

Examining the Impact of Customer Value and Customer Experience on Customer Loyalty with Satisfaction as a Mediating Variable: Evidence from State-Owned Syariah Banking

Onad Sudirjo¹, Rachel Juwita Sari², Doni Sindoro³

¹PT. Sanjaya Makmur Jaya, Pandeglang, Banten

²PT. Karya Teknik Utama, Kawarang, Jawa Barat

³PT. Serasi Transport Utama, Bekasi, Jawa Barat

Info Article

History Article:

Submitted

Revised

Accepted

Keywords:

Customer Value, Customer Experience, Satisfaction, Loyalty, Islamic Banking.

Abstract

This study aims to examine the effect of Customer Value and Customer Experience on Customer Loyalty, with Customer Satisfaction functioning as an intervening variable within the context of Islamic banking customers. The research is grounded in the growing recognition of customer loyalty as a critical determinant in sustaining competitiveness within the increasingly dynamic Islamic financial services sector. A quantitative research approach was employed, with primary data gathered a structured questionnaire survey. The collected data were subsequently processed using multiple linear regression analysis along with the Sobel test to assess the mediating effect of Customer Satisfaction.

The findings indicate that both Customer Value and Customer Experience exert a positive and statistically significant influence on Customer Satisfaction, with Customer Experience identified as the more dominant predictor ($\beta = 0.572$). In addition, the analysis reveals a strong direct impact of Customer Value, Customer Experience, and Customer Satisfaction on Customer Loyalty. The role of Customer Satisfaction as a partial mediating variable in the relationships between Customer Value and Loyalty as well as between Customer Experience and Loyalty, is empirically validated.

From a managerial perspective, the study suggests that Islamic banking institutions should prioritize the development of comprehensive customer experience management strategies and strengthen product value propositions in order to enhance customer loyalty through increased satisfaction levels.

INTRODUCTION

The expansion of Islamic economic systems alongside the proliferation of halal lifestyle practices has increasingly captured the interest of numerous countries across the globe, positioning them as critical components in generating alternative engines of growth that contribute to long-term economic sustainability. The magnitude of this growth trajectory is evidenced in the State of Global Islamic Economy Report (SGIER) 2022, which documents a 9.1% increase in global Muslim expenditure within the Islamic economic sectors, excluding Islamic finance. Projections further indicate that by 2025, Muslim consumer spending will reach approximately 2.8 trillion, reflecting a Compound Annual Growth Rate (CAGR) of 7.5% over a four-year period.

Indonesia, as the country with the largest Muslim population, recorded 245.9 million Muslims in the first half of 2024, representing 87.08% of its total population of 282.48 million. This demographic dominance inherently provides a substantial foundation for accelerating the development of Islamic economics and the broader halal industry ecosystem. Capitalizing on this opportunity, Bank Perkreditan Rakyat (BPR) Kedung Arto, which had operated within the conventional banking sector since 1991, underwent a strategic transformation into Bank Perekonomian Rakyat Syariah (BPRS) Kedung Arto on September 14, 2022. According to the Financial Services Authority (OJK) publication as of September 2024, State own syariah banking ranks as the second-largest Islamic rural bank in Central Java in terms of asset ownership, with total assets amounting

to 363.54 billion rupiah, while also holding the position of the largest BPRS in Semarang. Amid the intensifying expansion and competitive dynamics within Islamic financial service industries, customer loyalty in selecting and continuously utilizing Sharia-compliant financial services emerges as a highly strategic variable within the BPRS business model. Customer loyalty is conceptualized as a sustained commitment exhibited by customers, reflected in their consistent intention to repurchase or reuse products and services offered by a company over time (Wulandari & Rahmidani, 2022). Existing literature reveals a research gap concerning the extent to which customer value and customer experience influence loyalty through the mediating role of satisfaction, thereby necessitating further empirical investigation.

METHOD

This study adopts a quantitative research design employing an explanatory approach to examine causal relationships among variables. The population consists of 1,588 financing customers of State own syariah banking during the period 2019 – 2024. The sampling process utilized purposive sampling in conjunction with the Slovin formula, resulting in a final sample size of 100 respondents. The criteria for sample selection include: (1) customers who have actively utilized financing services for a minimum duration of six months, (2) individuals aged 20 years and above, and (3) respondents who voluntarily agreed to participate in the study. Data collection was conducted structured questionnaires measured a 7-point Likert scale, ranging from 1

(Strongly Disagree) to 7 (Strongly Agree).

