

The role of religiosity on customer engagement, trust, and loyalty: An investigating on customers of Islamic banks in Indonesia

By

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Abstract

Purpose

Religiosity is closely related to the beliefs that form the principles of Muslim customers in determining the choice to use a product or service, so that various literatures link religiosity to customer engagement, trust, and loyalty. This study aims to investigate the influence of the role of religiosity on customer engagement, trust and loyalty to customers of Islamic banks in Indonesia.

Design/methodology/approach

A quantitative approach was used in this study with a total of 204 respondents who are customers of Islamic banks in Indonesia, as the observable population. Furthermore, the structural equation modeling-partial least squares approach was used in this study in processing data analysis.

Findings

This study found that the role of the direct relationship of Religiosity to Customer Engagement, Trust, and Loyalty has a positive and significant effect. Meanwhile, on Customer Engagement and Trust on Customer Loyalty, it was found that only Customer Engagement had a positive and significant effect on Customer Loyalty. Furthermore, on the indirect relationship between Religiosity and Customer Loyalty which is mediated by Customer Engagement and Trust, it was also found that only Customer Engagement mediates positively and significantly.

Originality/value

Religiosity has been widely discussed in various literatures in various industrial sectors, but there is still not much discussion about its relation to Religiosity on Customer Engagement, Trust, and Loyalty. This research has discussed and proven empirically for the context of customers from Islamic banks in Indonesia.

Keywords: *Religiosity, Customer Engagement, Customer Trust, Customer Loyalty*

Introduction

Banking is a sector that has an important role in the economic growth of a country (Petkovski & Kjosevski, 2014), in the financial business the banking sector also has a large proportion of market share compared to other financial sectors (Darsono et al., 2017). Along with the importance of the banking sector in economic growth, triggering the emergence of Islamic banks as a banking system based on Islamic principles, the Dubai Islamic Bank which was established in 1975 is the first modern commercial Islamic bank established in the world (Iqbal & Molyneux, 2016), its emergence made many Muslim-majority countries then create Islamic banks, including Indonesia, where in 1992 the first Islamic bank was established, namely Bank Muamalat Indonesia. Furthermore, the Islamic Banking Act No. 21 of 2008 concerning the Legal Basis for Sharia Banking was passed by the Indonesian Parliament, making many conventional banks carry out sharia spin-off windows to become full-fledged Islamic banks and convert BPRs into sharia BPRs (Abduh & Omar, 2012). The growth of Islamic banking from year to year has experienced an increasing trend, especially in Indonesia the market share of Islamic banking assets increased to 6.24% compared to 4.87% in 2015 (OJK, 2020). This condition shows that the level of trust of the Indonesian people in choosing Islamic banking as a financial instrument is experiencing growth, although it is still low when compared to the world market share of Islamic assets which has reached 12% (Ratings, (2022).

The development of Islamic banking depends on public acceptance of its products/services, with the principle of sharing benefits and risks, Islamic banking is a dynamic industry in most countries where the majority of the population is Muslim (Abou-Youssef et al., 2015). For Muslims, religion also has an important role in the decision-making process because it regulates broad doctrines about allowing or prohibiting something (Ali et al., 2019). In addition, religion is also an essential belief that becomes the basis for behavior (Sharma et al., 2017). This view then gave rise to the concept of consumers' behavior toward religious products and services (Arlı et al., 2020; Minton et al., 2019; Mortimer et al., 2020), the role of religiosity is an interesting study, especially when discussing Islamic banking sector, this is because the philosophical function and rules of the public belief system have an important effect in determining consumer reference (Islam and Chandrasekaran, 2019), one of the studies conducted by Eid and El-Gohary (2015) revealed that the level of individual religiosity is able to provide different perceptions of a company's service quality that have an impact on consumer loyalty. For Islamic banks, consumer loyalty can improve business results such as the number of deposits, operating costs, and future income (Saleh et al., 2017) as well as competitive advantage (Kandampully et al., 2015).

