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**The influence of corporate social responsibility (CSR) activities on consumers' purchasing behavior:
A business case study - Portuguese banking sector**

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Master's in Management

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BUSINESS SCHOOL

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Activities on Consumers' Purchasing Behavior:
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Resumo

Este estudo de caso tem como objetivo investigar a influência das políticas de RSE executadas pelos bancos no processo de tomada de decisão dos consumidores, analisando a sua percepção em relação a essas mesmas políticas.

Foi feita uma pesquisa detalhada a fim de enquadrar adequadamente este trabalho, de modo a dar a solução mais precisa possível. A revisão da literatura assenta em três vertentes principais: o conceito de RSE e a sua influência na sociedade, o processo de compra e ligação à marca na perspetiva dos consumidores e das empresas e o setor bancário português. Ao aprofundar sobre estes três aspectos e na combinação dos mesmos, é possível perceber o paradigma onde este trabalho se insere. A revisão da literatura encerrou com a descoberta de lacunas, apresentando três estudos semelhantes, que focam aspectos importantes e relevantes, mas não responderam ao problema que este trabalho pretende solucionar.

Como este estudo pretende entender o ponto de vista dos consumidores, era lógico que na recolha de dados, estivesse incluído um método de contato direto com as pessoas. Para tal, foi realizado um questionário, e realizada a respetiva análise quantitativa em SPSS, de forma a obter resultados concretos e precisos.

No final, esses resultados foram interpretados e unidos, sendo possível chegar a uma conclusão, não só com a resolução do problema inicial, mas também, com indicadores para o futuro, no que diz respeito à RSE na banca portuguesa.

Abstract

This study case aims to investigate the influence of CSR policies executed by banks in consumers' decision-making process, by analysing their awareness and perception towards this same politics.

A deep research was made in order to properly frame this work, so as to give the most possible accurate solution. The literature review is based on three main aspects: CSR concept and influence in the society, the process of buying and brand attachment from the consumers and companies' point of view, and the Portuguese banking sector. By funnel on these three aspects and combining them, it is possible to perceive the paradigm where this work settles itself. The literature review ended with the gap finding, presenting three similar studies, which focused on important and relevant aspects, but did not answer the problem this work aims to solve.

As this study intents to understand the consumers' point of view, it was only logical that the methodology included a direct contact with people. Therefore, a survey was conducted, using a quantitative SPSS analysis to reach, concrete, precise results.

In the end those results were interpreted, and by putting them together, it was possible to reach out for a conclusion with not only the solution of the initial problem, but also, with indicators for the future, in what CSR in Portuguese banking is concerned.

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List of Abbreviations

A: CSR – Corporate Social Responsibility

B: EU – European Union

C: TV – Television

D: BES – Banco Espírito Santo

E: SPSS – Statistical Package for the Social Sciences

F: CEO – Chief Executive Officer

G: DNA – Deoxyribonucleic Acid

H: CET 1 – Common Equity Tier 1 Ratio

I: PAEF -Programa de Assitência Financeira e Económica (Economic and Financial Assistance Program)

J: IMF – International Monetary Fund

K: ROA – Return On Assets

L: ROE – Return On Equity

M: BPI – Banco Português de Investimento

N: BCP – Banco Comercial Português

O: CGD – Caixa geral de Depósitos

Chapter 1 - Introduction

In this chapter it will be presented a general framework of the current research, in which the consumers perception of environmental and social responsibility policies offered by the bank sector is explored. Changes in the conditions of the social system, which are accelerated by economic processes or political innovations, have created new social and societal demands. Awareness of corporate social responsibility is often seen as a possible means of meeting societal needs and responses as companies are consciously committed to society. Corporate Social Responsibility (CSR) is an idea, a self-regulating business model, in which banking institutions recognize the benefits for society and thus for our planet. Assuming CSR, banking transfer responsibility for the impact of their practices on partners, sponsors, employees, stakeholders, customers, environment, instead of on their benefits and development. The study targets the perceptions of those practices and decision choice in Portuguese customers, seeking for changes in their attitude towards preferential buying banking services if, and only if, CSR policies & training, and more sustainable behavior are part of the company's day to day. The possibility of studying such a contemporary issue, while in such an early stage in Portugal, together with my personal interests, were the decisive factors which triggered the choice of this theme. Finally, the objectives and research questions, which will be the base of the whole investigation, will also be presented.

1.1 – Background information

Since 2019 the author is working and research about the individual's procurement process in what the banking sector is concerned. Having the opportunity to take consciousness of what usually a person takes into consideration when choosing a financial institution, this business project developed since then focuses on the specific context of corporate and social responsibility in the bank sector.

Along with the CSR related concept, in banking sector it is also promoted a "socially responsible investment" to make the business more ethical. The argument is that greater awareness of social and ethical considerations should help banking companies reduce the risk of regulation and side effects for consumers, prevent people from losing confidence and promote client's loyalty.

It has become increasingly important in recent years the responsibility of companies and organizations as regards Environment and society. CSR considers how companies and

organizations take into consideration the impact of the business world activities in society. CSR is about the nature of these operational activities and how they influence the principles and values associated with both internal methods and processes as well as interaction with other Parties and Stakeholders.

1.2 Business Problem

Corporate Social Responsibility has been being promoted by every type of industries and markets, following a growing concern about our surroundings, especially on a social and environmental perspective in the past few decades. Social inequalities are a spreading problem, resulting, not only, from a poor distribution of wealth, but also from a segregation of certain types of communities from the rest of society. On an environmental level, the issues are being appointed every single day, taking into consideration both the limited natural assets that seem not to be enough for next decades and the constant deterioration of biological and geological resources.

From the society perspective, there is a clear recognition of institutions that show high levels of contribution on these causes, being possible to conclude that CSR is much more relevant and appreciated than it was a few decades ago.

Being one of the most important types of institutions on a society level, only after national governments and international organizations, banks have the space, resources, and influence to take a position and make a statement about those same issues mentioned above.

The development of this subject brings up a relevant question: what is the goal of banks by practicing CSR related politics, investments, and initiatives? There is a common concern on applying financial resources on society, but does that have a direct correlation with the bank's profits and revenues? Not questioning the customers' sensibility about CSR on a general perspective, does that same sensibility applies when it comes to the procurement of a financial institution? In other words, are the CSR practices carried out by banks a factor that consumers take into consideration?

Understanding CSR is becoming increasingly important for EU financial institutions that invest heavily in corporate social responsibility (Forcadell, Aracil and Úbeda, 2020) , but most research on the relationship between corporate social responsibility, innovation and costumer' choice and loyalty is based on manufacturing companies and eco-innovation (Liouie and Sharma, 2012) . Examples of this literature stream generally dismiss the financial sector (Denoncourt, 2019) because it has a reduced direct environmental impact. Nevertheless, banks

have an essential responsibility in allocating resources to companies that pollute and produce dangerous products (Gollakota, Gautam and Shu, 2020; Gozgor, Mahalik, Demir and Padhan, 2020) and narrowly attain Human rights. Even so, Pomering and Dolnicar (2008) questioned the importance of awareness among financial institutions since they realize the necessity for additional research on this topic.

First, it is important to understand which are the main factors that consumers take into consideration on this decision. As the purpose of this work is studying the behavior of the Portuguese consumer, it will not regard factors that foreign consumers would have to consider while opening a bank account in Portugal.

• Financial advantages: it is quite understandable that the first criteria that the consumer will analyze is the money, more concretely, the tax rates he or she will receive every year.

• Quality of service: The average consumer is not familiar with most of the bank's policies and bureaucracies and feeling accompanied and comfortable to ask as many questions as needed is essential on the customer´s perception. Having a 24-hour helpline, or an online portal to present doubts whenever the consumer wants, it's a very appreciated advantage.

• Legitimacy: although it is a decreasing tendency, Portuguese consumers still show some distrust in the banking sector. In a society where corruption is a common reality, with many cases having a lot of airtime on TV and social media, consumers feel insecure about opening a bank account. Also, the recent case of BES' failure exposed thousands of people whose savings were lost. Choosing a well-known bank with a good financial health is a crucial criterion for potential Portuguese customers.

• Expenses: As the first criteria is the maximization of profit by getting the highest tax rates in the market, it is understandable that the consumers privileges a bank that minimizes the expenses associated to having an account open, such as: credit card expenses, maintenance expenses or annuities.

All the criteria above seem, at first sight, obvious, and are easily the first topics that pop up to anyone's mind when it comes to procure a banking solution.

However, in a hypothetic situation where a consumer is presented two similar financial offers in terms of tax rates & expenses, does the Corporate Social Responsibility practices play a role on the consumers' decision? The impact of CSR practices and policies on the consumers' decision is unknown.

1.3 Context

The banking sector is one of the market segments with the most influence worldwide, in what economy, politics and social issues are concerned, meaning Portugal is no exception. The impact that this kind of institutions has on people's life and in their surroundings is undeniable.

In times past, CSR was not given any importance at all. The influence that companies and organizations had in society was not overlooked for a common good. Nowadays, the situation is totally different. CSR is a reality that keeps on giving, every market segment are aware of that and banks and financial institutions are no especial case. In the last few years, Portuguese banks have developed their CSR politics in multiple areas, such as: education, social conscience, environmental, cultural, etc. However, having this policy in place is not enough. It is necessary to disclose them, so that consumers have a perception of them.

Here lies this big doubt and issue which this study case pretends to clarify. It is not clear how far there is knowledge by the consumers, towards CSR policies practiced by banks and financial institutions in Portugal.

1.4 Goals and Purpose

The following study addresses the impact of Corporate Social Responsibility on the consumers' procurement of financial services. This business case will have a national range, narrowing the research to Portuguese financial institutions and to Portuguese consumers. The Portuguese financial situation suffered considerably after the 2008 recession, being the ordinary Portuguese consumer the most affected by this situation. Since then, there is an idea that every decision-making process in what procurement is concerned, a low price is usually the priority when purchasing a certain product/service.

However, with environmental and social aspects and issues being more present in everyone's lives, CSR policies across all markets have gained an extra relevance in recent years. The main goal of this study is to understand if this relevance reflects itself in the Portuguese financial market, more specifically, in what choosing a bank is concerned, from the consumer's perspective.

1.5 Literature Gap and Research Questions

On a very brief, superficial, and visual analysis, it would be tempting to affirm that CSR policies are not a critical success factor when it comes to differentiation of financial institutions, taking the Portuguese paradigm into consideration. Nonetheless, there are

questions that come up while deliberating about the possibility of this correlation that was not yet addressed in literature. Those research questions (RQ) are the foundations of this study, as the respective answers are the starting point to formulate conclusions, to solve this gap and were defined as follows:

> • RQ1: To what degree does Corporate Social Responsibility activity impact the behavior of Portuguese financial institutions' customers?
>
> • RQ2: What Corporate Social Responsibility proposals are the most successful at enhancing customers' perceptions of Portuguese Financial institutions?
>
> • RQ3: Do the perceptions about social responsibility initiatives adopted by Portuguese financial institutions differ in different socio-demographic groups?

These questions were formulated by taking into consideration the junction of two factors: the literature review and respective research, and the findings of the literature gap, by analyzing similar, but not equal studies. The hypothesis that were developed in order to find a solution to these questions are going to fill the literature gap described above.

