

THE MEDIATING ROLE OF BANK TRUST IN THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION IN PALESTINIAN COMMERCIAL BANKS

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Abstract

The study aimed to examine the mediating role of bank trust in the relationship between service quality and customer satisfaction in Palestinian commercial banks. Adopting a descriptive-analytical methodology, the research focused on customers of Palestinian commercial banks in Hebron as the study population. A sample of 471 participants was selected, and data was collected using validated questionnaires to measure service quality, bank trust, and customer satisfaction.

The findings revealed that the levels of service quality, bank trust, and customer satisfaction in Palestinian commercial banks were high. The study identified statistically significant positive correlations between service quality and customer satisfaction, bank trust and customer satisfaction, and service quality and bank trust. Importantly, the results demonstrated that bank trust partially mediates the relationship between service quality and customer satisfaction, enhancing the overall impact of service quality on satisfaction.

Based on the results, the study recommends that banks prioritize transparency, communication, and employee training to strengthen trust and improve service quality, thereby increasing customer satisfaction.

Keywords: Service Quality, Bank Trust, Customer Satisfaction, Palestinian Commercial Banks.

Introduction

In today's highly competitive banking industry, customer satisfaction is a crucial determinant of business success. Banks strive to enhance service quality to retain existing customers and attract new ones, as satisfied customers are more likely to remain loyal and recommend the bank to others (Al-Nsour & Al-Hyari, 2020). The Palestinian banking sector, like many others, faces increasing competition due to globalization, digital transformation, and changing customer expectations. To maintain a competitive edge, banks must understand the factors that influence customer satisfaction, particularly service quality and trust (Abu-Rumman et al., 2021).

Service quality has long been recognized as a key driver of customer satisfaction in the banking sector (Parasuraman et al., 1988). It encompasses various dimensions, including reliability, responsiveness, assurance, empathy, and tangibles, all of which shape customers' perceptions of their banking experience (Al-Hawary & Al-Syasneh, 2020). However, in the Palestinian context, where economic instability and political challenges affect consumer confidence, trust plays an even more critical role in mediating the relationship between service quality and satisfaction (Al-Najar & Metabis, 2022). Customers who trust their banks are more likely to perceive service quality positively, even in uncertain environments.

Despite the growing body of research on service quality and customer satisfaction in banking, few studies have explored the mediating role of trust in Palestinian commercial banks. Most existing research focuses on direct relationships, neglecting how psychological factors like trust influence customer perceptions (Jabbar & Hussein, 2017). This study aims to fill this gap by examining how bank trust mediates

the impact of service quality on customer satisfaction in Palestinian commercial banks.

The findings of this study will provide valuable insights for bank managers and policymakers seeking to enhance customer satisfaction and loyalty. By understanding the interplay between service quality, trust, and satisfaction, banks can develop targeted strategies to improve service delivery, foster stronger customer relationships, and ultimately achieve long-term profitability.

Problem Statement

The Palestinian banking sector operates in a highly complex and challenging environment characterized by economic instability, political uncertainty, and intense competition. Despite efforts by commercial banks to improve service quality, many still struggle with low levels of customer satisfaction and retention (Al-Nsour & Al-Hyari, 2020). This raises critical questions about whether service quality alone is sufficient to ensure customer satisfaction or whether other underlying psychological factors, such as trust, play a more decisive role in shaping customer perceptions and loyalty.

One of the primary challenges facing Palestinian banks is the lack of empirical research examining the mediating mechanisms through which service quality influences customer satisfaction. While existing studies confirm a direct relationship between service quality and satisfaction (Abu-Rumman et al., 2021), they often overlook the fact that customers in high-risk economic environments, such as Palestine, place greater emphasis on trust when evaluating banking services (Al-Najar & Metabis, 2022). Trust acts as a psychological safeguard, reducing perceived risks and uncertainties associated with financial transactions. Without trust, even high-quality services may fail to translate into long-term customer satisfaction.

Therefore, the study problem was represented by the following question:

Does trust mediate the relationship between service quality and customer satisfaction in Palestinian commercial banks?

Study questions:

1. What is the level of service quality in Palestinian commercial banks from the customer's perspective?
2. What is the level of trust in Palestinian commercial banks from the customer's perspective?
3. What is the level of customer satisfaction in Palestinian commercial banks from their perspective?
4. Is there a statistically significant correlation between service quality, banking trust, and customer satisfaction in commercial banks in Palestine?
5. Is there a statistically significant effect of service quality on customer satisfaction in Palestinian commercial banks?
6. Is there a statistically significant effect of service quality on banking trust in Palestinian commercial banks?
7. Is there a statistically significant effect of banking trust on customer satisfaction in Palestinian commercial banks?

Study Objectives:

The study aimed:

1. To examine the mediating role of bank trust in the relationship between service quality and customer satisfaction in Palestinian commercial banks.
2. To assess the perceived level of service quality in Palestinian commercial banks from customers' perspectives.
3. To evaluate the degree of customer trust in Palestinian commercial banks.

4. To measure the level of customer satisfaction with services provided by Palestinian commercial banks.
5. To determine whether statistically significant correlations exist between: Service quality and banking trust, customer satisfaction,
6. To analyze the direct effect of service quality on customer satisfaction in Palestinian commercial banks.
7. To investigate the direct effect of service quality on banking trust. To examine the direct effect of banking trust on customer satisfaction.
8. To test whether banking trust mediates the relationship between service quality and customer satisfaction.

Significance of the Study

This study makes significant theoretical contributions by enriching academic literature through developing an integrated model that examines the relationship between banking service quality and customer satisfaction, with trust as a key mediating factor. It addresses a critical research gap in understanding this relationship within unstable economic environments, while deepening theoretical comprehension of service quality models in fragile contexts. The research presents a novel analytical framework for examining variable dynamics under Palestine's unique socioeconomic conditions.

