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Title and Abstract

Title Effect of Corporate Social Responsibility on Business Sustainability: The Dual Mediation

Abstract Companies are constantly trying to maintain customer trust and loyalty in an effort to preserve business sustainability. Implementing environmental concerns in the form of Corporate Social Responsibility (CSR) is expected to achieve both of these aims. This study aims to analyze the roles of CSR, customer trust, and customer loyalty in business sustainability. Questionnaires were filled by 10 customers from each of 100 Rural Banks spread over 9 districts/cities in Bali, Indonesia. Data analysis was performed with SmartPLS 3.3.2 software. The research found that CSR, customer trust, and customer loyalty have a significant impact on business sustainability. The results also found that customer trust and customer loyalty function as mediation in the relationship between CSR and business sustainability.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

Pengaruh Tanggung Jawab Sosial Perusahaan terhadap Keberlanjutan Bisnis: Mediasi Ganda

Abstrak: Perusahaan senantiasa berusaha menjaga kepercayaan dan loyalitas pelanggan dalam upaya menjaga keberlangsungan bisnis. Implementasi kepedulian lingkungan dalam bentuk Corporate Social Responsibility (CSR) diharapkan dapat mencapai kedua tujuan tersebut. Penelitian ini bertujuan untuk menganalisis peran CSR, kepercayaan pelanggan, dan loyalitas pelanggan dalam keberlanjutan bisnis. Kuesioner diisi oleh 10 nasabah dari masing-masing 100 BPR yang tersebar di 9 kabupaten/kota di Bali, Indonesia. Analisis data dilakukan dengan software SmartPLS 3.3.2. Hasil penelitian menemukan bahwa CSR, kepercayaan pelanggan, dan loyalitas pelanggan memiliki pengaruh yang signifikan terhadap keberlangsungan bisnis. Hasil penelitian juga menemukan bahwa kepercayaan pelanggan dan loyalitas pelanggan berfungsi sebagai mediasi dalam hubungan antara CSR dan keberlanjutan bisnis.

Kata kunci: Tanggung Jawab Sosial Perusahaan, kepercayaan pelanggan, loyalitas pelanggan, keberlangsungan usaha

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Dual Mediations of Customer Trust and Customer Loyalty on Corporate Social Responsibility towards Business Sustainability

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ABSTRACT

Every company always tries to maintain business sustainability. Various strategies are applied to achieve business sustainability goals. Always trying to maintain customer trust and loyalty is an effort to maintain the sustainability of the business. In addition, implementing concern for the environment around the company (Corporate Social Responsibility hereinafter referred to as CSR) is expected to be able to increase customer trust and loyalty, and have an impact on business sustainability. This study aims to analyze the role of CSR, customer trust, and customer loyalty in business sustainability. The research was conducted at 100 units of Rural Banks in Bali, Indonesia spread over 9 districts/cities. The research respondents were 10 customers in each bank, so the number of research respondents was 1000 bank customers. Data collection was carried out by distributing questionnaires to customers who were respondents. Furthermore, the research data is processed with the SmartPLS 3.3.2 program. The research found that CSR, customer trust, and customer loyalty have a significant effect on business sustainability. The results also found that customer trust and customer loyalty act as mediation in the relationship between CSR and business sustainability. Researchers recommend the importance of implementing CSR in an effort to increase customer trust and loyalty, which has an impact on the sustainability of Rural Banks in Bali, Indonesia.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

INTRODUCTION

Every company always hopes that it will always grow and develop well. Therefore, company managers try to maintain the sustainability of the company they lead. In addition, we also hope that it will always provide better benefits and benefits from period to period. For this reason, company leaders apply various strategies to achieve these expectations. Some strategies that can be done are maintaining and trying to maintain the level of trust of customers in the company. The company also tries to maintain customer loyalty so that it is not easy to turn to other companies. This kind of strategy is mostly carried out by companies including financial institutions such as banks.

Banks are financial institutions that have the function of absorbing funds from the public and parties with excessive funds by providing interest rates according to the provisions. Banks also

carry out the function of channeling funding to the public and parties requiring additional capital. Therefore, in carrying out its activities, banks are closely related to public trust. The higher the public's trust in the bank, the more it will not worry about saving their funds in the bank. Likewise, the determination of loan interest rates that are affordable by the community is a special attraction for people to make loans to meet the needs of their personal and company funds.

The strategy of maintaining and increasing the trust and loyalty of customers has indeed been proven to be able to make a bank sustainable and sustainable. A number of facts show that many banks are still able to exist until now.

Studies have proven that customer trust and loyalty are able to maintain the sustainability of an institution/company/organization. Ong & Zien (2015) in the results of their research in a number of SMEs in Malaysia found that the sustainability of SMEs was largely determined by the level of trust of their customers. Similar research results were also found in research conducted by Nguyen et al. (2013) and Upamannyu et al. (2015). Kang & Hustvedt (2014) stated that trust is the key to building a market. This opinion is reinforced by Zieni et al. (2017) which states that trust is able to sustain social sustainability.

The level of customer trust in a company/organization is shown through the more intently the customer relates (loyalty) to the company. The more often someone uses a company's products, the higher their loyalty. The higher customer loyalty to a product can be caused by the higher trust in the company's products (Brilliant & Achyar, 2013). Taoketa (2018) states that in terms of marketing a product in a sustainable manner, customer trust ranks first. Hossain (2019) also agrees that trust is a dominant factor in shaping customer loyalty. This opinion is in line with the results of research conducted by Leninkumar (2017), where customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. The results of other studies that found a significant positive influence between the level of trust in, namely Nur (2012), Sarwar et al. (2012), Utami (2015), Leninkumar (2017), Trini & Salim (2018), Widodo & Murwatiningsih (2019). However, in a study conducted by Setiawan and Sayuti (2017), it was found that customer trust had no significant effect on customer loyalty.

Long-term customer loyalty really supports the sustainability of a company. Loyalty is important to company success, profitability, and long-term sustainability (Strenitzerová & Gaňa, 2018). This argument can be proven through a number of research results. Aslam et al. (2020) stated that loyalty is a key factor in gaining benefits and organizational growth in the long term. Meanwhile, Ong & Zien (2015) stated that customer trust and loyalty are very important to ensure sustainable income and profits as well as business sustainability in the long term.

In addition to these statements, a number of studies also explain that customer trust and loyalty can be caused by the company's social concern for the community (often referred to as CSR / Corporate Social Responsibility) (Vlachos et al., 2009; Choi & La, 2013; Azmat &

Ha, 2013). This statement is also supported by the opinion of Cegliński & Wiśniewska (2016), which states that CSR activities carried out by companies can be a source of many benefits, which can increase customer confidence and the company's competitive position, resulting in a competitive advantage.

Málovics et al. (2008) stated that CSR is becoming increasingly important in today's business life, especially in its contribution to business sustainability. A similar opinion was also expressed by Kitthananan (2010); Teodorescu & Ionescu (2014); Mourougan (2015); Grigoris, G. (2016). In more detail, Lu et al. (2020), that the dimensions of CSR separately affect the elements of competitiveness.

Based on this argument, the researcher feels the need to confirm the effect of CSR on customer trust, customer loyalty, and business sustainability, especially at the Rural Banks in Bali, Indonesia.

THEORETICAL REVIEW, PREVIOUS RESEARCH, AND HYPOTHESIS

Business Sustainability

Company leaders have a big responsibility in efforts to maintain business sustainability (Gonzalez et al., 2013). The idea of business sustainability has been a topic of discussion since 1987. Business sustainability is intended as the company's ability to utilize company resources in order to survive in any situation (Szekely & Knirsch, 2005). Business sustainability will be achieved by balancing their performance with economic, environmental, and social aspects. Schaltegger & Burritt (2005) stated that business sustainability is a broad approach that includes various characteristics, especially those related to the contextual integration of economic, environmental, and social aspects. Esterhuyse (2008) defines business sustainability as a multi-purpose concept that is reflected through indicators such as strategy (integrating long-term economic, environmental, and social aspects), finance (a healthy company's financial condition in the long term), customers and products (innovation products to foster customer loyalty), human factors (human resource management as a company asset), governance and stakeholders (establishing sound corporate governance standards).

The sustainability of a company is determined by very complex factors, both internal and external. Internal sources that can affect business sustainability, such as support for corporate resources including human resources and leadership patterns (Sarmawa et al. 2020), corporate governance, environmental/corporate climate management. External sources that can affect business sustainability are customer trust and loyalty, socio-economic conditions, and government participation. However, this study focuses on CSR, customer trust, and customer loyalty on their effect on company sustainability, considering that CSR, customer trust and customer loyalty are mentioned in several references as important factors in relation to business sustainability.

Corporate Social Responsibility (CSR)

The definition often cited by a number of researchers is Carroll (1979) which states that CSR is the responsibility of the company towards the environment and society which includes elements of economy, law, ethics, and wisdom. Fontaine (2013) states that CSR is a business strategy of how to align their values and behavior with the expectations and needs of stakeholders, not only customers and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole. Basically, CSR means that the company's business model must be socially responsible and environmentally sustainable. With social responsibility, it means that company activities must be beneficial to the community and be environmentally sustainable, meaning that the company's activities must not harm the environment.

According to Mourougan (2015), CSR is understood as the way companies integrate social, environmental, and economic problems into their values, culture, decision-making, strategies, and operations in a transparent and accountable manner and thus build better practices within the company, creating wealth and improve society. CSR is a company initiative to assess and be responsible for the company's impact on the environment and its impact on social welfare (Teodorescu & Ionescu, 2014).

CSR is seen as having an important role in business sustainability (Málovics et al., 2008). CSR is also considered to play an important role in gaining a sustainable advantage over competitors, gaining profits, and improving business dealings with customers (Afridi et al, 2018). CSR is a business model that encourages business contributions to sustainable development, namely creating a balance between economic interests, environmental and social needs (Behringer & Szegedi, 2016). According to Grigoris (2016), CSR has become a successful concept for companies to ensure their capacity for long-term value and gain a competitive advantage. According to Kitthananan (2010) and Teodorescu & Ionescu (2014), CSR is a business strategy to achieve long-term sustainability. more explicitly Duthler & Dhanesh (2018)state that CSR is synonymous with sustainability.

A number of research results have proven that CSR has a significant positive effect on business sustainability. Strand et al. (2015) in their research in Scandinavia found that CSR has a significant positive effect on business sustainability in the country. Similar results were also found in research conducted by Ngai et al (2018), where CSR has a significant positive effect on business sustainability in gas companies in China. Based on this argument, the following research hypothesis is built:

Hypothesis 1: CSR has a significant positive effect on business sustainability

Customer Trust

Trust is very important in every aspect of social life (Gucel et al., 2012). Customer trust in a product produced by the company or in the company itself is also very important in relation

to the sustainability of the company. Products that are believed to have good quality certainly have a wider market than products that are not trusted by consumers. Consumers who have high confidence in a product tend to make repeated purchases and recommend the product to others so that there will be a better relationship between the consumer and the company. This is in line with the statement of Wu et al. (2010), where trust is an important factor in achieving a successful marketing relationship. This is reinforced by statement Upamannyu et al. (2015), which states that increasing customer trust has an impact on higher company profitability so that the company can grow in a sustainable manner. Rousseau, et al. (1998); Singh & Sirdeshmukh (2000) stated that customer trust is very important to build and maintain long-term relationships. This statement is in line with the research results of Yu et al. (2018) who concluded that customer trust has a significant positive effect on business sustainability. Based on this argument, the following research hypothesis is built:

Hypothesis 2: Customer trust has a significant positive effect on business sustainability

Customer trust can grow because the company does CSR well. Many companies try to implement CSR to attract public trust, especially customers (Azmat & Ha, 2013). CSR is considered one of the strategies that can pave the way for increasing customer trust. CSR can create a positive image and reputation, which in turn will generate customer trust. Vlachos et al. (2009) stated that CSR can affect customer trust. The results of the research of Swaen & Chumpitaz (2008) and Choi & La (2013), found that CSR significantly positively affects customer trust. The results of the same study were also found in the research conducted by Kang & Hustvedt (2014), namely that CSR significantly positively affects customer trust and attitudes towards the company. Research by Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) also found that CSR affects customer trust in a significantly positive manner. Referring to the findings of the research results, the following research hypothesis is built:

Hypothesis 3: Customer trust is positive significantly influenced by CSR

Customer Loyalty

In general, customer loyalty means the intention to buy back a company product or service (Khan, 2013). According to Markovic et al. (2018), customer loyalty is a customer's intention to repurchase products and services as well as referrals to other people. Gremler and Brown (1999) divide customer loyalty into three different categories which include behavioral loyalty, intentional loyalty, and emotional loyalty. Behavioral loyalty is a repeating purchase behavior whereas intentional loyalty is a possible purchase intention. Emotional loyalty, however, is achieved when customers feel that the brand matches their values, ideas, and passions. Krumpal & Brandtweiner (2010) revealed that customer loyalty is seen as one of the key factors for the success of a company. The same thing was expressed by Khadka &

Maharjan (2017), where customer loyalty is one of the keys to the company's success and profits in the long run. The same thing is also expressed by Utami (2015), that customer loyalty can create a competitive advantage, increase market share, and profit in the long term. Therefore, customer loyalty is important for companies that are struggling to survive and have an increasingly strong competitiveness. In addition, customer loyalty plays an important role in ensuring a competitive advantage as well as retaining existing customers rather than acquiring new ones (Roy, 2011). Explicitly stated Ayodele & Esiti (2016) that customer loyalty can increase the company's competitive advantage, so it has great potential to continue to grow in a sustainable manner. Based on this argument, the following research hypothesis was built:

Hypothesis 4: Customer loyalty has a significant positive effect on business sustainability

Customer loyalty can also be determined by how much the level of customer trust in the product/company. Customer trust is considered a predictor of customer loyalty (Chaudhuri and Holbrook, 2001; Liang and Wang, 2007; Bibb and Kourdi, 2007; Hsu, 2008; Gul, 2014). Ndubisi (2007) and Taylor et al. (2004) also stated that trust is an important factor in building company-customer relationships and ultimately fostering customer loyalty.

Better customer trust leads to a better attitude and loyalty (Moreira & Silva, 2015). This argument is in line with the research results of Sarwar et al. (2012), Ayodele & Esiti (2016) show that trust has a significant positive effect on customer loyalty. The results of previous studies, Chiu et al. (2008), Qureshi et al. (2009), Upamannyu et al. (2015) found that customer trust greatly influences customers to repurchase a company's product. In research Utami (2015) found that customer trust has a significant positive effect on customer loyalty. Based on this argument, the following research hypothesis was built:

Hypothesis 5: Customer loyalty is positive significantly influenced by customer trust

Besides being influenced by customer trust, customer loyalty can also be influenced by CSR. Therefore, many companies in developed countries implement CSR to increase customer loyalty.

Vlachos et al. (2009) in their research found that direct CSR has a significant positive effect on customer loyalty. The same results were also found in research conducted by Choi & La (2013). More explicitly it is said that CSR is a key variable in restoring customer loyalty. The results of research by Azmat & Ha (2013) found that CSR is able to create a positive image and reputation, which in turn creates customer loyalty. This statement is also supported by the results of research conducted by Diallo MF & Lambey-Checchin C. (2016) and Al-Abdallah & Ahmed (2018) in Qatar, where CSR activities were found to have a direct and significant positive effect on customer loyalty. This finding is also supported by the research

results of Afridi et al. (2018) who found that CSR has a significant positive effect on customer loyalty. Al-Ghamdi & Badawi (2019) stated more explicitly, where corporate CSR has a strong and positive influence on customer loyalty. Based on the findings of the study, the following research hypothesis was built:

Hypothesis 6: Customer loyalty is positive significantly influenced by CSR

Based on the results of previous studies where CSR significantly affects customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), while the relationship between customer trust and business sustainability is also significant (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018). Based on these findings, referring to the concept of Baron & Kenny (1987), the customer has the potential to become a mediator in the relationship between CSR and business sustainability. Referring to these findings, the following research hypothesis is built:

Hypothesis 7: Customer trust is positive significantly as a mediator in the relationship between CSR and business sustainability

Referring to the results of previous studies, where CSR has a significant effect on customer loyalty (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019). Likewise, customer loyalty can affect business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Based on these findings and paying attention to the concept of Baron & Kenny (1987), it can be stated that customer loyalty can act as a mediator in the relationship between CSR and business sustainability. Based on the results of the study, the following research hypothesis was built:

Hypothesis 8: Customer loyalty is positive significantly as a mediator in the relationship between CSR and business sustainability

As stated in building hypothesis 3 where CSR has a significant effect on customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). Customer trust also has a significant effect on customer loyalty (a study in building hypothesis 5) (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016). On the other hand, customer loyalty also significantly affects business sustainability (a study in building hypothesis 4) (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Referring to these findings and based on the concept of Baron & Kenny (1987), it can

be argued that customer trust and customer loyalty together act as mediators in the relationship between corporate social sustainability and business sustainability. Thus, the following research hypothesis can be built:

Hypothesis 9: Customer trust and customer loyalty together are positive significant as a mediator on CSR towards Business sustainability

Research Concept Framework

Refers to a study of research results as described, where CSR affects customer trust ((Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), customer loyalty ((Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019), and business sustainability (Strand et al., 2015; Ngai et al., 2018). In another part, customer trust affects business sustainability (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018) Likewise, customer loyalty has an effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). In the next section, customer trust is able to affect customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016), so based on this built a research concept framework as illustrated in Figure 1.

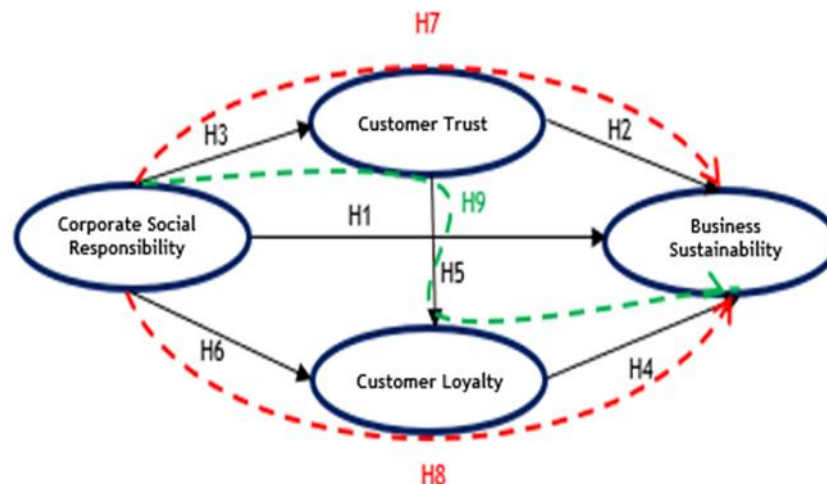


Figure 1. Concept Framework of the Relationship between CSR, Customer Trust, Customer Loyalty, and Business Sustainability

RESEARCH METHODS

Design, Population, and Research Samples

This research was designed as a quantitative study, confirming the relationship between CSR, customer trust, and customer loyalty with business sustainability at rural banks in Bali,

Indonesia. The total number of banks being the research objects is 134 units spread across nine regencies/cities in Bali. The number of rural banks used as research samples was determined based on the Slovin formula with a precision of 5%. The results of the calculation of the Slovin formula are as follows:

$$n = N / (1 + Ne^2)$$

$$n = 134 / \{1 + (134 \times 0.05^2)\}$$

$$n = 134 / (1 + 0.335)$$

$$n = 100.37 \text{ (rounded to 100)}$$

The proportion of the number of Rural Banks in Bali, Indonesia, and Research Respondents in each Regency, is shown in Table 1.

Table 1. Distribution of the Number of Rural Banks by Regency in Bali Year, 2019

No	District	Number of Banks	Sample
1	Badung	49	37
2	Bangli	3	2
3	Buleleng	6	4
4	Gianyar	26	19
5	Jembrana	1	1
6	Karangasem	4	3
7	Klungkung	5	4
8	Tabanan	19	14
9	Denpasar	21	16
	Total	134	100

Source: OJK, 2019

Research respondents were customers at each bank who were taken accidentally (namely who the bank customers met at the time of the research). The number of respondents in each bank was determined to be 3 customers so that the number was 300 customers. Extracting information is carried out by providing a questionnaire to the customer to be filled in and returned on the spot. The research was conducted for three months from January to March 2020. The questionnaire given to customers was in the form of perceptual statements which must be answered only by giving a cross mark (X) in the column provided. Respondents' answers are in the form of a scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis Technique

Data analysis was carried out using the SmartPLS 3.3.2 program, through three stages, namely the validity and reliability testing phase, the research model accuracy testing stage, and the hypothesis testing stage.

a. The validity and reliability testing phase

The data validity test was conducted through convergent validity, discriminant validity. Convergent validity testing is based on the outer loading coefficient, where a set of data can be declared valid if the coefficient is 0.50 or more (> 0.50) and significant at a p-value of 0.05 (Chin, 1998).

Testing the validity of data based on discriminant validity is shown by comparing the root value of Average variance Extracted (VAVE) with the correlation value between variables. It can be said to be discriminantly valid if the root of AVE (VAVE) is greater than the correlation value between variables. The AVE coefficient must be greater than 0.50 (Bagozzi & Yi, 1988). Meanwhile, reliability testing is based on Cronbach's Alpha and Composite Reliability coefficients. It is said to be reliable if the data set has a greater Cronbach's Alpha and Composite Reliability coefficient of 0.70 (Hair et al., 2010).

b. model accuracy testing phase

The test accuracy of the model study was conducted through the R-square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF).

c. Hypothesis testing stage

Research hypothesis testing is based on the path coefficient of each relationship between variables at the p-value 0.05. The hypothesis can be accepted if the p-value of the path coefficient is less than 0.05 (p-value < 0.05 : the hypothesis is accepted). Conversely, the hypothesis will be rejected if the path coefficient has a p-value greater than 0.05 (p-value > 0.05 : the hypothesis is rejected).

Research Variables and Indicators

This study correlates the variables of CSR (independent variables), customer trust, and customer loyalty variables (mediation variables), and business sustainability (dependent variable). Each variable consists of a number of indicators. CSR variable consists of 3 indicators concerning respondents' perceptions of responsibility in the fields of (1) social, (2) economic, and (3) environmental. Customer trust consists of customer perceptions of bank employees in providing services to customers, in terms of (1) quality of relationships between employees, (2) understanding of each other's work, (3) openness of communication, and (4) job competence. The customer loyalty variable is the customer's perception of their loyalty to the bank where they become customers, it consists of three indicators, namely (1) repurchasing behavior, (2) staying in the company/product produced by the company, and (3) conveying positive things. to others. The business sustainability variable is the customer perception of the bank's sustainability, which is measured by: (1) the strategy implemented, (2) financial, (3) customers, (4) products, (5) governance, (6) Resources.

RESULTS AND DISCUSSION

Validity and Reliability

The results of data analysis carried out based on the SmartPLS 3.3.2 program, show the value of the outer loading of each indicator as shown in Table 2.

Table 2. Validity and Reliability

Variables	Indicators	Outer loading Coef.	p-value	Information
CSR	Economic	0.930	0.000	valid
	Social	0.963	0.000	valid
	Environment	0.910	0.000	valid
Customer Trust	Relationships between employees	0.889	0.000	valid
	Understanding of work	0.879	0.000	valid
	Openness of communication	0.911	0.000	valid
	Work competence	0.870	0.000	valid
Customer Loyalty	Buyback	0.976	0.000	valid
	Last	0.984	0.000	valid
	Recommended to others	0.949	0.000	valid
Business Sustainability	Strategy	0.840	0.000	valid
	Financial	0.879	0.000	valid
	Customer	0.894	0.000	valid
	Product	0.926	0.000	valid
	Governance	0.933	0.000	valid
	Resource	0.922	0.000	valid

Source: Data processed, 2020

Table 2 provides information that all indicators used to reflect each variable are convergent valid because they have an outer loading coefficient greater than 0.50 and significant. The discriminant validity test is shown in Table 3.

Tabel 3. Discriminant Validity

Variables	AVE/VAVE	CSR	Customer Trust	Customer Loyalty	Business Sustainability
CSR	0.873/0.934	0.934			
Customer Trust	0.793/0.891	0.808	0.891		
Customer Loyalty	0.943/0.971	0.700	0.845	0.971	
Business Sustainability	0.810/0.900	0.691	0.788	0.894	0.900

Source: Data processed, 2020

Table 3 shows that all research variables are discriminantly valid, this is indicated by the value of the correlations between variables being greater than the root value of AVE.

Furthermore, the research variable reliability testing is carried out, which is indicated by the coefficient of Cronbach's Alpha and Composite Reliability as shown in Table 4.

Table 4. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability	Information
CSR	0.927	0.962	Reliable
Customer Trust	0.913	0.939	Reliable
Customer Loyalty	0.970	0.980	Reliable
Business Sustainability	0.953	0.962	Reliable

Source: Data processed, 2020

Table 4 shows that all research variables are reliable, this is indicated by the coefficient of Cronbach's Alpha and Composite Reliability being greater than 0.70.

Based on the results of testing the validity and reliability of the data, it turns out that all research data are valid and reliable. Then, testing the accuracy of the research model is carried out.

Model Accuracy Test

Testing the accuracy of the research model was carried out through the R-Square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF). The analysis results show the values of R^2 as shown in Table 5.

Table 5. R-Square (R^2) Coefficient

Dependent Variables	R-Square (R^2)	Level
Customer Trust	0.652	Large
Customer Loyalty	0.709	Large
Business Sustainability	0.809	Large

Source: Data processed, 2020

Based on Table 5, the results of the analysis of the effect of CSR on customer trust are shown by the R^2 value of 0.652, meaning that 65.2% of customer trust is influenced by CSR, the rest is another factor. The effect of CSR and customer trust on customer loyalty is shown by the R^2 value of 0.709, meaning that 70.9% of customer loyalty is influenced by customer trust and CSR, the rest is another factor. Meanwhile, 80.9% of business sustainability is influenced by CSR, customer trust, and customer loyalty, the rest are other factors that are not included in this research model. This result is shown by the value of R^2 on the influence of CSR, customer trust, and customer loyalty on business sustainability. Referring to the criteria for the strength and weakness of influence between variables proposed by Cohen (1988), it can be stated that this research model has a great degree of accuracy.

Evaluation of fit models based on Q^2 Predictive Relevance can be calculated with the following formulations:

$$Q^2 = 1 - \{(1 - R^2_1)(1 - R^2_2)(1 - R^2_3)\}$$

$$Q^2 = 1 - \{(1 - 0.652)(1 - 0.709)(1 - 0.809)\}$$

$$Q^2 = 1 - 0.019342$$

$$Q^2 = 0.9807$$

Based on the results of the predictive relevance Q^2 calculation, it can be explained that the research model is able to provide predictive accuracy of 98.07% (large), while 1.93% of other factors are not examined. That is, based on the value of Q^2 , the model has a large degree of accuracy (Chin, 1998).

Evaluation of the accuracy of the research model based on the Goodness of Fit criteria, calculated by the following formulation:

$$\text{GoF} = V(\text{average AVE} \times \text{average } R^2)$$

$$\text{GoF} = V[\{(0.873 + 0.739 + 0.943 + 0.810)/4\} \times \{(0.652 + 0.709 + 0.809)/3\}]$$

$$\text{GoF} = V\{(0.8413) \times (0.7233)\}$$

$$\text{GoF} = V0.60851229$$

$$\text{GoF} = 0.7801 \text{ (large)}$$

Based on the results of the GoF calculation, the model has a level of accuracy of 0.7801 (classified as large according to Akter et al., 2011).

Based on the three results of testing the accuracy of the model, it shows that the model has a great degree of accuracy, therefore it can be continued to the research hypothesis testing process.

Hypothesis Testing

The research hypothesis testing is based on the results of the analysis of the SmartPLS 3.3.2 program and the modified SmartPLS analysis results table, namely Figure 2 and Table 6).