Furthermore, understanding of the formation of customer loyalty is also a study that has been carried out a lot, especially related to customers in Islamic banking, the antecedents of customer loyalty include customer satisfaction, customer engagement, customer trust, and service quality (Han and Hyun, 2018; Kamran-Disfani et al. al., 2017). Understanding the motives of customers in choosing Islamic banking compared to conventional banks is important because managing it is a challenge in itself, one of which is religious issues and a set of beliefs (Setyobudi et al., 2015) attached to Islamic banking. Consumer engagement is one of the most valuable values for companies because it is a form of co-creation and a means of communication with consumers (Sawhney et al., 2005). deeper and meaningful lengths, between companies and customers (Henderson et al., 2014). In the context of Islamic banking, customer engagement has a strategic role in forming long-term relationships with customers, which has implications for customer loyalty. Meanwhile building trust in Islamic banks is a challenge in itself compared to conventional banks (Sumaedi et al., 2015), trust is able to

facilitate transactions with customers and foster customer loyalty (Amin et al., 2013). This shows that the higher the trust from customers simultaneously will help increase loyalty to Islamic banking.

The low growth rate of market share of Islamic banking assets in Indonesia compared to the world and compared to conventional banks is one of the reasons in this study to determine the behavior of customers who use Islamic banking as an option in conducting banking activities. Some literature explains the role of religiosity which has a mediating role on loyalty, while the use of religiosity as a form of loyalty is mediated by customer engagement and customer trust. Although, religiosity in several studies on Islamic banks has discussed attitude (Abror et al, 2020; Abou-Youssef et al, 2015; Souiden & Rani, 2015), it needs to be discussed in depth and about its relation to customer engagement, trust, and loyalty in the context of Islamic banking in Indonesia is still not much done.

Literatur Review

Religiosity on Customer Engagemen, Trust and Loyalty

The terms "religiosity" and "religion" are often used interchangeably to define the same concept, namely respect, devotion, and individual belief in God (Nizar & Marzouki, 2015). Religion refers to a structured set of beliefs, symbols and rituals that form an individual's closeness to God (Nizar & Marzouki, 2015). Discussions about religiosity greatly shape attitudes, perceptions, and behavior (eg Ahmed et, al., 2013; Bukhari et, al., 2019; Choi, 2010; Kaur et, al., 2022; Souiden & Rani, 2015; Ustaahmetoğlu, 2020) and have effects in work-related practices such as stress management, career development, risk avoidance, and ethics. In the marketing context, religiosity is referred to as an individual's commitment to beliefs and practices related to a particular behavior (Junaidi et al., 2021; Muhamad & Mizerski, 2013; Stolz & Usunier, 2019). The demand for Islamic banks is increasing as the Muslim community accesses financial products and services based on Islamic law. This avoids them interacting with conventional banks that apply the principle of interest in their system (Islam & Rahman, 2017; Khan, 2010). The Islamic banking industry is attractive to Muslim customers to fulfill their banking service needs and religious obligations (Azmat et, al., 2015).

Religiosity is a potential influencing factor of customer engagement. Engaged customers make a valuable contribution in improving business performance by communicating brand identity to a more inclusive audience (Brodie et al., 2011). Companies that engage their audience are mostly perceived as positive, perceptive, social, and accessible (Yasin et, al., 2020). For example, religious beliefs or knowledge encourage individuals to act emotionally towards other people or transact with entities that have the same religious values so that the attachment that appears becomes greater (Glock, 1962). Zamani-Farahani & Musa (2012) argue that religiosity is related to socio-cultural impacts such as social activities. Therefore, customer engagement is related to customer attitudes and will be implemented in customer activities. When a customer has higher religiosity, it will affect his better engagement with Islamic banks. Abror et al. (2020) also highlighted that religiosity is strongly related to the relationship between customers or customers with Islamic banks. Various studies such as Abror Shah et al. (2020) and Wijaya and Sholeh (2020) also confirm the role of religiosity in customer engagement.

