

Sharia Bank's Loyalty: Physical Evidence, Religiosity & Customer Intimacy Moderated by Brand Image and Switching Barriers

Sharia Bank's
Loyalty: Moderated
by Brand Image

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ABSTRACT

This study examines the impact of physical evidence, religion, and personal intimacy on customer loyalty at Bank Syariah Indonesia, while also assessing the moderating influence of brand image and switching barriers. The study employed a quantitative methodology to survey 230 clients. Data were gathered via a Likert-scale questionnaire and examined using SEM-PLS. The results demonstrated that brand image was the foremost determinant of customer loyalty, followed by physical proof and religiosity. Customer closeness did not exhibit a substantial direct impact on loyalty. Nonetheless, switching barriers, albeit not immediately impactful, acted as a moderator between physical evidence and consumer loyalty. The brand image substantially influences the relationship between religiosity and loyalty. This study contributes to the literature on sharia marketing by emphasizing the critical function of brand image in fostering customer loyalty and the significance of physical evidence in generating favorable customer experiences. The report offers strategic ideas for Sharia Bank management to elevate brand image, develop physical infrastructure, and incorporate Sharia principles into their services.

Keywords: Customer Intimacy, Customer Loyalty, Physical Evidence, Religiosity, Sharia Bank.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh bukti fisik, religiositas, dan kedekatan pelanggan terhadap loyalitas pelanggan di Bank Syariah Indonesia. Selain itu, penelitian ini juga bertujuan untuk memahami peran citra merek dan hambatan pindah sebagai faktor yang mempengaruhi. Penelitian ini menggunakan pendekatan kuantitatif dan melibatkan 230 responden. Data dikumpulkan dengan kuesioner skala Likert dan dianalisis menggunakan SEM-PLS. Penelitian menunjukkan bahwa citra merek adalah faktor paling berpengaruh terhadap loyalitas pelanggan, diikuti oleh bukti fisik dan religiositas. Kedekatan pelanggan tidak memiliki pengaruh langsung yang signifikan terhadap loyalitas. Namun, hambatan pindah, meskipun tidak signifikan secara langsung, berfungsi sebagai moderator dalam hubungan antara bukti fisik dan loyalitas pelanggan. Citra merek berfungsi sebagai moderator yang signifikan, memperkuat hubungan antara religiositas dan loyalitas. Penelitian ini berkontribusi pada literatur pemasaran syariah dengan menekankan pentingnya citra merek dalam membangun loyalitas pelanggan dan menunjukkan relevansi bukti fisik dalam menciptakan pengalaman pelanggan yang positif.

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Penelitian ini memberikan rekomendasi strategis bagi manajer bank syariah untuk memperkuat citra merek, meningkatkan fasilitas fisik, dan mengintegrasikan nilai-nilai syariah dalam layanan.

Kata kunci: *Keintiman Nasabah, Loyalitas Nasabah, Bukti Fisik, Religiusitas, Bank Syariah.*

INTRODUCTION

A considerable proportion of Muslims persist in participating in *riba*, such as by accruing interest from traditional banks. The market share of Islamic banks in mostly Muslim nations is somewhat modest relative to that of conventional banks (Hati et al., 2021). The emergence of Islamic banks in Indonesia has garnered a favorable public reception, evidenced by the growing number of branches of Islamic commercial banks, sharia business units, and Islamic rural banks. Customer loyalty serves as a measure of strategic success within the Islamic banking sector. Loyal customers not only make repeat purchases but also enhance the bank's brand through positive word-of-mouth (Kotler, 2018; Yuliana & Listari, 2021). Loyalty in Islamic banking is influenced by perceptions of religiosity, service quality, and emotional factors such as bank proximity (Wu & Li, 2018; Novitasari et al., 2024). Previous research has shown that physical evidence significantly increases customer loyalty (Basyir, 2020; Bone, 2021). However, limited facilities, such as the number of Automated Teller Machines (ATMs) compared to other conventional banks, are still a major challenge for Bank Syariah Indonesia (BSI) to meet customer expectations. In addition, digital services such as mobile banking have experienced disruptions for days (Gunardi, 2023; Farahdiba et al., 2024).

Religiosity significantly influences the formation of client loyalty in Islamic banks. Individuals exhibiting elevated religiosity favor financial services that adhere to sharia principles, characterized by the absence of usury and a foundation of justice (Abror et al., 2020). However, the phenomenon of dualism in customer behavior shows that they often continue to use conventional banking services even though they have an account at a sharia bank. This gap indicates the need for a strategic approach that integrates the dimension of religiosity with other elements in creating loyalty.