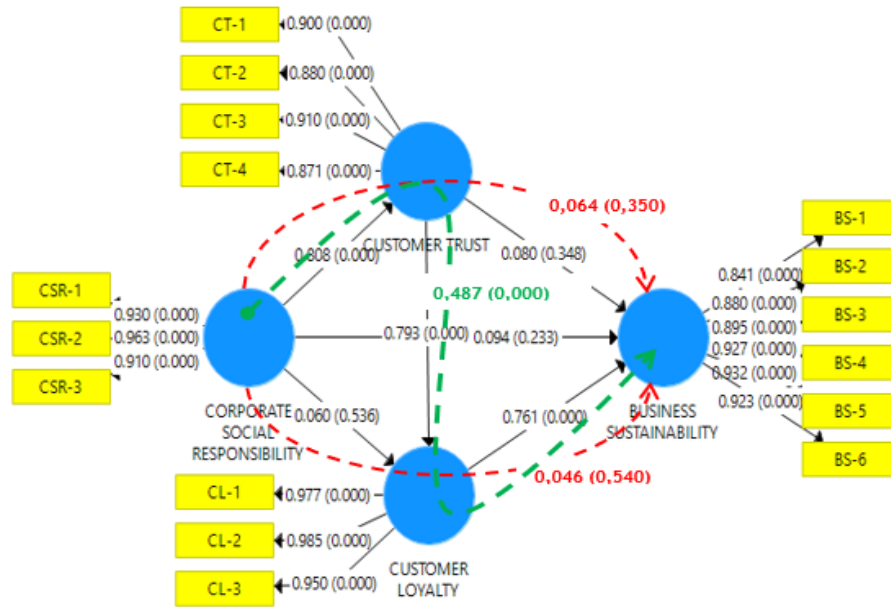


Figure 2. SmartPLS 3.3.2 analysis results (modified)

Table 6. Path Coefficient

Hypothesis	Correlation			Path Coefficient	p-Value	Info
	Independent	Mediation	Dependent			
Hypothesis 1	CSR		Business Sustainability	0.094	0.233	No significant
Hypothesis 2		Customer Trust	Business Sustainability	0.080	0.348	No significant
Hypothesis 3	CSR	Customer Trust		0.808	0.000	significant
Hypothesis 4		Customer Loyalty	Business Sustainability	0.761	0.000	significant
Hypothesis 5		Customer Trust	Customer Loyalty	0.793	0.000	significant
Hypothesis 6	CSR	Customer Loyalty		0.060	0.536	No significant
Hypothesis 7	CSR	Customer Trust	Business Sustainability	0.064	0.350	No significant
Hypothesis 8	CSR	Customer Loyalty	Business Sustainability	0.046	0.540	No significant
Hypothesis 9	CSR	Customer Trust	Customer Loyalty	0.487	0.000	significant

Source: Data processed, 2020

Based on Figure 2 and Table 6, it can be explained that corporate social sustainability has no significant effect on customer loyalty and business sustainability because the p-value of each is greater than 0.05. Thus, hypothesis 1 and hypothesis 6 are rejected. Likewise, the effect of customer trust on business sustainability is not significant because the p-value is greater than 0.05, so hypothesis 2 is also rejected. Meanwhile, the indirect effect of CSR on business sustainability through customer trust and customer loyalty is also insignificant, because the

p-value is > 0.05 , so hypothesis 7 and hypothesis 8 are rejected. Of the nine hypotheses proposed, only 4 hypotheses were accepted, namely hypothesis 3, namely the effect of CSR on customer trust, hypothesis 4, namely the effect of customer loyalty on business sustainability, hypothesis 5, namely the effect of customer trust on customer loyalty, and hypothesis 9, namely the indirect effect. CSR for business sustainability through customer trust and customer loyalty.

DISCUSSION, CONCLUSIONS, AND RECOMMENDATION

The results of the study found that a significant factor affecting business sustainability is customer loyalty. This finding is in line with the statements of Krumay & Brandtweiner (2010) and Khadka & Maharjan (2017) which state that customer loyalty is the key to company success and profits in the long term. Utami also stated the same thing, where customer loyalty is able to create competitive advantages, increase market share, and provide benefits in the long term. The same thing is also emphasized by Ayodele & Esiti (2016) where loyalty can increase the company's competitive advantage, and foster great potential to continue to grow in a sustainable manner. The results of this study are in line with the results of research by Wong et al. (2019), who found that customer loyalty has a significant positive effect on business sustainability.

The most dominant indicator of customer loyalty in respondents' perceptions that affect business sustainability is the perception of respondents who are persistent and willing to buy back the company's products. This result is proof that customers who continue to survive and then continue to buy the products produced by the company, will be able to make the company survive in the long term. Thus, the company should develop strategies that lead to efforts to keep customers loyal to the products the company produces.

The results also found that customer trust and customer loyalty together act as a full mediator in the relationship between CSR and business sustainability. These findings prove that the combination of customer trust and customer loyalty can be a strong mediator to make the relationship between CSR and business sustainability significant. Azmat and Ha (2013) also state that higher customer loyalty and trust are recognized as important for businesses to gain a unique and more profitable position than competitors. A similar statement was also expressed by Ong & Zien (2015), where customer trust and loyalty are very important to ensure sustainable income and profits for business sustainability.

Based on the results of this study, the researcher finally recommends that it is very important to always maintain and increase customer trust, even though it does not directly show a significant effect on business sustainability. At the same time, increase the efforts to maintain and increase customer loyalty, because the results of this study clearly show that the combination of trust and loyalty is able to significantly support business sustainability.

LIMITATIONS AND FUTURE RESEARCH

This research is still very limited to the Rural Banks in Bali, Indonesia, so that it cannot be used as a basis for generalizing the Rural Banks in Bali, Indonesia as a whole. This research still needs to develop the research object outside of Bali. Likewise, the variables included in the research model are limited to CSR, customer trust, and customer loyalty in relation to business sustainability. Business sustainability, especially banking, is strongly influenced by internal and external factors. Therefore, future research needs to consider including more relevant variables in a research model, in addition to expanding the scope of the research area. Expanding the scope of the research area and adding more relevant variables is expected to be able to provide more accurate information.

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Dual Mediations of Customer Trust and Customer Loyalty on Corporate Social Responsibility towards Business Sustainability

ABSTRACT

Every company always tries to maintain business sustainability. Various strategies are applied to achieve business sustainability goals. Always trying to maintain customer trust and loyalty is an effort to maintain the sustainability of the business. In addition, implementing concern for the environment around the company (Corporate Social Responsibility hereinafter referred to as CSR) is expected to be able to increase customer trust and loyalty, and have an impact on business sustainability. This study aims to analyze the role of CSR, customer trust, and customer loyalty in business sustainability. The research was conducted at 100 units of Rural Banks in Bali, Indonesia spread over 9 districts/cities. The research respondents were 10 customers in each bank, so the number of research respondents was 1000 bank customers. Data collection was carried out by distributing questionnaires to customers who were respondents. Furthermore, the research data is processed with the SmartPLS 3.3.2 program. The research found that CSR, customer trust, and customer loyalty have a significant effect on business sustainability. The results also found that customer trust and customer loyalty act as mediation in the relationship between CSR and business sustainability. Researchers recommend the importance of implementing CSR in an effort to increase customer trust and loyalty, which has an impact on the sustainability of Rural Banks in Bali, Indonesia.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

INTRODUCTION

Every company always hopes that it will always grow and develop well. Therefore, company managers try to maintain the sustainability of the company they lead. In addition, we also hope that it will always provide better benefits and benefits from period to period. For this reason, company leaders apply various strategies to achieve these expectations. Some strategies that can be done are maintaining and trying to maintain the level of trust of customers in the company. The company also tries to maintain customer loyalty so that it is not easy to turn to other companies. This kind of strategy is mostly carried out by companies including financial institutions such as banks.

Banks are financial institutions that have the function of absorbing funds from the public and parties with excessive funds by providing interest rates according to the provisions. Banks also carry out the function of channeling funding to the public and parties requiring additional capital. Therefore, in carrying out its activities, banks are closely related to public trust. The higher the public's trust in the bank, the more it will not worry about saving their funds in the bank. Likewise, the determination of loan interest rates that are affordable by the community

is a special attraction for people to make loans to meet the needs of their personal and company funds.

The strategy of maintaining and increasing the trust and loyalty of customers has indeed been proven to be able to make a bank sustainable and sustainable. A number of facts show that many banks are still able to exist until now.

Studies have proven that customer trust and loyalty are able to maintain the sustainability of an institution/company/organization. Ong & Zien (2015) in the results of their research in a number of SMEs in Malaysia found that the sustainability of SMEs was largely determined by the level of trust of their customers. Similar research results were also found in research conducted by Nguyen et al. (2013) and Upamannyu et al. (2015). Kang & Hustvedt (2014) stated that trust is the key to building a market. This opinion is reinforced by Zieni et al. (2017) which states that trust is able to sustain social sustainability.

The level of customer trust in a company/organization is shown through the more intently the customer relates (loyalty) to the company. The more often someone uses a company's products, the higher their loyalty. The higher customer loyalty to a product can be caused by the higher trust in the company's products (Brilliant & Achyar, 2013). Taoketa (2018) states that in terms of marketing a product in a sustainable manner, customer trust ranks first. Hossain (2019) also agrees that trust is a dominant factor in shaping customer loyalty. This opinion is in line with the results of research conducted by Leninkumar (2017), where customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. The results of other studies that found a significant positive influence between the level of trust in, namely Nur (2012), Sarwar et al. (2012), Utami (2015), Leninkumar (2017), Trini & Salim (2018), Widodo & Murwatiningsih (2019). However, in a study conducted by Setiawan and Sayuti (2017), it was found that customer trust had no significant effect on customer loyalty.

Long-term customer loyalty really supports the sustainability of a company. Loyalty is important to company success, profitability, and long-term sustainability (Strenitzerová & Gaňa, 2018). This argument can be proven through a number of research results. Aslam et al. (2020) stated that loyalty is a key factor in gaining benefits and organizational growth in the long term. Meanwhile, Ong & Zien (2015) stated that customer trust and loyalty are very important to ensure sustainable income and profits as well as business sustainability in the long term.

In addition to these statements, a number of studies also explain that customer trust and loyalty can be caused by the company's social concern for the community (often referred to as CSR / Corporate Social Responsibility) (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013). This statement is also supported by the opinion of Cegliński & Wiśniewska (2016), which states that CSR activities carried out by companies can be a source of many benefits, which can increase customer confidence and the company's competitive position, resulting in a competitive advantage.

Málovics et al. (2008) stated that CSR is becoming increasingly important in today's business life, especially in its contribution to business sustainability. A similar opinion was also expressed by Kitthananan (2010); Teodorescu & Ionescu (2014); Mourougan (2015); Grigoris, G. (2016). In more detail, Lu et al. (2020), that the dimensions of CSR separately affect the elements of competitiveness.

Based on this argument, the researcher feels the need to confirm the effect of CSR on customer trust, customer loyalty, and business sustainability, especially at the Rural Banks in Bali, Indonesia.

THEORETICAL REVIEW, PREVIOUS RESEARCH, AND HYPOTHESIS

Business Sustainability

Company leaders have a big responsibility in efforts to maintain business sustainability (Gonzalez et al., 2013). The idea of business sustainability has been a topic of discussion since 1987. Business sustainability is intended as the company's ability to utilize company resources in order to survive in any situation (Szekely & Knirsch, 2005). Business sustainability will be achieved by balancing their performance with economic, environmental, and social aspects. Schaltegger & Burritt (2005) stated that business sustainability is a broad approach that includes various characteristics, especially those related to the contextual integration of economic, environmental, and social aspects. Esterhuyse (2008) defines business sustainability as a multi-purpose concept that is reflected through indicators such as strategy (integrating long-term economic, environmental, and social aspects), finance (a healthy company's financial condition in the long term), customers and products (innovation products to foster customer loyalty), human factors (human resource management as a company asset), governance and stakeholders (establishing sound corporate governance standards).

The sustainability of a company is determined by very complex factors, both internal and external. Internal sources that can affect business sustainability, such as support for corporate resources including human resources and leadership patterns (Sarmawa et al. 2020), corporate governance, environmental/corporate climate management. External sources that can affect business sustainability are customer trust and loyalty, socio-economic conditions, and government participation. However, this study focuses on CSR, customer trust, and customer loyalty on their effect on company sustainability, considering that CSR, customer trust and customer loyalty are mentioned in several references as important factors in relation to business sustainability.

Corporate Social Responsibility (CSR)

The definition often cited by a number of researchers is Carroll (1979) which states that CSR is the responsibility of the company towards the environment and society which includes elements of economy, law, ethics, and wisdom. Fontaine (2013) states that CSR is a business

strategy of how to align their values and behavior with the expectations and needs of stakeholders, not only customers and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole. Basically, CSR means that the company's business model must be socially responsible and environmentally sustainable. With social responsibility, it means that company activities must be beneficial to the community and be environmentally sustainable, meaning that the company's activities must not harm the environment.

According to Mourougan (2015), CSR is understood as the way companies integrate social, environmental, and economic problems into their values, culture, decision-making, strategies, and operations in a transparent and accountable manner and thus build better practices within the company, creating wealth and improve society. CSR is a company initiative to assess and be responsible for the company's impact on the environment and its impact on social welfare (Teodorescu & Ionescu, 2014).

CSR is seen as having an important role in business sustainability (Málovics et al., 2008). CSR is also considered to play an important role in gaining a sustainable advantage over competitors, gaining profits, and improving business dealings with customers (Afridi et al, 2018). CSR is a business model that encourages business contributions to sustainable development, namely creating a balance between economic interests, environmental and social needs (Behringer & Szegedi, 2016). According to Grigoris (2016), CSR has become a successful concept for companies to ensure their capacity for long-term value and gain a competitive advantage. According to Kitthananan (2010) and Teodorescu & Ionescu (2014), CSR is a business strategy to achieve long-term sustainability. more explicitly Duthler & Dhanesh (2018) state that CSR is synonymous with sustainability.

A number of research results have proven that CSR has a significant positive effect on business sustainability. Strand et al. (2015) in their research in Scandinavia found that CSR has a significant positive effect on business sustainability in the country. Similar results were also found in research conducted by Ngai et al (2018), where CSR has a significant positive effect on business sustainability in gas companies in China. Based on this argument, the following research hypothesis is built:

Hypothesis 1: CSR has a significant positive effect on business sustainability

Customer Trust

Trust is very important in every aspect of social life (Gucel et al., 2012). Customer trust in a product produced by the company or in the company itself is also very important in relation to the sustainability of the company. Products that are believed to have good quality certainly have a wider market than products that are not trusted by consumers. Consumers who have high confidence in a product tend to make repeated purchases and recommend the product to others so that there will be a better relationship between the consumer and the company.

This is in line with the statement of Wu et al. (2010), where trust is an important factor in achieving a successful marketing relationship. This is reinforced by statement Upamannyu et al. (2015), which states that increasing customer trust has an impact on higher company profitability so that the company can grow in a sustainable manner. Rousseau, et al. (1998); Singh & Sirdeshmukh (2000) stated that customer trust is very important to build and maintain long-term relationships. This statement is in line with the research results of Yu et al. (2018) who concluded that customer trust has a significant positive effect on business sustainability. Based on this argument, the following research hypothesis is built:

Hypothesis 2: Customer trust has a significant positive effect on business sustainability

Customer trust can grow because the company does CSR well. Many companies try to implement CSR to attract public trust, especially customers (Azmat & Ha, 2013). CSR is considered one of the strategies that can pave the way for increasing customer trust. CSR can create a positive image and reputation, which in turn will generate customer trust. Vlachos et al. (2009) stated that CSR can affect customer trust. The results of the research of Swaen & Chumpitaz (2008) and Choi & La (2013), found that CSR significantly positively affects customer trust. The results of the same study were also found in the research conducted by Kang & Hustvedt (2014), namely that CSR significantly positively affects customer trust and attitudes towards the company. Research by Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) also found that CSR affects customer trust in a significantly positive manner. Referring to the findings of the research results, the following research hypothesis is built:

Hypothesis 3: Customer trust is positive significantly influenced by CSR

Customer Loyalty

In general, customer loyalty means the intention to buy back a company product or service (Khan, 2013). According to Markovic et al. (2018), customer loyalty is a customer's intention to repurchase products and services as well as referrals to other people. Gremler and Brown (1999) divide customer loyalty into three different categories which include behavioral loyalty, intentional loyalty, and emotional loyalty. Behavioral loyalty is a repeating purchase behavior whereas intentional loyalty is a possible purchase intention. Emotional loyalty, however, is achieved when customers feel that the brand matches their values, ideas, and passions. Krumay & Brandtweiner (2010) revealed that customer loyalty is seen as one of the key factors for the success of a company. The same thing was expressed by Khadka & Maharjan (2017), where customer loyalty is one of the keys to the company's success and profits in the long run. The same thing is also expressed by Utami (2015), that customer loyalty can create a competitive advantage, increase market share, and profit in the long term. Therefore, customer loyalty is important for companies that are struggling to survive and have

an increasingly strong competitiveness. In addition, customer loyalty plays an important role in ensuring a competitive advantage as well as retaining existing customers rather than acquiring new ones (Roy, 2011). Explicitly stated Ayodele & Esiti (2016) that customer loyalty can increase the company's competitive advantage, so it has great potential to continue to grow in a sustainable manner. Based on this argument, the following research hypothesis was built:

Hypothesis 4: Customer loyalty has a significant positive effect on business sustainability

Customer loyalty can also be determined by how much the level of customer trust in the product/company. Customer trust is considered a predictor of customer loyalty (Chaudhuri and Holbrook, 2001; Liang and Wang, 2007; Bibb and Kourdi, 2007; Hsu, 2008; Gul, 2014). Ndubisi (2007) and Taylor et al. (2004) also stated that trust is an important factor in building company-customer relationships and ultimately fostering customer loyalty.

Better customer trust leads to a better attitude and loyalty (Moreira & Silva, 2015). This argument is in line with the research results of Sarwar et al. (2012), Ayodele & Esiti (2016) show that trust has a significant positive effect on customer loyalty. The results of previous studies, Chiu et al. (2008), Qureshi et al. (2009), Upamannyu et al. (2015) found that customer trust greatly influences customers to repurchase a company's product. In research Utami (2015) found that customer trust has a significant positive effect on customer loyalty. Based on this argument, the following research hypothesis was built:

Hypothesis 5: Customer loyalty is positive significantly influenced by customer trust

Besides being influenced by customer trust, customer loyalty can also be influenced by CSR. Therefore, many companies in developed countries implement CSR to increase customer loyalty.

Vlachos et al. (2009) in their research found that direct CSR has a significant positive effect on customer loyalty. The same results were also found in research conducted by Choi & La (2013). More explicitly it is said that CSR is a key variable in restoring customer loyalty. The results of research by Azmat & Ha (2013) found that CSR is able to create a positive image and reputation, which in turn creates customer loyalty. This statement is also supported by the results of research conducted by Diallo MF & Lambey-Checchin C. (2016) and Al-Abdallah & Ahmed (2018) in Qatar, where CSR activities were found to have a direct and significant positive effect on customer loyalty. This finding is also supported by the research results of Afridi et al. (2018) who found that CSR has a significant positive effect on customer loyalty. Al-Ghamdi & Badawi (2019) stated more explicitly, where corporate CSR has a strong and positive influence on customer loyalty. Based on the findings of the study, the following research hypothesis was built:

Hypothesis 6: Customer loyalty is positive significantly influenced by CSR

Based on the results of previous studies where CSR significantly affects customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), while the relationship between customer trust and business sustainability is also significant (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018). Based on these findings, referring to the concept of Baron & Kenny (1987), the customer has the potential to become a mediator in the relationship between CSR and business sustainability. Referring to these findings, the following research hypothesis is built:

Hypothesis 7: Customer trust is positive significantly as a mediator in the relationship between CSR and business sustainability

Referring to the results of previous studies, where CSR has a significant effect on customer loyalty (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019). Likewise, customer loyalty can affect business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Based on these findings and paying attention to the concept of Baron & Kenny (1987), it can be stated that customer loyalty can act as a mediator in the relationship between CSR and business sustainability. Based on the results of the study, the following research hypothesis was built:

Hypothesis 8: Customer loyalty is positive significantly as a mediator in the relationship between CSR and business sustainability

As stated in building hypothesis 3 where CSR has a significant effect on customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). Customer trust also has a significant effect on customer loyalty (a study in building hypothesis 5) (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016). On the other hand, customer loyalty also significantly affects business sustainability (a study in building hypothesis 4) (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Referring to these findings and based on the concept of Baron & Kenny (1987), it can be argued that customer trust and customer loyalty together act as mediators in the relationship between corporate social sustainability and business sustainability. Thus, the following research hypothesis can be built:

Hypothesis 9: Customer trust and customer loyalty together are positive significant as a mediator on CSR towards Business sustainability

Research Concept Framework

Refers to a study of research results as described, where CSR affects customer trust ((Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), customer loyalty ((Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019), and business sustainability (Strand et al., 2015; Ngai et al., 2018). In another part, customer trust affects business sustainability (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018) Likewise, customer loyalty has an effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). In the next section, customer trust is able to affect customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016), so based on this built a research concept framework as illustrated in Figure 1.

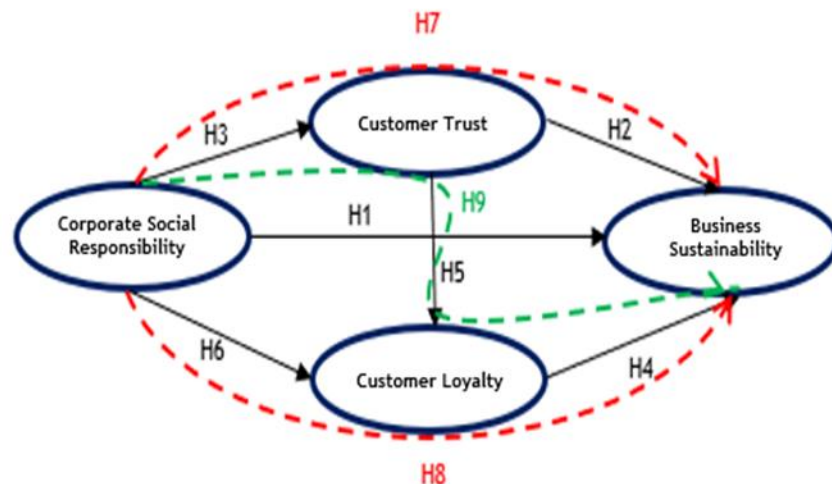


Figure 1. Concept Framework of the Relationship between CSR, Customer Trust, Customer Loyalty, and Business Sustainability

RESEARCH METHODS

Design, Population, and Research Samples

This research was designed as a quantitative study, confirming the relationship between CSR, customer trust, and customer loyalty with business sustainability at rural banks in Bali, Indonesia. The total number of banks being the research objects is 134 units spread across nine regencies/cities in Bali. The number of rural banks used as research samples was determined based on the Slovin formula with a precision of 5%. The results of the calculation of the Slovin formula are as follows:

$$n = N / (1 + Ne^2)$$

$$n = 134 / \{1 + (134 \times 0.052)\}$$

$$n = 134 / (1 + 0.335)$$

$$n = 100.37 \text{ (rounded to 100)}$$

The proportion of the number of Rural Banks in Bali, Indonesia, and Research Respondents in each Regency, is shown in Table 1.

Table 1. Distribution of the Number of Rural Banks by Regency in Bali Year, 2019

No	District	Number of Banks	Sample
1	Badung	49	37
2	Bangli	3	2
3	Buleleng	6	4
4	Gianyar	26	19
5	Jembrana	1	1
6	Karangasem	4	3
7	Klungkung	5	4
8	Tabanan	19	14
9	Denpasar	21	16
	Total	134	100

Source: OJK, 2019

Research respondents were customers at each bank who were taken accidentally (namely who the bank customers met at the time of the research). The number of respondents in each bank was determined to be 3 customers so that the number was 300 customers. Extracting information is carried out by providing a questionnaire to the customer to be filled in and returned on the spot. The research was conducted for three months from January to March 2020. The questionnaire given to customers was in the form of perceptual statements which must be answered only by giving a cross mark (X) in the column provided. Respondents' answers are in the form of a scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis Technique

Data analysis was carried out using the SmartPLS 3.3.2 program, through three stages, namely the validity and reliability testing phase, the research model accuracy testing stage, and the hypothesis testing stage.

a. The validity and reliability testing phase

The data validity test was conducted through convergent validity, discriminant validity.

Convergent validity testing is based on the outer loading coefficient, where a set of data

can be declared valid if the coefficient is 0.50 or more (> 0.50) and significant at a p-value of 0.05 (Chin, 1998).

Testing the validity of data based on discriminant validity is shown by comparing the root value of Average variance Extracted (VAVE) with the correlation value between variables. It can be said to be discriminantly valid if the root of AVE (VAVE) is greater than the correlation value between variables. The AVE coefficient must be greater than 0.50 (Bagozzi & Yi, 1988). Meanwhile, reliability testing is based on Cronbach's Alpha and Composite Reliability coefficients. It is said to be reliable if the data set has a greater Cronbach's Alpha and Composite Reliability coefficient of 0.70 (Hair et al., 2010).

b. model accuracy testing phase

The test accuracy of the model study was conducted through the R-square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF).

c. Hypothesis testing stage

Research hypothesis testing is based on the path coefficient of each relationship between variables at the p-value 0.05. The hypothesis can be accepted if the p-value of the path coefficient is less than 0.05 (p-value < 0.05 : the hypothesis is accepted). Conversely, the hypothesis will be rejected if the path coefficient has a p-value greater than 0.05 (p-value > 0.05 : the hypothesis is rejected).

Research Variables and Indicators

This study correlates the variables of CSR (independent variables), customer trust, and customer loyalty variables (mediation variables), and business sustainability (dependent variable). Each variable consists of a number of indicators. CSR variable consists of 3 indicators concerning respondents' perceptions of responsibility in the fields of (1) social, (2) economic, and (3) environmental. Customer trust consists of customer perceptions of bank employees in providing services to customers, in terms of (1) quality of relationships between employees, (2) understanding of each other's work, (3) openness of communication, and (4) job competence. The customer loyalty variable is the customer's perception of their loyalty to the bank where they become customers, it consists of three indicators, namely (1) repurchasing behavior, (2) staying in the company/product produced by the company, and (3) conveying positive things to others. The business sustainability variable is the customer perception of the bank's sustainability, which is measured by: (1) the strategy implemented, (2) financial, (3) customers, (4) products, (5) governance, (6) Resources.

RESULTS AND DISCUSSION

Validity and Reliability

The results of data analysis carried out based on the SmartPLS 3.3.2 program, show the value of the outer loading of each indicator as shown in Table 2.

Table 2. Validity and Reliability

Variables	Indicators	Outer loading Coef.	p-value	Information
CSR	Economic	0.930	0.000	valid
	Social	0.963	0.000	valid
	Environment	0.910	0.000	valid
Customer Trust	Relationships between employees	0.889	0.000	valid
	Understanding of work	0.879	0.000	valid
	Openness of communication	0.911	0.000	valid
	Work competence	0.870	0.000	valid
Customer Loyalty	Buyback	0.976	0.000	valid
	Last	0.984	0.000	valid
	Recommended to others	0.949	0.000	valid
Business Sustainability	Strategy	0.840	0.000	valid
	Financial	0.879	0.000	valid
	Customer	0.894	0.000	valid
	Product	0.926	0.000	valid
	Governance	0.933	0.000	valid
	Resource	0.922	0.000	valid

Source: Data processed, 2020

Table 2 provides information that all indicators used to reflect each variable are convergent valid because they have an outer loading coefficient greater than 0.50 and significant. The discriminant validity test is shown in Table 3.

Table 3. Discriminant Validity

Variables	AVE/VAVE	CSR	Customer Trust	Customer Loyalty	Business Sustainability
CSR	0.873/0.934	0.934			
Customer Trust	0.793/0.891	0.808	0.891		
Customer Loyalty	0.943/0.971	0.700	0.845	0.971	
Business Sustainability	0.810/0.900	0.691	0.788	0.894	0.900

Source: Data processed, 2020

Table 3 shows that all research variables are discriminantly valid, this is indicated by the value of the correlations between variables being greater than the root value of AVE.

Furthermore, the research variable reliability testing is carried out, which is indicated by the coefficient of Cronbach's Alpha and Composite Reliability as shown in Table 4.

Table 4. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability	Information
CSR	0.927	0.962	Reliable
Customer Trust	0.913	0.939	Reliable
Customer Loyalty	0.970	0.980	Reliable
Business Sustainability	0.953	0.962	Reliable

Source: Data processed, 2020

Table 4 shows that all research variables are reliable, this is indicated by the coefficient of Cronbach's Alpha and Composite Reliability being greater than 0.70.

Based on the results of testing the validity and reliability of the data, it turns out that all research data are valid and reliable. Then, testing the accuracy of the research model is carried out.

Model Accuracy Test

Testing the accuracy of the research model was carried out through the R-Square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF). The analysis results show the values of R^2 as shown in Table 5.

