What Drives Customer Loyalty in Islamic Banking? An Evidence from Pakistan

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ARTICLE DETAILS

ABSTRACT

This study investigates the role of customer intimacy, commitment, and trust in increasing their loyalty and mediating role across trust and customer loyalty nexus. A total of 500 questionnaires were disseminated but 404 of these were included for analysis (approx. 81% response rate). The hypotheses were tested through the structural equation modeling technique using smart PLS. The results indicate that trust has a significant nexus with commitment, customer intimacy, and loyalty. Both commitment and customer intimacy have a significant nexus with customer loyalty. The mediation analysis reveals that commitment and customer intimacy act as important mediating variables in the nexus. The research outcome supports the notion that as the level of trust increases the level of intimacy, commitment, and loyalty would tend to increase as well. The results further reveal that customers are devoted towards persistent and continuing association with Islamic banks. Commitment, trust, and customer intimacy prove to be the foundation factors for building and strengthening customer loyalty. It emerges, that in terms of hierarchy, the customer trust needs to be evolved at the initial level consistently followed by customers’ intimacy, commitment, and loyalty.

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1. Introduction
Currently, the competition of Islamic banks is not only with traditional banks but also with banks that have Islamic windows. These banks are facing competition in similar markets for offering savings and current accounts along with other services and products (Sumaedi et al., 2015). This rising competition amongst banking businesses to appeal the same clients is compelling Islamic banks to discover exclusive marketing tactics to improve and sustain association with their clientele. According to research, trust is regarded as one of the most imperative factors of collective associations between clients and banks. From the perspective of the Islamic banking system (IBS), trust refers to the client’s belief about Islamic banking that it is functioning as per principles devised by Shariah (Amin et al., 2013). Trust turns out to be one of the most imperative features of the relationship between the Islamic bank and its client (Sumaedi et al., 2015). Available researches (e.g. Amin et al., 2013) have proposed numerous rewards due to belief in the system of Islamic banks and trust which ultimately provides assistance in dealings with clients and directs towards customer loyalty (Cust_loyl). The higher the level of the client’s trust in the association, the higher will be his loyalty towards Islamic banks. Different studies found that commitment (Commt) (Fullerton, 2011) and customer intimacy (Cust_int) (Brock and Zhou, 2012) are suitable predictors in sustaining long-term relations with clients. Theoretically, in earlier studies the positioning of constructs i.e. (Cust_int) and (Commt) have been overlooked (Ashraf et al., 2015) in developing effective nexus between Islamic banks and their customers. However, here the researcher has tried to incorporate two major mediating concepts i.e. (Cust_int) and (Commt).

The idea was to analyze the effect of trust, (Commt) and (Cust_int) on the (Cust_loyl) in the context of Islamic banking along with the mediating effect of these variables i.e. (Commt) and (Cust_int) between trust and (Cust_loyl). There is still a dearth of study to explore how these variables perform as a mediating variable in the association between (Cust_loyl) and trust in Islamic banking particularly with respect to Pakistan. This research will help to gain a better insight into these variables with respect to Islamic banks in providing superior services, sustaining nexus with the customer, and achieving edge in the international market. Previous research (Khan et al., 2019) has highlighted that Commitment and trust are the key pillars for establishing loyalty.

2. Literature Review

2.1 Trust
Amongst all the vital constructs and variables involved in any business environment related to any product and service, trust has been given an utmost priority by available works of literature. (Robson et al., 2017). According to the trust can be defined as a virtue i.e. an outcome of confidence, sincerity, equity, fairness between humans and moral principles which are common to strengthen the service association between banks and customers. Considering this explanation, authors have divided trust into two different definitions that are benevolence and credibility. Credibility denotes to client's judgment about the (Commt) that has been made by a firm, and hence, trust is dependent on it. Whereas benevolence, on the other hand, refers to the client's trust that, corporation’s aims and intents are helpful to them. In general, the level of truth will improve the cases of customers trusting a service provider or direct stakeholders, while the lack of trust will result the end of the relationship (Kabadayi, 2016; Jiang et al., 2015).