Customer intimacy is crucial in fostering enduring loyalty (Tabrani et al., 2018; Yusfiarto, 2022; Siska et al., 2023). This concept reflects the quality of the personal relationship between banks and their customers, which leads to a more personalized and relevant experience. Banks that understand the unique needs of their customers can strengthen the emotional attachment of customers to the bank (Levy & Hino, 2016; Setiawan & Patricia, 2022; Afiftama & Nasir, 2024). Research by Mulia et al. (2020) shows that customer intimacy can increase customer loyalty through an intensive two-way interaction approach. However, the implementation of this strategy is often hampered by challenges such as service consistency and limited skilled human resources (Abror et al., 2020; Saraswati & Pratika, 2024).

This study introduces a moderation dimension that includes Brand Image and switching barriers, which contribute to customer loyalty. Brand image represents the public's perception of the credibility and reputation of the bank. This element is an important strategy in building customer trust. Research by Tahir et al. (2024) shows that a strong brand image can increase customer preference for a product or service, even in conditions of intense competition. The culmination of this is so-called brand loyalty. In the context of Bank BSI, a brand image that is identical to Sharia principles is expected to strengthen the relationship between physical evidence, religiosity, and customer intimacy with customer loyalty. On the other hand, switching barriers such as moving costs, limited alternative services, and emotional dependence on the bank influence customers' decisions to remain loyal despite facing certain dissatisfaction (Colgate & Lang, 2001; Jones et al., 2000; Ghamry & Shamma, 2022).

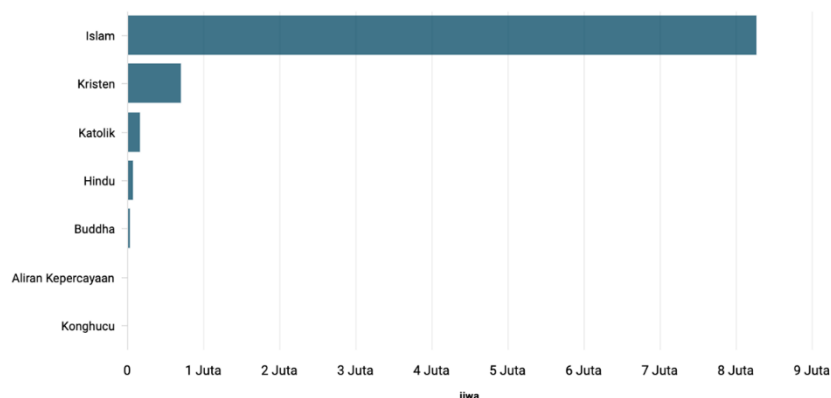


Figure 1. Population by Religion of Makassar City in 2021

As shown in Figure 1, in 2021, around 371,000 clients in Region XI Makassar migrated their accounts to Islamic banks. However, this number is relatively small compared to Makassar's 8.26 million Muslim residents. Figure 1 also shows that the majority of Makassar's population is Muslim, highlighting strong potential for Islamic banking growth. Bank Syariah Indonesia faces challenges in maintaining customer loyalty amid competition with conventional banks, making Makassar a relevant case for studying loyalty dynamics. The presence of several sharia banks, including Bank BTN Syariah, BTPN Syariah, Bank Muamalat, and Bank BSI, reflects this potential.

Tabrani et al. (2018), Abror et al. (2020), and Hati et al. (2021) examined the direct links of physical evidence, religiosity, and customer intimacy on customer loyalty across different contexts. However, these studies mostly focus on direct effects and have not explored the simultaneous moderating roles of brand image and switching barriers in the post-merger context of BSI. This creates a research gap in understanding how these moderators shape loyalty dynamics in a competitive Islamic banking environment. This study examines the impact of physical evidence, religiosity, and customer intimacy on customer loyalty at Bank Syariah Indonesia, while also assessing the moderating influence of brand image and switching barriers. This study makes an important contribution by examining these moderating factors, offering a more comprehensive understanding of customer loyalty.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Determinant of Customer Loyalty

Customer loyalty represents a consumer's commitment to continue using a company's products or services despite competition (Fianto, 2020; Setiawati, 2023; Andespa, 2024). According to Kotler and Keller (2009), it can be measured by repeat purchases, resistance to negative influences, and recommendations to others. Physical evidence encompasses tangible aspects like facilities and infrastructure that improve service quality and boost loyalty (Syarifuddin, 2020; Rachmawati et al., 2022). Indicators include physical environment, layout, and additional facilities. Research by Basyir (2020) shows that strong physical evidence directly increases customer loyalty.