1.6 Methodology

To answer the research questions presented above, it was fundamental to analyze the consumers' perceptions, opinions, and behavior in the most direct and undeviating way. Therefore, a survey was conducted, to perceive, in firsthand, consumers' point of view.

After having a decent number of responses, it was necessary to input the raw data into a quantitative-method software, the SPSS, being able to perform any type of numerical analysis. The outputs that came out were scrutinized and interpreted to answer the research questions.

1.7 Thesis structure

The next chapter of this thesis is consistent on a detailed literature review about three general main points of this work: CSR policies, consumer behavior & brand attachment, and the Portuguese banking sector. Those three points were exhaustively studied to cover all possible perspectives about them, to build a strong foundation to this study. The literature gap was also identified, with the presentation of three similar studies that funnel pertinent aspects but do not give an exact answer to the problem presented by this study case.

Then, the methodology was fully detailed and explained, including the survey delivered to the consumers, the sample obtained and the different types of questions and respective SPSS analysis that were used to obtain needed results.

Following the descriptions presented above, the respective results were declared. By each research question, three questionnaires' inquiries were analyzed, the results were combined and interpreted, to present an answer for each question, pointing out the respective hypothesis. A conclusion was then formed, resuming all the results, and the practical reflection of them, turning them into a palpable closure of the work.

Chapter 2 – Literature review

2.1 Corporate Social Responsibility

The concept of Corporate Social Responsibility started to emerge on the 50s, on the 20th century. Back then, the concept was referred as only social responsibility, mostly because, at this time, the modern corporations' ascendance had not yet taken place. This approach comes up from a belief that the decisions which were being taken by the largest companies would have a major impact on the population that surrounded them. Bowen, (1953) was one of the first authors who wondered what responsibilities should companies and businessmen undertake, on what society was concerned. The 60s marked a significant growth in what texts and publications about CSR are concerned. Among several authors who wrote about this theme, Keith Davies was one of the most noticeable. Davis' (1960) view on social responsibility was generally accepted on the 70s and 80s. He argued that some social responsibility decisions can be advocated by the possibility of those same decisions to bring actual economic gains to the company in the future, as well as to have a positive influence on society. This concept was starting to take a corporate path and CSR started to become a palpable reality.

In 1971, the Committee for Economic Development (CED) came with an important contribution to definition of CSR, in its publication Social Responsibilities of Business Corporations: "Business enterprises, in effect, are being asked to contribute more to the quality of American life than just supplying quantities of goods and services. Inasmuch as business exists to serve society, its future will depend on the quality of management's response to the changing expectations of the public. (p. 16)" At this point, it was commonly recognized that the relationship between business and society was changing in way that social responsibility had to be one of the major discussion topics at a corporate level.

The 80s marked an era of fewer definitions and more research on CSR. During that time, the idea of CSR was described as the obligation to contribute to the society beyond of what was written by the law (Jones 1980). It lies on the assumption that CSR is not obligatorily regulated, it must come from the companies themselves. In recent years, CSR concept has been strongly associated to the obligation that society has in general to preserve our environment, as big companies emerge to be the ones to step up and contribute to this cause.

CSR turns out to be the pay-back that companies give to society. As their income comes from general population, their ultimate goal must be to help people, and CSR stops being an option, to be a commitment. Summing up, CSR's foundations are good ethical practices that, not being obligatory by law, are a must-do towards populations.

There is a clear-cut indication that nowadays, consumers are valuing CSR attributes more than ever. The so-called "baby boomers" and "generation x" are people who grew with a sense of public social responsibility, taking actions and measures not thinking about their own comfort but taking into consideration the social and environmental impact of those same actions. This leads to a perspective when CSR can be seen as a competitive advantage, and, by consequence, a positive impact on financial performance. As consumers value CSR, if a company sells its products with a CSR image and perspective surrounding them, the consumers will recognize the benefits and will purchase it. Taking the example of natural and organic foods, for example, consumers not only value the socially responsible and, at the same time, innovative features of the products, but they also recognize the social responsible production that characterizes these foods (Williams & Siegel, 2000).

CSR practices can be also seen as a mean of consolidate the reliability of the institution. CSR can help to construct an image and reputation of a company. Consumers may then associate the products / services of that specific company to reliability, honesty, and quality (Williams & Siegel, 2000). One more time, CSR can be a competitive advantage, leading consumers to choose and keep with the brand, being a way of capturing the loyalty of the customer.

2.1.1 The importance of disclosing and sharing information about CSR

Every market segment of any type of industry is legalized by the respective competent authorities. The impact that this regulation has on the companies can be quite different, depending on the industry and market in which the organization is inserted. This will lead to external pressures, a reaction that stakeholders will surpass to the company, depending on their influence, legitimacy, and urgency (Agle, Mitchell & Sonnenfeld, 1999; Mitchel, Agle & Wood, 1997). Taking this into consideration, it can be concluded that companies must handle with different political costs and benefits. Wrapping it up, the answer to the question why firms disclose CSR information is quite simple: because it is in their (economic) interest. (Gamerschlag, Möller & Verbeeten, 2010). If a certain company understands that the benefits

of disclosing CSR information are higher than its costs, the organization will do so, in a voluntary way.

On their research, Gamerschlag, Möller & Verbeeten (2010), proved that the voluntary CSR disclosing was firmly related to higher company visibility, a more spreader shareholder ownership framework. Furthermore, the results also have shown that bigger organizations disclose more than smaller companies. These outcomes were able to demonstrate the political cost theory specified above, which means that firms seem to disclose CSR information to reduce the likely repercussions of supplementary regulation, legislation, taxes, and other actions that may negatively disturb the firm's value.

Taking the previous information into consideration, it is clear-cut that banks and other types of financial institutions are among the entities that see and perceive CSR disclosure as a major advantage. Specially, in the Portuguese paradigm, banks are among the companies with higher visibility, and its shareholders have that same dispersed shareholder ownership structure, as mentioned above, not excluding the fact that they some of the biggest companies in the country.

2.1.2 Decision-making process

The regular consumer is called to undertake multiple buying decisions on a daily basis. One can be compelled to consider that those decisions are quite simple. But the fact is that there is a series of stages that every consumer goes through before each acquisition. Riley, (2012) stated that there are five stages in every type of buying decision-making process:

1. Need Recognition & Problem Awareness
2. Information Search
3. Evaluation of Alternatives
4. Purchase
5. Post-Purchase Evaluation

This sequence cannot happen in its full when routine purchasing is taken into consideration. However, in what opening a bank account is concerned, it is noticeable that this is not an everyday procuring. It can be stated that financial procurement takes a significant amount of deliberation, and that is not a straight-forward decision.

2.1.3 Consumer loyalty

The competition among businesses has made companies not only to find strategies to increase revenues and new customers, but also, find solutions to keep actual customers to be with the brand. Nowadays, the competition inside de multiple market sectors is so vicious that customers are tempted every day to change their purchasing habits. It is vital to fight for their loyalty that, not only will maintain the revenue at the company, but also, will prevent sales to competitors.

Customer loyalty was also defined as a deep responsibility to rebuy a certain product or service in the future, generating a repetition on the respective brand, ignoring all the external influences and marketing moves with the aim of contradict this behaviour (Oliver, 1998). It accentuates the impact that mass marketing practices have on keep and/or changing the consumers' loyalty.

Chiang (1998) & Gronholdt (2000) hand over the characteristics of customer loyalty. They have mentioned four features in this regard: 1. Intention to repurchase, 2. Willingness of recommending to others, 3. Tolerance of price fluctuation, and 4. Intention of purchasing other products from the same company. These four features together define a loyal customer towards a specific brand.

2.1.4 Emotional Brand Attachment

In order to understand how does a consumer connects himself to a specific brand on an emotional perspective, stepping aside of the product itself, it is fundamental to point out the main non-physical aspects that characterize and define a brand.

According to Bilotti (2011), the delineation of the brand's spirit follows a series of concepts, which must be the most coherent possible, so as to strengthen the brand's conception. Vision and culture are the starting point of this line of thought, as they are outlined by the core values and principles of the respective company. Those have to be implemented on every level of the company, starting from the inside. In order to have a fortified brand culture, all of the employees, from the CEO to the intern have to work according to the brand's DNA, which will consist of the respective values mentioned.

As the vision is incorporated vertically on every brand's aspects, it will be the basis for the positioning that the brand wants to take in the market. By identifying a market niche, the brand will try to differentiate from competitors, building its unique perception on the consumers' perspective. Moving forward, as the public interacts with the brand, its personality will start to

compose itself, through associations with the clients, being the products, or even the employees the main actor on this same relationship.

This concept, relationship, is one of the final stages of the brand's definition. The connections with the consumers are essential to the brand's prosperity. At this level, the brand's presentation is vital in establishing relationships with the consumers (Bilotti, 2011).

In the end, considering all the aspects were well managed according to the vision, the ultimate goal of every brand is to demonstrate the best reputation possible. These concepts does not only refers to the present time. It is a more stable concept, representing a refining of every move that the brand took over time (Harris & de Chernatony, 2001).

In a successful case, a win-win situation can be verified between the consumers' relationship with the brand and its reputation. While companies look forward to seeing their clients purchase their products so as to strengthen their reputation and brand, consumers comprehend that brands are essential in the composition of their own identities (Balmer & Gray, 2003). From this judgement, it can be concluded that there is a sizable emotional perspective regarding the consumer's buying process.

The psycho-social essence of a certain good takes the consumer to make a non-cognitive choice which will stand above the usual rational decision making process (Mittal, 1988). Rather than separating out individual attributes of the product, consumers form an overall impression (Elliott, 1998). This idea emphasizes the importance of brand management, whose reputation can be more meaningful than the product's main attributes and characteristics, on the consumers' eyes.

By adopting a more strategic procedure to branding, companies can assure they preserve a competitive advantage while wrestling with a continually oscillating market and environmental pushes (Simoes & Dibb, 2001). In order to keep aggressive in the market context, businesses must generate particular offerings, regarding the emotional element of the brand to differentiate them from their competitors. Following this line of thought, CSR can be a huge advantage, as most of consumers, in any type of market, value the positive relevance that brands can have on the society.

2.1.5 Ethical Brand Perceptions

In their research, Sen & Bhattacharya (2001) proved that the non-product extension of a company takes part on establishing the consumer-company bond. In recent years, CSR has become a major aspect of most companies' business. It brings the company several gains, such

as liability reducing and improved brand image, in the shape of company's sustainability (Saunders, 2006). As mentioned above, CSR policies became so "trendy" due to the growth of social and environmental concerns, that they are strictly linked to the brand image and identity.

In a study which was attended by Saunders (2006), it was discovered that 52% of consumers are more expected to prescribe a brand that upholds a good cause over another who does not demonstrate any type of CSR policies. Concurrently, 55% of consumers admits that they will opt for one of those brands that has CSR policies in its foundations, even if it means a higher cost.

It is clear that, to win consumers' loyalty, CSR policies might be a win-win strategy. Not only it helps social/environmental causes, but also, captures consumers to be long-time customers. However, this affiliation between CSR policies and customer loyalty is still generally uncharted.