Table 5. R-Square (R^2) Coefficient

Dependent Variables	R-Square (R^2)	Level
Customer Trust	0.652	Large
Customer Loyalty	0.709	Large
Business Sustainability	0.809	Large

Source: Data processed, 2020

Based on Table 5, the results of the analysis of the effect of CSR on customer trust are shown by the R^2 value of 0.652, meaning that 65.2% of customer trust is influenced by CSR, the rest is another factor. The effect of CSR and customer trust on customer loyalty is shown by the R^2 value of 0.709, meaning that 70.9% of customer loyalty is influenced by customer trust and CSR, the rest is another factor. Meanwhile, 80.9% of business sustainability is influenced by CSR, customer trust, and customer loyalty, the rest are other factors that are not included in this research model. This result is shown by the value of R^2 on the influence of CSR, customer trust, and customer loyalty on business sustainability. Referring to the criteria for the strength and weakness of influence between variables proposed by Cohen (1988), it can be stated that this research model has a great degree of accuracy.

Evaluation of fit models based on Q^2 Predictive Relevance can be calculated with the following formulations:

$$Q^2 = 1 - \{(1 - R^2_1)(1 - R^2_2)(1 - R^2_3)\}$$

$$Q^2 = 1 - \{(1 - 0.652)(1 - 0.709)(1 - 0.809)\}$$

$$Q^2 = 1 - 0.019342$$

$$Q^2 = 0.9807$$

Based on the results of the predictive relevance Q^2 calculation, it can be explained that the research model is able to provide predictive accuracy of 98.07% (large), while 1.93% of other factors are not examined. That is, based on the value of Q^2 , the model has a large degree of accuracy (Chin, 1998).

Evaluation of the accuracy of the research model based on the Goodness of Fit criteria, calculated by the following formulation:

$$\text{GoF} = V(\text{average AVE} \times \text{average } R^2)$$

$$\text{GoF} = V[\{(0.873 + 0.739 + 0.943 + 0.810)/4\} \times \{(0.652 + 0.709 + 0.809)/3\}]$$

$$\text{GoF} = V\{(0.8413) \times (0.7233)\}$$

$$\text{GoF} = V0.60851229$$

$$\text{GoF} = 0.7801 \text{ (large)}$$

Based on the results of the GoF calculation, the model has a level of accuracy of 0.7801 (classified as large according to Akter et al., 2011).

Based on the three results of testing the accuracy of the model, it shows that the model has a great degree of accuracy, therefore it can be continued to the research hypothesis testing process.

Hypothesis Testing

The research hypothesis testing is based on the results of the analysis of the SmartPLS 3.3.2 program and the modified SmartPLS analysis results table, namely Figure 2 and Table 6).

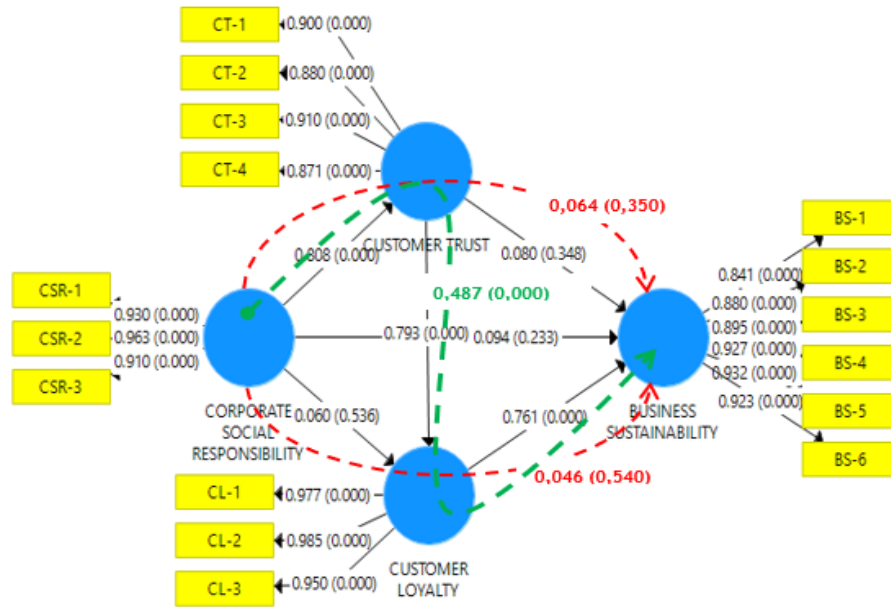


Figure 2. SmartPLS 3.3.2 analysis results (modified)

Table 6. Path Coefficient

Hypothesis	Correlation			Path Coefficient	p-Value	Info
	Independent	Mediation	Dependent			
Hypothesis 1	CSR		Business Sustainability	0.094	0.233	No significant
Hypothesis 2		Customer Trust	Business Sustainability	0.080	0.348	No significant
Hypothesis 3	CSR	Customer Trust		0.808	0.000	significant
Hypothesis 4		Customer Loyalty	Business Sustainability	0.761	0.000	significant
Hypothesis 5		Customer Trust	Customer Loyalty	0.793	0.000	significant
Hypothesis 6	CSR	Customer Loyalty		0.060	0.536	No significant
Hypothesis 7	CSR	Customer Trust	Business Sustainability	0.064	0.350	No significant
Hypothesis 8	CSR	Customer Loyalty	Business Sustainability	0.046	0.540	No significant
Hypothesis 9	CSR	Customer Trust	Customer Loyalty	0.487	0.000	significant

Source: Data processed, 2020

Based on Figure 2 and Table 6, it can be explained that corporate social sustainability has no significant effect on customer loyalty and business sustainability because the p-value of each is greater than 0.05. Thus, hypothesis 1 and hypothesis 6 are rejected. Likewise, the effect of customer trust on business sustainability is not significant because the p-value is greater than 0.05, so hypothesis 2 is also rejected. Meanwhile, the indirect effect of CSR on business sustainability through customer trust and customer loyalty is also insignificant, because the

p-value is > 0.05 , so hypothesis 7 and hypothesis 8 are rejected. Of the nine hypotheses proposed, only 4 hypotheses were accepted, namely hypothesis 3, namely the effect of CSR on customer trust, hypothesis 4, namely the effect of customer loyalty on business sustainability, hypothesis 5, namely the effect of customer trust on customer loyalty, and hypothesis 9, namely the indirect effect. CSR for business sustainability through customer trust and customer loyalty.

DISCUSSION, CONCLUSIONS, AND RECOMMENDATION

The results of the study found that a significant factor affecting business sustainability is customer loyalty. This finding is in line with the statements of Krumay & Brandtweiner (2010) and Khadka & Maharjan (2017) which state that customer loyalty is the key to company success and profits in the long term. Utami also stated the same thing, where customer loyalty is able to create competitive advantages, increase market share, and provide benefits in the long term. The same thing is also emphasized by Ayodele & Esiti (2016) where loyalty can increase the company's competitive advantage, and foster great potential to continue to grow in a sustainable manner. The results of this study are in line with the results of research by Wong et al. (2019), who found that customer loyalty has a significant positive effect on business sustainability.

The most dominant indicator of customer loyalty in respondents' perceptions that affect business sustainability is the perception of respondents who are persistent and willing to buy back the company's products. This result is proof that customers who continue to survive and then continue to buy the products produced by the company, will be able to make the company survive in the long term. Thus, the company should develop strategies that lead to efforts to keep customers loyal to the products the company produces.

The results also found that customer trust and customer loyalty together act as a full mediator in the relationship between CSR and business sustainability. These findings prove that the combination of customer trust and customer loyalty can be a strong mediator to make the relationship between CSR and business sustainability significant. Azmat and Ha (2013) also state that higher customer loyalty and trust are recognized as important for businesses to gain a unique and more profitable position than competitors. A similar statement was also expressed by Ong & Zien (2015), where customer trust and loyalty are very important to ensure sustainable income and profits for business sustainability.

Based on the results of this study, the researcher finally recommends that it is very important to always maintain and increase customer trust, even though it does not directly show a significant effect on business sustainability. At the same time, increase the efforts to maintain and increase customer loyalty, because the results of this study clearly show that the combination of trust and loyalty is able to significantly support business sustainability.

LIMITATIONS AND FUTURE RESEARCH

This research is still very limited to the Rural Banks in Bali, Indonesia, so that it cannot be used as a basis for generalizing the Rural Banks in Bali, Indonesia as a whole. This research still needs to develop the research object outside of Bali. Likewise, the variables included in the research model are limited to CSR, customer trust, and customer loyalty in relation to business sustainability. Business sustainability, especially banking, is strongly influenced by internal and external factors. Therefore, future research needs to consider including more relevant variables in a research model, in addition to expanding the scope of the research area. Expanding the scope of the research area and adding more relevant variables is expected to be able to provide more accurate information.

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Dual Mediations of Customer Trust and Customer Loyalty on Corporate Social Responsibility towards Business Sustainability

ABSTRACT

Every company always trying to maintain customer trust and loyalty as an effort to maintain the sustainability of the business. Implementing concern for the environment around the company (Corporate Social Responsibility) is expected to be able to increase customer trust and loyalty, and have an impact on business sustainability. This study aims to analyze the role of CSR, customer trust, and customer loyalty in business sustainability. The research was conducted at 100 units of Rural Banks in Bali, Indonesia spread over 9 districts/cities. The research respondents were 10 customers in each bank, the number of research respondents was 1000 bank customers. Data collection was using questionnaires and data analysis by SmartPLS 3.3.2 program. The research found that CSR, customer trust, and customer loyalty have significant effect on business sustainability. The results also found that customer trust and customer loyalty act as mediation in the relationship between CSR and business sustainability.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

INTRODUCTION

Every company always hopes that it will always grow and develop well. Therefore, company managers try to maintain the sustainability of the company they lead. In addition, they also hope that it will always provide better benefits and benefits from period to period. For this reason, company leaders apply various strategies to achieve these expectations. Some strategies that can be done are maintaining and trying to maintain the level of trust of customers in the company. The company also tries to maintain customer loyalty so that it is not easy to turn to other companies. This kind of strategy is mostly carried out by companies including financial institutions such as banks.

Banks are financial institutions that have the function of absorbing funds from the public and parties with excessive funds by providing interest rates according to the provisions. Banks also carry out the function of channeling funding to the public and parties requiring additional capital. Therefore, in carrying out its activities, banks are closely related to public trust. The higher the public's trust in the bank, the more they will not worry about saving their funds in the bank. Likewise, the determination of loan interest rates that are affordable by the community is a special attraction for people to make loans to meet the needs of their personal and company funds.

The choice of the bank as the place for research was because during the period 2016 to 2019 there were three rural banks that were not able to survive, out of a total of 137 rural banks in 2016, down to 134 in 2019. This indicates that rural bank's sustainability has decreased from year to year. The strategy of maintaining and increasing the trust and loyalty of customers has indeed been proven to be able to make a bank sustainable. Studies have

proven that customer trust and loyalty are able to maintain the sustainability of an institution/company/organization. Ong & Zien (2015) in the results of their research in a number of SMEs in Malaysia found that the sustainability of SMEs was largely determined by the level of trust of their customers. Similar research results were also found in research conducted by Nguyen et al. (2013) and Upamannyu et al. (2015). Kang & Hustvedt (2014) stated that trust is the key to building a market. This opinion is reinforced by Zieni et al. (2017) which states that trust is able to sustain social sustainability.

The level of customer trust in a company/organization is shown through the more intently the customer relates (loyalty) to the company. The more often someone uses a company's products, the higher their loyalty. The higher customer loyalty to a product can be caused by the higher trust in the company's products (Brilliant & Achyar, 2013). Taoketa (2018) states that in terms of marketing a product in a sustainable manner, customer trust ranks first. Hossain (2019) also agrees that trust is a dominant factor in shaping customer loyalty. This opinion is in line with the results of research conducted by Leninkumar (2017), where customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. The results of other studies that found a significant positive influence between customer trust and customer loyalty, namely Nur (2012), Sarwar et al. (2012), Utami (2015), Leninkumar (2017), Trini & Salim (2018), Widodo & Murwatiningsih (2019). However, in a study conducted by Setiawan and Sayuti (2017), it was found that customer trust had no significant effect on customer loyalty.

Long-term customer loyalty really supports the sustainability of a company. Loyalty is important to company success, profitability, and long-term sustainability (Strenitzerová & Gaňa, 2018). This argument can be proven through a number of research results. Aslam et al. (2020) stated that loyalty is a key factor in gaining benefits and organizational growth in the long term. Meanwhile, Ong & Zien (2015) stated that customer trust and loyalty are very important to ensure sustainable income and profits as well as business sustainability in the long term.

In addition to these statements, a number of studies also explain that customer trust and loyalty can be caused by the company's social concern for the community (often referred to as CSR / Corporate Social Responsibility) (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013). This statement is also supported by the opinion of Cegliński & Wiśniewska (2016), which states that CSR activities carried out by companies can be a source of many benefits, which can increase customer confidence and the company's competitive position, resulting in a competitive advantage.

Málovics et al. (2008) stated that CSR is becoming increasingly important in today's business life, especially in its contribution to business sustainability. A similar opinion was also expressed by Kitthananan (2010); Teodorescu & Ionescu (2014); Mourougan (2015); Grigoris, G. (2016). In more detail, Lu et al. (2020), that the dimensions of CSR separately affect the elements of competitiveness.

A study conducted by Leninkumar (2017) have found that customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. This kind of approach mostly carried out by financial institutions such as banks as they always try to maintain customer loyalty and customer trust. Based on this argument, the researcher feels the need to confirm the effect of CSR on customer trust, customer loyalty, and business sustainability, especially at the Rural Banks in Bali, Indonesia. Dual mediations of customer trust and customer loyalty also considered as the novelty of this study.

THEORETICAL REVIEW, PREVIOUS RESEARCH, AND HYPOTHESIS

Business Sustainability

Company leaders have a big responsibility in efforts to maintain business sustainability (Gonzalez et al., 2013). Business sustainability is intended as the company's ability to utilize company resources in order to survive in any situation (Szekely & Knirsch, 2005). Business sustainability will be achieved by balancing their performance with economic, environmental, and social aspects. Schaltegger & Burritt (2005) stated that business sustainability is a broad approach that includes various characteristics, especially those related to the contextual integration of economic, environmental, and social aspects. Esterhuyse (2008) defines business sustainability as a multi-purpose concept that is reflected through indicators such as strategy (integrating long-term economic, environmental, and social aspects), finance (a healthy company's financial condition in the long term), customers and products (innovation products to foster customer loyalty), human factors (human resource management as a company asset), governance and stakeholders (establishing sound corporate governance standards).

The sustainability of a company is determined by very complex factors, both internal and external. Internal sources that can affect business sustainability, such as support for corporate resources including human resources and leadership patterns (Sarmawa et al. 2020), corporate governance, environmental/corporate climate management. External sources that can affect business sustainability are customer trust and loyalty, socio-economic conditions, and government participation.

Corporate Social Responsibility (CSR)

The definition often cited by a number of researchers is Carroll (1979) which states that CSR is the responsibility of the company towards the environment and society which includes elements of economy, law, ethics, and wisdom. Fontaine (2013) states that CSR is a business strategy of how to align their values and behavior with the expectations and needs of stakeholders, not only customers and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole.

According to Mourougan (2015), CSR is understood as the way companies integrate social, environmental, and economic problems into their values, culture, decision-making,

strategies, and operations in a transparent and accountable manner and thus build better practices within the company, creating wealth and improve society. CSR is a company initiative to assess and be responsible for the company's impact on the environment and its impact on social welfare (Teodorescu & Ionescu, 2014).

CSR is seen as having an important role in business sustainability (Málovics et al., 2008). CSR is also considered to play an important role in gaining a sustainable advantage over competitors, gaining profits, and improving business dealings with customers (Afridi et al, 2018). CSR is a business model that encourages business contributions to sustainable development, namely creating a balance between economic interests, environmental and social needs (Behringer & Szegedi, 2016). According to Grigoris (2016), CSR has become a successful concept for companies to ensure their capacity for long-term value and gain a competitive advantage. According to Kitthananan (2010) and Teodorescu & Ionescu (2014), CSR is a business strategy to achieve long-term sustainability. more explicitly Duthler & Dhanesh (2018)state that CSR is synonymous with sustainability.

A number of research results have proven that CSR has a significant positive effect on business sustainability. Strand et al. (2015) in their research in Scandinavia found that CSR has a significant positive effect on business sustainability in the country. Similar results were also found in research conducted by Ngai et al (2018), where CSR has a significant positive effect on business sustainability in gas companies in China. Based on this argument, the following research hypothesis is built:

Hypothesis 1: CSR has a significant positive effect on business sustainability

Customer Trust

Trust is very important in every aspect of social life (Gucel et al., 2012). Customer trust in a product produced by the company or in the company itself is also very important in relation to the sustainability of the company. Consumers who have high confidence in a product tend to make repeated purchases and recommend the product to others so that there will be a better relationship between the consumer and the company. This is in line with the statement of Wu et al. (2010), where trust is an important factor in achieving a successful marketing relationship. This is reinforced by statement Upamannyu et al. (2015), which states that increasing customer trust has an impact on higher company profitability so that the company can grow in a sustainable manner. Rousseau, et al. (1998); Singh & Sirdeshmukh (2000) stated that customer trust is very important to build and maintain long-term relationships. This statement is in line with the research results of Yu et al. (2018) who concluded that customer trust has a significant positive effect on business sustainability. Based on this argument, the following research hypothesis is built:

Hypothesis 2: Customer trust has a significant positive effect on business sustainability

Customer trust can grow because the company does CSR well. Many companies try to implement CSR to attract public trust, especially customers (Azmat & Ha, 2013). Vlachos et

al. (2009) stated that CSR can affect customer trust. The results of the research of Swaen & Chumpitaz (2008) and Choi & La (2013), found that CSR significantly positively affects customer trust. The same results were also found in the research conducted by Kang & Hustvedt (2014), namely that CSR significantly positively affects customer trust and attitudes towards the company. Research by Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) also found that CSR affects customer trust in a significantly positive manner. Referring to the findings of the research results, the following research hypothesis is built:

Hypothesis 3: Customer trust is positive significantly influenced by CSR

Customer Loyalty

In general, customer loyalty means the intention to buy back a company product or service (Khan, 2013). According to Markovic et al. (2018), customer loyalty is a customer's intention to repurchase products and services as well as referrals to other people. Gremler and Brown (1999) divide customer loyalty into three different categories which include behavioral, intentional, and emotional loyalty. Behavioral loyalty is a repeating purchase behavior whereas intentional loyalty is a possible purchase intention. Emotional loyalty, however, is achieved when customers feel that the brand matches their values, ideas, and passions. Krumay & Brandtweiner (2010) revealed that customer loyalty is seen as one of the key factors for the success of a company. The same thing was expressed by Khadka & Maharjan (2017), where customer loyalty is one of the keys to the company's success and profits in the long run. Utami (2015), stated that customer loyalty can create a competitive advantage, increase market share, and profit in the long term. In addition, customer loyalty plays an important role in ensuring a competitive advantage as well as retaining existing customers rather than acquiring new ones (Roy, 2011). Explicitly stated Ayodele & Esiti (2016) that customer loyalty can increase the company's competitive advantage, so it has great potential to continue to grow in a sustainable manner. Based on this argument, the following research hypothesis was built:

Hypothesis 4: Customer loyalty has a significant positive effect on business sustainability

Customer loyalty can also be determined by how much the level of customer trust in the product/company. Customer trust is considered a predictor of customer loyalty (Chaudhuri and Holbrook, 2001; Liang and Wang, 2007; Bibb and Kourdi, 2007; Hsu, 2008; Gul, 2014). Ndubisi (2007) and Taylor et al. (2004) also stated that trust is an important factor in building company-customer relationships and ultimately fostering customer loyalty. Better customer trust leads to a better attitude and loyalty (Moreira & Silva, 2015). This argument is in line with the research results of Sarwar et al. (2012), Ayodele & Esiti (2016) show that trust has a significant positive effect on customer loyalty. The results of previous studies, Chiu et al. (2008), Qureshi et al. (2009), Upamannyu et al. (2015) found that customer trust greatly influences customers to repurchase a company's product. In research Utami (2015) found that

customer trust has a significant positive effect on customer loyalty. Based on this argument, the following research hypothesis was built:

Hypothesis 5: Customer loyalty is positive significantly influenced by customer trust

Apart from being influenced by customer trust, customer loyalty can also be influenced by corporate social responsibility. Therefore, many companies in developed countries implement CSR to increase customer loyalty. *It has been stated that the implementation of CSR can increase customer confidence in the products produced by the company. The higher the level of customer trust in the company, the more loyal the customer will be. In other words, implementing CSR will increase customer loyalty.* Vlachos et al. (2009) in their research found that corporate social responsibility directly has a significant positive effect on customer loyalty. The same results were also found in research conducted by Choi & La (2013). It is more explicit that CSR is a key variable in restoring customer loyalty. Research results by Azmat & Ha (2013) found that CSR is able to create a positive image and reputation, which in turn creates customer loyalty. This statement is also supported by the results of research conducted by Diallo M.F. & Lambey-Checchin C. (2016) and Al-Abdallah & Ahmed (2018) in Qatar, where CSR activities were found to have a direct and significant positive effect on customer loyalty. This finding is also supported by the research results of Afridi et al. (2018) who found that CSR has a significant positive effect on customer loyalty. Al-Ghamdi, S. A., & Badawi, N. S. (2019) said more explicitly, where the company's CSR has a strong and positive influence on customer loyalty. Based on the findings of the research, the following research hypothesis was built:

Hypothesis 6: Customer loyalty is positive significantly influenced by CSR

As has been explained, better implementation of CSR will be able to increase customer trust in the company. This argument is in line with the results of previous studies where corporate social responsiveness significantly affects customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). *On the other hand, higher customer trust will ensure better business continuity. This opinion is supported by a number of previous research results, which show that customer trust has a significant positive effect on business continuity* (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018). Based on these findings, it refers to the concept of Baron & Kenny (1987), where CSR affects customer trust, and trust affects the sustainability of the organization, so customer trust has the potential to become a mediator in the relationship between corporate social responsibility and business sustainability. Referring to these findings, the following research hypothesis is built:

Hypothesis 7: Customer trust is positive significantly as a mediator in the relationship between CSR and business sustainability

The implementation of CSR in addition to increasing public and customer trust in particular, will also be able to increase customer loyalty. This argument refers to the results of previous studies, where corporate social responsibility has a significant effect on customer loyalty (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019). Meanwhile, on the other hand, higher loyalty will also be able to better maintain business continuity. This argument is supported by the results of previous studies, where customer loyalty has a significant positive effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Based on these findings and paying attention to the concept of Baron & Kenny (1987), where CSR affects customer trust, and customer trust affects the sustainability of the organization, it can be said that customer loyalty can act as a mediator in the relationship between corporate social responsibility and business sustainability. Based on the results of the study, the following research hypothesis was built:

Hypothesis 8: Customer loyalty is positive significantly as a mediator in the relationship between CSR and business sustainability

Good CSR implementation is able to increase public trust, especially customers in the company. This is in line with the findings of a number of research results which found that CRS has a significant positive effect on customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). On the other hand, increasing customer trust can also increase customer loyalty. This argument is supported by a number of research results that have found that customer trust has a significant effect on customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016). In the next section customer loyalty is very important in terms of maintaining business continuity. The higher customer loyalty, the more guarantee the sustainability of a business in a longer period of time. This argument is in line with the results of previous studies which found that customer loyalty has a significant positive effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Referring to these findings and based on the concept of Baron & Kenny (1987), where CSR affects customer trust, and customer trust affects customer loyalty, and loyalty affects business continuity, it can be argued that customer trust and customer loyalty together -sama plays a role as a mediator in the relationship between corporate social sustainability and business sustainability. Thus, the following research hypothesis can be built:

Hypothesis 9: Customer trust and customer loyalty together are positive significant as a mediator on CSR towards Business sustainability

Research Concept Framework

Refers to a study of research results as described, where CSR affects customer trust ((Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), customer loyalty ((Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019), and business sustainability (Strand et al., 2015; Ngai et al., 2018). In another part, customer trust affects business sustainability (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018) Likewise, customer loyalty has an effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). In the next section, customer trust is able to affect customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016), so based on this built a research concept framework as illustrated in Figure 1.

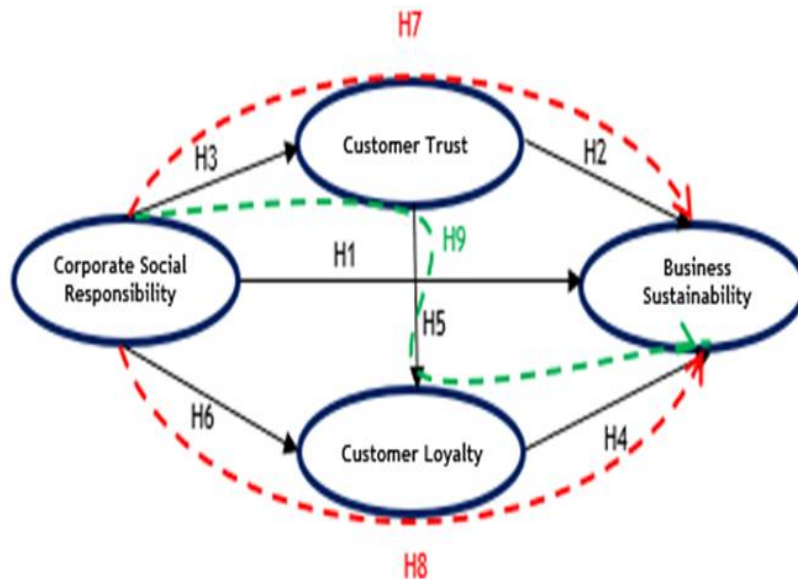


Figure 1. Concept Framework of the Relationship between CSR, Customer Trust, Customer Loyalty, and Business Sustainability

RESEARCH METHODS

Design, Population, and Research Samples

This study is designed as a quantitative study, confirming the relationship that occurs between corporate social responsibility, customer trust and customer loyalty with business sustainability at rural banks in Bali. The total number of banks that are the object of research is 134 units spread across nine districts / cities in Bali. [Limited funding causes a sampling process to determine which banks will be the research sample. Sampling was carried out based on the Slovin formula with a precision of 5%.](#) The number of Prekreditan Rakyat Banks which are the samples based on the Slovin formula with a precision of 5% are as follows:

$$n = N / (1 + Ne^2)$$

$$n = 134 / \{1 + (134 \times 0.052)\}$$

$$n = 134 / (1 + 0.335)$$

$$n = 100.37 \text{ (rounded to 100)}$$

The proportion of the number of Rural Banks in Bali, Indonesia, and Research Respondents in each Regency by using proportionate random sampling method, is shown in Table 1.

Table 1. Distribution of the Number of Rural Banks by Regency in Bali Year, 2019

No	District	Number of Banks	Sample
1	Badung	49	37
2	Bangli	3	2
3	Buleleng	6	4
4	Gianyar	26	19
5	Jembrana	1	1
6	Karangasem	4	3
7	Klungkung	5	4
8	Tabanan	19	14
9	Denpasar	21	16
	Total	134	100

Source: OJK, 2019

Research respondents were customers at each bank who were taken accidentally (namely who the bank customers met at the time of the research). The number of respondents in each bank was determined to be 3 customers so that the number was 300 customers. Extracting information is carried out by providing a questionnaire to the customer to be filled in and returned on the spot. The research was conducted for three months from January to March 2020. The questionnaire given to customers was in the form of perceptual statements which must be answered only by giving a cross mark (X) in the column provided. Respondents' answers are in the form of a scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis Technique

Data analysis was carried out using the SmartPLS 3.3.2 program, through three stages, namely the validity and reliability testing phase, the research model accuracy testing stage, and the hypothesis testing stage.

a. The validity and reliability testing phase

The data validity test was conducted through convergent validity, discriminant validity. Convergent validity testing is based on the outer loading coefficient, where a set of data can be declared valid if the coefficient is 0.50 or more (> 0.50) and significant at a p-value of 0.05 (Chin, 1998).

Testing the validity of data based on discriminant validity is shown by comparing the root value of Average variance Extracted (VAVE) with the correlation value between variables. It can be said to be discriminantly valid if the root of AVE (VAVE) is greater than the correlation value between variables. The AVE coefficient must be greater than 0.50 (Bagozzi & Yi, 1988). Meanwhile, reliability testing is based on Cronbach's Alpha and Composite Reliability coefficients. It is said to be reliable if the data set has a greater Cronbach's Alpha and Composite Reliability coefficient of 0.70 (Hair et al., 2010).

b. model accuracy testing phase

The test accuracy of the model study was conducted through the R-square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF).

c. Hypothesis testing stage

Research hypothesis testing is based on the path coefficient of each relationship between variables at the p-value 0.05. The hypothesis can be accepted if the p-value of the path coefficient is less than 0.05 (p-value <0.05: the hypothesis is accepted). Conversely, the hypothesis will be rejected if the path coefficient has a p-value greater than 0.05 (p-value > 0.05: the hypothesis is rejected).

