

Increasing Customer Trust in Islamic Bank: Role of Service Quality and Satisfaction

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Abstract—The financial services sector, particularly banking, fundamentally relies on trust as a cornerstone of its business operations. For bank customers, trust is a critical factor influencing their decision to establish and maintain transactional relationships, including the utilization of financial services. This research aims to comprehensively examine how electronic service quality (e-service quality) and customer satisfaction contribute to enhancing customer trust in Islamic Banks. Employing university students enrolled in Islamic higher education institutions in Malang, East Java, Indonesia, as the unit of analysis, this study adopts a quantitative approach. Data were collected from a sample of 97 Islamic bank customers through online questionnaires and analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique. Result show that E-Service Quality has a positive and significant effect on Customer Satisfaction with a path coefficient (β) of 0.798. This is the largest coefficient among the relationships studied, indicating a strong positive effect. Furthermore, Customer Satisfaction also shows a positive and significant influence on Customer Trust with a path coefficient (β) of 0.611. Lastly, the direct effect of E-Service Quality on Customer Trust has a path coefficient (β) of 0.199, which is not significant. The research findings indicate that e-service quality exerts the most substantial positive and significant influence on customer satisfaction within the tested research model. However, the analysis reveals that e-service quality does not have a direct significant impact on customer trust. Instead, customer trust is significantly influenced by the level of satisfaction experienced by customers. The crucial implication of this study lies in the affirmation of customer satisfaction as a primary outcome of e-service quality and simultaneously a key determinant in building customer trust, specifically within the context of Islamic bank customers. These results underscore the importance for Islamic banking institutions to prioritize the enhancement of their e-service quality to cultivate high levels of customer satisfaction, which will ultimately strengthen customer trust and long-term loyalty. This research provides empirical contributions to understanding the dynamics of trust in the Islamic banking context and offers strategic implications for bank management.

Keywords: Customer Trust; Customer Satisfaction; E-Service Quality; Islamic Bank.

1. INTRODUCTION

The Indonesian Islamic banking sector has witnessed substantial growth, reflecting a global trend towards ethical and faith-based financial services. In the competitive landscape of financial institutions, cultivating and sustaining customer trust has become a paramount objective for Islamic banks seeking long-term viability and market share. Trust, a multifaceted construct encompassing perceptions of integrity, competence, and benevolence, significantly influences customer behavior, including loyalty, retention, and positive word-of-mouth. Within the specific context of Islamic banking, trust is further intertwined with adherence to Sharia principles, which forms a core value proposition for its clientele (Haron et al., 2020; Janah et al., 2020; Sari et al., 2023). Therefore, understanding the antecedents of customer trust in Islamic banks is crucial for practitioners and researchers alike to foster stronger customer relationships and enhance the overall growth of the sector.

The proliferation of digital technologies has fundamentally reshaped the banking industry, leading to the widespread adoption of electronic services. E-service quality, encompassing aspects such as website design, ease of use, responsiveness, security, and reliability of online banking platforms, has emerged as a critical determinant of customer perceptions and attitudes toward financial institutions. High-quality e-services can enhance customer convenience, accessibility, and efficiency, thereby contributing positively to the overall customer experience. In the realm of Islamic banking, where a significant portion of the customer base may be digitally savvy, the quality of e-services plays a pivotal role in shaping their trust in the bank's ability to deliver reliable and secure financial solutions.

Customer satisfaction, resulting from the comparison between perceived service performance and prior expectations, represents another significant driver of customer trust (Halim et al., 2023; Hanif et al., 2024; Singgalen, 2024). When customers experience satisfactory interactions and receive services that meet or exceed their expectations (Alshurideh et al., 2020; Haron et al., 2020; Setiawan et al., 2020; Vatolkina et al., 2020), their confidence in the bank's capabilities and reliability tends to increase. In the context of Islamic banking, satisfaction may stem not only from the functional aspects of service delivery but also from the perceived alignment of the bank's operations with Sharia principles

and ethical values. Satisfied customers are more likely to develop a sense of trust in the institution, leading to stronger and more enduring relationships.

E-service quality, often abbreviated as e-SQ, represents the overall quality of service that customers perceive when interacting with a business through electronic channels, primarily the Internet (Arilaha et al., 2021; Çelik, 2021; Kalia & Paul, 2021). It's a multifaceted construct that goes beyond the traditional dimensions of service quality in physical settings. In the digital realm, customers evaluate their experiences based on a range of factors, including the functionality and design of the website, the reliability of the information provided, the responsiveness of the online support, the security of transactions, and the personalization of the interaction. Ultimately, high e-service quality aims to create a seamless, efficient, and enjoyable online experience for the customer. The significance of e-service quality has grown exponentially with the rise of e-commerce and online service delivery. In today's competitive digital landscape, businesses must prioritize delivering excellent e-service to attract and retain customers. Unlike physical interactions where human elements can sometimes compensate for shortcomings, online interactions rely heavily on the effectiveness of the digital interface and the underlying processes. Poor website navigation, slow loading times, inaccurate product information, or a lack of effective customer support can quickly lead to customer frustration and abandonment. Several key dimensions are commonly used to assess e-service quality. These often include website design, which encompasses aspects like ease of navigation, visual appeal, and user-friendliness. Reliability refers to the accurate and consistent delivery of promised services, such as timely order fulfillment and accurate billing. Responsiveness involves the willingness and ability of the service provider to provide prompt assistance and handle inquiries or problems efficiently. Security pertains to the safety and protection of customer information and financial transactions. Finally, personalization focuses on the extent to which the online service is tailored to individual customer needs and preferences. By focusing on these dimensions, businesses can strategically improve their online offerings and cultivate stronger customer relationships. Investing in user-centered website design, ensuring robust security measures, providing multiple and responsive customer support channels, and striving for accurate and timely service delivery are all crucial elements in enhancing e-service quality. Ultimately, a strong focus on e-service quality can translate into increased customer satisfaction, greater customer loyalty, and a stronger competitive advantage in the online marketplace.

