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Article

The Influence of Environmental, Social, and Governance (ESG) Perception on Investor Trust and Brand Relationship Quality: A Study Among Retail Investors in Hong Kong

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Abstract: Background/Introduction: Investor trust and brand relationship quality, along with initiatives for environmental, social, and governance (ESG), have become highly important. Despite their relevance, limited research has been conducted on how ESG initiatives influence investors' perceptions in financial markets. **Objectives/Aims:** This work conducts a cross-sectional analysis to examine the relationship between perceived ESG initiatives and investor trust and brand relationship quality among retail investors in Hong Kong, one of one of the world's leading financial markets. **Methods:** This study involved 479 retail investors. Three instruments were administered in the questionnaires: (1) the perceived environmental, social, and governance scale, (2) the investor trust scale, and (3) the brand relationship quality scale. **Results:** The analysis demonstrates that PESG and various aspects of investor trust and brand relationship quality had strong positive correlations. Notably, the environmental and social concerns of PESG were found to be strong predictors of investor trust and brand relationship quality, whereas governance awareness had the least effect. **Conclusions:** Improving a firm's ESG image can boost investors' confidence and the quality of brand relationships, thus aligning with sustainability and business strategies.

Keywords: Environmental, Social, and Governance (ESG); investor; brand relationship quality; financial sector

1. Introduction

Over the past decade, issues associated with environmental, social, and governance (ESG) have increasingly become relevant in corporations. ESG serves as a set of standards that guide investors and other stakeholders to determine the sustainability of a company's operations over certain periods. These standards can be classified into three domains. The environmental criteria pertain to the company's performance as a steward of nature. The social criteria include the management's relationship with employees, suppliers, clients, and communities. The governance criteria focus on the company's leadership practices, auditing process, internal controls, and approaches to shareholder rights. ESG has become pertinent amid heightened consumer awareness and demand for corporate responsibility, as well as pressures from regulatory bodies and investors. After a series of high-profile corporate scandals, such as the emissions cheating by Volkswagen (Hotten 2015) and the misuse of Facebook users' data (Cadwalladr and Graham-Harrison 2018), the public has increasingly become vigilant of corporate activities. As such, the need for transparency and accountability has increased.

While prior studies have extensively explored the core concepts of ESG, job performance, job crafting, and organizational culture (Chen 2023; Jin and Kim 2022), relatively fewer studies have focused on how ESG practices shape investor perceptions. This study addresses that gap by investigating how retail investors at different levels of engagement

with financial products perceive and react to ESG initiatives. Instead of measuring ESG recognition through general criteria, we delve deeper into how investors interpret and evaluate ESG activities and how these perceptions influence their trust in financial products and brand relationship quality. This deeper investigation into investor perceptions aligns with our research questions, which focus on the predictive role of perceived ESG (PESG) initiatives on investor trust and brand relationship quality. Although a considerable number of studies have examined the impact of ESG initiatives on a firm's financial performance (Friede et al. 2015; Chen et al. 2023), little research has been conducted on the effects of the perception of investors on their attitudes and behaviors. Researchers have demonstrated investors' emphasis on the ethical and sustainable practices of firms in purchasing decisions (Chang et al. 2021; Chen 2020). However, in terms of research, the role of ESG practices in developing investors' trust and brand relationship quality remains underexplored.

In addition, the geographical context of Hong Kong offers a unique perspective. As a major financial hub in Asia, Hong Kong presents a distinct regulatory and market environment that shapes how investors perceive ESG initiatives in the financial sector. The region's combination of global financial integration and local regulatory frameworks provides a fertile ground for exploring the nuanced relationship between ESG practices and investor behavior. Thus, several questions emerge. What are the perceptions of investors regarding ESG practices, and which aspects influence such views? Which of the three dimensions, namely, environmental, social, and governance practices, have the greatest effect on investors' views? Notably, these issues remain unexplored in the financial sector in Hong Kong.

Hence, we present our primary research question:

How do ESG initiatives shape the perceptions of retail investors regarding trust and brand relationship quality in the context of financial products in Hong Kong?

This study further delves into these follow-up questions:

1. How are perceived environmental, social, and governance (PESG) initiatives related to trust in financial products among Chinese retail investors in Hong Kong?
2. How are PESG initiatives related to brand relationship quality in financial products among Chinese retail investors in Hong Kong?
3. Can these initiatives serve as predictors of investors' views on trust in financial products in Hong Kong?
4. Can these initiatives serve as predictors of brand relationship quality in financial products in Hong Kong?

This study has four main objectives:

5. To determine the specific ESG initiatives that have the largest effect on fostering investors' trust in financial products in the context of Hong Kong.
6. To assess the perceived initiatives and their direct relationship with brand relationship quality within the financial sector.
7. To evaluate whether PESG initiatives have a potential predictive role in investors' trust in financial products.
8. To evaluate whether PESG initiatives have a potential predictive role in brand relationship quality in financial products.

This work offers several significant contributions to the existing literature. Firstly, it augments the existing research on ESG by using a perception-based approach within a regional and sectoral context to provide empirical evidence of the effect of ESG on investors' behavior. Secondly, this study offers a theoretical understanding of trust and brand relationship quality and their correlation with the sustainability practices of firms in the financial sector. The findings of this research are beneficial to industry practitioners because they can help to establish how PESG initiatives foster firms' connections with investors, brand reputation, and competitive edge in the Hong Kong financial market. This study can also guide policy practitioners in the financial industry by demonstrating how

encouraging and endorsing ESG practices can ensure investors' protection and responsible corporate behavior.

Given that investors have growing expectations and are seeking accountability from firms, the importance of determining how PESG influences investors' trust and brand relationship quality has become apparent. The current study fills a substantial gap in the literature by exploring the direct and predictive effects of PESG initiatives on investors. This work focuses on financial institutions in Hong Kong and examines retail investors' perceptions and behaviors toward these firms. The primary goal of this research is to delve into practical insights that can support financial firms as they navigate the changing dynamics of sustainability and investors' expectations.

2. Literature Review

2.1. ESG Initiatives in Financial Products

ESG measures have been increasingly pertinent in the financial sector of Hong Kong, one of the world's leading financial markets. Some examples of ESG-related activities in financial products include ethical banking practices, green bonds, green mortgages, socially responsible investment funds, and sustainability-linked loans. These activities ensure that financial returns are aligned with strategies for reducing firms' carbon footprint, advocating for social equality, and upholding transparency in governance. The Securities and Futures Commission in Hong Kong actively promotes ESG disclosure and sustainable finance, reflecting the growing relevance of ESG in the financial industry (Leung and Xiang 2022).

ESG activities are crucial in building a positive corporate reputation, minimizing investment risks, and optimizing financial performance. This notion is supported by Alsayegh et al. (2020) and Chen et al. (2023), who found that a strong ESG performance is usually accompanied by a better corporate reputation, lower investment risk, and improved financial performance. A strong ESG performance helps organizations to broaden their investor base and mitigate capital costs (Barko et al. 2022). Despite the benefits and potential of ESG, little attention has been given to the effects of related activities on investors' trust and brand relationship quality in relation to financial products in Hong Kong. Hence, this study examines how PESG initiatives influence investors' perceptions and behaviors within the financial sector to fill this research gap. This work employed a new scale originally developed by Oh et al. (2024) that covers the three ESG dimensions.

2.2. Investors' Trust in Financial Products

Investors' trust is an essential component in the financial sector because confidence in firms drives investors' behaviors toward financial institutions and their products. Investors develop trust in financial products when they positively perceive a firm's transparency, credibility, ethical practices, and compliance with regulations (Van der Cruijsen et al. 2023). Given the intangibility of services and the high complexity of financial markets, it can be challenging to establish trust (Moin et al. 2023).

Several studies substantiated the significance of ESG in investor trust in financial products. For instance, Lu et al. (2021) noted that corporate social responsibility (CSR) activities complement ESG in fostering investor trust if investors perceive that the activities are authentic and in line with their values. In support of this claim, Xue et al. (2022) demonstrated the positive effect of investors' perceptions of CSR on investor trust in financial services. Despite these findings, scant research has been conducted on the three dimensions of ESG, namely, environmental, social, and governance, and how they collectively and individually persuade investors to trust firms and their financial products within the context of Hong Kong. Therefore, this study addresses this paucity of research by developing a measure for investor trust using the scale developed by Singh and Jain (2015). This measurement evaluates trust based on the interactions between retail investors and firm policies.

2.3. Brand Relationship Quality in Financial Products

In the financial sector, loyalty pertains to investors' commitment to sustaining their relationship with a financial institution or product (Kamath et al. 2020). It involves making repeat purchases and preventing investors from switching to alternatives. Notably, trust is a recognized factor in brand relationship quality in financial services (Wongsansukcharoen 2022). In addition, various aspects, such as customer satisfaction, perceived service quality, brand reputation, and trust, affect brand relationship quality in financial products (Dam and Dam 2021).

