fan sites can promote value co-creation and brand awareness by facilitating two-way conversations between businesses and their fan[32]. Consumers commonly rely on eWOM to evaluate brands due to their perceived trustworthiness and reliability on social media platforms [33]. eWOM material represents business users' experiences, attracting the attention of other consumers [34].

The outcome, eWOM allows consumer interactions inside the social media communities of brands, allowing for a value co-creation approach that increases consumers' understanding of businesses of interest [35]. Based on these assertions, this study proposes hypotheses regarding the influence of eWOM on value co-creation. Additionally, it investigates how value co-creation, as facilitated by these fan pages, influences the purchasing intentions of consumers. Therefore, the following hypotheses are presented by the research:

### **1.2. Hypothesis 2: eWOM has a significant positive effect on value co-creation**

Social identity theory can shed light on the influence of CSR on consumer behavior [36]. People self-identify as belonging to specific categories. Individuals endeavor for self-improvement within social identity by enhancing their attributes. The Theory of social identity [37] investigated the role of CSR in shaping consumer identity by making it more appealing and significant. When consumers believe that a company's actions align with their values, their identification with that company grows. From the social identity perspective, individuals endeavor to distinguish themselves from others regarding social status and gravitate toward groups with shared values. When consumers perceive that an entity, such as an organization, embodies characteristics they value, such as corporate social responsibility, they are more likely to identify with it [38]. The relationship between corporate social responsibility and co-creation is a process of active participation and community identification. CSR, which considers the interests of all stakeholders,

strengthens the relationship between the organization and its consumers. It facilitates collaboration and the exchange of important service information, resulting in increased sales [39].

CSR is only effective in the eyes of managers and experts when it correlates with value creation [39, 40]. CSR is recognized as a strategy for achieving long-term rather than short-term objectives in various industries, including the financial sector [41, 42]. Through implies that CSR addresses social issues impacting stakeholders and provides substantial business benefits for organizations [43]. The alignment of these dual objectives requires managers to acknowledge that their organizations pursue economic and social objectives while nurturing strong stakeholder relationships, particularly with consumers. These stakeholder relationships are considered areas for value co-creation [44], where stakeholders and organizations collaboratively design and integrate content as the actual value is derived from the participants and their relationships through fostering an environment conducive to CSR efforts [45].

Incorporating shared responsibility through an organized value chain is necessary for organizations to create lasting value for their members [46]. Shared responsibility and co-creation require businesses to give prominence to responsibility in their overall approach and engage other value chain stakeholders to contribute to the development of ethics and the financial elements of the partnership [47]. This strategy recognizes CSR's role as an interface across stakeholders and charity goals, thereby gratifying societal expectations. Following the global financial crisis [48], demonstrated by studies in the banking sector, attendees, particularly consumers, and shareholders, modified their behavior and inspected banks more closely [40, 43, 49]. CSR is crucial to communicating a bank's social, environmental, and economic success. Therefore, It is reasonable to conclude that consumers are more likely to engage in co-creation activities involving socially responsible enterprises. Therefore, we propose the following hypothesis:

### 1.3. Hypothesis 3: CSR communication has an impact on value co-creation.

This study is based on a comprehensive examination of the existing literature, focusing on four important variables associated with the development and implementation of CSR communication. A conceptual framework that accounts for the direction of these constructs was utilized to evaluate the proposed hypotheses.