Customer satisfaction is a fundamental concept in marketing and business, representing the degree to which a customer's expectations of a product or service are met or exceeded by their experience. It's an affective state, reflecting a customer's feelings of pleasure or disappointment resulting from comparing what they anticipated with what they received. This evaluation is not solely based on the core product or service itself but also encompasses the entire customer journey, including pre-purchase information, the purchase process, post-purchase support, and any interactions with the company. Achieving high levels of customer satisfaction is paramount for long-term business success. Satisfied customers are more likely to become repeat purchasers, exhibit greater brand loyalty, and even act as advocates by recommending the business to others. Conversely, dissatisfied customers are prone to switching to competitors, spreading negative word-of-mouth, and potentially damaging the company's reputation. In the digital age, where information spreads rapidly through online reviews and social media, the impact of both positive and negative experiences is amplified. Customer satisfaction is influenced by a multitude of factors. These can include the perceived quality of the product or service, the price paid relative to the perceived value, the efficiency and effectiveness of service delivery, and the quality of customer interactions. Emotional factors also play a significant role, as customers often form opinions based on how they feel during and after their interactions with a company. A positive and seamless experience, coupled with a product or service that meets their needs, typically leads to higher satisfaction levels.

Businesses actively strive to measure and manage customer satisfaction through various methods, such as surveys, feedback forms, online review analysis, and social media monitoring. Understanding the drivers of satisfaction and dissatisfaction allows companies to identify areas for improvement and implement strategies to enhance the overall customer experience. By consistently focusing on meeting and exceeding customer expectations, organizations can cultivate a loyal customer base, improve their brand image, and ultimately drive sustainable growth.

Besides satisfaction, customer trust is a psychological state comprising the willingness of a customer to rely on a service provider based on the belief or expectation resulting from the provider's credibility, benevolence, and integrity. It goes beyond mere satisfaction and involves a deeper level of confidence in the company's ability and intention to fulfill its promises and act in the customer's best interest. Trust is built over time through consistent positive experiences and transparent interactions. In the online environment, where physical cues and direct personal interaction are limited, building and maintaining customer trust is particularly crucial. Customers are often hesitant to share personal information, make online purchases, or engage with unfamiliar websites without a strong sense of trust. Factors such as website security, privacy policies, clear terms and conditions, and the presence of positive online reviews and testimonials play a significant role in establishing initial trust.

Several key dimensions contribute to the formation of customer trust. Credibility refers to the perceived expertise and reliability of the service provider. Benevolence relates to the belief that the provider genuinely cares about the customer's well-being and is motivated to act in their interest. Integrity involves the perception that the provider is honest, ethical, and adheres to its stated values and commitments. When customers perceive a company as credible, benevolent, and having integrity, they are more likely to develop trust. The consequences of a breach of customer trust can be severe and long-lasting, leading to customer attrition, negative publicity, and damage to the company's reputation. Conversely, high levels of customer trust can foster strong customer loyalty, encourage repeat business, and even lead to customers being more forgiving in the event of minor service failures. Therefore, businesses must prioritize building and nurturing

customer trust through consistent delivery of quality service, transparent communication, robust security measures, and a genuine commitment to ethical practices.

Based on previous studies, a strong relationship emerges between e-service quality, customer satisfaction, and customer trust, especially in digital and service-oriented industries. Agritika, Hartoyo, & Suharjo, (2024) demonstrated how e-service quality significantly affects both satisfaction and trust, which in turn influence customer loyalty among Klik Indomaret users. This aligns with Halim, Claudia, & Hebrard (2023), who confirmed that e-service quality and customer satisfaction contribute directly to trust in digital product purchases. Similarly, Setiawan, Wati, Wardana, & Ikhsan, (2020) found that in the airline industry, service quality and price fairness improve satisfaction and trust, with satisfaction acting as a mediating variable. These studies collectively support the theory that customer satisfaction bridges the gap between service quality and trust in various sectors, from retail to aviation. Dahlia, Vikaliana, & Purnaya, (2022) further reinforce this pattern by showing a very strong correlation ($r = 0.923$) between service quality and customer satisfaction in a traditional service context like PT Pos Indonesia. Although their study did not directly address trust, the implication is clear: high satisfaction likely fosters trust, especially in repeat-service environments. Meanwhile, other researchers in hospitality settings (Puspitarini, 2025; Singgalen, 2024), highlight that perceptions of service quality—through tangible and intangible factors like cleanliness, responsiveness, and digital amenities—significantly influence satisfaction and lead to customer loyalty and trust. The interconnectedness of these constructs reveals that regardless of industry, improving perceived quality is essential for sustaining satisfaction and long-term trust.

