Digital CSR Disclosure, Corporate Ability, and Customer Engagement in Banking E-Payment: The Mediating Role of Dual Trust

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ABSTRACT

Digital platforms have transformed how firms communicate corporate social responsibility (CSR), yet how such disclosure translates into customer engagement in high-risk digital financial services remains underexplored, and consumer trust is often treated as a single construct. Drawing on the Stimulus-Organism-Response framework, this study examines how community-involvement digital CSR disclosure and corporate ability shape customer engagement through a dual-trust mechanism, comprising CSR trust and corporate trust, in the context of banking e-payment services in Indonesia. Data from 308 e-payment users of the five largest Indonesian banks were analyzed using partial least squares structural equation modeling (PLS-SEM). The results show that digital CSR disclosure builds CSR trust but not corporate trust, whereas corporate ability strengthens both, most strongly corporate trust. Both trust types drive engagement, with corporate trust the stronger route. CSR trust and corporate trust fully mediate the effects of the antecedents on engagement, except for the disclosure-to-corporate-trust path. The findings demonstrate that the two trust dimensions follow distinct formation paths, supporting corporate association theory, and that in high-risk e-payment settings ability-based trust dominates engagement formation. Implications for digital CSR communication strategy in banking are discussed.

Keywords: *Digital CSR disclosure, Corporate ability, Customer engagement, Dual trust*

1. INTRODUCTION

Corporate social responsibility (CSR) has become a strategic instrument through which firms address the social, environmental, and ethical concerns of their stakeholders, and CSR disclosure serves as the principal channel for communicating these activities (Schroder, 2021; Alhumud et al., 2025). The diffusion of digital platforms has fundamentally reshaped this communication: social media and corporate websites now allow firms to disseminate CSR information rapidly, widely, and interactively, shifting CSR transparency from print-based reporting toward participatory digital practice (D'Andrea et al., 2019; Alhumud et al., 2025). For consumers, such disclosure functions as a credible signal of a firm's social commitment that can shape perceptions, trust, and behavior.

In banking, trust is a core relational asset, and community involvement is among the most frequently disclosed CSR categories on bank websites, encompassing donations, education funding, and community empowerment (Schroder, 2021; Alhumud et al., 2025). In Indonesia, electronic payment (e-payment) has become integral to everyday consumption: electronic-money transactions grew from about 2.4 billion in 2022 to more than 9.1 billion in 2025, while their value rose from roughly IDR 219 trillion to IDR 964 trillion over the same period (Asosiasi Sistem Pembayaran Indonesia, 2025). At the same time, the industry is highly regulated and increasingly homogeneous, making differentiation based on functional features difficult to sustain (Andaru & Hadinugroho, 2024) and pushing banks to deepen customer engagement, which has been shown to drive repurchase intention among Indonesian bank customers (Cahaya et al., 2023; Kwee & Aruan, 2024).

Despite extensive research linking CSR, trust, and consumer behavior, three gaps remain. First, understanding of how digital platforms convey CSR information to build consumer trust is still limited (Alhumud et al., 2025). Second, trust is frequently modeled as a single construct, overlooking the conceptual distinction between trust in the sincerity of a firm's social activities (CSR trust) and trust in the firm's overall competence and reliability (corporate trust). Third, corporate ability, namely consumers' perception of a firm's competence in delivering high-quality, reliable, and innovative services, has rarely been integrated as a trust antecedent alongside CSR disclosure (Fatma & Khan, 2023).

Addressing these gaps, this study integrates the models of Alhumud et al. (2025) and Fatma and Khan (2023) into a dual-trust framework grounded in the Stimulus-Organism-Response (S-O-R) perspective. It examines how community-involvement digital CSR disclosure and corporate ability shape customer engagement through CSR trust and corporate trust in the context of banking e-payment services in Indonesia, using five of the country's largest banks by assets (BCA, Mandiri, BNI, BRI, and BTN) as the empirical setting (GoodStats, 2024).

2. LITERATURE REVIEW AND HYPOTHESES

2.1. Theoretical Foundation

This study draws on four complementary theories. The Stimulus-Organism-Response (S-O-R) framework (Mehrabian & Russell, 1974) holds that environmental stimuli (S) shape an individual's internal states (O), which in turn drive behavioral responses (R). In this study, disclosure and ability serve as stimuli, the two trust types represent organismic states, and customer engagement is the response. Signaling theory (Spence, 1973) explains how firms reduce information asymmetry by sending credible, hard-to-imitate signals; both CSR disclosure and corporate ability act as such signals (Hamrouni et al., 2019). Corporate association theory (Brown & Dacin, 1997) distinguishes corporate-ability associations from CSR associations, implying that competence-based and social-responsibility-based evaluations form distinct trust pathways. Finally, trust-commitment theory (Morgan & Hunt, 1994) positions trust as the foundation of relational commitment and cooperative behavior, thereby linking trust to engagement.

