

Customer Loyalty through Satisfaction in Bank Jago: A TAM Based Approach with Trust, Security, and Risk Perceptions

Jauza Audy Safitri¹, Ghea Sekar Palupi²

^{1,2}*Universitas Negeri Surabaya, Surabaya, Indonesia*

jauza.21071@mhs.unesa.ac.id, gheapalupi@unesa.ac.id

ABSTRACT

The rapid growth of digital banking services has encouraged users to shift toward applications that offer convenience and efficiency, such as Bank Jago. However, the account breach incident in July 2024 raised concerns about application security and potentially affected customer satisfaction and loyalty. This study aims to analyze the factors influencing customer satisfaction and their impact on customer loyalty in the Bank Jago application. The research model adopts the Technology Acceptance Model (TAM), incorporating core constructs—Perceived Ease of Use (PEOU) and Perceived Usefulness (PU)—along with additional variables: Perceived Trust (PT), Perceived Security (PS), and Perceived Risk (PR). Customer Satisfaction (CS) serves as the mediating variable, while Customer Loyalty (CL) is the dependent variable. Data were collected from 238 respondents and analyzed using Structural Equation Modeling (SEM) with SmartPLS. The results show that PEOU, PU, and PT have a positive and significant influence on CS, whereas PS and PR do not have a significant effect. Furthermore, CS has a positive and significant influence on CL. These findings highlight the extended TAM framework in explaining digital banking behavior and emphasize the crucial role of user satisfaction in driving customer loyalty.

Keyword: Bank Jago, User Satisfaction Factors, TAM, PLS-SEM, Customer Satisfaction, Customer Loyalty

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Corresponding Author

Jauza Audy Safitri

Universitas Negeri Surabaya, Surabaya, Indonesia

jauza.21071@mhs.unesa.ac.id

1. INTRODUCTION

The digital transformation in the financial sector has fundamentally changed how banking services are delivered and consumed. Rapid technological advancements and increasing smartphone and internet penetration have driven the shift from conventional banking to mobile and internet-based platforms. In Indonesia, the rise of financial technology (fintech) has made banking more accessible, efficient, and user-friendly. According to Bank Indonesia, digital banking transactions reached IDR 5,340.92 trillion in April 2024, growing 19.08% year-on-year, highlighting the growing public reliance on digital financial services. One example of this transition is Bank Jago, a former conventional bank that has repositioned itself as a fully digital bank. With its mobile-first approach, the Bank Jago app offers users features such as instant transfers, budget management, savings tools, and integration with third-party financial services. The bank positions itself as a modern financial solution that empowers users to manage their money independently and efficiently. However, despite the convenience offered, digital banks are not immune to challenges—particularly in data security and user trust.

A major security incident in July 2024, where a former employee allegedly breached 112 customer accounts totaling IDR 1.39 billion, raised concerns about data protection in digital banking. This breach not only resulted in financial losses but also posed a significant challenge for Bank Jago in rebuilding user trust (perceived trust). Transparent communication and improvements in system security are essential to restore user confidence. Previous studies have identified perceived security as a critical factor influencing the adoption of digital financial services [1], while perceived trust plays a vital role in shaping customer satisfaction and loyalty [2]. Additionally, perceived ease of use and perceived usefulness—core constructs from the Technology Acceptance Model (TAM)—have been widely recognized for their influence on user acceptance of technology [3].

Perceived Ease of Use refers to the extent to which a system is easy to learn and operate without significant mental or physical effort. When users find an application intuitive and straightforward, they are more likely to use it consistently [4]. Perceived Usefulness is defined as the degree to which a user believes that using the system enhances their task performance. The more users perceive real benefits, the higher their satisfaction and intention to continue using the service [3]. Prior studies confirm that both PEOU and PU positively influence customer satisfaction and loyalty in digital service contexts [5], [6], [7].