Customer satisfaction plays a pivotal role in shaping perceptions of a financial institution. Specifically, satisfied customers exhibit a greater tendency to view their bank as reliable and dependable (Asnawi et al., 2020; Haron et al., 2020; Raza et al., 2020). This observation resonates with established theories of trust development within service-based relationships, where positive engagements and met expectations foster a sense of security and confidence in the service provider. Within the specific domain of Islamic banking in Indonesia, previous research indicates that elements extending beyond mere service quality (Agia & Nurjannah, 2022; Nengsih et al., 2021; Pradesa et al., 2022), such as the strict adherence to Sharia principles and the perceived ethical behavior of the institution (Fikriyah & Rahmawati, 2022; Hidayati et al., 2024; Janah et al., 2020), significantly impact trust. Nevertheless, a positive online experience likely acts as a fundamental building block upon which trust can be further nurtured and strengthened. This notion aligns with the sequential model of customer relationship development, which posits that positive service encounters lead to customer satisfaction, subsequently laying the groundwork for trust (Najmudin, 2020; Rahman et al., 2020; Wilis & Nurwulandari, 2020). In the specific context of online banking, several factors contribute to customer satisfaction. These include the presence of a user-friendly interface that is easy to navigate, the efficiency of transaction processing, and the availability of responsive and helpful customer support. When customers experience these positive attributes, they are more likely to feel valued and competent in their interactions with the bank. Ultimately, the broader tenets of relationship marketing underscore the importance of cultivating positive customer experiences as a cornerstone for establishing long-term trust and fostering customer loyalty (Agritika et al., 2024; Alshurideh et al., 2020; Supriyanto et al., 2021).

From a managerial perspective, these findings suggest a critical need for businesses to enhance digital service quality by emphasizing reliability, responsiveness, and personalized experiences. In particular, for digitally native consumers such as Gen Z and millennials (as noted by Agritika et al., 2024) digital touchpoints and social media communication are key to building trust through satisfaction. Businesses should also recognize satisfaction as a dynamic mediating force that not only results from quality but also serves as a foundation for long-term trust and loyalty. Thus, companies across sectors must continuously assess and elevate their service standards to strengthen trust-based relationships in increasingly competitive markets.

The city of Malang, located in East Java, Indonesia, presents a compelling unit of analysis for this study due to its significant Muslim population and the presence of various Islamic banking institutions. Understanding the factors that influence trust among Islamic bank customers in this specific geographical context can provide valuable insights for banks operating in similar demographic and cultural environments. Furthermore, employing a quantitative methodology, specifically path analysis, will allow for the examination of the direct and indirect relationships between e-service quality, customer satisfaction, and customer trust. This approach enables a more nuanced understanding of the causal pathways through which these variables influence the development of trust among Islamic bank customers.

Therefore, this research aims to investigate the role of e-service quality and customer satisfaction in fostering trust among customers of Islamic banks in the city of Malang, East Java, Indonesia. By employing path analysis on data collected from Islamic bank customers, this study seeks to provide empirical evidence regarding the direct impact of e-service quality on customer trust and the mediating role of customer satisfaction in this relationship. The findings of this research are expected to contribute to the existing body of knowledge on customer trust in the banking sector, particularly within the context of Islamic finance, and offer practical implications for Islamic banks seeking to enhance customer trust through the provision of high-quality e-services and the cultivation of customer satisfaction.

2. RESEARCH METHODS

2.1 Basic Research Framework

Before diving into the specifics of how we measure each variable, it's crucial to lay the theoretical groundwork that underpins our understanding of Service Quality, Customer Satisfaction, and Customer Trust within the context of Islamic

banking. These constructs are not merely abstract concepts; they are deeply rooted in established marketing and consumer behavior theories that explain how customers perceive and interact with service providers. E-Service Quality in this study refers to the customer's overall assessment of the online and electronic banking services provided by the Islamic bank, reflecting how well the bank's digital channels meet or exceed customer expectations. This will be measured by statements such as "Overall my e-banking experience with this bank has been excellent" (ESQ1), "The overall quality of the e-service provided by this bank is excellent" (ESQ2), "My overall feelings toward the bank's e-service are positive" (ESQ3), and "Overall service expectation is fulfilled by this bank" (ESQ4). Customer Satisfaction represents the customer's overall contentment with their relationship and interactions with the Islamic bank, going beyond specific transactions to reflect a broader sense of fulfillment. Our measurement will include indicators like "I am satisfied with this bank" (CS1), "This bank is getting close to the ideal Shariah Bank" (CS2) which uniquely assesses satisfaction within the Islamic banking context, and "The bank always meets my needs" (CS3). Finally, Customer Trust in this research signifies the customer's belief in the Islamic bank's reliability, integrity, and adherence to ethical and Sharia-compliant practices, implying a willingness to be vulnerable to the bank's actions based on positive expectations. The indicators for Customer Trust are "This bank operates scrupulously" (CT1), "Happy with the standards by which this bank is operating" (CT2) which reflects satisfaction with the bank's operational standards, including its adherence to Islamic finance principles, and "Believe the statements of this bank" (CT3). To measure all of these constructs, participants will use a 5-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree," to indicate their agreement with statements in questionnaire that developed for this study.