Akhgari et al. (2018) developed a model that examines how trust mediates the relationship between satisfaction and loyalty; their analysis demonstrated that trusted firms are likely to gain investor loyalty. In an earlier study, Delgado-Ballester et al. (2003) presented the various dimensions of brand relationship quality, including reliability and emotional security, which are related to the technical and affective factors of trust in a brand; they also developed a brand trust scale to determine fiability, intentionality, and brand loyalty, which can deepen the understanding of brand relationship quality. In addition, Pfajfar et al. (2022) examined how CSR and ESG practices can increase investors' perceptions of brand relationship quality through trust and social bonding. Despite the substantial findings of earlier studies, further research is needed to analyze the specific effects of the dimensions of ESG on brand relationship quality in relation to financial products in Hong Kong.

2.4. ESG and Investor Behavior in Financial Products

Investors have shown a growing demand for ethical and sustainable financial products. Existing studies have shown that investors have started to consider ESG factors when making investment decisions; that is, many investors are open to paying a premium for financial products from socially responsible firms (Cornell 2021). Notably, Meng et al. (2022) observed that investors are highly willing to pay for products from firms that engage in social initiatives, such as fair trade certifications, green building certifications, and renewable energy project investments.

A firm's efforts to engage in ESG activities can influence investor attitudes and behavior toward the firm. For instance, eco-conscious investors may have a high perception of a financial institution's brand image because of its green bond issuances and renewable energy investments (Zhao et al. 2023). In addition, investors who value social justice can develop loyalty and an emotional connection with firms engaging in social initiatives, such as community banking and fair lending practices (Sun et al. 2020). This connection can be fostered by initiatives in the governance dimension, where transparent reporting and ethical leadership reduce perceived risks related to financial products (Higgins et al. 2020). As a massive financial hub, Hong Kong places emphasis on good governance; as such, regulatory standards and investor expectations from firms are high (Securities and Futures Commission (SFC) (2020)).

Recent studies have foregrounded ESG practices and their effects on investor behavior, particularly the ways through which such practices can boost the credibility of firms. For instance, Gold and Taib (2023) showed the positive correlation between ESG practices and investor behavior through the high perceived legitimacy and ethical standing of financial institutions. Meanwhile, Maaloul et al. (2023) illustrated that investors view businesses with a high environmental performance as less risky and more sustainable; thus, these firms have better credit ratings and lower cost of debt than other companies. In addition, Park and Jang (2021) observed that sound ESG practices signify prolonged resilience and ethical management, thus leading investors to perceive trustworthiness and high brand relationship quality in companies that engage in such practices.

2.5. Gaps in the Literature

Although several promising insights have been revealed, the literature on the effect of ESG practices on investor behavior in Hong Kong's financial sector remains underdeveloped. Researchers have predominantly examined firms in the Western context, thus

warranting further exploration of Asian financial markets. Therefore, the current study fills this gap by analyzing how ESG practices influence investors' perceptions of trust and brand relationship quality toward financial institutions in Hong Kong, one of Asia's strongest financial markets.

This study provides an overall analysis of the effects of PESG initiatives on investors' behaviors within Hong Kong's distinct financial and regulatory setting. By focusing on investor perceptions and developing robust methodologies, this research can augment the current understanding of how ESG practices strengthen ties between financial firms and investors in pursuing success through sustainable means.

3. Theoretical Framework and Hypotheses

This study uses three major theories to examine how PESG initiatives aid in cultivating investor trust and brand relationship quality for financial products in Hong Kong: stakeholder theory, social identity theory, and the theory of planned behavior.

According to Freeman's (2010) stakeholder theory, for long-term success, organizations have to account for the interests of all stakeholders and not only shareholders. The theory posits that investors gain trust in companies when they perceive the firm's participation in ESG-related initiatives. For investors, such an involvement requires that that the firm is engaging in ethical practices and social responsibility, thus matching the values and expectations of stakeholders. The investors' behavior toward the firm depends on their perception of the initiatives of the firm. Hence, the values of the firm and the investors must be aligned.

According to the social identity theory of Tajfel and Turner (1979), people's social circles play a significant role in shaping their identity. Hence, if investors perceive that their values and social identity align with a firm's ESG initiatives, then they may develop a positive perception of the brand relationship quality. Social identity theory also supports the idea that the perceived fit between investor values and corporate ESG practices is important. Therefore, investors' emotional connection and brand loyalty can increase when they perceive a strong alignment with the firm.

Meanwhile, Ajzen's (1991) theory of planned behavior argues that intention drives individuals' behavior. Moreover, such behavior is influenced by one's attitude, subjective norms, and perceived behavioral control. Therefore, PESG initiatives can foster positive investor attitudes toward a firm by highlighting its commitment to ethical and responsible practices. This theory also reveals how the behaviors of investors are shaped more by perceptions toward the firm rather than the actual ESG performance of the firm.

These three theories help to build a framework that can offer insights into the effects of PESG initiatives on investors' trust and perception of brand relationship quality. Figure 1 presents the theoretical framework diagram of the study.

Hypothesis Development

Based on these theoretical frameworks and the existing literature, the following hypotheses are formulated to align with the research questions:

Hypothesis 1 (H1): *There is a positive association between PESG initiatives and investor trust. According to Nilsson et al. (2014), investors' trust in financial products can substantially improve when they have high perceived levels of a firm's participation in ESG practices.*

Hypothesis 2 (H2): *PESG initiatives are positively correlated with brand loyalty. This is evidenced by a study by Du et al. (2010), who found that successful ESG initiatives enhance brand relationship quality because investors who perceive a brand to be socially responsible are more likely to remain loyal, particularly in risky products, such as financial products.*

Hypothesis 3 (H3): *A firm's PESG efforts are a crucial indicator of Chinese investors' trust in financial products in Hong Kong. Investors' positive perception of ESG initiatives can improve*

their attitude towards a firm, thus predicting high levels of trust. This is supported by the Theory of Planned Behavior (Ajzen 1991), and further corroborated by findings from Park et al. (2014) in South Korea and Suto and Takehara (2020) in Japan, which point to perceived corporate social responsibility as one major influence on investor trust.

Hypothesis 4 (H4): *PESG initiatives are presumed to be key predictors of brand loyalty in financial products amongst Chinese investors in Hong Kong. Perception, as indicated by the Theory of Planned Behavior, enhances positive attitudes and behavioral intentions, which in turn increase brand relationship quality. For example, past studies conducted by Koh et al. (2022) and Eccles et al. (2014) revealed that perceived ESG practices are positively related to brand commitment. Hence, if investors perceive a brand to be socially responsible, they will be loyal to the same brand.*

These hypotheses provide an organized approach to identifying the PESG initiatives that influence investors' trust and brand relationship quality. Consequently, these hypotheses will help to navigate the theoretical perspectives used in this study and the empirical findings that can be drawn from them. This study can provide guidance to academics and industry experts by showing how the ESG strategies of financial institutions build investors' confidence and loyalty.
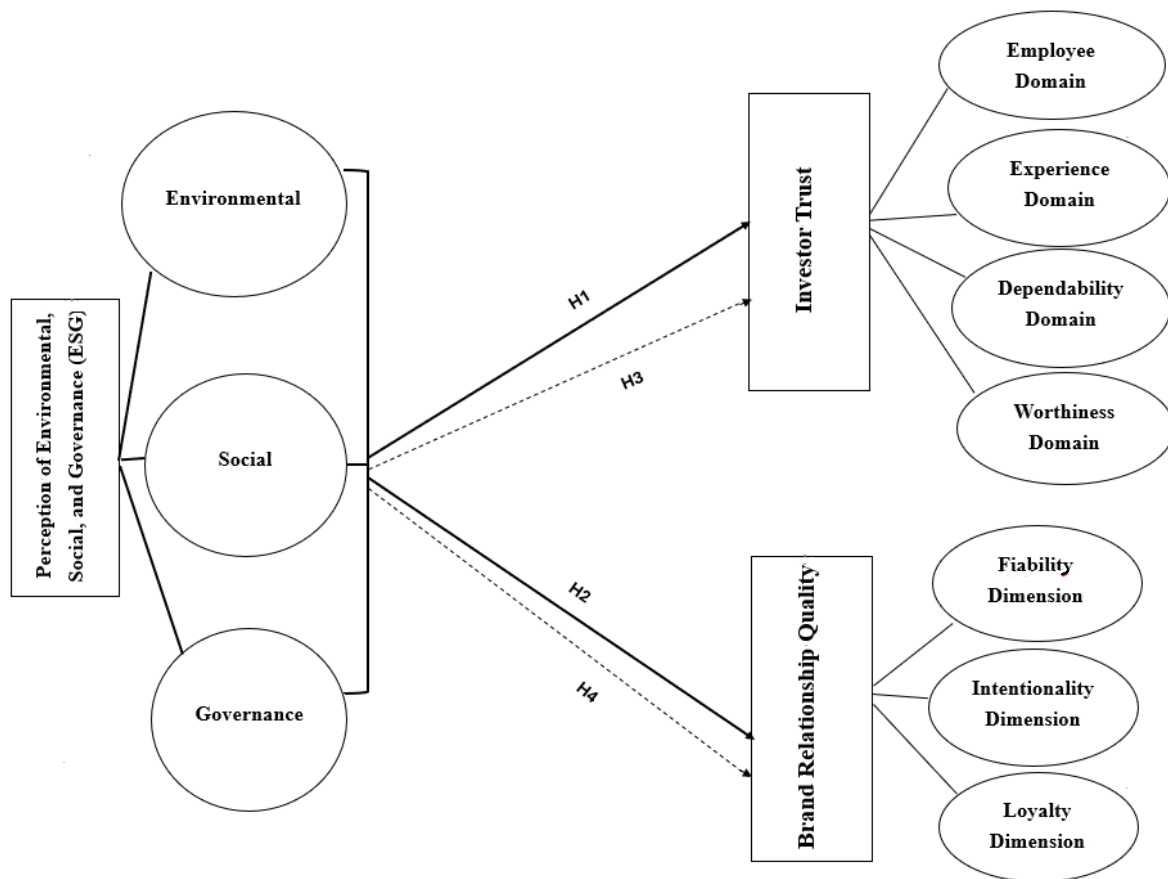

Figure 1. Theoretical framework model.