From a practical perspective, the study provides banks with actionable insights to enhance service quality strategies, build customer trust, and improve satisfaction levels, particularly regarding digital services, transparency, and operational efficiency. For regulatory bodies, it offers an evidence-based foundation for policymaking to strengthen public trust in the banking sector. The research also enables comparative studies across different contexts, with special focus on Palestine's distinctive combination of political challenges, digital transformation, and market competition. These multidimensional contributions create added value for academics, practitioners, and policymakers alike by bridging theoretical frameworks with practical applications in a challenging economic landscape.

Limits of the Study:

The study limits are as follows:

Human Limits: Customers in Palestinian commercial banks.

Spatial Limits: Palestine.

Temporary Limits: 2024-2025.

Substantive Limits: The study focused on the impact of service quality on employee satisfaction in commercial banks in Palestine, using bank trust as an intervening variable.

Literature Review

Service Quality

The concept of service quality in banking has undergone significant transformation in the past decade, driven by digital disruption and changing consumer expectations. Contemporary research has expanded beyond the traditional SERVQUAL dimensions to incorporate digital-native quality indicators (Blut et al., 2022). The tangible dimension now encompasses biometric authentication interfaces and augmented reality banking features (Alalwan, 2020), while reliability includes real-time transaction monitoring powered by machine learning algorithms (Kumar et al., 2023). Recent studies demonstrate that responsiveness has evolved to include predictive service capabilities, where AI anticipates customer needs before explicit requests

(Chopdar & Sivakumar, 2023). Assurance now extends to blockchain-based security protocols and explainable AI systems that enhance transparency (Nguyen et al., 2022), with empathy being redefined through emotionally intelligent chatbots that adapt to customer sentiment (Voorhees et al., 2023).

The COVID-19 pandemic served as a catalyst for research on remote service quality, revealing critical gaps in digital empathy and accessibility (Sharma et al., 2021). Scholars have identified paradoxical findings where digital convenience sometimes erodes perceived quality for relationship-oriented customers (Lemon & Verhoef, 2022). Measurement methodologies have advanced considerably, with neuro-marketing techniques providing objective data on subconscious quality perceptions (Dimoka et al., 2023). Cross-generational studies highlight stark differences in quality expectations, with Gen Z customers valuing self-service customization while older cohorts prioritize human touchpoints (Prentice et al., 2022). Emerging work on omnichannel quality shows that consistency across touchpoints matters more than individual channel excellence (Grewal et al., 2023).

Technological innovations continue to redefine service quality benchmarks. The rise of open banking has introduced new quality dimensions around data portability and third-party integration (Giudici et al., 2022). Conversational AI presents both opportunities and challenges, with studies showing it improves efficiency but can diminish emotional connection (Castelo et al., 2023). Behavioral analytics now enable real-time quality adjustments, creating dynamic service experiences tailored to individual customer journeys (Jiang et al., 2023). However, research warns against over-automation, demonstrating that strategic human intervention remains crucial for complex service recovery scenarios (Martin et al., 2023).

Customer Satisfaction in Banking

Customer satisfaction research in banking has evolved from transactional assessments to holistic evaluations of emotional and cognitive experiences (Grewal et al., 2020). The post-pandemic era has seen satisfaction become increasingly tied to digital resilience - a bank's ability to maintain service continuity during disruptions (Bart et al., 2023). Behavioral economics research reveals that satisfaction is more sensitive to service failures than successes, with loss aversion effects being particularly pronounced in mobile banking contexts (Baumeister et al., 2022). The trust-satisfaction relationship has been reconceptualized through privacy calculus theory, showing customers weigh perceived risks against benefits in open banking environments (Liébana-Cabanillas et al., 2023).

Neuroscientific breakthroughs have transformed satisfaction measurement, with fMRI studies identifying distinct neural activation patterns for digital versus human-mediated service encounters (Dimoka et al., 2023). Longitudinal studies during financial crises demonstrate that satisfaction elasticity varies significantly by customer segment, with premium clients showing greater tolerance for service degradation than mass-market customers (Roggeveen & Sethuraman, 2023). The emergence of generative AI in customer service has created new satisfaction paradoxes - while resolution speed improves, customers report unease with synthetic interactions (Davenport et al., 2023). Cultural neuroscience research indicates Eastern and Western customers process satisfaction differently, with collectivist cultures placing greater weight on relational harmony (Wang et al., 2023).

The sustainability-satisfaction nexus has emerged as a critical research frontier, with green banking initiatives positively impacting customer perceptions (Talwar et al., 2023). However, studies caution against greenwashing, as inauthentic sustainability claims can severely damage satisfaction (Voorhees et al., 2023). Personalization

research shows diminishing returns - while tailored services initially boost satisfaction, excessive data use triggers privacy concerns (Blut et al., 2022). The gig economy's influence is reshaping satisfaction benchmarks, with customers now expecting banking services to match the convenience of ride-sharing or food delivery apps (Chopdar & Sivakumar, 2023).

Bank Trust

Trust research in banking has shifted focus toward decentralized models and algorithmic governance in the wake of fintech disruption (Giudici et al., 2022). Eye-tracking studies reveal customers disproportionately focus on security indicators in digital interfaces, with trust formation following a nonlinear pattern (Jiang et al., 2023). The trust-repair literature has expanded to address algorithmic discrimination, showing that automated decision-making requires different recovery strategies than human errors (Martin et al., 2023). Neuroeconomic research demonstrates that trust formation activates the prefrontal cortex differently in fintech versus traditional banking contexts (Dimoka et al., 2023).

Recent financial crises have produced new models of trust elasticity, demonstrating how recovery speed impacts long-term relationship strength (Bart et al., 2023). Cultural neuroscience findings suggest Eastern customers develop trust through gradual relationship-building, while Western customers rely more on institutional reputation (Wang et al., 2023). The rise of generative AI has introduced unprecedented trust challenges, with synthetic media raising authenticity concerns in customer service interactions (Davenport et al., 2023). Behavioral studies show that interface design elements like color schemes and progress indicators significantly influence initial trust (Alalwan, 2020).