Research Variables and Indicators

This study correlates the variables of CSR (independent variables), customer trust, and customer loyalty variables (mediation variables), and business sustainability (dependent variable). Each variable consists of a number of indicators. CSR variable consists of 3 indicators concerning respondents' perceptions of responsibility in the fields of (1) social, (2) economic, and (3) environmental. Customer trust consists of customer perceptions of bank employees in providing services to customers, in terms of (1) quality of relationships between employees, (2) understanding of each other's work, (3) openness of communication, and (4) job competence. The customer loyalty variable is the customer's perception of their loyalty to the bank where they become customers, it consists of three indicators, namely (1) repurchasing behavior, (2) staying in the company/product produced by the company, and (3) conveying positive things. to others. The business sustainability variable is the customer perception of the bank's sustainability, which is measured by: (1) the strategy implemented, (2) financial, (3) customers, (4) products, (5) governance, (6) Resources.

RESULTS AND DISCUSSION

Validity and Reliability

The results of data analysis carried out based on the SmartPLS 3.3.2 program, show the value of the outer loading of each indicator as shown in Table 2.

Table 2. Validity and Reliability

Variables	Indicators	Outer loading Coef.	p-value	Information
CSR	Economic	0.930	0.000	valid
	Social	0.963	0.000	valid
	Environment	0.910	0.000	valid
Customer Trust	Relationships between employees	0.889	0.000	valid
	Understanding of work	0.879	0.000	valid
	Openness of communication	0.911	0.000	valid
	Work competence	0.870	0.000	valid
Customer Loyalty	Buyback	0.976	0.000	valid
	Last	0.984	0.000	valid
	Recommended to others	0.949	0.000	valid
Business Sustainability	Strategy	0.840	0.000	valid
	Financial	0.879	0.000	valid
	Customer	0.894	0.000	valid
	Product	0.926	0.000	valid
	Governance	0.933	0.000	valid
	Resource	0.922	0.000	valid

Source: Data processed, 2020

Table 2 provides information that all indicators used to reflect each variable are convergent valid because they have an outer loading coefficient greater than 0.50 and significant. The discriminant validity test is shown in Table 3.

Table 3. Discriminant Validity

Variables	AVE/VAVE	CSR	Customer Trust	Customer Loyalty	Business Sustainability
CSR	0.873/0.934	0.934			
Customer Trust	0.793/0.891	0.808	0.891		
Customer Loyalty	0.943/0.971	0.700	0.845	0.971	
Business Sustainability	0.810/0.900	0.691	0.788	0.894	0.900

Source: Data processed, 2020

Table 3 shows that all research variables are discriminantly valid, this is indicated by the value of the correlations between variables being greater than the root value of AVE. Furthermore, the research variable reliability testing is carried out, which is indicated by the coefficient of Cronbach's Alpha and Composite Reliability as shown in Table 4.

Table 4. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability	Information
CSR	0.927	0.962	Reliable
Customer Trust	0.913	0.939	Reliable
Customer Loyalty	0.970	0.980	Reliable
Business Sustainability	0.953	0.962	Reliable

Source: Data processed, 2020

Table 4 shows that all research variables are reliable, this is indicated by the coefficient of Cronbach's Alpha and Composite Reliability being greater than 0.70.

Based on the results of testing the validity and reliability of the data, it turns out that all research data are valid and reliable. Then, testing the accuracy of the research model is carried out.

Model Accuracy Test

Testing the accuracy of the research model was carried out through the R-Square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF). The analysis results show the values of R^2 as shown in Table 5.

Table 5. R-Square (R^2) Coefficient

Dependent Variables	R-Square (R^2)	Level
Customer Trust	0.652	Large
Customer Loyalty	0.709	Large
Business Sustainability	0.809	Large

Source: Data processed, 2020

Based on Table 5, the results of the analysis of the effect of CSR on customer trust are shown by the R^2 value of 0.652, meaning that 65.2% of customer trust is influenced by CSR, the rest is another factor. The effect of CSR and customer trust on customer loyalty is shown by the R^2 value of 0.709, meaning that 70.9% of customer loyalty is influenced by customer trust and CSR, the rest is another factor. Meanwhile, 80.9% of business sustainability is influenced by CSR, customer trust, and customer loyalty, the rest are other factors that are not included in this research model. This result is shown by the value of R^2 on the influence of CSR, customer trust, and customer loyalty on business sustainability. Referring to the criteria for the strength and weakness of influence between variables proposed by Cohen (1988), it can be stated that this research model has a great degree of accuracy.

Evaluation of fit models based on Q^2 Predictive Relevance can be calculated with the following formulations:

$$Q^2 = 1 - \{(1 - R^2_1)(1 - R^2_2)(1 - R^2_3)\}$$

$$Q^2 = 1 - \{(1 - 0.652)(1 - 0.709)(1 - 0.809)\}$$

$$Q^2 = 1 - 0.019342$$

$$Q^2 = 0.9807$$

Based on the results of the predictive relevance Q^2 calculation, it can be explained that the research model is able to provide predictive accuracy of 98.07% (large), while 1.93% of other factors are not examined. That is, based on the value of Q^2 , the model has a large degree of accuracy (Chin, 1998).

Evaluation of the accuracy of the research model based on the Goodness of Fit criteria, calculated by the following formulation:

$$\text{GoF} = V(\text{average AVE} \times \text{average } R^2)$$

$$\text{GoF} = V\left[\left\{\frac{0.873 + 0.739 + 0.943 + 0.810}{4}\right\} \times \left\{\frac{0.652 + 0.709 + 0.809}{3}\right\}\right]$$

$$\text{GoF} = V\{(0.8413) \times (0.7233)\}$$

$$\text{GoF} = V0.60851229$$

$$\text{GoF} = 0.7801 \text{ (large)}$$

Based on the results of the GoF calculation, the model has a level of accuracy of 0.7801 (classified as large according to Akter et al., 2011).

Based on the three results of testing the accuracy of the model, it shows that the model has a great degree of accuracy, therefore it can be continued to the research hypothesis testing process.

Hypothesis Testing

The research hypothesis testing is based on the results of the analysis of the SmartPLS 3.3.2 program and the modified SmartPLS analysis results table, namely Figure 2 and Table 6).

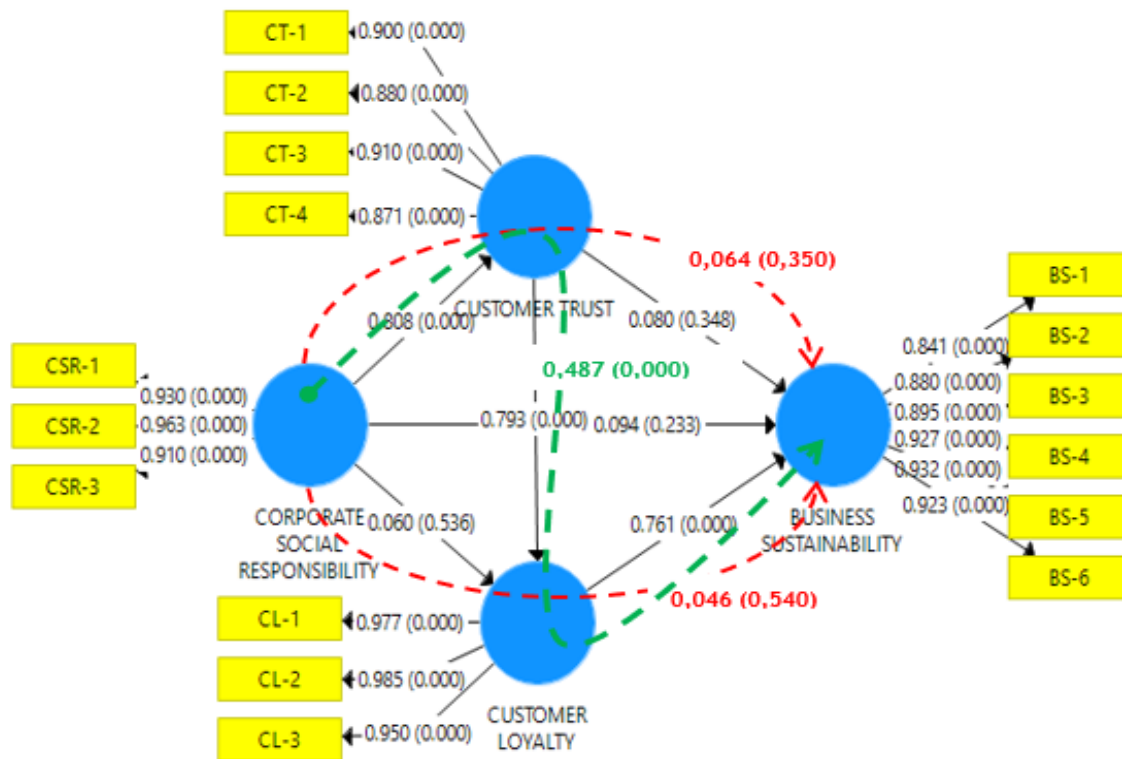


Figure 2. SmartPLS 3.3.2 analysis results (modified)

Table 6. Path Coefficient

Hypothesis	Correlation			Path Coefficient	p-Value	Info
	Independent	Mediation	Dependent			
Hypothesis 1	CSR		Business Sustainability	0.094	0.233	No significant
Hypothesis 2		Customer Trust	Business Sustainability	0.080	0.348	No significant
Hypothesis 3	CSR	Customer Trust		0.808	0.000	significant
Hypothesis 4		Customer Loyalty	Business Sustainability	0.761	0.000	significant
Hypothesis 5		Customer Trust	Customer Loyalty	0.793	0.000	significant
Hypothesis 6	CSR		Customer Loyalty	0.060	0.536	No significant
Hypothesis 7	CSR	Customer Trust	Business Sustainability	0.064	0.350	No significant
Hypothesis 8	CSR		Customer Loyalty	0.046	0.540	No significant
Hypothesis 9	CSR	Customer Trust	Customer Loyalty	0.487	0.000	significant

Source: Data processed, 2020

Based on Figure 2 and Table 6, it can be explained that corporate social sustainability has no significant effect on customer loyalty and business sustainability because the p-value of each is greater than 0.05. Thus, hypothesis 1 and hypothesis 6 are rejected. Likewise, the effect of customer trust on business sustainability is not significant because the p-value is greater than 0.05, so hypothesis 2 is also rejected. Meanwhile, the indirect effect of CSR on business sustainability through customer trust and customer loyalty is also insignificant, because the p-value is > 0.05 , so hypothesis 7 and hypothesis 8 are rejected. Of the nine hypotheses proposed, only 4 hypotheses were accepted, namely hypothesis 3, namely the effect of CSR on customer trust, hypothesis 4, namely the effect of customer loyalty on business sustainability, hypothesis 5, namely the effect of customer trust on customer loyalty, and hypothesis 9, namely the indirect effect. CSR for business sustainability through customer trust and customer loyalty.

DISCUSSION, CONCLUSIONS, AND RECOMMENDATION

The results of the study found that a significant factor affecting business sustainability is customer loyalty. This finding is in line with the statements of Krumay & Brandtweiner (2010) and Khadka & Maharjan (2017) which state that customer loyalty is the key to company success and profits in the long term. Utami also stated the same thing, where customer loyalty is able to create competitive advantages, increase market share, and provide benefits in the long term. The same thing is also emphasized by Ayodele & Esiti (2016) where loyalty can increase the company's competitive advantage, and foster great potential to continue to grow in a sustainable manner. The results of this study are in line with the results of research by

Wong et al. (2019), who found that customer loyalty has a significant positive effect on business sustainability.

The most dominant indicator of customer loyalty in respondents' perceptions that affect business sustainability is the perception of respondents who are persistent and willing to buy back the company's products. This result is proof that customers who continue to survive and then continue to buy the products produced by the company, will be able to make the company survive in the long term. Thus, the company should develop strategies that lead to efforts to keep customers loyal to the products the company produces.

The results also found that loyalty is significantly influenced by customer trust. Increasing customer trust can foster stronger customer loyalty. The results of this study are in line with a number of previous studies, namely Chaudhuri and Holbrook (2001); Liang and Wang (2007); Bibb and Kourdi (2007); Hsu (2008); Gul (2014).

While on the other hand, this study also found that customer trust was significantly influenced by the implementation of CSR. This means that the better the implementation of CSR by the company, it can increase customer trust. The findings of this study are supported by a number of previous studies, namely Vlachos et al. (2009); Swaen & Chumpitaz (2008); Choi & La (2013); Kang & Hustvedt (2014); Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) who found that CSR has a significant positive effect on customer trust.

The results also found that customer trust and customer loyalty together act as a full mediator in the relationship between CSR and business sustainability. These findings prove that the combination of customer trust and customer loyalty can be a strong mediator to make the relationship between CSR and business sustainability significant. Azmat and Ha (2013) also state that higher customer loyalty and trust are recognized as important for businesses to gain a unique and more profitable position than competitors. A similar statement was also expressed by Ong & Zien (2015), where customer trust and loyalty are very important to ensure sustainable income and profits for business sustainability.

Based on the results of this study, the researcher finally recommends that it is very important to always maintain and increase customer trust, even though it does not directly show a significant effect on business sustainability. At the same time, increase the efforts to maintain and increase customer loyalty, because the results of this study clearly show that the combination of trust and loyalty is able to significantly support business sustainability.

LIMITATIONS AND FUTURE RESEARCH

This research is still very limited to the Rural Banks in Bali, Indonesia, so that it cannot be used as a basis for generalizing the Rural Banks in Bali, Indonesia as a whole. This research still needs to develop the research object outside of Bali. Likewise, the variables included in the research model are limited to CSR, customer trust, and customer loyalty in relation to business sustainability. Business sustainability, especially banking, is strongly influenced by internal and external factors. [Internal factors that have the possibility of influencing business](#)

sustainability include the company's human resources, both physical and non-physical work environments, and organizational culture. External factors that may influence business sustainability include consumer / customer attitudes and behavior, government policies, and competition. Therefore, future research needs to consider including more relevant variables in a research model, in addition to expanding the scope of the research area. Expanding the scope of the research area and adding more relevant variables is expected to be able to provide more accurate information.

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Dual Mediations of Customer Trust and Customer Loyalty on Corporate Social Responsibility towards Business Sustainability

ABSTRACT

Every company always trying to maintain customer trust and loyalty as an effort to maintain the sustainability of the business. Implementing concern for the environment around the company (Corporate Social Responsibility) is expected to be able to increase customer trust and loyalty, and have an impact on business sustainability. This study aims to analyze the role of CSR, customer trust, and customer loyalty in business sustainability. The research was conducted at 100 units of Rural Banks in Bali, Indonesia spread over 9 districts/cities. The research respondents were 10 customers in each bank, the number of research respondents was 1000 bank customers. Data collection was using questionnaires and data analysis by SmartPLS 3.3.2 program. The research found that CSR, customer trust, and customer loyalty have significant effect on business sustainability. The results also found that customer trust and customer loyalty act as mediation in the relationship between CSR and business sustainability.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

INTRODUCTION

Every company always hopes that it will always grow and develop well. Therefore, company managers try to maintain the sustainability of the company they lead. In addition, they also hope that it will always provide better benefits and benefits from period to period. For this reason, company leaders apply various strategies to achieve these expectations. Some strategies that can be done are maintaining and trying to maintain the level of trust of customers in the company. The company also tries to maintain customer loyalty so that it is not easy to turn to other companies. This kind of strategy is mostly carried out by companies including financial institutions such as banks.

Banks are financial institutions that have the function of absorbing funds from the public and parties with excessive funds by providing interest rates according to the provisions. Banks also carry out the function of channeling funding to the public and parties requiring additional capital. Therefore, in carrying out its activities, banks are closely related to public trust. The higher the public's trust in the bank, the more they will not worry about saving their funds in the bank. Likewise, the determination of loan interest rates that are affordable by the community is a special attraction for people to make loans to meet the needs of their personal and company funds.

The choice of the bank as the place for research was because during the period 2016 to 2019 there were three rural banks that were not able to survive, out of a total of 137 rural banks in 2016, down to 134 in 2019. This indicates that rural bank's sustainability has decreased from year to year. The strategy of maintaining and increasing the trust and loyalty of customers has indeed been proven to be able to make a bank sustainable. Studies have

proven that customer trust and loyalty are able to maintain the sustainability of an institution/company/organization. Ong & Zien (2015) in the results of their research in a number of SMEs in Malaysia found that the sustainability of SMEs was largely determined by the level of trust of their customers. Similar research results were also found in research conducted by Nguyen et al. (2013) and Upamannyu et al. (2015). Kang & Hustvedt (2014) stated that trust is the key to building a market. This opinion is reinforced by Zieni et al. (2017) which states that trust is able to sustain social sustainability.

The level of customer trust in a company/organization is shown through the more intently the customer relates (loyalty) to the company. The more often someone uses a company's products, the higher their loyalty. The higher customer loyalty to a product can be caused by the higher trust in the company's products (Brilliant & Achyar, 2013). Taoketa (2018) states that in terms of marketing a product in a sustainable manner, customer trust ranks first. Hossain (2019) also agrees that trust is a dominant factor in shaping customer loyalty. This opinion is in line with the results of research conducted by Leninkumar (2017), where customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. The results of other studies that found a significant positive influence between customer trust and customer loyalty, namely Nur (2012), Sarwar et al. (2012), Utami (2015), Leninkumar (2017), Trini & Salim (2018), Widodo & Murwatningsih (2019). However, in a study conducted by Setiawan and Sayuti (2017), it was found that customer trust had no significant effect on customer loyalty.

Long-term customer loyalty really supports the sustainability of a company. Loyalty is important to company success, profitability, and long-term sustainability (Strenitzerová & Gaňa, 2018). This argument can be proven through a number of research results. Aslam et al. (2020) stated that loyalty is a key factor in gaining benefits and organizational growth in the long term. Meanwhile, Ong & Zien (2015) stated that customer trust and loyalty are very important to ensure sustainable income and profits as well as business sustainability in the long term.

In addition to these statements, a number of studies also explain that customer trust and loyalty can be caused by the company's social concern for the community (often referred to as CSR / Corporate Social Responsibility) (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013). This statement is also supported by the opinion of Cegliński & Wiśniewska (2016), which states that CSR activities carried out by companies can be a source of many benefits, which can increase customer confidence and the company's competitive position, resulting in a competitive advantage.

Málovics et al. (2008) stated that CSR is becoming increasingly important in today's business life, especially in its contribution to business sustainability. A similar opinion was also expressed by Kitthananan (2010); Teodorescu & Ionescu (2014); Mourougan (2015); Grigoris, G. (2016). In more detail, Lu et al. (2020), that the dimensions of CSR separately affect the elements of competitiveness.

A study conducted by Leninkumar (2017) have found that customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. This kind of approach mostly carried out by financial institutions such as banks as they always try to maintain customer loyalty and customer trust. Based on this argument, the researcher feels the need to confirm the effect of CSR on customer trust, customer loyalty, and business sustainability, especially at the Rural Banks in Bali, Indonesia. Dual mediations of customer trust and customer loyalty also considered as the novelty of this study.

THEORETICAL REVIEW, PREVIOUS RESEARCH, AND HYPOTHESIS

Business Sustainability

Company leaders have a big responsibility in efforts to maintain business sustainability (Gonzalez et al., 2013). Business sustainability is intended as the company's ability to utilize company resources in order to survive in any situation (Szekely & Knirsch, 2005). Business sustainability will be achieved by balancing their performance with economic, environmental, and social aspects. Schaltegger & Burritt (2005) stated that business sustainability is a broad approach that includes various characteristics, especially those related to the contextual integration of economic, environmental, and social aspects. Esterhuyse (2008) defines business sustainability as a multi-purpose concept that is reflected through indicators such as strategy (integrating long-term economic, environmental, and social aspects), finance (a healthy company's financial condition in the long term), customers and products (innovation products to foster customer loyalty), human factors (human resource management as a company asset), governance and stakeholders (establishing sound corporate governance standards).

The sustainability of a company is determined by very complex factors, both internal and external. Internal sources that can affect business sustainability, such as support for corporate resources including human resources and leadership patterns (Sarmawa et al. 2020), corporate governance, environmental/corporate climate management. External sources that can affect business sustainability are customer trust and loyalty, socio-economic conditions, and government participation.

Corporate Social Responsibility (CSR)

The definition often cited by a number of researchers is Carroll (1979) which states that CSR is the responsibility of the company towards the environment and society which includes elements of economy, law, ethics, and wisdom. Fontaine (2013) states that CSR is a business strategy of how to align their values and behavior with the expectations and needs of stakeholders, not only customers and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole.

According to Mourougan (2015), CSR is understood as the way companies integrate social, environmental, and economic problems into their values, culture, decision-making,

strategies, and operations in a transparent and accountable manner and thus build better practices within the company, creating wealth and improve society. CSR is a company initiative to assess and be responsible for the company's impact on the environment and its impact on social welfare (Teodorescu & Ionescu, 2014).

CSR is seen as having an important role in business sustainability (Málovics et al., 2008). CSR is also considered to play an important role in gaining a sustainable advantage over competitors, gaining profits, and improving business dealings with customers (Afridi et al, 2018). CSR is a business model that encourages business contributions to sustainable development, namely creating a balance between economic interests, environmental and social needs (Behringer & Szegedi, 2016). According to Grigoris (2016), CSR has become a successful concept for companies to ensure their capacity for long-term value and gain a competitive advantage. According to Kitthananan (2010) and Teodorescu & Ionescu (2014), CSR is a business strategy to achieve long-term sustainability. more explicitly Duthler & Dhanesh (2018)state that CSR is synonymous with sustainability.

A number of research results have proven that CSR has a significant positive effect on business sustainability. Strand et al. (2015) in their research in Scandinavia found that CSR has a significant positive effect on business sustainability in the country. Similar results were also found in research conducted by Ngai et al (2018), where CSR has a significant positive effect on business sustainability in gas companies in China. Based on this argument, the following research hypothesis is built:

Hypothesis 1: CSR has a significant positive effect on business sustainability

Customer Trust

Trust is very important in every aspect of social life (Gucel et al., 2012). Customer trust in a product produced by the company or in the company itself is also very important in relation to the sustainability of the company. Consumers who have high confidence in a product tend to make repeated purchases and recommend the product to others so that there will be a better relationship between the consumer and the company. This is in line with the statement of Wu et al. (2010), where trust is an important factor in achieving a successful marketing relationship. This is reinforced by statement Upamannyu et al. (2015), which states that increasing customer trust has an impact on higher company profitability so that the company can grow in a sustainable manner. Rousseau, et al. (1998); Singh & Sirdeshmukh (2000) stated that customer trust is very important to build and maintain long-term relationships. This statement is in line with the research results of Yu et al. (2018) who concluded that customer trust has a significant positive effect on business sustainability. Based on this argument, the following research hypothesis is built:

Hypothesis 2: Customer trust has a significant positive effect on business sustainability

Customer trust can grow because the company does CSR well. Many companies try to implement CSR to attract public trust, especially customers (Azmat & Ha, 2013). Vlachos et

al. (2009) stated that CSR can affect customer trust. The results of the research of Swaen & Chumpitaz (2008) and Choi & La (2013), found that CSR significantly positively affects customer trust. The same results were also found in the research conducted by Kang & Hustvedt (2014), namely that CSR significantly positively affects customer trust and attitudes towards the company. Research by Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) also found that CSR affects customer trust in a significantly positive manner. Referring to the findings of the research results, the following research hypothesis is built:

Hypothesis 3: Customer trust is positive significantly influenced by CSR

Customer Loyalty

In general, customer loyalty means the intention to buy back a company product or service (Khan, 2013). According to Markovic et al. (2018), customer loyalty is a customer's intention to repurchase products and services as well as referrals to other people. Gremler and Brown (1999) divide customer loyalty into three different categories which include behavioral, intentional, and emotional loyalty. Behavioral loyalty is a repeating purchase behavior whereas intentional loyalty is a possible purchase intention. Emotional loyalty, however, is achieved when customers feel that the brand matches their values, ideas, and passions. Krumay & Brandtweiner (2010) revealed that customer loyalty is seen as one of the key factors for the success of a company. The same thing was expressed by Khadka & Maharjan (2017), where customer loyalty is one of the keys to the company's success and profits in the long run. Utami (2015), stated that customer loyalty can create a competitive advantage, increase market share, and profit in the long term. In addition, customer loyalty plays an important role in ensuring a competitive advantage as well as retaining existing customers rather than acquiring new ones (Roy, 2011). Explicitly stated Ayodele & Esiti (2016) that customer loyalty can increase the company's competitive advantage, so it has great potential to continue to grow in a sustainable manner. Based on this argument, the following research hypothesis was built:

Hypothesis 4: Customer loyalty has a significant positive effect on business sustainability

Customer loyalty can also be determined by how much the level of customer trust in the product/company. Customer trust is considered a predictor of customer loyalty (Chaudhuri and Holbrook, 2001; Liang and Wang, 2007; Bibb and Kourdi, 2007; Hsu, 2008; Gul, 2014). Ndubisi (2007) and Taylor et al. (2004) also stated that trust is an important factor in building company-customer relationships and ultimately fostering customer loyalty. Better customer trust leads to a better attitude and loyalty (Moreira & Silva, 2015). This argument is in line with the research results of Sarwar et al. (2012), Ayodele & Esiti (2016) show that trust has a significant positive effect on customer loyalty. The results of previous studies, Chiu et al. (2008), Qureshi et al. (2009), Upamannyu et al. (2015) found that customer trust greatly influences customers to repurchase a company's product. In research Utami (2015) found that

customer trust has a significant positive effect on customer loyalty. Based on this argument, the following research hypothesis was built:

Hypothesis 5: Customer loyalty is positive significantly influenced by customer trust

Besides being influenced by customer trust, customer loyalty can also be influenced by CSR. Vlachos et al. (2009) in their research found that direct CSR has a significant positive effect on customer loyalty. The same results were also found in research conducted by Choi & La (2013). More explicitly it is said that CSR is a key variable in restoring customer loyalty. The results of research by Azmat & Ha (2013) found that CSR is able to create a positive image and reputation, which in turn creates customer loyalty. This statement is also supported by the results of research conducted by Diallo MF & Lambey-Checchin C. (2016) and Al-Abdallah & Ahmed (2018) in Qatar, where CSR activities were found to have a direct and significant positive effect on customer loyalty. This finding is also supported by the research results of Afridi et al. (2018) who found that CSR has a significant positive effect on customer loyalty. Al-Ghamdi & Badawi (2019) stated more explicitly, where corporate CSR has a strong and positive influence on customer loyalty. Based on the findings of the study, the following research hypothesis was built:

Hypothesis 6: Customer loyalty is positive significantly influenced by CSR

Based on the results of previous studies where CSR significantly affects customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), while the relationship between customer trust and business sustainability is also significant (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018). Based on these findings, referring to the concept of Baron & Kenny (1987), the customer has the potential to become a mediator in the relationship between CSR and business sustainability. Referring to these findings, the following research hypothesis is built:

Hypothesis 7: Customer trust is positive significantly as a mediator in the relationship between CSR and business sustainability

Referring to the results of previous studies, where CSR has a significant effect on customer loyalty (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019). Likewise, customer loyalty can affect business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Based on these findings and paying attention to the concept of Baron & Kenny (1987), it can be stated that customer loyalty can act as a mediator in the relationship between CSR and business sustainability. Based on the results of the study, the following research hypothesis was built:

Hypothesis 8: Customer loyalty is positive significantly as a mediator in the relationship between CSR and business sustainability

As stated in building hypothesis 3 where CSR has a significant effect on customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). Customer trust also has a significant effect on customer loyalty (a study in building hypothesis 5) (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016). On the other hand, customer loyalty also significantly affects business sustainability (a study in building hypothesis 4) (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Referring to these findings and based on the concept of Baron & Kenny (1987), it can be argued that customer trust and customer loyalty together act as mediators in the relationship between corporate social sustainability and business sustainability. Thus, the following research hypothesis can be built:

Hypothesis 9: Customer trust and customer loyalty together are positive significant as a mediator on CSR towards Business sustainability

Research Concept Framework

Refers to a study of research results as described, where CSR affects customer trust ((Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), customer loyalty ((Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019), and business sustainability (Strand et al., 2015; Ngai et al. , 2018). In another part, customer trust affects business sustainability (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018) Likewise, customer loyalty has an effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). In the next section, customer trust is able to affect customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016), so based on this built a research concept framework as illustrated in Figure 1.