4. Methodology

This study uses a cross-sectional design to examine the correlation between PESG initiatives and retail investors' trust and brand relationship quality in relation to financial products in Hong Kong. The design captures information at a particular time, thus illustrating the relationship between the independent variable (i.e., PESG initiatives) and the dependent variables (i.e., investors' trust and brand relationship quality).

4.1. Instruments

This study uses three different instruments to evaluate investors' perceptions and attitudes. This approach can help to establish the effects of PESG initiatives on retail investors' trust and brand relationship quality. The three instruments are listed below.

(1)   Perceived environmental, social and governance scale (PESGS) by Oh et al. (2024), which includes 26 question items;
(2)   Investor trust scale (ITS), which was adapted from the consumer trust scale by (Singh and Jain 2015) and includes 14 question items; and
(3)   Brand relationship quality scale (BRQS), which was adapted from the brand trust scale by Delgado-Ballester et al. (2003) and includes 12 question items.

The respondents rated their answers on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree).

To ensure the quality of this research, specialists were consulted and related empirical studies were examined. Participants were asked to complete a survey with four sections. In the first section, they answered questions on demographic information, such as age, gender, income level, education level, and the nature of the financial products used. The subsequent sections evaluated the aspects of PESG initiatives, investors' trust, and brand relationship quality, respectively.

4.1.1. Perceived Environmental, Social, and Governance Scale (PESGS)

The PESGS evaluates retail investors' perceptions of a financial institution or company. A total of 26 question items explored the following specific dimensions:

(1)   Environmental: 12 question items (e.g., 'The company establishes and implements policies to reduce carbon emissions'),
(2)   Social: 7 question items (e.g., 'The company provides products and services that are safe'), and
(3)   Governance: 7 question items (e.g., 'The company sincerely discloses its financial, business and ESG performances').

4.1.2. Investor Trust Scale (ITS)

The ITS evaluates retail investors' trust in the financial products that they purchased. A total of 14 question items explored the following specific dimensions:

(1)   Employees: four question items (e.g., 'The employees of the retail store are well trained and knowledgeable regarding selling their products'),
(2)   Experience: three question items, (e.g., 'The brands of the retail store are reliable'),
(3)   Dependability: three question items, (e.g., 'I am able to get the products I need from the store'), and
(4)   Worthiness: four question items (e.g., 'I feel I get more value in terms of benefits vis-a-vis cost').

4.1.3. Brand Relationship Quality Scale (BRQS)

The BRQS, which consists of 12 question items, assesses retail investors' brand faithfulness in the financial products that they purchase in the following domains:

(1)   Fiability: four question items (e.g., 'This brand is always at the level of my consumption expectations'),
(2)   Intentionality: four question items (e.g., 'This brand would be honest and sincere in its explanations'), and
(3)   Brand loyalty: four question items (e.g., 'I consider myself loyal to this brand').

4.2. Sample and Sampling Technique

This study focused on recruiting retail investors in financial products in Hong Kong. Given that this demographic is heterogeneous, stratified random sampling and a snowball sampling technique were applied to ensure that the optimal population was selected.

4.2.1. Stratified Random Sampling

Initial stratification: The population was stratified according to the demographic characteristics that were relevant to this study: age (under 25, 25–31, and 32–39 years old), gender (e.g., male and female), income level (e.g., less than HKD 20,000, HKD 20,000–HKD 39,999, HKD 40,000–HKD 59,999, HKD 60,000–HKD 79,999, and HKD 80,000 or above) and types of financial products used (e.g., stocks, mutual funds, and bonds). Such segmentation would guarantee that the views obtained from the respondents reflect these categories effectively. In doing so, an extensive range of perceptions on how PESG initiatives influence investor trust and brand relationship quality can be drawn.

Random selection: The research involved randomly selected participants. Structured sampling mitigates selection bias while ensuring representativeness. Therefore, all demographic groups are adequately represented, thus making the generalization applicable to the broad population of retail investors in Hong Kong and providing a comprehensive understanding of the different perceptions of ESG factors across various investor segments.

4.2.2. Snowball Sampling

Initial contact: A small number of retail investors were recruited from personal networks, financial forums, and investment clubs and served as the initial sample. Their inclusion was based on demographic diversity (age, gender, income level, and types of financial products used) and their willingness to participate in the study.

Referral: The researchers asked the initial participants to refer other retail investors in their network who would match the criteria of the research. The participants received information about the study, which could be forwarded to their peers. This process was carried out until the respondents reached an adequate number for this study.

Securing diverse demographics: Demographic diversity was maintained by meticulously recording each participant's demographic characteristics and modifying recruitment strategies to address gaps in representation.

Sample size: This research aimed to have a sample size of 500 respondents. This number is sufficient in attaining statistical power and generalizing the findings to a broader population of retail investors in Hong Kong.

Recruitment channels: Strategies such as direct contact through financial institutions, online investment forums, social media platforms (Facebook, LinkedIn, Twitter, and Instagram), and personal referrals were used.

4.3. Questionnaire Design and Administration

The questionnaire was designed to be user-friendly and easy to navigate on mobile devices. The instructions and information on confidential procedures were clearly stated to foster a high level of engagement and ensure the credibility of the process. Participants were required to log in with their email addresses, and their IP addresses were monitored. This step prevented multiple submissions from the same user.

Using stratified random sampling and snowball sampling ensured that a highly representative sample with a wide diversity of retail investors was procured. Hence, these two processes improved the validity and reliability of the findings. Moreover, it provided substantial information to help understand how investors' perceptions of ESG factors influence trust and brand relationship quality in Hong Kong's financial sector.

4.4. Data Collection

The data collection period ran from September 2023 to February 2024. Beforehand, a pilot test was conducted from March 2023 to Aug 2023 with 40 heterogeneous participants from Hong Kong. The sample was diverse in terms of gender, age, education, investment experience, salary, and religion. It included 22 females (55%) and 18 males (45%). Age distribution: 10% under 25, 25% aged 25–31, 22.5% aged 32–39, 25% aged 40–48, and 17.5% aged 49 or older. Education levels: 32.5% had a Diploma/Associate, 50% had a Bachelor's degree, and 17.5% had a Master's/Postgraduate degree. Investment experience ranged

from less than 3 years (12.5%) to over 27 years (20%). Regarding salaries, 7.5% earned below HKD 20,000, 37.5% earned between HKD 40,000 and HKD 59,999, and 17.5% earned over HKD 80,000. Lastly, 75% did not have any religious beliefs, while 25% did.

This initial study found no ambiguity or cultural misfitting in the feedback, thus confirming the suitability and clarity of the survey. The reliability and validity testing had excellent internal consistency (Cronbach's alpha of 0.85), thus confirming the construct validity of PESGS, ITS, and BRQS. Insights and feedback were used to enhance the clarity and relevance of the question items in PESGS. Moreover, local relevance was established through the cultural adaptation of the items. Next, the fit and applicability of the three scales used for this study (i.e., PESGS, ITS, and BRQS) were verified. The validity of the scales was confirmed through a second round of testing.

4.5. Ethical Procedures

All stages of the study adhered to ethical standards. Prior to the survey, the participants were informed about the purpose of the research, their rights, and the confidentiality of their responses. They also needed to provide informed consent before proceeding with the survey. Moreover, data were anonymized to protect the identity of the respondents. The institutional review board of the university overseeing the research also provided ethical guidelines.

4.6. Data Analysis

SPSS version 26.0 was used for statistical analyses. Means and standard deviations were used to consolidate the participants' demographic information and scores on the PESGS, ITS, and BRQS. Sophisticated statistical methods, for example, regression analysis and correlation, were also utilized to study existing and potential relationships between PESG initiatives and investors' trust and brand relationship quality in financial products in Hong Kong.

5. Results

5.1. Factor Analysis

Table 1 presents the confirmatory factor analysis (CFA) for the PESGS, ITS, and BRQS. All the models had good fit indices, confirming their multidimensional structures.

Table 1. Confirmatory factor analysis (CFA) results.