The decentralized finance movement has redefined trust-minimization, with smart contracts creating new verification mechanisms (Giudici et al., 2022). However, research warns that excessive automation can erode emotional trust, particularly for complex financial decisions (Lemon & Verhoef, 2022). The privacy-transparency paradox presents another challenge - while customers demand transparency, excessive information disclosure can overwhelm and reduce trust (Blut et al., 2022). Emerging work on trust calibration shows that optimal levels vary by service type, with payments requiring less trust than investment advisory services (Kumar et al., 2023).

Methodology:

This part dealt with a complete and detailed description of the method of study and its procedures that the researcher carried out to implement this study and included a description of the study curriculum, the study community, the study tools, its sincerity and steadfastness, study procedures, and statistical analysis.

Based on the nature of the study and the goals that it seeks to achieve, the liquidated custody approach was used, as it is one of the most used curricula in studying human and social phenomena, and it depends on studying the phenomenon as it is in reality and is appropriate to the phenomenon under study, where the descriptive approach depends on studying the phenomenon as it is. It is actually present and is interested in accurately and expressing it quite or quantitatively.

The researchers used the causal descriptive approach to describe "The Impact of Service Quality on Customer Satisfaction in Palestinian Commercial Banks: The Mediating Role of Bank Trust", where the causal descriptive approach helps in comparing, interpreting phenomena and evaluating them to reach generalizations and results of the accurate study and obtain comprehensive information on the phenomenon under study. The ability to answer the study questions.

The study population:

The study population consisted of all bank customers in Hebron-Palestine in the year 2025.

Study sample:

It is a part of the study community that is selected systematically or randomly to represent the study community, and the study sample is examined to generalize the results to the rest of the community as a whole, as the study sample amounted to (471) participants from customers in Palestinian commercial banks.

Table (1): The characteristics of the study sample personnel

Variable	Frequency	Percentage
Gender	Male	251
	Female	220
	Total	471
Banking Duration	Less than 1 year	114
	1-5 years	175
	More than 5 years	182
	Total	471
Primary Banking Channel	Branch	186
	Mobile App	168
	Online Banking	117
	Total	471

Pilot study:

A survey study was conducted on a sample of (30) participants from clients in Palestinian commercial banks, after being judged by specialists. The study aimed to evaluate the standards, calculate their feasibility and application time, and verify the accuracy and clarity of the standards' items and the stability of the items to obtain accurate measurement of precise results.

The construction validity of the Service Quality scale:

The construction validity was examined by the Pearson Correlation to extract the values of item correlation transactions in the field to which it belongs, and the values of items correlation with the total degree, as well as the values of correlation of each field with the total degree of the scale, as shown in Table (2):

Table (2): construction validity of the Service Quality scale.

No.	Corr. of the item with its field	Corr. of the item with total degree	No.	Corr. of the item with its field	Corr. of the item with total degree	No.	Corr. of the item with its field	Corr. of the item with total degree
1	.795**	.615**	4	.792**	.653**	7	.795**	.678**
2	.810**	.625**	5	.771**	.620**	8	.800**	.695**
3	.818**	.643**	6	.725**	.667**	9	.853**	.745**
Tangibles		0.778**	Reliability		0.849**	Responsiveness		0.865**
10	.796**	.677**	13	.826**	.671**			
11	.776**	.662**	14	.813**	.678**			
12	.816**	.670**	15	.818**	.635**			
Assurance		0.842**	Empathy		0.808**			

** Statistically significant at (0.01)

It is noted from the data contained in Table (2) that all the items of each field are related to the total degree of its field and the total degree of the scale as a statistical significance, which means that there is a correlation between each item and its field, and between the item and the total degree of the scale, as it was found that the degree of each field is related to the total degree of the scale statistically significant, this means that there is a correlation between the field degree and the total degree of the scale, so the Service Quality measure has a degree of honesty that reassures the researchers that it measures what is placed for it.

Reliability of Service Quality scale:

According to the stability in the internal consistency method by calculating the Cronbach alpha reliability coefficient, as shown in Table (3).

Table (3): reliability of Service Quality scale

Variables	No. of items	Cronbach's α
Tangibles	3	.793.
Reliability	3	.739.
Responsiveness	3	.759.
Assurance	3	.719.
Empathy	3	.755.
Total degree of Service Quality	15	.909.

The data contained in Table (3) indicate that the value of the Cronbach Alpha reliability coefficient for all domains of Service Quality and for the total degree was good, as the values of the Cronbach Alpha reliability factor for the fields of Service Quality ranged between (0.719 - 0.793), and the Cronbach Alpha reliability factor for the total degree of Service Quality reached (0.909).

The construction validity of the Bank Trust scale:

The construction honesty was examined by the Pearson Correlation Correction to extract the values of item correlation transactions in the field to which it belongs, and the values of items correlation with the total degree, as well as the values of correlation of each field with the total degree of the scale, as shown in Table (4):

Table (4): The construction of the Bank Trust scale.

No.	Corr. of the item with its field	Corr. of the item with total degree	No.	Corr. of the item with its field	Corr. of the item with total degree
1	.814**	.660**	4	.821**	.683**
2	.808**	.668**	5	.771**	.645**
3	.827**	.687**	6	.783**	.684**
Competence Trust		.831**	Integrity Trust		.847**
7	.824**	.707**	10	.754**	.674**
8	.817**	.764**	11	.830**	.691**
9	.855**	.726**	12	.800**	.673**
Benevolence Trust		.880**	Predictability		.854**

** Statistically significant at (0.01)

It is noted from the data contained in Table (4) that all the items of each field are related to the total degree of its field and the total degree of the scale as a statistical significance, which means that there is a correlation between each item and its field, and between the item and the total degree of the scale, as it was found that the degree of each field is related to In the total degree of the scale statistically significant, this means that there is a correlation between the degree of field and the total degree of the

scale, so the Bank Trust scale has a degree of honesty that reassures the researchers that it measures what was placed for it.

The reliability of the Bank Trust scale:

According to the stability in the internal consistency method by calculating the Cronbach alpha reliability factor, as shown in Table (5).