As per earlier studies, religious features are also considered as one of the main aspects when clients make their transactions with Islamic banks. For the financial sector, Ennew & Sekhon (2007) describe trust as an association with accepting susceptibility, risk, dependence on each other, and positive concerns about potential activities. Haron et al., (1994) emphasized that customers in Malaysia have faith that religion is the only cause due to which they support the Islamic banks. According to Sumaedi et al. (2015), the trust of clients in Islamic banks vests in the adherence of Islamic banks to Islamic values. Kayed and Hassan (2011) also stressed that trust refers to the Islamicity of finance operations which have been recognized as the main source of trust-building between the banks (Amin et al., 2013).
2.2 Commitment
Jones (2008) defined (Commt) as an emotional determination that emphasizes the linkage of an individual to a purpose. This concept also reflects the mental and emotional ties that are expected to have more benefits of staying in a partnership (Chenet, 2010). Sumaedi et al. (2015) emphasized in the context of Islamic banks that, the higher the affective (Commt) of clients, the higher will be the social connection between clients and their banks. Calculative (Commt) is the degree at which the exchange of information between each other is a need towards the maintenance of the relationship and to anticipate the cost of switching (Cater & Zabkar, 2009). Aagja et al., (2011) found that if customers’ perception is built towards the notion that the relationship will not be much profitable, this will direct the client towards switching of their bank. Some authors also present a rationale that in the context of Islamic banking clients are committed to Islamic banks because they are in a compulsion to do so (Sumaedi et al. 2015). Therefore, according to Thuy et al. (2016), it has been suggested by the authors that the discontinuation of the relationship between any company and their customers derives customer to a psychologically stressful and emotional phase where they tend to spend more of their efforts, time and money to explore alternatives.

2.3 Customer Intimacy
Brock and Zhou (2012) stated that (Cust_int) is the perception of the customer about having a mutual and very close association between buyers and suppliers. They further stated that the construct of (Cust_int) has been stated as multidimensional with the sub-constructs based on value perception, understanding of mutual side, and closeness. Closeness has been defined as the reflection of attributes associated with human behavior based on (Commt), affection, bonding, and empathy, which creates a strong sense of safety in a relation (Sirdeshmukh, 2002; Baumann and Le Meunier-FitzHugh, 2014). (Cust_int) has been further defined by two concepts: passion and (Commt) (Bügel, 2011). Though, the argument about customers and their nexus in terms of marketing have been presented by some researchers stating that intimacy is not just about revealing the truthfulness in terms of information a company has. It has also been highlighted that the relations in which self-disclosures are included are more intimate (Jacobs et al., 2001). Subsequently, it has been brought into light that the customers who share their confidential details with their respective suppliers develop intimate nexus. Overall bank performance is strongly dependent on the interpersonal nexus and the external relations of bank executives with the customer since the interaction has the direct impact of how a customer wants to continue their further contact with the relevant banks (Bügel, 2011; Balaji et al., 2016).

2.4 Customer Loyalty
In the field of marketing and business, (Cust_loyl) is one of the most discussed variables. Its impacts in different scenarios and various settings of businesses with respect to products and services have been discussed across diverse cultural contexts (Amin et al. 2013). The two main branches of loyalty are attitudinal and behavioral loyalty respectively. Attitudinal loyalty is expressed as the want of a customer-relevant to repurchase along with the willingness to recommend the purchases to further acquaintances. (Baumann et al., 2012; Hennig-Thurau, 2001; Wong & Zhou, 2006). This kind of notion deals with the effectiveness of product purchases and the encouragement of the seller and can be used for businesses to design a better strategy based on relationship marketing (Oliver, 1999). Similarly, the concept of Behavioral loyalty refers simply to the affection of a customer towards a certain product and a repurchase that has been made against this affection. However, this notion of loyalty is unable to depict the loyalty in real terms since it has most factors which are related to certain objectives, though, it can predict the behavior of switching of product for customers. (Oliver, 1999). With respect to this research loyalty of customer can be stated as the behavior that a customer exhibit by continuing to stay committed and persistent while engaging with the bank for several new and old services offered. (Amin et al., 2013; Henrique & Matos, 2015; Baumann et al., 2007; Zeithaml at el., 1996; Ladhari et al., 2011). Aluri et al., (2019) found that specious (Cust_loyl) is shifted easily in case of better choice or comfort in buying another brand.
3. Impact of Trust on Commitment