H1: Religiosity affects Customer Engagement

Religiosity is an arrangement of principles and practices that are integrated into routine devotional life (Bukhari et al., 2019). Meanwhile, Khan et al. (2017) stated that religion holds

a central position in culture that influences the daily routines of any cultural group. Therefore, highly religious individuals can measure the world through religious rules and include their religion in most of their lives (Jamaludin, 2013), including when they become consumers. Yousaf & Malik (2013) concluded that religiosity influences various elements of a buyer's routine, which in turn can influence choices and/or behavior. Religion is one of the universal social institutions and influences the attitudes, values, and behavior of people both at the individual and community levels (Khraim, 2010). Therefore, the level of a person's obedience in carrying out his religious teachings is a vital aspect in influencing a person's behavior, decisions, and habits.

Supporting this view, Abror et al. (2022) also argues that it is a person's religious identity that influences their level of trust in a product or service. Trust is a person's belief that other parties will meet their needs in the future (Suh & Han, 2003). In the context of Islamic banking, Muslim et al. (2013) defines trust as "the moral obligation of each individual in carrying out their duties in society". In financial services, the need for trust is strengthened due to the intangible and inseparable nature of services, as well as increasing levels of uncertainty and risk (Ennew et al. 2011); thus, consumers base their trust on a series of promises (Harrison, 2003) making trust one of the most important elements of the relationship between companies and customers. Therefore, consumer trust implies consumer confidence in the integrity, honesty, willingness to cooperate, reliability and competence of the company (Moorman et al., 1993). Alam et al. (2021) argues that in the banking system, honesty, trust, moral values, and equality among customers are symbols of trust to develop relationships between banks as providers of financial services to their customers. If individuals perceive Islamic bank services as reflecting Sharia or Islamic values, their trust will increase and benefit Islamic banks.

Religion encourages its adherents to treat others fairly and fairly, which in turn contributes to a general optimistic image and improves individual attitudes towards others (Uslaner, 1999, 2002), thus providing a solid basis for developing trust. Barnes (2009) found that religiosity influences customer perceptions of trustworthiness, especially the affective attributes of trust (ie care and benevolence). Therefore, it is reasonable to assume that intense and internalized religious influence and experience (intrapersonal religiosity) can lead to a higher affective belief response to a product or service.

H2: Religiosity affects Customer Trust

Models of behavior that are influenced by religiosity (Moschis & Ong, 2011; Sood & Nasu, 1995; Wang et al., 2020) indicate that a person's behavior is likely to be influenced by his religion, either as a direct result of religious writings, or indirectly as a set of ideals that have been passed down from generation to generation and thus ingrained in the culture of the people. Thus, judgments that assist consumers in making purchasing decisions, have been influenced both directly and indirectly by religion (Agarwala et al., 2019; Islam & Chandrasekaran, 2020). In the context of Islamic banks, if customers perceive the bank in accordance with Islamic values, then their religiosity strengthens the perceived value. This will have positive implications for their actions and behavior in supporting or using the services of Islamic banks. Especially if customers have a high level of religiosity, they will tend to avoid banks or financial services that do not pay attention to Islamic values. Thus, the level of religiosity then becomes a tool to strengthen the relationship between customers and Islamic banks. Suharto et al. (2018) reported a positive relationship between religiosity and client loyalty to Islamic banks. Thus, customers who have a high level of religiosity are also perceived as having high loyalty to Islamic banks.

H3: Religiosity affects Customer Loyalty

Customer Engagement on Customer Loyalty

The marketing objective of a company is to gain customer loyalty through their buying attitudes and behavior (Watson et al., 2015). Customer loyalty describes the behavior and actions of customers towards the company relative to other companies that offer the same service (Salem et al., 2019). Wu et al. (2019) define customer loyalty as the desire and tolerance to buy at a higher price. Meanwhile, regarding Islamic banks, customer loyalty measures the extent to which customers perceive the bank as the first choice to maintain a relationship with them. Islamic banking customers have special reasons to connect because of their religious beliefs. This is different from conventional banks which are only profit oriented. Islamic banking is based on sharia-compliant profit and loss sharing (PLS) (Hati et al., 2020). This concept implies that the customer and the bank share profits using a predetermined ratio.