Scale	Factors	CFI	TLI	SRMR	RMSEA
PESGS	Environmental, Social, Governance	0.93	0.92	0.06	0.07
ITS	Employees, Experience, Dependability, Worthiness	0.98	0.97	0.05	0.06
BRQS	Fiability, Intentionality, Brand Loyalty	0.97	0.96	0.05	0.07

5.1.1. PESG Scale

The three-factor model, which consists of environmental, social, and governance dimensions, had strong fit indices. The chi-square (χ^2) value was 567 with 167 degrees of freedom ($p < 0.001$), thus indicating areas for further improvement. Nevertheless, the comparative fit index (CFI) was at 0.93, and the Tucker–Lewis index (TLI) was 0.92. Notably, these values surpassed the acceptable benchmark of 0.90. The standardized root mean square residual (SRMR) was 0.058, while the root mean square error of approximation (RMSEA) was 0.07. The RMSEA was within 0.06 to 0.08 with a 90% confidence interval, thus indicating an acceptable residual fit.

5.1.2. Investor Trust Scale

The four-factor model, which consists of the employee, experience, dependability, and worthiness domains, had adequate fit indices. The chi-square value was 200 with

71 degrees of freedom ($p < 0.001$), thus indicating some areas for model improvement. The CFI was 0.98, and the TLI was 0.97, which indicate that the model had a strong fit. Lastly, the SRMR was 0.05, and the RMSEA was 0.06. The value ranged from 0.05 to 0.07 with a 90% confidence interval, thus indicating minor areas for improvement despite an overall good fit.

5.1.3. Brand Relationship Quality Scale

The three-factor model, which consists of the dimensions of reliability, intentionality, and brand loyalty, had satisfactory fit indices. The chi-square value was 168 with 51 degrees of freedom ($p < 0.001$). In addition, the CFI was 0.97, and the TLI was 0.96. The SRMR was 0.05, and the RMSEA was 0.07. The 90% confidence interval ranged from 0.06 to 0.08. Therefore, the results indicated a very good model fit with some space for refinement. The CFA findings validate the multidimensionality of PESG, ITS, and BRQS, thus providing a solid basis for further investigation.

5.2. Internal Consistency

Table 2 shows that Cronbach's α was used to evaluate the internal consistency of the scales. The values exceeded the typical cutoff point of 0.70, thus confirming that the scales effectively measured the corresponding variables. This reliability reinforces the appropriateness of the scales for further statistical studies.

Table 2. Internal consistency (Cronbach's α).

Scale	Subscale/Dimension	Cronbach's α
PESGS	Environmental	0.90
PESGS	Social	0.82
PESGS	Governance	0.95
PESGS	Overall	0.91
ITS	Employees	0.74
ITS	Experience	0.90
ITS	Dependability	0.72
ITS	Worthiness	0.99
ITS	Overall	0.82
BRQS	Fiability	0.78
BRQS	Intentionality	0.93
BRQS	Brand Loyalty	0.84
BRQS	Overall	0.85

Validation and Further Analysis

After the PESG, ITS, and BRQS, the current research could proceed with Pearson correlation and regression analyses to test Hypotheses 1 to 4.

5.3. Descriptive Results

This study assesses the perceptions of 479 Chinese retail investors toward PESG, investor trust, and brand relationship quality within the financial sectors of Hong Kong. In particular, it examines the instrumental influence of various demographic characteristics on these perceptions.

5.3.1. Participant Demographics

The sample included 203 male and 276 female Chinese investors and therefore showed a slight skew toward female respondents. Young professionals are largely represented

in the sample, particularly those in the age group of 25–31 years (33.0%). The majority of the respondents were highly educated: 61.0% had a bachelor's degree, and 23.0% had postgraduate education levels. Meanwhile, the largest proportion (34.0%) had 3–8 years of experience. Although income levels vary, 40.9% reported monthly earnings of HKD 20,000–HKD 39,999.

5.3.2. Statistical Analysis of Demographic Influences

This study also employed t-tests and one-way analysis of variance (ANOVA) to confirm the influence of demographic variables on PESG, investor trust, and brand relationship quality. Tables 3 and 4 present how different demographic factors impact these variables, respectively. Gender significantly influenced only the environmental domain of PESG. However, females had a higher investor trust (employee domain) and brand relationship quality (fiability dimension). Similarly, age did not significantly influence PESG. Nevertheless, respondents aged 49+ had higher trust in experience and stronger trust in the fiability dimension of brand relationship quality compared to younger age groups, according to the Tukey HSD analysis. Education levels showed no significant influence on PESG, investors' trust, or brand relationship quality. Investment experience had a notable effect, with respondents with 27+ years of experience scoring higher in PESG's environmental domain, experience trust, and fiability than those with less experience. Salary did not influence PESG or investor trust, but lower earners (<HKD 40,000) had higher intentionality and brand loyalty than higher earners (HKD 40,000–HKD 59,999). Finally, religious beliefs significantly influenced PESG, investor trust (excluding worthiness), and brand relationship quality, with religious respondents scoring higher than nonreligious ones.

Table 3. Demographic attributes and perceived environmental, social, and governance (PESG).

Demographic Attributes	N (%)	PESG Environmental	PESG Social	PESG Governance
		M (SD)	M (SD)	M (SD)
All	479 (100%)	4.04 (0.55)	3.50 (0.67)	3.05 (1.07)
Gender				
(1) Male	203 (45.0%)	3.97 (0.56)	3.48 (0.66)	3.05 (1.06)
(2) Female	276 (55.0%)	4.09 (0.54)	3.51 (0.68)	3.04 (1.07)
		$t = -2.37$ *	$t = -0.49$	$t = 0.09$
Age				
(1) Under 25 years old	54 (11.3%)	4.07 (0.56)	3.65 (0.68)	3.23 (1.19)
(2) 25–31	158 (33.0%)	3.96 (0.57)	3.46 (0.64)	2.90 (1.03)
(3) 32–39	131 (27.3%)	4.02 (0.50)	3.40 (0.71)	3.04 (1.11)
(4) 40–48	80 (16.7%)	4.08 (0.52)	3.56 (0.58)	3.20 (0.98)
(5) 49 or above	56 (11.7%)	4.16 (0.59)	3.60 (0.77)	3.08 (1.04)
		$F (4, 474) = 1.65$	$F (4, 474) = 1.96$	$F (4, 474) = 1.56$
Education Level				
(1) Diploma/Associate	77 (16.1%)	4.11 (0.58)	3.63 (0.64)	3.13 (.96)
(2) Bachelor	292 (61.0%)	4.03 (0.53)	3.47 (0.67)	3.03 (1.07)
(3) Master/Postgraduate	110 (23.0%)	3.99 (0.58)	3.49 (0.70)	3.04 (1.12)
		$F (2, 476) = 1.20$	$F (2, 476) = 1.69$	$F (2, 476) = 0.27$
Investment Experience				
(1) Less than 3 years	56 (11.7%)	4.07 (0.58)	3.65 (0.72)	3.22 (1.18)
(2) 3–8 years	163 (34.0%)	3.96 (0.56)	3.46 (0.62)	2.89 (1.03)
(3) 9–17 years	148 (30.9%)	4.03 (0.51)	3.42 (0.71)	3.11 (1.06)
(4) 18–26 years	85 (17.7%)	4.07 (0.53)	3.54 (0.64)	3.08 (1.08)
(5) 27 years or above	27 (5.6%)	4.30 (0.56)	3.75 (0.70)	3.18 (0.96)
		$F (4, 474) = 2.52$ *	$F (4, 474) = 2.43$	$F (4, 474) = 1.53$
		(5) > (2)		

Table 3. *Cont.*

Demographic Attributes	N (%)	PESG Environmental	PESG Social	PESG Governance
		M (SD)	M (SD)	M (SD)
Salary				
(1) Less than HKD 20,000	72 (15.0%)	4.10 (0.58)	3.60 (0.69)	3.17 (1.14)
(2) HKD 20,000–HKD 39,999	196 (40.9%)	4.04 (0.55)	3.54 (0.66)	3.07 (1.07)
(3) HKD 40,000–HKD 59,999	172 (35.9%)	4.03 (0.53)	3.46 (0.66)	3.03 (1.02)
(4) HKD 60,000–HKD 79,999	83 (6.9%)	3.93 (0.50)	3.32 (0.70)	2.84 (1.14)
(5) HKD 80,000 or above	6 (1.3%)	4.05 (0.89)	3.20 (0.93)	2.43 (0.80)
		$F_{(4, 474)} = 0.58$	$F_{(4, 474)} = 1.62$	$F_{(4, 474)} = 1.07$
Religious				
(1) Not religious	298 (62.2%)	3.90 (0.51)	3.41 (0.62)	2.88 (1.05)
(2) Religious	181 (37.8%)	4.26 (0.54)	3.65 (0.74)	3.32 (1.04)
		t = −7.52 **	t = −3.8 8 **	t = −4.54 **
		(2) > (1)	(2) > (1)	(2) > (1)

Note: **. The correlations are significant at the 0.01 level (two-tailed); *. correlations are significant at the 0.05 level (two-tailed). Note: HKD 7.8 = USD1.

