

Shariah Governance, Reputation and Customer Loyalty of Islamic Banks

Shariah Governance, Reputasi dan Loyalitas Nasabah pada Bank Syariah

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ABSTRACT

This study aims to analyze the influence of sharia governance and reputation on customer loyalty at Bank Riau Kepri Syariah, both partially and simultaneously. In an effort to maintain customer loyalty, Islamic banks must continuously improve their corporate governance systems to remain competitive compared to other banks. Additionally, Islamic banks are obligated to comply with sharia principles in their instruments, products, operations, practices, and management. This research employs a quantitative approach by distributing questionnaires to 100 customers. The data were analyzed using linear regression methods with the assistance of IBM-Statistic software. The results indicate that both sharia governance and reputation variables, individually and collectively, have a positive and significant impact on customer loyalty. These findings suggest that the implementation of good sharia governance and a positive reputation can enhance customer loyalty at Bank Riau Kepri Syariah.

Keywords: Reputation, Sharia Governance, Loyalty, Islamic Banks

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh tata kelola syariah dan reputasi terhadap loyalitas nasabah di Bank Riau Kepri Syariah, baik secara parsial maupun simultan. Dalam upaya mempertahankan loyalitas nasabah, bank syariah harus terus meningkatkan sistem tata kelola perusahaan agar lebih kompetitif dibandingkan dengan bank lain. Selain itu, bank syariah juga memiliki kewajiban untuk mematuhi prinsip-prinsip syariah dalam instrumen, produk, operasi, praktik, dan manajemen mereka. Penelitian ini menggunakan pendekatan kuantitatif dengan menyebarkan kuesioner kepada 100 nasabah. Data dianalisis menggunakan metode regresi linier dengan bantuan software IBM-Statistic. Hasil penelitian menunjukkan bahwa variabel tata kelola syariah dan reputasi secara individu maupun bersama-sama berpengaruh positif dan signifikan terhadap loyalitas nasabah. Temuan ini mengindikasikan bahwa penerapan tata kelola syariah yang baik dan reputasi yang positif dapat meningkatkan loyalitas nasabah pada Bank Riau Kepri Syariah.

Kata Kunci: Reputasi, Tata Kelola Syariah, Loyalitas, Bank Syariah

1. Introduction

The Islamic banking industry in Indonesia has shown significant growth over the past decade, reflecting an increasing public demand for financial services that comply with Islamic principles. According to the Financial Services Authority (OJK), the market share of Islamic banks reached approximately 7.5% of the national banking industry by 2024, indicating a consistent upward trend. This growth aligns with global patterns in Islamic finance, where customers increasingly seek ethical and Shariah-compliant financial alternatives (Harun et al., 2023). However, sustaining this growth requires not only expanding market penetration but also maintaining strong customer loyalty, which serves as the foundation for long-term institutional sustainability (Amin, 2017).

Customer loyalty is a multidimensional construct encompassing both attitudinal and behavioral components. Attitudinal loyalty involves emotional attachment, commitment, and trust in the bank, while behavioral loyalty is reflected in repeat transactions and long-term patronage (Fianto et al., 2020). In the context of Islamic banking, customer loyalty is influenced not only by service quality but also by compliance with Shariah principles and the ethical reputation of the institution (Fida et al., 2020). Albaity and Rahman (2021) emphasize that trust and positive attitudes toward Islamic values mediate the relationship between service quality and customer loyalty, demonstrating that loyalty in Islamic banks extends beyond financial satisfaction toward religious and moral alignment.

To nurture such loyalty, Islamic banks must ensure effective corporate governance systems that are consistent with Islamic values. Unlike conventional banks, Islamic banks are required to operate under a dual governance framework—corporate governance and *Shariah governance*—to ensure all operations conform to Islamic law (Aspiranti, 2023). Shariah governance refers to a set of institutional and organizational arrangements designed to ensure Shariah compliance through supervision, auditing, and advisory mechanisms. Research indicates that effective Shariah governance enhances transparency, accountability, and trust, which in turn foster stronger customer relationships (Baig et al., 2024; Tashkandi, 2023).