Table (5): reliability for the Bank Trust scale

Variables	No. of items	Cronbach's α
Competence Trust	3	.749
Integrity Trust	3	.713
Benevolence Trust	3	.778
Predictability	3	.729
Total degree of Bank Trust	12	.900

The data contained in Table (5) indicate that the value of the Cronbach Alpha reliability coefficient for all domains of Bank Trust and for the total degree was good, as the values of the Cronbach Alpha reliability factor for Bank Trust ranged between (0.713 - 0.778), and the Cronbach Alpha reliability factor for the total degree of Bank Trust reached to (0.900).

The construction validity of the Customer Satisfaction scale:

The construction validity was examined by the Pearson Correlation Correction to extract the values of paragraph correlation transactions in the field to which it belongs, and the values of item correlation with the total degree, as well as the values of the correlation of each field with the total degree of the scale, as shown in Table (6):

Table (6): The construction validity of the Customer Satisfaction scale.

No.	Corr. of the item with its field	Corr. of the item with total degree	No.	Corr. of the item with its field	Corr. of the item with total degree
1	.845**	.675**	4	.822**	.765**
2	.809**	.647**	5	.821**	.741**
3	.820**	.654**	6	.779**	.634**
Overall Satisfaction		0.799**	Expectation Confirmation		0.885**
7	.825**	.678**	10	.750**	.617**
8	.784**	.652**	11	.771**	.656**
9	.98**	.644**	12	.830**	.719**
Loyalty Intentions		0.766**	Emotional Response		0.845**

** Statistically significant at (0.01)

It is noted from the data contained in Table (6) that all the items of each field are related to the total degree of its field and the total degree of the scale as a statistical significance, which means that there is a correlation between each paragraph and its field, and between the paragraph and the total degree of the scale, as it was found that the degree of each field is related to the total degree of the scale statistically significant, this means that there is a correlation between the field degree and the total degree of the scale, so the scale of the Customer Satisfaction has a degree of honesty that reassures the researchers that it measures what is placed for it.

Reliability of the Customer Satisfaction scale:

According to reliability in the manner of internal consistency, by calculating Cronbach alpha, as shown in Table (7).

Table (7): Reliability of the Customer Satisfaction scale

Variables	No. of items	Cronbach's α
Overall Satisfaction	3	.765
Expectation Confirmation	3	.733
Loyalty Intentions	3	.756
Emotional Response	3	.782
Total degree of Customer Satisfaction	12	.878

The data mentioned in Table (7) indicate that the value of the Cronbach Alpha reliability coefficient for all domains of the Customer Satisfaction and for the total degree was good, as the values of the Cronbach Alpha reliability factor for the Customer Satisfaction domains ranged between (0.733 - 0.782), and the Cronbach Alpha reliability coefficient for the total degree of the Customer Satisfaction reached (0.878).

Correcting Scales:

The answer scores were distributed to the study standards in the Likert scale, weights for items as follows: with a very large degree (5) points, in a large degree (4) points, in a medium degree (3) points, in a small degree (two points), in a very small degree (one point). All items have represented the positive trend in measures (Service Quality, Bank Trust, Customer Satisfaction).

To interpret mathematical averages, and to determine the level of exercise: Service Quality, Bank Trust, Customer Satisfaction among members of the study sample, the brand has turned the level of (1-5) degrees, and classification of the level to three levels: low level (2.33 and less)), average level (2.34 - 3.67), high level (3.68 or more).

Normal distribution:

To find out if the data is far from the natural distribution so that it does not cause problems in the evaluation of parameters, the extent of the data is tested for the normal distribution by the Kolmogorov -Smirnov test, and the Shapiro -Wilk test, but it only provides simple information about the data far from the normal distribution, therefore, the skewness and kurtosis test in the current study was made to test the normal distribution of the data used, and to ensure that there is no linear double between the independent and mediate study variables. The VIF enlargement factor has been examined and its value should not exceed (5), and the creation of the correlation matrix to ensure independent and mediate study variables are not overlapping.

Table (8): skewness and kurtosis tests

	Service Quality	Bank Trust	Customer Satisfaction
Skewness	-0.393	-0.456	-0.664
Kurtosis	0.323	-0.203	0.375

We note through Table (8) that the results of calculating the value of skewness and kurtosis, indicate the normal distribution of the data used, and the results indicate that there are no deviations in the data, As the value of skewness and kurtosis ranged between (-2 and +2), which is the criterion allowed by the statistics (George & Mallery, 2010).

Table (9): The internal association of variables

	Collinearity Statistics	
	VIF	Tolerance
Service Quality	1.014	0.986
Bank Trust	1.014	0.986

Through Table (9), we conclude the absence of a linear duplication (the contrast between the variables of the study), as the result of the contrast coefficient was less than (5) and this indicates the quality of data and the absence of a linear duplication.

Statistical treatment

Statistical analysis of the questionnaire helps in reaching the results based on the questions and hypotheses that have been developed and prove their health, and to build models and test their suitability for study data, and accordingly the questionnaire is placed and distributed to the sample personnel, and then data analysis using statistical analysis programs, and to achieve the study objectives, the discharge has been discharged The questionnaire and data entry into the SPSS program, which is characterized by its ability to analyze data with ease, is one of the famous statistical analysis programs, as it analyzes the data and describes it statistically and gives the results with high accuracy.

Some tests that precede the statistical analysis that fall within the descriptive statistical curriculum were used, in terms of the work of testing lost and anomalous values, and the test of surface and sprains to ensure the moderation of the natural distribution of study data, as well as the percentage, repetitions and mathematical average (descriptive statistics) to identify the characteristics of The study sample and determining the extent of their response and to know the repetition of the variables categories, in addition to testing the sincerity and stability of the study tool.

The current study also followed the method of statistical analysis of the structural equation modeling (SEM) to build the study model, test the hypotheses, and identify the relationship of variables with each other, and the suitability of the supposed model of field study data. The methodology of structural equations (SEM) is one of the best modern methods that are used to test multi-variable models because it gives the researchers the ability to test the relationship between these variables at once while determining the extent of the model's suitability for the data that is collected through a set of indicators called the quality of matching quality (Hair et al., 2014). Each group of variables, the factors that belong to it, evaluate relations between them, test the structural equation, answer the study questions, and achieve its goals, and it can investigate the relationship between the dependent variable and independent variables, and identify the standard errors of each variable accurately, and also the structural equation capable of studying the causal and multiple relationship builds the variables in an integrated way.