5.4. Pearson Correlation Coefficient Analysis

Table 5 presents a summary of the results from the analysis of the Pearson correlation coefficients of PESG, investor trust, and brand relationship quality. Most domains had significantly positive correlations.

5.4.1. Correlations with Environmental Trust

Table 5 shows that environmental PESG has a strong correlation with employee-related trust (r = 0.49, $p < 0.01$) and experience-related trust (r = 0.30, $p < 0.01$). Meanwhile, this domain has a moderate correlation with dependability (r = 0.15, $p < 0.01$) and worthiness (r = 0.17, $p < 0.01$). It also has strong correlations with fiability (r = 0.55, $p < 0.01$) and moderate correlations with intentionality (r = 0.34, $p < 0.01$) and brand relationship quality (r = 0.28, $p < 0.01$).

5.4.2. Correlations with Social Trust

Table 5 demonstrates that the social domain of PESG has a highly positive relationship with the dimensions of employees (r = 0.36, $p < 0.01$), experience (r = 0.42, $p < 0.01$), dependability (r = 0.25, $p < 0.01$), and worthiness (r = 0.18, $p < 0.01$) of investors' trust. The results also show a strong positive relationship between the social factor and the fiability (reliability) dimension of brand relationship quality (r = 0.34, $p < 0.01$). Fiability also has a positive relationship with the dimensions of intentionality (r = 0.45, $p < 0.01$) and brand loyalty (r = 0.17, $p < 0.01$) of brand relationship quality.

5.4.3. Correlations with Governance Trust

The governance aspects of PESG have positive correlations with employee trust (r = 0.24, $p < 0.01$), experience (r = 0.25, $p < 0.01$), dependability (r = 0.17, $p < 0.01$), and worthiness (r = 0.15, $p < 0.01$). They are also significantly correlated with fiability (r = 0.25, $p < 0.01$) and intentionality (r = 0.31, $p < 0.01$) and weakly correlated with brand loyalty (r = 0.11, $p < 0.05$).

The results of the Pearson correlation coefficient analysis reveal that PESG domains significantly influence investor trust and brand relationship quality.

Table 4. Demographic attributes and investor trust scale (ITS) and brand relationship quality scale (BRQS).

Demographic Attributes	N (%)	ITS Employee	ITS Experience	ITS Dependability	ITS Worthiness	BRQS Fiability	BRQS Intentionality	BRQS Loyalty
		M (SD)	M (SD)	M (SD)	M (SD)	M (SD)	M (SD)	M (SD)
All	479 (100%)	4.14 (0.51)	3.19 (1.01)	3.52 (0.71)	3.74 (0.57)	4.04 (0.56)	3.12 (1.00)	3.58 (0.68)
Gender								
(1) Male	203 (45.0%)	4.08 (0.50)	3.16 (0.97)	3.51 (0.69)	3.75 (0.55)	3.97 (0.57)	3.09 (0.93)	3.53 (0.69)
(2) Female	276 (55.0%)	4.17 (0.50)	3.21 (1.03)	3.54 (0.73)	3.74 (0.58)	4.10 (0.54)	3.13 (1.04)	3.61 (0.68)
		$t = -1.91$ *	$t = -0.55$	$t = -0.46$	$t = 0.10$	$t = -2.48$ *	$t = -0.43$	$t = -1.23$
Age								
(1) Under 25 years old	54 (11.3%)	4.14 (0.53)	3.38 (1.12)	3.73 (0.72)	3.75 (0.66)	4.09 (0.61)	3.37 (0.98)	3.76 (0.74)
(2) 25–31	158 (33.0%)	4.13 (0.50)	3.17 (1.01)	3.53 (0.74)	3.72 (0.53)	3.98 (0.59)	3.04 (0.99)	3.56 (0.66)
(3) 32–39	131 (27.3%)	4.10 (0.51)	3.02 (1.02)	3.47 (0.64)	3.71 (0.61)	3.96 (0.51)	3.08 (1.04)	3.53 (0.67)
(4) 40–48	80 (16.7%)	4.15 (0.47)	3.12 (0.97)	3.40 (0.70)	3.82 (0.53)	4.09 (0.52)	2.98 (1.03)	3.50 (0.69)
(5) 49 or above	56 (11.7%)	4.21 (0.55)	3.56 (0.80)	3.60 (0.79)	3.79 (0.56)	4.30 (0.48)	3.33 (0.83)	3.67 (0.70)
		$F_{(4, 474)} = 0.51$	$F_{(4, 474)} = 3.48$ * $(5) > (3)$	$F_{(4, 474)} = 2.15$	$F_{(4, 474)} = 0.66$	$F_{(4, 474)} = 4.48$ * $(5) > (2)\&(3)$	$F_{(4, 474)} = 2.17$	$F_{(4, 474)} = 1.69$
Education Level								
(1) Diploma/Associate	77 (16.1%)	4.23 (0.44)	3.39 (0.97)	3.53 (0.70)	3.84 (0.48)	4.09 (0.59)	3.21 (0.98)	3.53 (0.64)
(2) Bachelor	292 (61.0%)	4.11 (0.48)	3.12 (0.97)	3.52 (0.70)	3.73 (0.57)	4.04 (0.54)	3.08 (0.97)	3.56 (0.68)
(3) Master/Postgraduate	110 (23.0%)	4.13 (0.60)	3.24 (1.10)	3.52 (0.75)	3.71 (0.62)	4.03 (0.58)	3.13 (1.07)	3.65 (0.74)
		$F_{(2, 476)} = 1.65$	$F_{(2, 476)} = 2.49$	$F_{(2, 476)} = 0.01$	$F_{(2, 476)} = 1.42$	$F_{(2, 476)} = 0.33$	$F_{(2, 476)} = 0.53$	$F_{(2, 476)} = 0.99$
Investment Experience								
(1) Less than 3 years	56 (11.7%)	4.13 (0.55)	3.40 (1.12)	3.74 (0.73)	3.75 (0.65)	4.11 (0.61)	3.35 (0.99)	3.80 (0.76)
(2) 3–8 years	163 (34.0%)	4.12 (0.51)	3.17 (1.00)	3.54 (0.72)	3.73 (0.52)	3.97 (0.59)	3.05 (0.98)	3.54 (0.65)
(3) 9–17 years	148 (30.9%)	4.08 (0.50)	3.02 (0.99)	3.45 (0.63)	3.68 (0.62)	3.98 (0.49)	3.08 (1.03)	3.52 (0.67)
(4) 18–26 years	85 (17.7%)	4.18 (0.47)	3.23 (0.95)	3.42 (0.77)	3.84 (0.51)	4.14 (0.53)	3.09 (1.01)	3.60 (0.68)
(5) 27 years or above	27 (5.6%)	4.33 (0.55)	3.72 (0.79)	3.68 (0.75)	3.90 (0.52)	4.40 (0.46)	3.30 (0.87)	3.55 (0.79)
		$F_{(4, 474)} = 1.610$	$F_{(4, 474)} = 3.70$ * $(5) > (3)$	$F_{(4, 474)} = 2.50$	$F_{(4, 474)} = 1.64$	$F_{(4, 474)} = 4.91$ * $(5) > (2) \& (3)$	$F_{(4, 474)} = 1.26$	$F_{(4, 474)} = 1.95$

Table 4. *Cont.*

Demographic Attributes	N (%)	ITS Employee	ITS Experience	ITS Dependability	ITS Worthiness	BRQS Fiability	BRQS Intentionality	BRQS Loyalty
		M (SD)	M (SD)	M (SD)	M (SD)	M (SD)	M (SD)	M (SD)
Salary								
(1) Less than HKD 20,000	72 (15.0%)	4.17 (0.54)	3.41 (1.07)	3.68 (0.72)	3.76 (0.65)	4.13 (0.61)	3.29 (1.05)	3.78 (0.73)
(2) HKD 20,000–HKD 39,999	196 (40.9%)	4.18 (0.49)	3.27 (1.01)	3.60 (0.74)	3.75 (0.59)	4.02 (0.56)	3.26 (0.94)	3.59 (0.63)
(3) HKD 40,000–HKD 59,999	172 (35.9%)	4.09 (0.48)	3.07 (0.97)	3.42 (0.64)	3.73 (0.51)	4.03 (0.54)	3.01 (0.98)	3.50 (0.68)
(4) HKD 60,000–HKD 79,999	83 (6.9%)	4.13 (0.52)	2.86 (0.93)	3.32 (0.82)	3.77 (0.57)	4.02 (0.53)	2.57 (1.01)	3.43 (0.80)
(5) HKD 80,000 or above	6 (1.3%)	3.92 (0.85)	3.33 (0.67)	3.44 (0.78)	3.50 (0.55)	4.29 (0.58)	2.33 (0.86)	3.67 (0.83)
		$F_{(4, 474)} = 0.90$	$F_{(4, 474)} = 2.75$	$F_{(4, 474)} = 3.10$	$F_{(4, 474)} = 0.35$	$F_{(4, 474)} = 0.83$	$F_{(4, 474)} = 5.71$ **	$F_{(4, 474)} = 2.64$ *
							(1)&(2) > (4)	(1) > (3)
Religious								
(1) Not religious	298 (62.2%)	4.03 (0.47)	2.98 (0.96)	3.43 (0.69)	3.71 (0.54)	3.88 (0.52)	2.96 (0.93)	3.45 (0.62)
(2) Religious	181 (37.8%)	4.32 (0.51)	3.53 (0.99)	3.68 (0.73)	3.79 (0.62)	4.31 (0.51)	3.37 (1.05)	3.79 (0.74)
		$t = -6.35$ **	$t = -6.08$ **	$t = -3.71$ **	$t = -1.53$	$t = -8.82$ **	$t = -4.42$ **	$t = -5.51$ **
		(2) > (1)	(2) > (1)	(2) > (1)		(2) > (1)	(2) > (1)	(2) > (1)

Note: **. The correlations are significant at the 0.01 level (two-tailed); *. correlations are significant at the 0.05 level (two-tailed). Note: HKD 7.8 = USD1.

