





Bank Syariah Indonesia Customer Loyalty after Merger: Analysis of Trust, Service Quality, Religiosity, and Corporate Image

Loyalitas Nasabah Bank Syariah Indonesia Pasca Merger: Analisis Tingkat Kepercayaan, Kualitas Layanan, Religiusitas, dan Citra Perusahaan

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ABSTRACT:

The purpose of this study was to analyze the effect of the variables on the level of trust, the level of service quality, the level of religiosity, and the level of corporate image on customer loyalty in Bank Syariah Indonesia (BSI), a new bank resulting from the merger of three state-owned banks, namely BRI Syariah, BNI Syariah, and Mandiri Syariah. The study uses quantitative approaches with causality description techniques. The analysis technique used is Partial Least Square-Structural Equation Modeling (SEM-PLS) with a sample of 405 BSI customers. The results showed that the level of trust and religiosity had a positive effect on post-merger BSI customer loyalty. In addition, the level of service quality has no effect on customer loyalty after the merger. Meanwhile, the level of the corporate image did not moderate the effect of the level of trust, service quality, and religiosity on BSI customer loyalty after the merger. However, as a predictor, the level of the corporate image has a direct effect on post-merger BSI customer loyalty. The findings show that trust, religiosity, and corporate image play a very important role in growing BSI's customer loyalty. Therefore, BSI should consider developing a strategy to increase customer loyalty.

Keywords: *Customer Loyalty, Trust, Service Quality, Religiosity, Corporate Image*

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ABSTRAK:

Tujuan penelitian ini adalah untuk menganalisis pengaruh variabel tingkat kepercayaan, tingkat kualitas layanan, tingkat religiusitas, dan tingkat citra perusahaan terhadap loyalitas nasabah Bank Syariah Indonesia (BSI), bank baru hasil merger dari tiga bank BUMN, yaitu BRI Syariah, BNI Syariah, dan Mandiri Syariah. Penelitian ini menggunakan metode pendekatan kuantitatif dengan teknik deskripsi kausalitas. Teknik analisis yang digunakan adalah Partial Least Square-Structural Equation Modeling (SEM-PLS) dengan sampel sebanyak 405 nasabah BSI. Hasil penelitian menunjukkan bahwa tingkat kepercayaan dan tingkat religiusitas berpengaruh positif terhadap loyalitas nasabah BSI pasca merger. Selain itu, tingkat kualitas layanan tidak berpengaruh terhadap loyalitas pelanggan setelah merger. Sedangkan tingkat citra perusahaan tidak memoderasi pengaruh tingkat kepercayaan, tingkat kualitas layanan, dan tingkat religiusitas terhadap loyalitas nasabah BSI setelah merger. Namun sebagai prediktor, tingkat citra perusahaan berpengaruh langsung terhadap loyalitas nasabah BSI pasca merger. Temuan menunjukkan bahwa kepercayaan, religiusitas, dan citra perusahaan memainkan peran yang sangat penting dalam menumbuhkan loyalitas pelanggan BSI. Oleh karena itu, BSI dapat mempertimbangkan aspek-aspek tersebut untuk menyusun strategi meningkatkan loyalitas nasabahnya.

Kata Kunci: *Loyalitas Pelanggan, Kepercayaan, Kualitas Layanan, Religiusitas, Citra Perusahaan.*

I. INTRODUCTION

Nowadays, conventional banking institutions are largely seen as incompatible with the principles of Islamic teachings, especially due to their use of an interest/usury (*riba*) system. The Indonesia Ulema Council (MUI) published a *fatwa* (legal opinion) number 1 of 2004 concerning Interest (Interest/Fa'idah). It confirms that the interest system meets the criteria of usury, namely *nasi'ah* usury found at the time of the Prophet Muhammad PBUH. Thus, the fatwa states that the interest system is deemed, from the perspective of Islamic law (*fiqh*), illegal (Indonesian Ulema Council, 2004). The solution to the problem was presented through Law Number 21 of 2008 concerning Islamic Banking. Islamic banking has an operational basis that is following sharia corridors or guidelines (Otoritas Jasa Keuangan, 2008). Islamic banks are banks that do not use an interesting system.