The digital marketplace thrives on positive customer experiences, and at the heart of these experiences lie the concepts of e-service quality, customer satisfaction, and customer trust. These constructs are not isolated entities but rather intricately linked, forming a sequential chain of influence that significantly impacts customer behavior and business outcomes. A strong foundation of high e-service quality sets the stage for customer satisfaction, which in turn cultivates customer trust. This section will delve into the direct and indirect relationships between these key concepts and propose testable hypotheses.

E-Service Quality to Customer Satisfaction: The initial point of contact between a customer and an online business is often through its digital interface. The quality of this interaction, encapsulated by e-service quality, plays a pivotal role in shaping the customer's immediate evaluation and overall satisfaction. When a website is user-friendly, provides accurate information, offers efficient support, ensures secure transactions, and personalizes the experience, customers are more likely to have their needs met effectively and feel positive about their interaction. Conversely, a poorly designed, unreliable, unresponsive, or insecure online environment can lead to frustration and dissatisfaction. Therefore, we posit a direct and positive relationship between e-service quality and customer satisfaction.

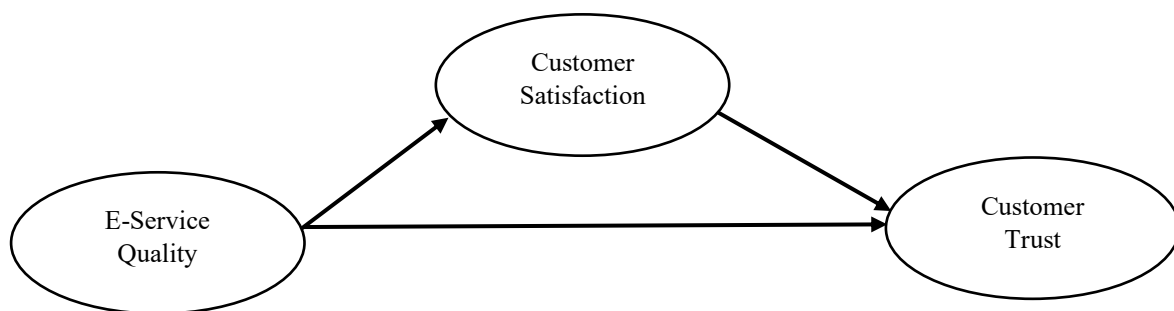


Figure 1. Conceptual Framework

Hypothesis 1 (H1): Higher levels of perceived e-service quality will lead to higher levels of customer satisfaction in the online context

E-Service Quality to Customer Trust: Beyond immediate satisfaction, consistently high e-service quality contributes significantly to the development of customer trust. Each positive interaction reinforces the customer's belief in the service provider's competence, reliability, and integrity. When a business consistently delivers on its promises, provides secure and dependable services, and demonstrates a commitment to customer needs through its online channels, it builds a reputation of trustworthiness. Conversely, negative online experiences can erode trust, making customers hesitant to engage further or share sensitive information. Thus, we propose a direct and positive relationship between e-service quality and customer trust.

Hypothesis 2 (H2): Higher levels of perceived e-service quality will lead to higher levels of customer trust in the online context

Customer Satisfaction to Customer Trust: Customer satisfaction, stemming from positive experiences with the online service, also plays a crucial role in fostering customer trust. When customers are satisfied with the quality of service they receive, they are more likely to develop confidence in the service provider's ability to consistently meet their expectations. A history of positive experiences builds a sense of reliability and dependability, which are fundamental components of trust. Satisfied customers are more inclined to believe in the company's benevolence and integrity, leading to a stronger

trusting relationship. Therefore, we hypothesize a direct and positive relationship between customer satisfaction and customer trust.

Hypothesis 3 (H3): Higher levels of customer satisfaction will lead to higher levels of customer trust in the online context

Indirect Relationship: E-Service Quality to Customer Trust through Customer Satisfaction: The relationships discussed above also suggest an indirect pathway through which e-service quality influences customer trust. High e-service quality leads to increased customer satisfaction, and this satisfaction, in turn, enhances customer trust. In this model, customer satisfaction acts as a mediator, transmitting the positive effects of e-service quality to customer trust. Customers who experience high-quality online service are more likely to be satisfied, and their satisfaction strengthens their belief in the trustworthiness of the online provider.

Hypothesis 4 (H4): Customer satisfaction mediates the relationship between e-service quality and customer trust in the online context

Specifically, higher e-service quality leads to higher customer satisfaction, which in turn leads to higher customer trust. The proposed mediation suggests a sequential influence where the quality of the online banking service first impacts how satisfied customers are with their experience. This satisfaction, in turn, forms a crucial foundation for the development of trust in the banking institution. Customers who perceive the online platform as user-friendly, reliable, and efficient are more likely to be satisfied with the service. This positive satisfaction then cultivates a sense of confidence and dependability, leading to increased trust in the bank's ability to meet their needs and protect their interests in the digital environment. Therefore, the effect of e-service quality on customer trust is not direct but rather channeled through the intervening variable of customer satisfaction. A positive online service experience breeds satisfaction, which then fosters the belief and confidence that are central to customer trust.