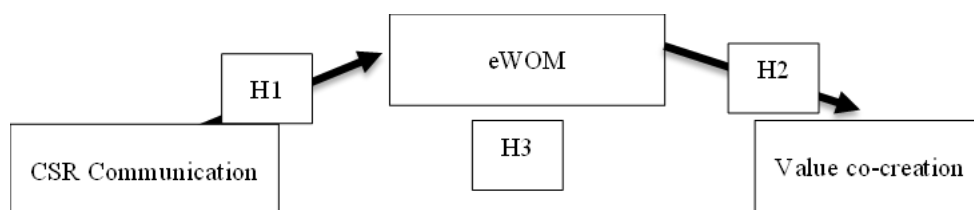


Figure 1. Conceptual Framework

## 2. RESEARCH METHOD

The present study investigates the role of CSR communication in the banking industry, exploring its potential to respond to the competitive environment and promote Sustainability in Indonesian society. Customers who have purchased bank products and are familiar with CSR programs are targeted in the study. The quantitative survey method was employed. A quantitative causal survey approach was used in this investigation [50]. The data was gathered from an appropriate population sample using the stratified sampling method. For special conditions, stratified sampling is a suitable type of sampling. It selects instances based on an expert assessment or cases with a specific goal. When measuring a difficult-to-reach population, stratified sampling is frequently used.

A total of 150 respondents were chosen for the study after completing two screening questions and obtaining consent to complete the questionnaire. Respondents were requested to follow the banks' social media pages or recognize their CSR efforts. The study used an online questionnaire with basic questions to choose the proper sample group, general information about the respondents, and questions to evaluate the constructs. The survey questionnaire modified scales from previous research to examine the hypotheses presented in the research model. Respondents were encouraged to utilize a seven-point Likert scale ranging from "1: disagree strongly" to "7: strongly agree."

The study used a confirmatory modeling technique with SEM. The authors constructed a single model and utilized an SEM technique to determine how much the model matches the data set. The thought process was that the suggested model would fit whatever criteria were used. However, it was merely established that it was one of several viable acceptable model hypotheses; therefore, researchers still needed to verify it [51]. Two analyses were performed on the measurement model. First, using AMOS, an initial-order confirmation factor analysis (CFA) model was used to assess the measurement model. A measurement model aimed to characterize how effectively the observed indicators functioned as assessment equipment for

the measured latent variables. Second, the researchers computed the average of the multiple correlations to assess each indicator and the accuracy with which a component measured a construct.

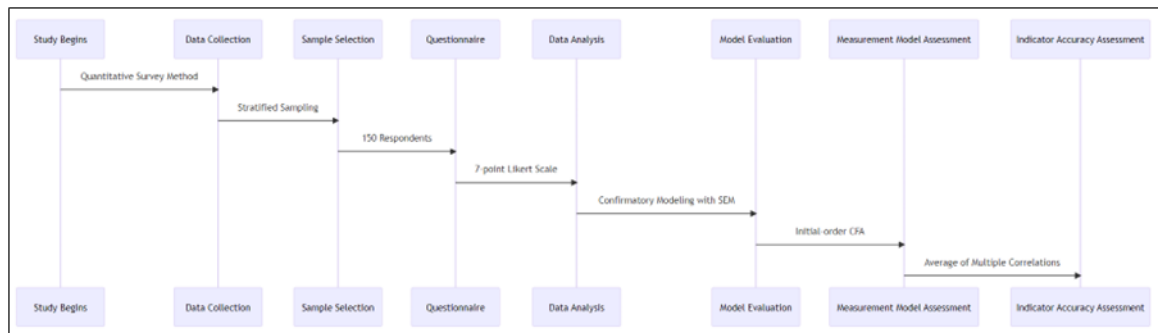


Figure 2. Flow Chart of Method this study

### 3. RESULTS AND ANALYSIS

The authors present the study of the demographic data respondents of 150 samples. Table 1 shows that most respondents were male, representing 51.3%. The result for ages 20-30 was 70%. Then, the marital status stated that single was 70.7%. Furthermore, most of the samples' highest educational backgrounds were bachelor's degrees, 66.7%—moreover, entrepreneurs, 38.8% of the respondents for the categories in the occupation. Then, the participants answered that the average monthly 136USD-235USD is 40%.

Table 1. Demographic information of participants.