Religiosity refers to an individual's belief and commitment to their religion, with dimensions such as ideological beliefs, practices, appreciation, experiences, and knowledge (Juliana et al., 2023). In Islamic banking, religiosity positively affects loyalty, as evidenced by research in Pekanbaru (Alfani et al., 2025). Customer intimacy involves building close relationships through communication, attention, and ongoing interactions. This intimacy significantly increases loyalty by fostering emotional bonds. Nafiah and Pratama (2021) demonstrated that customer intimacy has a significant positive effect on loyalty. The indicators include communication, attention, and relationships. A strong brand image increases customer loyalty by fostering trust and satisfaction. Meanwhile,

switching barriers encourage customers to stay because they prevent them from switching to another brand.

These variables interconnect: physical evidence creates a welcoming atmosphere that aligns with religious values, strengthening religiosity's impact on loyalty. Customer intimacy complements this by personalizing experiences, leading to sustained commitment. Prior studies confirm that physical evidence, religiosity, and customer intimacy each contribute positively to loyalty in various contexts.

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H1: Physical evidence has a positive effect on customer loyalty.

H2: Religiosity has a positive effect on customer loyalty.

H3: Customer intimacy has a positive effect on customer loyalty.

H4: Brand image has a positive effect on customer loyalty.

H5: Switching barriers has a positive effect on customer loyalty.

Brand Image as a Moderating

Brand Image is the consumer's perception of a company's reputation, quality, and associations (Aaker, 1991). It includes functional image, affective image, and reputation as key indicators. In Islamic banking, brand image significantly influences customer loyalty (Alfani, 2025). Physical evidence, such as facilities and layout, interacts with brand image; a strong brand enhances how tangible elements build loyalty. Religiosity, involving beliefs and practices, is amplified by a positive brand image that aligns with religious values, strengthening its effect on loyalty (Juliana et al., 2023; Alfani et al., 2025).

Customer intimacy, through communication and relationships, is moderated by brand image, as a reputable brand deepens emotional ties and boosts loyalty (Nafiah & Pratama, 2021). Customer loyalty, marked by repeat purchases and recommendations, is influenced by these interactions. Brand image acts as a moderator by either reinforcing or weakening the relationships between physical evidence, religiosity, customer intimacy, and loyalty. For instance, a favorable brand perception can make physical evidence more impactful, while religiosity gains from brand alignment with Islamic principles. The literature suggests that brand image enhances the positive effects of these variables on loyalty in competitive environments like Islamic banking (Tegambwage, 2023; Alfani, 2025). This moderation helps explain variations in loyalty outcomes across studies.

H6: Brand image moderates the effect of physical evidence on customer loyalty.

H7: Brand image moderates the effect of religiosity on customer loyalty.

H8: Brand image moderates the effect of customer intimacy on customer loyalty.

Switching Barriers as a Moderating

Switching barriers are factors that prevent customers from changing providers despite dissatisfaction, including switching costs, perceived risk, and relational benefits (Ghamry & Shamma, 2022; Juliana et al., 2023; Mochlasin, 2023; Busyro, 2024). Research by Risdianto and Japarianto (2014) shows that switching barriers positively influence loyalty. Physical evidence, like facilities and infrastructure, is moderated by switching barriers. High barriers make tangible elements more effective in retaining loyal customers (Azizah & Suprajang, 2020; Rachmawati et al., 2022).

Religiosity, with its dimensions of beliefs and practices, interacts with switching barriers, as barriers tied to religious alignment strengthen religiosity's role in loyalty (Suhartanto, 2020; Alfani et al., 2025). Customer intimacy, built on communication and relationships, is amplified by switching barriers, which increase the cost of breaking intimate ties and enhance loyalty (Sarstedt et al., 2017; Nafiah & Pratama, 2021). Customer loyalty, assessed via repeat purchases and resistance to negatives, benefits from these moderated relationships. Switching barriers are moderated by raising the stakes, making the positive impacts of physical evidence, religiosity, and customer intimacy more pronounced. In Islamic banking, this explains why dissatisfied customers stay loyal due

to perceived risks and costs (Jones et al., 2000; Risdianto & Japariato, 2014). The literature highlights how barriers can either bolster or alter these connections.

H9: Switching barriers moderates the effect of physical evidence on customer loyalty.

H10: Switching barriers moderates the effect of religiosity on customer loyalty.

H11: Switching barriers moderates the effect of customer intimacy on customer loyalty.