The research variables comprise: (1) Customer Value (X1) operationalized through 15 indicators, (2) Customer Experience (X2) measured by 15 indicators, (3) Customer Satisfaction (Y1) represented by 15 indicators, and (4) Customer Loyalty (Y2) captured 12 indicators. The analytical framework includes: (1) descriptive statistical analysis, (2) validity and reliability assessments, (3) multiple linear regression analysis utilizing a two-equation model, and (4) the Sobel test to evaluate the mediating effect of satisfaction. Data processing was carried out using SPSS version 25, where descriptive statistics were applied alongside validity testing based on KMO values greater than 0.5 and reliability testing using Cronbach's Alpha thresholds of ≥ 0.7 . Multiple linear regression analysis was employed to assess inter-variable relationships, with partial hypothesis testing conducted the t-test and simultaneous testing the F-test. The explanatory strength of the model was evaluated using Adjusted R^2 , while mediation effects were examined through the Sobel test, positioning customer satisfaction as an intervening variable.

RESULTS AND DISCUSSION

Respondent Description

This research engaged 100 respondents who are active customers of State own syariah banking. The demographic characteristics of respondents were analyzed based on gender, age, education level, occupation, and duration of customer relationship.

Descriptive findings indicate that the gender distribution is dominated by male respondents, totaling 61 individuals (61%), whereas female respondents account for 39 individuals (39%). This composition suggests that male customers represent the predominant segment within the study sample.

Age distribution analysis reveals that respondents aged 41 – 50 years constitute the largest group with 38 individuals (38%), followed by those aged 51 – 60 years with 25 individuals (25%), the 31 – 40 age group with 22 individuals (22%), and the 20 – 30 age group with 15 individuals (15%). The calculated mean age score of 2.73 corresponds to the 31 – 40 category, indicating that the majority of respondents are within their productive age range, characterized by relatively mature financial decision-making capabilities.

In terms of educational attainment, respondents holding a Bachelor's degree (S1) represent the largest proportion at 45 individuals (45%), followed closely by Diploma holders with 44 individuals (44%), high school graduates (SMA/SMK) with 7 individuals (7%), Master's degree holders (S2) with 3 individuals (3%), and Doctoral degree holders (S3) with 1 individual (1%). The mean education score of 2.47 reflects a dominance of higher education qualifications, suggesting that respondents generally possess adequate knowledge and understanding of banking services and financial products.

Occupational distribution shows that entrepreneurs or self-employed individuals form the largest segment with 40 individuals (40%), followed by

private sector employees with 31 individuals (31%), other occupations with 15 individuals (15%), civil servants/military/police with 10 individuals (10%), and farmers/fishermen with 4 individuals (4%). The mean occupation value of 2.83 indicates a concentration of respondents within economically active groups characterized by relatively high financial mobility.

Regarding the duration of customer relationships, the majority of respondents have maintained their relationship with the bank for more than five years, totaling 54 individuals (54%), followed by those with 3 – 5 years of tenure (22 individuals or 22%), 1 – 3 years (20 individuals or 20%), and less than one year (4 individuals or 4%). The mean value of 3.26 indicates that most respondents exhibit long-term engagement, reflecting a relatively high level of customer retention and loyalty.

Variable Description

This study incorporates descriptive statistical analysis to evaluate the primary constructs, namely customer value, customer experience, customer satisfaction, and customer loyalty. The analysis was conducted by examining the distribution of responses across each variable using measures such as mean, standard deviation, frequency, and percentage.

The results demonstrate that all variables were measured based on responses from 100 participants, with the highest mean score observed in the Customer Experience variable (6.41), followed by Customer Value (6.40), Customer Satisfaction (6.39), and Customer Loyalty (6.38). The consistently high mean values across all

variables on a 7-point scale indicate that respondents generally hold favorable perceptions toward all measured constructs. Additionally, median and mode values that approach or coincide with the maximum scale value further confirm that the majority of respondents provided highly positive evaluations.

The standard deviation values for all variables range between 0.769 and 0.879, indicating a relatively homogeneous distribution of responses with minimal deviation from the mean. Overall, these findings suggest that respondents perceive the dimensions of value, experience, satisfaction, and loyalty positively within the context of financing services at State own syariah banking.

Validity Test Results

Validity testing was conducted to ensure that the research instruments accurately and consistently measure the intended constructs. The assessment utilized factor analysis within SPSS, with particular attention to the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity. All variables demonstrated KMO values exceeding 0.5 and Bartlett significance levels below 0.05, confirming the adequacy and validity of the measurement constructs, with values recorded as follows: customer value (0.956), customer experience (0.971), customer satisfaction (0.960), and customer loyalty (0.962).

Further validation Confirmatory Factor Analysis (CFA) indicates that all indicators across variables meet the required thresholds, with KMO values ranging from 0.956 to 0.971, Bartlett's Test significance below 0.05, and factor

loadings exceeding 0.50 (ranging from 0.796 to 0.859). These results confirm that all measurement items are statistically valid. Reliability testing reveals Cronbach ' s Alpha values above 0.90 for all variables, indicating very high reliability and strong internal consistency of the measurement instruments.