Strategically speaking, Islamic banks have an important role as a facilitator in all economic activities in the halal industry ecosystem (Naf'an, 2014). Islamic banking can strengthen Indonesia's position in the halal industry (Yuniar, 2021). This is true, especially for Islamic banking engaged in corporate actions to become a catalyst for the development of the halal industry in Indonesia (KNEKS, 2021). Corporate action is an action taken by a company in the form of corporate restructurings, such as mergers, tender offers, and spin offs (Chandra, 2021). A good example of corporate action was the merger of three state-owned Islamic banks, namely Bank Syariah Mandiri, BNI Syariah, and BRI Syariah into Bank Syariah Indonesia (BSI).

The merger arguably has had an impact on the customers of the merged banks. During the transition period, BSI initiated an integration process in stages. One of the stages in the merger process was the migration of customer accounts from the original bank(s) to BSI (Ulfa, 2021). However, the migration process applied only to customers of BRI Syariah and BNI Syariah customer accounts (Bank Syariah Indonesia, 2021).

During the migration process, however, miscommunications often arose between customers and the banks. In the Micro-scale Public Activity Restriction (PPKM) during the Covid-19 pandemic, BSI turned to a digital and automatic accounts migration process for BRI Syariah and BNI Syariah customers (Safitri, 2021). The process triggered a wave of complaints from customers of BRI Syariah and BNI Syariah since it was implemented without any prior notifications to the customers. Moreover, some customers, especially ex-BNI Syariah customers were not happy with some transaction restrictions imposed by their newly migrated accounts at BSI. They for example could no longer make financial transactions with the conventional BNI for free and were unable to do transactions, previously possible, at the conventional BNI branches (Walfajri, 2021).

The various problems related to the migration process above may cause problems for internal and external parties. It may for example result in a loss of loyalty and trust. Important stakeholders in the company's operations, be it internal parties, namely employees or external parties, such as customers, investors, and shareholders may lose their trust and as a result, become less loyal. In a worst case scenario, they may be reluctant to transact using BSI or close their accounts altogether and switch to other banks (Ramadhan & Santosa, 2017).

It is widely accepted that financial institutions doing a merger may result in low customer loyalty and satisfaction (Farah, 2017). This was the case for example in a merger of one of the UK's financial institutions. Moreover, a company's merger process could disappoint customers and cause negative ramifications such as loss of trust, loyalty, and commitment on the part of the customers which may end in a relationship termination between customers and the company (Homburg and Bucerius, 2012 in Alvarez-González & Otero-Neira, 2020)

Taking into account the above-mentioned risks of a financial institution's merger on customer loyalty, the study investigates factors influencing customer loyalty of the newly merged BSI, especially in light of the troublesome customer accounts migration process. Moreover, the study seeks to find the influence of the level of trust, service quality, religiosity, and corporate image, as a moderating variable, on BSI customer loyalty.

In this regard, it is important to reveal the level of customer loyalty of Indonesian Islamic banks. Considering this will have implications for the performance and achievement targets of Indonesian Islamic banks to become the largest and well-performing

Islamic banks. The purpose of this article is to empirically prove how the level of trust, the level of service quality, and the level of religiosity affect the loyalty of Bank Syariah Indonesia customers after the merger. In addition, this study aims to determine the actual condition of the company's image which moderates the level of trust, the level of service quality, and the level of religiosity that affects customer loyalty to Bank Syariah Indonesia after the merger.

II. LITERATURE REVIEW

Customer Loyalty

Foster and Cadogan(2000) state,

“Loyalty is the attitude of the customer in determining his choice to continue using the products or services of a company. The attitude of making this choice is also to make a commitment and repurchase the company.”

In the Indonesian comprehensive dictionary (KBBI) (2016) loyalty is defined as obedience. According to Selnes (1993), customer loyalty reflects the intention to behave (intended behavior) about a product or service. Behavioral intentions include possible future purchases of the company. Customer loyalty is an aspect coveted by banks. High customer loyalty can be used as a predictor of the success of a bank. A loyal customer is defined as a strong willingness to repeatedly use a product or service, recommend to others, and reluctance to turn to other banks. (Oliver, 1999).