Study results

This part includes the analysis of current study data and the presentation of the results, the testing of hypotheses and the verification of its exile or the proof of its health, and the use of the descriptive statistical method of the study variables (Service Quality, Bank Trust, Customer Satisfaction), and deals with the evaluation of the structural model through the analysis of current study data, using the methodology of structural equations (SEM) through the advanced statistical analysis program (Amos), and is one of the best modern methods that are used to test multiple variables. The researchers can test the relationship between these variables at once by determining

the extent of the model's suitability, for the data that are collected through a set of indicators called the quality of matching quality (Hair et al., 2014). They use structural equation modeling to test the extent of the suggested form with the sample data used, and it measures what was set for measuring it.

Descriptive statistics for the Service Quality variable:

Means standard deviations and relative weights were calculated to identify the level of Service Quality in Palestinian commercial banks. As shown in Table (10).

Table (10): Means and standard deviations and relative weights of the level of Service Quality in Palestinian commercial banks, ranking in descending

No.	Items	Means	Std.	%	Approval
2	The bank's physical facilities are visually appealing	4.00	0.95	80.0	high
1	The bank has modern-looking equipment (e.g., ATMs, computers).	4.00	0.96	80.0	high
3	Employees are neat and professionally dressed.	3.83	1.11	76.6	high
Tangibles		3.94	0.81	78.8	high
5	The bank performs services correctly the first time.	3.95	1.01	79.0	high
4	The bank provides services as promised.	3.86	1.16	77.2	high
6	The bank maintains error-free records.	3.84	1.08	76.8	high
Reliability		3.88	0.83	77.6	high
11	I feel safe in my transactions.	3.92	1.06	78.4	high
12	Employees are courteous.	3.85	1.03	77.0	high
10	Employees are knowledgeable.	3.76	1.11	75.2	high
Assurance		3.84	0.85	76.8	high
15	The bank has operating hours convenient to all.	3.82	1.09	76.4	high
14	Employees understand my needs.	3.81	1.08	76.2	high
13	The bank gives me individual attention.	3.73	1.09	74.6	high
Empathy		3.78	0.89	75.6	high
7	Employees give prompt service.	3.71	1.12	74.2	high
8	Employees are always willing to help.	3.65	1.17	73.0	medium
9	Employees respond quickly to requests.	3.64	1.18	72.8	medium
Responsiveness		3.67	0.95	73.4	medium
Service Quality		3.82	0.72	76.4	high

The results in Table (10) reveal that the overall level of service quality in Palestinian commercial banks is high, with a mean score of 3.82 and a relative weight of 76.4%, indicating general customer satisfaction across the five SERVQUAL dimensions. The highest-rated dimension is Tangibles (mean = 3.94, 78.8%), reflecting customer appreciation for the banks' modern equipment, visually appealing facilities, and professional employee appearance. Reliability (mean = 3.88, 77.6%) and Assurance (mean = 3.84, 76.8%) also received high ratings, suggesting that customers trust the banks' ability to perform services accurately and feel confident in the courtesy and competence of the staff. Empathy, while still rated high (mean = 3.78, 75.6%), points to opportunities for enhancing personalized attention and understanding of individual customer needs. The lowest-rated dimension is Responsiveness (mean = 3.67, 73.4%), which falls into the medium range, highlighting concerns about the speed and willingness of employees to respond to customer requests. These findings suggest that

while banks in Palestine are performing well in delivering reliable and professional services, targeted improvements in responsiveness and individualized service could significantly enhance overall service quality and customer experience.

The descriptive statistics of the Bank Trust variable:

Means, standard deviations and relative weights were calculated to identify the level of the Bank Trust in Palestinian commercial banks. As shown in table (11).

Table (11): Means and standard deviations and relative weights of the level of the Bank Trust in Palestinian commercial banks, ranking descending

No.	Items	Means	Std.	%	Approval
6	The bank fulfills its commitments.	4.17	1.05	83.4	high
4	The bank is honest in its dealings.	3.90	1.09	78.0	high
5	The bank's policies are transparent.	3.88	1.02	77.6	high
Integrity Trust		3.98	0.83	79.6	high
2	The bank uses up-to-date security systems.	3.98	1.06	79.6	high
1	The bank has the skills to protect my money.	3.89	1.12	77.8	high
3	The bank handles technical issues efficiently.	3.89	1.04	77.8	high
Competence Trust		3.92	0.88	78.4	high
8	The bank prioritizes customers over profits.	3.92	1.06	78.4	high
9	The bank offers fair solutions to problems.	3.91	1.10	78.2	high
7	The bank cares about customers' needs.	3.91	1.02	78.2	high
Benevolence Trust		3.91	0.88	78.2	high
10	The bank's service quality is consistent.	3.89	0.98	77.8	high
11	The bank's policies rarely change unexpectedly.	3.86	1.10	77.2	high
12	I can anticipate how the bank will act.	3.84	1.05	76.8	high
Predictability		3.86	0.83	77.2	high
Bank Trust		3.92	0.73	78.4	high

The results presented in Table (11) indicate that the overall level of **Bank Trust** in Palestinian commercial banks is high, with a mean score of **3.92** and a relative weight of **78.4%**, reflecting strong customer confidence in their banking institutions. Among the four dimensions of trust, **Integrity Trust** ranks highest (mean = 3.98, 79.6%), highlighting customers' belief that banks fulfill their commitments, act honestly, and maintain transparency in their policies. **Competence Trust** follows closely (mean = 3.92, 78.4%), indicating that customers trust the banks' technical capabilities, including money protection and security systems. **Benevolence Trust** (mean = 3.91, 78.2%) shows that customers perceive banks as caring and fair, especially in prioritizing customer needs and offering equitable solutions. Lastly, **Predictability** (mean = 3.86, 77.2%) is also rated highly, suggesting that clients find the banks' behaviors consistent and reliable over time. The low standard deviations across all dimensions indicate consistent perceptions among respondents. Collectively, these findings affirm that Palestinian banks have successfully built trust through a balanced combination of integrity, competence, care for customers, and consistent service delivery, though maintaining and deepening this trust will require sustained transparency, responsiveness, and stability in customer interactions.