In digital services, particularly within the financial sector, perceived security is paramount, representing an individual's perception of a system's ability to safeguard sensitive information from threats like data destruction, fraud, and misuse [8]. This heightened need for security in online transactions, where data is vulnerable, directly influences user satisfaction and loyalty [7]. Research by Casalo et al. [9] and Damghanian et al. [10] further emphasizes that a strong perception of security builds trust and drives the adoption of digital banking services. Complementing this, perceived trust reflects a user's conviction that a trusted party will reliably fulfill its obligations [11], directly impacting loyalty as users believe in the reliability and efficacy of services. Studies by Chaouali et al. [11] and Aboobucker and Bao [1] highlight that trust, fostered by perceptions of security, system reliability, and provider credibility, significantly drives the adoption and loyalty in online banking. Conversely, perceived risk represents the user's felt uncertainty about potential losses when using a digital service, which can deter adoption if too high [12]. While high perceived risk can sometimes be overridden by other factors influencing loyalty, its impact on customer satisfaction is significant and context-dependent, influenced by user trust and provider risk management [13].

In the context of digital financial services, customer satisfaction and loyalty are crucial for sustaining long-term user engagement. Satisfaction arises when users perceive that a service meets or exceeds their expectations, leading to positive emotional responses and behavioral outcomes such as continued usage and recommendation. When customers feel that the service fulfills their needs effectively and reliably, they tend to develop stronger brand affinity. This satisfaction often acts as a foundation for customer loyalty, which reflects a user's commitment to consistently prefer and use a particular application over available alternatives [14].

2. METHODS

Figure 1 shows the research stages that will be carried out during the study. This diagram serves as a visual representation that explains the relationship between the various stages of the research, from problem identification to the delivery of conclusions.

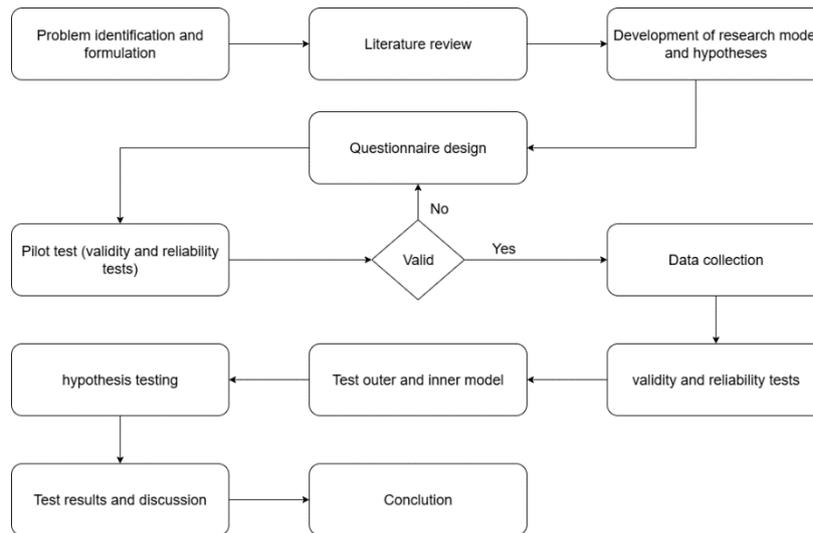


Figure 1 Research Flow

2.1 Problem Identification and Formulation

According to CNBC Indonesia, a former employee of Bank Jago was involved in a security breach affecting 112 customer accounts, with losses amounting to IDR 1.39 billion. This incident raised concerns regarding users' trust and loyalty toward the Bank Jago application. Therefore, this study aims to investigate whether such an event influences user loyalty or whether users maintain their trust and satisfaction despite the incident.

2.2 Literature Review

To support the research framework, relevant theories and previous studies were reviewed. The literature provided insights into key factors influencing user satisfaction and loyalty in digital banking, while also guiding the development of the research model and methodology.

2.3 Development of Research Model and Hypotheses

This study adopts a quantitative approach using an explanatory survey method. The research examines the relationships among five independent variables—Perceived Ease of Use (PEOU), Perceived Usefulness (PU), Perceived Security (PS), Perceived Trust (PT), and Perceived Risk (PR); one intervening variable—Customer Satisfaction (CS); and one dependent variable—Customer Loyalty (CL). Data were collected through questionnaires containing structured statements answered by respondents.