The regression analysis findings demonstrate that both Customer Value (X1) and Customer Experience (X2) exert a significant positive influence on Customer Satisfaction (Y1), each with a significance level of 0.000. Customer Experience emerges as the dominant predictor, with a beta coefficient of 0.570 and a t-value of 10.858, followed by Customer Value with a beta coefficient of 0.411 and a t-value of 7.824. These results suggest that higher perceived value and more positive interaction experiences directly contribute to increased levels of customer satisfaction among financing clients.

The second regression model evaluates the direct effects of Customer Value, Customer Experience, and Customer Satisfaction on Customer Loyalty (Y2). The results indicate that all three variables significantly and positively influence loyalty. Customer Value exhibits the strongest direct effect ($\beta = 0.381$, $t = 7.341$), followed by Customer Satisfaction ($\beta = 0.319$, $t = 2.733$), and Customer Experience ($\beta = 0.285$, $t = 2.519$). These findings highlight the critical mediating role of Customer Satisfaction, indicating that while value and experience are essential drivers, their effectiveness in building long-term loyalty is substantially enhanced \square they first generate customer satisfaction.

DISCUSSION

The Influence of Customer Value on Satisfaction

The empirical findings confirm that customer value has a positive and statistically significant effect on customer satisfaction, with a regression coefficient of 0.411 and a significance level of 0.000 ($p < 0.05$). This indicates that higher levels of perceived value correspond directly with increased satisfaction among customers. The standardized beta coefficient of 0.413 further suggests that customer value contributes 41.3% to the variation in satisfaction levels.

This outcome is consistent with Customer Value Theory, which conceptualizes perceived value as a comprehensive evaluation of the benefits received relative to the sacrifices incurred. \square customers perceive that the advantages of banking services—including accessibility, service quality, security, and product attributes—exceed associated costs, satisfaction levels naturally increase. The findings of this study demonstrate that the bank successfully delivers high perceived value, as reflected in mean scores ranging between 6.23 and 6.40 on a 7-point scale.

The Influence of Experience on Satisfaction

The analysis indicates that customer experience exerts a strong and statistically significant influence on satisfaction, with a regression coefficient of 0.570 ($p < 0.05$). The standardized beta coefficient of 0.572 implies that experience contributes 57.2% to customer satisfaction.

Importantly, the magnitude of the experience effect ($\beta = 0.572$) exceeds that of customer value ($\beta = 0.413$), suggesting that within the banking sector, interaction quality plays a more dominant role than functional value in shaping satisfaction. These findings align with the Customer Experience (CX) framework, emphasizes the importance of delivering consistent and positive interactions across all customer touchpoints, whether digital or physical.

The Influence of Customer Value on Loyalty

Customer value is found to significantly influence customer loyalty, with a regression coefficient of 0.381 ($p < 0.05$). The standardized beta value of 0.379 indicates that customer value accounts for 37.9% of the variation in loyalty.

This finding supports Relationship Marketing Theory, which posits that superior value fosters stronger relational bonds that reduce the likelihood of customer switching behavior. As customers perceive that the value offered surpasses that of competitors, they are more inclined to maintain loyalty. The observed decrease in the coefficient from 0.411 to 0.381 after the inclusion of satisfaction as a mediating variable suggests that part of the value – loyalty relationship operates indirectly through satisfaction.

The Influence of Experience on Loyalty

Customer experience also demonstrates a positive and statistically significant impact on loyalty ($\beta = 0.285$, $p = 0.014$). The standardized beta value of 0.284 indicates that experience contributes 28.4% to customer loyalty.

However, the effect of experience on loyalty ($\beta = 0.284$) is notably lower than its impact on satisfaction ($\beta = 0.572$). This suggests that while positive experiences are effective in generating immediate satisfaction, they must be reinforced through sustained satisfaction to translate into long-term loyalty.

The Influence of Satisfaction on Loyalty

Consistent with prior empirical evidence, customer satisfaction emerges as a key determinant of loyalty ($B = 0.319$, $\beta = 0.317$, $p < 0.05$). Satisfied customers tend to engage in repeat transactions, increase usage intensity, and generate positive word-of-mouth communication. The high mean scores for satisfaction (ranging from 6.28 to 6.39) are closely aligned with the elevated loyalty levels observed in this study.

The Mediating Role of Satisfaction: Value to Loyalty

The Sobel test results confirm that satisfaction significantly mediates the relationship between customer value and loyalty ($p < 0.05$), indicating a partial mediation effect. This implies that customer value influences loyalty through two distinct pathways:

A direct pathway, where customers remain loyal due to favorable cost-benefit evaluations. An indirect pathway, where high perceived value enhances satisfaction, which subsequently strengthens loyalty.