From the various definitions above, it can be concluded that customer loyalty is the customer's attitude to continue using the product or service offered by a bank by involving feelings in it. High customer loyalty will have a positive influence on the banking sector. Customer loyalty is an aspect coveted by banks. Customer loyalty arises because of various indicators that influence it. Several indicators are used and adjusted to field conditions. The indicators used in this study include repeat purchases (Griffin, 2005), recommendations, and commitments(Selnes, 1993).

Trust

According to Kotler and Keller (2016), trust is a company's willingness to depend on business partners. Trust depends on several interpersonal and inter-organizational factors such as competence, integrity, honesty, and kindness. Mowen and Minor (2002) revealed that customer trust implies all knowledge possessed by customers and all conclusions made by customers regarding objects, attributes, and, benefits. Customers who are satisfied and have high trust in a product will tend to be loyal to the product.

In the context of banking, it can be defined that the trust of customers refers to their knowledge of banking products and services that provide positive value. Trust in products and services encourages customers to be loyal to the bank. Trust is created because customer expectations meet their needs. Customer trust can also convince other parties to also depend on the bank. Therefore, the high level of customer trust will affect their loyalty to the bank.

There are several indicators taken and adjusted to field conditions. The indicators used in this study include perceptions of integrity and perceptions of goodness from statements (Gefen, 2002) and the openness of the statements of Schindler and Thomas (Robbins, 2002).

H1: The level of trust has a positive effect on BSI customer loyalty after the merger

Service Quality

Goets and Davis (in Tjiptono, 2014) revealed that quality is a condition associated with products, services, people, processes, and the environment that meets or exceeds expectations. So the notion of quality is not only limited to the final product produced by an expected one. Kusuma et al (2018) states that service quality is defined as customer expectations and customer needs provided by the company to the fullest. Then Parasuraman, et al. (1988) argue that the quality of service is to provide opportunities for services performed by service providers in meeting the needs and desires of customers and the accuracy of delivery to balance customer expectations.

In the banking context, according to Oliver (1999), Service quality is one of the keys to con as customer satisfaction. Satisfied customers will come back and will then be willing to recommend it to others. If the service received or perceived is as expected, then the service quality is perceived as good. If the service received exceeds customer expectations, the service quality is perceived as ideal. Thus, whether or not the quality of service is good

depends on the ability of service providers to consistently meet customer expectations (Tjiptono, 2014).

Several indicators will side be will side adjusted to field conditions. The indicators used in this study include; assurance, responsiveness(Tjiptono, 2014), empathy, and tangible(Parasuraman et al., 1988).

H2:The level of service quality has a positive effect on BSI customer loyalty after the merger

Religiosity

Religiosity is defined as the extent to which a person has committed to applying religious teachings with attitudes and behaviors that reflect his life (Damayanti et. al., 2018) (Juliana et. al., 2022). Putri (2012) revealed that religiosity is the level of one's religious faith which is reflected in beliefs, experiences, and behavior. This refers to the quality aspect of religious humans l their daily lives well.

According to Trishananto (2019), religiosity is an important thing that can affect customers. It can be seen when customers decide to buy a product based on their religious attitude. Furthermore, Juliana, et al (2020) showed that religiosity in a strong ideological dimension can encourage product-buying activities, one of which is Islamic banking.

Based on the definitions that have been mentioned, it can be concluded that religiosity in an individual makes the person act like his obedience. Religion is also a creature's relationship with God, and this relationship is manifested in social attitudes. The higher the level of religiosity of a customer, will affect his loyalty to banking.

Several indicators will be taken and adjusted to field conditions. The indicators used in this study include: confidence(Sood & Nasu, 1995), religious knowledge(Thoules, 1995), worship, and practice(Stark & Glock, 1968)

H3:The level of religiosity has a positive effect on BSI customer loyalty after the merger

Corporate Image

Image is a perception that is formed in the human mind (Batin, 2019). Kotler and Keller (2016) defined corporate image or corporate image as the customer's perception of the company which is manifested in the form of thoughts or ideas. Nguyen and Leblanc (2001) stated that corporate image relates to physical and company attributes such as name, building, products, and services to influence customers to be attracted to the company.