By examining these direct and indirect relationships and testing these hypotheses, we can gain a deeper understanding of the mechanisms through which online businesses can cultivate positive customer relationships built on satisfaction and trust, ultimately leading to greater customer loyalty and business success.

2.2 Research Protocol

The methodological framework of this study was designed to explore how service quality and customer satisfaction contribute to enhanced customer trust within Islamic banking. The study focused on university students attending Islamic higher education institutions in Malang, East Java, Indonesia, recognizing their growing interaction with digital financial services and their significance as potential future clients of Islamic banks. A quantitative research approach was utilized to examine the interconnections between the study's variables. The operationalization of concepts and constructs into measurable variables was a critical step in developing the questionnaire instrument for this study. Each of the core constructs—service quality, customer satisfaction, and customer trust—was defined conceptually based on established literature. For instance, service quality was conceptualized as the overall evaluation of the bank's online service delivery, encompassing aspects like reliability, responsiveness, assurance, empathy, and tangibles, adapted to the digital context. Customer satisfaction was defined as the degree to which customers' experiences with the Islamic bank's services met or exceeded their expectations. Customer trust was conceptualized as the belief in the bank's reliability and integrity.

Following the conceptual definitions, each construct was further broken down into specific dimensions or indicators, drawing upon existing scales validated in prior research within the fields of service quality, customer satisfaction, and trust, particularly within the banking and online service sectors. For example, service quality was operationalized using multiple items adapted from established e-service quality scales, capturing aspects such as the website's ease of use, the bank's responsiveness to online inquiries, the security of online transactions, and the clarity of information provided. Customer satisfaction was measured using items assessing overall satisfaction with the bank, the extent to which the bank met their needs, and their feelings towards the bank. Customer trust was operationalized through items gauging the respondents' belief in the bank's statements, their confidence in the bank's operations, and their overall trust in the institution. These dimensions and indicators then formed the basis of the individual questions in the online questionnaire. Each item was phrased as a statement that respondents could rate on a multi-point Likert scale, typically ranging from strongly disagree to strongly agree. This scaling allowed for the collection of quantitative data reflecting the respondents' perceptions and attitudes toward each aspect of the constructs. The questionnaire was carefully designed to ensure clarity, conciseness, and relevance to the context of Islamic banking and the experiences of university student customers in Malang.

Data acquisition involved the direct administration of web-based questionnaires to participants over a one-month timeframe. The study's sample consisted of 97 student respondents who were already clients of Islamic banks. Participants were selected using a convenience sampling method, whereby individuals who were easily reachable and met the defined criteria—being Islamic university students in Malang and current Islamic bank customers during the data collection phase—were included in the research. The analysis of the gathered data was performed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique. PLS-SEM, a variance-based approach to structural equation modeling, is well-suited for analyzing intricate path models and is particularly effective when the research aims to predict and explain the associations between different constructs. This analytical method enabled a simultaneous investigation of both the direct and indirect impacts of service quality and customer satisfaction on customer trust within the realm of Islamic banking, thereby facilitating a thorough understanding of the proposed relationships.

3. RESULTS AND DISCUSSION

3.1 Results

The demographic profile of the respondents in this study was predominantly female, constituting over two-thirds of the total sample, while male participants represented approximately one-third. In terms of educational attainment, the respondents exhibited a diverse range of levels, with a relatively balanced distribution across high school graduates, diploma holders, and those with a bachelor's degree or higher. The majority of the participants identified their primary occupation as undergraduate students, followed by a smaller proportion of postgraduate students. A significant portion of the respondents also indicated a notable level of engagement in financial transactions, with most reporting daily transactions amounting to at least Rp 50,000. From a demographic standpoint, the sample was largely composed of young adults, particularly those aged between 23 and 35 years, with a smaller representation of individuals under 23 and a minimal number of respondents over 35 years of age. Furthermore, the majority of the respondents reported being single. Overall, the respondent profile in this research depicts a population primarily consisting of young adult females with a bachelor's level of education, most of whom are actively involved in daily financial transactions and are predominantly unmarried.

Table 1. Outer Model and Mean

Variable Indicators	Loading Factor	t statistics	p values	Mean
Overall my e-banking experience with this bank has been excellent (ESQ1)	0.842	20.632	0.000	4.18
The overall quality of the e-service provided by this bank is excellent (ESQ2)	0.809	24.642	0.000	4.30
My overall feelings toward the bank's e-service are positive (ESQ3)	0.924	54.847	0.000	4.08
Overall service expectation is fulfilled by this bank (ESQ4)	0.861	25.343	0.000	4.12
I am satisfied with this bank (CS1)	0.875	27.126	0.000	4.07
This bank is getting close to the ideal Shariah Bank (CS2)	0.902	36.684	0.000	3.75
The bank always meets my needs (CS3)	0.858	29.660	0.000	3.94
This bank operates scrupulously (CT1)	0.896	45.019	0.000	3.73
Happy with the standards by which this bank is operating (CT2)	0.920	65.488	0.000	3.95
Believe the statements of this bank (CT3)	0.907	48.962	0.000	4.08

The loading factor for each indicator represents the strength of the relationship between the indicator and its respective construct. Generally, loadings of 0.70 or higher are considered acceptable, indicating that the indicator adequately represents the construct.