It was proved how important CSR is to the business world. Throughout every business sectors and markets, CSR policies are generally transversal, and its relevance is generally recognized. However, the banking sector, although having a big room of opportunities for CSR, it is not the top-of-mind while considering its impact on the consumer's decision. The link between financial institutions' CSR perspective and the consumer's activity while on the market still remains unexplored.

2.2 Portuguese banking sector

To contextualize this research, it is necessary to have a clear vision about the Portuguese banking paradigm. Until December 2019, the Portuguese banking sector was more resilient than it was before the crisis resulting from the 2008-2012 global recession and was making significant strides in terms of solvency, liquidity, asset quality, efficiency, and profitability.

However, the current crisis context as a result of the COVID-19 pandemic presents the sector with significant challenges.

2.2.1 Brief characterization of the Portuguese banking sector

To Portugal is one of the countries that suffered the most the effects of the economic crisis of 2008, and the banking sector mirrored that situation. The purchasing power of the entire population declined on the following years, resulting on a massive downgrade on almost all economic indicators. However, in recent years, the Portuguese economy is slowing demonstrating some positive signs of growth. The following data was extracted from the article

Overview do Sistema Bancário Português, (Overview of the Portuguese banking system), developed by the Portuguese Association of Banks (2016).

The Portuguese banking sector is constituted by 158 credit institutions, divided in three different categories (March 2016):

- 66 banks*
- 88 mutual agricultural credit banks (caixas de credito Agricola mutuo)
- 4 economic banks*

The following financial indicators are the ones which reflect the best the dimension and the status of the Portuguese banking sector:

- Solvency ratio** – is the indicator that determines the capacity of a certain institution of meet its debt obligations. Its formula includes factors such as net income after taxes, non-cash expenses, and different types of liabilities. The banking institutions operating in Portugal show an average solvency ratio of 13%, which is considered a solid value – the institutions are able to close-out their long-term debts based on their operational income.

- Common equity Tier 1 Ratio (CET1)** - is an indicator that consists mostly on the stock retained by a bank or other type of financial institution. It is quite recent, as it was introduced in 2014, following the 2008's economic crisis, with the goal of protecting the economy. Common equity Tier 1 capital refers to the bank core capital, such as common shares, retained earnings & stock gains due to common shares issuing. This ratio represents the proportion between this type of capital and high-risk assets. The average presented by the Portuguese banking sector is 12.1%, above the minimum required (4.5%) by 2019, according to Basel III** capital and liquidity rules.

- Assets: the banking institutions operating in Portugal possessed a total of 408.9 thousand million € in assets

- Credit to clients: Portuguese banking institutions presented a total of 255.4 thousand million €

- Deposits: By March 2016, the clients of Portuguese banking institutions had a total of 249.1 thousand million € in deposits.

In what asset evolution is concerned, Portuguese banking institutions have faced some negative results in recent years, when analysing the growth annual rates of assets' value. However, those same results were preceded by positive levels of growth. Between 2005 and

2009, the average annual growth rate was 9.5%. Between January 2009 and April 2011, the growth rates were still showing positive results (8.7%), much higher than the European average (1.8) %. However, the crisis effect had their share on the negative results that followed. Between May 2011 and June 2016, the average annual growth rate had the value of -4.0%. On the contrary to the euro zone, the deleveraging of the Portuguese banking sector only began on the sequence of the implementation of the Economic and Financing Assistance Program (Programa de Assistência Económica e Financeira). Accorded between the Portuguese authorities, the European Union and the FMI, this monetary support had three main goals: fiscal consolidation, financial system stability and structural transformation of the Portuguese economy.

In Portugal, the activities of financial services (except for insurances and pension funds) contributed for approximately 3.7% of the gross added value of the country (2013). This value is comparably higher comparing to the ration verified on the euro zone, and higher than some of the biggest European countries such as France, Germany and Spain, for example, reflecting the importance that the banking sector has on the Portuguese economy.

The proportion between the credit to clients and the total assets is a highly interesting ratio to understand how much value of assets is being absorbed by clients. In other words, this ratio analyses how much money owned by the banking institution is not on the institution itself. In the Portuguese case, it can be concluded that almost half of the total asset value (49.1%) is allocated to credit to clients.

Other significant asset indicator would be the proportion between the assets weighted by risk and the total of assets. This ratio has considerably decreased in recent years: between 2007 and June 2015, it went from 66.9% to 57.3%. This tendency intensified after the Economic and Financing Assisting Program (PAEF). It reflects a decrease on the average risk of the assets that make up the Portuguese banks.

To have a clear perspective relative to the Portuguese banking institutions' target, it is essential to analyse the credit volume division between different types of clients. By June 2016, the credit provided by banking institutions in Portugal was divided in the following way:

- 45% - particulars
- 30% - nonfinancial societies
- 4% - public administration
- 21% - other

Inside the segment, the big majority of credit has the housing label, representing 81% of the credit. In what the non-financial societies are concerned, the credit is more equally divided:

- Housing market and construction: 28%
- Commerce, accommodation and catering: 21%
- Industry: 21%
- Agriculture, fishing, hunting and forest: 3%
- Others: 21%

In what sources of financing are concerned, Portuguese banking institutions rely a lot on clients' deposits, being that 50 % of the total funding, while wholesale funding represents 26% of the banking institutions' financing in Portugal. Wholesale funding is the act of searching for financing in merchant banks and other financial institutions. 13% of funding is represented by capital, whilst the remaining 12% are divided by other alternative ways of financing.

The volume of deposits has been changing similarly according to the Portuguese economy. Between 2005 and 2008, the average of growth rates of deposits' volume was 9.4%. Between 2009 and April 2011, the volume of deposits still showed positive indicators. Although the slight growth rate's decrease, it continued to reflect positive values (7.7%). However, the growing tendency reversed in 2012, due to the contraction registered on the non-financial societies' segment. Between May 2011 and June 2016, the average growth rate reflected negative values (-0.1%).

In what profitability is concerned, the Portuguese banking sector presents very similar numbers on both main indicators: ROA (return on assets) and ROE (Return on Equity). In 2008, the two ratios presented small, but positive values, 0.2% and 3.4% respectively. In 2012, this value decreased and surpassed the breakeven point, reflecting negative values of -0.3% and 3.3% respectively. 2014 was the worst year of the recent years of the Portuguese banking sector in what profitability is concerned. The banking institutions presented a ROA of -1.2% and a ROE of -17.2%. However, this negative situation was reversed, and in 2015, both indicators presented positive levels once again, 0.1% and 0.9% respectively. Until March 2016, although the values continued positive, they have started to stagnate, reflecting values closer to the breakeven point.

Adding to the low levels of profitability of the sector, recent values of June 2016 demonstrate a cost of equity higher that the ROE, mirroring a value destruction on the sector.

Wrapping up all the indicators mentioned above, it is clear that the Portuguese banking sector was severely affected by the economic crisis, which impact was stronger than the

average of the Euro zone. However, there is a notorious progress, mostly after the assistance program developed by several entities in order to stabilize the Portuguese financial system.

The Portuguese financial market is close to saturation, and banks see the need to differentiate themselves in other ways besides their product's characteristics. It is clear that these institutions are following a pattern of detouring of the core business, with other types of service offers being the ultimate factor that consumers are taking into consideration when choosing a bank to open an account, start a business, ask for a loan, etc. This "out of the box" perspective that banks are taking is clearly palpable in the following examples of services offered by Portuguese banking institutions:

- Banco Português de Investimento: the possibility for BPI clients to buy several technology and house products through the bank, facilitating the purchasing process by centralizing various products into the same institutions. These products include premium smartphones from various brands, house products, gold, watches from premium brands, among other valuable products.

- Millennium BCP and Caixa Geral de Depósitos: The possibility of buying properties directly from the institutions, without needing a third party to complete the operation, facilitating, once again, the process of purchasing products of a high level of investment.

- Novo banco: the possibility for students who are Novo Banco's clients to do a summer internship, in order to enrich their curriculum.

- CGD: The bank keep a close relation with public universities in Lisbon, giving the opportunity for every students who enroll in a public higher education institution to open an account, offering several advantages targeted to that specific range of customers.

- The possibility of, not only acquire financial products, but also, purchasing insurance services through the banks. Most of the Portuguese banks have those offers, as some of them result from a partnership with insurance companies.

- The increase of accessibility through apps developed by the banks itself, in order to offer the consumer, the mobility the modern time require. The easy access of all account information, as well as the possibility of carrying out several actions such as transactions and managing savings can be done quickly through the smartphone.

2.2.2 CSR policy in the Portuguese banking sector/Strategic dimensions of Social Responsibility in the Portuguese banking sector

This disengagement of core business by the Portuguese banking sector is no exception of the CSR subject, and financial institutions have been following closely this same pattern, as there are several actions that banks are actually carrying on, in order to contribute to a positive cause:

- Promoting projects of social awareness, by presenting the best projects on these areas with monetary prices for they to continue developing and reaching their goals.
- Highly contribution in the education sector through several projects such as:
  - Promoting scholarships for those who show a high academic achievement but do not have the monetary resources to pursue their personal education
  - Participating on the technological development of schools by equipping them in this regard, by establishing partnership with fabricants in this sector
- Stimulating the cultural development, by investing on several projects on this area, such as museums, art exhibitions, etc.
- Participation on environmental projects, such as funding "green" events, for example.
- Promoting internal environmental-friendly practices, by publicizing the decrease of energy and water usage on a daily basis, encouraging recycling, by wasting time picking materials and distributing them to the respective waste-treatment factories, and by endorse a "plastic-free" policy.
- Supporting customers and guide them on an economic point of view in order to track them to an economic lifestyle with lesser environmental impact.

As it was previously shown, CSR disclosure is essential for organizations, as it is the only way for firms to make their social actions and initiatives visible, not only to the consumers, but also to the government and to other legislation entities.

In Portugal, banks are often visibly connected with CSR-related events and initiatives. On almost every Portuguese bank's websites, there is evidences, and own areas for the consumer/potential client to be in touch with the latest CSR-related actions and investments in which the bank is involved. Also, sponsorships are also a very common way of Portuguese banks to associate themselves with these kinds of activities. And it is clear-cut that those initiatives have always a huge highlight on social media, being a non-voluntary CSR disclosure

approach. Along with all this, most of banks make their annual CSR report available every year, where shareholders can have access to every CSR-related investments and actions carried out by the respective bank that same year.

2.3 Literature Gap

An examination of the current literature showed a significant gap as financial institutions invest annually in corporate social responsibility that benefits most from consumer perception towards a particular financial organization. This lack of knowledge about the CSR practices impact in costumer's decision-making leads to a research problem: "How does CSR policies affect consumer purchasing behaviour at financial institutions in a particular country?"

In modern days, CSR is one of the main subjects in what business is concerned. Across all market segments, the importance of taking society factors in consideration while doing business has been being highlighted in recent years. The growing concern on the impacts that every corporate activities have on the communities came to emphasize the need of understanding how each company, depending on its activity and surrounding environment can implement corporate social measures, not only to accomplish with certain obligatory standards, but also to captivate a more sensitive target.