Good corporate image is related to customer trust and loyalty (Utami & Genoveva, 2020). Oscar & Keni (2019) revealed that the company's image is a memory that is implanted in the minds of customers. Impoimportant individuals or organizations in creating ideas, attitudes, policies, goods,s or services that will make an impression on others because they can create a certain image (Muflih & Juliana, 2019).

Based on the definitions mentioned above, it can be concluded that the company's image in banking is the customer perceptions that are embodied in the form of thoughts or ideas based on knowledge, responses, and experiences that have been received from the bank. Company image can influence customers' interest in using these banking services. A good image keeps banking alive and the people in it continue to develop creativity that is useful for others.

Several indicators will be taken and adjusted to field conditions. The indicators used in this study include value (Kotle & Keller, 2016), communication, and corporate identity (Harrison, 2007).

H4:The level of corporate image moderates the relationship between the level of trust and loyalty of BSI customers after the merger

H5: The level of corporate image moderates the relationship between the level of service quality and BSI customer loyalty after the merger

H6: The level of corporate image moderates the relationship between the level of religiosity and the loyalty of BSI customers after the merger

Departing from this hypothesis, customer loyalty can be influenced by either the level of trust, level of service quality, level of religiosity, and level of corporate image moderating the relationship between customer loyalty and level of trust, level of service quality, and level of religiosity. To that end, this study builds a framework as depicted in Figure 1.

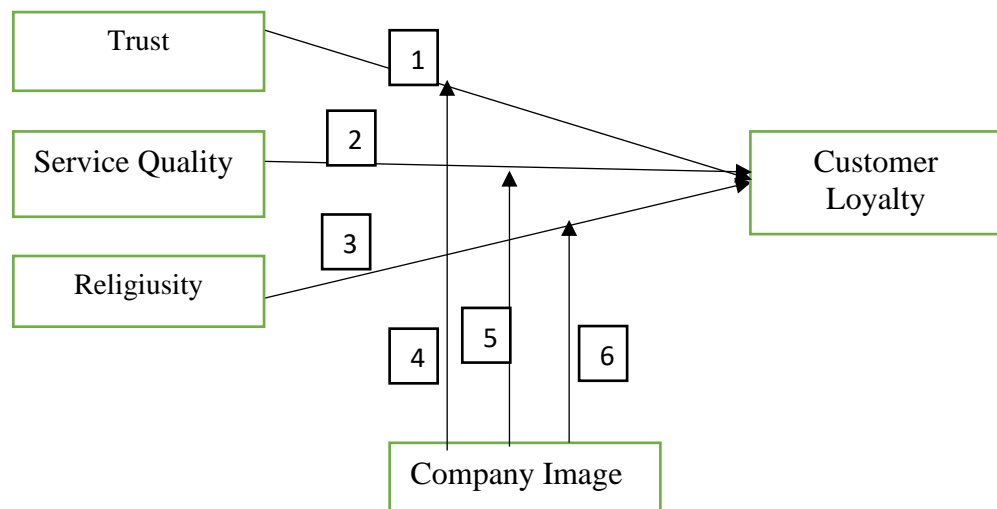


Figure 1. Theoretical Framework

III. RESEARCH METHODS

In line with the purpose of this study is to examine the relationship between the level of trust, level of service quality, level of religiosity, and level of corporate image on customer loyalty, the study used a survey method with a quantitative approach. This approach was used because of its superiority in reflecting the population of BSI customers and its ability to answer statistical hypotheses. To ensure that there was a relationship between the level of trust, level of service quality, level of religiosity, and level of corporate image on customer loyalty in accordance with the observed sample conditions, the authors chose BSI customers throughout Indonesia as the respondents.

The model proposed in this study was answered through the estimation of BSI customer respondents. This study used a non-probability sampling technique. Non-probability sampling was the sample taken in the study and which cannot be generalized with certainty, with the type of purposive sampling. The criteria of respondents in this study are: a) Muslim, and b) BSI customers after the merger.