Constructs	Descriptions Groups	Freq.	(%)
Gender	Male	77	51.3
	Female	73	48.7
Aged	Below 20	3	2
	20 – 30	117	78
	31 – 40	26	17.3
Marital Status	41 - 50	4	2.7
	Single	106	70.7
	Married	44	29.3
Education	Under bachelor's	31	20.7
	Bachelor'	100	66.7
	Master's Degree	19	12.7
Occupation	Student	35	23
	Entrepreneur	59	38.8
	Private employees	48	32
Average Monthly Income	Others	8	5.3
	Under 135 USD	51	34
	136 – 235 USD	60	40
	236 – 302 USD	29	19.3
Total	Up to 303 USD	10	6.7
		150	100

Notes: N = 150 total respondents, Freq = frequency, % = percentage

#### 3.1. Model Analysis Result

Before running statistical tests, the first step is to screen the data for processing. The assumption of multivariate normality underpins the use of parametric statistics. Multivariate normality assumes that all variables and linear combinations of variables follow a normal distribution. When this criterion is met, the analysis's residuals are normally distributed and independent. It denotes that the difference in projected and actual score values, or the error, will be symmetrically distributed about zero. Examining skewness and kurtosis values is one method for determining if the normality assumption has been met. The normality of the data can be inferred by comparing the skewness value or the z-value to the critical values. The critical value is 2.58 for a significance level (alpha) of 0.01 and 1.96 for a significance level (alpha) of 0.05. The data assessment, specifically the normality test, reveals that the skewness value is less than or equal to 2.58. This observation supports the conclusion that the data are normally distributed.

Table 2. presents the initial assessment conducted to examine the variables.

	Results
Skewness	-1.039
Kurtosis	1.029
Tolerance	0.548
VIF	1.824
N	150

Notes: N = amount, VIF = variance inflation factor.

[52] suggested that the postulated hypothesis model be investigated utilizing the structural equation modeling (SEM) approach. CFA was used to assess the measurement instruments' unidimensionality, reliability, and validity and the multi-item constructs within the conceptual framework. This phase also confirmed the dependability and validity of the investigated variables. Subsequently, the theoretical relationships between the variables were analyzed using SEM. Using the SPSS and AMOS programs, a thorough examination of the data was conducted. To resolve multicollinearity, the authors evaluated each dataset's VIF and tolerance parameters and found no indication of multicollinearity [53]. In addition, the reliability analysis and the measurement model were examined and shown in Table 2.

Table 3. Items that exhibited factor loadings

Constructs	Items	Loading	CR	AVE
CSR Communication	The banking industry has the expertise to support CSR initiatives.	0.850	0.919	0.739
	The banking business conducts CSR program discussions in the community at large.	0.828		
	The banking industry consistently disseminates information regarding its CSR activities through social media and official websites.	0.872		
	The banking industry prioritizes CSR to assist local businesses.	0.887		
eWOM	I am willing to share my experience purchasing products from the banking industry with other members on websites for consumer goods.	0.827	0.856	0.666
	I recommend the banking sector's services to anyone requesting my advice online.	0.752		
	I encourage my peers to purchase banking sector products through social media.	0.865		
	I frequently communicate my requirements to the banking industry.	0.678		
Value Co-creation	I frequently pursue solutions to my problems in the banking industry.	0.807	0.875	0.638
	I actively contribute to the development of novel banking solutions.	0.827		
	The banking industry encourages clients to co-create innovative solutions.	0.871		

Notes: C.R = composite reliability, and AVE = extracted average variance

### 3.2. Hypothesis Testing

The authors then applied the direct impact model to the results of the first phase. The findings revealed that many of the hypotheses were statistically significant (p-value 0.05), demonstrating a significant association between the factors in CSR communication. As stated in Table 4, the SEM approach was used to assess the reliability of the study's approach, and the coefficients for the path were assessed. The model fit indices, including RMSEA, NFI, CFI, GFI, AGFI, SRMR, and p-value, indicated a satisfactory model fit following recommended values [51].