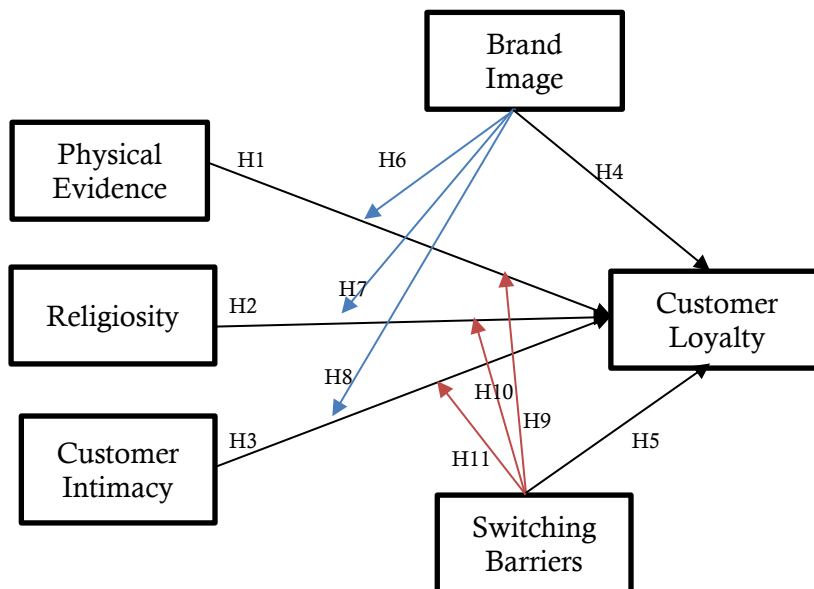


Figure 1. Conceptual Framework

Figure 1 illustrates the structural relationship in Islamic banking research, where the three independent variables of physical evidence, religiosity, and customer intimacy directly influence customer loyalty through the blue and red arrows pointing to the dependent variable. Brand Image acts as the first moderator, with blue arrows from each independent variable leading to the brand image box, then continuing to customer loyalty, indicating that brand image strengthens the influence of these three factors on customer loyalty. Meanwhile, switching barriers serves as the second moderator, illustrated by the red arrows from the independent variables to the switching barriers box, then to customer loyalty, indicating that switching barriers magnify the positive effects of physical evidence, religiosity, and customer intimacy on customer commitment to remain loyal.

RESEARCH METHODS

This research employs a quantitative methodology characterized by an explanatory design to explore the relationships among physical evidence, religiosity, customer intimacy, and customer loyalty within the context of Bank Syariah Indonesia. Additionally, it seeks to analyze the moderating effects of brand image and switching barriers on these relationships. The research was carried out in Makassar City, with a specific focus on the clientele of Bank Syariah Indonesia who had utilized the bank's services for a minimum duration of six months. The selection of the sample was conducted through purposive sampling, adhering to specific inclusion criteria. These criteria encompassed active customers who have utilized bank services for a minimum duration of six months, as well as individuals who are 18 years of age or older. The determination of the sample size was conducted in accordance with the guidelines established by Hair et al. (2017), which recommend that the sample size should be at least 10 times the number of indicators utilized in the study. The present study encompassed a total of 22 distinct indicators, utilizing a sample size comprising 230 respondents, which is considered adequate for the purposes of this research.

Questionnaires were directly administered to clients of Bank Syariah Indonesia Makassar Branch for data collecting. The researcher collaborated with the bank to disseminate the questionnaire and verify that participants fulfilled the inclusion criteria. Data analysis was performed via Structural Equation Modeling (SEM) with Partial Least Squares (PLS) with SmartPLS software. The analytical process consisted of the subsequent phases: 1) Evaluate the Measurement Model (Outer Model) for convergent validity (loading factor, AVE), discriminant validity (Fornell-Larcker criteria), and reliability (Composite Reliability and Cronbach's Alpha); 2) Analyze the Structural Model (Inner Model) for relationships among latent variables through path coefficients, R^2 values, and Q^2 ; 3) Perform Hypothesis Testing utilizing t-statistic and p-value. A hypothesis is accepted when the t-statistic surpasses 1.96 at a 5% significance threshold. Figure 2 below depicts the path model.