However, despite the existence of governance structures, several fraud cases in Indonesian Islamic banks have raised public concerns about their effectiveness. For example, in 2022, Bank Riau Kepri Syariah faced a fraud case involving approximately 5 billion Rupiah, where an employee duplicated customer ATM cards, affecting more than 100 customers. In 2023, another case of unauthorized fund withdrawal worth 7.5 billion Rupiah occurred, followed by the mismanagement of housing finance funds amounting to 2.7 billion Rupiah in 2024. These incidents reveal weaknesses in internal controls and Shariah governance practices, which can damage the bank's reputation and erode customer trust. Similar findings are supported by Elamer et al. (2019), who noted that inadequate multi-layer governance increases operational risks and undermines stakeholder confidence in Islamic banks.

Weak Shariah governance implementation can compromise both compliance and reputation, ultimately diminishing customer trust and loyalty (Grassa, 2016; Haddad & Souissi, 2022). Reputation plays a crucial role in Islamic banking because it signals integrity, transparency, and adherence to Shariah principles—key factors influencing customer perceptions (Platonova et al., 2018; Muflih, 2021). When customers perceive an Islamic bank as reputable and ethically consistent, they are more likely to remain loyal and to recommend the institution to others (Khan et al., 2022). Therefore, the interaction between Shariah governance and reputation forms a critical pathway to fostering sustainable customer loyalty.

Although various studies have examined determinants of customer loyalty in Islamic banks, most have focused on service quality, trust, and satisfaction (Amin, 2017; Fida et al., 2020; Fianto et al., 2020). Limited research, however, has explored how Shariah governance directly affects customer loyalty through the mediating role of reputation, especially in regional Islamic banks. Previous research primarily investigated large national or international Islamic banks (e.g., Albaity & Rahman, 2021; Platonova et al., 2018), leaving a research gap regarding smaller, regionally focused institutions such as Bank Riau Kepri Syariah. This lack of contextualized understanding limits policymakers' and practitioners' ability to develop effective governance models suited for regional banking contexts.

This study seeks to fill this gap by examining the relationship between Shariah governance, reputation, and customer loyalty in the context of Bank Riau Kepri Syariah. The novelty of this

research lies in its emphasis on a regional Islamic bank and its integrated analysis of how Shariah governance mechanisms influence customer loyalty through the mediating role of the bank's reputation. By addressing this underexplored setting, the study contributes to a deeper understanding of governance effectiveness beyond large-scale institutions (Wijayanti & Setiawan, 2022). The findings are expected to offer practical recommendations for strengthening Shariah governance frameworks and improving customer relationships within Indonesia's Islamic banking sector.

In summary, the sustainability of Islamic banking in Indonesia depends not only on financial performance but also on robust governance and ethical reputation. Strengthening Shariah governance is essential to prevent fraud, enhance transparency, and build trust—ultimately leading to greater customer loyalty (Baig et al., 2024; Muflih, 2021). By empirically investigating these relationships within a regional context, this study aims to contribute to the growing body of literature on Islamic banking governance while providing actionable insights to promote customer-centric and Shariah-compliant financial institutions.

2. Literature Review

Shariah Governance in Islamic Banks

Shariah governance serves as a framework that ensures all operations of Islamic financial institutions adhere to Islamic law (*Shariah*). According to Grassa (2016), Shariah governance functions not only as a mechanism for Shariah compliance but also as a means to enhance transparency, accountability, and the overall reputation of Islamic banks. Elamer, Ntim, Abdou, and Youssef (2019) emphasize that multi-layered governance structures—comprising the Shariah Supervisory Board (SSB), audit committees, and board of directors—play a crucial role in mitigating risk and improving disclosure practices within Islamic banks.

Furthermore, Baig, Malik, and Ellahi (2024) highlight that strong Shariah governance attributes, such as independence of the SSB, members' expertise, and clarity of oversight mechanisms, strengthen the relationship between corporate governance and financial performance. Similarly, Haddad and Souissi (2022) find that SSB characteristics—including board size, meeting frequency, and members' experience—significantly affect the financial performance of Islamic banks. Aspiranti (2023) also underscores the importance of Shariah governance reporting through an index-based approach that measures banks' adherence to Islamic principles and their commitment to transparent reporting.

In essence, Shariah governance forms the foundation of integrity and sustainability for Islamic banks by building public trust and ensuring that all financial activities align with Islamic ethics. Tashkandi (2023) supports this view, asserting that effective Shariah supervision not only enhances performance but also strengthens customer confidence in Islamic financial systems.

Reputation of Islamic Banks

Reputation is an intangible asset that reflects how stakeholders perceive the credibility, integrity, and ethical commitment of Islamic banks. According to Platonova, Asutay, Dixon, and Mohammad (2018), strong reputations in Islamic banking are often built through corporate social responsibility (CSR) initiatives that demonstrate justice, social welfare, and ethical conduct in line with Islamic values. Such reputational capital is linked to improved financial performance and competitiveness.