Table 5. Correlations between PESG and domains of investor trust and dimensions of brand relationship quality in Investor Trust (IT) domains and Brand Relationship Quality Scale (BRQS) dimensions.

		ITS Employee	ITS Experience	ITS Depend-ability	ITS Worthiness	BRQS Fiability	BRQS Inten-tionality	BRQS Loyalty
PESG Environmental	Pearson Correlation	0.49 **	0.30 **	0.15 **	0.170 **	0.55 **	0.34 **	0.28 **
	Sig. (Two-Tailed)	0.000	0.000	0.001	0.000	0.000	0.000	0.000
	N	479	479	479	479	479	479	479
PESG Social	Pearson Correlation	0.36 **	0.42 **	0.25 **	0.18 **	0.34 **	0.45 **	0.17 **
	Sig. (Two-Tailed)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	N	479	479	479	479	479	479	479
PESG Governance	Pearson Correlation	0.24 **	0.25 **	0.17 **	0.15 **	0.25 **	0.31 **	0.11 *
	Sig. (Two-Tailed)	0.000	0.000	0.000	0.001	0.000	0.000	0.020
	N	479	479	479	479	479	479	479

Note: **. Correlations are significant at the 0.01 level (two-tailed); *. correlations are significant at the 0.05 level (two-tailed).

5.5. Hierarchical Regression Analysis

The hierarchical regression analyses examine how demographic variables and PESG (perceived environmental, social, and governance) influence the various domains of investors' trust brand relationship quality. The results are presented in Tables 6–12.

Table 6. Hierarchical regression analysis results with demographics and perceived environmental, social, and governance (PESG) factors as predictors of investors' trust in the employee domain.

Variable	β	t	F	R	$R2$	$\Delta R2$	Adjusted $R2$
Investor Trust (Employee Domain)							
Step 1			20.88 **	0.28	0.08	0.08	0.08
Demographics							
Gender	0.05	1.18					
Religion	0.27	6.15 **					
Step 2			55.71 **	0.51	0.26	0.18	0.26
Demographics							
Gender	0.02	0.56					
Religion	0.13	3.10 *					
PESG Environmental	0.45	10.74 **					
Step 3			45.62	0.53	0.28	0.02	0.27
Demographics							
Gender	0.03	0.69 *					
Religion	0.13	3.06 *					
PESG Environmental	0.38	8.01 **					
PESG Social	0.15	3.41 *					
Step 4			36.83 **	0.53	0.28	0.00	0.27
Demographics							
Gender	0.03	0.74					
Religion	0.12	2.90 *					
PESG Environmental	0.37	7.75 **					
PESG Social	0.14	3.05 *					
PESG Governance	0.05	1.22					

Note: ** $p < 0.01$; * $p < 0.05$.

Table 7. Hierarchical regression analyses results with demographics and perceived environmental, social, and governance (PESG) factors as predictors of investors' trust in the experience domain.

Variable		β	t	F	R	$R2$	$\Delta R2$	Adjusted $R2$
Investor Trust (Experience Domain)								
Step 1				12.43 **	0.27	0.07	0.07	0.07
	Demographics							
	Age	0.09	0.69					
	Investment experience	−0.08	−0.60					
	Religion	0.27	6.04 **					
Step 2				16.36 **	0.35	0.12	0.05	0.11
	Demographics							
	Age	0.11	0.82					
	Investment experience	−0.11	−0.85					
	Religion	0.19	4.22 **					
	PESG Environmental	0.23	5.12 **					
Step 3				26.49	0.47	0.22	0.10	0.21
	Demographics							
	Age	0.11	0.85					
	Investment experience	−0.10	−0.80					
	Religion	0.19	4.32 **					
	PESG Environmental	0.06	1.21					
	PESG Social	0.36	7.68 **					
Step 4				22.74 **	0.47	0.22	0.01	0.21
	Demographics							
	Age	0.10	0.82					
	Investment experience	−0.10	0.78					
	Religion	0.18	4.10 **					
	PESG Environmental	0.05	0.94					
	PESG Social	0.34	7.08 **					
	PESG Governance	0.08	1.83					

Note: ** $p < 0.01$.

Table 8. Hierarchical regression analyses results with demographics and perceived environmental, social, and governance (PESG) factors as predictors of investors' trust in the dependability domain.

Variable		β	t	F	R	$R2$	$\Delta R2$	Adjusted $R2$
Investor Trust (Dependability Domain)								
Step 1				13.73 **	0.17	0.03	0.03	0.03
	Demographics							
	Religion	0.17	0.371 **					
Step 2				9.67 **	0.20	0.04	0.01	0.04
	Demographics							
	Religion	0.13	2.76 *					
	PESG Environmental	0.11	2.34 *					
Step 3				13.12	0.28	0.08	0.04	0.07
	Demographics							
	Religion	0.13	2.73 *					
	PESG Environmental	0.00	0.07					
	PESG Social	0.22	4.39 **					
Step 4				10.47 **	0.29	0.08	0.01	0.07
	Demographics							
	Religion	0.12	2.54 *					
	PESG Environmental	−0.01	−0.16					
	PESG Social	0.20	3.93 **					
	PESG Governance	0.08	1.56					

Note: ** $p < 0.01$; * $p < 0.05$.

Table 9. Hierarchical regression analyses results with demographics and perceived environmental, social, and governance (PESG) factors as predictors of investors' trust in the worthiness domain.

Variable		β	t	F	R	$R2$	$\Delta R2$	Adjusted $R2$
Investor Trust (Worthiness Domain)								
Step 1				13.85 **	0.17	0.03	0.03	0.03
	PESG Environmental	0.17	3.72 **					
Step 2				10.38	0.20	0.04	0.01	0.04
	PESG Environmental	0.10	1.99 *					
	PESG Social	0.13	2.60 *					
Step 3				7.93 **	0.22	0.05	0.01	0.04
	PESG Environmental	0.09	1.65					
	PESG Social	0.11	2.14 *					
	PESG Governance	0.08	1.72					

Note: ** $p < 0.01$; * $p < 0.05$.

Table 10. Hierarchical regression analyses results with demographics and perceived environmental, social, and governance (PESG) factors as predictors of investors' brand relationship quality in the fiability domain.

Variable		β	t	F	R	$R2$	$\Delta R2$	Adjusted $R2$
Brand Loyalty (Fiability Domain)								
Step 1				21.30 **	0.39	0.15	0.15	0.15
	Demographics							
	Gender	0.06	1.37 *					
	Age	0.08	0.63					
	Investment Experience	0.01	0.06					
	Religion	0.36	8.47 **					
Step 2				51.71 **	0.60	0.35	0.20	0.35
	Demographics							
	Gender	0.03	0.78					
	Age	0.11	0.99					
	Investment Experience	−0.06	−0.48					
	Religion	0.21	5.39 **					
	PESG Environmental	0.48	12.13 **					
Step 3				44.03	0.60	0.36	0.01	0.35
	Demographics							
	Gender	0.03	0.85					
	Age	0.11	0.99					
	Investment Experience	−0.05	−0.46					
	Religion	0.21	5.36 **					
	PESG Environmental	0.44	9.82 **					
	PESG Social	0.08	2.00*					
Step 4				37.92 **	0.60	0.36	0.00	0.35
	Demographics							
	Gender	0.03	0.90					
	Age	0.11	0.98					
	Investment Experience	−0.05	−0.44 *					
	Religion	0.21	5.20 **					
	PESG Environmental	0.43	9.56 **					
	PESG Social	0.07	1.70					
	PESG Governance	0.04	1.08					

Note: ** $p < 0.01$; * $p < 0.05$.

Table 11. Hierarchical regression analyses results with demographics and perceived environmental, social, and governance (PESG) factors as predictors of investors' brand relationship quality in the intentionality domain.