The concept is then often linked by customer involvement. Customer engagement is a positive and significant precursor of purchase intention. Customer engagement is a psychological state based on an interactive and cooperative customer experience in a service relationship (Brodie et al., 2011). Moliner-Tena et al. (2019) defines customer engagement in the banking industry as a psychological relationship between banks and their customers resulting from customer satisfaction. Hinson et al. (2019) show that customer engagement is the intensity with which customers become connected with the bank through an online system. According to several previous studies, customer engagement can influence customer loyalty (For example, Abror et al., 2019; Banyte & Dovaliene, 2014; Monferer et al., 2019; Thakur, 2016). Bravo et al. (2019) explained that customer engagement has three determinants, namely buying behavior, the influence of social interaction, and sharing of bank knowledge. This study defines customer engagement as the frequency of customer contact with Islamic banks. This results in their emotional and psychological connection which influences their loyalty.

H4: Customer Engagement affects Customer Loyalty

Customer Trust on Customer Loyalty

Trust is considered as intentional behavior that reflects trust in a partner that involves an element of uncertainty and vulnerability of the trusted party. In the banking industry, Ennew & Sekhon (2007) defines that trust is associated with acceptance of vulnerability, risk, interdependence and involves confident expectations about future behavior. In this definition, Ennew et al. (2011) argue that for customers to accept vulnerability, they must believe that the service provider has the expertise to deliver what is promised. Meanwhile, from the perspective of Islamic banking, Amin et al. (2013) defines trust as a symbol of trust, honesty, ethics and adherence to Islamic principles (Sharia). Customer trust in sharia banking transactions has unique characteristics; therefore, to build trust, Islamic banks must keep their promises based on these criteria. This definition is also in line with Sumaedi et al. (2015) who define trust as a customer's belief in Islamic banks that Islamic banks operate according to Islamic principles. In addition, Kayed & Hassan (2011) emphasized that trust is reflected as the foundation of Islamic banking activities in accordance with Islamic principles.

Previous studies have shown that trust has significant implications in building loyalty. For example, Kabadayi (2016) argues that the higher the customer's trust in their bank, the more likely they are to stay with their bank for future banking transactions. Interestingly, Cho & Hu (2009) explain that trust increases consumers' willingness to return loan transactions in the future and increases the likelihood of recommending a bank to other customers. As a result, a high level of trust can turn satisfied customers into loyal customers (Dimitriadis et al., 2011). In the context of Islamic banking, trust is recognized as an important indicator in building

customer loyalty (Amin et al., 2013). Thus, this indicates that customers establish relationships with Islamic banks because customers believe that Islamic banks are in accordance with Sharia (Tameme & Asutay, 2012).

H5: Customer Engagement affects Customer Loyalty

Mediating effect of Customer Engagement and Customer Trust

Wirtz et al. (2013) conceptualize customer engagement as an important mediating variable in marketing research. In addition, Hollebeek et al. (2014) also examined the mediating role of customer engagement. They revealed that customer engagement mediates the relationship between brand engagement and brand self-connection and brand usage intention in social media settings. In the context of Islamic banking, Abror et al. (2019) found that customer engagement has a significant mediating effect on the relationship between service quality and customer loyalty. Fernandes & Esteves (2016) revealed that customer engagement mediates the relationship between service context and loyalty behavior. Committed customers who identify with a company and have a feeling of attachment may display loyalty behaviors, such as providing positive word-of-mouth referrals, for consistency purposes and to provide justification for their positive attitude and company identification (De Matos & Rossi, 2008). Customers who have a high level of religiosity will have a great sense of connection with Islamic banks because operational practices are in accordance with Islamic values, which have implications for customer loyalty.