The descriptive statistics of the Customer Satisfaction:

Means and standard deviations and relative weights were calculated to identify the level of Customer Satisfaction in Palestinian commercial banks. As shown in table (12).

Table (12): Means and standard deviations and relative weights of the level of Customer Satisfaction in Palestinian commercial banks from their point of view, ranking descending

No.	Items	Means	Std.	%	Approval
10	I feel valued as a customer.	4.61	0.59	92.2	high
12	The bank makes me feel secure.	4.44	0.74	88.8	high
11	I feel happy with the bank's services.	4.32	0.75	86.4	high
Emotional Response		4.46	0.54	89.2	high
2	My experience with this bank is positive.	4.47	0.74	89.4	high
3	This bank meets my banking needs well.	4.44	0.73	88.8	high
1	I am satisfied with this bank.	4.39	0.77	87.8	high
Overall Satisfaction		4.43	0.62	88.6	high
4	The bank exceeds my expectations.	4.49	0.75	89.8	high
5	The service quality is better than I expected.	4.29	0.73	85.8	high
6	I get more value than I anticipated.	4.27	0.71	85.4	high
Expectation Confirmation		4.35	0.59	87.0	high
9	I prefer this bank over competitors.	4.41	0.67	88.2	high
8	I recommend this bank to others.	4.14	0.81	82.8	high
7	I will continue using this bank.	4.14	0.89	82.8	high
Loyalty Intentions		4.23	0.61	84.6	high
Customer Satisfaction		4.37	0.49	87.4	high

The findings in Table (12) reveal that the level of **Customer Satisfaction** with Palestinian commercial banks is notably high, with an overall mean score of **4.37** and a relative weight of **87.4%**, indicating strong approval from customers. Among the four dimensions, **Emotional Response** received the highest rating (mean = 4.46, 89.2%), emphasizing that customers feel valued, secure, and happy with the services provided—an indication of the emotional connection customers have developed with their banks. This is closely followed by **Overall Satisfaction** (mean = 4.43, 88.6%) and **Expectation Confirmation** (mean = 4.35, 87.0%), both of which suggest that customers' experiences not only meet but often exceed their expectations, reinforcing perceptions of reliability and high service quality. **Loyalty Intentions** (mean = 4.23, 84.6%), though slightly lower than the other dimensions, still reflects a strong tendency among customers to remain loyal, recommend the bank to others, and prefer it over competitors. Importantly, the highest-scoring individual item was "I feel valued as a customer" (mean = 4.61, 92.2%), underscoring the importance of personalized attention and emotional satisfaction in shaping customer perceptions. These results collectively demonstrate that Palestinian banks have been successful in fostering customer satisfaction by delivering reliable services, ensuring security, and creating positive emotional experiences, all of which contribute to sustained loyalty and competitive advantage.