Even if there is no agreement in the literature related to the association between trust and (Commt), it has been identified in several studies that trust contributes significantly to improving the (Commt) of customer (Čater and Čater, 2010; Shukla et al., 2016). According to Boateng and Narteh (2016), when clients and banks are engaged with each other, the clients must show trust in their bank before committing to them. Also, Gounaris (2005) emphasized that (Commt) will increase as trust increases. To the extent that Islamic banking is concerned, it was found in considerable studies that clients trust Islamic banks as their (Commt) to implement the belief is high. Non-significant relation was also found in numerous studies between (Commt) and trust (De Ruyter et al., 2001). Such as Cater and Zabkar (2009) specified the same non-significant relation because of a lack of options. Sumaedi et al. (2015) studied the influence of trust on (Commt) in the IBS and the outcomes showed no significant association between trust and (Commt), however, clients have trust in their banks. The reason might be the (Commt) of clients with different banks. So, according to the pieces of literature examined earlier it can be hypothesized that:

H1 = Trust has a significant effect on the (Commt) of customers associated with the IBS.

3.1 Impact of Trust on Customer Intimacy

Morgan and Hunt (1994) introduced the concept of trust in relationships related to services and acknowledged it as a significant aspect of building relationships (Yu et al., 2015). Further, Balaji et al., (2016) found that the development of (Cust_int) is the outcome of the client’s trust in the provider of services. Ponder et al. (2016) debated that a client’s readiness to intimate nexus with the provider of services is affected by the level of trust toward them. In the banking sector, (Cust_int) is comparatively high because of enhanced individual dealings between clients and personnel of banks (Chai et al., 2015). This specifies that effective nexus between clients and banks will be present when one of the parties is certain about the other party’s integrity and dependability (Moorman et al., 1992; Mukherjee and Nath, 2007). Ashraf et al. (2015) debated that the more clients trust their Islamic banks, the more clients intimate their associations with Islamic banks. As a consequence, trust is anticipated to enhance (Cust_int). So, according to the literature examined earlier it can be hypothesized that:

H2 = Trust has a significant effect on the (Cust_int) of customers associated with the IBS.

3.2 Impact of Trust on Customer Loyalty

It has been examined through previous studies that trust is an essential parameter for creating relationship value (Ponder et al., 2016). Past studies showed that trust incorporates an important implication in setting up client loyalty. Kabadayi (2016) in his literature proposed the notion that an increase in customers' trust in their bank leads to a longer relationship for future transactions. Apparently, Cho & Hu (2009), in their research claimed that loan transactions in the future and all the dealings with the banks are completely dependent on trust, and once it is achieved they will comfortably refer their banks to acquaintances. For IBSs, trust is recognized as a significant factor in the evolving loyalty of customers. Nevertheless, this behavior of customers is bound to demonstrate that the relationships in IBSs are exclusively created on the basis of Trust as the dealings and transactions are based on Shariah. (Tameme & Asutay, 2012; Hassan & Lewis, 2007). In this research, trust is expected to exhibit a direct impact with respect to client loyalty. So, according to the literature examined earlier it can be hypothesized that:

H3 = Trust has a significant and positive effect on the loyalty of clients associated with the IBS.