Muflih (2021) notes that CSR activities are not merely marketing tools but are vital in cultivating customer loyalty through positive perceptions of the bank's moral and social commitments. Likewise, Wijayanti and Setiawan (2022) show that effective Shariah Supervisory Boards play a key role in enhancing social reporting, which strengthens the overall reputation of Islamic banks. Baig et al. (2024) further argue that reputation is intertwined with corporate governance, as transparency and accountability are central to sustaining stakeholder trust.

Thus, reputation serves as the bridge connecting good governance practices and customer trust, ultimately reinforcing the legitimacy and public image of Islamic banks.

Customer Loyalty in Islamic Banks

Customer loyalty is a vital determinant of long-term success in Islamic banking, reflecting both behavioral and attitudinal commitment. Fianto, Gan, Widiastuti, and Sukmana (2020) define behavioral loyalty as repeat patronage and attitudinal loyalty as the intention to recommend, commit to, and remain emotionally connected with the bank. Amin (2017) finds that customer relationship management (CRM) strategies significantly enhance loyalty when aligned with Islamic ethical principles.

Fida, Ahmed, Al-Balushi, and Singh (2020) demonstrate that service quality directly influences customer satisfaction and loyalty in Islamic banks in Oman, while Khan, Ali, Puah, Amin, and Mubarak (2022) identify satisfaction, trust, and commitment as key mediators linking service quality to customer loyalty under the CREATOR model. Moreover, Albaity and Rahman (2021) reveal that trust and positive customer attitudes mediate the relationship between Islamic bank practices and customer loyalty.

Complementing these findings, Harun, An, and Roudaki (2023) show that customer Shariah compliance behavior—customers' perception of whether banks operate in accordance with Islamic law—has a strong impact on their loyalty. This implies that in Islamic banking, loyalty is not only a result of service quality but also deeply influenced by customers' trust in the institution's ethical and religious compliance.

Relationship Between Shariah Governance, Reputation, and Customer Loyalty

The interrelationship between Shariah governance, reputation, and customer loyalty has been widely discussed in recent Islamic banking literature. Grassa (2016) and Elamer et al. (2019) argue that effective Shariah governance enhances bank reputation through stronger monitoring and transparent disclosure practices. A positive reputation, in turn, fosters trust and long-term customer loyalty (Muflih, 2021; Platonova et al., 2018).

Albaity and Rahman (2021) highlight that trust acts as a mediator between Shariah governance and customer loyalty—when customers believe that a bank adheres to Shariah and operates ethically, their loyalty increases. Baig et al. (2024) and Tashkandi (2023) also show that robust Shariah governance improves both institutional reputation and customer relationships by reinforcing credibility and reducing perceived risk.

Similarly, Fianto et al. (2020) and Amin (2017) emphasize that a positive bank reputation strengthens the impact of governance practices on loyalty, as customers are more likely to stay with banks they perceive as trustworthy and compliant. However, Saif, Khan, Hassan, and Abdullah (2015) caution that customer behavior toward Islamic banks is also shaped by their individual perceptions of Shariah adherence and personal banking experiences.

Overall, these studies suggest that Shariah governance acts as a key driver of reputation, and reputation functions as a mediating factor influencing customer loyalty (Aspiranti, 2023;

Wijayanti & Setiawan, 2022; Muflih, 2021). Nevertheless, a research gap remains regarding how this relationship operates within regional Islamic banks in Indonesia—such as Bank Riau Kepri Syariah—where governance weaknesses and reputational challenges continue to impact customer trust and loyalty.

3. Methods

This study adopts a quantitative associative approach to examine the relationship between Shariah governance, reputation, and customer loyalty in Bank Riau Kepri Syariah. The research is based on the positivist paradigm, emphasizing numerical data and statistical analysis to identify causal relationships. The study population consists of 3,100 customers of Bank Riau Kepri Syariah as of January 1, 2024. Using Slovin's formula, a sample size of 100 customers was determined. Data was collected through structured questionnaires, utilizing a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) to measure customer perceptions. The data was processed and analyzed using IBM SPSS Statistics 28.0.

To examine the relationships among the variables, multiple linear regression analysis was employed, allowing for an assessment of the combined and individual effects of Shariah governance and reputation on customer loyalty. The research model selection involved three key steps: determining the most suitable regression approach, evaluating the reliability and validity of the research instrument, and conducting hypothesis testing.