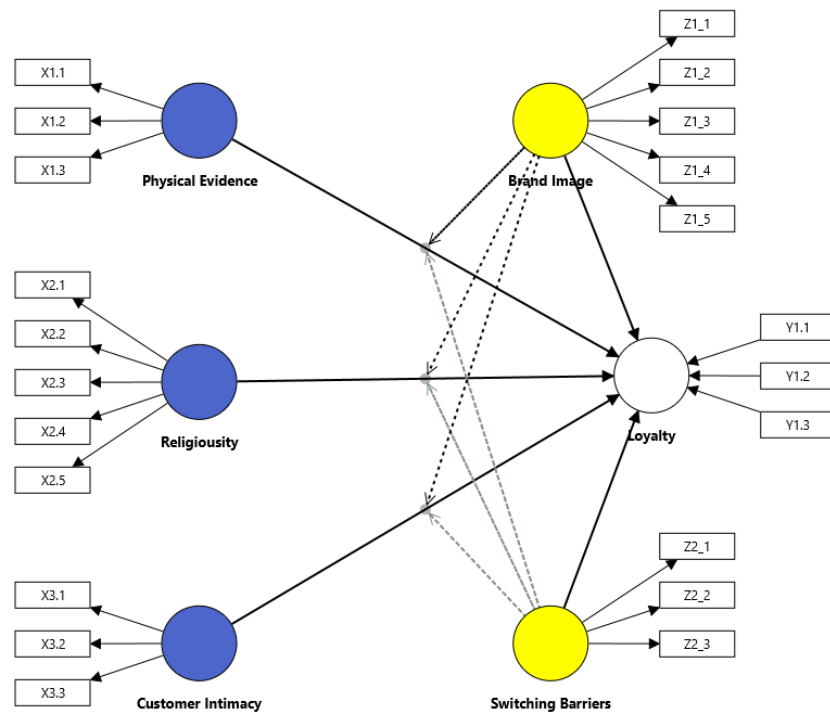


Figure 2. Path Model

Figure 2 illustrates a structural model depicting the relationships between variables in Customer Loyalty (CL) research, where three independent latent variables Physical Evidence (PE) (indicators X1.1 to X1.3), Religiosity (X2.1 to X2.5), and Customer Intimacy (CI) (X3.1 to X3.3) are represented by blue circles and connected with straight arrows to the dependent variable loyalty (indicators Y1.1 to Y1.3). Two moderator variables, brand image (Z1.1 to Z1.5) and switching barriers (Z2.1 to Z2.3), are placed between these relationship paths with dotted arrows, indicating their role in moderating the influence of the independent variables on loyalty.

RESULTS

Respondents were selected based on certain criteria, namely having used bank services for at least six months and being over 18 years old. Respondent demographic data includes information on education level, age, gender, and occupation. Based on the analysis results in Table 1, the majority of respondents were female, 128 people (55.7%), while male respondents were 102 people (44.3%). The dominance of female respondents reflects the characteristics of sharia bank customers who tend to be interested in services that support family needs and religious values. In terms of age, the largest age group is 36–45, which is 92 people (40.0%), followed by the age group over 45 years, 74 people

(32.2%). The 26–35 age group consisted of 46 people (20.0%), and the 18–25 age group was the smallest, with 18 people (7.8%). The shift of most respondents to a higher age category indicates that the loyalty of sharia bank clients is more common among individuals with more mature life experiences and economic stability.

Table 1. Respondents Demography

Characteristic	Category	Sum (n)	Percentage (%)
Gender	Man	102	44.3
	Woman	128	55.7
Age	18–25	18	7.8
	26–35	46	20.0
	36–45	92	40.0
	> 45	74	32.2
Education	Senior High School	20	8.7
	Diploma (D3)	48	20.9
	Bachelor (S1)	120	52.2
	Postgraduate (S2)	42	18.3
Job	Private Employees	72	31.3
	Self-Employed	88	38.3
	Civil Servants	52	22.6
	Other	18	7.8

Based on Table 1, the level of education of respondents shows that most have a bachelor's degree (S1), as many as 120 individuals (52.2%), followed by diploma (D3), as many as 48 individuals (20.9%), and postgraduate education (S2), as many as 42 people (18.3%). Respondents with a high school education level numbered 20 people (8.7%). The high proportion of respondents with higher education reflects that Islamic bank customers generally have better knowledge of sharia-based finance and trust in sharia principles. In terms of employment, self-employed is the largest job category with 88 people (38.3%), followed by private employees with 72 people (31.3%). Respondents who work as civil servants number 52 people (22.6%), while the rest are housewives, students, or retirees with 18 people (7.8%). The dominance of self-employed and PNS shows that sharia bank customers come from work backgrounds that are related to sharia-based financial management and flexible service needs.