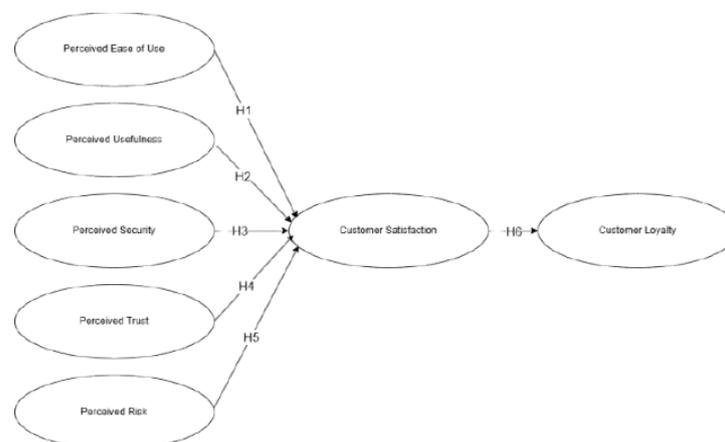


Figure 2 Conceptual Model

The hypotheses were developed based on existing theories and prior studies, aiming to test the direct and indirect relationships among the proposed variables.

Research Hypotheses:

H_{01} : Perceived Ease of Use does not have a positive and significant effect on Customer Satisfaction

H_{A1} : Perceived Ease of Use has a positive and significant effect on Customer Satisfaction

H_{02} : Perceived Usefulness does not have a positive and significant effect on Customer Satisfaction

H_{A2} : Perceived Usefulness has a positive and significant effect on Customer Satisfaction

H_{03} : Perceived Security does not have a positive and significant effect on Customer Satisfaction

H_{A3} : Perceived Security has a positive and significant effect on Customer Satisfaction

H_{04} : Perceived Trust does not have a positive and significant effect on Customer Satisfaction

H_{A4} : Perceived Trust has a positive and significant effect on Customer Satisfaction

H_{05} : Perceived Risk does not have a positive and significant effect on Customer Satisfaction

H_{A5} : Perceived Risk has a positive and significant effect on Customer Satisfaction

H_{06} : Customer Satisfaction does not have a positive and significant effect on Customer Loyalty

H_{A6} : Customer Satisfaction has a positive and significant effect on Customer Loyalty

2.4 Questionnaire Design

Data were collected using a structured questionnaire distributed via Google Forms through social media platforms such as WhatsApp, X, and Instagram. Respondents were asked to answer independently based on their perceptions and experiences. The questionnaire used a five-point likert scale to measure responses.

Table 1. Likert Scale

No	Statement	Code	Score
1	Strongly Agree	SS	5
2	Agree	TS	4
3	Neutral	N	3
4	Disagree	S	2
5	Strongly Agree	STS	1

Operational definitions clarify the measurable attributes of each variable and serve as a guideline for formulating the questionnaire. The following table outlines the definitions and item indicators used in this study.

Table 2. Operational Definition

Variable	Operational Definition
Perceived Ease of Use [4]	The belief that the application is easy to understand, use, and manage without requiring physical or mental effort.
Perceived Usefulness [15]	The extent to which users believe that using the application improves their performance or transaction effectiveness.
Perceived Security [4]	The user's belief that sharing personal and confidential information through the service is secure.
Perceived Trust [15]	The extent to which users believe the application is reliable and consistently meets service expectations.
Perceived Risk [16]	The user's recognition of potential risks associated with digital financial transactions.
Customer Satisfaction [17]	The level of satisfaction users experience based on how well the service meets their expectations and needs.
Customer Loyalty [18]	The user's commitment to continue using and recommending the service consistently over time.

2.5 Pilot Test

A pilot test was conducted to assess the validity and reliability of the questionnaire. Validity refers to the extent to which an instrument accurately measures the intended concept. An item is considered valid if its correlation coefficient (r-value) exceeds the critical r-table value and the significance level is below 0.05.