All indicators in E-service Quality (ESQ1, ESQ2, ESQ3, ESQ4) exhibit strong loading factors, ranging from 0.809 to 0.924. The highest loading is observed for ESQ3 ("My overall feelings toward e-service of the bank are positive" - 0.924), suggesting this indicator is the strongest representation of the e-service quality construct. The lowest loading is for ESQ2 ("The overall quality of the e-service provided by this bank is excellent" - 0.809), which still demonstrates a substantial relationship with the construct. All indicators of Customer Satisfaction (CS1, CS2, CS3) also show strong loading factors, ranging from 0.858 to 0.902. The indicator CS2 ("This bank is getting close to the ideal Shariah Bank" - 0.902) has the highest loading, indicating it is the most influential in defining customer satisfaction in this context. The lowest loading is for CS3 ("The bank always meets my needs" - 0.858), but it remains well above the acceptable threshold. While all indicators of Customer Trust (CT1, CT2, CT3) display high loading factors, ranging from 0.896 to 0.920. CT2 ("Happy with the standards by which this bank is operating" - 0.920) has the highest loading, suggesting it is the most prominent aspect of customer trust in this model. The lowest loading is for CT1 ("This bank operates scrupulously" - 0.896), which is still very strong.

The t-statistics and p-values assess the significance of the indicator loadings. All indicators across the three constructs have high t-statistics (all above the common threshold of 1.96) and p-values of 0.000, which are well below the significance level of 0.05. This indicates that all indicator loadings are statistically significant, strongly supporting the relationship between each indicator and its respective construct.

The mean values provide insights into the average responses for each indicator on the measurement scale used (assuming a Likert scale, higher values generally indicate stronger agreement). The mean values for the ESQ indicators range from 4.08 to 4.30. The highest mean is for ESQ2 (4.30), suggesting respondents generally agree that the overall quality of the e-service is excellent. The lowest mean is for ESQ3 (4.08), indicating slightly less strong agreement with the statement that their overall feelings toward the bank's e-service are positive, although still on the positive side of the scale. The mean values for the CS indicators range from 3.75 to 4.07. The highest mean is for CS1 ("I am satisfied with this bank" - 4.07), indicating a general level of satisfaction. The lowest mean is for CS2 ("This bank is getting close to the ideal Shariah Bank" - 3.75), suggesting respondents perceive the bank as moving towards the ideal but may not fully consider it there yet. While mean values for the CT indicators range from 3.73 to 4.08. The highest mean is for CT3 ("Believe the statements of this bank" - 4.08), indicating a relatively strong level of belief in the bank's communication.

The lowest mean is for CT1 ("This bank operates scrupulously" - 3.73), suggesting a slightly less strong agreement regarding the bank's scrupulous operations compared to other trust-related aspects.

The analysis of the SmartPLS output reveals strong internal consistency and reliability for the measurement of E-service quality, customer satisfaction, and customer trust. All indicators exhibit high and significant loading factors on their respective latent constructs, indicating that they are good measures of these concepts. The highest loading indicators for each construct highlight the most salient aspects as perceived by the respondents: the positive overall feeling towards e-service for ESQ, the perception of moving towards an ideal Shariah Bank for CS, and the belief in the bank's statements for CT. Conversely, the indicators with the lowest loadings, while still strong, suggest areas that might be slightly less central to the overall perception of each construct in this specific context. The mean values provide a snapshot of the average levels of agreement with each statement. While generally positive, the variations in means across indicators offer nuanced insights. For instance, while overall e-service quality is rated highly, the specific feeling towards it has a slightly lower average. Similarly, while there's general satisfaction, the perception of reaching the "ideal Shariah Bank" has a lower average agreement. Trust is generally present, with the belief in statements being slightly stronger than the perception of scrupulous operations.

Table 2. Quality Criteria

Variable	Cronbach's Alpha	Composite Reliability	Average variance extracted (AVE)	R-Square	Adjusted R-Square
E-Servqual	0.882	0.896	0.740		
Customer Satisfaction	0.852	0.854	0.772	0.637	0.633
Customer Trust	0.893	0.893	0.824	0.608	0.600

The quality criteria for the E-service quality (E-Servqual), customer satisfaction, and customer trust constructs reveal a robust and reliable measurement model. The internal consistency of each construct is high, as evidenced by Cronbach's Alpha values of 0.882 for E-Servqual, 0.852 for customer satisfaction, and 0.893 for customer trust, all comfortably exceeding the generally accepted threshold of 0.70. Similarly, the Composite Reliability scores, which offer a more nuanced assessment of reliability by considering indicator loadings, are also strong, with values of 0.896 for E-Servqual, 0.854 for customer satisfaction, and 0.893 for customer trust. These high-reliability scores indicate a strong degree of consistency among the indicators measuring each respective construct.

Furthermore, the convergent validity of the constructs is well-supported by the Average Variance Extracted (AVE) values. E-Servqual demonstrates an AVE of 0.740, customer satisfaction shows an AVE of 0.772, and customer trust has the highest AVE at 0.824. All these values are significantly above the recommended minimum of 0.50, signifying that a substantial proportion of the variance in each construct's indicators is explained by the construct itself. This confirms that the indicators are strongly related to their intended latent variables, providing confidence in the validity of the measurement model.