2.2. Hypotheses Development

Community-involvement digital CSR disclosure acts as a credible signal of a firm's social commitment that consumers process as a stimulus. Transparent disclosure of social activities fosters belief in the sincerity of a firm's CSR and reduces information asymmetry (Hamrouni et al., 2019). Corporate ability can also lend credibility to CSR, because firms perceived as competent are seen as having the resources and capacity to sustain genuine social programs, whereas social claims by low-ability firms are more easily perceived as symbolic (Sen & Bhattacharya, 2001). Accordingly:

H1: Community-involvement digital CSR disclosure positively affects CSR trust.

H2: Corporate ability positively affects CSR trust.

Beyond beliefs about social sincerity, transparent disclosure may signal integrity and accountability, potentially strengthening overall trust in the firm (D'Andrea et al., 2019). Corporate ability, in turn, is central to overall trust in high-risk services, where competence, reliability, and security determine whether a provider is seen as dependable (Poolthong & Mandhachitara, 2009; Park & Kim, 2015). Therefore:

H3: Community-involvement digital CSR disclosure positively affects corporate trust.

H4: Corporate ability positively affects corporate trust.

According to trust-commitment theory, trust is the foundation of relational commitment and cooperative behavior (Morgan & Hunt, 1994). Within the S-O-R logic, both trust types are organismic states that channel stimuli into engagement: consumers who trust the sincerity of a firm's CSR, or who hold favorable overall trust in the firm, are more likely to use its services, recommend them, spread positive information, and contribute feedback (Sirdeshmukh et al., 2002; Iglesias et al., 2018). Hence:

H5: CSR trust positively affects customer engagement.

H6: Corporate trust positively affects customer engagement.

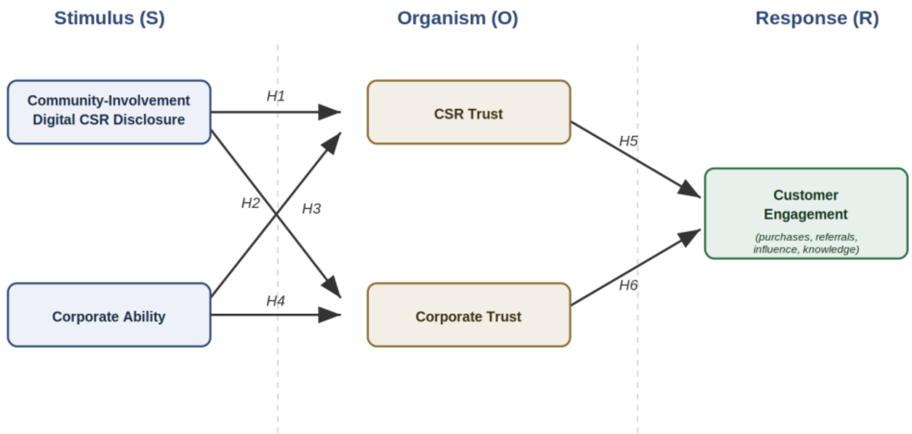

Figure 1. Research model.

3. RESEARCH METHODS

This study employed a quantitative, cross-sectional survey design. Respondents were selected through purposive sampling and had to be Indonesian citizens aged 18 years or older who had used a bank e-payment service and were aware of the bank's CSR information disseminated through digital channels such as social media and websites. Data were collected via an online questionnaire distributed through social media, yielding 308 valid responses, well above the minimum of 225 derived from the guideline of five times the number of indicators (5 x 45; Hair et al., 2022).

All constructs were measured reflectively on seven-point Likert scales. Items for digital CSR disclosure and CSR trust were adapted from Alhumud et al. (2025), and items for corporate ability and corporate trust from Fatma and Khan (2023). Customer engagement was modeled as a second-order construct comprising customer purchases, customer referrals, customer influence, and customer knowledge. Data were analyzed using partial least squares structural equation modeling (PLS-SEM) in SmartPLS 4, assessing the measurement model first and then the structural model through bootstrapping with a one-tailed test at the 5% significance level (Hair et al., 2022).

4. RESULTS AND DISCUSSIONS

4.1. Measurement Model

All constructs satisfied the reliability and validity thresholds. Cronbach's alpha ranged from 0.855 to 0.940 and composite reliability from 0.902 to 0.957, both exceeding 0.70. All 45 indicators loaded above 0.708 (lowest = 0.734), and the average variance extracted ranged from 0.663 to 0.848, surpassing 0.50, thereby confirming convergent validity. Discriminant validity was supported, with heterotrait-monotrait (HTMT) ratios within accepted limits (Hair et al., 2022).