This same concern led to a necessity of comprehending how exactly can CSR measures impact the business activity, in order to companies use those measures as a competitive advantage within the market in which they are inserted. It is obvious that the impact that a certain measure has will be totally different when comparing different markets and environments. This means that, to investigate about a specific market sector of a specific geographical area, with its own socio-economic characteristics, it will not be possible to take into consideration previous analysis that are referred to the same sector only, or vice-versa.

Regarding the topic of this study, the objective is to evaluate the impact of CSR activities of the Portuguese banking sector in what consumers' purchasing behaviour is concerned, as there are no previous studies that specifically takes a deeper look on all of these variables together: the banking sector, the geographical area (in this case, Portugal) and the typology of client: the regular, private consumer. This conclusion was reached after a profound look for articles, studies and carried out investigations about this matter. Although, as mentioned above, it is imprudent to take a conclusion based on similar investigations, it is good for this study to realize the findings that were discovered on them, so to have a proper comparison.

The study of the impact of CSR activities on the banking sector on consumers' purchasing behaviour is not an innovative approach. Iqbal and Pramanik took a closer look on how CSR initiatives on Bangladesh private banks influence customers' loyalty. According to the classification of McDonald, (2010), CSR initiatives were divided into 4 different segments: customer centric, green involvement, ethical and philanthropy. The goal was to find a correlation between the loyalty demonstrated by bank customers and each of the 4 dimensions of CSR activities. The study has, indeed, shown that CSR initiatives have significant effects on the loyalty showed by Bangladesh private banking clients. It was concluded that, the greater the investment in the four dimensions of CSR activities are, greater the positive image about the concerned banks. This will lead to a spread of word among the customers, preceded by a possible opportunity to take hold of new customers. However, as stated above, it would be careless to assume that this conclusion is also applicable to Portugal. The two countries are totally different in all socio-economical aspects, which means that the consumers' perspectives and paradigm contrasts between both cases.

The closest study that has been found about this subject is the one carried out by Carreira and Amaral, in "O Reconhecimento da Responsabilidade Social", (The Recognition of Social Responsibility). This investigation aims to acknowledge to what extent the choice of bank takes into consideration the respective carried out CSR initiatives. However, the target that is being considered in this investigation are companies and other organizations, not the regular consumer. The conclusions taken, similarly to the first situation, also evidenced an existing correlation between CSR policies carried out by Portuguese banks and the organizations' decision-making process in what choosing a financial institution is concerned. However, it is, one more time, a redundant conclusion to fulfil the purpose of the initial case. Organizations and consumers have two distinct perspective on procurement processes, it would be negligent to affirm that the correlations founded are also valid for private, regular consumers.

Another study, quite similar to this investigation, is the one conducted by Ângelo, (2017), in which the author also ponders about the influence of CSR initiatives on consumers' purchasing behaviour. Although the study was also conducted in Portugal, being the same geographical area, the market segment is entirely different. In this case, "fast-fashion" companies are the main subject of the analysis, and how do brands' image actually stands out among consumers for their CSR initiatives. The research has concluded that, although there was no evidence of a direct, positive relation between purchasing behaviour and CSR initiatives' consumers' perception, that same perception positively influences brand's reputation. And the brands' reputation, whether it is favourable or poor, shapes consumers'

purchasing behaviour. Once again, although it is being considered the same geographical area, it is preposterous to take those conclusions as dogmas for all market segments. Banking and fashion are two completely separated market segments, and the aspects that consumers value on both situations are distinct.

In short, the relation between consumers' purchasing behaviour and CSR is not an innovation in literature. As it can be recognized, there has been some articles and investigations conducted about this relation and its level of correlation. However, a clear gap can be identified, as there is no evidence of "if and how" CSR initiatives conducted by Portuguese banks can actually influence the regular consumers' purchasing behaviour. Taking this into consideration, this research comes in need to fulfil this same literature gap, having a notorious academic purpose.

2.4 Suitable Theories to support the present study

To perform our study and address this case study, it is unquestionably necessary to sustain the research and methodology based on the assumptions on previously written theories, as they are the theoretical foundations and justifications of every step of this work. On this case, it was found the need to use two base theories: the Legitimacy Theory, written by Burlea and Popa (2013), and the Enlighted Value Maximization Theory, also known as Enlighted Stakeholder Theory, which is an update of the Stakeholder Theory, written by Jensen (2001)

2.4.1 The Legitimacy Theory

The definition of legitimacy is based on the assumption that every action of a certain company or organization are appropriated or desirable, taking a respective set of social norms and values into consideration.

The sustainability of the legitimacy theory is established on the management culture that associate traditional norms and values with nowadays' ethics. According to Burlea and Popa (2013), the stability and maturity of organizational legitimacy depends on four factors:

- Quality of the organizational management
- Adequate allocation of resources and efficient use of rare resources
- Solidity of normative standards of conduct
- Increase of the visibility of socially responsibility activities in the external environment

This theory has the role of explaining and justifying organizations' conduct in what carrying out and establishing deliberate social and environmental disclosure are concerned. CSR disclosure happens in order to go along with the society's expectations. If it does not comply with social and moral values, it can lead to a company's / organization's failure. So, from this, it can be taken out that disclosure should be done so as an organization make the most of legitimacy, as a resource and as a competitive advantage.

2.4.2 The Enlighted Stakeholder Theory / Enlighted Value Maximization theory

First of all, it is crucial to understand what the two main concepts on this theory mean:

- Value Maximization theory: all the decisions made among all levels of the firm should be taken so as to boost the entire continuing, deep-rooting, market value of the firm

- Stakeholder theory: managers must take decisions so as to take into considerations the interests of all stakeholders in the firm

This theory explores the relation between the value maximization and stakeholder theories. It complies with the stakeholder theory structure; however, it admits maximization of the long-term value of the firm as the principle for carrying out the requisite trade-offs amid its shareholders.

It is possible to establish a connection between value maximizing and social benefits and interests. When a company / organizations acquires an additional units of any input to produce an additional unit of any output, not only it contributes for value-adding to the company, but also, it increases social welfare, at least, by the amount of its product.

Burlea and Popa (2013) affirm that there is a relationship between these two main theories that can be outlined from these descriptions. Important stakeholders have a part in organizational legitimacy, by the authority they exercise on organization activities. This connection is based on the following components:

- The reciprocal constitutional relationship
- The stakeholders' interest on the organization
- The risk conjectured by stakeholders
- The moral claim

Stakeholders do not provide legitimacy on an organization by themselves, but its activities are able to contribute for legitimacy. The constraint that stakeholders bring to bear on the organization does not lead to the attaining of the organizational legitimacy, but it can be a barrier between ethical activities of the organization. This is where the value maximization accept comes into stage, as it is the justification for CSR disclosure.

These two theories combined are the proof that it is safe to assume along this case study that CSR disclosure is a real, continuous need across all types of market, meaning that the research will not be negatively affected by any theoretical affirmation or assumption.

Chapter 3 - Preliminary conceptual model and research hypothesis

As stated in the previous chapter, scarce research has been done in banking sector to bridge consumers' choice and banking CSR policies, be it in terms of engagement with the Bank social and environmental endeavours or purchases of banking goods considering selectively the bank accordingly their CSR procedures.

It is this gap in the literature that this dissertation intends to start filling. The present study focuses on understanding whether if motivations to purchase banking products can be associated to the customers' acknowledgement of the CSR activities practiced by the Portuguese banking sector.

3.1. Hypothesis development

After the realization of the literature review, directed to the initial problem and the gap was detected. With that, it was possible to formulate the research questions, whose answers would solve the identified gap. In order to find those same answers, hypothesis were formulated for each question:

- To what degree does Corporate Social Responsibility activity impact the behavior of Portuguese financial institutions' customers? Regarding this question, the main point is to understand if the consumers' behavior is influenced by the CSR activities. However, the correlation can exist, but may or may not be strong enough to find evidence that one aspect influences the other.

  ➢ H 1.1: There is a high correlation that indicates that consumers procurement in what financial institutions is concerned is influenced and partly depends on the CSR policies practiced by Portuguese banks

  ➢ H 1.2: There is no correlation, and the customers are not influenced by the CSR policies. Their choices and fidelity towards financial institutions are determined by other critical success factors.

- What Corporate Social Responsibility proposals are the most successful at enhancing customers' perceptions of Portuguese Financial institutions? Regarding this question, it is all about ranking the different CSR policies practiced by Portuguese banks in what consumers' CSR awareness is concerned.

➢ H 2.1: Funding projects of social awareness

➢ H 2.2: Investment on education

➢ H 2.3: Contribution on a cultural perspective (museums, art exhibitions, etc)

➢ H 2.4: Promotion of internal environmental-friendly practices

➢ H 2.5: Funding projects that show a pro-environment perspective (planting trees, technological development, renewable energies, etc)

➢ H 2.6: Customer economic support towards an environmental-friendly perspective.

➢ H 2.7: All types of CSR policies are equally perceptible by consumers

- <u>Do the perceptions about social responsibility initiatives adopted by Portuguese financial institutions differ in different socio-demographic groups? (Incoming, age, gender?</u> In this final question, the goal is to understand if the consumers' perception on CSR policies are uniform or if it is possible to identify specific socio-demographic groups whose perceptions differ between themselves.

➢ H 3.1: There are certain socio-demographic groups that are more or less influenced by the CSR policies presented by the Portuguese financial institutions

➢ H 3.2: The perception about CSR policies is not differently influenced by changing any aspects (age, incoming, gender) between socio-demographic groups.

The hypothesis above were written based on the combination of the theories that serve as basis to this work, and the literature review that has taken place. Every hypothesis stated above are linked with both theories (the Legitimacy theory and the Enlighted Stakeholder theory). Not only the hypothesis are in accordance to society's expectations in what moral values are concerned, as they mirror the consumers' perceptions, but also meet economic and financial needs and objectives of the company, as they reflect the consumers' opinions and decision-making process, in what choosing a product is concerned. The literature review also fundaments these hypothesis, as they embrace every possible scenarios of the current CSR environment already described.

3.2. Preliminary conceptual model

Based on the previous hypotheses, our research conceptual model is presented in Figure 3.1.

Figure 3.1 – Conceptual model

Master's Thesis

| Previous work | Theoretical research | Empirical Work |

Problem

Portuguese consumers perspective on banks CSR policies

CSR & Customer loyalty publications & reports

Initial Literature Review

MSc student Background

Problem Contextualization

Gap

Portuguese banks' CSR policies influence on consumers' procurement

Research Questions

i)To what extent are the Social Responsibility policies of Portuguese financial institutions aligned with the United Nations Sustainable development goals?

ii)To what degree does Corporate Social Responsibility activity impact the behavior of Portuguese financial institutions' customers?

iii)What Corporate Social Responsibility proposals are the most successful at enhancing customers' perceptions of Portuguese Financial institutions?

iv)Do the perceptions about social responsibility initiatives adopted by Portuguese financial institutions differ in different socio-demographic groups? (Incoming, age, academic formation)?