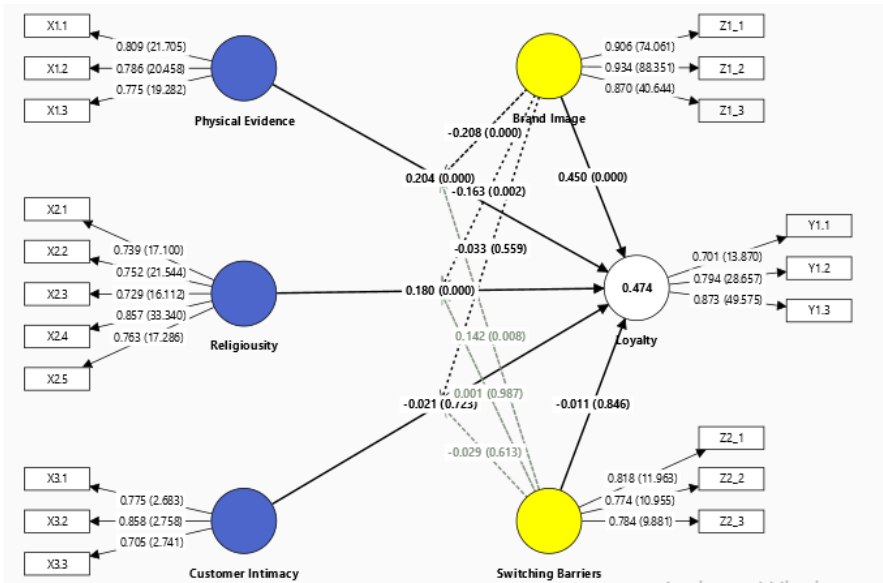


Figure 3. Path Model Result

Table 2. Loading Factor & AVE Value

Latent Variable	Indicator	Outer Loading	AVE	BI	CI	CL	PE	RE	SB
Physical Evidence (PE)	X1.1	0.809	0.817	0.254	-0.124	0.391	0.790		
	X1.2	0.786							
	X1.3	0.775							
Religiosity (RE)	X2.1	0.739	0.612	0.212	-0.032	0.383	0.423	0.769	
	X2.2	0.752							
	X2.3	0.729							
	X2.4	0.857							
	X2.5	0.763							
Customer Intimacy (CI)	X3.1	0.775	0.628	0.084	0.782				
	X3.2	0.858							
	X3.3	0.705							
Customer Loyalty (CL)	Y1.1	0.701	0.625	0.543	-0.116	0.793			
	Y1.2	0.794							
	Y1.3	0.873							
Brand Image (BI)	Z1.1	0.906	0.592	0.904					
	Z1.2	0.934							
	Z1.3	0.870							
Switching Barriers (SB)	Z2.1	0.818	0.628	0.388	-0.080	0.225	0.205	0.058	0.792
	Z2.2	0.774							
	Z2.3	0.784							

Based on Table 2 and Figure 3 the AVE values for all latent variables exceed 0.5, indicating that each latent variable accounts for more than 50% of the variance in its indicators. The physical evidence variable possesses an AVE value of 0.817, whereas the customer intimacy variable has an AVE value of 0.628. This signifies that the instrument employed can accurately assess the latent variables.

Alongside convergent validity, discriminant validity is evaluated by the Fornell-Larcker criterion. Discriminant validity is established when the square root of the AVE of a latent variable exceeds its correlation with other latent variables. The study results, as shown in Table 2, demonstrate that the diagonal values in the Fornell-Larcker matrix exceed the correlation values among the variables. The square root of AVE for the brand image variable is 0.822, above its connection with customer intimacy (0.054) and switching barriers (0.407). Consequently, it can be inferred that discriminant validity in this model has been achieved.

Table 3. Construction Reliability and R Square Results

Latent Variables	Cronbach's Alpha	Composite Reliability (CR)	R ²	Adjusted R ²
Brand Image	0.879	0.910		
Customer Intimacy	0.709	0.812		
Physical Evidence	0.707	0.832		
Religiosity	0.806	0.865		
Switching Barriers	0.712	0.836		
Customer Loyalty			0.474	0.447

The study results in Table 3 show that all latent variables have CR values exceeding 0.7, indicating high reliability of brand image at 0.910 and religiosity at 0.865. Cronbach's Alpha values surpass 0.6, confirming good internal consistency, with switching barriers at 0.712 and physical evidence at 0.707. The outer model demonstrates excellent convergent and discriminant validity, along with adequate construct reliability, making indicators suitable for inner model analysis. For customer loyalty, the R² value is 0.463 (46.3% variance explained by physical evidence, religiosity, customer intimacy, brand image, and switching barriers), with adjusted R² at 0.436. Per Chin (1998), this moderate R² reflects satisfactory predictive power.

This assessment examines the direct effects of latent variables on customer loyalty, considering a hypothesis significant if the t-statistic exceeds 1.96 (p < 0.05). Results from the direct link test between independent factors and customer loyalty, as presented in

Table 4, reveal that not all variables have a significant impact. Brand image emerges as the strongest influencer on customer loyalty, with a path coefficient of 0.492 (t-statistic = 8.025, $p < 0.001$), indicating that a positive perception of the Islamic bank's brand directly enhances loyalty. Physical evidence also significantly affects customer loyalty, shown by a path coefficient of 0.161 (t-statistic = 2.469, $p = 0.014$), implying that well-maintained physical facilities like room layout, comfort, and comprehensive banking amenities positively boost client loyalty.