Reliability refers to the consistency and stability of the measurement, indicating the absence of bias or error. A construct is considered reliable if the Cronbach's Alpha value is equal to or greater than 0.60. The pilot test was carried out with 20 respondents to evaluate the accuracy and consistency of the questionnaire items.

2.6 Data Collection

The population in this study consists of all users of the Bank Jago mobile application. Due to the impracticality of surveying the entire population, a sample was selected using non-probability sampling with a purposive sampling approach. This method involves selecting respondents based on specific criteria relevant to the study's objectives and known population characteristics. It was chosen because not all individuals qualify as appropriate participants in this research.

The sampling criterion was users who had been using the Bank Jago application prior to August 2024, to ensure that respondents had experience with the app both before and after the data breach incident in July 2024. The recommended sample size for structural equation modeling is at least 5–10 times the number of indicators [19]. With 22 indicators in this study, a minimum sample size of 220 respondents was determined using a 10% margin of error.

2.7 Data Analysis

Data analysis was conducted using SmartPLS version 4.1.1.1 to test the research model with the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. The analysis consisted of three stages:

1. Outer Model Evaluation

The outer model was assessed to ensure the validity and reliability of the measurement instruments. Key indicators include [20]

- **Convergent Validity:** Measured by standardized factor loadings. Indicators are valid if the loading is ≥ 0.70 , though values ≥ 0.50 are still acceptable.
- **Discriminant Validity:** Evaluated using cross loadings and the Fornell-Larcker criterion. A construct must load higher on its own indicators than on others, and the square root of AVE should exceed inter-construct correlations
- **Average Variance Extracted (AVE):** An AVE value above 0.50 indicates sufficient convergent validity.
- **Composite Reliability:** Measures internal consistency; values ≥ 0.70 are considered reliable.

2. Inner Model Evaluation

The inner model evaluates relationships between latent constructs. This includes [20]:

- **R² (Coefficient of Determination):** Indicates how much variance in the endogenous variable is explained by the exogenous variables. Values are interpreted as substantial (0.67), moderate (0.33), or weak (0.19).
- **Effect Size (f²):** Measures the impact of an exogenous variable on an endogenous variable. The thresholds are 0.02 (small), 0.15 (moderate), and 0.35 (large).

2.8 Hypothesis Testing

Hypotheses were tested to examine direct and indirect effects among variables. The main indicators used are [19]:

- **Path Coefficients:** Indicate the strength and direction of relationships, ranging from -1 to +1.
- **T-statistics and P-values:** Derived through bootstrapping. A one-tailed test at a 5% significance level was used. Hypotheses are considered significant if t-statistic ≥ 1.64 and p-value ≤ 0.05 .

2.9 Results and Discussion

This section presents a detailed interpretation of the analysis results for each variable examined. The findings are discussed in relation to existing literature, comparing whether they align with established theories or previous studies. Further analysis is also provided to explore the interaction among variables and their influence on user loyalty toward the mobile banking application.

2.10 Conclusion

This study concludes by summarizing the key findings in relation to the research objectives. The results highlight the influence of various factors on user loyalty toward the Bank Jago mobile application. In addition, the study provides practical recommendations for platform managers to strengthen user trust and minimize potential negative impacts from similar incidents in the future.

3. RESULTS AND DISCUSSION

This chapter presents the results of the study based on the proposed research model. It discusses the outcomes of hypothesis testing, including the relationships among the variables of perceived ease of use, perceived usefulness, perceived trust, perceived security, perceived risk,

customer satisfaction, and customer loyalty. The discussion also compares the findings with relevant literature and theoretical frameworks to provide a deeper understanding of the factors influencing satisfaction and loyalty toward the Bank Jago application.

