

Environmental and Social Practices in the Italian Banking Sector: A Survey on Customers Perceptions

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Abstract

Consumers in the last years have become more sensitive about the environmental and social issues related to their communities. Consequently, the stakeholders changed the perception regarding the company's role in communities; therefore, companies restructured their strategy to consider the stakeholders' requests. Thus, the prevailing focus has been on the so-called Corporate Social Responsibility (CSR) in recent years.

The integration of CSR in the company's strategy interested all industries, also the banking and financial sector. Although the general idea is that bank activity is not related to environmental and social problems, several authors provide evidence that financial activities are a strategic determinant of sustainable growth. Moreover, the corporate image's reputational factor strongly influences the financial sector. Indeed, banks made numerous efforts and adopted CSR activities to recover the reputational loss due to the 2008 financial crisis.

The present study intends to analyse consumers' perceptions of CSR practices in the Italian banking industry, investigating whether CSR perception is more related to the environmental determinants than social factors. The research hypotheses are tested using a survey that provides 1,965 answers from November 2019 to January 2020. The methodology employed is the Structural Equation Modeling (SEM), which provides evidence that Italian banks' consumers are more sensitive to environmental items than social factors. Hence, these results contrast the general idea that the banking industry has a marginal role in preserving the environmental system. Indeed, the Italian consumers attribute more importance to environmental items than social ones in their CSR perception regarding a specific bank.

Keywords: Corporate Social Responsibility, CSR Perception, Italian Banking Industry, Environmental, Social