Purpose

1) Research to what extent CSR policies conducted by Portuguese banks contribute do consumers' procurement process

2) Understand if there are specific measures which consumers value the most

3)Determine if the perception os CSR policies varies between socio-demographic groups

Literature Review (General - Part I)

Basis theory

Lefitimacy theory
Enlighthed stakeholder theory

Conceptual Framework

Literature Review (Detail - Part II)

Conceptual Model

Research Questions

Hypothesis

Methodology

Framework research

- Consumers perception on CSR policies applied by Portuguese banks

- Influence on those same policies on their decision making process

Investigation strategy

- Exploratory case study
- Hypothetic-deductive approach
- Quantitative research

Research Instruments

- Consumer Survey of CSR policies' perception in the banking sector

Case study

Portuguese banking industry & Portuguese Consumers

Data Analysis

SPSS

Results Discussion Conclusion

Data collection

Chapter 4 – Methodology

4.1. Research approach

This chapter describes the methodology used in this study. First, the methods for data acquisition and the example description are presented. The methods for analysing and testing the model and hypothesis are then discussed.

The aim of this study is to discover patterns and draw general conclusions about the relationship between customers decision products purchasing and the CSR policies integrated in the banking business model, as well as to test hypotheses derived from the existing literature. Quantitative research uses a deductive approach that makes it possible to test existing theories while examining social reality from an objectivistic perspective (Gratton & Jones, 2010). Questionnaires are a common method of collecting data in the context of quantitative research. The data collected through questionnaires is easily measurable as it can be converted into numerical numbers and analysed using statistics (Bryman & Bell, 2015). This method makes it possible to collect information from a large sample (Malhotra & Birks., 2007). In addition, quantitative questionnaires are inexpensive and cannot be distributed online as the physical presence of the researcher is not required (Veal, 2018).

4.2. Data collection and sample

The problem has been identified, the research questions have been formulated and the point of departure of this study has been constructed. From now on, it was necessary to draw up a methodology in order to reach to concrete answers. The data that has come out of the study was treated and interpreted in a way that it could be possible to reach to wide, and at the same time, complex conclusions so to find a clear final answer to the problem mentioned above.

The research method of this study comes from the relation that consumers may or may not have with the CSR policies practiced by Portuguese banks. In order to properly interpret this paradigm, it was necessary to recognize both sides of this connection. The consumers' perspective was be evaluated through a survey that demonstrated how much consumers were influenced by CSR policies in the process of opening a bank account. A gentle reminder about the designation attributed to the research tool. We considered "questionnaire" the set of questions that was distributed to get the responses, while "survey" involves both the set of questions and the procedure of gathering and analyzing the responses from those questions.

I.e., "questionnaire" is about the content, while "survey" is a wider term that describes content, method, and analysis

4.2.1. Questionnaire development

This questionnaire was developed, and the respective data was collected using Google Forms software. In order to perform this survey in the most rigorous way, it was necessary to identify the proper target audience for the survey. As it was intended to study the Portuguese audience, the sample consisted on Portuguese consumers, resident in Portugal, who have a bank account, or intend to open one on a Portuguese bank. As it was necessary to be over 18 years old to do so, this survey was looking forward to the adult population. Although it was not an obligatory criteria, everyone included in this study will have probably finished the obligatory years of school education, having completed the 12th grade. This study is directed to private consumers who open personal bank accounts, as companies, organizations and other small business were excluded from the survey.

The questionnaire was divided in five groups. The first one is a demographic characterization, where consumers were asked about their age, sex, nationality, monthly income, level of education, if the respondent is resident in Portugal at the moment, and the current professional situation.

The second group of questions refers to the consumers' perception of CSR politics in general, in all of their purchasing decisions. First of all, the respondent was presented with a table which conjugates 3 aspects: price, quality and CSR politics, in what choosing a product is concerned. The respondent was asked to see through all options and choose the frequency of those same combinations. After that, each individual was asked about their knowledge of CSR politics, and if so, to give some examples. In the end of the group, they were asked about their opinion about which market sees consumers better accepting CSR policies.

The third group funnels the CSR theme into banks and financial institutions. The respondent was asked about his awareness about CSR policies on this market segment, giving some examples if possible. Then, the individual was requested to choose among a series of CSR practices carried by financial intuitions in what their influence on both consumers and society is concerned. The last question of this group divided the respondent, as they were asked to inform if they have, or have not a bank account in Portugal.

The fourth group is dedicated to people that actually have at least on bank account opened in Portugal. The respondent was asked about the circumstances in which he/she had opened his/her bank account: which bank, the reason why that account was opened, if the individual had opened the account himself, and how old was he/she when his/her first bank account was opened. Then, the respondent was asked if he had any awareness about CSR policies practiced by banks when his/her last bank account was opened. In the end, the individual was asked to choose between various options, to state the reasons why he/she had opened a bank account. If the individual had chosen "CSR practices", he/she would be asked to state the policies that had a bigger weight in the decision.

The fifth and last group is committed to people with no bank account opened in Portugal. The individual was asked about the reason he/she has not opened a bank account, and if he/she was considering about opening one in the future. Then, the respondent was asked to state the aspect he/she would considered in the decision making process. And, similarly to the previous group, if one of those aspects is CSR policies, the person was asked to state the ones which he/she considered to be more important.

4.2.2 Data collection

The questionnaire went online for about a month in order to give enough time to collect a relevant sample in what quantity and diversity of respondents were concerned. The questionnaire was shared in various social networks, and it was asked some people to share the questionnaire to their inner circle. As the information was being collected for the very first time by the entity who is developing the study, it is considered Primary data. It goes straight to the point in what the consumers' perception is concerned.

4.2.3 Data measurement

The software that was used to treat, analyse, and interpret the collected responses was SPSS, version 26. In order to input the questionnaire's inquiries on SPSS, it was needed to transform each question into a numerical code, so that SPSS could read them without any hindrance. Henceforth, the questions will be addressed by their respective numbers.

Figure 4.1 – Questionnaire's questions and respective codes

Please, fullfill the following table, according to the criteria which you consider a priority when buying any product or service	P1.1
Chooses taking into account Price and Quality but not CSR	P1.1.1
Chooses taking into account Price and CSR but not quality	P1.1.2
Chooses taking into account Quality and CSR but not Price	P1.1.3
Chooses taking into account Price, Quality and CSR	P1.1.4
Chooses taking into account Price but not Quality nor CSR	P1.1.5
Chooses taking into account Quality but not Price nor CSR	P1.1.6
Had you any previous knowledge about CSR practices runned by companies and/or organizations?	P1.2
If you have answered "yes", would you give some examples?	P1.3
In your opinion, in which markets CSR practices are more easily accepted by the consumer? Choose up to 3 options.	P1.4
Do you have any knowledge about CSR practices runned by financial institutions in Portugal?	P2.1
If you have answered "yes", could you give some examples?	P2.2
From the options presented below, choose, up to 3 options, the ones that, in your opinion, would be more benefic for financial institutions to retain new clients	P2.3
From the option presented below, considering the power and influence of financial institutions in society, choose, up to 3 options, the ones that, in your opinion, would be more benefic	P2.4
Do you have one or more opened bank accounts in Portugal?	P2.5
In which bank or banks do you possess a bank account?	P3.1
Why have you opened your bank acount(s) in Portugal?	P3.2
Have you opened your bank account(s) by yourself?	P3.3
How old were you when you opened your first bank account?	P3.4
When you opened your last bank account, did you have any knowledge about CSR policies practiced by financial institutions?	P3.5
Which factors did you consider when opening your bank account?	P3.6
In case you have chosen "CSR" policies on your last question, choose up to 3 practices which have had a higher impact on your decision.	P3.7

Not only were the questions transformed into numerical values, but the answers were also transformed into numeric variables. The questionnaire had various types of questions, so the values were attributed according to the hypothesis which this study aims to investigate:

- For the "yes or no" questions, a binary system was used, given the value "1" or "0" according to the correlation with CSR policies – Questions 1.2; 2.1; 3.3; 3.5.

- For the presented table were the consumer is asked to characterize his decision-making process, a scale of 1-to-5 is given, according to how closer the answer is to CSR policies – Question 1.1.

- For the multiple choice questions, there were two ways to look upon the data, depending on the content of the question:

- The answers that concerned about different types of CSR policies, numbers were given to different options, in order to do a frequency test, as "1" being the lowest value – Questions 2.3; 2.4; 3.7. If a respondent decided to write an option by his/her own, that would be given an existing number, choosing the most accurate group.

- For the question 3.6, concerning about factors that would influence the respondent to open a bank account, equivalently to the situation referred above, numbers were also assigned to different options. However, the option that was given a higher value was the one which was better connected with the banking sector, and so on, being "1" also the lowest number. The objective, in the end, was to do an average so as to interpret how close the answer was to the subject under study. Similarly to the

situation above, full answers were give existing numbers, by selecting the most appropriate group.

All the answers were inputted on SPSS, in order to either accept or discard the hypothesis presented above. Each main (research) question was associated with respective questionnaire's questions, so that a solution can be found.

<u>To what degree does Corporate Social Responsibility activity impact the behavior of Portuguese financial institutions' customers?</u>

For the first question, a frequency analysis was done to the questions 2.1 and 3.5 to visualize in detail how many people actually have knowledge on CSR policies practiced by financial institutions. The results of question 3.6 were also analysed. The average of each respondent answers was calculated, and the total average was determined, to find how close or how far the sample was to be CSR influenced. The results were interpreted so that it could be compared the amount of people that know about CSR policies and the consumers that actually recognize those policies as an important factor that will influence their decision-making process.

<u>What Corporate Social Responsibility proposals are the most successful at enhancing customers' perceptions of Portuguese Financial institutions?</u>

On the second question, a frequency analysis was also made, this time on questions 2.3, 2.4 and 3.7, with the purpose of listing which type of CSR proposals has a higher and deeper impact from the consumer's point of view. The outcome that came out after these analysis identifies the CSR practices which consumers recognize to be more critical and relevant according to the present paradigm.

<u>Do the perceptions about social responsibility initiatives adopted by Portuguese financial institutions differ in different socio-demographic groups? (Incoming, age, academic formation?</u>

The third question required a much more complex SPSS analysis, as the purpose is to stand out one, or more than one demographic group, in what their CSR policies practiced by financial institution's perceptions is concerned. There was also the possibility to reach the conclusion

that there was not any specific demographic group where perceptions where different than the standard. Nevertheless, a comparison between groups had to be made in order to reach a proper closure.

To construct demographic groups, three demographic aspects were picked up. There were more demographic variables that could be used, however, SPSS would not be accurate enough when analysing interactions with four or more independent variables, which would negatively influence the final result. With that being said, gender, range of age, and range of income were the demographic aspects which were chosen to form groups. Due to the limitation presented by the SPSS system, these variables were the ones that better characterized the simple, concerning the questions that were analysed.

In what the questionnaire's questions are concerned, this analysis was based on the same dependent variables as the first main question: 2.1, 3.5 and 3.6. The difference is that, this time, the tests that were executed took into consideration the division of the answers by demographic groups.

For the result observation of the two first questions, once again, descriptive statistics have been made once again. However, those same statistics were divided by each demographic variable mentioned above.

In what the question 3.6 is concerned, an ANOVA test was carried out, but only for a descriptive and not comparison purpose. The average values of each respondent's answer were displayed according to the demographic group of the subject, being possible to cross information.

4.2.4 Preliminary test

A pilot or preliminary test was carried out before the online questionnaire was started. The aim was to assess whether the questionnaire had to be revised. A preliminary test was therefore carried out in July 2020 in which 15 valid answers were collected within one week.