To ensure data validity and meet statistical requirements, classical assumption tests were performed. The normality test assessed whether the data followed a normal distribution using graphical and statistical methods. The heteroscedasticity test was conducted to check for variance inconsistency in the residuals. The multicollinearity test examined the correlation among independent variables, ensuring no excessive interdependence, while the autocorrelation test determined whether residuals were correlated across observations using the Durbin-Watson test.

For hypothesis testing, the study applied multiple regression analysis to evaluate the overall relationship between Shariah governance, reputation, and customer loyalty. Additionally, partial testing (t-test) was conducted to determine the individual significance of each independent variable, while simultaneous testing (F-test) was used to analyze the combined effect of all independent variables on customer loyalty. A significance level of 5% ($\alpha = 0.05$) was used to determine statistical relevance.

4. Results and Discussion

Validity Test Results

The validity test aims to ensure that the research instrument accurately measures the variables according to the research concepts. An item is considered valid if the r-count value exceeds the r-table value. In this study, the r-table value is 0.196 at a 5% significance level, with degrees of freedom (df) calculated as $n - 2$.

Table 1. Validity Test

Variable	Item	r count	r table	Conclusion
Shariah	X1.1	0.558	0.196	Valid
Governance	X1.2	0.649	0.196	Valid
(X1)	X1.3	0.659	0.196	Valid

	X1.4	0.673	0.196	Valid
	X1.5	0.748	0.196	Valid
	X1.6	0.660	0.196	Valid
	X1.7	0.622	0.196	Valid
	X1.8	0.317	0.196	Valid
	X1.9	0.403	0.196	Valid
	X1.10	0.375	0.196	Valid
	X1.11	0.552	0.196	Valid
	X1.12	0.669	0.196	Valid
	X1.13	0.701	0.196	Valid
	X.1.14	0.503	0.196	Valid
	X.1.15	0.451	0.196	Valid
Reputation (X2)	X2.1	0.555	0.196	Valid
	X2.2	0.800	0.196	Valid
	X2.3	0.781	0.196	Valid
	X2.4	0.773	0.196	Valid
	X2.5	0.676	0.196	Valid
	X2.6	0.660	0.196	Valid
	X2.7	0.775	0.196	Valid
	X2.8	0.771	0.196	Valid
Loyalty (Y)	Y1	0.678	0.196	Valid
	Y2	0.720	0.196	Valid
	Y.3	0.743	0.196	Valid
	Y.4	0.758	0.196	Valid
	Y.5	0.665	0.196	Valid
	Y.6	0.565	0.196	Valid
	Y.7	0.423	0.196	Valid
	Y.8	0.809	0.196	Valid

Source: Processed Data (2024)

Table 1 presents the results of the validity test for all questionnaire items. As shown, all items for the Shariah Governance (X1), Reputation (X2), and Customer Loyalty (Y) variables have r-count values higher than the r-table of 0.196. Therefore, it can be concluded that all the instrument items are valid and suitable for measuring their respective variables in this study.

This indicates that the questionnaire is reliable in capturing respondents' perceptions regarding Shariah governance practices, the reputation of Islamic banks, and customer loyalty. The high r-count values across all items suggest that the questions are well-constructed and consistent with the theoretical framework of the research.

Reliability Test Results

The reliability test was conducted to determine whether the research variables can be consistently measured and trusted for further analysis. A variable is considered reliable if the Cronbach's Alpha value exceeds 0.60.

Table 2. Reliability Test

Variable	Reliability	Cronbach's Alpha	Conclusion
Sharia Governance (X1)	0.846	0,60	Reliable
Reputation (X2)	0.871	0,60	Reliable
Loyalty(Y)	0.830	0,60	Reliable

Source: Processed Data (2024)

Table 2 presents the results of the reliability test for the Shariah Governance (X1), Reputation (X2), and Customer Loyalty (Y) variables. All three variables have Cronbach's Alpha values above the 0.60 threshold (X1 = 0.846, X2 = 0.871, Y = 0.830), indicating that the questionnaire items are reliable.

These results confirm that the instrument consistently captures the intended constructs and can be used to produce trustworthy data for subsequent statistical analyses. The high reliability scores also suggest that respondents' answers are stable and the items are well-aligned with the research objectives, ensuring confidence in the measurement of Shariah governance practices, bank reputation, and customer loyalty.