The explanatory power of the model, as indicated by the R-squared values for the endogenous constructs, is also noteworthy. Customer satisfaction has an R-Square of 0.637, suggesting that 63.7% of its variance is explained by its predictors within the model. Customer trust exhibits an R-Square of 0.608, indicating that 60.8% of its variance is accounted for by its antecedents. The adjusted R-Square values, which account for the number of predictors, are very close to the R-Square values for both customer satisfaction (0.633) and customer trust (0.600), suggesting a parsimonious and well-fitting model. Overall, these quality criteria provide strong evidence for the reliability, validity, and explanatory power of the constructs examined in this SmartPLS analysis.

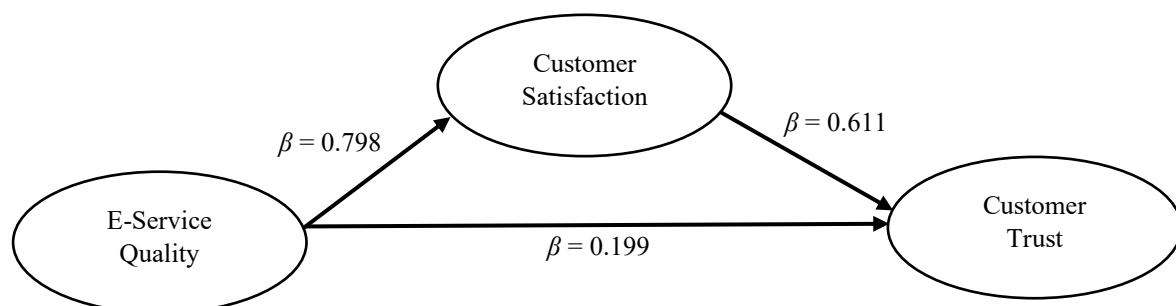


Figure 2. Path Diagram

Table 3. Direct Hypotheses Testing

Hypotheses	Estimate	C.R.	P Value
1 E-Servqual -> Customer Satisfaction	0.798	19.511	0.000
2 E-Servqual -> Customer Trust	0.199	1.087	0.280
3 Customer Satisfaction -> Customer Trust	0.611	4.133	0.000

The direct hypotheses testing results, as presented in Table 4, offer insights into the direct relationships between the studied constructs. Hypothesis 1 (H1) proposed that higher levels of perceived e-service quality would lead to higher

levels of customer satisfaction in the online context. The analysis reveals a significant positive relationship between e-service quality and customer satisfaction, with an estimate of 0.798, a critical ratio (C.R.) of 19.511, and a p-value of 0.000. This p-value is well below the conventional significance level of 0.05, indicating strong statistical support for H1. Therefore, based on this data, we can conclude that higher perceived e-service quality significantly and positively influences customer satisfaction in the online banking environment.

Hypothesis 2 (H2) posited that higher levels of perceived e-service quality would lead to higher levels of customer trust in the online context. The direct path from e-service quality to customer trust shows an estimate of 0.199 with a critical ratio of 1.087 and a p-value of 0.280. This p-value is considerably higher than 0.05, suggesting that the direct effect of e-service quality on customer trust is not statistically significant based on this data. Thus, H2 is not supported, indicating that in this model, e-service quality does not have a direct and significant impact on customer trust.

Hypothesis 3 (H3) suggested that higher levels of customer satisfaction would lead to higher levels of customer trust in the online context. The analysis of the direct path from customer satisfaction to customer trust yields an estimate of 0.611, a critical ratio of 4.133, and a p-value of 0.000. The p-value being less than 0.05 signifies a statistically significant and positive relationship between customer satisfaction and customer trust. Therefore, H3 is supported, indicating that higher levels of customer satisfaction significantly contribute to increased customer trust in the online banking context.

Table 4. Indirect Hypotheses Testing

	Hypotheses	Estimate	C.R.	P Value	Information
1	E-Servqual -> Customer Satisfaction -> Customer Trust	0.488	3.838	0.000	Accepted

Moving to the indirect hypotheses testing presented in Table 4, Hypothesis 4 (H4) proposed that customer satisfaction mediates the relationship between e-service quality and customer trust in the online context. The indirect effect of e-service quality on customer trust through customer satisfaction has an estimate of 0.488, a critical ratio of 3.838, and a p-value of 0.000. The statistically significant p-value (less than 0.05) and the significant critical ratio indicate that the indirect effect is significant. The information column further confirms that this hypothesis is accepted. This suggests that while the direct effect of e-service quality on customer trust was not significant, e-service quality does significantly influence customer trust indirectly by first enhancing customer satisfaction, which in turn leads to higher customer trust in the online banking setting.

3.2 Discussion

The findings of this study provide compelling insights into the relationships between e-service quality, customer satisfaction, and customer trust within the online banking context. The significant positive impact of e-service quality on customer satisfaction aligns with established consumer behavior theories and empirical evidence. As posited in the conceptualization of the American Customer Satisfaction Index, the quality of products and services directly influences customer satisfaction levels. In the online realm, this translates to a seamless, efficient, and user-friendly digital experience fostering positive evaluations from customers. This is further supported by research in the e-commerce domain (Çelik, 2021; Sardana & Bajpai, 2020), who found that higher e-service quality significantly enhances customer satisfaction, ultimately influencing customer behavior. The strong estimate observed in this study underscores the critical role of a well-designed and functional online banking platform in shaping positive customer experiences and fostering satisfaction.