4.2. Structural Model

Inner-model collinearity was not a concern, as all VIF values (1.376 to 1.639) were below 3. The model explained 65.8% of the variance in corporate trust, 59.8% in CSR trust, and 54.5% in customer engagement (R-square = 0.658, 0.598, and 0.545, respectively), all of which are moderate. Predictive relevance was established, as all Q-square-predict values exceeded zero; PLSpredict comparisons showed the trust indicators outperforming the linear-model benchmark, while the engagement dimensions were mixed, indicating medium predictive power (Shmueli et al., 2019). The model achieved an SRMR of 0.075, below the 0.08 cutoff (Hair et al., 2022).

Table 1. Hypothesis testing results

Hypothesis (path)	beta	t	p	f-square	Decision
H1: CID -> CST	0.528	7.585	0.000	0.504	Supported
H2: CAB -> CST	0.353	5.612	0.000	0.226	Supported
H3: CID -> CRT	0.059	1.143	0.127	0.007	Not supported

Hypothesis (path)	beta	t	p	f-square	Decision
H4: CAB -> CRT	0.779	17.967	0.000	1.291	Supported
H5: CST -> CE	0.339	6.080	0.000	0.154	Supported
H6: CRT -> CE	0.477	9.907	0.000	0.305	Supported

Note. CID = community-involvement digital CSR disclosure; CAB = corporate ability; CST = CSR trust; CRT = corporate trust; CE = customer engagement. One-tailed test, critical t = 1.645.

As shown in Table 1, five of the six hypotheses were supported. Digital CSR disclosure (beta = 0.528) and corporate ability (beta = 0.353) significantly increased CSR trust (H1, H2), and corporate ability strongly increased corporate trust (beta = 0.779; H4), representing the strongest path in the model. Both CSR trust (beta = 0.339) and corporate trust (beta = 0.477) significantly increased customer engagement (H5, H6). However, digital CSR disclosure did not significantly affect corporate trust (beta = 0.059, p = 0.127; f-square = 0.007), so H3 was not supported.

Table 2. Specific indirect effects

Mediation path	beta	t	p	Conclusion
CID -> CST -> CE	0.179	4.538	0.000	Full mediation
CAB -> CST -> CE	0.120	4.116	0.000	Full mediation
CAB -> CRT -> CE	0.372	8.053	0.000	Full mediation
CID -> CRT -> CE	0.028	1.134	0.128	No mediation

Table 2 indicates that three indirect paths were significant full mediations, since the model specifies no direct path from the antecedents to engagement, whereas the disclosure-to-corporate-trust-to-engagement path was not significant (beta = 0.028, p = 0.128).

4.3. Discussion

The findings demonstrate that the two trust types follow distinct formation paths. Community-involvement disclosure builds CSR trust but not corporate trust, supporting corporate association theory's separation of social-responsibility and ability associations (Brown & Dacin, 1997): social signals shape beliefs about a firm's sincerity rather than its overall competence. By contrast, corporate ability dominates corporate trust and, through corporate trust, provides the largest route to engagement (indirect beta = 0.372). This contrasts with Fatma and Khan (2023), who found corporate ability non-significant for trust; in high-risk e-payment settings, transaction security, system reliability, and service quality appear decisive for overall trust, indicating that the relevance of corporate ability is contextual. That corporate trust drives engagement more strongly than CSR trust further suggests that holistic trust in the bank, rooted in competence, is the primary engagement mechanism.

Theoretically, the study contributes a dual-trust refinement of digital CSR research and integrates corporate ability as a trust antecedent, extending the model of Alhumud et al. (2025). Managerially, banks should build the two trust types through differentiated messaging: communicating competence, security, and reliability to foster corporate trust, and authentic, verifiable social activity to foster CSR trust, while recognizing that engagement in e-payment is anchored primarily in ability-based trust.

5. CONCLUSION

This study examined how community-involvement digital CSR disclosure and corporate ability shape customer engagement through a dual-trust mechanism in Indonesian banking e-payment. Disclosure builds CSR trust but not corporate trust; corporate ability builds both, most strongly corporate trust; and both trust types drive engagement, with corporate trust the stronger and dominant route. The trust constructs fully mediate the antecedent-engagement relationships, except for disclosure-to-corporate-trust. The results affirm the value of separating CSR trust from corporate trust and of incorporating corporate ability as a trust antecedent, and they highlight the primacy of ability-based trust in high-risk digital financial services. The study is limited to a single CSR dimension (community involvement), five large banks, and a cross-sectional design. Future research could incorporate additional CSR dimensions, extend the setting to digital banks, fintech, or other countries, and adopt longitudinal designs to capture how trust and engagement evolve over time.

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