Variable		β	t	F	R	R2	ΔR2	Adjusted R2
Brand Loyalty (Intentionality Domain)								
Step 1				18.03 **	0.27	0.07	0.07	0.07
	Demographics							
	Salary	−0.18	−3.99 **					
	Religion	0.18	4.04 **					
Step 2				28.71 **	0.39	0.15	0.08	0.15
	Demographics							
	Salary	−0.17	−4.01 **					
	Religion	0.08	1.80					
	PESG Environmental	0.31	6.83 **					
Step 3				39.62	0.50	0.25	0.10	0.24
	Demographics							
	Salary	−0.14	−3.49 *					
	Religion	0.08	1.84					
	PESG Environmental	0.13	2.76 *					
	PESG Social	0.36	7.84 **					
Step 4				34.54 **	0.52	0.27	0.02	0.26
	Demographics							
	Salary	−0.14	−3.40 *					
	Religion	0.06	1.49					
	PESG Environmental	0.11	2.29 *					
	PESG Social	0.33	6.98 **					
	PESG Governance	0.14	3.30 *					

Note: ** $p < 0.01$; * $p < 0.05$.

Table 12. Hierarchical regression analyses results with demographics and perceived environmental, social, and governance (PESG) factors as predictors of investors' brand relationship quality in the loyalty domain.

Variable		β	t	F	R	R2	ΔR2	Adjusted R2
Brand Loyalty (Loyalty Domain)								
Step 1				17.95 **	0.26	0.07	0.07	0.07
	Demographics							
	Salary	−0.10	−2.31 *					
	Religion	0.23	5.25 **					
Step 2				19.97 **	0.34	0.11	0.04	0.11
	Demographics							
	Salary	−0.10	−2.24 *					
	Religion	0.16	3.56 **					
	PESG Environmental	0.22	4.73 **					
Step 3				15.03 **	0.34	0.11	0.00	0.11
	Demographics							
	Salary	−0.10	−2.18 *					
	Religion	0.16	3.55 **					
	PESG Environmental	0.20	3.92 **					
	PESG Social	0.03	0.56					
Step 4				12.01 **	0.34	0.11	0.07	0.11
	Demographics							
	Salary	−0.10	−2.18 *					
	Religion	0.16	3.55 **					

Table 12. *Cont.*

Variable	β	t	F	R	R2	ΔR2	Adjusted *R2*
PESG Environmental	0.20	3.91 **					
PESG Social	0.03	0.59					
PESG Governance	−0.01	−0.20					

Note: ** $p < 0.01$; * $p < 0.05$.

5.5.1. Investor Trust in the Employee Domain

Step 1 revealed that demographic variables accounted for 8% of the variance in trust in the employee domain. Notably, religion was a significant predictor ($\beta = 0.27$, $t = 6.15$, $p < 0.01$) (Table 6). In Step 2, environmental PESG factors were added, improving the model to 26% ($\beta = 0.45$, $t = 10.74$, $p < 0.01$). In Step 3, social PESG factors were included, thereby increasing the variance explained to 28% ($\beta = 0.15$, $t = 3.41$, $p < 0.05$). Governance awareness was added in Step 4 but had no significant effect on the model.

5.5.2. Investor Trust in the Experience Domain

Step 1 showed that demographic variables explained the 7% variance in trust in the experience domain. Religion was a significant factor ($\beta = 0.27$, $t = 6.04$, $p < 0.01$) (Table 7). Environmental PESG factors increased the variance to 12% ($\beta = 0.23$, $t = 5.12$, $p < 0.01$) in Step 2. Then, social PESG factors were added in Step 3, significantly raising the explained variance to 22% ($\beta = 0.36$, $t = 7.68$, $p < 0.01$). Governance awareness was added in Step 4 but had no significant effect on the model.

5.5.3. Investor Trust in the Dependability Domain

Step 1 showed that demographic variables accounted for 3% of the variance in dependability trust, with religion being a significant factor ($\beta = 0.17$, $t = 3.71$, $p < 0.01$) (Table 8). In Step 2, environmental factors of PESG increased the variance to 4% ($\beta = 0.11$, $t = 2.34$, $p < 0.05$). Social factors of PESG were added in Step 3, raising the variance to 8% ($\beta = 0.22$, $t = 4.39$, $p < 0.01$). Meanwhile, governance awareness was added in Step 4 but did not have a significant effect on the model.

5.5.4. Investor Trust in the Worthiness Domain

Step 1 showed that environmental PESG variables explained 3% of the variance in worthiness trust ($\beta = 0.17$, $t = 3.72$, $p < 0.01$) (Table 9). Including social PESG factors in Step 2 increased the variance to 4% ($\beta = 0.13$, $t = 2.60$, $p < 0.05$). Governance awareness in Step 3 did not significantly enhance the model.

The findings reveal that the environmental and social dimensions of PESG are significantly related to factors describing investors' trust. Conversely, governance awareness has little significance. Thus, investors' trust in the domains of employees, experience, reliability, and worthiness can be achieved by improving PESG, particularly the environment and social aspects.

5.5.5. Brand Relationship Quality in the Fiability Domain

Step 1 showed that demographic variables explained 15% of the variance in fiability. Notably, religion is a significant factor ($\beta = 0.36$, $t = 8.47$, $p < 0.01$) (Table 10). In Step 2, environmental PESG increased the variance to 35% ($\beta = 0.48$, $t = 12.13$, $p < 0.01$). In Step 3, social PESG factors were added, raising the variance to 36%. Meanwhile, governance awareness in Step 4 did not significantly improve the model.

5.5.6. Intentionality Domain in Brand Faithfulness

Step 1 indicated that demographic variables accounted for 7% of the variance. Notably, salary ($\beta = -0.18$, $t = -3.99$, $p < 0.01$) and investment experience ($\beta = 0.18$, $t = 4.04$, $p < 0.01$) were significant predictors (Table 11). In Step 2, environmental PESG factors increased the

variance to 15% (β = 0.31, t = 6.83, p < 0.01). In Step 3, social PESG factors were added, raising the variance to 25% (β = 0.36, t = 7.84, p < 0.01). Governance awareness increased the variance to 27% (β = 0.14, t = 3.30, p < 0.01) in Step 4.

5.5.7. Brand Loyalty in the Loyalty Domain

Step 1 demonstrated that demographic variables accounted for 7% of the variance in loyalty. Notably, salary (β = −0.10, t = −2.31, p < 0.05) and religion (β = 0.23, t = 5.25, p < 0.01) were significant (Table 12). In Step 2, environmental PESG factors raised the variance to 11% (β = 0.22, t = 4.73, p < 0.01). The inclusion of social factors of PESG in Step 3 did not increase the variance, while governance awareness in Step 4 had no significant effect on the model.

The environmental and social dimensions of PESG are highly influential on investors' trust and brand relationship quality, whereas governance awareness has little effect. Other demographic variables that have substantial effects are religion and salary. This observation highlights the sophisticated dynamics between individual characteristics and perceptions of ESG factors.

6. Discussion

6.1. Investor Trust and ESG Initiatives

The findings of the study underline a strong positive correlation between PESG initiatives and investors' trust in financial products among Chinese retail investors in Hong Kong. Moreover, this study confirms Hypotheses 1 and 3, which proposed that PESG initiatives significantly influence investors' trust. This finding is in line with previous studies, which have identified the crucial role of CSR and ESG practices in fostering and sustaining trust in multiple industries, including the financial sector (Nilsson et al. 2014; Bătae et al. 2021).

Trust is a keystone in the financial industry because financial products and services are generally complex and intangible. Perceived ethical behavior and sustainable practices in financial institutions can significantly contribute to this trust (Lu et al. 2021). The results of this study are therefore more significant because they clearly outline how perceived ESG initiatives can indeed contribute to enhancing investor trust—a very critical factor that underscores the success and sustainability of financial institutions (Kölbel et al. 2020)

These results are supported by the theory of planned behavior (Ajzen 1991), which posits that perceptions can influence an individual's attitudes and behavioral intentions. In the context of financial institutions, positive PESG can help investors develop a favorable attitude toward firms, thus increasing their trust in these organizations (Park et al. 2014; Suto and Takehara 2020). For example, corporations can enhance their transparency and boost investors' confidence by regularly disclosing their sustainability practices (Darnall et al. 2022). Charitable activities can further elevate a firm's image and capture the attention of socially conscious investors (Ananzeh et al. 2022). In addition, accountability can be reinforced through third-party audits, while local trust is secured by engaging in community development projects (Monteiro et al. 2023). Environmentally conscious investors also become enticed when corporations make significant investments in renewable energy. Subsequently, overall trust is strengthened, thus increasing investors' willingness to interact with these institutions (Islam et al. 2021).

These findings are aligned with stakeholder theory (Freeman 2010), which underscores the need for firms to address not only the concerns of stockholders but those of all stakeholders, as well. In doing so, firms can achieve long-term success. Notably, the three dimensions of ESG address the concerns of all stakeholders. Hence, engaging in ESG activities can help companies to match their values with those of stakeholders. Such an alignment can ensure financial sustainability through investors' trust and brand commitment.

6.2. Brand Loyalty and ESG Initiatives

A significantly positive relationship exists between PESG initiatives and brand relationship quality in financial products among Chinese retail investors in Hong Kong. This outcome confirms Hypotheses 2 and 4, which posit that PESG initiatives can strongly predict brand relationship quality. These findings are also in line with recent studies (e.g., Du et al. 2010; Koh et al. 2022; Eccles et al. 2014), which have demonstrated that CSR and ESG practices are crucial determinants of brand relationship quality. Investors' loyalty to a brand increases when they perceive that they share similar values with the firm, that is, when the firm actively engages in ethical and sustainable practices.