Multiple Linear Test Results

The multiple linear regression analysis in this study was conducted using SPSS version 25.0 to examine the influence of Shariah Governance (X1) and Reputation (X2) on Customer Loyalty (Y). The regression results are presented in Table 3, and the regression equation obtained is as follows:

Table 3. Multiple Linear Regression

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	3.480	1.589		2.190	0.031
	Shariah Governance (X1)	0.196	0.044	0.333	4.494	0.000
	Reputation (X2)	0.521	0.063	0.609	8.229	0.000

Source: Processed Data (2024)

The regression results indicate that the constant value of 3.480 represents the baseline level of customer loyalty at Bank Riau Kepri Syariah when both Shariah Governance (X1) and Reputation (X2) are not considered. The regression coefficient for Shariah Governance ($b_1 = 0.196$) suggests that a 1% increase in Shariah governance practices can raise customer loyalty by approximately 0.196 units, or 19.6%, highlighting the positive influence of governance on loyalty. Meanwhile, the coefficient for Reputation ($b_2 = 0.521$) indicates that a 1% improvement in the bank's reputation can enhance customer loyalty by 0.521 units, or 52.1%, showing that reputation has an even stronger effect on customer loyalty at Bank Riau Kepri Syariah in Pekanbaru.

Partial Test Results

The partial (t-test) results indicate that both Shariah Governance (X1) and Reputation (X2) have a significant positive effect on customer loyalty at Bank Riau Kepri Syariah. Specifically, the t-count value for Shariah Governance is 4.494, which exceeds the t-table value of 1.984, with a

significance level of 0.000 (<0.05), confirming that hypothesis 1 (Ha1) is accepted and that Shariah governance positively influences customer loyalty. Similarly, the t-count for Reputation is 8.229, also greater than the t-table value, with a significance of 0.000 (<0.05), indicating that hypothesis 2 (Ha2) is accepted and that reputation significantly enhances customer loyalty at the bank. These results demonstrate that each independent variable individually contributes to strengthening customer loyalty.

Simultaneous Test Results

The purpose of the simultaneous significance test (F-test) is to determine whether the independent variables in the model—Shariah Governance (X1) and Reputation (X2)—jointly have a significant effect on the dependent variable, Customer Loyalty (Y). A model is considered significant if the F-count value is greater than F-table and the significance level (Sig.) is less than 0.05.

Table 4 presents the results of the simultaneous F-test. The calculated F-count is 197.050, which is greater than the F-table value of 3.090, and the significance value is 0.000, which is below the 0.05 threshold.

Tabel 4. Simultaneous Test Results (F Test)

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1023.616	2	511.808	197.050	.000 ^b
Residual	251.944	97	2.597		
Total	1275.560	99			

Source: Processed Data (2024)

Based on these results, it can be concluded that Shariah Governance and Reputation simultaneously have a significant influence on Customer Loyalty at Riau Kepri Syariah Bank in Pekanbaru. Therefore, hypothesis 3 (Ha3), which states that the independent variables jointly affect customer loyalty, is accepted.

This finding indicates that improving both Shariah governance practices and the bank's reputation is essential for enhancing overall customer loyalty, confirming the theoretical framework that links governance, reputation, and loyalty in Islamic banking.

Results of the Determination Coefficient Test (R2)

Based on the results of processing with the SPSS version 25.0 application, the results of the determination coefficient test R2 can be seen in Table 5. The magnitude of the determination coefficient value is indicated by the Adjusted R Square value of 0.798 which indicates that the influence of sharia governance (X1) and reputation (X2) on loyalty (Y) is 80% in the high category according to the path coefficient value or the magnitude of the relationship/influence of the latent construct, while the rest is explained by other factors.

Table 5. Determination Coefficient Test (R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.896 ^a	0.802	0.798	1.612

Source: Processed Data (2024)

Discussion

The findings of this study indicate that Shariah governance significantly influences customer loyalty at Bank Riau Kepri Syariah. Questionnaire responses showed that a majority of customers agreed that effective Shariah governance enhances their trust, commitment, and willingness to continue banking with the institution. This supports the fundamental requirement for Islamic banks to ensure compliance with Shariah principles through a structured governance system (Aspiranti, 2023; Grassa, 2016). Proper governance mechanisms not only strengthen adherence to Islamic financial laws but also foster long-term relationships with customers (Baig, Malik, & Ellahi, 2024; Haddad & Souissi, 2022).