Results of Study Hypotheses

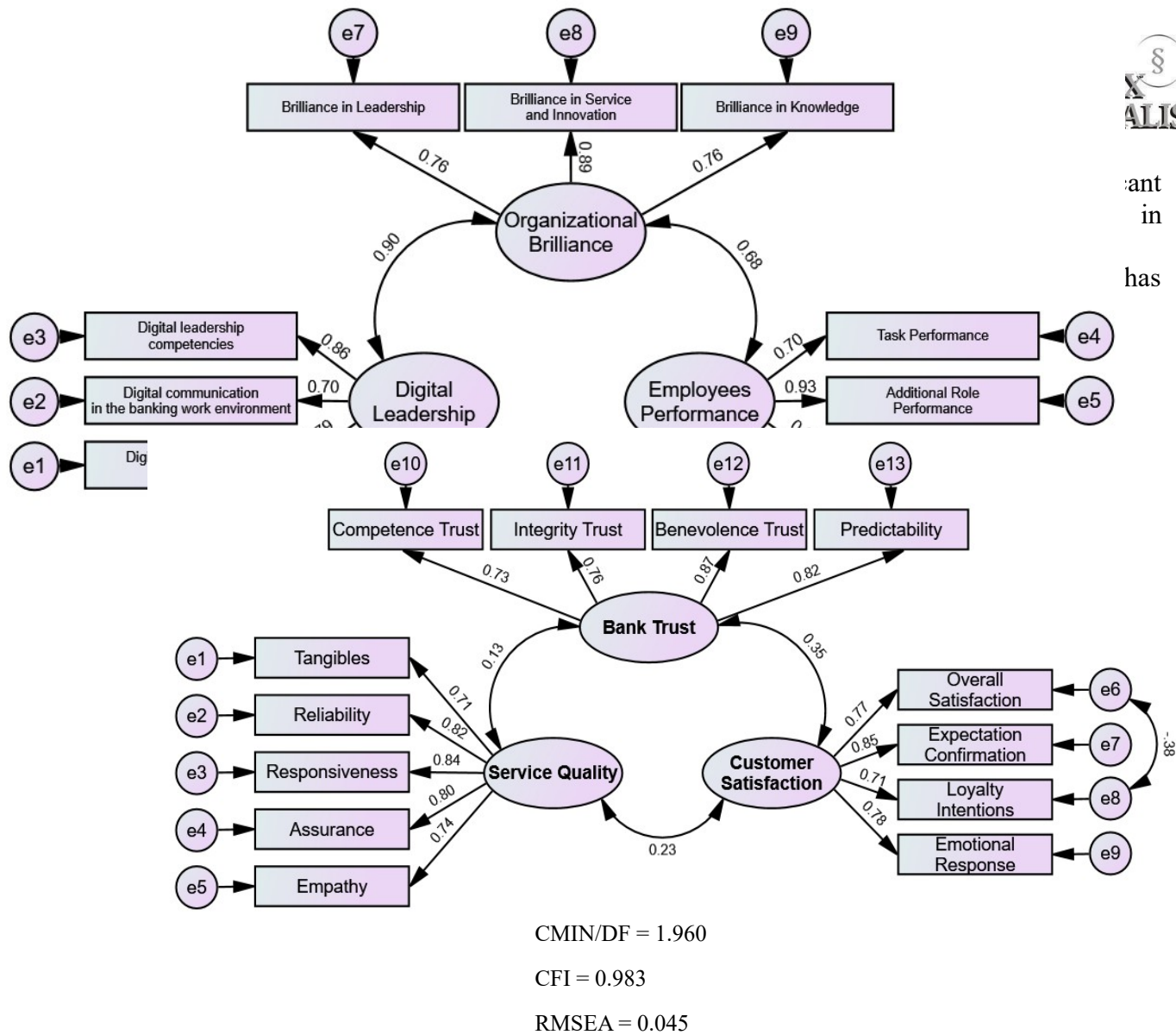


Figure (1): The Measurement model for study variables

In light of the assumption of consistency between the contrast matrix of the variables covered in the analysis and the assumption of the model, many indicators that indicate the quality of this congruence are produced, and in light of which the supposed model is accepted or rejected for data, which is known as indicators of the quality of congruence, and it has been found that indicators of the quality all indicate an excellent match quality for the model, as the value of (CMIN/DF) (1.960) is less than (3) and greater than (1), which indicates an excellent value, and the value of the comparative factor index (CFI) (0.983) is greater than (0.95), which indicates an excellent match quality, and the value of the average root mean square error (RMSEA) (0.045), which is less than (0.06), which indicates an excellent quality match (Gaskin, LIM, & Steed, 2022; Hu & Bentler, 1999). This indicates that the indicators of the suitability of quality that were introduced to the model gave an excellent expression that can assess the ability of the factors to express the actual data set as well as compare many of the factors of factors in this field.

Table (13): Shows the relationships between study variables

			Estimate	P-Value
Service Quality	<-->	Customer Satisfaction	0.232	***
Bank Trust	<-->	Customer Satisfaction	0.346	***
Service Quality	<-->	Bank Trust	0.127	0.016

*** Statistically significance at (0.001)

H1a: There is a positive direct relationship between Service Quality and Customer Satisfaction in Palestinian commercial banks.

The data in Table (13) indicate the existence of a positive direct relationship between service quality and customer satisfaction in Palestinian commercial banks, as the correlation coefficient for the relationship between service quality and customer satisfaction among the study sample members reached (0.232) and statistical significance at (0.001), which indicates that the higher the quality of services, the higher the customer satisfaction in Palestinian commercial banks, and vice versa.

H1b: There is a positive direct relationship between Bank Trust and customer satisfaction in Palestinian commercial banks.

Data in Table (13) indicates a positive direct relationship between Bank Trust and customer satisfaction in Palestinian commercial banks, as the correlation coefficient of the relationship between Bank Trust and the customer satisfaction among members of the study sample was (0.346) and a statistical significance at (0.001), and this indicates that the more Bank Trust increases the customer satisfaction in Palestinian commercial banks, and vice versa.

H1c: There is a positive direct relationship between Service Quality and Bank Trust in Palestinian commercial banks.

Data in Table (13) indicates a positive direct relationship between Service Quality and Bank Trust in Palestinian commercial banks, as the correlation coefficient of the relationship between Service Quality and Bank Trust with members of the study sample was (0.127) and a statistical significance at (0.05), and this indicates that increase the Service Quality, increases Bank Trust in Palestinian commercial banks, and vice versa.

The results of the second hypothesis (H2): There is an indirect effect of Service Quality on customer satisfaction when Bank Trust mediates the relationship between them.

Path Analysis was used to determine the effect of Service Quality and Bank Trust on the customer satisfaction in Palestinian commercial banks, and the researchers built a causal model based on theoretical foundations, by reviewing the relevant models and studies, the researchers used the causal model; Because it is considered the most suitable for the subject of the study. The analysis of the structural equation model was also made to verify the extent of the proposed form with study data, using the Path Analysis with (IBM SPSS Amos) based on several statistical indicators. To determine the impact of Bank Trust on the relationship between Service Quality and the customer satisfaction in commercial banks, the following causal model has been built.