Table 3 Respondent Characteristics

Gender		
	Male	70
	Female	168
Age		
	17-25	173
	26-35	48
	36-45	9
	>45	8
Education		
	High School	127
	Diploma	2
	Bachelor's Degree	107
	Master Degree	2
Job		
	Student	151
	Private sector	47
	Civil Servants	18
	Self-employed	17
	Housewives	3
	Other	2
Monthly Income		
	<Rp. 1.000.000	84
	Rp. 1.000.001 – Rp. 3.000.000	69
	Rp. 3.000.001 – Rp. 5.000.000	44
	Rp. 5.000.001 – Rp. 7.000.000	26
	>Rp. 7.000.000	15
Duration of App Use		
	Less than 1 year	90
	1 year	79
	2 year	43
	≥ 3 year	26
Frequency in Using the App		
	1-3 times a week	162
	4-6 times a week	62
	>6 times a week	14
Financial Activity		
	E-wallet top up	167
	Interbank transfers	167
	Pay electricity	69
	Pay top-up	53
	Pay internet & TV	41
	Save/seed/invest	9
	Other activities (Zakat, etc)	8

3.1 Pre-processing Data

Initially, a total of 257 respondents completed the questionnaire. However, based on the predefined criteria, only respondents who had used the Bank Jago application prior to August 2024 were eligible for inclusion. After filtering, 242 responses met the criteria, while 15 were excluded from further analysis.

A series of data quality checks were then conducted on the 242 valid responses, including:

1. Duplicate check, by identifying repeated identities or identical response patterns.
2. Monotone response detection, where respondents selected the same score for most or all items (e.g., 1-1-1, 2-2-2), indicating a lack of engagement.
3. Completeness check, ensuring that all questionnaire items were fully answered.
4. Inconsistency detection, identifying extreme differences between item scores within the same variable, which may suggest misunderstanding or carelessness.

As a result of this screening process, 2 responses were removed due to monotone answering patterns, and 1 was disqualified based on screening criteria. The final sample used for analysis consisted of 238 respondents. Additionally, one negatively worded item (PR1 under Perceived Risk) was reverse-coded to align with the interpretation direction of the other items in the same construct. This was done using the formula: Reverse Score = 6 – Original Score, ensuring consistency in analysis.

3.2 Respondent Characteristics

Respondent characteristics are analyzed to understand the diversity within the sample. A total of 238 respondents participated in this study. In terms of financial activity, each respondent may engage in more than one type of financial transaction. Therefore, the frequency of activities cannot be equated with the total number of respondents.

3.3 Data Analysis

1. Outer model
 - a. Convergent validity

Convergent validity is used to assess the extent to which indicators of a construct strongly correlate with the underlying latent variable. An indicator is considered to meet convergent validity if its loading factor is ≥ 0.70 , indicating that it effectively reflects the construct being measured. However, loading values of ≥ 0.50 are still acceptable [20].

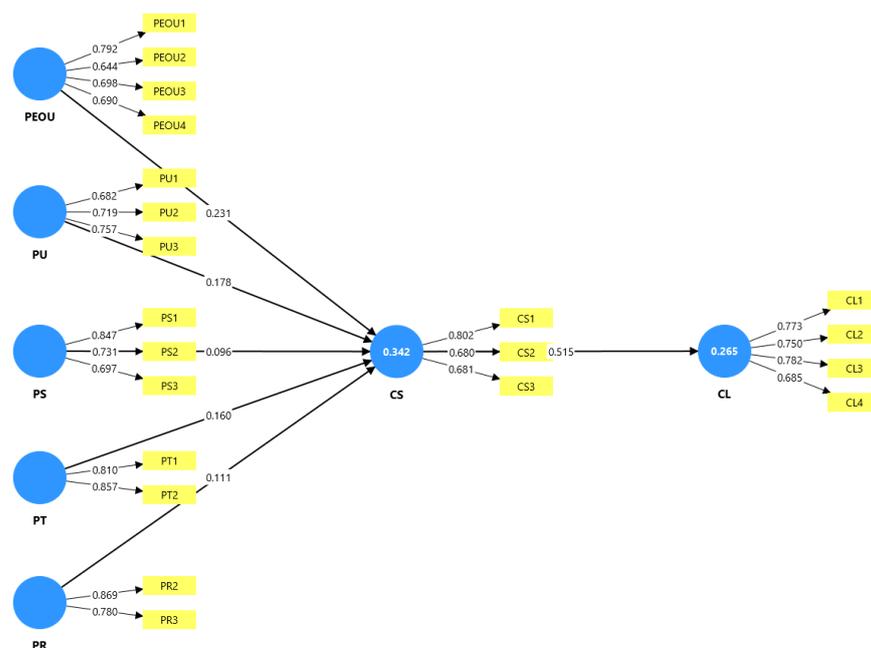


Figure 3 Factor Loading after Deleting One Indicator

Based on the calculation result, there is 1 invalid indicator, namely PR1 because it has a loading factor value < 0.50 , which means that the indicator has a low