Table 4. Model fit indices provide an assessment of the proposed model and the observed data

Statistics	Acceptable Level	Index	Result
$\chi^2 / df$	Less than 3.00	2.195	Acceptable
p	More than .05	0.000	Not fit
NFI	More than .90	0.927	Acceptable
CFI	More than .90	0.959	Acceptable
GFI	More than .90	0.899	Acceptable

Statistics	Acceptable Level	Index	Result
AGFI	More than .90	0.837	Acceptable
TLI	More than .90	0.945	Acceptable
RMSEA	Less than .08	0.090	Not fit
SRMR	Less than .08	0.0471	Acceptable

The SEM method was used to validate the results. All hypotheses were statistically significant when the authors employed a direct impact model to assess the early phase (p-value 0.05). The research looked into the link between elements in CSR communication and used the SME model to verify the research model across constructs. The route coefficients presented in Table 5 were examined to test the model's validity using the methods provided by [51].

Table 5. Presents the direct effects observed in the study

				Estimate	C.R	p	Decision
H1	CSR Communication	->	eWOM	0.600	8.901	***	Supported
H2	eWOM	->	Value co-creation	0.566	4.178	***	Supported
H3	CSR Communication	->	Value co-creation	0.259	2.805	***	Supported

The correlation between exogenous and endogenous factors is investigated. In the present investigation, the hypothesis was adopted if both the probability value (p) and the critical ratio (C.R.) were less than 0.05 and greater than 2,000, respectively [54]. The first hypothesis suggests that CSR communication substantially and positively affects eWOM. The hypothesis testing results indicate a p-value of 0.000, less than the significance standard of 0.05. Moreover, the value of 8.901 for the critical ratio (C.R.) exceeds the 2.000 threshold. The second hypothesis asserts that eWOM significantly and positively affects value co-creation. The results of testing the hypothesis suggest a statistically significant p-value of 0.000. Then, the C.R. number of 4.178 surpasses the minimal requirement of 2.000. The third hypothesis, therefore, proposes that CSR communication has a positive and substantial effect on value co-creation. The test results indicate a p-value of 0.000, less than the significance threshold of 0.05. Moreover, the C.R. value of 2.805 surpasses the minimum requirement of 2.000.

#### 4. CONCLUSION

The theoretical framework adopted for the current study may offer valuable insights when applied to parallel inquiries in developed nations [55]. Empirical evidence suggests that the TRA could facilitate progress in developing countries' financial sectors, such as Indonesia. This study primarily evaluates the factors that impact CSR communication within the Indonesian financial industry. The investigation established that the proffered model merited evaluation because CSR communication is vital for eWOM and value co-creation. Our findings resonate with an array of modern theoretical viewpoints. From a methodological perspective, the research suggests that corporations can optimize their societal influence by leveraging the reach of influential social media figures and communicating with motives that emphasize societal issues [56, 57, 58]. The authors utilized a stratified sampling technique to gather data from 150 customers acquainted with CSR initiatives in the banking sector. The primary data collection tool was a questionnaire disseminated through Google Forms. Subsequently, the survey data were subjected to CFA and SEM to validate the constructs and test the proposed model. The results generated from this research revealed significant effects on each relationship under consideration. In line with the research objectives and extant literature, a positive correlation between CSR communication and eWOM was identified, substantiating the initial hypothesis [59], [60]. Findings from Hypothesis 1 underscore the potential of investments in CSR communication to enhance overall bank performance. Additionally, the synergistic interaction between CSR communication and eWOM is pivotal in cultivating intangible assets, promoting customer loyalty, and acquiring a competitive edge.

Consumers increasingly utilize social networking sites such as Facebook, Twitter, and Instagram to share brand-related encounters and express opinions and attitudes about brands. This study supports the concept that consumers are co-creators of brand value and provides insight into how favorable or adverse brand-related eWOM shared via social media platforms influences value co-creation involvement, shifts in brand trust, and purchase intention [61]. Hypothesis 2 of eWOM on consumers' engagement in value co-creation at both the behavioral and attitude levels is a significant contribution of this study.