Interestingly, the direct relationship between e-service quality and customer trust was found to be statistically insignificant. This seemingly contradicts some prior research that suggests a direct link between service quality and trust (Erpurini et al., 2022; Najmudin, 2020; Pratama et al., 2023). However, from a consumer behavior perspective, trust in online environments is a multifaceted construct that often requires more than just high-quality service delivery. It can be built over time through consistent positive experiences, perceived security and privacy, and the bank's reputation and credibility (Diputra & Yasa, 2021; Fadhillah et al., 2021). The lack of a direct significant effect in this study might indicate that while a good e-service experience is necessary, it may not be sufficient on its own to directly instill a high level of trust. Customers might need further assurances regarding the security of their transactions and the protection of their personal information before developing strong trust in the online banking platform.

The significant positive impact of customer satisfaction on customer trust, however, reinforces the notion that a positive experience with the bank's online services plays a crucial role in building trust. Satisfied customers are more likely to perceive the bank as reliable and dependable (Haron et al., 2020). This aligns with the broader understanding of trust development in service relationships, where positive interactions and fulfilled expectations contribute to a sense of security and confidence in the service provider. In the context of Islamic banking in Indonesia, as explored by previous research (Janah et al., 2020; Sari et al., 2023), factors beyond service quality can influence trust, such as adherence to Sharia principles and the perceived ethical conduct of the institution. However, a satisfying online experience likely serves as a foundational element upon which trust can be further cultivated.

The significant indirect effect of e-service quality on customer trust, mediated by customer satisfaction, provides a more nuanced understanding of the relationships at play. This finding suggests that while e-service quality may not

directly translate to higher trust, it does so indirectly by first enhancing customer satisfaction, which in turn significantly boosts customer trust. This aligns with the sequential model of customer relationship development, where positive service encounters lead to satisfaction, which then forms the basis for trust (Erpurini et al., 2022; Najmudin, 2020). In the online banking context, a user-friendly interface, efficient transaction processes, and responsive customer support contribute to customer satisfaction, making customers feel valued and competent in their interactions with the bank. This positive feeling then fosters a greater sense of trust in the bank's online operations and its overall reliability.

In conclusion, this study highlights the crucial role of e-service quality in driving customer satisfaction, which subsequently acts as a significant precursor to customer trust in the online banking environment. While direct trust may require additional factors beyond service quality alone, the indirect pathway through satisfaction underscores the importance of delivering a positive and efficient online experience. Banks seeking to build and maintain customer trust in their digital channels should prioritize enhancing their e-service quality to ensure customer satisfaction, recognizing that a satisfied customer is more likely to become a trusting customer. This aligns with the broader principles of relationship marketing, where building positive customer experiences is fundamental to fostering long-term trust and loyalty (Alshurideh et al., 2020; Diputra & Yasa, 2021; Pratama et al., 2023).

4. CONCLUSION

Based on the analysis of the collected data, this study yields several key conclusions regarding the factors influencing customer trust in Islamic banking. The most prominent finding is the significant positive impact of e-service quality on customer satisfaction. This underscores the critical role of a well-functioning and user-friendly online platform in shaping positive customer experiences within the Islamic banking sector. While e-service quality did not directly and significantly influence customer trust, the research established a strong indirect effect mediated by customer satisfaction. This indicates that enhancing the quality of electronic services is crucial for fostering customer satisfaction, which in turn serves as a significant driver of customer trust. Notably, customer satisfaction itself demonstrated a direct and substantial positive impact on customer trust, highlighting the importance of ensuring customers are pleased with their overall banking experience to build lasting trust in the institution. These findings carry important implications for the management of Islamic banks. To cultivate and strengthen customer trust in the digital age, prioritizing improvements in e-service quality is paramount. While direct trust may not be immediately influenced by the online interface alone, a positive and efficient online experience is a vital precursor to customer satisfaction, which subsequently builds trust. Islamic banks should therefore focus on creating seamless, reliable, and user-friendly online platforms to enhance customer satisfaction levels. Furthermore, the strong link between satisfaction and trust emphasizes the need for banks to consistently meet and exceed customer expectations across all service touchpoints, both online and offline, to foster a trusting relationship. For future research, several avenues could be explored to further enrich our understanding of customer trust in Islamic banking. Firstly, investigating the moderating effects of other variables, such as perceived religiosity or awareness of Islamic banking principles, on the relationships between e-service quality, customer satisfaction, and trust could provide deeper insights. Secondly, longitudinal studies could be conducted to examine the evolution of customer trust over time in response to changes in e-service quality and satisfaction levels. Thirdly, qualitative research approaches could be employed to gain richer, in-depth perspectives from customers regarding their trust formation processes in the context of Islamic banking. Finally, comparative studies across different regions or demographic groups within Indonesia could help identify potential variations in these relationships, contributing to a more nuanced understanding of customer trust in the Islamic banking sector.

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