H6: Customer Engagement mediates the effect of Religiosity on Customer Loyalty

Trust is the applied paradigm which is the customer's perception and effort in reducing risk (Boonlertvanich, 2019). Sumaedi et al. (2015) stated that trust involves behavioral intentions that signify the customer's dependence on the service provider and involves the vulnerability and uncertainty of the provider's role. Trust eventually grows into loyalty and is an important feature in customer service provider relationships. Long-term relationships with customers are emphasized by trust and confidence (Shainesh, 2012). To maintain and increase customer loyalty, banks must be trustworthy and committed to the services provided. Therefore, a key feature in continuing a service relationship with one's bank is an act of trust (Ndubisi et al., 2007; Saleh et al., 2017). Trust is effective in expecting loyalty from customers and has a deeper sentiment than satisfaction (Shainesh, 2012). According to Mutonyi et al. (2016), trust has a mediating role between producer satisfaction and loyalty in the fresh fruit supply chain. Trust can affect the social value between producers and buyers in the supply chain, which in turn can influence and increase the involvement of producers in the relationship. Loyalty will be positively affected when customers with a high level of religiosity have trust in the company. Thus, trust is seen as a mediator between customer satisfaction and loyalty.

H7: Customer Trust mediates the effect of Religiosity on Customer Loyalty

Research Method

This study uses a quantitative approach using statistical analysis as a means of investigation. The statistical technique used is descriptive statistics and inferential statistics. As a means of inferential statistical analysis, PLS-SEM was applied. Furthermore, it provides more robust structural model estimates compared to CB-SEM, especially when assumptions are violated (Hair et al. 2014). Not only that, PLS is also used to develop or build hypotheses, predict complex situations, and features that facilitate multivariate data analysis; different from the previous SEM based on theoretical proof with parametric assumptions that must be fulfilled (Hair et al. 2014). Respondents in this study were Islamic banking customers in Malang City,

it is known that there are eight Islamic banks both government and private owned. Determination of the sample in this study is based on the opinion of Hair et al. (2019) that the appropriate sample size for SEM is between 100-200 samples. In addition, Roscoe (1975) states that to determine sample size, a sample size greater than 30 and less than 500 is suitable. Thus, a total of 300 questionnaires were distributed unintentionally to Islamic banking customers and 204 respondents were obtained who met the predetermined criteria. The construct used in this study adopts five items of Religiosity (X1) from Abou-Youssef (2015); five construct items Customer Engagement (Y1) from Van Heerden & Puth (1995); three Customer Trust items (Y2) from Van Esterik-Plasmeijer and Van Raaij (2017); and five items for the Customer Loyalty (Y3) construct from Tabrani et al. (2018).

Result & Discussion

As shown in Table 1, the demographics in this study were mostly male with the majority being in the age range of 20 to 30 years (40.70%). Meanwhile, the educational background of the majority of respondents was university graduates (84.30%) indicating a level of understanding of Islamic banking as a bank based on religious principles. The income range is at Rp. 2,000,000, - up to Rp. 5,000,000, - with the type of work the majority being private-employees. Other information known from the results of the descriptive analysis is that the respondents have been Islamic banking customers for 3 to 5 years (58.80%) so that it can be seen that they have knowledge of Islamic banking products and services compared to conventional banks, and in the context of consumer behavior they have have loyalty to Islamic banking.

Table 1. *Demography of respondents (n=204)*

Demographic		Frequency	Percent (%)	Demographic		Frequency	Percent (%)
Gender	Male	105	51,50	Education Background	Elementary-Secondary Education	32	15,70
	Female	99	48,50		Higher Education	172	84,30
Age	20 – 30	83	40,70		period of being a customer	< 3 year	0
	31 – 40	55	27,00	3 year until 5 year		120	58,80
	41 – 50	49	24,00	> 5 year		84	41,20
	> 50	17	8,30	< Rp. 2.000.000,-		27	13,20
	Student	13	6,40	Rp. 2.000.000,- until Rp. 5.000.000,-		89	43,60
Respondent Jobs	Public Servant	45	22,10	Income per month	Rp. 5.000.001,- until Rp. 10.000.000,-	65	31,90
	Private - Employee	88	43,10		> Rp. 10.000.000,-	23	11,30
	Public Company Employee	5	2,50				
	Self Employed	32	15,70				
	Others	21	10,40				