correlation with the perceived risk construct. In the context of PLS-SEM analysis, indicators with a loading factor value below 0.50 are considered not to meet the requirements of convergent validity, so they are not recommended to be retained in the model. Therefore, the PR1 indicator was removed to improve the quality of the measurement model. Furthermore, the second data processing was carried out.

After removing 1 indicator that has a loading factor value ≥ 0.50 , namely PR1, the new loading factor value results and other analysis are obtained in the table below:

Table 4 Variables' Analysis

Indicator		Loading Factor	AVE	Composite Reliability
Customer Loyalty				
CL1	I continue using the app even though other alternatives exist.	0.773	0.748	0.835
CL2	I recommend the app to people around me.	0.750		
CL3	I intend to keep using the app in the future.	0.782		
CL4	I continue using the app even after hearing or experiencing negative things about it.	0.685		
Customer Satisfaction				
CS1	My experience using the Bank Jago app meets my expectations.	0.802	0.724	0.766
CS2	I am satisfied with the payment experience through the app.	0.680		
CS3	I enjoy using the app for my daily financial activities.	0.681		
Perceived Ease of Use				
PEOU1	I find the Bank Jago application easy to use.	0.792	0.708	0.800
PEOU2	I find the features in the Bank Jago application easy to understand.	0.644		
PEOU3	I find it easy to access transaction information in the Bank Jago application.	0.698		
PEOU4	I find the transaction process in the app simple and easy to complete.	0.690		
Perceived Risk				
PR2	I believe the app has a reliable system to prevent financial loss.	0.869	0.826	0.810
PR3	I feel the app protects my personal data and funds well.	0.780		
Perceived Security				
PS1	I feel the app is a safe tool for making payments.	0.847	0.761	0.804
PS2	I am confident that the app protects my personal data.	0.731		
PS3	I believe the app protects me from fraud and financial risk.	0.697		
Perceived Trust				
PT1	I believe the app can be relied on to meet my financial service needs.	0.810	0.834	0.820
PT2	I feel comfortable using the app because I trust its service reliability.	0.857		
Perceived Usefulness				
PU1	The app helps me perform transactions more quickly.	0.682	0.720	0.763
PU2	The app saves me time when conducting financial transactions.	0.719		
PU3	The app is useful in managing my financial activities.	0.757		

The Average Variance Extracted (AVE) reflects the proportion of variance captured by a construct in relation to the variance due to measurement error. A construct is considered to have adequate convergent validity if the AVE value exceeds 0.50 [20]. The results indicate that all variables in this study have AVE valued greater than 0.50, confirming their validity. Additionally, a construct is deemed reliable if its composite reliability exceeds 0.70 [19]. Based on the values presented in Table 6, all variables meet this criterion, indicating that the constructs are both valid and reliable for further analysis.

2. Inner model

a. R-square

The next step in the data analysis process is the evaluation of the structural model. The R-Square (R^2) value is used to measure the proportion of variance in the dependent variable that can be explained by the independent variables in the model. R^2 values can be classified into three categories: 0.67 = substantial, 0.33 = moderate, and 0.19 = weak [20].

Table 5 R-Square Test Result

Variabel	R-square	Keterangan
Customer Satisfaction	0.342	Moderate
Customer Loyalty	0.265	Weak

An R^2 value of 0.342, categorized as moderate, indicates that the independent variables explain 34.2% of the variance in Customer Satisfaction, with the remaining 65.8% explained by factors outside the model. Meanwhile, the R^2 value of 0.265, classified as weak, shows that Customer Satisfaction explains only 26.5% of the variation in Customer Loyalty.

