



Customers Trust Mediation: Effect of CSR and Service Quality towards e-WOM



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Abstract

This study aims to explain the effect of Corporate Social Responsibility activities, service quality on customer trust in PT. Bali Regional Development Bank and explained that customer trust encourages customers to do e-word of mouth to others. To achieve this goal, 100 people are used by Bank X customers spread across Bali Province and will be taken by purposive sampling with questionnaires as the method of data collection. Data is processed using Structural Equation Modeling analysis tools. The results of this study indicate that trust mediates the effect of service quality and corporate social responsibility to e-WOM at PT Bank X. The results of this study are expected to be able to contribute ideas to the banking industry, especially PT. Bank X in building long-term trust. The long-term trust of customers will make PT. Bank X can still compete and even be superior to other banks operating in Bali Province. The advantages of PT. BPB Bali will affect the pace of development in Bali Province through the assistance of MSMEs as one of the CSR programs that it does.

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1. Introduction

The intense competition in the banking industry requires PT. Bank X, hereinafter referred to as PT. Bank X as the only bank owned by the Provincial Government of Bali, designed the right strategy to be able to compete with other banks. As a development bank, commercial banks, and regional cash holders of PT. Bank X is required to be able to provide good quality services to its customers. Service quality is a dynamic condition that effects products, services, people, processes and environments that meet or exceed expectations (Tjiptono, 2002). This makes PT. Bank X must have the right marketing strategy so that customers get good quality service. Good service quality will foster customer confidence in the bank's commitment to the service it promises. In addition to paying attention to the quality of service

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PT Bank X also has a high Corporate Social Responsibility (CSR) program for the community. According to [Kotler and Lee \(2005\)](#), CSR that is implemented appropriately both in the social, economic and environmental fields can provide many benefits for the company, one of which is customer/customer trust. The customer's trust has the potential to cause the information to other communities on the quality of service received by the customer.

Technological advancements have changed the way people engage in social interactions, such as communication or sharing information through online media by utilizing social networking Facebook, Twitter, Instagram, WhatsApp, Line and so on. The advancement of information technology is used by business people to compete in conducting marketing activities, one of which is to use electronic Word of mouth (e-WOM). According to [Jalilvand \(2012\)](#), states that e-WOM is a "venue" or a place that is very important for consumers to give their opinions and are considered more effective than WOM offline, because of the level of accessibility and broader reach. In general, Electronic communication Word of mouth (e-WOM) is the development of communication Word of mouth (WOM) which is effect by the internet. The behavior of e-WOM is one of the results of customer assessment on a company that is created from the overall business activities that shape value and customer trust in the company, these positive activities include Corporate Social Responsibility (CSR) and service quality ([Dewi et al., 2017](#); [Nehru, 2016](#)).

Literature Review and Hypothesis Development

Corporate Social Responsibility and the quality of the company's services if developed properly will create a positive impression on the product and company. This will create an emotional bond between the community and the company so that it will be able to make a brand better known by the community. [Prasetya & Purwanegara \(2010\)](#), states that if the public sees the impression on a company's CSR program, the customer will tell the product to others by utilizing technological advancements such as social networking or often called Electronic Word of Mouth (e-WOM). Electronic Word of mouth is one of the customer assessment results in companies that are created from all business activities that shape value in a company. E-WOM is something we do every day as a way of communicating so that it will become an effective marketing method ([Semuel & Elianto, 2010](#)). If customer trust is formed, it will encourage product users to conduct e-WOM behavior to others. In marketing, it is very important to maintain customer trust in order to maintain the sustainability of the company and also maintain relationships with customers. This is because customers always hope that the brands/products they buy will produce positive and beneficial results for their customers and their environment ([Lau & Lee, 1999](#)).

The Effect of Service Quality on Trust

[Al-Rousan et al., \(2010\)](#), found that service companies must strive to maintain superior service quality over their competitors to obtain and maintain customer trust. Thus the proposed hypothesis:

H₁: Service Quality has a positive and significant effect on Trust

The Effect of Corporate Social Responsibility on Trust

The research conducted by [Pramono Hari Adi \(2015\)](#), found that the variable social responsibility (CSR) had a significant effect on customer trust. The sample used was 78 respondents using accidental sampling method and using data analysis techniques namely regression analysis techniques. Thus the hypothesis submitted:

H₂: Corporate Social Responsibility (CSR) has a positive and significant effect on Trust

The Effect of Trust on e-WOM

Research conducted by [Sari et al., \(2019\)](#), found that Customer Trust has a positive and significant effect on e-Word of Mouth. The sample used by 128 respondents the analytical method used in this study was one sample T-Test, simple linear regression, and moderation, independent sample T-Test, one-way ANOVA. Thus the hypothesis can be formulated:

H₃: Trust has a positive and significant effect on e-WOM

Trust mediates the effect of service quality, CSR on e-WOM

[Nareeman & Hassan \(2013\)](#), show that CSR, service quality has a positive and significant effect on customer trust. With the existence of CSR in a company, making the company better understand and increase specific knowledge of its customers, this will have an impact on customer satisfaction ([Mcwilliams, 2006](#)). Research conducted by [Indriani & Nurcaya \(2015\)](#), found that customer trust had a significant and positive effect on WOM, and trust significantly mediated the quality of service to (word of mouth) WOM. Samples were taken as many as 110 respondents with the

purposive sampling method. Data collection questionnaires by using a 5-point Likert scale, to measure 11 indicators. The analysis technique used is Path analysis. Thus, the hypothesis proposed is:

H₄: trust positively and significantly mediate the effect of service quality and CSR on e-WOM

2. Materials and Methods

This research was conducted on customers of Bank X, which are spread in 9 districts and cities in Bali Province. The population of this study is all PT. Bank X, which has been active for the past 6 (six) months. The number of samples used in this study is 100 respondents because they have met the requirements to be able to use Maximum Likelihood (M) as the estimation model. In taking samples in the study used non-probability sampling technique that is sampling techniques that do not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample. The sampling technique in question is Purposive Sampling, which is a sampling technique with certain criteria. The data analysis technique used is descriptive statistical analysis and Structural Equation Modeling or SEM, which is operated through the AMOS 20.0 program (Nuryani *et al.*, 2018; Sari *et al.*, 2018; 2019).

3. Results and Discussions

3.1 Direct Effect

Table 1
Direct Effect

			Estimate Unstandardized	S.E.	Estimate Standardize	C.R.	P Value
Trust	<---	Quality	.193	.093	.221	2.076	.038
Trust	<---	CSR	.223	.072	.442	3.085	.002
e-WOM	<---	Quality	.389	.163	.257	2.391	.017
e-WOM	<---	Quality	.292	.114	.389	2.557	.011
e-WOM	<---	Trust	.547	.185	.299	2.959	.003

Primary Data, 2019

Based on the estimation results of standardized regression measures in Table 1 it can be seen that the path coefficient of Service Quality on Trust is 0.193 with a significance level of 0.038. This shows that there is a significant effect between Service Quality and Trust. The CSR construct has a significant effect on Trust with a path coefficient of 0.223 with a significance value of 0.002.

Table 1 can also show that the path coefficient of service quality on e-WOM is 0.389 with a significance level of 0.017. This shows that there is a significant effect between the quality of services to e-WOM. The CSR construct has a significant effect on e-WOM with a path coefficient of 0.292 with a significance value of 0.011. Likewise, the trust construct has a significant effect on e-WOM with a path coefficient of 0.547 with a significance value of 0.003.

3.2 Indirect Effect

Table 2
Indirect Effect

Effect	Construct	Standardized Estimates
Direct Effect	Kualitas Pelayanan – Kepercayaan	0.221
CSR –Kepercayaan	0.565	
Kepercayaan – e-WOM	0.299	
Pengaruh Tak langsung	Kualitas Pelayanan–e-WOM	0.06
CSR – e-WOM	0.169	

Pengaruh Total	Kualitas Pelay-e-WOM	0.323
CSR – e-WOM	0.558	
Kepercayaan – e-WOM	0.299	

Data Primer, 2019

4. Conclusion

There is a significant effect between Quality of Service on e-WOM activities of customers of PT, Bank X There is a significant effect between CSR on e-WOM activities of customers of PT, Bank X, There is a significant effect between Trust in e-WOM activities of customers PT, Bank X Belief significantly mediates the effect of servant quality and CSR on e-WOM activity activities of customers PT Bank X.

By paying attention to the results of these studies it is recommended to foster the interest of the community to become customers of PT. Bank X as the only regional government-owned bank in Bali, it is recommended that the banks to give more personal attention to their customers and intensively conduct socialization on CSR activities carried out will not burden the cost of service to customers. Thus a positive story about PT, Bank X will be able to grow the interest of the community to become customers and indirectly involve the community in building Bali in the future.

Conflict of interest statement and funding sources

The authors declared that they have no competing interest.

Statement of authorship

The authors have a responsibility for the conception and design of the study. The authors have approved the final article.

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Limitations of time, costs and capabilities possessed by researchers allow research results to be not maximal. To be able to make a more optimal contribution to the Indonesian Banking industry, in Bali, in particular, it can be continued by adding other variables such as brand image, experience, and other variables. The use of more samples with a wider area of observation will also be able to add relevant information in accordance with the objectives of the research conducted. Thus the results of this study are very useful to foster a love of society towards banking institutions owned by the Regional Government of Bali so that they can contribute to building Bali in the future.

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