3.3 Impact of Commitment on Customer Loyalty And Its Mediation Impact

The impact of (Commt) on (Cust_loyl) has been examined by some scholars in B2C (Business to customer) nexus however according to Kwan Soo Shin et al., (2019) very few researchers have exhibited trust as the key predictor of loyalty by taking (Commt) as a mediator. Furinto (2009) considers monetary benefits that have been offered to the customers as the basis of increasing their loyalty and (Commt). It has also been proposed by some scholars i.e. (Garbarino & Johnson, 1999; Rauyruen & Miller, 2007) that intention to purchase in future or to keep up the relationship is due to (Commt)
whereas it also results in readiness to recommend it to others (Hennig-Thurau et al., 2002; Chenet et al., 2010). In addition, the (Commt)-trust association theory Morgan and Hunt, (1994) also found that (Commt) is the integral mediating factor in creating any effective association. Cater and Zabkar (2009) emphasized that (Commt) is an appreciable mediating variable in for building and sustaining long term association. Likewise, Chenet et al. (2010) identified that (Commt) works as a mediating variable between trust, future intentions, and differentiation. Even, the influences of these relationships on the loyalty of customers have not been examined from the perspective of the IBS of Pakistan. So, according to the literature examined earlier it can be hypothesized that:

\[ H4 = \text{(Commt)} \text{ has a significant effect on the (Cust_loyl)} \text{ associated with Islamic Banks.} \]

\[ H5 = \text{(Commt)} \text{ mediates the relationship between trust and (Cust_loyl).} \]

### 3.4 Impact of (Cust_Int) on Customer Loyalty

With respect to client intimacy, it has been examined that the relation between (Cust_int) and loyalty is found to be vital. Ponder et al., (2016) claimed that the level of customer trust which they exhibit towards the service providers influences customer’s readiness to intimate the relationship with them. In the banking industry, due to the frequent personal interactions between the buyer and seller of services in an Islamic bank, the relationship i.e. intimacy is also relevantly high. (Chai, 2015; Bügel, 2011). According to Ashraf et al., (2015) clients intimate their nexus more with the IBS when they are loyal to their banks. Brock & Zhou (2012) stated that the main source of (Cust_int) is the verbal and non-verbal interaction between the banks and the customers. In addition to the direct interactions between (Cust_int) and (Cust_loyl), the literature implies that (Cust_int) also performs the role of mediating variable between trust and (Cust_loyl). (Brock and Zhou, 2012). Even, the influences of these nexus on the loyalty of customers have not been examined from the perspective of the IBS of Pakistan. So, according to literature examined earlier it can be hypothesized that:

\[ H6 = \text{Intimacy of customers has a significant influence on the (Cust_loyl)} \text{ associated with the IBS.} \]

\[ H7 = \text{(Cust_int)} \text{ mediates the nexus between (Cust_loyl) and trust.} \]

### 4. Research Methodology

The questions of the instrument were adopted from different researches i.e. construct of trust consists of 4 items which were adopted from (Amin et al., 2013; Sumaedi, 2015), construct of (Commt) consists of 4 items which were adopted from (Brock & Zhou, 2012; Sumaedi, 2015), the construct of intimacy consists of 5 items which were adopted from (Brock and Zhou, 2012) and finally construct of loyalty consists of 4 items which were adopted from (Zeithaml, 1996; Amin et al., 2013). Moreover, a five-point Likert scale from 1 = Strongly disagree to 5 = Strongly agree was utilized to assess each variable. A convenience sampling method was utilized in this study. The online survey was distributed among the class of individuals who have been clients of banks that offer Islamic banking services. As mentioned by Cohen, J. (1969) that the sample size needs to be greater than 384 in case if the population is above 1 million or unknown. Therefore, after disseminating around 500 questionnaires 404 were were returned with no missing values.