This study also measured the validity and reliability assumptions that formed the basis for the feasibility and validity of the data using a quantitative approach. PLS-SEM was used to confirm these assumptions. According to Hair et al. (2019), the use of PLS-SEM is recommended because composite reliability and Cronbach's alpha greatly determine reliability, so all items must have a Cronbach's alpha greater than 0.70. Thus, the data in this study were processed, revealing that all variables had Cronbach's alpha values of more than 0.8, such as Religiosity (0.908), Customer Engagement (0.849), Customer Trust (0.821), Customer Loyalty (0.889). Furthermore, high composite reliability of more than 0.9 was obtained by all variables, such as Religiosity (0.908), Customer Engagement (0.884), Customer Trust (0.844), Customer Loyalty (0.903). Thus, all these values were considered acceptable and ensured adequate reliability. However, this study must also ensure that the validity shows that a set of indicators represent the same basic construct, which can be demonstrated through its dimensional unit. The validity of the discriminant variable was proven by calculating the average variance extracted (AVE) value and the correlation coefficient between variables (Hair et al., 2014). In this study, it can be seen that all variables had AVE values greater than 0.7, such as Religiosity (0.931), Customer Engagement (0.893), Customer Trust (0.893), Customer Loyalty (0.920). Chin (1998) has explained that AVE is a measure of communality for each latent variable and is declared adequate if all variants exhibit values above 0.50. Thus, the measured constructs in this study were indicated as having strong validity.

Table 2. *Construct measurement*

Variabel	Item	Mean (1-5)	Cronbach's	Composite Reliability	Average Variance Extracted (AVE)
Religiosity (X1)	X1.1	4,23	0.908	0.908	0.931
	X1.2	4,16			
	X1.3	4,05			
	X1.4	4,10			
	X1.5	4,25			
		4,16			
Customer Engagement (Y1)	Y1.1	3,96	0.849	0.884	0.893
	Y1.2	4,25			
	Y1.3	4,27			
	Y1.4	4,01			
	Y1.5	4,00			
		4,10			
Customer Trust (Y2)	Y2.1	4,09	0.821	0.844	0.893
	Y2.2	4,18			
	Y2.3	4,19			
		4,15			
Customer Loyalty (Y3)	Y3.1	4,31	0.889	0.903	0.920
	Y3.2	4,23			
	Y3.3	4,19			
	Y3.4	3,71			
	Y3.5	3,97			
		4,08			

Table 3 below shows the results of the statistical analysis based on bootstrapping through PLS-SEM, which was carried out to determine the model fit and path coefficients as quantities used to determine the effect of the overall relationship on the inner model in accordance with the designed hypothesis (Figure 1). The partial sequential model was determined to perform the statistical analysis, showing that the relationships between variables resulted in such coefficients of determination (R^2) as 0.537 for Customer Engagement, 0.387 for Customer Trust, and 0.746 for Customer Loyalty. Based on the bootstrapping results, the direct relationship between Religiosity and Customer Engagement had a significant positive effect ($\beta=0.732$; p -value <0.05). Hence, H1 was accepted. Meanwhile, the relationship between Religiosity and Customer Loyalty had a significant positive effect ($\beta=0.195$; p -value <0.05), hence, H2 was accepted. The relationship between Religiosity and Customer Trust had a significant positive effect ($\beta=0.622$; p -value <0.05), hence, H3 was accepted. Furthermore, the direct relationship between Customer Engagement and Customer Loyalty demonstrated a significant positive effect ($\beta=0.637$; p -value <0.05), hence, H4 was accepted. However, the relationship between Customer Trust and Customer Loyalty demonstrated a positive, but insignificant effect ($\beta=0.095$; p -value >0.05), thus H5 rejected. This research also investigated the mediating role of Customer Engagement and Customer Trust, which shows that only Customer Trust mediates positively, but not significantly between Religiosity and Customer Loyalty ($\beta=0.059$; p -value >0.05), hence, H7 was rejected. Meanwhile, the mediating role of Customer Engagement in the relationships between Religiosity on Customer Loyalty ($\beta=0.467$; p -value <0.05) showing significant positive effects. Hence, H6 was accepted.