These moderate and weak R^2 values suggest that other important factors not included in the model may influence user satisfaction and loyalty toward the Bank Jago application. This is consistent with findings by Aboobucker and Bao [1], who emphasize that psychological and functional aspects, along with demographic characteristics such as age and gender, can strengthen or weaken the influence of variables on digital banking adoption.

b. f-square

Effect size (f^2) is used to measure the magnitude of the influence that an exogenous latent variable has on an endogenous latent variable within the structural model. The interpretation of f^2 values is as follows: 0,02 = small effect, 0.15 = medium effect, and 0,35 = large effect [20].

Table 6 f-square Test Result

Variabel	f-square	Keterangan
Perceived Ease of Use on Customer Satisfaction	0.049	Medium effect
Perceived Usefulness on Customer Satisfaction	0.028	Small effect
Perceived Security on Customer Satisfaction	0.007	Small effect
Perceived Trust on Customer Satisfaction	0.023	Small effect
Perceived Risk on Customer Satisfaction	0.010	Small effect
Customer Satisfaction on Customer Loyalty	0.361	Large effect

The relatively small f^2 value indicates that although these variables are statistically significant, their practical contribution to increasing the variance of endogenous constructs is still limited. According to Hair [19], this can occur because

in a complex structural model, the effect of predictors on endogenous constructs is evenly distributed, thus reducing the effect size value of each construct.

3. Hypothesis Test

Hypothesis testing was conducted to evaluate the influence of each independent variable on the dependent variable, both directly and through the mediating variable. The analysis employed a one-tailed hypothesis model using the bootstrapping method. The evaluation was based on three key indicators: path coefficient, t-statistic, and p-value. The decision rule was as follows: if the t-statistic exceeds the critical value of 1.64 and the p-value is ≤ 0.05 , then the alternative hypothesis (H_A) is accepted, indicating a statistically significant relationship.

Table 7 Hypothesis Test

Hypothesis	Path Coefficient	T-Statistics	P-Values
Perceived Ease of Use on Customer Satisfaction	0.231	3.153	0.001
Perceived Usefulness on Customer Satisfaction	0.178	2.098	0.018
Perceived Security on Customer Satisfaction	0.096	1.267	0.103
Perceived Trust on Customer Satisfaction	0.160	2.218	0.013
Perceived Risk on Customer Satisfaction	0.111	1.503	0.066
Customer Satisfaction on Customer Loyalty	0.515	8.905	0.000

1. The Effect of Perceived Ease of Use on Customer Satisfaction

H_{A1} : Perceived Ease of Use has a positive effect on Customer Satisfaction

PEOU refers to the degree to which users believe the application is easy to understand and operate without requiring substantial effort to learn. When users perceive the app as intuitive and effortless to navigate during transactions or service access, it creates a more pleasant experience, thereby improving overall satisfaction. This aligns with the Technology Acceptance Model (TAM), which highlights Perceived Ease of Use as a key factor in technology adoption and user satisfaction. When users can access, understand, and operate digital banking features effortlessly, it fosters a more favorable user experience, ultimately leading to greater customer satisfaction. Prior studies have also confirmed this relationship, indicating that ease of use positively affects satisfaction in digital banking contexts [4], [13], [7].

2. The Effect of Perceived Usefulness on Customer Satisfaction

H_{A2} : Perceived Usefulness has a positive effect on Customer Satisfaction

The results indicate that users' confidence in the usefulness of the Bank Jago application positively influences their satisfaction. When users perceive the app as convenient, efficient, and valuable for managing financial activities—such as transfers, balance checks, and budgeting—they are more likely to be satisfied. Perceived Usefulness (PU) shapes users' positive evaluations of the application's performance and encourages continued use and recommendation. This satisfaction often leads to long-term loyalty. These findings are consistent with previous studies that confirmed the significant impact of PU on customer satisfaction [4], [7], [21].