The Mediating Role of Satisfaction: Experience to Loyalty

Similarly, customer satisfaction functions as a partial mediator in the relationship between experience and

loyalty ($p < 0.05$). These findings suggest that positive customer experiences alone are insufficient to sustain long-term loyalty unless they are translated into tangible satisfaction outcomes. Consequently, bank management should prioritize critical “moments of truth” the customer journey to ensure that every interaction delivers a satisfying experience.

CONCLUSION

This study successfully constructs a comprehensive integrative model to analyze the determinants of customer loyalty among financing clients at State own syariah banking. The empirical evidence confirms that all proposed hypotheses are supported, with customer experience ($\beta = 0.570$) and customer value ($\beta = 0.411$) serving as significant antecedents of satisfaction, subsequently functions as a key intervening variable influencing loyalty. A notable insight from this research is that customer experience exerts a stronger influence on satisfaction than functional value, indicating that emotional engagement and interaction quality are critical factors in shaping customer perceptions within the Islamic rural banking sector.

The strong explanatory capacity of the model underscores its relevance to Sharia-based service marketing theory, particularly in emphasizing the role of experiential quality within socially embedded financial environments. Although the model explains 50.3% of the variance in the dependent variables, the remaining 49.7% suggests opportunities for future research to incorporate additional determinants such as brand trust, perceived Sharia compliance, and digital

banking capabilities. From a strategic perspective, State own syariah banking is advised to shift from a product-oriented approach toward an experience-driven strategy to ensure sustainable customer loyalty amid intensifying market competition.

REFERENCES

- Angelia, N., Suharyono, & Kumadji, S. (2022). Pengaruh Customer Experience terhadap Customer Loyalty melalui Customer Satisfaction pada Pengguna Transportasi Online. *Jurnal Administrasi Bisnis*, 103(2), 45-54.
- Budiarti, A. (2020). The Effect of Service Quality and Customer Satisfaction on Customer Loyalty in Islamic Banking. *Journal of Islamic Marketing*, 11(6), 1691-1705.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Semarang: Badan Penerbit Universitas Diponegoro.
- Jaya, I. M. L. M. (2020). *Metode Penelitian Kuantitatif dan Kualitatif: Teori, Penerapan, dan Riset Nyata*. Yogyakarta: Anak Hebat Indonesia.
- Jumawar, C. B., & Nurmartian, N. (2022). Pengaruh Customer Value terhadap Customer Loyalty dengan Customer Satisfaction sebagai Variabel Intervening. *Jurnal Manajemen dan Bisnis*, 15(2), 112-125.
- Kotler, P., & Keller, K. L. (2016). *Marketing Management (15th ed.)*. New Jersey: Pearson Education.
- Kotler, P., & Keller, K. L. (2022). *Marketing Management (16th ed.)*. Harlow: Pearson Education Limited.
- Samosir, Z. Z., & Marpaung, F. K. (2022). The Impact of Customer Experience on Customer Satisfaction and Loyalty in Digital Banking.

International Journal of Banking and Finance, 18(1), 78-95.

Setiawati, R., & Susanti, V. (2022). Customer Experience and Its Impact on Loyalty in Islamic Banking Sector. *Journal of Islamic Finance Studies*, 8(2), 134-148.

State of Global Islamic Economy Report. (2022). DinarStandard.

Suwarni, E., Hamzah, M. L., & Purwoko, B. (2022). The Role of Customer Value in Building Customer Loyalty: A Study in Islamic Banking. *Asia Pacific Journal of Marketing and Logistics*, 34(8), 1823-1840.

Tho'in, M., Marimin, A., & Wibowo, P. A. (2021). Pengaruh Kepuasan Nasabah terhadap Loyalitas Nasabah pada Bank Syariah. *Jurnal Ekonomi Syariah Indonesia*, 11(1), 28-39.

Tjiptono, F. (2014). *Pemasaran Jasa: Prinsip, Penerapan, dan Penelitian*. Yogyakarta: Andi Offset.

Prinsip, Penerapan, dan Penelitian. Yogyakarta: Andi

Offset.

Udayana, I. B. N., Sukaatmadja, I. P. G., & Yasa, N. N. K. (2022). The Influence of Customer Experience on Customer Loyalty through Customer Satisfaction. *European Journal of Business and Management Research*, 7(3), 201-207.

Wulandari, S., & Rahmidani, R. (2022). Pengaruh Customer Value dan Service Quality terhadap Customer Loyalty dengan Customer Satisfaction sebagai Variabel Intervening. *Jurnal Manajemen dan Kewirausahaan*, 13(3), 245-258