The sampling technique used the Slovin formula which resulted in a calculation of 400 samples to which the author distributed a questionnaire via a google form. The questionnaire was distributed to and resulted in as many as 405 participating respondents. In the study, construct validity and variable reliability were tested. The instrument was developed using a differential semantic scale with criteria of high and low. Then the data analysis technique used was descriptive analysis technique and Partial Least Square-Structural Equation Modeling analysis (PLS-SEM) with the help of the Smart PLS 3 tool. The steps taken in this study were as follows:

1. Outer Model Validity Test

A validity test is used to determine whether the indicators that make up the latent variables are representative or not. Two criteria used to assess the validity of the outer model were Convergent Validity and Composite Reliability.

- a. *Convergent Validity* namely the test that is assessed based on the correlation between the item score/component score with the construct score calculated by PLS. This individual reflection measure is said to be high if its value is more than 0.70 with the construct to be measured. However, according to Chin as quoted in Ghazali (2014) in the early stage of research the loading value of 0.5-0.6 is considered quite good.
- b. *Composite Reliability* and Cronbach's alpha testing were carried out to measure internal consistency or measure the reliability of the measurement model and its value must be above 0.70. Composite reliability is another alternative test of Cronbach's alpha, when compared to the test results, composite reliability is more accurate than Cronbach's alpha.

2. Hypothesis Testing (Resampling Bootstrapping)

Hypothesis testing was conducted to compare between t count and t table. If the t count is greater than the t table ($t \text{ count} > t \text{ table}$), then the hypothesis is accepted. In addition, the hypothesis test in PLS-SEM can be determined by the p-value: if the p-value is less than 0.05 then the hypothesis is accepted and vice versa (Hair et al., 2013)

IV. RESULT AND DISCUSSION

Respondent Overview

This study observed male respondents (35.6%) and females (64.4%). In full, the character of the respondents is described in Table 1 as follows:

Table 1. Description of Respondent Characters

| Character | Description | Amount | Percentage (%) |
|----------------|--------------------------------|--------|----------------|
| Gender | Man | 144 | 35.6% |
| | Woman | 261 | 64.4% |
| Age | 17 - 25 Years | 266 | 65.7% |
| | 26 - 35 Years | 84 | 20.7% |
| | 36 - 45 Years | 33 | 8.1% |
| | > 45 Years | 22 | 5.4% |
| Last education | SD/MI/Equivalent | 0 | 0.0% |
| | SMP/MTs/Equivalent | 0 | 0.0% |
| | SMA/SMK/MA/Equivalent | 188 | 46.4% |
| | D1/D2/D3 | 31 | 7.7% |
| | S1/D4 | 159 | 39.3% |
| | S2/Master | 24 | 5.9% |
| Work | S3/Doctorate | 3 | 0.7% |
| | ASN/TNI/POLRI | 24 | 5.9% |
| | Professional | 22 | 5.4% |
| | BUMN employee | 20 | 4.9% |
| | Private employees | 145 | 35.8% |
| | Businessman | 48 | 11.9% |
| | Student/Student | 114 | 28.1% |
| | Pension | 4 | 1.0% |
| Monthly Income | Housewife | 20 | 4.9% |
| | Other | 8 | 2.0% |
| | IDR 0 - IDR 3,000,000 | 129 | 31.9% |
| | IDR 3,000,001 – IDR 5,000,000 | 151 | 37.3% |
| Island Origin | IDR 5,000,001 – IDR 10,000,000 | 90 | 22.2% |
| | > IDR 10,000,000 | 35 | 8.6% |
| | Java | 250 | 61.7% |
| | Sumatra | 69 | 17.0% |
| Home Bank | Borneo | 34 | 8.4% |
| | Sulawesi | 24 | 5.9% |
| | Bali/NTB/NTT | 21 | 5.2% |
| | Papua | 7 | 1.7% |
| | BNI Syariah Bank | 138 | 34.1% |
| Home Bank | Mandiri Syariah Bank | 83 | 20.5% |
| | BRI Syariah Bank | 49 | 12.1% |
| | No (New BSI Customer) | 135 | 33.3% |

As can be seen in Table 1, there were more female respondents than male respondents. Female respondents account for 64.4% (261 respondents). It showed that most of BSI customers are women. It seemed that the specific characteristics of women as being more disciplined and detailed in managing their finances, including saving their money in banks, may help explain the women-dominated customers of BSI (Roza, 2022).