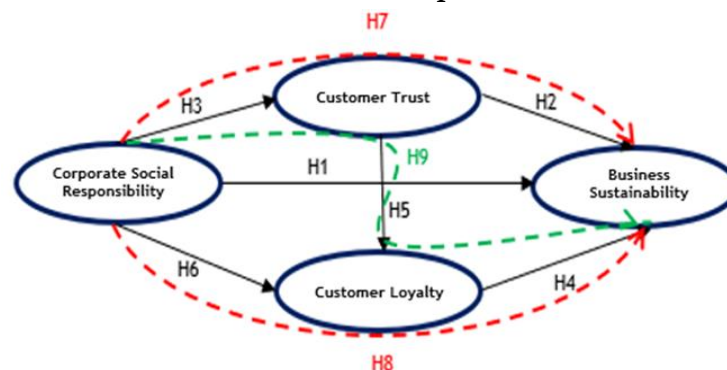


Figure 1. Concept Framework of the Relationship between CSR, Customer Trust, Customer Loyalty, and Business Sustainability

RESEARCH METHODS

Design, Population, and Research Samples

This research was designed as a quantitative study, confirming the relationship between CSR, customer trust, and customer loyalty with business sustainability at rural banks in Bali, Indonesia. The total number of banks being the research objects is 134 units spread across nine regencies/cities in Bali. The number of rural banks used as research samples was determined based on the Slovin formula with a precision of 5%. The results of the calculation of the Slovin formula are as follows:

$$n = N / (1 + Ne^2)$$

$$n = 134 / \{1 + (134 \times 0.05)^2\}$$

$$n = 134 / (1 + 0.335)$$

$$n = 100.37 \text{ (rounded to 100)}$$

The proportion of the number of Rural Banks in Bali, Indonesia, and Research Respondents in each Regency by using proportionate random sampling method, is shown in Table 1.

Table 1. Distribution of the Number of Rural Banks by Regency in Bali Year, 2019

No	District	Number of Banks	Sample
1	Badung	49	37
2	Bangli	3	2
3	Buleleng	6	4
4	Gianyar	26	19
5	Jembrana	1	1
6	Karangasem	4	3
7	Klungkung	5	4
8	Tabanan	19	14
9	Denpasar	21	16
	Total	134	100

Source: OJK, 2019

Research respondents were customers at each bank who were taken accidentally (namely who the bank customers met at the time of the research). The number of respondents in each bank was determined to be 3 customers so that the number was 300 customers. Extracting information is carried out by providing a questionnaire to the customer to be filled in and returned on the spot. The research was conducted for three months from January to March 2020. The questionnaire given to customers was in the form of perceptual statements which must be answered only by giving a cross mark (X) in the column provided. Respondents' answers are in the form of a scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis Technique

Data analysis was carried out using the SmartPLS 3.3.2 program, through three stages, namely the validity and reliability testing phase, the research model accuracy testing stage, and the hypothesis testing stage.

a. The validity and reliability testing phase

The data validity test was conducted through convergent validity, discriminant validity. Convergent validity testing is based on the outer loading coefficient, where a set of data can be declared valid if the coefficient is 0.50 or more (> 0.50) and significant at a p-value of 0.05 (Chin, 1998).

Testing the validity of data based on discriminant validity is shown by comparing the root value of Average variance Extracted (VAVE) with the correlation value between variables. It can be said to be discriminantly valid if the root of AVE (VAVE) is greater than the correlation value between variables. The AVE coefficient must be greater than 0.50 (Bagozzi & Yi, 1988). Meanwhile, reliability testing is based on Cronbach's Alpha and Composite Reliability coefficients. It is said to be reliable if the data set has a greater Cronbach's Alpha and Composite Reliability coefficient of 0.70 (Hair et al., 2010).

b. model accuracy testing phase

The test accuracy of the model study was conducted through the R-square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF).

c. Hypothesis testing stage

Research hypothesis testing is based on the path coefficient of each relationship between variables at the p-value 0.05. The hypothesis can be accepted if the p-value of the path coefficient is less than 0.05 (p-value < 0.05 : the hypothesis is accepted). Conversely, the hypothesis will be rejected if the path coefficient has a p-value greater than 0.05 (p-value > 0.05 : the hypothesis is rejected).

Research Variables and Indicators

This study correlates the variables of CSR (independent variables), customer trust, and customer loyalty variables (mediation variables), and business sustainability (dependent variable). Each variable consists of a number of indicators. CSR variable consists of 3 indicators concerning respondents' perceptions of responsibility in the fields of (1) social, (2) economic, and (3) environmental. Customer trust consists of customer perceptions of bank employees in providing services to customers, in terms of (1) quality of relationships between employees, (2) understanding of each other's work, (3) openness of communication, and (4) job competence. The customer loyalty variable is the customer's perception of their loyalty to the bank where they become customers, it consists of three indicators, namely (1) repurchasing behavior, (2) staying in the company/product produced by the company, and (3) conveying positive things. to others. The business sustainability variable is the customer

perception of the bank's sustainability, which is measured by: (1) the strategy implemented, (2) financial, (3) customers, (4) products, (5) governance, (6) Resources.

RESULTS AND DISCUSSION

Validity and Reliability

The results of data analysis carried out based on the SmartPLS 3.3.2 program, show the value of the outer loading of each indicator as shown in Table 2.

Table 2. Validity and Reliability

Variables	Indicators	Outer loading Coef.	p-value	Information
CSR	Economic	0.930	0.000	valid
	Social	0.963	0.000	valid
	Environment	0.910	0.000	valid
Customer Trust	Relationships between employees	0.889	0.000	valid
	Understanding of work	0.879	0.000	valid
	Openness of communication	0.911	0.000	valid
	Work competence	0.870	0.000	valid
Customer Loyalty	Buyback	0.976	0.000	valid
	Last	0.984	0.000	valid
	Recommended to others	0.949	0.000	valid
Business Sustainability	Strategy	0.840	0.000	valid
	Financial	0.879	0.000	valid
	Customer	0.894	0.000	valid
	Product	0.926	0.000	valid
	Governance	0.933	0.000	valid
	Resource	0.922	0.000	valid

Source: Data processed, 2020

Table 2 provides information that all indicators used to reflect each variable are convergent valid because they have an outer loading coefficient greater than 0.50 and significant. The discriminant validity test is shown in Table 3.

Tabel 3. Discriminant Validity

Variables	AVE/VAVE	CSR	Customer Trust	Customer Loyalty	Business Sustainability
CSR	0.873/0.934	0.934			
Customer Trust	0.793/0.891	0.808	0.891		
Customer Loyalty	0.943/0.971	0.700	0.845	0.971	
Business Sustainability	0.810/0.900	0.691	0.788	0.894	0.900

Source: Data processed, 2020

Table 3 shows that all research variables are discriminantly valid, this is indicated by the value of the correlations between variables being greater than the root value of AVE.

Furthermore, the research variable reliability testing is carried out, which is indicated by the coefficient of Cronbach's Alpha and Composite Reliability as shown in Table 4.

Table 4. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability	Information
CSR	0.927	0.962	Reliable
Customer Trust	0.913	0.939	Reliable
Customer Loyalty	0.970	0.980	Reliable
Business Sustainability	0.953	0.962	Reliable

Source: Data processed, 2020

Table 4 shows that all research variables are reliable, this is indicated by the coefficient of Cronbach's Alpha and Composite Reliability being greater than 0.70.

Based on the results of testing the validity and reliability of the data, it turns out that all research data are valid and reliable. Then, testing the accuracy of the research model is carried out.

Model Accuracy Test

Testing the accuracy of the research model was carried out through the R-Square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF). The analysis results show the values of R^2 as shown in Table 5.

Table 5. R-Square (R^2) Coefficient

Dependent Variables	R-Square (R^2)	Level
Customer Trust	0.652	Large
Customer Loyalty	0.709	Large
Business Sustainability	0.809	Large

Source: Data processed, 2020

Based on Table 5, the results of the analysis of the effect of CSR on customer trust are shown by the R^2 value of 0.652, meaning that 65.2% of customer trust is influenced by CSR, the rest is another factor. The effect of CSR and customer trust on customer loyalty is shown by the R^2 value of 0.709, meaning that 70.9% of customer loyalty is influenced by customer trust and CSR, the rest is another factor. Meanwhile, 80.9% of business sustainability is influenced by CSR, customer trust, and customer loyalty, the rest are other factors that are not included in this research model. This result is shown by the value of R^2 on the influence of CSR, customer trust, and customer loyalty on business sustainability. Referring to the criteria for the strength and weakness of influence between variables proposed by Cohen (1988), it can be stated that this research model has a great degree of accuracy.

Evaluation of fit models based on Q^2 Predictive Relevance can be calculated with the following formulations:

$$Q^2 = 1 - \{(1 - R^2_1)(1 - R^2_2)(1 - R^2_3)\}$$

$$Q^2 = 1 - \{(1 - 0.652)(1 - 0.709)(1 - 0.809)\}$$

$$Q^2 = 1 - 0.019342$$

$$Q^2 = 0.9807$$

Based on the results of the predictive relevance Q^2 calculation, it can be explained that the research model is able to provide predictive accuracy of 98.07% (large), while 1.93% of other factors are not examined. That is, based on the value of Q^2 , the model has a large degree of accuracy (Chin, 1998).

Evaluation of the accuracy of the research model based on the Goodness of Fit criteria, calculated by the following formulation:

$$GoF = V(\text{average AVE} \times \text{average } R^2)$$

$$GoF = V\left[\left\{\frac{0.873 + 0.739 + 0.943 + 0.810}{4}\right\} \times \left\{\frac{0.652 + 0.709 + 0.809}{3}\right\}\right]$$

$$GoF = V\{0.8413 \times 0.7233\}$$

$$GoF = V0.60851229$$

$$GoF = 0.7801 \text{ (large)}$$

Based on the results of the GoF calculation, the model has a level of accuracy of 0.7801 (classified as large according to Akter et al., 2011).

Based on the three results of testing the accuracy of the model, it shows that the model has a great degree of accuracy, therefore it can be continued to the research hypothesis testing process.

Hypothesis Testing

The research hypothesis testing is based on the results of the analysis of the SmartPLS 3.3.2 program and the modified SmartPLS analysis results table, namely Figure 2 and Table 6).

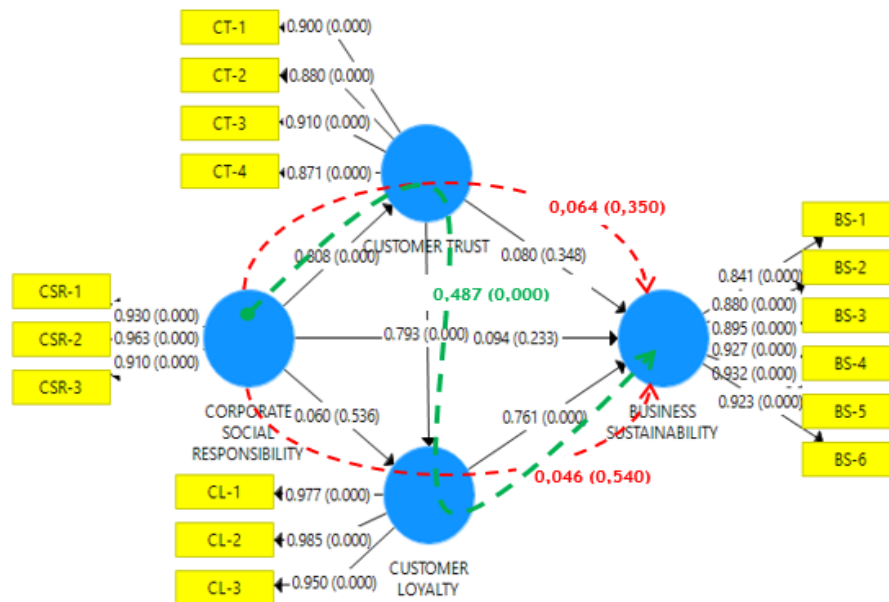


Figure 2. SmartPLS 3.3.2 analysis results (modified)

Table 6. Path Coefficient

Hypothesis	Correlation			Path Coefficient	p-Value	Info
	Independent	Mediation	Dependent			
Hypothesis 1	CSR		Business Sustainability	0.094	0.233	No significant
Hypothesis 2		Customer Trust	Business Sustainability	0.080	0.348	No significant
Hypothesis 3	CSR	Customer Trust		0.808	0.000	significant
Hypothesis 4		Customer Loyalty	Business Sustainability	0.761	0.000	significant
Hypothesis 5		Customer Trust	Customer Loyalty	0.793	0.000	significant
Hypothesis 6	CSR		Customer Loyalty	0.060	0.536	No significant
Hypothesis 7	CSR	Customer Trust	Business Sustainability	0.064	0.350	No significant
Hypothesis 8	CSR		Customer Loyalty	0.046	0.540	No significant
Hypothesis 9	CSR	Customer Trust	Customer Loyalty	0.487	0.000	significant

Source: Data processed, 2020

Based on Figure 2 and Table 6, it can be explained that corporate social sustainability has no significant effect on customer loyalty and business sustainability because the p-value of each is greater than 0.05. Thus, hypothesis 1 and hypothesis 6 are rejected. Likewise, the effect of customer trust on business sustainability is not significant because the p-value is greater than 0.05, so hypothesis 2 is also rejected. Meanwhile, the indirect effect of CSR on business sustainability through customer trust and customer loyalty is also insignificant, because the p-value is > 0.05 , so hypothesis 7 and hypothesis 8 are rejected. Of the nine hypotheses proposed, only 4 hypotheses were accepted, namely hypothesis 3, namely the effect of CSR on customer trust, hypothesis 4, namely the effect of customer loyalty on business sustainability, hypothesis 5, namely the effect of customer trust on customer loyalty, and hypothesis 9, namely the indirect effect. CSR for business sustainability through customer trust and customer loyalty.

DISCUSSION, CONCLUSIONS, AND RECOMMENDATION

The results of the study found that a significant factor affecting business sustainability is customer loyalty. This finding is in line with the statements of Krumay & Brandtweiner (2010) and Khadka & Maharjan (2017) which state that customer loyalty is the key to company success and profits in the long term. Utami also stated the same thing, where customer loyalty is able to create competitive advantages, increase market share, and provide benefits in the long term. The same thing is also emphasized by Ayodele & Esiti (2016) where loyalty can increase the company's competitive advantage, and foster great potential to continue to grow in a sustainable manner. The results of this study are in line with the results of research by

Wong et al. (2019), who found that customer loyalty has a significant positive effect on business sustainability.

The most dominant indicator of customer loyalty in respondents' perceptions that affect business sustainability is the perception of respondents who are persistent and willing to buy back the company's products. This result is proof that customers who continue to survive and then continue to buy the products produced by the company, will be able to make the company survive in the long term. Thus, the company should develop strategies that lead to efforts to keep customers loyal to the products the company produces.

The results also found that customer trust and customer loyalty together act as a full mediator in the relationship between CSR and business sustainability. These findings prove that the combination of customer trust and customer loyalty can be a strong mediator to make the relationship between CSR and business sustainability significant. Azmat and Ha (2013) also state that higher customer loyalty and trust are recognized as important for businesses to gain a unique and more profitable position than competitors. A similar statement was also expressed by Ong & Zien (2015), where customer trust and loyalty are very important to ensure sustainable income and profits for business sustainability.

Based on the results of this study, the researcher finally recommends that it is very important to always maintain and increase customer trust, even though it does not directly show a significant effect on business sustainability. At the same time, increase the efforts to maintain and increase customer loyalty, because the results of this study clearly show that the combination of trust and loyalty is able to significantly support business sustainability.

LIMITATIONS AND FUTURE RESEARCH

This research is still very limited to the Rural Banks in Bali, Indonesia, so that it cannot be used as a basis for generalizing the Rural Banks in Bali, Indonesia as a whole. This research still needs to develop the research object outside of Bali. Likewise, the variables included in the research model are limited to CSR, customer trust, and customer loyalty in relation to business sustainability. Business sustainability, especially banking, is strongly influenced by internal and external factors. Therefore, future research needs to consider including more relevant variables in a research model, in addition to expanding the scope of the research area. Expanding the scope of the research area and adding more relevant variables is expected to be able to provide more accurate information.

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Dual Mediations of Customer Trust and Customer Loyalty on Corporate Social Responsibility towards Business Sustainability

ABSTRACT

Every company always trying to maintain customer trust and loyalty as an effort to maintain the sustainability of the business. Implementing concern for the environment around the company (Corporate Social Responsibility) is expected to be able to increase customer trust and loyalty, and have an impact on business sustainability. This study aims to analyze the role of CSR, customer trust, and customer loyalty in business sustainability. The research was conducted at 100 units of Rural Banks in Bali, Indonesia spread over 9 districts/cities. The research respondents were 10 customers in each bank, the number of research respondents was 1000 bank customers. Data collection was using questionnaires and data analysis by SmartPLS 3.3.2 program. The research found that CSR, customer trust, and customer loyalty have significant effect on business sustainability. The results also found that customer trust and customer loyalty act as mediation in the relationship between CSR and business sustainability.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

INTRODUCTION

Every company always hopes that it will always grow and develop well. Therefore, company managers try to maintain the sustainability of the company they lead. In addition, **they** also hope that it will always provide better benefits and benefits from period to period. For this reason, company leaders apply various strategies to achieve these expectations. Some strategies that can be done are maintaining and trying to maintain the level of trust of customers in the company. The company also tries to maintain customer loyalty so that it is not easy to turn to other companies. This kind of strategy is mostly carried out by companies including financial institutions such as banks.

Banks are financial institutions that have the function of absorbing funds from the public and parties with excessive funds by providing interest rates according to the provisions. Banks also carry out the function of channeling funding to the public and parties requiring additional capital. Therefore, in carrying out its activities, banks are closely related to public trust. The higher the public's trust in the bank, the more **they** will not worry about saving their funds in the bank. Likewise, the determination of loan interest rates that are affordable by the community is a special attraction for people to make loans to meet the needs of their personal and company funds.

The choice of the bank as the place for research was because during the period 2016 to 2019 there were three rural banks that were not able to survive, out of a total of 137 rural banks in 2016, down to 134 in 2019. This indicates that rural bank's sustainability has decreased from year to year. The strategy of maintaining and increasing the trust and loyalty of customers has indeed been proven to be able to make a bank sustainable. Studies have

proven that customer trust and loyalty are able to maintain the sustainability of an institution/company/organization. Ong & Zien (2015) in the results of their research in a number of SMEs in Malaysia found that the sustainability of SMEs was largely determined by the level of trust of their customers. Similar research results were also found in research conducted by Nguyen et al. (2013) and Upamannyu et al. (2015). Kang & Hustvedt (2014) stated that trust is the key to building a market. This opinion is reinforced by Zieni et al. (2017) which states that trust is able to sustain social sustainability.

The level of customer trust in a company/organization is shown through the more intently the customer relates (loyalty) to the company. The more often someone uses a company's products, the higher their loyalty. The higher customer loyalty to a product can be caused by the higher trust in the company's products (Brilliant & Achyar, 2013). Taoketa (2018) states that in terms of marketing a product in a sustainable manner, customer trust ranks first. Hossain (2019) also agrees that trust is a dominant factor in shaping customer loyalty. This opinion is in line with the results of research conducted by Leninkumar (2017), where customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. The results of other studies that found a significant positive influence between customer trust and customer loyalty, namely Nur (2012), Sarwar et al. (2012), Utami (2015), Leninkumar (2017), Trini & Salim (2018), Widodo & Murwatiningsih (2019). However, in a study conducted by Setiawan and Sayuti (2017), it was found that customer trust had no significant effect on customer loyalty.

Long-term customer loyalty really supports the sustainability of a company. Loyalty is important to company success, profitability, and long-term sustainability (Strenitzerová & Gaňa, 2018). This argument can be proven through a number of research results. Aslam et al. (2020) stated that loyalty is a key factor in gaining benefits and organizational growth in the long term. Meanwhile, Ong & Zien (2015) stated that customer trust and loyalty are very important to ensure sustainable income and profits as well as business sustainability in the long term.

In addition to these statements, a number of studies also explain that customer trust and loyalty can be caused by the company's social concern for the community (often referred to as CSR / Corporate Social Responsibility) (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013). This statement is also supported by the opinion of Cegliński & Wiśniewska (2016), which states that CSR activities carried out by companies can be a source of many benefits, which can increase customer confidence and the company's competitive position, resulting in a competitive advantage.

Málovics et al. (2008) stated that CSR is becoming increasingly important in today's business life, especially in its contribution to business sustainability. A similar opinion was also expressed by Kitthananan (2010); Teodorescu & Ionescu (2014); Mourougan (2015); Grigoris, G. (2016). In more detail, Lu et al. (2020), that the dimensions of CSR separately affect the elements of competitiveness.

A study conducted by Leninkumar (2017) have found that customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. This kind of approach mostly carried out by financial institutions such as banks as they always try to maintain customer loyalty and customer trust. Based on this argument, the researcher feels the need to confirm the effect of CSR on customer trust, customer loyalty, and business sustainability, especially at the Rural Banks in Bali, Indonesia. Dual mediations of customer trust and customer loyalty also considered as the novelty of this study.

THEORETICAL REVIEW, PREVIOUS RESEARCH, AND HYPOTHESIS

Business Sustainability

Company leaders have a big responsibility in efforts to maintain business sustainability (Gonzalez et al., 2013). Business sustainability is intended as the company's ability to utilize company resources in order to survive in any situation (Szekely & Knirsch, 2005). Business sustainability will be achieved by balancing their performance with economic, environmental, and social aspects. Schaltegger & Burritt (2005) stated that business sustainability is a broad approach that includes various characteristics, especially those related to the contextual integration of economic, environmental, and social aspects. Esterhuyse (2008) defines business sustainability as a multi-purpose concept that is reflected through indicators such as strategy (integrating long-term economic, environmental, and social aspects), finance (a healthy company's financial condition in the long term), customers and products (innovation products to foster customer loyalty), human factors (human resource management as a company asset), governance and stakeholders (establishing sound corporate governance standards).

The sustainability of a company is determined by very complex factors, both internal and external. Internal sources that can affect business sustainability, such as support for corporate resources including human resources and leadership patterns (Sarmawa et al. 2020), corporate governance, environmental/corporate climate management. External sources that can affect business sustainability are customer trust and loyalty, socio-economic conditions, and government participation.

Corporate Social Responsibility (CSR)

The definition often cited by a number of researchers is Carroll (1979) which states that CSR is the responsibility of the company towards the environment and society which includes elements of economy, law, ethics, and wisdom. Fontaine (2013) states that CSR is a business strategy of how to align their values and behavior with the expectations and needs of stakeholders, not only customers and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole.

According to Mourougan (2015), CSR is understood as the way companies integrate social, environmental, and economic problems into their values, culture, decision-making,

strategies, and operations in a transparent and accountable manner and thus build better practices within the company, creating wealth and improve society. CSR is a company initiative to assess and be responsible for the company's impact on the environment and its impact on social welfare (Teodorescu & Ionescu, 2014).

CSR is seen as having an important role in business sustainability (Málovics et al., 2008). CSR is also considered to play an important role in gaining a sustainable advantage over competitors, gaining profits, and improving business dealings with customers (Afridi et al, 2018). CSR is a business model that encourages business contributions to sustainable development, namely creating a balance between economic interests, environmental and social needs (Behringer & Szegedi, 2016). According to Grigoris (2016), CSR has become a successful concept for companies to ensure their capacity for long-term value and gain a competitive advantage. According to Kitthananan (2010) and Teodorescu & Ionescu (2014), CSR is a business strategy to achieve long-term sustainability. more explicitly Duthler & Dhanesh (2018)state that CSR is synonymous with sustainability.

A number of research results have proven that CSR has a significant positive effect on business sustainability. Strand et al. (2015) in their research in Scandinavia found that CSR has a significant positive effect on business sustainability in the country. Similar results were also found in research conducted by Ngai et al (2018), where CSR has a significant positive effect on business sustainability in gas companies in China. Based on this argument, the following research hypothesis is built:

Hypothesis 1: CSR has a significant positive effect on business sustainability

Customer Trust

Trust is very important in every aspect of social life (Gucel et al., 2012). Customer trust in a product produced by the company or in the company itself is also very important in relation to the sustainability of the company. Consumers who have high confidence in a product tend to make repeated purchases and recommend the product to others so that there will be a better relationship between the consumer and the company. This is in line with the statement of Wu et al. (2010), where trust is an important factor in achieving a successful marketing relationship. This is reinforced by statement Upamannyu et al. (2015), which states that increasing customer trust has an impact on higher company profitability so that the company can grow in a sustainable manner. Rousseau, et al. (1998); Singh & Sirdeshmukh (2000) stated that customer trust is very important to build and maintain long-term relationships. This statement is in line with the research results of Yu et al. (2018) who concluded that customer trust has a significant positive effect on business sustainability. Based on this argument, the following research hypothesis is built:

Hypothesis 2: Customer trust has a significant positive effect on business sustainability

Customer trust can grow because the company does CSR well. Many companies try to implement CSR to attract public trust, especially customers (Azmat & Ha, 2013). Vlachos et

al. (2009) stated that CSR can affect customer trust. The results of the research of Swaen & Chumpitaz (2008) and Choi & La (2013), found that CRS significantly positively affects customer trust. The same results were also found in the research conducted by Kang & Hustvedt (2014), namely that CSR significantly positively affects customer trust and attitudes towards the company. Research by Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) also found that CSR affects customer trust in a significantly positive manner. Referring to the findings of the research results, the following research hypothesis is built:

Hypothesis 3: Customer trust is positive significantly influenced by CSR

Customer Loyalty

In general, customer loyalty means the intention to buy back a company product or service (Khan, 2013). According to Markovic et al. (2018), customer loyalty is a customer's intention to repurchase products and services as well as referrals to other people. Gremler and Brown (1999) divide customer loyalty into three different categories which include behavioral, intentional, and emotional loyalty. Behavioral loyalty is a repeating purchase behavior whereas intentional loyalty is a possible purchase intention. Emotional loyalty, however, is achieved when customers feel that the brand matches their values, ideas, and passions. Krumay & Brandtweiner (2010) revealed that customer loyalty is seen as one of the key factors for the success of a company. The same thing was expressed by Khadka & Maharjan (2017), where customer loyalty is one of the keys to the company's success and profits in the long run. Utami (2015), stated that customer loyalty can create a competitive advantage, increase market share, and profit in the long term. In addition, customer loyalty plays an important role in ensuring a competitive advantage as well as retaining existing customers rather than acquiring new ones (Roy, 2011). Explicitly stated Ayodele & Esiti (2016) that customer loyalty can increase the company's competitive advantage, so it has great potential to continue to grow in a sustainable manner. Based on this argument, the following research hypothesis was built:

Hypothesis 4: Customer loyalty has a significant positive effect on business sustainability

Customer loyalty can also be determined by how much the level of customer trust in the product/company. Customer trust is considered a predictor of customer loyalty (Chaudhuri and Holbrook, 2001; Liang and Wang, 2007; Bibb and Kourdi, 2007; Hsu, 2008; Gul, 2014). Ndubisi (2007) and Taylor et al. (2004) also stated that trust is an important factor in building company-customer relationships and ultimately fostering customer loyalty. Better customer trust leads to a better attitude and loyalty (Moreira & Silva, 2015). This argument is in line with the research results of Sarwar et al. (2012), Ayodele & Esiti (2016) show that trust has a significant positive effect on customer loyalty. The results of previous studies, Chiu et al. (2008), Qureshi et al. (2009), Upamannyu et al. (2015) found that customer trust greatly influences customers to repurchase a company's product. In research Utami (2015) found that

customer trust has a significant positive effect on customer loyalty. Based on this argument, the following research hypothesis was built:

Hypothesis 5: Customer loyalty is positive significantly influenced by customer trust

Apart from being influenced by customer trust, customer loyalty can also be influenced by corporate social responsibility. Therefore, many companies in developed countries implement CSR to increase customer loyalty. [It has been stated that the implementation of CSR can increase customer confidence in the products produced by the company. The higher the level of customer trust in the company, the more loyal the customer will be. In other words, implementing CSR will increase customer loyalty.](#) Vlachos et al. (2009) in their research found that corporate social responsibility directly has a significant positive effect on customer loyalty. The same results were also found in research conducted by Choi & La (2013). It is more explicit that CSR is a key variable in restoring customer loyalty. Research results by Azmat & Ha (2013) found that CSR is able to create a positive image and reputation, which in turn creates customer loyalty. This statement is also supported by the results of research conducted by Diallo M.F. & Lambey-Checchin C. (2016) and Al-Abdallah & Ahmed (2018) in Qatar, where CSR activities were found to have a direct and significant positive effect on customer loyalty. This finding is also supported by the research results of Afridi et al. (2018) who found that CSR has a significant positive effect on customer loyalty. Al-Ghamdi, S. A., & Badawi, N. S. (2019) said more explicitly, where the company's CSR has a strong and positive influence on customer loyalty. Based on the findings of the research, the following research hypothesis was built:

Hypothesis 6: Customer loyalty is positive significantly influenced by CSR

[As has been explained, better implementation of CSR will be able to increase customer trust in the company.](#) This argument is in line with the results of previous studies where corporate social responsiveness significantly affects customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). [On the other hand, higher customer trust will ensure better business continuity. This opinion is supported by a number of previous research results, which show that customer trust has a significant positive effect on business continuity](#) (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018). Based on these findings, it refers to the concept of Baron & Kenny (1987), where CSR affects customer trust, and trust affects the sustainability of the organization, so customer trust has the potential to become a mediator in the relationship between corporate social responsibility and business sustainability. Referring to these findings, the following research hypothesis is built:

Hypothesis 7: Customer trust is positive significantly as a mediator in the relationship between CSR and business sustainability

The implementation of CSR in addition to increasing public and customer trust in particular, will also be able to increase customer loyalty. This argument refers to the results of previous studies, where corporate social responsibility has a significant effect on customer loyalty (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019). Meanwhile, on the other hand, higher loyalty will also be able to better maintain business continuity. This argument is supported by the results of previous studies, where customer loyalty has a significant positive effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Based on these findings and paying attention to the concept of Baron & Kenny (1987), where CSR affects customer trust, and customer trust affects the sustainability of the organization, it can be said that customer loyalty can act as a mediator in the relationship between corporate social responsibility and business sustainability. Based on the results of the study, the following research hypothesis was built:

Hypothesis 8: Customer loyalty is positive significantly as a mediator in the relationship between CSR and business sustainability

Good CSR implementation is able to increase public trust, especially customers in the company. This is in line with the findings of a number of research results which found that CRS has a significant positive effect on customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). On the other hand, increasing customer trust can also increase customer loyalty. This argument is supported by a number of research results that have found that customer trust has a significant effect on customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016). In the next section customer loyalty is very important in terms of maintaining business continuity. The higher customer loyalty, the more guarantee the sustainability of a business in a longer period of time. This argument is in line with the results of previous studies which found that customer loyalty has a significant positive effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Referring to these findings and based on the concept of Baron & Kenny (1987), where CSR affects customer trust, and customer trust affects customer loyalty, and loyalty affects business continuity, it can be argued that customer trust and customer loyalty together -sama plays a role as a mediator in the relationship between corporate social sustainability and business sustainability. Thus, the following research hypothesis can be built:

Hypothesis 9: Customer trust and customer loyalty together are positive significant as a mediator on CSR towards Business sustainability

Research Concept Framework

Refers to a study of research results as described, where CSR affects customer trust ((Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), customer loyalty ((Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019), and business sustainability (Strand et al., 2015; Ngai et al., 2018). In another part, customer trust affects business sustainability (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018) Likewise, customer loyalty has an effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). In the next section, customer trust is able to affect customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016), so based on this built a research concept framework as illustrated in Figure 1.