Previous research emphasizes that Shariah compliance positively influences customer perceptions and loyalty, as it ensures that financial transactions remain within ethical and religious boundaries (Harun, An, & Roudaki, 2023; Albaity & Rahman, 2021). Studies conducted in Indonesia and other Islamic banking markets have shown that customers tend to remain loyal when banks strictly adhere to Shariah compliance standards (Fianto, Gan, Widiastuti, & Sukmana, 2020; Amin, 2017). Furthermore, corporate governance principles such as transparency, fairness, and Shariah board oversight significantly contribute to customer trust and retention (Elamer, Ntim, Abdou, & Youssef, 2019; Platonova, Asutay, Dixon, & Mohammad, 2018).

Effective governance in Islamic banks has also been linked to improved financial performance and public confidence, which in turn affects customer satisfaction and loyalty (Fida, Ahmed, Al-Balushi, & Singh, 2020; Khan, Ali, Puah, Amin, & Mubarak, 2022). Banks with strong Shariah governance frameworks experience higher levels of customer retention, highlighting that customers value institutions that uphold Islamic financial ethics and compliance with religious principles (Tashkandi, 2023; Muflih, 2021).

In addition to governance, reputation plays a critical role in shaping customer loyalty. The results indicate that customers choose to engage with Islamic banks based on perceived trustworthiness and ethical business practices (Saif, Khan, Hassan, & Abdullah, 2015; Wijayanti & Setiawan, 2022). Reputation is a key determinant of customer loyalty in banking, as customers prefer institutions that demonstrate reliability, transparency, and adherence to ethical standards (Fida et al., 2020; Albaity & Rahman, 2021).

Studies have shown that reputation serves as a driver of long-term customer engagement in Islamic banks. Banks that consistently uphold ethical values and Islamic principles tend to enjoy higher customer satisfaction and loyalty levels (Harun et al., 2023; Fianto et al., 2020). Moreover, Islamic banks with strong reputations experience lower customer turnover and attract new clients through positive word-of-mouth recommendations (Khan et al., 2022; Amin, 2017).

A well-established reputation strengthens customer trust and encourages repeat transactions. Conversely, banks that fail to maintain a good reputation risk losing customers, particularly in cases of ethical breaches or financial mismanagement (Haddad & Souissi, 2022; Baig et al., 2024). These findings underscore the importance of maintaining a strong corporate image, ethical banking practices, and Shariah-compliant operations to sustain customer loyalty (Aspiranti, 2023; Grassa, 2016).

This study further demonstrates that Shariah governance and reputation together have a significant impact on customer loyalty, explaining a substantial portion of the variance in loyalty, while other factors such as service quality and promotion strategies account for the remainder (Fida et al., 2020; Fianto et al., 2020). Previous research supports this conclusion, showing that a strong governance framework combined with a reputable brand image leads to higher customer

satisfaction and long-term loyalty (Platonova et al., 2018; Tashkandi, 2023; Wijayanti & Setiawan, 2022).

Overall, these findings suggest that Islamic banks must prioritize both Shariah governance and reputation management to build customer trust, enhance loyalty, and ensure sustainable business success. By maintaining ethical financial practices, transparency, and compliance with Shariah principles, Bank Riau Kepri Syariah can strengthen customer satisfaction and loyalty in an increasingly competitive Islamic banking landscape (Albaity & Rahman, 2021; Harun et al., 2023; Muflih, 2021).

4. Conclusions

This study confirms that Shariah governance has a positive and significant effect on customer loyalty in Bank Riau Kepri Syariah. A well-structured governance system ensures compliance with Shariah principles, enhances customer trust, and strengthens long-term relationships with Islamic banks. Additionally, reputation plays a crucial role in shaping customer loyalty, as customers prefer banks with a strong ethical foundation, transparency, and reliability. The combination of Shariah governance and reputation significantly influences customer loyalty, as demonstrated by the statistical findings, highlighting the importance of maintaining both compliance and corporate image to sustain customer retention.

Despite these findings, this study has certain limitations that future research can address. First, this research was conducted on a specific Islamic bank (Bank Riau Kepri Syariah), limiting generalizability to other Islamic financial institutions. Future studies could expand the sample size by including multiple Islamic banks across different regions or countries to gain broader insights. Second, customer loyalty is influenced by multiple factors, such as service quality, digital banking innovations, and financial product offerings. Future research should explore the role of technology adoption, marketing strategies, and customer experience in shaping loyalty in Islamic banking. Lastly, a longitudinal study could be conducted to assess how changes in Shariah governance practices and reputation management impact customer loyalty over time.

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