It can also be seen that respondents aged 17-25 years were more dominant than respondents of higher ages. Respondents aged 17-25 years accounted for 65.7% (266 respondents). Arguably, this was due to the level of financial inclusion of the population in the age group of 17-25 years which accounted for 70% of the total population of Indonesia (Pamela, 2020). In line with this, data from the Central Statistics Agency (2021) showed that the population of Indonesia was dominated by people aged of 15-25 years, which amounted to as many as 44.78 million people.

The table also shows that in terms of educational level, respondents having the educational level of SMA (senior high school), Senior Vocational School (SMK) or equivalent were greater in number, amounting to 188 (46.4%) than those with educational

levels other than SMA/SMK/Equivalent. Respondents' educational level arguably can help them determine information related to products or services available at BSI. Customers having higher education and broad insight will likely think more rationally so they can make the best choices (Juliana & Marlina, 2016).

Another aspect that the table show is that respondents working as company employees dominated the group with a percentage of 35.8% or as many as 145 respondents. It is not surprising because BSI offers companies payroll services allowing employees of the companies to use BSI services (Walfajri, 2021)(Bank Syariah Indonesia, 2021).

In terms of income, respondents who had an average income of Rp. 3,000,001 – Rp. 5,000,000 per month dominated with a percentage of 37.3% or as many as 151 respondents. This is in line with the majority of respondents who worked as company employees. In addition, the average income of employees in Indonesia should adhere to the minimum wage standard for each region of around 2,000,000 – 4,000,000 (Idris, 2020).

With regards to demography, more on the island of Java than those who live outside Java with a percentage of 61.7% or as many as 250 respondents. This is probably due to the population distribution on the island of Java which is much denser than other islands. Based on data from the Central Statistics Agency (2022) which was obtained from the population census in 2020, the total population of Indonesia was around 271 million people. Of these, more than 152 million people, or 56.2% of the population live on the island of Java. Arguably, the role that the island of Java plays as the center of industry, including the Islamic banking industry, largely creates the population concentration (Wishnu, 2021). Moreover, in the case of BSI, the bank's largest network is mainly located on the island with 727 branches out of 1,244 BSI branches in Indonesia (2021).

Finally, as regards the pre-merged banks, the majority of respondents were customers of BNI Syariah Bank which accounted for 34.1%. However, the number was not much different from the post-merger BSI customers with a difference of only 0.8%. In fact, the number of BNI Syariah Bank accounts before the merger amounted to 4 million accounts (Alfi, 2020). After the merger, BSI customers were expected to increase by more than 2 million accounts in 2021(BSI, 2022).

Outer Model Validity Test

1. Convergent Validity

Convergent validity can be seen in the loading factor test results. The indicator is valid if the loading factor value is greater than 0.70. However, Hair (2017) suggested that for early-stage research the loading value of 0.5-0.6 is considered quite good.

Table 2. Loading Factors

| Variable | Loading Factor | Description |
|---|-----------------------|--------------------|
| Trust | | |
| My level of trust in BSI regarding the honesty aspect | 0.795 | Valid |
| My level of trust in BSI regarding moral and ethical aspects | 0.790 | Valid |
| My level of trust in BSI in providing services | 0.798 | Valid |
| My level of trust in BSI in meeting customer needs | 0.788 | Valid |
| My level of trust in BSI in providing information transparently | 0.792 | Valid |
| My level of trust in BSI in maintaining friendly relations with customers | 0.768 | Valid |
| Service Quality | | |
| The level of BSI's ability to safeguard customer's personal information | 0.783 | Valid |
| The security level of transactions at BSI | 0.798 | Valid |
| The level of ease of transacting at BSI | 0.745 | Valid |
| The level of professionalism of BSI employees in paying attention to the interests of customers | 0.711 | Valid |
| Complete facilities at BSI | 0.684 | Valid |
| The level of comfort and cleanliness of the BSI service room | 0.716 | Valid |