In addition, the final direct hypothesis demonstrates a positive relationship between CSR communication and value co-creation. Environmental dynamics can influence the process of creating value

for an organization. The environment can be shaped by technological advancements and government regulations, posing challenges for businesses. While it is essential for banks to employ sustainability initiatives, they must also develop new strategies and procedures to adapt to the shifting business environment. It enables them to provide superior customer service. Value co-creation can aid in developing effective corporate social responsibility and consumer citizenship in organizations.

This article draws on prior research [60, 61, 62, 63]. Consumers desire a relationship with banks that provides self-improvement and superior capabilities, encouraging them to identify with the bank and develop loyalty. To address consumer concerns, practitioners need to have a comprehensive understanding of various communication elements. This comprehension enables avoiding false claims and delivering messages that add value to consumer co-creation.

The research findings are analyzed from diverse theoretical and practical perspectives. In contrast, this study demonstrates through literature that the TRA can effectively be applied in a developing nation like Indonesia. The research investigates the interconnectedness of CSR communication, eWOM, and value co-creation within the banking sector. While previous studies have examined the influence of CSR and reporting practices in environmentally sensitive industries (ESIs), there is still a need for similar investigations in non-environmentally sensitive industries (NESIs). The study provides empirical evidence supporting a positive relationship between CSR communication and the variables examined, establishing a meaningful link between Theory and practice. In exploring the potential impact of CSR communication on bank efficiency, the TRA framework acknowledges the role of specific resources and skills in contributing to sustainability.

Furthermore, the study expands on understanding the interplay between eWOM, value co-creation, and CSR. By contributing new evidence about the Indonesian banking industry within its unique contextual framework, this study adds to the existing body of knowledge. Consequently, the study's findings align with the TRA, suggesting that businesses can effectively leverage and maximize their internal resources for their benefit. This research helps stakeholders understand the connection underlying eWOM, value co-creation, and CSR. It is useful for the finance business, which is already regarded as a "homogenized" industry. Consumer psychological qualities are also important. Consumers find it difficult to create loyalty and consolidate their purchase preferences because of the industry's uniformity. It is due to a lack of choice in banking products and services. To emotionally engage with consumers, brands must deliver good CSR communication.

Communication regarding corporate social responsibility can accommodate social responsibilities while providing a competitive advantage. It is essential to the financial industry because it enables it to maintain its competitive edge. However, due to the homogeneous nature of the industry, product differentiation can be difficult for all participants. With a product differentiation strategy, it is easier for banks to increase the likelihood of a consumer purchasing. A bank can readily communicate its CSR strategy through social media and gain a competitive advantage. Many banks in Indonesia approach CSR from a philanthropic standpoint.

Nonetheless, this research indicates that this strategy can achieve additional business objectives. For example, a bank's marketing efforts can be enhanced by increasing the likelihood of consumers making purchases. Bank policymakers must comprehend the proliferation of social media and how it can be utilized for CSR communication.

Enhance the quality of services and increase the accessibility of banking products and services; company management should consider implementing CSR communication practices in various community development activities. These include the building of schools, roads, and water distribution systems. This new medium can enable them to provide a personalized brand experience to their customers. Some banks in Indonesia have a substantial social media presence. However, the most essential thing they must do is engage their customers more in developing the brand. Consequently, this survey comprehensively analyses how banks can use social media to enhance customer service.

Future research could examine alternative service industries, such as tourism, hospitals, fast-moving consumer products, and banking. Although the findings of this study are limited to Indonesia, they can be used to analyze the societal and cultural factors that influence consumer decisions in other developing countries. In addition, the research could provide valuable insights into the numerous factors that affect the expansion of the service industry. Additional research could be conducted by investigating the function of environmental dynamics in other developing nations, such as Cambodia, Laos, and Pakistan. The study employed a cross-sectional design and stratified sampling, but future research could employ alternative sampling methods. Evangelism could produce a more inclusive framework by incorporating new brand appeal and equity variables.

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