Table 4. Path Coefficient

Relationship Between Variables	Path Coefficient (O)	t-Statistic	p-Value	Description
Brand Image → Customer Loyalty	0.450	8.965	0.000	Significant
Customer Intimacy → Customer Loyalty	-0.021	0.354	0.723	Insignificant
Physical Evidence → Customer Loyalty	0.204	3.894	0.000	Significant
Religiosity → Customer Loyalty	0.180	3.484	0.000	Significant
Switching Barriers → Customer Loyalty	-0.011	0.194	0.846	Insignificant

Furthermore, religiosity exerts a notable influence on customer loyalty, evidenced by a path coefficient of 0.131 (t-statistic = 2.091, $p = 0.037$). This indicates that clients' religious principles affect their commitment to Islamic banking services, but to a lesser extent than brand image and physical proof. Conversely, customer closeness and switching restrictions do not substantially influence customer loyalty. The path coefficient for customer intimacy is -0.074 (t-statistic = 0.988, $p = 0.323$), suggesting that the interpersonal relationship between the bank and the consumer lacks sufficient strength to affect loyalty. Correspondingly, switching barriers exert a negligible influence, evidenced by a path coefficient of -0.001 (t-statistic = 0.014, $p = 0.989$). This indicates that elements like expenses or perceived dangers do not significantly impact client loyalty.

Table 5. Moderation Coefficient

Moderation Relationship	Path Coefficient (O)	t-Statistic	p-Value	Description
Brand Image × Religiosity → Customer Loyalty	-0.163	3.093	0.002	Significant
Brand Image × Customer Intimacy → Customer Loyalty	-0.033	0.585	0.559	Insignificant
Brand Image × Physical Evidence → Customer Loyalty	-0.208	3.587	0.000	Significant
Switching Barriers × Physical Evidence → Customer Loyalty	0.142	2,640	0.008	Significant
Switching Barriers × Religiosity → Customer Loyalty	0.001	0.016	0.987	Insignificant
Switching Barriers × Customer Intimacy → Customer Loyalty	-0.029	0.506	0.613	Insignificant

The moderation test outcomes, displayed in Table 5, indicate varied impacts. The brand image significantly moderates the association between religiosity and customer loyalty, evidenced by a path coefficient of -0.157 (t-statistic = 2.449, $p = 0.014$). The findings indicate that a favorable brand image can enhance the relationship between religious values and consumer loyalty. Switching obstacles significantly moderate the association between physical evidence and customer loyalty, evidenced by a path coefficient of 0.115 (t-statistics = 2.115, $p = 0.034$). The existence of switching barriers amplifies the influence of physical facilities on customer loyalty. Nonetheless, switching barriers do not substantially affect other connections, like customer intimacy.

The examination of effect size indicates that brand image exerts the most significant influence on customer loyalty, with a f^2 value of 0.350, categorizing it as strong. Conversely, physical evidence and religiosity exhibit lesser impacts, with f^2 values of 0.032 and 0.024, respectively. Customer closeness and switching barriers demonstrate tenuous impacts, with f^2 values approaching zero.

Table 6. F-Squared (f²)

Relationship Between Variables	f ²	Effect Category
Brand Image → Customer Loyalty	0.305	Strong
Customer Intimacy → Customer Loyalty	0.001	Weak
Physical Evidence → Customer Loyalty	0.054	Weak
Religiosity → Customer Loyalty	0.048	Weak
Switching Barriers → Customer Loyalty	0.000	No Effect

The findings from the structural model test, presented in Table 6, demonstrate that brand image, physical evidence, and religion significantly influence consumer loyalty, with brand image exerting the most substantial effect. Brand image serves as a moderating variable that amplifies the connection between religion and loyalty, whereas switching barriers bolster the relationship between physical evidence and loyalty. Nonetheless, the factors of customer intimacy and switching barriers do not exhibit a substantial direct impact on loyalty. These findings provide actionable recommendations for sharia bank management, highlighting the necessity of enhancing brand image and physical infrastructure to improve client loyalty.

DISCUSSION

The findings indicate that brand image has the most significant impact on consumer loyalty, with a path coefficient of 0.450. This aligns with research by Saraswati and Pratika (2024), which emphasizes the importance of brand image in fostering emotional relationships between customers and financial institutions. In Islamic banking, positive brand perceptions often include trust in Sharia compliance, institutional reputation, and competitive advantage over conventional banks. A strong brand image not only shapes positive first impressions but also sustains long-term loyalty. Physical evidence also plays a notable role, with a path coefficient of 0.204, supporting Basyir (2020), who highlighted the importance of physical elements such as room layout, facility comfort, and interior design in shaping positive customer experiences. Features like comfortable waiting rooms, accessible ATMs, and comprehensive digital services at Bank Syariah Indonesia enhance customer satisfaction and loyalty. Religiosity further contributes to loyalty, with a path coefficient of 0.180, consistent with Aulia and Hafasnuddin (2021), who found that religious values influence customers' preference for sharia-compliant institutions. Customers with high religiosity remain loyal because they perceive Islamic banks as aligned with their faith, emphasizing transparency and the absence of usury. Nonetheless, religiosity's influence is weaker than that of brand image or physical evidence, possibly because contemporary customers also value practicality, service quality, and accessibility.