### 5. Analysis of Data and Outcomes

In order to assess the structural model PLS algorithm was run through software i.e. Smart PLS. For internal consistency, reliability was computed through Cronbach’s α coefficient. The values that are shown in table I are above the threshold values i.e. as per (Hair et al., 2010) (CR) i.e. composite reliability, factor loadings, and (AVE) i.e. average variance extracted were applied to evaluate convergence validity. The suggested standards for loadings are specified at > 0.5, CR ought to be > 0.7 and the AVE needs to be > 0.5 (Anderson and Gerbing, 1988). The results revealed that the value of the factor loading of each reflective indicator is between 0.709 and 0.868. These values fulfill the criteria of threshold level i.e. 0.50 showing that the convergent validity for each variable was accomplished (Hair et al., 2012). Subsequently, AVE was calculated for each variable for evaluating discriminant validity as suggested by (Hair et al., 2010), and the values varied between 0.552 and 0.725. Table II displayed the discriminant validity (Dis_Val) of the variable, as the AVE’ square root between each set of the variable
was greater than the correlation calculated between variables, thus its (Dis_Val) was conformed (Hair et al., 2010, 2012).

Table I. Factor Loadings, Alpha α, CR and AVE Values

<table>
<thead>
<tr>
<th></th>
<th>Commt</th>
<th>Cust_int</th>
<th>Cust_loyl</th>
<th>Trust</th>
<th>α</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commt1</td>
<td>0.855</td>
<td></td>
<td></td>
<td>0.812</td>
<td>0.888</td>
<td>0.725</td>
<td></td>
</tr>
<tr>
<td>Commt2</td>
<td>0.864</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commt3</td>
<td>0.835</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_Intm1</td>
<td>0.717</td>
<td></td>
<td></td>
<td>0.797</td>
<td>0.860</td>
<td>0.552</td>
<td></td>
</tr>
<tr>
<td>Cust_Intm2</td>
<td></td>
<td>0.752</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_Intm3</td>
<td></td>
<td>0.766</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_Intm4</td>
<td></td>
<td>0.768</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_Intm5</td>
<td></td>
<td>0.709</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_loyl1</td>
<td></td>
<td>0.804</td>
<td>0.854</td>
<td>0.901</td>
<td>0.695</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_loyl2</td>
<td></td>
<td></td>
<td>0.813</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_loyl3</td>
<td></td>
<td></td>
<td>0.848</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_loyl4</td>
<td></td>
<td></td>
<td>0.868</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust1</td>
<td></td>
<td></td>
<td></td>
<td>0.855</td>
<td>0.854</td>
<td>0.902</td>
<td>0.696</td>
</tr>
<tr>
<td>Trust2</td>
<td></td>
<td></td>
<td></td>
<td>0.785</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust3</td>
<td></td>
<td></td>
<td></td>
<td>0.859</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust4</td>
<td></td>
<td></td>
<td></td>
<td>0.837</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table II. Discriminant Validity. (Fornell-Larcker Criterion)

<table>
<thead>
<tr>
<th></th>
<th>Commt</th>
<th>Cust_int</th>
<th>Cust_loyl</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commt</td>
<td>0.852</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_int</td>
<td>0.714</td>
<td>0.743</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_loyl</td>
<td>0.656</td>
<td>0.743</td>
<td>0.834</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.665</td>
<td>0.666</td>
<td>0.637</td>
<td>0.834</td>
</tr>
</tbody>
</table>

HTMT ratio is used as a narrative measure for evaluating unique validity as proposed by Henseler et al. (2015) that all ratios shall be less than 0.90. Table III demonstrates that all variables’ values are less than 0.90, and hence unique validity has been attained.

Table III. Heterotrait-Monotrait Ratio (HTMT)

<table>
<thead>
<tr>
<th></th>
<th>Commt</th>
<th>Cust_int</th>
<th>Cust_loyl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commt</td>
<td>0.878</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cust_int</td>
<td>0.782</td>
<td>0.896</td>
<td></td>
</tr>
<tr>
<td>Cust_loyl</td>
<td>0.783</td>
<td>0.805</td>
<td>0.741</td>
</tr>
</tbody>
</table>

5.1 Path Analysis
The assessment of the structural model under PLS was carried out by different tests including testing of hypotheses through the determination of path coefficient, the examination of $R^2$, predictive relevance, determination of effect size, and goodness of fit. Empirical investigation determines the relationship among variables. After the initial examination as mentioned above, the significance and strength of the
association between constructs were evaluated through path analysis. For path analysis, Bootstrapping through 5000 samples was applied (Preacher and Hayes, 2008) at a 5% significance level.

