

The Influence of ESG Campaigns on customers' trust in the Georgian Banking Sector

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Declaration

As the author of the submitted master's thesis, I hereby state that the submitted thesis is entirely original work of mine and does not contain any materials previously published, accepted for publication, or submitted for defense that are not properly credited, referenced or cited in the thesis according to established rules.

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Abstract

This research explores the influence of Environmental, Social, and Governance (ESG) campaigns on customer trust in the Georgian banking sector, focusing on the two largest commercial banks — Bank of Georgia and TBC Bank. Nowadays ESG practices became increasingly integrated into corporate strategies and its role in customer relationship is gaining attention, especially in those industries where trust is fundamental. However, limited empirical research exists in the Georgian context regarding if ESG initiatives affect customer perceptions of trust.

The research aims to determine whether ESG campaigns have a measurable impact on customer trust. The study also investigates how customers' awareness and perceptions of these campaigns and customers demographic and behavioral characteristics influence trust dynamics. It also examines how well these campaigns align with the banks' core functions, applying theories such as Signaling Theory, CSR Fit Theory, Trust Theory and Attribution Theory.

A quantitative approach was used and a self-administered online survey was shared with customers of the two selected banks. The survey included both closed and open-ended questions and was conducted in Georgian and English. A total of 122 valid responses were collected.

Key findings suggest that customer awareness of ESG campaigns is positively connected with trust levels. Social and governance campaigns were the most influential, while environmental initiatives had a weaker effect. Perceived sincerity of ESG initiatives did not predict trust. Furthermore, behavioral factors were found to be more influential on trust than demographic factors.

These findings offer insights that ESG campaigns can be an effective tool to enhance trust in the Georgian banking sector. Their impact depends on communication of the campaigns, relevance to banking activities and long-term customer engagement. The research will contribute to the existing knowledge on ESG and will provide practical suggestions for banks about on the importance of their efforts around ESG topics.

Keywords: ESG campaigns, customer trust, ESG awareness, sustainability communication