By reviewing the results, adjustments were made to the model, and to the tool. First of all, the demographic group was altered, in what the variety of options was concerned. The respondents had pointed out that some questions might not reach all people due to the limitations. The CSR concept explanation was introduced at the beginning of group 2, as most of the initial respondents were confused about it meant.

Finally, the wording of some questions was refined thanks to the respondent's feedbacks, in order for the questions to be more direct and explicit.

4.2.5 Descriptive statistics of the sample

This study aims at unveiling the links between the consumers' choice of banking products and the perception of CSR banking practices. Accordingly, and as mentioned above, respondents were contacted through various social networks and websites, so that the researcher could gather a convenience sample to empirically validate the research model.

The sample was constituted by 236 respondents. Of those, 34.7% were man, while 65.3% were woman. In what age is concerned, almost half of the respondents (47.5%) were between 18 and 30 years old. The other age ranges, 31 to 40 years old, 41 to 50 years old and more than 51 years old have the respective percentages: 11.9%, 17.8% and 22.1%. From the 236 different responses, only two were not valid as they were under 18 years old. This study meant to only measure the opinions and perception of adult individuals, who can, legally, open a bank account by their own. Regarding the educational level, more than half of the sample has a completed bachelor's degree (58.4%). Also, a big portion of the respondents has a completed master's degree, 26.3%, while only 4.2% have a PhD. Also, 9.3% of the sample only has completed secondary school. In what employment situation is concerned, most of the respondents (55.9%) stated that they worked for others. While 10.6% stated that they were self-employed, 25.9% declared that they were still studying. Only 5.9% of the sample was unemployed and 2.1% was retired. Regarding the monthly income, 41.5% belongs to the group of 0 to 999€, while 29.2% states that their monthly lays in between 1000 and 1999€. The next range, the 2000 to 2999€, is composed by 12.3% of the sample, while 16.9% claims to earn more than 3000€ monthly. Figure 4.2 summarizes the sample characteristics.

Figure 4.2 – Sample description

Demographic Variables		
Gender	Male	34.7%
	Female	65.3%
Age	18-30 years	47.5%
	31-40 years	11.9%
	41-50	17.8%
	Plus 51 years	22.1%
Educacional level	Secondary School	9.3%
	Bachelor's degree	58.4%
	Master's Degree	26.3%
	PhD	4.2%
Employment Situation	Working for others	55.9%
	Self-employed	10.6%
	Student	25.9%
	Unemployed	5.9%
	Retired	2.1%
Monthly Income	0-999€	41.5%
	1000-1999€	29.2%
	2000-2999€	132.3%
	Plus 3000€	16.9%

Chapter 5 - Research findings, and Discussion

The SPSS software was crucial to the results of this study. The outputs obtained by this method of quantitative analysis were essential to find the solutions of the main questions, and to interpret those same solutions to reach a palpable conclusion. The following chapter aims to answer the three main questions, one by one, by enlightening the hypothesis that corresponds to the findings on SPSS outputs.

Before presenting the outputs and their respective interpretation, it is relevant to point out the changes that were made after the responses' analysis.

The last group, dedicated to the individuals who did not have a bank account, was discarded. From the entire universe of respondents, there were only two individuals that stated that they did not possess a bank account. The reason for both was the fact that they were underage. As this questionnaire was meant to be only for people over 18 years old, the answers of these two respondents were cut down, and the entire group did not have any responses, being useless for further investigation. With the last group being discarded, the question 2.5, which inquire the consumers about having a bank account or not, became redundant, so, it was cut down as well.

To what degree does Corporate Social Responsibility activity impact the behavior of Portuguese financial institutions' customers?

Before funnelling into CSR in financial institutions, it is important to have a broad panorama of the consumers' recognition of CSR, in all types of markets. The table below shows the answers to question 1.2, which inquiries about the respondent's knowledge of any CSR practice. The answers revealed that 45.5% of the respondents are aware of any CSR policies, in any market segment. It is intriguing to observe that, although CSR's disclosing has increased substantially in the last years & decades, less than half of the respondents could tell they knew about any CSR activity at all.

Figure 5.1 – Question 1.2 answer's frequency

P1.2		
Answers	Frequency	%
YES	127	54.3
NO	107	45.7

The consumers were also asked to mention the market segments in which, in their opinion, CSR practices were more easily accepted. The tables below reflect the answers given, as each number corresponds to a specific market segment. The answers have clearly illustrated a tremendous CSR acceptance, on the consumers perspective on the food sector, with approximately 79% of the consumers choosing that option. The second most chosen sector was the clothing segment, with a 46% choice rate. The financial sector indicated one of the lowest response ratio, with only 22% of the respondents choosing this option.

Figure 5.2 – Question 1.4 answer's frequency

P1.4		
Answers	Frequency	%
Financial sector	52	22
Clothing sector	107	46
Food sector	184	79
Transportation	36	15
Medical and pharmaceutical industry	83	35
Education	55	23
Catering and hospitality	66	28
Public admnistration	35	15

In order to find a proper correlation between financial institutions' CSR practices and the consumers' decisions, it was necessary to evaluate their knowledge on those same policies.

Figure 5.3 – Question 2.1 answer's frequency

P2.1		
Answers	Frequency	%
YES	176	75.2
NO	58	24.8

The table above represents the frequency of the sample that answered "yes", or "no" when asked if they had any knowledge about CSR practices executed by financial institutions in Portugal. It can be observed that most of the respondents were not aware of any type of those

same practices at the time of the questionnaire application. Only about a quarter of the sample (24.8%) affirmed they did recognize the existence of a CSR facet in what banks and financial institutions are concerned.

These numbers declined, even more, when it was asked if the respondents were aware of this same politics when they had opened their first bank account.

Figure 5.4 – Question 3.5 answer's frequency

P3.5		
Answers	Frequency	%
YES	221	94.8
NO	12	5.2

The table above shows that, in a universe of 234 respondents, only 12 were aware of CSR politics when they had their first contact with the respective bank. This represents a mere 5.1% of the sample. From these two analyses, it can be said that, although banks and other financial institutions in Portugal do invest in CSR, those activities were not being disclaimed in way that the information reaches the regular consumer.

However, having recognized the consumer's low perception and knowledge about CSR practices, it was important to evaluate if they actually have contributed to the decision-making process, when one is deliberating on which bank he/ she should choose.

In question 3.6, respondents were asked to choose up to 3 options in this question. In this case, the options were given higher values according to their proximity with CSR and proper sustainable actions carried out from banks and financial institutions. The option "CSR Practices" was given the higher value 6, being the number 1 the lowest possible value. The tables below indicate all the answers given by respondents.

Having calculated the main average of each respondent average's value, dependent on what options each person had responded, the value obtained was 2.79. From this value, it can be concluded that, in what CSR policies impact is concerned, the consumers are relatively neutral. As previously observed, very few respondents were conscious about CSR operated by banks and financial institutions when they had opened their first bank account. However, the observed average value demonstrates that consumers could be much more distant to be influenced by CSR and ethical-related decision-making factors, as they have no knowledge or judgment about the subject.

According to the results presented above, it can be concluded that the most reasonable hypothesis that will serve as a solution for this question is H 1.2. Although the average

measured on question 3.6 is close to the medium value (3), between 1 and 6, it is clear that the number of people that have knowledge of CSR policies executed by banks is very low. It can be affirmed that there is no influence on the consumers' decision-making process.

<u>What Corporate Social Responsibility proposals are the most successful at enhancing customers' perceptions of Portuguese Financial institutions?</u>

Independently on how little people let CSR practices influence their decision-making process in what choosing a bank is concerned, it is vital to understand which type of existing policies consumers value more. If financial institutions want to follow this path in what marketing and investment is concerned, it is imperative that they know which way to follow in this broad aspect.

The question 2.3 evaluated the opinion of the consumers on which type of CSR policies would be more beneficial for banks in what engaging new customers are concerned. It is important to stand out that every option available were based on real-life CSR policies that banks and other financial institutions are currently carrying out. The respondents could choose up to 3 options.

From the table below, it can be seen that all the options had its fair share of respondents choosing them. However, the options 2 and 4, which stand for contributions on the education sector and promotion of projects related to social conscience had a higher rate of answers. About 57% and 58% of the respondents have chosen those two options, respectively. On the other hand, the options that were less chosen were number 1 and 3, which stand for the encouragement of cultural development and participation in environment-related projects. These options had the lowest choice rate, with 29% and 39% respectively.

Figure 5.5 – Question 2.3 answer's frequency

P2.3		
Answers	Frequency	%
Cultural development	68	29
Contributions on the education sector	133	57
Participation on environmental projects	91	39
Participation on social conscience projects	135	58
Promotion of internal, eco-friendly practices	107	46
Financial client support, promoting a sustainable lifestyle	119	51

If question 2.3 analyzed the consumers' opinion on what could be better for banks and financial institutions, question 2.4 would take a different approach. This question evaluated the respondent opinion on what would be more beneficial to society, taking into consideration the influence and power that this kind of companies and organizations have. The options given were the same as in the previous question.

Figure 5.6 – Question 2.4 answer's frequency

P2.4		
Answers	Frequency	%
Cultural development	72	31
Contributions on the education sector	118	50
Participation on environmental projects	104	44
Participation on social conscience projects	129	55
Promotion of internal, eco-friendly practices	126	54
Financial client support, promoting a sustainable lifestyle	95	41

The observed answers were similar but slightly different from the first question. Once again, promotion of projects related to social conscience repeats the first spot as the most chosen option with 55% of the respondents choosing that option. Right after, comes option number 5, which stands for the promotion of environmental-friendly internal practices, with 54% of the respondents picking that option. Contrarily, the least chosen options were, once again, numbers 1 and 3, with 31% and 44% of answers respectively. As stated before, option 1 refers to encouragement on cultural development, as number 3 refers to participation in environment-related projects.

At last, question 3.7 was analyzed in order to find out which type of CSR policies were the most successful at engaging new customers. This question inquired about what type of CSR policies consumers did or would take into consideration when choosing a financial institution. Only the respondents that considered CSR practices a relevant factor in their decision-making process were eligible to answer, so, the number of responses was relatively low compared to the original sample. Only 30 people had their opinion mirrored in this question. However, it is already an indicator of which CSR policies might work in what engaging new customers are concerned. Similarly, to the other two questions presented above, the options to choose were the same, and each respondent could choose up to three different types of practices.

Figure 5.7 – Question 3.7 answer's frequency

P3.7		
Answers	Frequency	%
Cultural development	6	20
Contributions on the education sector	14	47
Participation on environmental projects	8	27
Participation on social conscience projects	12	40
Promotion of internal, eco-friendly practices	11	37
Financial client support, promoting a sustainable lifestyle	11	37

The answers obtained curiously match with question 2.3. The options 2 and 4, which stand for contributions on the education sector and promotion of projects related to social conscience had, once again, the higher rate of responses, 47% and 40% respectively. On the contrary, options 1 and 3, which stand for the encouragement of cultural development and participation in environment-related projects were, once again, the options with the lowest rate of answers, 20%, and 27% respectively.