3. The Effect of Perceived Security on Customer Satisfaction

H_{A3} : Perceived Usefulness has no effect on Customer Satisfaction

The results indicate that Perceived Security does not significantly affect Customer Satisfaction. This suggests that users' sense of safety regarding personal data, financial information, and transaction security is not a primary driver of

satisfaction. This may be explained by the demographic profile of respondents, most of whom were young (aged 17–25) and female. Aboobucker and Bao [1] noted that age and gender can moderate perceptions toward digital service adoption, where younger users tend to prioritize ease of use and trust over security concerns. Similarly, Vanniarajan and Manimaran [22] found that male users value reliability and assurance more than female users, who often prioritize price and convenience. A recent EY survey [23] also revealed that only 40% of Gen Z consider data and privacy highly important, compared to 65% of older generations. Consequently, security concerns may have less influence on satisfaction among young users, unlike in the study by Suci and Dahlan [24], which found a significant positive impact of perceived security on satisfaction.

4. The Effect of Perceived Trust on Customer Satisfaction

H_{A4} : Perceived Trust has a positive effect on Customer Satisfaction

Trust is a critical factor in digital banking interactions, as users must feel confident that their transactions and personal data are securely managed. When trust is established, users experience greater comfort and satisfaction with the service. This positive perception reinforces the belief that Bank Jago effectively supports financial needs such as transfers, bill payments, and savings management. These findings align with prior studies [2], [25], [26], which confirmed that trust significantly influences customer satisfaction. Thus, trust and satisfaction are closely linked; the stronger the trust, the higher the level of customer satisfaction.

5. The Effect of Perceived Risk on Customer Satisfaction

H_{A5} : Perceived Risk has no effect on Customer Satisfaction

Despite users' concerns regarding data security, potential fund loss, or system reliability, the perceived risk associated with the Bank Jago application does not significantly affect customer satisfaction. This indicates that users may perceive the benefits as outweighing the risks, especially when the bank responds swiftly and transparently to incidents, such as the data breach in August 2024. Users' continued trust in the platform's security and the bank's handling of the breach likely mitigated dissatisfaction. This aligns with the findings of Winata et al. [1], who reported that customer satisfaction mediates the relationship between perceived risk and loyalty intention. Additionally, a Bank of America survey revealed that only 15% of Gen Z and 20% of millennials are highly concerned about financial fraud, with younger generations feeling more in control due to real-time monitoring capabilities of digital banking apps [2]. Consequently, satisfaction plays a crucial role in buffering the negative effects of perceived risk in digital financial services.

6. The Effect of Customer Satisfaction on Customer Loyalty

H_{A3} : Customer Satisfaction has a positive effect on Customer Loyalty

Customer Satisfaction serves as a mediating variable linking five key factors—Perceived Ease of Use (PEOU), Perceived Usefulness (PU), Perceived Security (PS), Perceived Trust (PT), and Perceived Risk (PR)—to Customer Loyalty. These factors influence loyalty not only directly but also indirectly through satisfaction. When users perceive the application as easy to use, beneficial, secure, and trustworthy, their satisfaction increases, even if certain risks are perceived. This aligns with prior studies [18], [22], [27], which emphasize satisfaction as a critical mediator in converting user perceptions into long-term loyalty. Satisfied users are more likely to continue using, recommend, and remain loyal to the Bank Jago application.

CONCLUSION

Based on the analysis and discussion in the previous section, this study successfully answers the research questions. These findings confirm that three out of five hypothesized direct paths (PEOU, PU, and PT → CS) are statistically significant. This indicates that the easier the application is to use, the more useful its features, and the higher the user's trust in the Bank Jago app, the greater their satisfaction. On the other hand, Perceived Security and Perceived Risk did not significantly affect Customer Satisfaction. This insignificance may be attributed to the demographic characteristics of the respondents, the majority of whom are young users (Gen Z). As digital natives, they tend to be more familiar with technology and possess higher digital literacy, which may lead them to place less emphasis on security concerns when evaluating satisfaction with digital banking services.

In addition, H_{A6} is accepted, confirming that Customer Satisfaction has a positive and significant impact on Customer Loyalty. This result implies that the more satisfied users are with the Bank Jago application, the more likely they are to remain loyal, recommend the app to others, and continue using it over competing digital banking services.

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