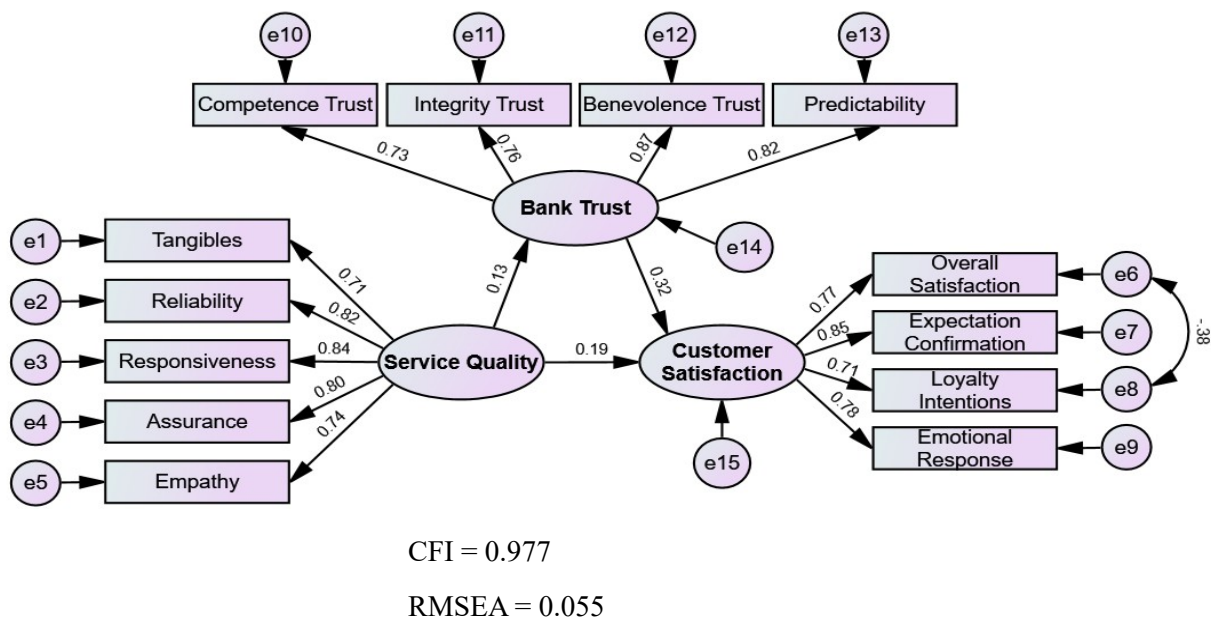


Figure (2): The planning path of the model and effects of influence between variables

From Figure (2) it turns out that indicators indicating the validity of the constructive model, in light of which the supposed model of data, which is known as the validity indicators of the model, all indicate an excellent validity of the model, where the value of (CMIN/DF) (2.260) is less than (3) and greater than (1) and indicates an excellent value. The value of the comparison factor index (CFI) (0.977) is greater than (0.95) and indicates an excellent match quality. The value of the average root index (RMSEA) (0.055) is smaller than (0.06) and indicates excellent validity (Gaskin, LIM, & STEED, 2022; Hu & Bentler, 1999). This indicates that the explicit indicators of the entered model gave quality with excellent validity.

After making sure that the sample of the current study data was appropriate, the researchers performed the path analysis, and the results were presented in the table (14).

Table (14): Standardized regression weights

			Estimate	SE	CR(Z)	P
Service Quality	---<	Bank Trust	0.127	0.042	2.446	0.014
Service Quality	---<	Customer Satisfaction	0.191	0.039	6.095	***
Bank Trust	---<	Customer Satisfaction	0.322	0.030	3.834	***

*** Statistically significance at (0.001)

H2a: There is a statistically significant effect at the level of significance (0.05) for Service Quality on Bank Trust in Palestinian commercial banks.

Data in Table (14) shows that there is a positive impact with a statistically significant of Service Quality on Bank Trust in Palestinian commercial banks. Where the critical value (Z) (2,446) was greater than (1.96), with a level of significance less than (0.014). The path coefficient reached (0.127), which indicates that the increase in Service Quality by (1) leads to an increase in Bank Trust by (0.127).

H2b: There is a statistically significant effect at the level of significance (0.05) for Service Quality on the Customer Satisfaction in Palestinian commercial banks.

Data in Table (14) shows that there is a positive impact with a statistically significant of Service Quality on the Customer Satisfaction in Palestinian commercial banks. Where the critical value (Z) (6.095) reached a greater than (1.96), with a level of significance less than (0.001). which indicates that the increase in Service Quality by (1) leads to an increase in Customer Satisfaction by (0.191).

H2c: There is a statistically significant effect at the level of significance (0.05) for Bank Trust on the Customer Satisfaction in Palestinian commercial banks.

Data in Table (14) shows a positive impact with a statistical significance of Bank Trust on the Customer Satisfaction in Palestinian commercial banks. Where the critical value (Z) (3.834) reached a greater than (1.96), with a level of significance less than (0.001). The path coefficient reached (0.322), which indicates that the increase in Bank Trust by (1) leads to an increase in the Customer Satisfaction by (0.322).

H2c': There is an indirect effect of Service Quality on Customer Satisfaction in light of the presence of Bank Trust as a mediator variable.

To test the hypothesis, the indirect effect of Service Quality was found on the Customer Satisfaction caused by Bank Trust when it mediates the relationship between them, as shown in Table (15).

Table (15): The direct, indirect and total effect of Service Quality on the Customer Satisfaction in light of the presence of Bank Trust as a mediator

Effect type		Bank Trust	Customer Satisfaction
Direct effect	Bank Trust	0.00	0.32
	Service Quality	0.13	0.19
Indirect effect	Bank Trust	0.00	0.00
	Service Quality	0.00	0.04
Total effect	Bank Trust	0.00	0.32
	Service Quality	0.13	0.23

Total effect = direct effect + indirect effect.

Table (15) shows that service quality and banking trust have a positive impact on customer satisfaction in commercial banks in Palestine. Bank trust plays a role in increasing the impact of service quality on customer satisfaction. This is evident from the indirect impact that banking trust had when it was introduced into the relationship between service quality and customer satisfaction. The indirect impact of service quality on customer satisfaction was positive, meaning that banking trust increases the strength of the relationship between service quality and customer satisfaction if it is introduced as an intervening variable between them. The indirect impact of service quality on customer satisfaction was equal to (0.04). This indicates that banking trust as an intervening variable was able to increase the impact of service quality on customer satisfaction from (0.19) before introducing banking trust as an intervening variable to (0.23) after introducing banking trust as an intervening variable, i.e. by an amount of (0.04).

To determine the type of mediation (partial or complete), Holmes (2002) indicated that mediation is complete if there is no relationship between the independent and dependent variables, and the mediating variable works to develop a relationship between them. However, if there is a statistically significant relationship between the independent and dependent variables, and the mediating variable strengthens the relationship, then mediation is partial.

Since the relationship between service quality and customer satisfaction was statistically significant before mediation and statistically significant after mediation, bank trust partially mediates the relationship between them.

Recommendations:

Through the results of the researchers, they recommend the following:

1. Enhancing banking trust through transparency, communication, and regular provision of accurate and clear information about services, fees, and procedures enhances the impact of service quality on customer satisfaction.
2. Banks should implement regular training programs focused on customer service, ethics, empathy, and effective response to customer needs to build trust and loyalty while delivering high-quality service.
3. Banks should base their marketing strategies and corporate identity on promoting concepts such as security, customer care, integrity, and long-term reliability. Trust should be a key focus of promotional messages.

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