However, the current study shows that higher-income investors have less brand loyalty, which contrasts with previous research. For example, recent studies (Anantharaman et al. 2022; Indiani et al. 2022) have often linked wealthier investors with stronger brand loyalty. This indicates that traditional ESG initiatives may not fully resonate with wealthier investors, necessitating more targeted strategies to engage this segment.

Social identity theory (Tajfel and Turner 1979) suggests that consumers and investors are drawn to companies whose values match their values and identities. In particular, individuals develop an emotional attachment and loyalty to a firm when they believe that the firm places importance to social and environmental values through ESG activities (Lee et al. 2022). Empirical evidence supports the predictive value of such an alignment. For instance, Pfajfar et al. (2022) illustrated how PESG practices positively affect brand loyalty. Therefore, along with initiating effective ESG activities, firms should transparently disclose their efforts to various stakeholders (Higgins et al. 2020).

6.3. Differential Impact of ESG Dimensions

The environmental, social, and governance domains of PESG initiatives have varying degrees of influence on investor trust and brand relationship quality. Notably, environmental and social initiatives are more relevant to investors than governance-related initiatives because they respond directly to urgent immediate ecological and societal issues, respectively.

The weaker correlations between governance-related PESG and brand loyalty suggest that governance initiatives, while important, may not be as effective in building emotional connections with investors. Financial institutions may need to amplify the visibility and direct impact of their governance actions to enhance investor perception.

The environmental dimension has a positive effect on investors' perceptions. For instance, a reduction in carbon footprints and support for local communities are prominent and publicized actions that attract retail investors because they are able to see concrete results; consequently, investors' perception of firms' active contribution to society's collective wellbeing is reinforced (Widyawati 2020).

Li and Wu (2020) also observed that measurable ESG initiatives demonstrate a company's proactive strategies, thus gaining favorable responses from the public. For instance, Patagonia has built brand loyalty among its stakeholders by donating 1% of its total sales to help address environmental concerns and by sourcing materials with low environmental impacts (Patagonia 2023). Similarly, Ben & Jerry's advocates for social justice, thus attaining engagement with consumers who resonate with their values; in addition, its decision to opt for recycled materials has improved the brand's image (Ben and Jerry's 2022). Chen et al. (2023) noted that such actions increase firms' reputation and credibility among environmentally aware stakeholders.

The social dimension of ESG initiatives also has a significantly positive effect on investors' loyalty, especially in relation to the level of education, health, and emotional challenges. As such, several companies have focused on initiatives that benefit society. For instance, Starbucks offers programs that cover its employees' college tuition. Hence, in supporting education, the company solidifies its relationships with the community and boosts its image. This strategy is in line with Dam and Dam's (2021) findings that such initiatives help firms to deepen their ties with investors. Furthermore, Dove advocates for body positivity through its 'Real Beauty' campaign; this project has built solid emotional

bonds with the company's consumers (Dove 2021). Akhgari et al. (2018) emphasized that emotionally bonded customers become increasingly loyal to the brand.

In contrast, governance-related initiatives have a less significant effect on investors' perceptions because these activities are less active and direct. These initiatives involve setting internal policies and standards for ethical conduct; despite their relevance to the long-term sustainability of firms, they appear less pertinent to consumers' and investors' daily lives (Aras and Crowther 2008). As such, firms can prioritize the environmental and social dimensions if they want to deepen their emotional ties with investors; in doing so, they can also optimize their brand relationship quality more effectively than with governance-orientated initiatives (Lee et al. 2022). Tangible and visible actions in relation to the environment and society can help companies gain public trust and loyalty because they can be disclosed clearly to investors (Miranda et al. 2023). Therefore, financial institutions can develop their relationships with investors as they aim for long-term success.

6.4. Implications for Theory and Practice
6.4.1. Implications for Theory

This research investigates the effect of ESG initiatives on investor behavior by demonstrating how a firm's PESG initiatives can enhance investors' trust and brand relationship quality. Using stakeholder theory, social identity theory, and the theory of planned behavior, this study augments the existing literature on CSR and ESG by underscoring how various ESG dimensions shape investors' perceptions. The study reveals the intricacies of ESG-linked initiatives and their effects on investor trust and brand relationships. Therefore, this work presents fresh perspectives and raises opportunities for further research.

6.4.2. Implications for Practice

This study delivers new empirical evidence that is tailored to financial institutions and Chinese retail investors in Hong Kong. These findings suggest actionable strategies through effective ESG initiatives to reinforce investors' trust and brand loyalty. These approaches adhere to the best practices that have been established in previous studies.

1. Transparent Reporting

This work echoes the findings of Darnall et al. (2022) by demonstrating the positive correlation between consistent and comprehensive ESG reporting and increased public trust and loyalty. Financial institutions should emphasize transparent ESG disclosures to foster trust, confidence, and support among their stakeholders.

2. Stakeholder Engagement

Our results show that investors who believe that firms share their common values are more loyal, consistent with Lu et al. (2021). Financial institutions should actively launch ESG-related activities that meet public expectations through stakeholder engagement.

3. Sustainability Certifications

Our results confirm that investors have more trust in, and loyalty, and commitment to, companies with recognized ESG-related certifications, consistent with Monteiro et al. (2023) and Constantinescu et al. (2021). Financial institutions should seek more third-party certifications to show their institutional assurances toward sustainability and ethical conduct.

4. Community Investments

Our findings, consistent with Mohammad and Wasiuzzaman (2021) and Widyawati (2020) show that specific community investments positively impact stakeholders' perceptions. Institutions should engage in local social and environmental projects to connect emotionally with investors and customers.

5. Education and Awareness

Our findings, aligning with Aureli et al. (2020) and Adu (2022), indicate that informed investors tend to show more trust and loyalty. Financial institutions should

educate investors and customers on the importance and contribution of ESG toward long-term sustainability.

6.   Enhanced Communication of Social and Governance Efforts

Given that investor awareness of social and governance initiatives is significantly lower, financial institutions should intensify their communication efforts, focusing on transparency and regular updates and showcasing the tangible outcomes of these initiatives. This can include better reporting on employee welfare programs, diversity and inclusion policies, and ethical governance practices to increase investor engagement.

6.5. Directions for Future Research

This study addresses the gaps in the existing literature and suggests paths for future research. Firstly, researchers should continue exploring different cultural and regional contexts to see the various ways in which PESG initiatives influence investor-based outcomes. This approach can extend the generalizability of the current study's findings. Researchers can also conduct longitudinal studies on the impact of ESG initiatives on investor trust and brand relationship quality. Moderating factors such as investor demographics and market conditions can also be applied to determine whether they have added effects.

7. Limitations of the Study

Despite the relevant and useful insights of this study, some limitations remain. These constraints may affect the generalizability and interpretation of the results. Moreover, the research design, sampling methods, and measurement instruments may have certain shortcomings.

First of all, the cross-sectional nature of this research limits the inference of causality because data could only be captured at a particular time point. Moreover, despite being able to analyze nuanced relationships and make solid predictions, the Pearson correlation and regression analysis cannot present causal pathways among PESG initiatives, investors' trust, and brand relationship quality. Longitudinal studies are more effective in clarifying these causal links.

Secondly, the stratified random and snowball sampling methods may be inadequate in collecting samples. Stratified sampling is unable to capture population heterogeneity completely. Meanwhile, although snowball sampling is an effective method to tap into hard-to-reach groups, it is inherently prone to referral bias, which may skew the representativeness of the population. Nearly 500 responses form a large sample. However, this number may still be insufficient in generalizing findings across Hong Kong's diversified demographics. Furthermore, self-reported data can be biased. For instance, respondents may overstate their positive perceptions toward ESG initiatives to convey a socially desirable image.

Thirdly, the measurement instruments have certain limitations. The PESG scale underwent translation and cultural adaptation to be in line with the context of Chinese respondents in Hong Kong. As such, some of the items were slightly revised in the pilot study. Thus, information loss may have occurred. More inclusive metrics should be developed to ensure that the question items remain relevant within the current culture and capture ESG dimensions accurately.

The applicability of our results to regions with different cultural, economic, and regulatory conditions may be limited. The insights on the correlation of ESG practices with trust and brand quality suggest the potential impact of Hong Kong's financial industry and local investors' behaviors. Additional comparative studies must assess whether these findings are consistent across different contexts.

8. Conclusions

This study provides ample evidence of the role of PESG initiatives in fostering investors' trust and brand relationship quality within the financial sector of Hong Kong. The findings of this research highlight transparency and authenticity, along with the proper

disclosure of ESG initiatives to retail investors. This approach can help firms to form and sustain strong relationships with retail investors. Active and authentic participation in ESG activities will increase brand image, foster trust, and guarantee long-term investor loyalty to the organization. These findings provide a clear understanding of the effects of ESG practices on investors' behavior, which are beneficial not only to financial institutions in Hong Kong but also to the financial sector worldwide.

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