Table IV Path Analysis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Paths</th>
<th>Estimate</th>
<th>S.D</th>
<th>T-Stats</th>
<th>P Values</th>
<th>Result</th>
<th>F-Square</th>
<th>R-Square</th>
<th>Q-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Trust -&gt; Commt</td>
<td>0.665</td>
<td>0.031</td>
<td>21.458</td>
<td>0.000</td>
<td>Supported</td>
<td>0.793</td>
<td>Commt</td>
<td>0.442</td>
</tr>
<tr>
<td>H2</td>
<td>Trust -&gt; Cust_int</td>
<td>0.666</td>
<td>0.031</td>
<td>21.315</td>
<td>0.000</td>
<td>Supported</td>
<td>0.799</td>
<td>Cust_int</td>
<td>0.444</td>
</tr>
<tr>
<td>H3</td>
<td>Trust -&gt; Cust-loyl</td>
<td>0.194</td>
<td>0.048</td>
<td>3.997</td>
<td>0.000</td>
<td>Supported</td>
<td>0.045</td>
<td>Cust-loyl</td>
<td>0.602</td>
</tr>
<tr>
<td>H4</td>
<td>Commt -&gt; Cust-loyl</td>
<td>0.181</td>
<td>0.047</td>
<td>3.843</td>
<td>0.000</td>
<td>Supported</td>
<td>0.035</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H6</td>
<td>Cust_int-&gt; Cust-loyl</td>
<td>0.485</td>
<td>0.051</td>
<td>9.573</td>
<td>0.000</td>
<td>Supported</td>
<td>0.251</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table IV depicts that all paths are significant i.e. (p < 0.1), T-stats. > 1.96, and (p<0.05) (Hair et al., 2013). This results in the acceptance of all alternative hypotheses. Figure 1 shows the diagrammatic representation of the results of the model tested.

**Figure 1:**-Test Results of Research Model

**H1** is supported by a significant positive link of trust and (Commt) of customers associated with IBS (an estimate of (0.665), p < 0.05, i.e. 0.00). Hence **H1** is accepted.

**H2** supported by a significant and positive link between trust and intimacy of customers associated with IBS (an estimate of (0.666), p < 0.05, i.e. 0.00). Hence **H2** is accepted.

**H3** supported by a significant and positive nexus between (Cust_loyl) and trust associated with Islamic banking. (an estimate of (0.194), p < 0.05, i.e. 0.00). Hence **H3** is accepted.

**H4** supported by a significant positive link between the (Commt) and loyalty of customers associated with the IBS. (an estimate of (0.181), p < 0.05, i.e. 0.00). Hence **H4** is accepted.

**H6** supported by a significant and positive link between intimacy and loyalty of customers associated with IBS with (estimate of (0.485), p < 0.05, i.e. 0.00). Hence **H6** is accepted.
The Q² was analysed for the path model’s predictive relevance. As suggested by Fornell and Cha (1993), the model is said to have prediction power if its value is greater than 0, however, if the value is less than 0 then it is said that the model lacks prediction power. The Q² values i.e. 0.295, 0.392, and 0.229 for (Commt), (Cust_loyl) and (Cust_int) are shown in Table IV showing that the path model contains predictive power for all three endogenous variables.

The value of R² shows the predictive relevance of the model. The value of R² needs to be greater than 0.10 (Falk & Miller, 1992). Figure IV specifies that Trust predicts 44.2% of (Commt) (R² = 0.442), 44.4% of (Cust_int)(R² = 0.444) and 60.2% of (Cust_loyl)(R² = 0.602). These values show that R² is significant and acceptable for the fitness of the PLS model. To check the effect size of variables, F² was utilized. Recommended values for the magnitude of F² as suggested by Cohen (1988) are small, medium, and large i.e. 0.10, 0.25, 0.35. The effect size of Trust on (Commt) and on (Cust_int) is 0.793 and 0.799 respectively having the (P= 0.000), which infers quite large and significant effect. As far as the effect size of Trust on (Cust_int) is concerned it shows small effect i.e. 0.045 but with significant p-value i.e. 0.000. In the case of (Commt) and Customer loyalty, the values are again small (0.0350 but significant (p=0.000) whereas for (Cust_int) and (Cust_loyl) it has a medium (0.251) and significant effect (p=0.000)