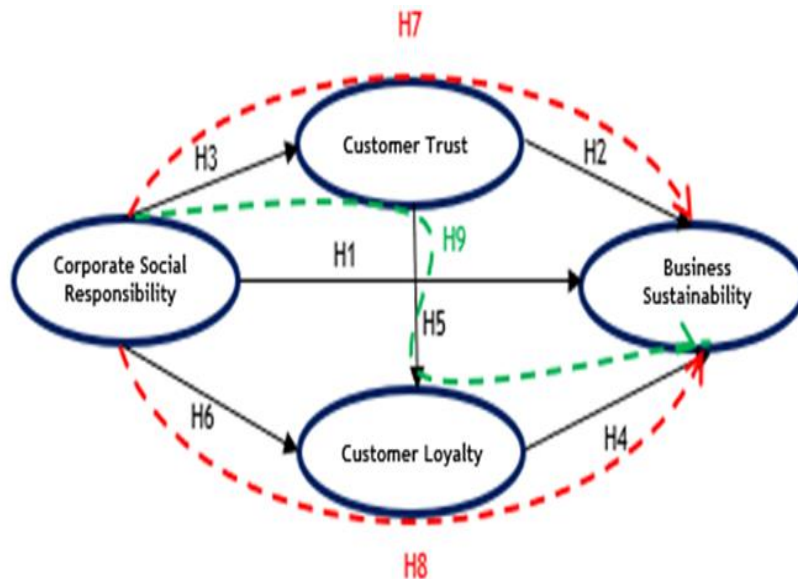


Figure 1. Concept Framework of the Relationship between CSR, Customer Trust, Customer Loyalty, and Business Sustainability

RESEARCH METHODS

Design, Population, and Research Samples

This study is designed as a quantitative study, confirming the relationship that occurs between corporate social responsibility, customer trust and customer loyalty with business sustainability at rural banks in Bali. The total number of banks that are the object of research is 134 units spread across nine districts / cities in Bali. [Limited funding causes a sampling process to determine which banks will be the research sample. Sampling was carried out based on the Slovin formula with a precision of 5%.](#) The number of Prekreditan Rakyat Banks which are the samples based on the Slovin formula with a precision of 5% are as follows:

$$n = N / (1 + Ne^2)$$

$$n = 134 / \{1 + (134 \times 0.052)\}$$

$$n = 134 / (1 + 0.335)$$

$$n = 100.37 \text{ (rounded to 100)}$$

The proportion of the number of Rural Banks in Bali, Indonesia, and Research Respondents in each Regency by using proportionate random sampling method, is shown in Table 1.

Table 1. Distribution of the Number of Rural Banks by Regency in Bali Year, 2019

No	District	Number of Banks	Sample
1	Badung	49	37
2	Bangli	3	2
3	Buleleng	6	4
4	Gianyar	26	19
5	Jembrana	1	1
6	Karangasem	4	3
7	Klungkung	5	4
8	Tabanan	19	14
9	Denpasar	21	16
	Total	134	100

Source: OJK, 2019

Research respondents were customers at each bank who were taken accidentally (namely who the bank customers met at the time of the research). The number of respondents in each bank was determined to be 3 customers so that the number was 300 customers. Extracting information is carried out by providing a questionnaire to the customer to be filled in and returned on the spot. The research was conducted for three months from January to March 2020. The questionnaire given to customers was in the form of perceptual statements which must be answered only by giving a cross mark (X) in the column provided. Respondents' answers are in the form of a scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis Technique

Data analysis was carried out using the SmartPLS 3.3.2 program, through three stages, namely the validity and reliability testing phase, the research model accuracy testing stage, and the hypothesis testing stage.

a. The validity and reliability testing phase

The data validity test was conducted through convergent validity, discriminant validity. Convergent validity testing is based on the outer loading coefficient, where a set of data can be declared valid if the coefficient is 0.50 or more (> 0.50) and significant at a p-value of 0.05 (Chin, 1998).

Testing the validity of data based on discriminant validity is shown by comparing the root value of Average variance Extracted (VAVE) with the correlation value between variables. It can be said to be discriminantly valid if the root of AVE (VAVE) is greater than the correlation value between variables. The AVE coefficient must be greater than 0.50 (Bagozzi & Yi, 1988). Meanwhile, reliability testing is based on Cronbach's Alpha and Composite Reliability coefficients. It is said to be reliable if the data set has a greater Cronbach's Alpha and Composite Reliability coefficient of 0.70 (Hair et al., 2010).

b. model accuracy testing phase

The test accuracy of the model study was conducted through the R-square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF).

c. Hypothesis testing stage

Research hypothesis testing is based on the path coefficient of each relationship between variables at the p-value 0.05. The hypothesis can be accepted if the p-value of the path coefficient is less than 0.05 (p-value <0.05: the hypothesis is accepted). Conversely, the hypothesis will be rejected if the path coefficient has a p-value greater than 0.05 (p-value > 0.05: the hypothesis is rejected).

Research Variables and Indicators

This study correlates the variables of CSR (independent variables), customer trust, and customer loyalty variables (mediation variables), and business sustainability (dependent variable). Each variable consists of a number of indicators. CSR variable consists of 3 indicators concerning respondents' perceptions of responsibility in the fields of (1) social, (2) economic, and (3) environmental. Customer trust consists of customer perceptions of bank employees in providing services to customers, in terms of (1) quality of relationships between employees, (2) understanding of each other's work, (3) openness of communication, and (4) job competence. The customer loyalty variable is the customer's perception of their loyalty to the bank where they become customers, it consists of three indicators, namely (1) repurchasing behavior, (2) staying in the company/product produced by the company, and (3) conveying positive things. to others. The business sustainability variable is the customer perception of the bank's sustainability, which is measured by: (1) the strategy implemented, (2) financial, (3) customers, (4) products, (5) governance, (6) Resources.

RESULTS AND DISCUSSION

Validity and Reliability

The results of data analysis carried out based on the SmartPLS 3.3.2 program, show the value of the outer loading of each indicator as shown in Table 2.

Table 2. Validity and Reliability

Variables	Indicators	Outer loading Coef.	p-value	Information
CSR	Economic	0.930	0.000	valid
	Social	0.963	0.000	valid
	Environment	0.910	0.000	valid
Customer Trust	Relationships between employees	0.889	0.000	valid
	Understanding of work	0.879	0.000	valid
	Openness of communication	0.911	0.000	valid
	Work competence	0.870	0.000	valid
Customer Loyalty	Buyback	0.976	0.000	valid
	Last	0.984	0.000	valid
	Recommended to others	0.949	0.000	valid
Business Sustainability	Strategy	0.840	0.000	valid
	Financial	0.879	0.000	valid
	Customer	0.894	0.000	valid
	Product	0.926	0.000	valid
	Governance	0.933	0.000	valid
	Resource	0.922	0.000	valid

Source: Data processed, 2020

Table 2 provides information that all indicators used to reflect each variable are convergent valid because they have an outer loading coefficient greater than 0.50 and significant. The discriminant validity test is shown in Table 3.

Table 3. Discriminant Validity

Variables	AVE/VAVE	CSR	Customer Trust	Customer Loyalty	Business Sustainability
CSR	0.873/0.934	0.934			
Customer Trust	0.793/0.891	0.808	0.891		
Customer Loyalty	0.943/0.971	0.700	0.845	0.971	
Business Sustainability	0.810/0.900	0.691	0.788	0.894	0.900

Source: Data processed, 2020

Table 3 shows that all research variables are discriminantly valid, this is indicated by the value of the correlations between variables being greater than the root value of AVE. Furthermore, the research variable reliability testing is carried out, which is indicated by the coefficient of Cronbach's Alpha and Composite Reliability as shown in Table 4.

Table 4. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability	Information
CSR	0.927	0.962	Reliable
Customer Trust	0.913	0.939	Reliable
Customer Loyalty	0.970	0.980	Reliable
Business Sustainability	0.953	0.962	Reliable

Source: Data processed, 2020

Table 4 shows that all research variables are reliable, this is indicated by the coefficient of Cronbach's Alpha and Composite Reliability being greater than 0.70.

Based on the results of testing the validity and reliability of the data, it turns out that all research data are valid and reliable. Then, testing the accuracy of the research model is carried out.

Model Accuracy Test

Testing the accuracy of the research model was carried out through the R-Square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF). The analysis results show the values of R^2 as shown in Table 5.

Table 5. R-Square (R^2) Coefficient

Dependent Variables	R-Square (R^2)	Level
Customer Trust	0.652	Large
Customer Loyalty	0.709	Large
Business Sustainability	0.809	Large

Source: Data processed, 2020

Based on Table 5, the results of the analysis of the effect of CSR on customer trust are shown by the R^2 value of 0.652, meaning that 65.2% of customer trust is influenced by CSR, the rest is another factor. The effect of CSR and customer trust on customer loyalty is shown by the R^2 value of 0.709, meaning that 70.9% of customer loyalty is influenced by customer trust and CSR, the rest is another factor. Meanwhile, 80.9% of business sustainability is influenced by CSR, customer trust, and customer loyalty, the rest are other factors that are not included in this research model. This result is shown by the value of R^2 on the influence of CSR, customer trust, and customer loyalty on business sustainability. Referring to the criteria for the strength and weakness of influence between variables proposed by Cohen (1988), it can be stated that this research model has a great degree of accuracy.

Evaluation of fit models based on Q^2 Predictive Relevance can be calculated with the following formulations:

$$Q^2 = 1 - \{(1 - R^2_1)(1 - R^2_2)(1 - R^2_3)\}$$

$$Q^2 = 1 - \{(1 - 0.652)(1 - 0.709)(1 - 0.809)\}$$

$$Q^2 = 1 - 0.019342$$

$$Q^2 = 0.9807$$

Based on the results of the predictive relevance Q^2 calculation, it can be explained that the research model is able to provide predictive accuracy of 98.07% (large), while 1.93% of other factors are not examined. That is, based on the value of Q^2 , the model has a large degree of accuracy (Chin, 1998).

Evaluation of the accuracy of the research model based on the Goodness of Fit criteria, calculated by the following formulation:

$$\text{GoF} = V(\text{average AVE} \times \text{average } R^2)$$

$$\text{GoF} = V\left[\left\{\frac{0.873 + 0.739 + 0.943 + 0.810}{4}\right\} \times \left\{\frac{0.652 + 0.709 + 0.809}{3}\right\}\right]$$

$$\text{GoF} = V\{(0.8413) \times (0.7233)\}$$

$$\text{GoF} = V0.60851229$$

$$\text{GoF} = 0.7801 \text{ (large)}$$

Based on the results of the GoF calculation, the model has a level of accuracy of 0.7801 (classified as large according to Akter et al., 2011).

Based on the three results of testing the accuracy of the model, it shows that the model has a great degree of accuracy, therefore it can be continued to the research hypothesis testing process.

Hypothesis Testing

The research hypothesis testing is based on the results of the analysis of the SmartPLS 3.3.2 program and the modified SmartPLS analysis results table, namely Figure 2 and Table 6).

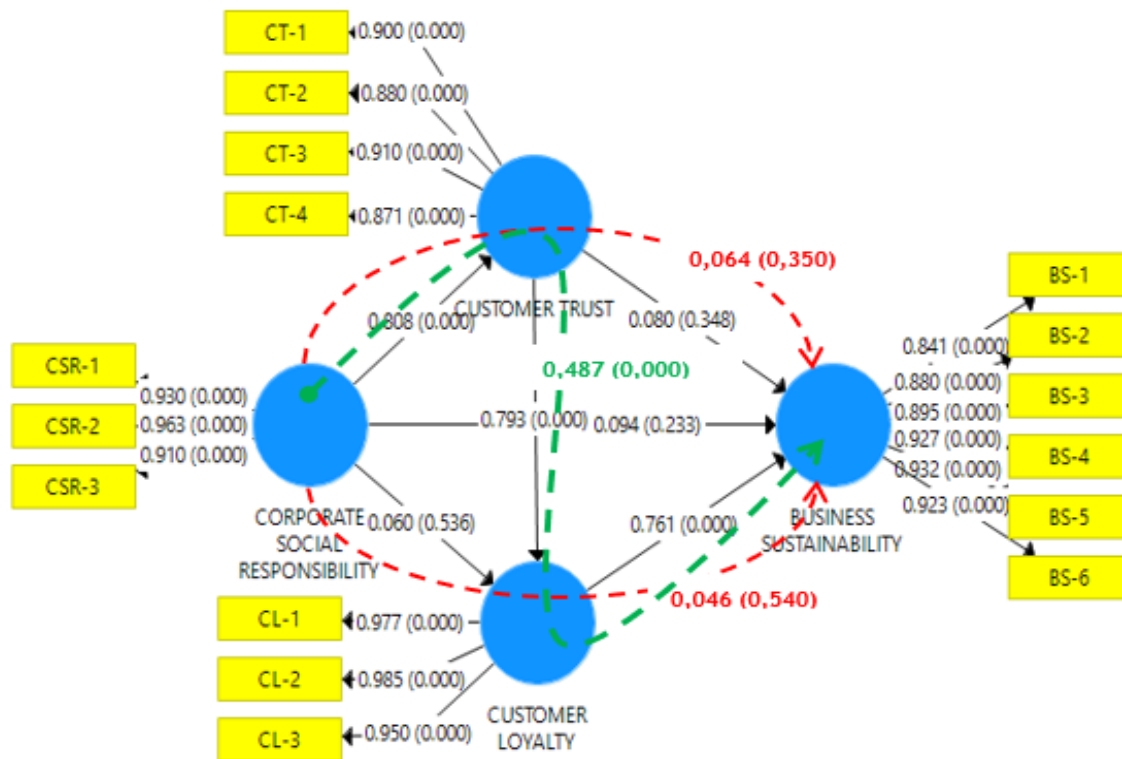


Figure 2. SmartPLS 3.3.2 analysis results (modified)

Table 6. Path Coefficient

Hypothesis	Correlation			Path Coefficient	p-Value	Info
	Independent	Mediation	Dependent			
Hypothesis 1	CSR		Business Sustainability	0.094	0.233	No significant
Hypothesis 2		Customer Trust	Business Sustainability	0.080	0.348	No significant
Hypothesis 3	CSR	Customer Trust		0.808	0.000	significant
Hypothesis 4		Customer Loyalty	Business Sustainability	0.761	0.000	significant
Hypothesis 5		Customer Trust	Customer Loyalty	0.793	0.000	significant
Hypothesis 6	CSR		Customer Loyalty	0.060	0.536	No significant
Hypothesis 7	CSR	Customer Trust	Business Sustainability	0.064	0.350	No significant
Hypothesis 8	CSR		Customer Loyalty	0.046	0.540	No significant
Hypothesis 9	CSR	Customer Trust	Customer Loyalty	0.487	0.000	significant

Source: Data processed, 2020

Based on Figure 2 and Table 6, it can be explained that corporate social sustainability has no significant effect on customer loyalty and business sustainability because the p-value of each is greater than 0.05. Thus, hypothesis 1 and hypothesis 6 are rejected. Likewise, the effect of customer trust on business sustainability is not significant because the p-value is greater than 0.05, so hypothesis 2 is also rejected. Meanwhile, the indirect effect of CSR on business sustainability through customer trust and customer loyalty is also insignificant, because the p-value is > 0.05 , so hypothesis 7 and hypothesis 8 are rejected. Of the nine hypotheses proposed, only 4 hypotheses were accepted, namely hypothesis 3, namely the effect of CSR on customer trust, hypothesis 4, namely the effect of customer loyalty on business sustainability, hypothesis 5, namely the effect of customer trust on customer loyalty, and hypothesis 9, namely the indirect effect. CSR for business sustainability through customer trust and customer loyalty.

DISCUSSION, CONCLUSIONS, AND RECOMMENDATION

The results of the study found that a significant factor affecting business sustainability is customer loyalty. This finding is in line with the statements of Krumay & Brandtweiner (2010) and Khadka & Maharjan (2017) which state that customer loyalty is the key to company success and profits in the long term. Utami also stated the same thing, where customer loyalty is able to create competitive advantages, increase market share, and provide benefits in the long term. The same thing is also emphasized by Ayodele & Esiti (2016) where loyalty can increase the company's competitive advantage, and foster great potential to continue to grow in a sustainable manner. The results of this study are in line with the results of research by

Wong et al. (2019), who found that customer loyalty has a significant positive effect on business sustainability.

The most dominant indicator of customer loyalty in respondents' perceptions that affect business sustainability is the perception of respondents who are persistent and willing to buy back the company's products. This result is proof that customers who continue to survive and then continue to buy the products produced by the company, will be able to make the company survive in the long term. Thus, the company should develop strategies that lead to efforts to keep customers loyal to the products the company produces.

The results also found that loyalty is significantly influenced by customer trust. Increasing customer trust can foster stronger customer loyalty. The results of this study are in line with a number of previous studies, namely Chaudhuri and Holbrook (2001); Liang and Wang (2007); Bibb and Kourdi (2007); Hsu (2008); Gul (2014).

While on the other hand, this study also found that customer trust was significantly influenced by the implementation of CSR. This means that the better the implementation of CSR by the company, it can increase customer trust. The findings of this study are supported by a number of previous studies, namely Vlachos et al. (2009); Swaen & Chumpitaz (2008); Choi & La (2013); Kang & Hustvedt (2014); Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) who found that CSR has a significant positive effect on customer trust.

The results also found that customer trust and customer loyalty together act as a full mediator in the relationship between CSR and business sustainability. These findings prove that the combination of customer trust and customer loyalty can be a strong mediator to make the relationship between CSR and business sustainability significant. Azmat and Ha (2013) also state that higher customer loyalty and trust are recognized as important for businesses to gain a unique and more profitable position than competitors. A similar statement was also expressed by Ong & Zien (2015), where customer trust and loyalty are very important to ensure sustainable income and profits for business sustainability.

Based on the results of this study, the researcher finally recommends that it is very important to always maintain and increase customer trust, even though it does not directly show a significant effect on business sustainability. At the same time, increase the efforts to maintain and increase customer loyalty, because the results of this study clearly show that the combination of trust and loyalty is able to significantly support business sustainability.

LIMITATIONS AND FUTURE RESEARCH

This research is still very limited to the Rural Banks in Bali, Indonesia, so that it cannot be used as a basis for generalizing the Rural Banks in Bali, Indonesia as a whole. This research still needs to develop the research object outside of Bali. Likewise, the variables included in the research model are limited to CSR, customer trust, and customer loyalty in relation to business sustainability. Business sustainability, especially banking, is strongly influenced by internal and external factors. [Internal factors that have the possibility of influencing business](#)

sustainability include the company's human resources, both physical and non-physical work environments, and organizational culture. External factors that may influence business sustainability include consumer / customer attitudes and behavior, government policies, and competition. Therefore, future research needs to consider including more relevant variables in a research model, in addition to expanding the scope of the research area. Expanding the scope of the research area and adding more relevant variables is expected to be able to provide more accurate information.

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Dual Mediations of Customer Trust and Customer Loyalty on Corporate Social Responsibility towards Business Sustainability

ABSTRACT

Every company always trying to maintain customer trust and loyalty as an effort to maintain the sustainability of the business. Implementing concern for the environment around the company (Corporate Social Responsibility) is expected to be able to increase customer trust and loyalty, and have an impact on business sustainability. This study aims to analyze the role of CSR, customer trust, and customer loyalty in business sustainability. The research was conducted at 100 units of Rural Banks in Bali, Indonesia spread over 9 districts/cities. The research respondents were 10 customers in each bank, the number of research respondents was 1000 bank customers. Data collection was using questionnaires and data analysis by SmartPLS 3.3.2 program. The research found that CSR, customer trust, and customer loyalty have significant effect on business sustainability. The results also found that customer trust and customer loyalty act as mediation in the relationship between CSR and business sustainability.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

INTRODUCTION

Every company always hopes that it will always grow and develop well. Therefore, company managers try to maintain the sustainability of the company they lead. In addition, **they** also hope that it will always provide better benefits and benefits from period to period. For this reason, company leaders apply various strategies to achieve these expectations. Some strategies that can be done are maintaining and trying to maintain the level of trust of customers in the company. The company also tries to maintain customer loyalty so that it is not easy to turn to other companies. This kind of strategy is mostly carried out by companies including financial institutions such as banks.

Banks are financial institutions that have the function of absorbing funds from the public and parties with excessive funds by providing interest rates according to the provisions. Banks also carry out the function of channeling funding to the public and parties requiring additional capital. Therefore, in carrying out its activities, banks are closely related to public trust. The higher the public's trust in the bank, the more **they** will not worry about saving their funds in the bank. Likewise, the determination of loan interest rates that are affordable by the community is a special attraction for people to make loans to meet the needs of their personal and company funds.

The choice of the bank as the place for research was because during the period 2016 to 2019 there were three rural banks that were not able to survive, out of a total of 137 rural banks in 2016, down to 134 in 2019. This indicates that rural bank's sustainability has decreased from year to year. The strategy of maintaining and increasing the trust and loyalty of customers has indeed been proven to be able to make a bank sustainable. Studies have

proven that customer trust and loyalty are able to maintain the sustainability of an institution/company/organization. Ong & Zien (2015) in the results of their research in a number of SMEs in Malaysia found that the sustainability of SMEs was largely determined by the level of trust of their customers. Similar research results were also found in research conducted by Nguyen et al. (2013) and Upamannyu et al. (2015). Kang & Hustvedt (2014) stated that trust is the key to building a market. This opinion is reinforced by Zieni et al. (2017) which states that trust is able to sustain social sustainability.

The level of customer trust in a company/organization is shown through the more intently the customer relates (loyalty) to the company. The more often someone uses a company's products, the higher their loyalty. The higher customer loyalty to a product can be caused by the higher trust in the company's products (Brilliant & Achyar, 2013). Taoketa (2018) states that in terms of marketing a product in a sustainable manner, customer trust ranks first. Hossain (2019) also agrees that trust is a dominant factor in shaping customer loyalty. This opinion is in line with the results of research conducted by Leninkumar (2017), where customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. The results of other studies that found a significant positive influence between customer trust and customer loyalty, namely Nur (2012), Sarwar et al. (2012), Utami (2015), Leninkumar (2017), Trini & Salim (2018), Widodo & Murwatiningsih (2019). However, in a study conducted by Setiawan and Sayuti (2017), it was found that customer trust had no significant effect on customer loyalty.

Long-term customer loyalty really supports the sustainability of a company. Loyalty is important to company success, profitability, and long-term sustainability (Strenitzerová & Gaňa, 2018). This argument can be proven through a number of research results. Aslam et al. (2020) stated that loyalty is a key factor in gaining benefits and organizational growth in the long term. Meanwhile, Ong & Zien (2015) stated that customer trust and loyalty are very important to ensure sustainable income and profits as well as business sustainability in the long term.

In addition to these statements, a number of studies also explain that customer trust and loyalty can be caused by the company's social concern for the community (often referred to as CSR / Corporate Social Responsibility) (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013). This statement is also supported by the opinion of Cegliński & Wiśniewska (2016), which states that CSR activities carried out by companies can be a source of many benefits, which can increase customer confidence and the company's competitive position, resulting in a competitive advantage.

Málovics et al. (2008) stated that CSR is becoming increasingly important in today's business life, especially in its contribution to business sustainability. A similar opinion was also expressed by Kitthananan (2010); Teodorescu & Ionescu (2014); Mourougan (2015); Grigoris, G. (2016). In more detail, Lu et al. (2020), that the dimensions of CSR separately affect the elements of competitiveness.

A study conducted by Leninkumar (2017) have found that customer trust has a significant positive effect on customer loyalty in commercial banks in Sri Lanka. This kind of approach mostly carried out by financial institutions such as banks as they always try to maintain customer loyalty and customer trust. Based on this argument, the researcher feels the need to confirm the effect of CSR on customer trust, customer loyalty, and business sustainability, especially at the Rural Banks in Bali, Indonesia. Dual mediations of customer trust and customer loyalty also considered as the novelty of this study.

THEORETICAL REVIEW, PREVIOUS RESEARCH, AND HYPOTHESIS

Business Sustainability

Company leaders have a big responsibility in efforts to maintain business sustainability (Gonzalez et al., 2013). Business sustainability is intended as the company's ability to utilize company resources in order to survive in any situation (Szekely & Knirsch, 2005). Business sustainability will be achieved by balancing their performance with economic, environmental, and social aspects. Schaltegger & Burritt (2005) stated that business sustainability is a broad approach that includes various characteristics, especially those related to the contextual integration of economic, environmental, and social aspects. Esterhuyse (2008) defines business sustainability as a multi-purpose concept that is reflected through indicators such as strategy (integrating long-term economic, environmental, and social aspects), finance (a healthy company's financial condition in the long term), customers and products (innovation products to foster customer loyalty), human factors (human resource management as a company asset), governance and stakeholders (establishing sound corporate governance standards).

The sustainability of a company is determined by very complex factors, both internal and external. Internal sources that can affect business sustainability, such as support for corporate resources including human resources and leadership patterns (Sarmawa et al. 2020), corporate governance, environmental/corporate climate management. External sources that can affect business sustainability are customer trust and loyalty, socio-economic conditions, and government participation.

Corporate Social Responsibility (CSR)

The definition often cited by a number of researchers is Carroll (1979) which states that CSR is the responsibility of the company towards the environment and society which includes elements of economy, law, ethics, and wisdom. Fontaine (2013) states that CSR is a business strategy of how to align their values and behavior with the expectations and needs of stakeholders, not only customers and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole.