| | | |
|--|-------|-------|
| BSI's response to overcoming the obstacles experienced by customers | 0.810 | Valid |
| BSI clarity in providing information | 0.819 | Valid |
| Religiosity | | |
| My level of belief that Allah subhanahu wata'ala is always watching everything I do | 0.609 | Valid |
| My level of belief is that all behavior carried out as part of worship | 0.686 | Valid |
| My level of belief in Islamic law which regulates all aspects of life, including economic activities | 0.722 | Valid |
| My level of belief that transacting in Islamic banks is an activity that is recommended in Islam | 0.732 | Valid |
| The level of my knowledge of the law of actions that contain usury | 0.695 | Valid |
| My knowledge of the element of usury contained in transaction activities in conventional banks | 0.733 | Valid |
| My willingness to save funds at BSI to avoid the sin of usury | 0.816 | Valid |
| My willingness to save funds at BSI is intended for the benefit and benefit of the people | 0.804 | Valid |
| Service Quality | | |
| The level of concern of BSI employees toward customer needs | 0.789 | Valid |
| Conformity of BSI employee performance with sharia values | 0.736 | Valid |
| The level of ease of accessing the BSI website and m-banking | 0.650 | Valid |
| My interest is seeing BSI product offerings in print and electronic media | 0.793 | Valid |
| My level of knowledge is that BSI is the result of a merger of three state-owned Islamic banks | 0.611 | Valid |
| My level of knowledge of the BSI logo and slogan | 0.660 | Valid |
| Customer Loyalty | | |
| The level of intensity I make transactions at BSI | 0.689 | Valid |
| My willingness to take advantage of various product services from BSI | 0.736 | Valid |
| My willingness to give the best rating for BSI | 0.774 | Valid |
| My willingness to recommend BSI to others | 0.791 | Valid |
| My willingness to remain a BSI customer | 0.758 | Valid |
| My willingness not to turn to other banks | 0.693 | Valid |

Based on Table 2, it can be said that the indicators in this study had an adequate convergent validity because all indicators had a loading factor value of more than 0.5 so the indicators in this study were valid. So it can be said that a set of indicators in this study represent the latent variables and the underlying latent variables in the study.

2. Composite Reliability and Cronbach's Alpha

Composite Reliability and Cronbach's alpha testing were performed to measure internal consistency or measure the reliability of the measurement model and its value must be above 0.70. Composite reliability is another alternative test of cronbach's alpha, when compared to the test results, composite reliability is more accurate than cronbach's alpha.

Table 3. Composite Reliability and Cronbach's Alpha

| | Cronbach's Alpha | Composite Reliability |
|-----------------|------------------|-----------------------|
| Trust | 0.879 | 0.908 |
| Service Quality | 0.895 | 0.916 |
| Religiosity | 0.872 | 0.899 |
| Company Image | 0.801 | 0.858 |

| | | |
|----------------------------|-------|-------|
| Customer Loyalty | 0.836 | 0.880 |
| <i>Moderating Effect 1</i> | 1,000 | 1,000 |
| <i>Moderating Effect 2</i> | 1,000 | 1,000 |
| <i>Moderating Effect 3</i> | 1,000 | 1,000 |

The test results based on Table 3 of the SmartPLS processing results on each latent variable in this study indicated that all variables in this study had Cronbach's alpha and composite reliability values of more than 0.7. Therefore, it can be concluded that all latent variables in this study were reliable and the model built had a very good level of reliability.

3. Hypothesis Testing (Resampling Bootstrapping)

In this section, the hypothesis test in PLS-SEM can be determined by the p-value: if the p-value is less than 0.05 then the hypothesis is accepted, and vice versa. (Hair et al., 2013)(Hair, Hult, Ringle, & Sarstedt, 2017).