From the analysis presented above, it can easily be concluded that consumers have a good perception on which type of CSR practices would, indeed, help banks and financial institutions gain new customers. It was interesting to observe that the answers of the entire sample matched the answers that were given only by people who consider CSR practices to be an important aspect to consider in their decision-making process.

The analysis presented above also showed a partial, but not a total correlation between the consumer's opinion of what CSR practices would be more benefit to society and the practices that would weight on the consumers' decision. That indicates that, although the consumer's opinion is influenced by their surroundings and the visible impact of CSR in the society, there is space for a personal perspective. This may cause a sense of unpredictability in the banks' view when deciding which way, they should go in what CSR investment is concerned. However, it can be considered that it will be a safe bet to go in for CSR policies with proven higher impact on society.

As it was already proven by the analysis above, CSR policies related to investments and promotion in education and social conscience project are the ones that consumers value the most. Not only do they think, from an outside perspective, that those two options are the most advantageous to earn new clients, but a portion of the sample also considered those two choices as factors of weight in their decision-making process. With that being stated, it can be

concluded that the hypothesis more suited to answer this question are H 2.1 and H 2.2, which stand for social conscience and awareness projects and education investments, respectively.

<u>Do the perceptions about social responsibility initiatives adopted by Portuguese financial institutions differ in different socio-demographic groups? (Incoming, age, monthly income?</u>

In order to find an answer to this final problem, the outputs of questions, 2.1, 3.5 and 3.6 were used. Those same outputs were already analyzed above in order to answer the first question. However, to solve the third and final issue of this study, a different approach was taken. Every single one of these questions was evaluated by dividing the outcomes into every possible groups, taking into consideration these three variables: age, gender and monthly income.

In what questions 2.1 and 3.5 are concerned, a descriptive study was executed, crossing the results, with each independent variable mentioned above, to verify if there was a specific demographic group that should be highlighted. Each question inquired about the knowledge of CSR policies practiced by banks and financial institutions in Portugal. The first one asked about the present knowledge, as the second pretended to perceive the consumer's knowledge when he/she had opened his first bank account.

After running the respective SPSS analysis for both questions, the tables below reflect the percentage on people, divided by the specific demographic groups that have responded positively to these questions:

Figure 5.8 – Question 2.1's positive answers by demographic variables

P2.1								
Gender	%		Age	%		Monthly Income	%	
Men	21%		18-30 years	9%		0-999€	7%	
			31-40 years	36%		1000-1999€	30%	
Women	26%		41-51 years	45%		2000-2999€	34%	
			Plus 51 years	36%		Plus 3000€	50%	

Figure 5.9 – Question 3.5's positive answers by demographic variables

P3.5							
Gender	%		Age	%		Monthly Income	%
Men	4%		18-30 years	4%		0-999€	3%
			31-40 years	7%		1000-1999€	7%
Women	6%		41-51 years	5%		2000-2999€	7%
			Plus 51 years	8%		Plus 3000€	5%

In what gender is concerned, it can be seen that there is nothing relevant to point out, as the differences between men and women are relatively small. However, it can be highlighted that the younger range of the sample is the one that has less awareness regarding CSR policies practiced by banks. This situation is also verified in the interval corresponding to the lowest value range of monthly income. The reason for this, is that most of the younger respondents also fit in this category, as many of them are students or are starting their professional careers. In what the differences between questions is concerned, an evolution can be noticed from the time the respondents had opened their first bank account until the present.

In what question 3.6 is concerned, once again, a descriptive statistic test was realized, in order to divide all the obtained responses by the respective demographic groups, according to the independent variables described above. As it was mentioned earlier, 3.6 meant to measure how close consumers were to be influenced by CSR when choosing their bank account. The options were given the number 1 to 6, being 6 the value with bigger weight, corresponding to the option that was closer to CSR practices. The respondents could choose up to three options. This analysis intends to only focus on the average values shown, in order to find an outlier, either for the positive or for the negative side.

From an observation of the average values, it can be concluded that there is a minimal discrepancy between the different groups. According to the results, it is possible to divide the sample into two big groups. Approximately 57% of all respondents have their averages, between 2 and 3. That group is composed of people belonging to all kinds of demographic groups, being impossible to find a pattern. The other group composed of approximately 38% has an average value between 3 and 3.7. This group is also characterized by its diversity in what demographic variables are concerned, being, once again, impossible to find a pattern.

From the results presented above, it can be stated that the most reasonable hypothesis that responds to this question is H 3.2. There is no identifiable pattern between different demographic groups, which means that there is no discrepancy in levels of CSR policies' influence between them.

Figure 5.10 – Question 2.1's positive answers by demographic variables

Gender	Age	Monthly Income	Average	Frequency
Male	18-30 years	0-999€	2,9902	34
		1000-1999€	3,17778	15
	31-40 years	0-999€	3	1
		1000-1999€	3	3
		2000-2999€	2,72222	3
		Plus 3000€	2,5	1
	41-51 years	1000-1999€	2	3
		2000-2999€	2,38889	3
		Plus 3000€	2,36667	5
	Plus 51 years	1000-1999€	3	2
		2000-2999€	3,33333	2
		Plus 3000€	2,71429	7
Female	18-30 years	0-999€	2,48837	43
		1000-1999€	3,125	12
		2000-2999€	3	4
		Plus 3000€	3,66667	2
	31-40 years	0-999€	2,7619	7
		1000-1999€	3,1	10
		Plus 3000€	2,66667	3
	41-51 years	0-999€	3	3
		1000-1999€	3,05556	12
		2000-2999€	2,91667	6
		Plus 3000€	3	9
	Plus 51 years	0-999€	2,41667	6
		1000-1999€	3,02778	12
		2000-2999€	2,62121	11
		Plus 3000€	1,97222	12

Chapter 6 – Conclusions

This chapter contains the final conclusions of the present work. Thus, it begins with a review of the original intents. Thereafter, the development of the research will be discussed briefly. The achievement of the goals (section 2.4) is then discussed in accordance with the guidelines draw up from the research questions (section 1.5). Presenting this, it is possible to bridge the goals, with the suitable theories reported in the literature review (section 2.4), the research questions and survey outcomes. Finally, the limitations and recommendations for future work (section 6.2) as well as the project's contribution to different areas (Theory, Investigation and Practice) are presented (Section 6.3).

6.1. Final conclusions

This research work was born due to the pertinency of get acknowledgement about the influence of banking sector CSR policies in the decision-making process of consumers. Once having this knowledge, it will be possible to identify and propose the implementation of measures to overcome the eventual consumers' low perception rate of the developed CSR projects and policies, increasing brand adherence and loyalty.

Thus, to achieve the main goal, and to evaluate the impact of CSR activities of the Portuguese banking sector in consumers' purchasing behaviour, a survey was chosen as research tool (section 4.2.1) for an exploratory approach. It was concluded to be the most appropriate choice to collect data. In the making of questionnaire, the matters to be clarified spring from the research questions defined as follows:

• RQ1: To what degree does Corporate Social Responsibility activity impact the behaviour of Portuguese financial institutions' customers?

• RQ2: What Corporate Social Responsibility proposals are the most successful at enhancing customers' perceptions of Portuguese Financial institutions?

• RQ3: Do the perceptions about social responsibility initiatives adopted by Portuguese financial institutions differ in different socio-demographic groups?

To conclude also about the positive influence of both, Legitimacy Theory and Enlighted Stakeholder Theory principles to pave the way in the questionnaire elaboration.

After gathering all the outputs that came from the SPSS analysis, and respective interpretations, it was possible to draw some relevant conclusions that will clarify the initial

problem presented by this study case: *the unfamiliarity of Portuguese consumers' perceptions on CSR policies practiced by banks and financial institutions, and their influence on consumers' decision-making process.*

A positive evolution can be seen from 20, 30 years ago, which is approximately the time when respondents opened their first bank account until the present, taking into consideration the Portuguese consumers' perception of CSR bank policies executed by banks. Almost a quarter of respondents have stated that knew these kinds of procedures performed by banks and financial institutions, at the time of the questionnaire application. The comparison between this percentage and the one (5%) which affirmed that they recognized these policies at the time of their first opened bank account, illustrates a progression in what CSR disclosure is concerned. However, when comparing to other market segments, the perception of CSR in the banking sector is relatively low. The junction of these aspects could indicate that there is, not only, margin to develop CSR disclosure, but evolution will also justify that same development in what consumers' CSR perception is concerned.

In what CSR policies' influence in the consumers' decision-making process is concerned, it can be concluded that banks and financial institutions' customers are still far away from being impelled to change their choice due to CSR factors. It became noticeable that the priority is always to find the solution that fits the best on an individual, financial level.

Regarding the type of CSR practices that consumers seem the value the most, there is a clear distinction of social conscience and education projects, two themes that stood out from the rest. Either on an outside perspective or as their own choice, those were the subject's consumers' felt that would be the best CSR option in what retaining new customers is concerned. It reflects a priority in social development, quality of life and rather than recurrent themes such as environment, for example. Taking the broad CSR spectrum into consideration, it can be concluded that people are giving more importance and relevance to their community and the contributions to a proper standard of living.

In what differences related to CSR perception in distinct demographic groups are concerned, there is no specific group that is worth to point. Although it could be observed that the younger range of the sample was the least aware of CSR policies practised by banks, when analysing the influence in the decision-making, there are minimal differences between all kinds of demographic groups.

The lack of awareness demonstrated by the youth can be explained by the fact that most of them still did not have to deal with banks and financial institutions as closely and regularly as older people do. However, there is room for improvement in what this awareness is

concerned. Nowadays, CSR disclosure is much more active and visible than it was a few years and decades ago. If it continues to follow this tendency, in a few years, the levels of awareness could be higher than they currently are.

Although CSR is a well-known concept among the regular consumer, it is perceived and expected at different levels, depending on the market segment in consideration. People do perceive and acknowledge the power and influence of banks and financial institutions in society, but not consider that when it comes to making an individual purchasing decision. It can be said that the CSR policies executed by banks are, indeed, corresponding with the society's expectations when it comes to general organization's legitimacy. However, those same policies may not be entirely and directly translated into value maximization for the banks themselves.

According to the Enlighted Value Maximization theory, when a company develops an additional input (e.g.CSR policies) to produce an additional output (e.g. to increase adherence and loyalty), not only it contributes for value-adding to the company, but also, it increases social welfare, at least, by the amount of its product. Therefore, if the CSR policy is not fully recognized, consequently, the programs or projects are not worthwhile for consumers, not influencing at all their decision-making process as regards the acquisition of banking services. So, the importance of those policies is only in the universe of the stakeholder directly involved in those CSR practices.

Also, and following the Legitimacy theory outputs, it could be concluded that, by not acknowledging this need for deliberate dissemination of social and environmental good practices, some companies of the banking sector seem to skip the fact that disclosure should be done. An organization should make the most of legitimacy of their actions, as a resource and as a competitive advantage.

6.2 Study Limitations and Future Work Recommendations

It is essential to recognize that, although it was possible to present concrete conclusions with this study, there were some limitations in its process, and that the results might be different taking different circumstances into consideration.

The first aspect that is important to highlight is the fact that everyone whose answers were valid, had already a bank account. Which means that this study did not get an opinion of people who would be experience de decision-making process of choosing a bank for the very first

time. The results and outputs might be distinct as these consumers would not have a previous idea and perception.