Customer intimacy, expected to strengthen loyalty through personal relationships and effective communication, did not show a significant effect ($p = 0.723$). This contrasts Nafiah and Pratama (2021), who found that personal attention enhances loyalty. Such a difference suggests that Islamic bank customers may prioritize service quality and sharia compliance over interpersonal interactions. Inconsistent or irrelevant personal relationships between bank staff and customers may weaken the role of intimacy in fostering loyalty. Similarly, switching barriers have no substantial effect ($p = 0.846$), differing from Yang and Chao (2017), who found these barriers to enhance loyalty. This may reflect the relatively low competition and homogeneity among Islamic banks in Indonesia, leading customers to perceive limited risk or inconvenience in switching institutions. Consequently, while customers appreciate accessible services, these alone do not prevent them from exploring alternatives when expectations are unmet.

Further analysis reveals that brand image moderates several key relationships. A significant moderation effect was found between brand image and the physical evidence–loyalty link (path coefficient = -0.208 , $p = 0.000$), indicating that strong brand image can weaken this relationship. This occurs when elevated expectations, shaped by a strong brand image, are unmet by actual physical experiences, leading to disappointment and reduced loyalty. Similarly, brand image negatively moderates the relationship between religiosity and loyalty (path coefficient = -0.163 , $p = 0.002$). This finding contradicts

Affitama and Nasir (2024), who reported a positive effect of brand image on loyalty. The negative sign suggests that exaggerated marketing or image-building strategies may undermine trust among more conservative customers who value authenticity in sharia adherence. As Harun et al. (2023) note, such campaigns can create skepticism regarding whether Islamic banks genuinely uphold sharia principles, highlighting the need for brand strategies that align with the religious values central to customer trust.

Switching barriers, however, positively moderate the relationship between physical evidence and loyalty (path coefficient = 0.142, $p = 0.008$). Customers who rely on convenient facilities or digital services are less likely to switch banks, even when alternatives exist, reinforcing the importance of infrastructure and convenience in maintaining loyalty. Nevertheless, switching barriers did not significantly moderate the relationships involving customer intimacy or religiosity. This implies that emotional and spiritual loyalty is less influenced by external factors such as switching costs. Customers driven by personal connection or faith-based alignment may remain loyal regardless of the convenience or difficulty of switching, underscoring that faith-based loyalty operates beyond transactional considerations.

These findings reveal the intricate interaction of psychological, practical, and religious factors shaping customer loyalty in sharia banking. Brand image, physical evidence, and religiosity serve as key drivers, with brand image and switching barriers acting as important moderators. A strong brand image fosters loyalty but must remain consistent with authentic sharia principles. From a theoretical perspective, this research contributes to the body of knowledge in sharia marketing, whereas on a practical level, it offers direction to managers and regulators for boosting customer loyalty via marketing strategies that align with religious principles, enhanced service quality, and bolstered financial education programs.

CONCLUSION

This research investigates the influence of physical evidence, religiosity, and customer intimacy on customer loyalty at Bank Syariah Indonesia, with brand image and switching barriers acting as moderating variables. The results demonstrate that brand image exerts the most significant impact on customer loyalty, succeeded by physical evidence and religiosity. Customer intimacy and switching barriers do not exert a substantial direct influence on loyalty. However, switching barriers serve as a positive moderator in the relationship between physical evidence and loyalty. Furthermore, brand image negatively moderates the association between religiosity and loyalty, indicating that an overly strong brand image may weaken the effect of religious values if not supported by authentic sharia compliance. The model explains 46.3% of the variance in customer loyalty, showing moderate predictive power.

The study offers theoretical contributions by highlighting brand image as the main driver of loyalty in sharia banks, along with the role of physical evidence in creating positive experiences and religiosity in building faith-based connections. Practically, Bank Syariah Indonesia should strengthen its brand through transparent sharia practices, improve physical facilities like more ATMs and comfortable branches, and ensure stable digital services to boost loyalty. Limitations include the focus only on Makassar City, which limits generalizability to other regions, and the use of quantitative methods that may miss deeper emotional insights. Future research should expand to multiple cities, add qualitative approaches for richer customer views, and explore factors like trust and satisfaction to better understand loyalty in sharia banking.

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