According to Mourougan (2015), CSR is understood as the way companies integrate social, environmental, and economic problems into their values, culture, decision-making,

strategies, and operations in a transparent and accountable manner and thus build better practices within the company, creating wealth and improve society. CSR is a company initiative to assess and be responsible for the company's impact on the environment and its impact on social welfare (Teodorescu & Ionescu, 2014).

CSR is seen as having an important role in business sustainability (Málovics et al., 2008). CSR is also considered to play an important role in gaining a sustainable advantage over competitors, gaining profits, and improving business dealings with customers (Afridi et al, 2018). CSR is a business model that encourages business contributions to sustainable development, namely creating a balance between economic interests, environmental and social needs (Behringer & Szegedi, 2016). According to Grigoris (2016), CSR has become a successful concept for companies to ensure their capacity for long-term value and gain a competitive advantage. According to Kitthananan (2010) and Teodorescu & Ionescu (2014), CSR is a business strategy to achieve long-term sustainability. more explicitly Duthler & Dhanesh (2018)state that CSR is synonymous with sustainability.

A number of research results have proven that CSR has a significant positive effect on business sustainability. Strand et al. (2015) in their research in Scandinavia found that CSR has a significant positive effect on business sustainability in the country. Similar results were also found in research conducted by Ngai et al (2018), where CSR has a significant positive effect on business sustainability in gas companies in China. Based on this argument, the following research hypothesis is built:

Hypothesis 1: CSR has a significant positive effect on business sustainability

Customer Trust

Trust is very important in every aspect of social life (Gucel et al., 2012). Customer trust in a product produced by the company or in the company itself is also very important in relation to the sustainability of the company. Consumers who have high confidence in a product tend to make repeated purchases and recommend the product to others so that there will be a better relationship between the consumer and the company. This is in line with the statement of Wu et al. (2010), where trust is an important factor in achieving a successful marketing relationship. This is reinforced by statement Upamannyu et al. (2015), which states that increasing customer trust has an impact on higher company profitability so that the company can grow in a sustainable manner. Rousseau, et al. (1998); Singh & Sirdeshmukh (2000) stated that customer trust is very important to build and maintain long-term relationships. This statement is in line with the research results of Yu et al. (2018) who concluded that customer trust has a significant positive effect on business sustainability. Based on this argument, the following research hypothesis is built:

Hypothesis 2: Customer trust has a significant positive effect on business sustainability

Customer trust can grow because the company does CSR well. Many companies try to implement CSR to attract public trust, especially customers (Azmat & Ha, 2013). Vlachos et

al. (2009) stated that CSR can affect customer trust. The results of the research of Swaen & Chumpitaz (2008) and Choi & La (2013), found that CSR significantly positively affects customer trust. The same results were also found in the research conducted by Kang & Hustvedt (2014), namely that CSR significantly positively affects customer trust and attitudes towards the company. Research by Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) also found that CSR affects customer trust in a significantly positive manner. Referring to the findings of the research results, the following research hypothesis is built:

Hypothesis 3: Customer trust is positive significantly influenced by CSR

Customer Loyalty

In general, customer loyalty means the intention to buy back a company product or service (Khan, 2013). According to Markovic et al. (2018), customer loyalty is a customer's intention to repurchase products and services as well as referrals to other people. Gremler and Brown (1999) divide customer loyalty into three different categories which include behavioral, intentional, and emotional loyalty. Behavioral loyalty is a repeating purchase behavior whereas intentional loyalty is a possible purchase intention. Emotional loyalty, however, is achieved when customers feel that the brand matches their values, ideas, and passions. Krumay & Brandtweiner (2010) revealed that customer loyalty is seen as one of the key factors for the success of a company. The same thing was expressed by Khadka & Maharjan (2017), where customer loyalty is one of the keys to the company's success and profits in the long run. Utami (2015), stated that customer loyalty can create a competitive advantage, increase market share, and profit in the long term. In addition, customer loyalty plays an important role in ensuring a competitive advantage as well as retaining existing customers rather than acquiring new ones (Roy, 2011). Explicitly stated Ayodele & Esiti (2016) that customer loyalty can increase the company's competitive advantage, so it has great potential to continue to grow in a sustainable manner. Based on this argument, the following research hypothesis was built:

Hypothesis 4: Customer loyalty has a significant positive effect on business sustainability

Customer loyalty can also be determined by how much the level of customer trust in the product/company. Customer trust is considered a predictor of customer loyalty (Chaudhuri and Holbrook, 2001; Liang and Wang, 2007; Bibb and Kourdi, 2007; Hsu, 2008; Gul, 2014). Ndubisi (2007) and Taylor et al. (2004) also stated that trust is an important factor in building company-customer relationships and ultimately fostering customer loyalty. Better customer trust leads to a better attitude and loyalty (Moreira & Silva, 2015). This argument is in line with the research results of Sarwar et al. (2012), Ayodele & Esiti (2016) show that trust has a significant positive effect on customer loyalty. The results of previous studies, Chiu et al. (2008), Qureshi et al. (2009), Upamannyu et al. (2015) found that customer trust greatly influences customers to repurchase a company's product. In research Utami (2015) found that

customer trust has a significant positive effect on customer loyalty. Based on this argument, the following research hypothesis was built:

Hypothesis 5: Customer loyalty is positive significantly influenced by customer trust

Apart from being influenced by customer trust, customer loyalty can also be influenced by corporate social responsibility. Therefore, many companies in developed countries implement CSR to increase customer loyalty. [It has been stated that the implementation of CSR can increase customer confidence in the products produced by the company. The higher the level of customer trust in the company, the more loyal the customer will be. In other words, implementing CSR will increase customer loyalty.](#) Vlachos et al. (2009) in their research found that corporate social responsibility directly has a significant positive effect on customer loyalty. The same results were also found in research conducted by Choi & La (2013). It is more explicit that CSR is a key variable in restoring customer loyalty. Research results by Azmat & Ha (2013) found that CSR is able to create a positive image and reputation, which in turn creates customer loyalty. This statement is also supported by the results of research conducted by Diallo M.F. & Lambey-Checchin C. (2016) and Al-Abdallah & Ahmed (2018) in Qatar, where CSR activities were found to have a direct and significant positive effect on customer loyalty. This finding is also supported by the research results of Afridi et al. (2018) who found that CSR has a significant positive effect on customer loyalty. Al-Ghamdi, S. A., & Badawi, N. S. (2019) said more explicitly, where the company's CSR has a strong and positive influence on customer loyalty. Based on the findings of the research, the following research hypothesis was built:

Hypothesis 6: Customer loyalty is positive significantly influenced by CSR

[As has been explained, better implementation of CSR will be able to increase customer trust in the company.](#) This argument is in line with the results of previous studies where corporate social responsiveness significantly affects customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). [On the other hand, higher customer trust will ensure better business continuity. This opinion is supported by a number of previous research results, which show that customer trust has a significant positive effect on business continuity](#) (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018). Based on these findings, it refers to the concept of Baron & Kenny (1987), where CSR affects customer trust, and trust affects the sustainability of the organization, so customer trust has the potential to become a mediator in the relationship between corporate social responsibility and business sustainability. Referring to these findings, the following research hypothesis is built:

Hypothesis 7: Customer trust is positive significantly as a mediator in the relationship between CSR and business sustainability

The implementation of CSR in addition to increasing public and customer trust in particular, will also be able to increase customer loyalty. This argument refers to the results of previous studies, where corporate social responsibility has a significant effect on customer loyalty (Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019). Meanwhile, on the other hand, higher loyalty will also be able to better maintain business continuity. This argument is supported by the results of previous studies, where customer loyalty has a significant positive effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Based on these findings and paying attention to the concept of Baron & Kenny (1987), where CSR affects customer trust, and customer trust affects the sustainability of the organization, it can be said that customer loyalty can act as a mediator in the relationship between corporate social responsibility and business sustainability. Based on the results of the study, the following research hypothesis was built:

Hypothesis 8: Customer loyalty is positive significantly as a mediator in the relationship between CSR and business sustainability

Good CSR implementation is able to increase public trust, especially customers in the company. This is in line with the findings of a number of research results which found that CRS has a significant positive effect on customer trust (Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017). On the other hand, increasing customer trust can also increase customer loyalty. This argument is supported by a number of research results that have found that customer trust has a significant effect on customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016). In the next section customer loyalty is very important in terms of maintaining business continuity. The higher customer loyalty, the more guarantee the sustainability of a business in a longer period of time. This argument is in line with the results of previous studies which found that customer loyalty has a significant positive effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). Referring to these findings and based on the concept of Baron & Kenny (1987), where CSR affects customer trust, and customer trust affects customer loyalty, and loyalty affects business continuity, it can be argued that customer trust and customer loyalty together -sama plays a role as a mediator in the relationship between corporate social sustainability and business sustainability. Thus, the following research hypothesis can be built:

Hypothesis 9: Customer trust and customer loyalty together are positive significant as a mediator on CSR towards Business sustainability

Research Concept Framework

Refers to a study of research results as described, where CSR affects customer trust ((Swaen & Chumpitaz, 2008; Choi & La, 2013; Kang & Hustvedt, 2014; Cegliński & Wiśniewska, 2016; Jalilvand et al., 2017), customer loyalty ((Vlachos et al., 2009; Choi & La, 2013; Azmat & Ha, 2013; Diallo & Lambey-Checchin, 2016; Al-Abdallah & Ahmed, 2018; Afridi et al., 2018; Al-Ghamdi & Badawi, 2019), and business sustainability (Strand et al., 2015; Ngai et al. , 2018). In another part, customer trust affects business sustainability (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Wu et al., 2010; Upamannyu et al., 2015; Yu et al., 2018) Likewise, customer loyalty has an effect on business sustainability (Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015; Ayodele & Esiti, 2016; Khadka & Maharjan, 2017). In the next section, customer trust is able to affect customer loyalty (Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015; Ayodele & Esiti, 2016), so based on this built a research concept framework as illustrated in Figure 1.

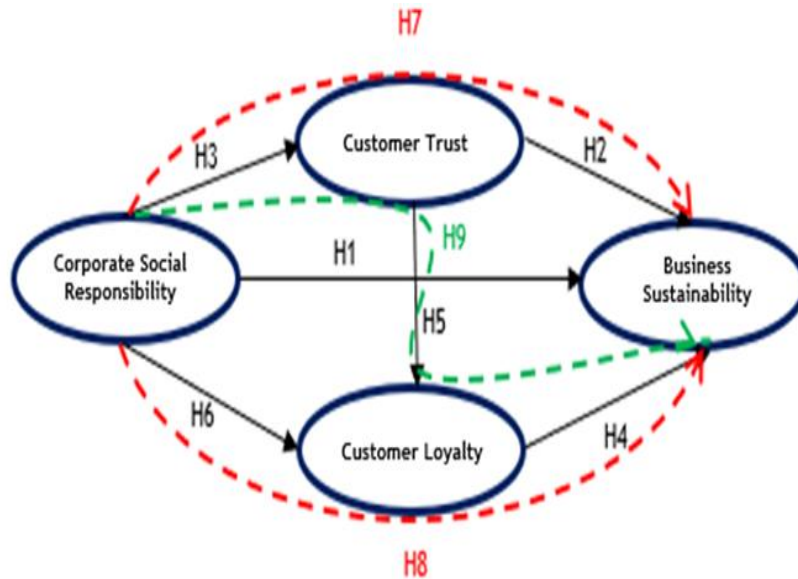


Figure 1. Concept Framework of the Relationship between CSR, Customer Trust, Customer Loyalty, and Business Sustainability

RESEARCH METHODS

Design, Population, and Research Samples

This study is designed as a quantitative study, confirming the relationship that occurs between corporate social responsibility, customer trust and customer loyalty with business sustainability at rural banks in Bali. The total number of banks that are the object of research is 134 units spread across nine districts / cities in Bali. [Limited funding causes a sampling process to determine which banks will be the research sample. Sampling was carried out based on the Slovin formula with a precision of 5%.](#) The number of Prekreditan Rakyat Banks which are the samples based on the Slovin formula with a precision of 5% are as follows:

$$n = N / (1 + Ne^2)$$

$$n = 134 / \{1 + (134 \times 0.052)\}$$

$$n = 134 / (1 + 0.335)$$

$$n = 100.37 \text{ (rounded to 100)}$$

The proportion of the number of Rural Banks in Bali, Indonesia, and Research Respondents in each Regency by using proportionate random sampling method, is shown in Table 1.

Table 1. Distribution of the Number of Rural Banks by Regency in Bali Year, 2019

No	District	Number of Banks	Sample
1	Badung	49	37
2	Bangli	3	2
3	Buleleng	6	4
4	Gianyar	26	19
5	Jembrana	1	1
6	Karangasem	4	3
7	Klungkung	5	4
8	Tabanan	19	14
9	Denpasar	21	16
	Total	134	100

Source: OJK, 2019

Research respondents were customers at each bank who were taken accidentally (namely who the bank customers met at the time of the research). The number of respondents in each bank was determined to be 3 customers so that the number was 300 customers. Extracting information is carried out by providing a questionnaire to the customer to be filled in and returned on the spot. The research was conducted for three months from January to March 2020. The questionnaire given to customers was in the form of perceptual statements which must be answered only by giving a cross mark (X) in the column provided. Respondents' answers are in the form of a scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data Analysis Technique

Data analysis was carried out using the SmartPLS 3.3.2 program, through three stages, namely the validity and reliability testing phase, the research model accuracy testing stage, and the hypothesis testing stage.

a. The validity and reliability testing phase

The data validity test was conducted through convergent validity, discriminant validity. Convergent validity testing is based on the outer loading coefficient, where a set of data can be declared valid if the coefficient is 0.50 or more (> 0.50) and significant at a p-value of 0.05 (Chin, 1998).

Testing the validity of data based on discriminant validity is shown by comparing the root value of Average variance Extracted (VAVE) with the correlation value between variables. It can be said to be discriminantly valid if the root of AVE (VAVE) is greater than the correlation value between variables. The AVE coefficient must be greater than 0.50 (Bagozzi & Yi, 1988). Meanwhile, reliability testing is based on Cronbach's Alpha and Composite Reliability coefficients. It is said to be reliable if the data set has a greater Cronbach's Alpha and Composite Reliability coefficient of 0.70 (Hair et al., 2010).

b. model accuracy testing phase

The test accuracy of the model study was conducted through the R-square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF).

c. Hypothesis testing stage

Research hypothesis testing is based on the path coefficient of each relationship between variables at the p-value 0.05. The hypothesis can be accepted if the p-value of the path coefficient is less than 0.05 (p-value <0.05: the hypothesis is accepted). Conversely, the hypothesis will be rejected if the path coefficient has a p-value greater than 0.05 (p-value > 0.05: the hypothesis is rejected).

Research Variables and Indicators

This study correlates the variables of CSR (independent variables), customer trust, and customer loyalty variables (mediation variables), and business sustainability (dependent variable). Each variable consists of a number of indicators. CSR variable consists of 3 indicators concerning respondents' perceptions of responsibility in the fields of (1) social, (2) economic, and (3) environmental. Customer trust consists of customer perceptions of bank employees in providing services to customers, in terms of (1) quality of relationships between employees, (2) understanding of each other's work, (3) openness of communication, and (4) job competence. The customer loyalty variable is the customer's perception of their loyalty to the bank where they become customers, it consists of three indicators, namely (1) repurchasing behavior, (2) staying in the company/product produced by the company, and (3) conveying positive things. to others. The business sustainability variable is the customer perception of the bank's sustainability, which is measured by: (1) the strategy implemented, (2) financial, (3) customers, (4) products, (5) governance, (6) Resources.

RESULTS AND DISCUSSION

Validity and Reliability

The results of data analysis carried out based on the SmartPLS 3.3.2 program, show the value of the outer loading of each indicator as shown in Table 2.

Table 2. Validity and Reliability

Variables	Indicators	Outer loading Coef.	p-value	Information
CSR	Economic	0.930	0.000	valid
	Social	0.963	0.000	valid
	Environment	0.910	0.000	valid
Customer Trust	Relationships between employees	0.889	0.000	valid
	Understanding of work	0.879	0.000	valid
	Openness of communication	0.911	0.000	valid
	Work competence	0.870	0.000	valid
Customer Loyalty	Buyback	0.976	0.000	valid
	Last	0.984	0.000	valid
	Recommended to others	0.949	0.000	valid
Business Sustainability	Strategy	0.840	0.000	valid
	Financial	0.879	0.000	valid
	Customer	0.894	0.000	valid
	Product	0.926	0.000	valid
	Governance	0.933	0.000	valid
	Resource	0.922	0.000	valid

Source: Data processed, 2020

Table 2 provides information that all indicators used to reflect each variable are convergent valid because they have an outer loading coefficient greater than 0.50 and significant. The discriminant validity test is shown in Table 3.

Table 3. Discriminant Validity

Variables	AVE/VAVE	CSR	Customer Trust	Customer Loyalty	Business Sustainability
CSR	0.873/0.934	0.934			
Customer Trust	0.793/0.891	0.808	0.891		
Customer Loyalty	0.943/0.971	0.700	0.845	0.971	
Business Sustainability	0.810/0.900	0.691	0.788	0.894	0.900

Source: Data processed, 2020

Table 3 shows that all research variables are discriminantly valid, this is indicated by the value of the correlations between variables being greater than the root value of AVE. Furthermore, the research variable reliability testing is carried out, which is indicated by the coefficient of Cronbach's Alpha and Composite Reliability as shown in Table 4.

Table 4. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability	Information
CSR	0.927	0.962	Reliable
Customer Trust	0.913	0.939	Reliable
Customer Loyalty	0.970	0.980	Reliable
Business Sustainability	0.953	0.962	Reliable

Source: Data processed, 2020

Table 4 shows that all research variables are reliable, this is indicated by the coefficient of Cronbach's Alpha and Composite Reliability being greater than 0.70.

Based on the results of testing the validity and reliability of the data, it turns out that all research data are valid and reliable. Then, testing the accuracy of the research model is carried out.

Model Accuracy Test

Testing the accuracy of the research model was carried out through the R-Square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF). The analysis results show the values of R^2 as shown in Table 5.

Table 5. R-Square (R^2) Coefficient

Dependent Variables	R-Square (R^2)	Level
Customer Trust	0.652	Large
Customer Loyalty	0.709	Large
Business Sustainability	0.809	Large

Source: Data processed, 2020

Based on Table 5, the results of the analysis of the effect of CSR on customer trust are shown by the R^2 value of 0.652, meaning that 65.2% of customer trust is influenced by CSR, the rest is another factor. The effect of CSR and customer trust on customer loyalty is shown by the R^2 value of 0.709, meaning that 70.9% of customer loyalty is influenced by customer trust and CSR, the rest is another factor. Meanwhile, 80.9% of business sustainability is influenced by CSR, customer trust, and customer loyalty, the rest are other factors that are not included in this research model. This result is shown by the value of R^2 on the influence of CSR, customer trust, and customer loyalty on business sustainability. Referring to the criteria for the strength and weakness of influence between variables proposed by Cohen (1988), it can be stated that this research model has a great degree of accuracy.

Evaluation of fit models based on Q^2 Predictive Relevance can be calculated with the following formulations:

$$Q^2 = 1 - \{(1 - R^2_1)(1 - R^2_2)(1 - R^2_3)\}$$

$$Q^2 = 1 - \{(1 - 0.652)(1 - 0.709)(1 - 0.809)\}$$

$$Q^2 = 1 - 0.019342$$

$$Q^2 = 0.9807$$

Based on the results of the predictive relevance Q^2 calculation, it can be explained that the research model is able to provide predictive accuracy of 98.07% (large), while 1.93% of other factors are not examined. That is, based on the value of Q^2 , the model has a large degree of accuracy (Chin, 1998).

Evaluation of the accuracy of the research model based on the Goodness of Fit criteria, calculated by the following formulation:

$$\text{GoF} = V(\text{average AVE} \times \text{average } R^2)$$

$$\text{GoF} = V\left[\left\{\frac{0.873 + 0.739 + 0.943 + 0.810}{4}\right\} \times \left\{\frac{0.652 + 0.709 + 0.809}{3}\right\}\right]$$

$$\text{GoF} = V\{(0.8413) \times (0.7233)\}$$

$$\text{GoF} = V0.60851229$$

$$\text{GoF} = 0.7801 \text{ (large)}$$

Based on the results of the GoF calculation, the model has a level of accuracy of 0.7801 (classified as large according to Akter et al., 2011).

Based on the three results of testing the accuracy of the model, it shows that the model has a great degree of accuracy, therefore it can be continued to the research hypothesis testing process.

Hypothesis Testing

The research hypothesis testing is based on the results of the analysis of the SmartPLS 3.3.2 program and the modified SmartPLS analysis results table, namely Figure 2 and Table 6).

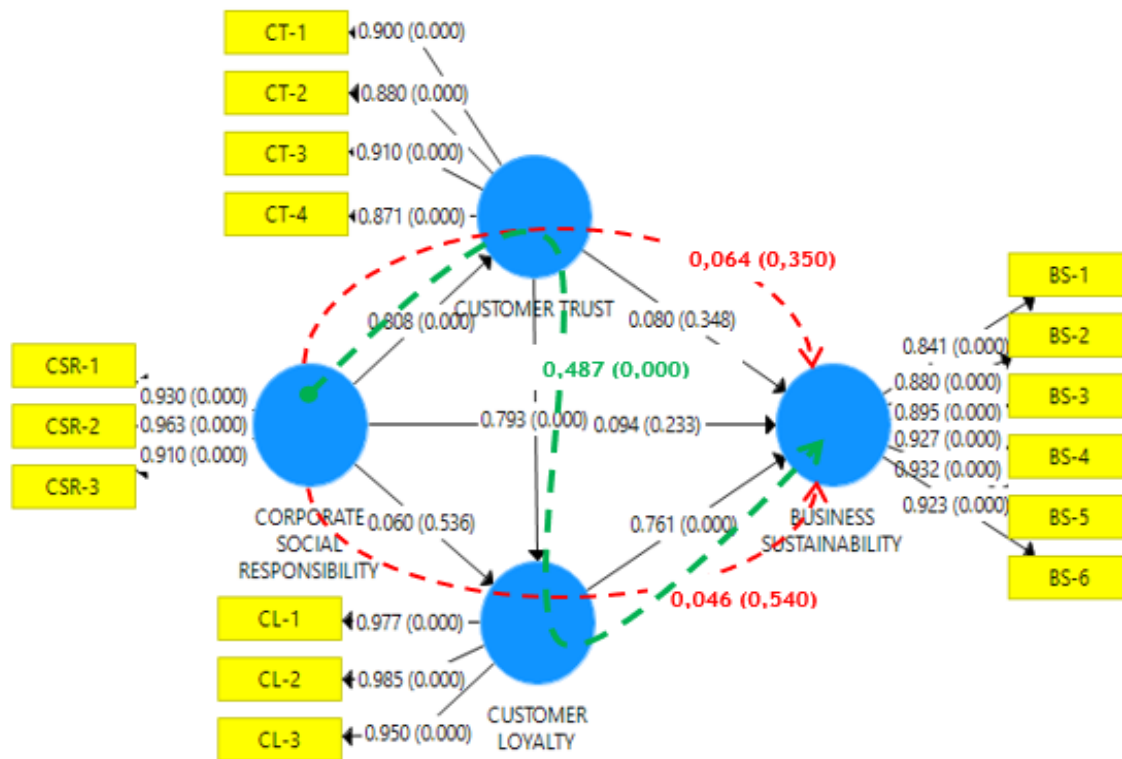


Figure 2. SmartPLS 3.3.2 analysis results (modified)

Table 6. Path Coefficient

Hypothesis	Correlation			Path Coefficient	p-Value	Info
	Independent	Mediation	Dependent			
Hypothesis 1	CSR		Business Sustainability	0.094	0.233	No significant
Hypothesis 2		Customer Trust	Business Sustainability	0.080	0.348	No significant
Hypothesis 3	CSR	Customer Trust		0.808	0.000	significant
Hypothesis 4		Customer Loyalty	Business Sustainability	0.761	0.000	significant
Hypothesis 5		Customer Trust	Customer Loyalty	0.793	0.000	significant
Hypothesis 6	CSR		Customer Loyalty	0.060	0.536	No significant
Hypothesis 7	CSR	Customer Trust	Business Sustainability	0.064	0.350	No significant
Hypothesis 8	CSR		Customer Loyalty	0.046	0.540	No significant
Hypothesis 9	CSR	Customer Trust	Customer Loyalty	0.487	0.000	significant

Source: Data processed, 2020

Based on Figure 2 and Table 6, it can be explained that corporate social sustainability has no significant effect on customer loyalty and business sustainability because the p-value of each is greater than 0.05. Thus, hypothesis 1 and hypothesis 6 are rejected. Likewise, the effect of customer trust on business sustainability is not significant because the p-value is greater than 0.05, so hypothesis 2 is also rejected. Meanwhile, the indirect effect of CSR on business sustainability through customer trust and customer loyalty is also insignificant, because the p-value is > 0.05 , so hypothesis 7 and hypothesis 8 are rejected. Of the nine hypotheses proposed, only 4 hypotheses were accepted, namely hypothesis 3, namely the effect of CSR on customer trust, hypothesis 4, namely the effect of customer loyalty on business sustainability, hypothesis 5, namely the effect of customer trust on customer loyalty, and hypothesis 9, namely the indirect effect. CSR for business sustainability through customer trust and customer loyalty.

DISCUSSION, CONCLUSIONS, AND RECOMMENDATION

The results of the study found that a significant factor affecting business sustainability is customer loyalty. This finding is in line with the statements of Krumay & Brandtweiner (2010) and Khadka & Maharjan (2017) which state that customer loyalty is the key to company success and profits in the long term. Utami also stated the same thing, where customer loyalty is able to create competitive advantages, increase market share, and provide benefits in the long term. The same thing is also emphasized by Ayodele & Esiti (2016) where loyalty can increase the company's competitive advantage, and foster great potential to continue to grow in a sustainable manner. The results of this study are in line with the results of research by

Wong et al. (2019), who found that customer loyalty has a significant positive effect on business sustainability.

The most dominant indicator of customer loyalty in respondents' perceptions that affect business sustainability is the perception of respondents who are persistent and willing to buy back the company's products. This result is proof that customers who continue to survive and then continue to buy the products produced by the company, will be able to make the company survive in the long term. Thus, the company should develop strategies that lead to efforts to keep customers loyal to the products the company produces.

The results also found that loyalty is significantly influenced by customer trust. Increasing customer trust can foster stronger customer loyalty. The results of this study are in line with a number of previous studies, namely Chaudhuri and Holbrook (2001); Liang and Wang (2007); Bibb and Kourdi (2007); Hsu (2008); Gul (2014).

While on the other hand, this study also found that customer trust was significantly influenced by the implementation of CSR. This means that the better the implementation of CSR by the company, it can increase customer trust. The findings of this study are supported by a number of previous studies, namely Vlachos et al. (2009); Swaen & Chumpitaz (2008); Choi & La (2013); Kang & Hustvedt (2014); Cegliński & Wiśniewska (2016) and Jalilvand et al. (2017) who found that CSR has a significant positive effect on customer trust.

The results also found that customer trust and customer loyalty together act as a full mediator in the relationship between CSR and business sustainability. These findings prove that the combination of customer trust and customer loyalty can be a strong mediator to make the relationship between CSR and business sustainability significant. Azmat and Ha (2013) also state that higher customer loyalty and trust are recognized as important for businesses to gain a unique and more profitable position than competitors. A similar statement was also expressed by Ong & Zien (2015), where customer trust and loyalty are very important to ensure sustainable income and profits for business sustainability.

Based on the results of this study, the researcher finally recommends that it is very important to always maintain and increase customer trust, even though it does not directly show a significant effect on business sustainability. At the same time, increase the efforts to maintain and increase customer loyalty, because the results of this study clearly show that the combination of trust and loyalty is able to significantly support business sustainability.

LIMITATIONS AND FUTURE RESEARCH

This research is still very limited to the Rural Banks in Bali, Indonesia, so that it cannot be used as a basis for generalizing the Rural Banks in Bali, Indonesia as a whole. This research still needs to develop the research object outside of Bali. Likewise, the variables included in the research model are limited to CSR, customer trust, and customer loyalty in relation to business sustainability. Business sustainability, especially banking, is strongly influenced by internal and external factors. [Internal factors that have the possibility of influencing business](#)

sustainability include the company's human resources, both physical and non-physical work environments, and organizational culture. External factors that may influence business sustainability include consumer / customer attitudes and behavior, government policies, and competition. Therefore, future research needs to consider including more relevant variables in a research model, in addition to expanding the scope of the research area. Expanding the scope of the research area and adding more relevant variables is expected to be able to provide more accurate information.