Table V Goodness of Fit

<table>
<thead>
<tr>
<th>Variables</th>
<th>AVE</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commt</td>
<td>0.725</td>
<td>0.442</td>
</tr>
<tr>
<td>Cust_int</td>
<td>0.552</td>
<td>0.444</td>
</tr>
<tr>
<td>Cust_loyl</td>
<td>0.695</td>
<td>0.602</td>
</tr>
<tr>
<td>Trust</td>
<td>0.696</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>0.667</td>
<td>0.496</td>
</tr>
</tbody>
</table>

Gof √AVE X R² = 0.575293

The Goodness-of-fit (GoF) is suggested as a measure of fit for PLS path modeling and it shows the prediction power of the composite model. It ranges from 0 to 1. Though, for communality, Wetzels et al. (2009) recommended the following values i.e. small, medium, and large i.e. 0.10, 0.25, 0.35. For this model, the value of Gof is 0.575 as shown in Table V and it satisfies the criteria for the large value of Gof for prediction power as mentioned above.

5.2 Mediation Effect
For testing the mediating effects of variables, (Commt), and (Cust_int), the approach for bootstrap proposed by Preacher and Hayes (2008) was adopted.

Table VI Mediation Effect

<table>
<thead>
<tr>
<th>Estimate</th>
<th>S.D</th>
<th>T-Stats</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust -&gt; Commt -&gt; Cust_loyl</td>
<td>0.121</td>
<td>0.033</td>
<td>3.693</td>
</tr>
<tr>
<td>Trust -&gt; Cust_int&gt; Cust_loyl</td>
<td>0.323</td>
<td>0.039</td>
<td>8.233</td>
</tr>
</tbody>
</table>

The mediating role of (Commt) and (Cust_int) in the nexus between trust and (Cust_loyl) is shown in Table VI. The outcomes show that both (Commt) and intimacy of customers are playing as partial mediating variables with (estimate of (0.121), p < 0.05, i.e. 0.00) and (estimate of (0.323), p < 0.05, i.e. 0.00). Hence H5 and H7 are accepted.

6. Discussion and Practical Implications
The objective of this research was to examine the role of intimacy, commitment, and trust in increasing the loyalty of customers and to investigate the mediating role of customer intimacy and commitment in the association between customer loyalty and trust. The study outcome supports the proposition that as
the level of trust increases, the level of intimacy (Balaji et al. 2016), commitment (Kwan Soo Shin et al., 2019) and loyalty of clients (Kwan Soo Shin et al., 2019) will also increase due to Sharia compliance of Islamic banks.

The outcome of mediation analysis indicates that commitment and customer intimacy partially mediate the association between trust and customer loyalty. These outcomes are new insights as full mediation effects have already been reported for commitment (e.g. Balaji., 2015; Kwan Soo Shin et al., 2019) and intimacy (Ponder et al., 2016). Initially, this research adds to the literary work by providing new insights regarding commitment, trust, customer loyalty and customer intimacy in Islamic banks. This research explains that trust performs a significant role in developing customer intimacy and commitment, which in turn affects the loyalty of the consumer. This procedure leads us to portray that trust supports in maintaining the association between clients and their respective banks. Evidently, clients relying upon their banks will probably establish commitment, and assessment of other alternative relations will be reduced to complement the loyalty of the consumer. Commitment, trust, and customer intimacy appear important in improving customer loyalty. To this stage, the additional trust of clients on their banks will result in additional engagement of the client in the customer loyalty procedure. This implies that trust needs to be evolved at the initial stage and then customer intimacy, commitment, and customer loyalty are consistently developed.

References
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