Table 3. *Statistical effect and hypotheses test*

Variable	Direct Effect (β)	Indirect Effect (β)	P-Value	Conclusion
Religiosity \rightarrow Customer Engagement	0.732		0.000	Accepted
Religiosity \rightarrow Customer Loyalty	0.195		0.006	Accepted
Religiosity \rightarrow Customer Trust	0.622		0.000	Accepted
Customer Trust \rightarrow Customer Loyalty	0.095		0.110	Rejected
Customer Engagement \rightarrow Customer Loyalty	0.637		0.000	Accepted
Religiosity \rightarrow Customer Engagement \rightarrow Customer Loyalty	0.467		0.000	Accepted
Religiosity \rightarrow Customer Trust \rightarrow Customer Loyalty	0.059		0.117	Rejected

N = 204

R^2 = Customer Engagement (0.537); Customer Trust (0.387); Customer Loyalty (0.746)

*Sig. p -value < 0.10 ; **Sig. p -value <0.05 ; ***Sig. p -value <0.01

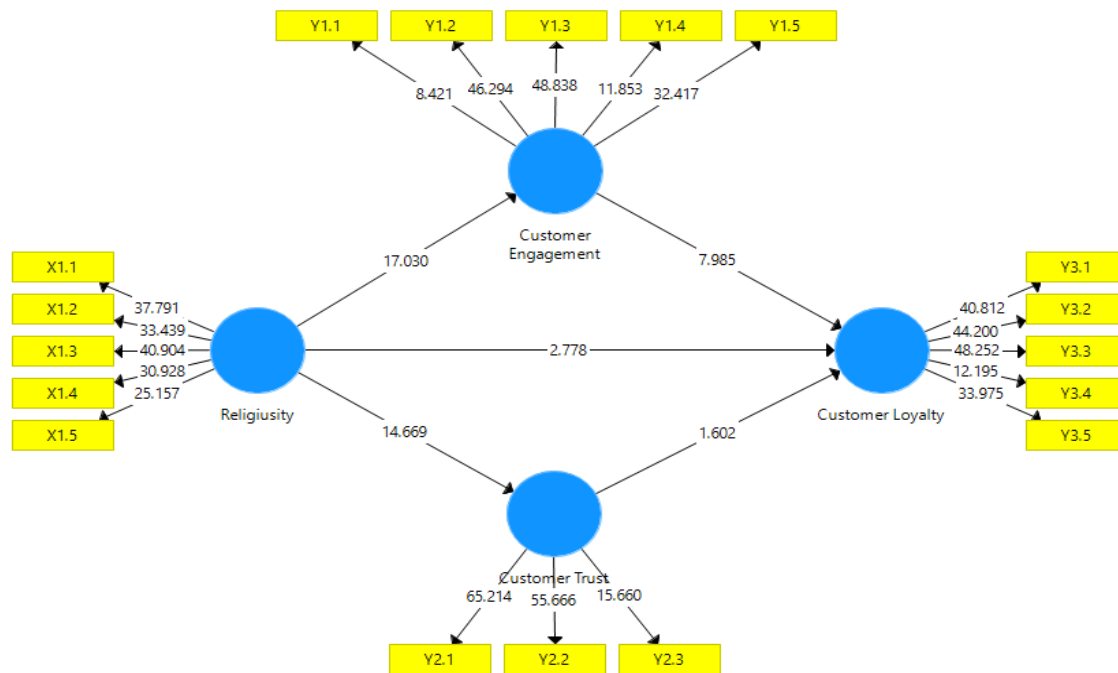


Figure 1. *Structural Model Output*

Discussion

This study indicates that religiosity has a positive and significant effect on customer engagement ($\beta= 0.732$; $p\text{-value} < 0.05$), trust ($\beta= 0.622$; $p\text{-value} < 0.05$), and loyalty ($\beta= 0.195$; $p\text{-value} < 0.05$). This assumes that the level of religious values built on Islamic banks is measurable by understanding the meaning of Islamic values which are based on Shariah law. In addition, this research expands on existing explanations regarding religious values and their influence on customer engagement and trust. Moreover, encouraging customer engagement in compliance with Islamic Shariah and banking activation is in accordance with the Islamic business code of ethics (Abror et al, 2020; Yasin et al, 2020). Thus, it can have implications for consumer confidence in Islamic banks in using the offered financial products and services. As revealed by Abror et al (2022), religiosity is an important factor in the context of Islamic banks to build confidence in consumers that the application of Sharia law is appropriate. In fact, the impact of these religious values is strongly associated with consumer attitudes (Miller and Chamberlain, 2013), religious beliefs in Muslim consumers strongly influence the intention to consider and use Islamic insurance (Souiden and Jabeur, 2015), and at its peak can significantly influence consumer loyalty in using Islamic banks (Yasin et al, 2020). This study is consistent with several studies which have proven that religiosity has a positive and significant effect on customer engagement, trust, and loyalty (Abror et al; 2020; Abror et al, 2022; Yasin et al, 2020).