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Effect of Corporate Social Responsibility on Business Sustainability: The Dual Mediation

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Abstract

Companies are constantly trying to maintain customer trust and loyalty in an effort to preserve business sustainability. Implementing environmental concerns in the form of Corporate Social Responsibility (CSR) is expected to achieve both of these aims. This study aims to analyze the roles of CSR, customer trust, and customer loyalty in business sustainability. Questionnaires were filled by 10 customers from each of 100 Rural Banks spread over 9 districts/cities in Bali, Indonesia. Data analysis was performed with SmartPLS 3.3.2 software. The research found that CSR, customer trust, and customer loyalty have a significant impact on business sustainability. The results also found that customer trust and customer loyalty function as mediation in the relationship between CSR and business sustainability.

Keywords: Corporate Social Responsibility, customer trust, customer loyalty, business sustainability

Pengaruh Tanggung Jawab Sosial Perusahaan terhadap Keberlanjutan Bisnis: Mediasi Ganda

Abstrak

Perusahaan senantiasa berusaha menjaga kepercayaan dan loyalitas pelanggan dalam upaya menjaga keberlangsungan bisnis. Implementasi kepedulian lingkungan dalam bentuk Corporate Social Responsibility (CSR) diharapkan dapat mencapai kedua tujuan tersebut. Penelitian ini bertujuan untuk menganalisis peran CSR, kepercayaan pelanggan, dan loyalitas pelanggan dalam keberlanjutan bisnis. Kuesioner diisi oleh 10 nasabah dari masing-masing 100 BPR yang tersebar di 9 kabupaten/kota di Bali, Indonesia. Analisis data dilakukan dengan software SmartPLS 3.3.2. Hasil penelitian menemukan bahwa CSR, kepercayaan pelanggan, dan loyalitas pelanggan memiliki pengaruh yang signifikan terhadap keberlangsungan bisnis. Hasil penelitian juga menemukan bahwa kepercayaan pelanggan dan loyalitas pelanggan berfungsi sebagai mediasi dalam hubungan antara CSR dan keberlanjutan bisnis.

Kata kunci: Tanggung Jawab Sosial Perusahaan, kepercayaan pelanggan, loyalitas pelanggan, keberlangsungan usaha

INTRODUCTION

Sustainability is an integral business target constantly strived toward by company managers. Growth is also sought after; growth in general and growth across business periods. Company leaders apply various strategies to achieve these attributes for their businesses, including the development and maintenance of customer trust. Certain businesses, such as banks and other financial institutions, mostly aim to develop robust customer loyalty to prevent customers being easily persuaded to turn to competing companies.

Rural Banks were chosen as the object of this research because from 2016 to 2019, three were unable to survive, indicating that Rural Bank business sustainability decreased from year to year. Studies have proven that customer trust and loyalty can maintain the sustainability of an institution/company/organization. The results of Ong and Zien's (2015) research on a number of SMEs in Malaysia found that their sustainability was largely determined by the level of trust that their customers held. Similar results were also found in research conducted by Nguyen et al. (2013) and Upamannyu et al. (2015). Kang and Hustvedt (2014) stated that trust is the key to building a market; an opinion reinforced by Zieni et al. (2017), who concluded that trust can lead to social sustainability.

The level of customer trust in a company or organization is shown through customers' intent in their relation (loyalty) to the company. The more often someone uses a company's products, the higher their loyalty. Higher customer loyalty can be a direct consequence of higher trust in the company's products (Brilliant & Achyar, 2013). Taoketa (2018) states that in the sustainable marketing of a product, customer trust ranks first in importance for marketing considerations. Hossain (2019) also agrees that trust is a dominant factor in shaping customer loyalty. This opinion is also in line with the results of research conducted by Leninkumar (2017), which found that customer trust had a significant positive effect on customer loyalty in commercial banks in Sri Lanka. The results of other studies found a significant positive influence between customer trust and customer loyalty, namely Nur (2012), Sarwar et al. (2012), Utami (2015), Leninkumar (2017), Trini and Salim (2018), and Widodo and Murwatiningsih (2019). On the other hand, a study conducted by Setiawan and Sayuti (2017) found that customer trust had no significant effect on customer loyalty.

Several studies have proven that loyalty is important for company success, profitability, and long-term sustainability (Strenitzerová & Gaňa, 2018). Aslam et al. (2020) stated that loyalty is a key factor in obtaining benefits and organizational growth in the long term. Additionally, Ong and Zien (2015) stated that customer trust and loyalty are very important to ensure sustainable income and profits as well as overall business sustainability in the long term.

In addition to these statements, a number of studies conclude that a company's social concern for the community (often referred to as Corporate Social Responsibility or CSR) can foster customer trust and loyalty (Azmat & Ha, 2013; Choi & La, 2013; Vlachos et al., 2009). Cegliński and Wiśniewska (2016) reinforce this idea, stating that CSR activities carried out by companies can be a source of many benefits that can increase customer confidence and the company's competitive advantage.

Málovics et al. (2008) stated that CSR is becoming increasingly important in today's business life, especially for its contribution to business sustainability. Similar opinions were also expressed by Kitthananan (2010), Teodorescu and Ionescu (2014), Mourougan (2015), and Grigoris (2016). Lu et al. (2020) took a granular approach and found that each of the dimensions of CSR separately affect elements of competitiveness.

A study conducted by Leninkumar (2017) found that customer trust had a significant positive effect on customer loyalty in commercial banks in Sri Lanka. This approach is

integral to banks as they must constantly work to maintain customer loyalty and customer trust. The researcher thus aims to confirm the impact of CSR on customer trust, customer loyalty, and business sustainability on the declining Rural Bank network in Indonesia. Dual mediations of customer trust and customer loyalty are considered the novelty of this study.

Theoretical Review, Previous Research, and Hypothesis

Business Sustainability

Company leaders have a large responsibility in efforts to maintain business sustainability (Gonzalez et al., 2013). Business sustainability can be defined as a company's ability to utilize resources to survive various situations (Szekely & Knirsch, 2005). Schaltegger and Burritt (2005) stated that business sustainability is a broad concept consisting of various characteristics, especially those related to the contextual integration of economic, environmental, and social aspects.

The sustainability of a company is determined by complex factors, both internal and external. Internal factors that can affect business sustainability include support for corporate resources including human resources and leadership patterns (Sarmawa et al. 2020), corporate governance, and environmental/corporate climate management. External factors include customer trust and loyalty, socio-economic conditions, and government participation.

Corporate Social Responsibility (CSR)

The definition often cited in the research is that from Carroll (1979): CSR is the responsibility of the company towards the environment and society and includes elements of economy, law, ethics, and wisdom. Fontaine (2013) states that CSR is a strategy for how to align business values and behavior with the expectations and needs of stakeholders; not only customers and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole.

According to Mourougan (2015), CSR is understood as the way companies integrate social, environmental, and economic problems into their values, culture, decision-making, strategies, and operations in a transparent and accountable manner to build better practices within the company, in-turn creating wealth and improving society. CSR is a company initiative to assess and take responsibility for the company's impact on the environment and its impact on social welfare (Teodorescu & Ionescu, 2014).

CSR is seen as having an important role in business sustainability (Málovics et al., 2008). CSR is also considered to play an important role in gaining a sustainable advantage over competitors, gaining profits, and improving business dealings with customers (Afridi et al, 2018). It is a business model that encourages business contributions to sustainable development, and creating a balance between economic interests, environmental, and social needs (Behringer & Szegedi, 2016). According to Grigoris (2016), CSR has become a successful way to gain a competitive advantage and ensure the capacity for long-term value. According to Kitthananan (2010) and Teodorescu and Ionescu (2014), CSR is a

business strategy to achieve long-term sustainability. More explicitly, Duthler and Dhanesh (2018) state that CSR is synonymous with sustainability.

Several studies have proven that CSR has a significant positive effect on business sustainability. Strand et al. (2015), in their research in Scandinavia, found that CSR had a significant positive effect on business sustainability. Similar results were also found in research conducted by Ngai et al (2018), where CSR had a significant positive effect on business sustainability in gas companies in China. Based on this argument, the following research hypothesis was built:

Hypothesis 1: CSR has a significant positive effect on business sustainability.

Customer Trust

Trust is very important in every aspect of social life (Gucel et al., 2012). Customer trust in a product or in the company itself is also important for the sustainability of the company. Consumers who have high confidence in a product tend to make repeated purchases and recommend the product to others, cultivating a strong relationship between company and consumer. This aligns with Wu et al. (2010): trust is an important factor in achieving a successful marketing relationship. This is further reinforced by Upamannyu et al. (2015), which states that increasing customer trust can lead to higher company profitability and, thus, sustainable growth. Rousseau et al. (1998) and Singh and Sirdeshmukh (2000) stated that customer trust is very important to build and maintain such relationships long term. This statement is in line with the results of Yu et al. (2018), which demonstrated that customer trust has a significant positive effect on business sustainability. Based on these arguments, the following research hypothesis was built:

Hypothesis 2: Customer trust has a significant positive effect on business sustainability.

Properly implemented CSR can lead to increases in customer trust (Vlachos et al., 2009). Many companies try to implement CSR to attract public trust, especially that of customers (Azmat & Ha, 2013). The results of the research of Swaen and Chumpitaz (2008) and Choi and La (2013) found that CSR significantly positively affects customer trust. The same results were also found in research conducted by Kang and Hustvedt (2014): CSR significantly positively affects customer trust and attitudes towards the company. Research by Cegliński and Wiśniewska (2016) and Jalilvand et al. (2017) also found that CSR affects customer trust in a significantly positive manner. Referring to the findings of the research results, the following research hypothesis was built:

Hypothesis 3: Customer trust is positive significantly influenced by CSR.

Customer Loyalty

In general, customer loyalty means the intention to repeatedly purchase a company's products or services (Khan, 2013). According to Markovic et al. (2018), customer loyalty is a customer's intention to repurchase products and services as well as make referrals to other people. Gremler and Brown (1999) divide customer loyalty into three different categories: behavioral, intentional, and emotional. Krumay and Brandtweiner (2010)

revealed that customer loyalty is one of the key factors in the success of a company. The same thing was expressed by Khadka and Maharjan (2017): customer loyalty is one of the keys to a company's successes and profits in the long run. Utami (2015) stated that customer loyalty can create a competitive advantage and increase market share and profit in the long term. In addition, customer loyalty plays an important role in ensuring a competitive advantage as well as retaining existing customers rather than acquiring new ones (Roy, 2011). Ayodele and Esiti (2016) explicitly stated that customer loyalty can increase a company's competitive advantage, which in-turn gives it potential to continue to grow sustainably. Based on these arguments, the following research hypothesis was built:

Hypothesis 4: Customer loyalty has a significant positive effect on business sustainability.

The customer loyalty a company or product has garnered can also be determined by its levels of customer trust. Customer trust is thus considered a predictor of customer loyalty (Bibb & Kourdi, 2007; Chaudhuri & Holbrook, 2001; Gul, 2014; Hsu, 2008; Liang & Wang, 2007). Ndubisi (2007) and Taylor et al. (2004) also state that trust is an important factor in building company–customer relationships and ultimately fostering customer loyalty. Better customer trust leads to better attitudes and loyalty (Moreira & Silva, 2015). This argument is in line with the research results of Sarwar et al. (2012). Ayodele and Esiti (2016) shows that trust has a significant positive effect on customer loyalty. Other studies have found that customer trust in a company greatly influences the repurchasing of that company's products (Chiu et al., 2008; Qureshi et al., 2009; Upamannyu et al., 2015). Utami (2015) found that customer trust has a significant positive effect on customer loyalty. Based on this argument, the following research hypothesis was built:

Hypothesis 5: Customer loyalty is positive significantly influenced by customer trust.

Besides being influenced by customer trust, customer loyalty can also be influenced by CSR. Vlachos et al. (2009), in their research, found that direct CSR has a significant positive effect on customer loyalty. The same conclusion was drawn from research conducted by Choi and La (2013). More explicitly, CSR is considered a key variable in restoring customer loyalty. The results of research by Azmat and Ha (2013) found that CSR can create a positive image and reputation, which in-turn generates customer loyalty. This statement is supported by research conducted by Diallo and Lambey-Checchin (2016) and Al-Abdallah and Ahmed (2018) in Qatar, where CSR activities were found to have a direct and significant positive effect on customer loyalty. This finding is also supported by the research results of Afridi et al. (2018) who found that CSR has a significant positive effect on customer loyalty. Al-Ghamdi and Badawi (2019) explicitly stated that corporate CSR has a strong and positive influence on customer loyalty. Based on the findings of the study, the following research hypothesis was built:

Hypothesis 6: Customer loyalty is significantly positively influenced by CSR.

Many previous studies have concluded that CSR significantly affects customer trust (Cegliński & Wiśniewska, 2016; Choi & La, 2013; Jalilvand et al., 2017; Kang & Hustvedt, 2014; Swaen & Chumpitaz, 2008). In addition, it has been found that the relationship between customer trust and business sustainability is significant (Rousseau, et al., 1998; Singh & Sirdeshmukh, 2000; Upamannyu et al., 2015; Wu et al., 2010; Yu et al., 2018). Based on these findings and drawing from Baron and Kenny (1987), it can be said that the customer has mediating potential in the relationship between CSR and business sustainability. Referring to these findings, the following research hypothesis was built:

Hypothesis 7: Customer trust is significantly positive as a mediator in the relationship between CSR and business sustainability.

Many previous studies have shown that CSR has a significant effect on customer loyalty (Al-Abdallah & Ahmed, 2018; Al-Ghamdi & Badawi, 2019; Afridi et al., 2018; Azmat & Ha, 2013; Choi & La, 2013; Diallo & Lambey-Checchin, 2016; Vlachos et al., 2009). Likewise, customer loyalty can affect business sustainability (Ayodele & Esiti, 2016; Khadka & Maharjan, 2017; Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015). Based on these findings, and considering the concept of Baron & Kenny (1987), it can be stated that customer loyalty can act as a mediator in the relationship between CSR and business sustainability. Based on the results of the study, the following research hypothesis was built:

Hypothesis 8: Customer loyalty is positive significantly as a mediator in the relationship between CSR and business sustainability.

As stated in building Hypothesis 3, CSR has a significant effect on customer trust (Cegliński & Wiśniewska, 2016; Choi & La, 2013; Jalilvand et al., 2017; Kang & Hustvedt, 2014; Swaen & Chumpitaz, 2008). Hypothesis 5 is based on the idea that customer trust also has a significant effect on customer loyalty (Ayodele & Esiti, 2016; Chiu et al., 2008; Qureshi et al., 2009; Sarwar et al., 2012; Upamannyu et al., 2015). At the same time, as shown in Hypothesis 4, customer loyalty also significantly affects business sustainability (Ayodele & Esiti, 2016; Khadka & Maharjan, 2017; Krumay & Brandtweiner, 2010; Roy, 2011; Utami, 2015). Referring to these findings and based on the concept of Baron and Kenny (1987), it can be argued that customer trust and customer loyalty together act as mediators in the relationship between corporate social sustainability and business sustainability. Thus, the following research hypothesis was built:

Hypothesis 9: Customer trust and customer loyalty together are positive significant as a mediator on CSR towards business sustainability.

Research Concept Framework

The research concept framework is illustrated in Figure 1.

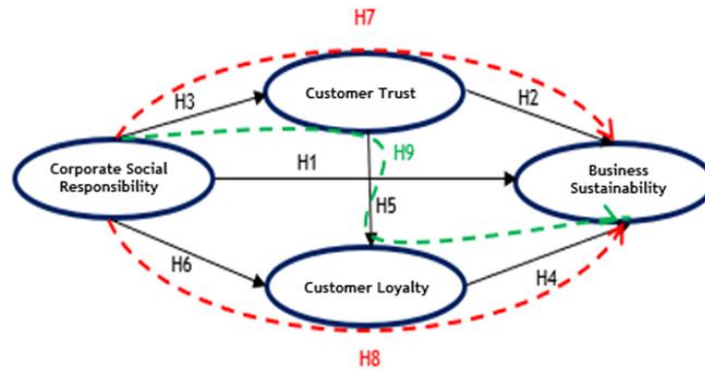


Figure 1. Concept Framework of the Relationship between CSR, Customer Trust, Customer Loyalty, and Business Sustainability

METHOD

Design, Population, and Research Samples

This research was designed as a quantitative study to confirm the relationship between CSR, customer trust, customer loyalty, and business sustainability at Rural Banks in Bali, Indonesia. The total number of banks studied was 134, spread across 9 regencies/cities in Bali. The number of Rural Banks used as research samples was determined by the Slovin formula, with a precision of 5%. The results of this calculation were as follows:

$$n = N / (1 + Ne^2)$$

$$n = 134 / \{1 + (134 \times 0.05^2)\}$$

$$n = 100.37 \text{ (rounded to 100)}$$

The number proportions of Rural Banks in Bali and research respondents in each regency were determined using the proportionate random sampling method, and are shown in Table 1.

Table 1. Distribution of the Number of Rural Banks by Regency in Bali Year, 2019

No	District	Number of Banks	Sample
1	Badung	49	37
2	Bangli	3	2
3	Buleleng	6	4
4	Gianyar	26	19
5	Jembrana	1	1
6	Karangasem	4	3
7	Klungkung	5	4
8	Tabanan	19	14
9	Denpasar	21	16
	Total	134	100

Data Analysis Technique

The validity and reliability testing phase:

The data validity test was conducted through convergent validity and discriminant validity. Convergent validity testing was based on the outer loading coefficient, where a set of data is declared valid if the coefficient is 0.50 or more (> 0.50), and significant at a p-value of 0.05 (Chin, 1998). Testing the validity of data based on discriminant validity was shown by comparing the root value of Average Variance Extracted (VAVE) with the correlation value between variables. The AVE coefficient must be greater than 0.50 (Bagozzi & Yi, 1988). Meanwhile, reliability testing was based on Cronbach's Alpha and Composite Reliability coefficients. It is said to be reliable if the data set has a greater Cronbach's Alpha and Composite Reliability coefficient than 0.70 (Hair et al., 2010).

Model accuracy testing phase:

The testing of the accuracy of the model was conducted through the R-square coefficient (R²), Q-Square Predictive Relevance (Q²), and Goodness of Fit (GoF).

Hypothesis testing stage:

Hypotheses were accepted if the p-value of the path coefficient was less than 0.05

FINDING AND DISCUSSION

Validity and Reliability

The results of data analysis carried out with the SmartPLS 3.3.2 program (the value of the outer loading of each indicator) are shown in Table 2.

Table 2. Validity and Reliability

Variables	Indicators	Outer loading Coef.	p- value	Information
CSR	Economic	0.930	0.000	valid
	Social	0.963	0.000	valid
	Environment	0.910	0.000	valid
	Relationships between employees	0.889	0.000	valid
Customer Trust	Understanding of work	0.879	0.000	valid
	Openness of communication	0.911	0.000	valid
	Work competence	0.870	0.000	valid
Customer Loyalty	Buyback	0.976	0.000	valid
	Last	0.984	0.000	valid
	Recommended to others	0.949	0.000	valid
	Strategy	0.840	0.000	valid
Business	Financial	0.879	0.000	valid
	Customer	0.894	0.000	valid
Sustainability	Product	0.926	0.000	valid
	Governance	0.933	0.000	valid
	Resource	0.922	0.000	valid

Table 2 demonstrates that all variable indicators were convergent valid because they had an outer loading coefficient greater than 0.50 and significant. The discriminant validity test is shown in Table 3.

Tabel 3. Discriminant Validity

Variables	AVE/VAVE	CSR	Customer Trust	Customer Loyalty	Business Sustainability
CSR	0.873/0.934	0.934			
Customer Trust	0.793/0.891	0.808	0.891		
Customer Loyalty	0.943/0.971	0.700	0.845	0.971	
Business Sustainability	0.810/0.900	0.691	0.788	0.894	0.900

Table 3 shows that all research variables were discriminantly valid, indicated by the value of the correlations between variables being greater than the root value of AVE.

Finally, the research variable reliability testing, indicated by the coefficient of Cronbach's Alpha and Composite Reliability, is shown in Table 4.

Table 4. Cronbach's Alpha and Composite Reliability

Variables	Cronbach's Alpha	Composite Reliability	Information
CSR	0.927	0.962	Reliable
Customer Trust	0.913	0.939	Reliable
Customer Loyalty	0.970	0.980	Reliable
Business Sustainability	0.953	0.962	Reliable

Table 4 shows that all research variables were reliable, indicated by the coefficient of Cronbach's Alpha and Composite Reliability being greater than 0.70. Validity and reliability testing demonstrated that all research data were valid and reliable.

Model Accuracy Test

Testing the accuracy of the research model was carried out through the R-Square coefficient (R^2), Q-Square Predictive Relevance (Q^2), and Goodness of Fit (GoF). The analysis results represented in Table 5 show the values of R^2 .

Table 5. R-Square (R^2) Coefficient

Dependent Variables	R-Square (R^2)	Level
Customer Trust	0.652	Large
Customer Loyalty	0.709	Large
Business Sustainability	0.809	Large

Table 5 shows the results of the analysis of the effect of CSR on customer trust. An R^2 value of 0.652 means that 65.2% of customer trust was influenced by CSR, and the rest was influenced by another factor. The effect of CSR and customer trust on customer loyalty was indicated by an R^2 value of 0.709, which means that 70.9% of customer loyalty was influenced by customer trust and CSR, and the rest was influenced by another factor. Meanwhile, 80.9% of business sustainability was influenced by CSR, customer

trust, and customer loyalty; the rest were influenced by other factors not included in this research model. This result, through the value of R^2 , shows the influence of CSR, customer trust, and customer loyalty on business sustainability. Based on Cohen's (1988) criteria for the strength and weakness of influence between variables, it can be stated that this research model had a high degree of accuracy.

Evaluation of fit models based on Q^2 Predictive Relevance were calculated with the following formulations:

$$Q^2 = 1 - \{(1 - R^2_1)(1 - R^2_2)(1 - R^2_3)\}$$

$$Q^2 = 1 - \{(1 - 0.652)(1 - 0.709)(1 - 0.809)\}$$

$$Q^2 = 0.9807$$

Based on the results of the Predictive Relevance Q^2 calculation, it can be explained that the research model was able to provide predictive accuracy of 98.07% (large), while 1.93% of other factors were not examined. That is, according to the value of Q^2 , the model had a large degree of accuracy (Chin, 1998).

Evaluation of the accuracy of the research model, based on the Goodness of Fit criteria, was calculated using the following formulation:

$$GoF = V(\text{average AVE} \times \text{average } R^2)$$

$$GoF = V\{(0.8413) \times (0.7233)\}$$

$$GoF = 0.7801 \text{ (large)}$$

Based on the results of the GoF calculation, the model had a level of accuracy of 0.7801 (classified as large according to Akter et al., 2011). Based on the 3 accuracy test results, it can be concluded that the model had a great degree of accuracy, therefore its use in the hypothesis testing process was justified.

Hypothesis Testing

The research hypothesis testing was based on the results of analysis by the SmartPLS 3.3.2 program and the modified SmartPLS analysis results table (displayed in Figure 2 and Table 6, respectively).

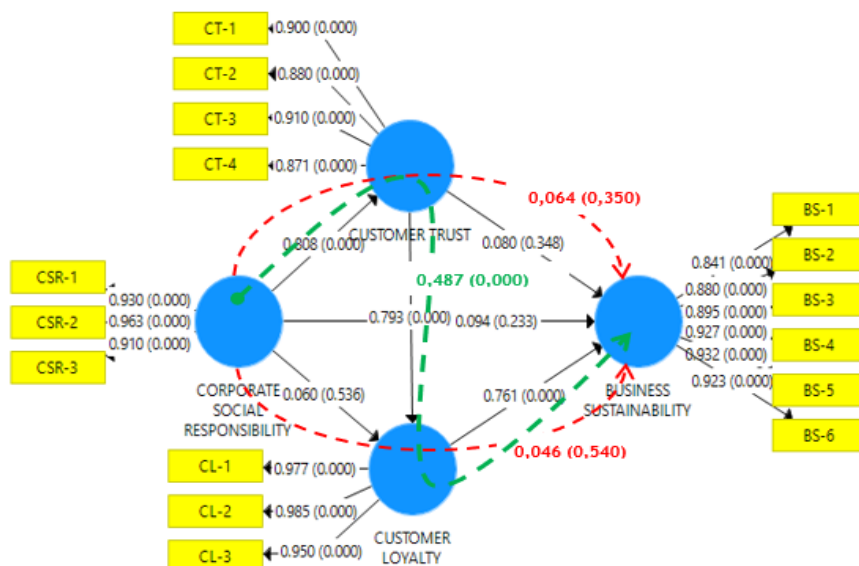


Figure 2. SmartPLS 3.3.2 analysis results (modified)

Table 6. Path Coefficient

Hypothesis	Correlation			Path Coefficient	p-Value	Info
	Independent	Mediation	Dependent			
Hypothesis 1	CSR		Business Sustainability	0.094	0.233	No significant
Hypothesis 2		Customer Trust	Business Sustainability	0.080	0.348	No significant
Hypothesis 3	CSR	Customer Trust		0.808	0.000	significant
Hypothesis 4		Customer Loyalty	Business Sustainability	0.761	0.000	significant
Hypothesis 5		Customer Trust	Customer Loyalty	0.793	0.000	significant
Hypothesis 6	CSR		Customer Loyalty	0.060	0.536	No significant
Hypothesis 7	CSR	Customer Trust	Business Sustainability	0.064	0.350	No significant
Hypothesis 8	CSR		Customer Loyalty	0.046	0.540	No significant
Hypothesis 9	CSR	Customer Trust	Customer Loyalty	0.487	0.000	significant

Based on Figure 2 and Table 6, it can be explained that corporate social sustainability had no significant effect on customer loyalty and business sustainability, because the p-value of each was greater than 0.05. Thus, Hypothesis 1 and Hypothesis 6 were rejected. Likewise, the effect of customer trust on business sustainability was not significant because the p-value was greater than 0.05, so Hypothesis 2 was also rejected. The indirect effect of CSR on business sustainability through customer trust and customer loyalty was also insignificant because the p-value was greater than 0.05, and so Hypothesis 7 and Hypothesis 8 were rejected. Of the 9 hypotheses proposed, only 4 hypotheses were accepted, namely Hypothesis 3 (effect of CSR on customer trust), Hypothesis 4 (effect of customer loyalty on business sustainability), Hypothesis 5 (effect of customer trust on customer loyalty), and Hypothesis 9 (indirect effect of CSR on business sustainability through customer trust and customer loyalty).

CONCLUSION

The results of the study found that business sustainability is a significant factor affecting customer loyalty. This finding is in line with the statements of Krurnay and Brandtweiner (2010) and Khadka and Maharjan (2017): customer loyalty is the key to company success and profits in the long term. Utami concluded similarly, stating that customer loyalty can create competitive advantages, increase market share, and provide benefits in the long term. Ayodele and Esiti (2016) share this view; that loyalty can increase a company's competitive advantage and foster great potential for the continuation of sustainable growth. The results of this study are in line with the results of research by

Wong et al. (2019), who found that customer loyalty has a significant positive effect on business sustainability.

The results also found that customer trust and customer loyalty together act as a full mediator in the relationship between CSR and business sustainability. These findings prove that the combination of customer trust and customer loyalty can be a strong mediator in rendering the relationship between CSR and business sustainability significant. Azmat and Ha (2013) also state that higher customer loyalty and trust are recognized as important for businesses to gain a unique profit advantage in the market. A similar statement was also expressed by Ong and Zien (2015): customer trust and loyalty are very important to ensure sustainable income and profits for business sustainability.

Based on the results of this study, the researcher recommends that although it does not directly have a significant effect on business sustainability, it is important to constantly aim to increase and maintain customer trust. At the same time, companies should increase efforts to maintain and increase customer loyalty, as the results of this study clearly show that the combination of trust and loyalty is able to significantly support business sustainability.

Limitations and Future Research

This study was limited to only a sample of Rural Banks in Bali, such that it cannot be used to generalize across all Rural Banks in Bali; research still needs to develop outside of this area. Similarly, the variables included in the research model were limited to CSR, customer trust, and customer loyalty in relation to business sustainability. Business sustainability, especially in banking, is strongly influenced by internal and external factors. Therefore, future research could consider including more relevant variables in a research model, as well as expanding the scope of the research area; these two developments are expected to provide more accurate information.

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