Also, the current pandemic situation cause by the outbreak of COVID-19 virus could be also an influence in respondents' answers. As the economic and health state of the country, and the rest of the world, is completely altered, it is natural that people prioritize different factors and aspects, and that situation might be reflected on the survey.

Also, it is important to focus on the fact that CSR is a relatively new concept in what people's mind-set is concerned. Although it is being heard and practiced since some decades ago, it will still take some time from that concept to be present on people's mentality, in what that, it can be affirmed that CSR is, undoubtedly, an important factor on the consumer's decision-making process, generally speaking.

Nevertheless, this study could have a huge impact for Portuguese banking. If each individual bank replicated this study to their own customers, it could change, not only the way banks disclosure their CSR policies, but also, would help them to decide which areas should they direct their investment. The client would be the one who defined which CSR policies should be executed by banks, which would make these strategic decisions much more accurate and precise.

6.3 Contributions to Theory, Investigation and Practice

In this section it is argued that the development of this case study project has brought different contributions to distinct areas.

For the field of theory, it provides a conceptual framework that is the result of a review of the literature aimed to find ways to (i) better address the gap (notion of the impact of CSR policies when it comes to differentiation of financial institutions); (ii) to develop tools for evaluating the perception of consumers and collecting key information; and (iii) to pave the way to the establishment of a better stakeholder interaction, increasing the consumer emotional brand attachment and bringing the CSR policies as a critical success factor when it comes to differentiation of financial institutions.

In addition, in this case study, a formal, organized and systematic approach has been developed for the investigation, based on the extensive literature review, on the development

of a questionnaire applied to a significative sample, and the data assessment and analysis in the survey process.

An improved solution is available to be offered to the practitioner, the banking sector professionals, for the improvement of CSR policies strategies and dissemination approaches. Maybe with a different perspective on the management of the CSR projects and actions, with a co-creation process in which several stakeholders (consumers included) participate. That eventual approach is expected to improve the success of these CSR policies in the banking sector and in the consumers' acknowledgement.

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Annexes

Annex A – Questionnaire

Práticas de Responsabilidade Social Corporativa no sector bancário português

Agradecemos antecipadamente a sua colaboração.

Este questionário faz parte de um estudo realizado no âmbito do Mestrado em Gestão do ISCTE-IUL. Tem dois objectivos principais: (i) pesquisar como o consumidor português percepciona, compreende e reage às politicas de Responsabilidade Social Corporativa praticadas pelos bancos, e (ii) perceber até que ponto estas políticas constituem uma vantagem competitiva para os mesmos.

*Obrigatório

Caracterização demográfica

1. Género *

Marcar apenas uma oval.

⬭

⬭

⬭

Feminino

Masculino

Outra:

_____

2. Qual a sua idade? (Escolher o intervalo correspondente) *

Marcar apenas uma oval.

○ Menos de 18 anos

○ 18-30 anos

○ 31-40 anos

○ 41-50 anos

○ 51-65 anos

○ Mais de 65 anos

3. Qual é a sua nacionalidade? *

Marcar apenas uma oval.

○

○

 Portuguesa

Outra:

_____

4. Qual o seu grau de escolaridade? *

Marcar apenas uma oval.

○ Inferior ao 12º ano

○ 12º ano concluído

○ Licenciatura

○ Mestrado

○ Doutoramento

○ Outra:

_____

5. Escolha um dos intervalos de acordo com o rendimento mensal que aufere atualmente *

Marcar apenas uma oval.

○ 0-999€

○ 1000-1999€

○ 2000-2999€

○ Mais de 3000€

6. Vive atualmente em Portugal? *

Marcar apenas uma oval.

○ Sim

○ Não

7. Se respondeu "Sim" à pergunta anterior, há quanto tempo reside em Portugal?

Marcar apenas uma oval.

○ Menos de 1 anos

○ 1-5 anos

○ 5-10 anos

○ Mais de 10 anos

8. Qual é a sua situação profissional atual? *

Marcar apenas uma oval.

○ Trabalhador por conta de outrém

○ Trabalhador por conta própria

○ Estudante

○ Desempregado

○ Reformado

Responsabilidade Social Corporativa (RSC), define um conceito

Responsabilidade caracterizado pelo impacto que as empresas e outro tipo de organizações ou instituições de qualquer segmento de mercado têm em todos os

Social   aspetos e camadas da sociedade, tendo em conta a maneira como são

Corporativa   feitos os negócios e respetivas operações

9. Por favor, preencha o seguinte quadro, consoante os critérios que considera prioritários ao comprar qualquer produto ou serviço *

Marcar apenas uma oval por linha.

	Nunca	Quase Nunca	Às vezes	Quase Sempre	Sempre
Escolhe tendo em consideração o preço e a qualidade, mas não a RSC	◯	◯	◯	◯	◯
Escolhe tendo em consideração o preço, mas não a qualidade nem a RSC	◯	◯	◯	◯	◯
Escolhe tendo em consideração a qualidade, mas não o preço nem a RSC	◯	◯	◯	◯	◯
Escolhe tendo em consideração o preço e a prática de RSC, mas não a qualidade	◯	◯	◯	◯	◯
Escolhe tendo em consideração a qualidade e a prática de RSC, mas não o preço	◯	◯	◯	◯	◯
Escolhe tendo em consideração o preço, a qualidade e a prática de RSC	◯	◯	◯	◯	◯

10. Já tinha conhecimento de práticas de RSC desenvolvidas por empresas ? *

Marcar apenas uma oval.

◯ Sim

◯ Não

11. Se respondeu "Sim" à pergunta anterior, consegue dar alguns exemplos?

12. Na sua opinião, quais os mercados em que as políticas de RSC são melhor e mais facilmente aceites pelo consumidor? Escolha até 3. *

Marcar tudo o que for aplicável.

☐ Setor Alimentar

☐ Setor textil

☐ Banca e seguros

☐ Restauração e hotelaria

☐ Indústria médica e farmacêutica

☐ Educação

☐ Transportes

☐ Administração Pública

Outra: ☐ _____

Setor da Banca Portuguesa - RSC

13. Tem conhecimento de algumas políticas de RSC praticadas por instituições financeiras em Portugal? * *Marcar apenas uma oval.*

◯ Sim

◯ Não

14. Se respondeu "Sim" à pergunta anterior, consegue enumerar alguma(s)?

_____

_____

_____

_____

15. Das opções abaixo, escolha (até 3), as que, na sua opinião, seriam mais benéficas para as instituições financeiras fidelizarem novos clientes *

- [ ] Promoção de projectos relacionados com consciência social
- [ ] Contribuições no setor educativo
- [ ] Estímulos ao desenvolvimento cultural
- [ ] Participação em projetos de natureza ambiental
- [ ] Promoção de práticas internas sustentáveis e amigas do ambiente
- [ ] Apoio financeiro ao cliente, aconselhando mediante um estilo de vida mais

sustentável Outra:

- [ ] _____

16. Das opções abaixo, considerando o poder e a influência das instituições financeiras na sociedade, escolha (até 3) as que, na sua opinião, serão mais benéficas para a mesma. *

Marcar tudo o que for aplicável.

- [ ] Promoção de projectos relacionados com consciência social
- [ ] Contribuições no setor educativo
- [ ] Estímulos ao desenvolvimento cultural
- [ ] Participação em projetos de natureza ambiental
- [ ] Promoção de práticas internas sustentáveis e amigas do ambiente
- [ ] Apoio financeiro ao cliente, aconselhando mediante um estilo de vida mais

sustentável Outra: [ ] _____

17. Possui atualmente uma ou mais contas bancárias abertas em Portugal? *

Marcar apenas uma oval.

- ( ) Sim
- ( ) Não *Avançar para a pergunta 25*

Possui uma ou mais contas bancárias abertas em Portugal

18. Em que banco(s) possui uma ou mais contas bancárias? *

Marcar tudo o que for aplicável.

- [ ] Santander Totta
- [ ] Millenium BCP
- [ ] Novo Banco
- [ ] Caixa Geral de Depósitos
- [ ] Banco CTT
- [ ] Activo Bank
- [ ] BBVA
- [ ] Montepio

Outra: [ ] _____

19. Porque razão abriu uma ou mais contas bancárias em Portugal? *

_____

_____

_____

_____

_____

20. Foi o próprio que abriu a(s) sua(s) conta(s) bancária(s)? *

Marcar apenas uma oval.

- ( ) Sim
- ( ) Não

21. Que idade tinha quando abriu a sua primeira conta bancária? *

_____

22. Quando abriu a sua última conta bancária, tinha conhecimento de políticas de RSE praticadas pelas instituições? * *Marcar apenas uma oval.*

○ Sim

○ Não

23. Que fatores teve em conta ao escolher o banco para abrir a sua conta? *

Marcar tudo o que for aplicável.

☐ Vantagens Financeiras (ex: valor das taxas de juro)

☐ Qualidade do Serviço

☐ Credibilidade e imagem do banco

☐ Despesas/custos bancários reduzidos

☐ Aconselhamento de algum familiar/amigo/conhecido

☐ Práticas de RSE

Outra: ☐ _____

24. Caso tenha escolhido na pergunta anterior a opção relativa às práticas de RSE, escolha até 3 práticas que tiveram mais peso na sua decisão

Marcar tudo o que for aplicável.

☐ Promoção de projectos relacionados com consciência social

☐ Contribuições no setor educativo

☐ Estímulos ao desenvolvimento cultural

☐ Participação em projetos de natureza ambiental

☐ Promoção de práticas internas sustentáveis e amigas do ambiente

☐ Apoio financeiro ao cliente, aconselhando mediante um estilo de vida

mais sustentável Outra: ☐ _____

Não possui qualquer conta bancária aberta em Portugal

25. Porque razão não possui qualquer conta bancária em seu nome em Portugal?
*

_____

_____

_____

_____

26. Pretende abrir uma conta bancária em Portugal num futuro próximo? *

Marcar apenas uma oval.

◯ Sim

◯ Não

27. Se respondeu "Sim" na pergunta anterior, que motivos o levariam a escolher um banco em específico?

Marcar tudo o que for aplicável.

☐ Vantagens Financeiras (ex: valor das taxas de juro)

☐ Qualidade do Serviço

☐ Credibilidade e imagem do banco

☐ Despesas/custos bancários reduzidos

☐ Aconselhamento de algum familiar/amigo/conhecido

☐ Práticas de RSE

Outra: ☐ _____

28. Caso tenha escolhido a opção relativa às práticas de RSE, escolha até 3 práticas que tiveram mais peso na sua decisão

Marcar tudo o que for aplicável.

☐ Promoção de projectos relacionados com consciência social

☐ Contribuições no setor educativo

☐ Estímulos ao desenvolvimento cultural

☐ Participação em projetos de natureza ambiental

☐ Promoção de práticas internas sustentáveis e amigas do ambiente

☐ Apoio financeiro ao cliente, aconselhando mediante um estilo de vida mais sustentável Outra:

☐ _____

Opinião

29. Agradecemos desde já o tempo despendido nas suas respostas. Gostaríamos de receber possíveis sugestões que nos permitam melhorar este questionário.

_____

_____

_____

_____

_____