Reviewing the direct relationship between customer engagement and trust on loyalty in this study indicates that customer engagement has a positive and significant effect on customer loyalty ($\beta= 0.637$; $p\text{-value} < 0.05$), while customer trust has an insignificant effect ($\beta= 0.095$; $p\text{-value} > 0.05$). This is reviewed from a theoretical framework, customer engagement and trust are actually interrelated to form consumer loyalty. Explanations from various literature regarding the success of company marketing in many industries refer to one of them as customer engagement and trust as the antisedant of loyalty (Han and Jeong, 2013; So et al, 2016; Rahman et al, 2021). The involvement of Muslim consumers in marketing practices always depends on offering symbolic and functional value that is understood globally (Wilson and Grand, 2013). While trust

is considered as a relational factor that has a correlation with brand trust, it is mainly based on past experience (Sirdeshmukh et al, 2002). Thus, this study assumes that the direct relationship between customer engagement and loyalty in the context of Islamic banks has actually fulfilled the perspective of conformity to consumer needs, but customer trust has not yet formed loyalty. This can show that Islamic banks should also focus on how to convince Muslim consumers as a specific and very large target market in a country like Indonesia.

In reconsidering the indirect relationship between customer engagement and trust, it has also been proven to mediate the relationship between religiosity and loyalty. Islamic banks, which in terms of their corporate image are attached to religious symbols, are not necessarily only used as a formality of value to gain market share. However, it is also necessary to apply in accordance with Shariah law which is already the belief of Muslim consumers. This of course can be a question whether Islamic banks do not pay attention to and apply the relation religiosity, trust and loyalty appropriately. Because it could be that Islamic banks in Indonesia are considered not superior compared to conventional banks (non-Islamic banks) so that mergers are carried out into one corporate entity which then becomes one of the strategies in competing. Thus, it can evaluate the application of religiosity to customer trust so that it has an impact on loyalty. Furthermore, as in research from So et al (2016) which explains that the emergence of social media also allows customers to interact easily through other consumers outside of service consumption, thereby enabling companies to encourage customers to become effective brand advocates. Interaction outside of the purchase is a form of behavioral manifestation of customer engagement (van Doorn et al. 2010; Verhoef et al. 2010).

Conclusion, implications, and limitations

This study highlights its relationship with religiosity to customer loyalty which is also the mediating role of customer engagement and trust in the context of Islamic banks. The findings in this study indicate that in a direct relationship religiosity has a positive and significant effect on customer engagement, trust and loyalty. Meanwhile, on customer engagement and trust on customer loyalty, only customer engagement has a positive and significant effect on customer loyalty, while customer trust is not significant on customer loyalty. This also shows the same results when customer engagement and trust are mediating variables. Thus this research can contribute theoretically as well as practical implications regarding the discussion of religiosity, customer engagement, trust and loyalty in the banking sector, especially Islamic banks. Based on the findings of this study, it is emphasized that it is necessary to review the application of religiosity in Islamic banks, which is basically the application of religious values to a specific market, namely Muslims, but does not significantly affect customer trust. The need to carry out a follow-up strategy by increasing consumer involvement to be able to influence other consumers and of course improve service quality in order to create experiences that affect satisfaction. Even though this research has produced empirical evidence in the context of religiosity in Indonesian Islamic banks, it cannot be generalized because it could be based on observations and there are other factors that can produce different results, such as customer experience, satisfaction, and firm image.

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