Table 4. Output Path Coefficient

| | Original Sample(O) | T-Stats | P-Values |
|------------------------------------|--------------------|---------|----------|
| PC -> LN | 0.214 | 3,519 | 0.000 |
| KL -> LN | 0.142 | 1.960 | 0.051 |
| RE -> LN | 0.272 | 4,594 | 0.000 |
| CP -> LN | 0.271 | 5.024 | 0.000 |
| <i>Moderating Effect 1-> LN</i> | -0.061 | 0.815 | 0.416 |
| <i>Moderating Effect 2-> LN</i> | 0.007 | 0.082 | 0.935 |
| <i>Moderating Effect 3-> LN</i> | 0.037 | 0.649 | 0.517 |

The study investigated the influence of the effect of the variables of the level of trust, level of service quality, level of religiosity, and level of corporate image on customer loyalty of

Bank Syariah Indonesia (BSI). The results show that the level of trust had a positive effect on customer loyalty after the BSI merger. The more positive a person's level of trust, the higher the customer loyalty to BSI will be. The study supports Mowen and Minor's (2002) finding that if customers are satisfied and have high trust in a bank, the customers will tend to be loyal to that bank. Trust is built among customers because of their expectation that banks will act in accordance with the needs and desires of customers. When customers have trusted the bank, they will believe that their expectations will be fulfilled and there will be no more disappointment (Arista & Sri, 2011). The finding is in line with the finding of Alhanatleh (2021), Kumara and Karunaratna (2018), Chack et al(2017), Khotimah (2017), and Trisusanti (2017) which revealed that the level of trust had a positive effect on customer loyalty.

With regard to service quality, the finding showed that the level of service quality, be it low or high, did not affect the customer loyalty level. The finding corroborates the finding of Winasih and Hakim (2021) that found that service quality had no significant effect on customer loyalty in Islamic banking. In line with this, Amah et al (2019) and Kasdi and Saifudin (2019) stated that service quality had no direct positive effect on customer loyalty. It is also in line with the finding of Karani et al (2019) that service quality had no direct effect on customer loyalty. Moreover, Devila (2017) found that service quality indirectly had a negative and insignificant effect on customer loyalty.

The effectiveness of service quality on BSI customer loyalty can occur due to several aspects. Most of the respondents are aged 17-25 years who are employees. Employees have a low intensity for banking transactions due to their busy schedules, so customers only use e-banking services (Maharani, 2017). So the respondents did not pay too much attention to the quality of BSI services.

Religiosity had a positive influence on customer loyalty of the newly merged BSI. The higher a person's level of religiosity, the higher the customer loyalty to BSI. The finding corroborates the finding Juliana et al(2018) that the religiosity of an individual leads to religious obedience or observance. The religious observance will ideally be manifested in a person's social attitudes (Juliana et. al., 2022). Moreover, as stated by Trishananto (2019), religiosity is an important aspect that can affect customers. This for example can be observed when a customer decides to buy a product based on their religious attitude. In addition, the finding is also in line with the finding of Dinh et al (2022), Winasih and Hakim

(2021), Aulia and Hafasnuddin (2021), Munandar and Sari (2019), and Nurhayati and Sukesti (2016) which suggested that religiosity has a positive effect on customer loyalty.

Finally, the corporate image variable does not moderate the relationship between the variables of the level of trust, service quality, and religiosity on customer loyalty. This is because the corporate image variable is a predictor moderating variable whose function is to predict the relationship between the independent variable and the dependent variable. Thus, the corporate image variable is not sufficient to strengthen the relationship influence of trust, service quality, and religiosity on BSI customer loyalty after the merger. However, the corporate image variable is more suitable to be used as an independent variable that directly affects customer loyalty.

V. CONCLUSION

Based on the findings in the field, the research concludes as follows: The level of trust has a positive effect on post-merger BSI customer loyalty. service quality has had no effect on customer loyalty after the BSI merger. The level of religiosity has a positive effect on post-merger BSI customer loyalty. The level of corporate image does not moderate the effect of trust, service quality, and religiosity on post-merger BSI customer loyalty.

The practical implication of this research is that the level of trust and religion of Islamic bank customers greatly influences customer loyalty. So, related parties such as the government, regulators, and bank practitioners must pay attention to these factors as a means to boost the acceleration of migration toward BSI. Those who have authority must design and create better concepts in improving the service quality. Because based on research it is still considered not fulfilling the obligations of customers. Besides that, to get more significant results, further studies need to expand the types of coverage and variables used.

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