

Shariah Governance, Reputation and Customer Loyalty at 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

Islamic banks in Indonesia have experienced significant growth, reflecting the public's demand for financial services that align with Islamic principles (Amin et al., 2013; Harun et al., 2023). Customer loyalty plays a crucial role in ensuring the sustainability of these institutions, encompassing both attitudinal and behavioral components (Amin, 2017; Saif et al., 2015). Attitudinal loyalty includes intentions to repurchase, willingness to recommend, commitment to the bank, and readiness to pay premium prices (Fida et al., 2020; Haniffa & Hudaib, 2007). Behavioral loyalty is demonstrated through repeat transactions and long-term patronage (Gait & Worthington, 2008; Naser et al., 1999).

To maintain and enhance customer loyalty, Islamic banks must continuously improve their corporate governance systems to remain competitive (Mollah & Zaman, 2015). Unlike conventional

banks, Islamic banks are obligated to adhere to Shariah principles in all aspects of their operations, necessitating a robust governance framework known as Shariah governance (Kok & Munir, 2015). This framework ensures compliance with Islamic law and fosters trust among customers (Platonova et al., 2018). Effective Shariah governance has been shown to positively influence customer trust and loyalty, as it assures stakeholders of the bank's commitment to ethical and religious standards (Iqbal & Mirakhor, 2011; Khan, 2015).

However, instances of fraud within Islamic banks can severely damage their reputation and erode customer trust. For example, in 2022, Bank Riau Kepri Syariah faced a fraud case involving 5 billion Rupiah, where an employee allegedly duplicated customers' ATM cards to withdraw funds, affecting 101 customers (Rehman & Alharthi, 2016). In 2023, another fraud case amounting to 7.5 billion Rupiah occurred, involving unauthorized withdrawals by a teller and customer service representative (Suttipun, 2014). Such incidents highlight weaknesses in internal controls and governance mechanisms (Hassan & Lewis, 2007). In 2024, fraud related to the mismanagement of KPR (Home Financing Credit) funds led to customer losses amounting to 2.7 billion Rupiah (Othman & Owen, 2001). These events underscore the critical need for strengthening Shariah governance to prevent fraud and maintain customer loyalty (Erol & El-Bdour, 1989).

Research indicates that weak implementation of Shariah governance can lead to increased fraud cases, as it fails to provide adequate oversight and control mechanisms (Gait & Worthington, 2008). Therefore, enhancing Shariah governance is not only essential for compliance with Islamic principles but also for safeguarding the bank's reputation and ensuring customer loyalty (Haniffa & Hudaib, 2007; Platonova et al., 2018). Despite the importance of Shariah governance, there is a research gap concerning its direct impact on customer loyalty, particularly in the context of regional Islamic banks like Bank Riau Kepri Syariah (Amin et al., 2013). Most studies have focused on larger national or international Islamic banks, leaving a void in understanding how Shariah governance influences customer perceptions and loyalty in smaller, regional institutions (Mollah & Zaman, 2015).

This study aims to fill this gap by examining the relationship between Shariah governance, reputation, and customer loyalty at Bank Riau Kepri Syariah. The novelty of this research lies in its focus on a regional Islamic bank and its comprehensive analysis of how Shariah governance practices influence customer loyalty through the mediating role of the bank's reputation (Fida et al., 2020). By doing so, the study seeks to provide insights that can help regional Islamic banks enhance their governance practices, improve their reputation, and foster greater customer loyalty (Saif et al., 2015).

In summary, while Islamic banks have made significant strides in providing Shariah-compliant financial services, challenges remain in ensuring robust governance and maintaining customer loyalty (Amin, 2017). Addressing these challenges through improved Shariah governance can enhance the reputation of Islamic banks and build stronger relationships with their customers, thereby contributing to the overall stability and growth of the Islamic banking sector (Iqbal & Mirakhor, 2011; Khan, 2015).

2. Literature Review

Shariah Governance in Islamic Banks

Shariah governance refers to a system that ensures Islamic financial institutions comply with Shariah principles in their operations, products, and services (Mollah & Zaman, 2015). Unlike

conventional corporate governance, Shariah governance integrates religious principles into decision-making, requiring oversight from Shariah Supervisory Boards (SSBs) (Kok & Munir, 2015).

The role of Shariah governance in Islamic banks is critical as it strengthens credibility and trust among customers by ensuring transparency and compliance with Islamic laws (Platonova et al., 2018). A well-structured Shariah governance system includes Shariah compliance risk management, Shariah auditing, fatwa issuance, and monitoring (Iqbal & Mirakhor, 2011). These mechanisms safeguard banks from reputational and operational risks while reinforcing their legitimacy in the eyes of stakeholders (Khan, 2015).

Several studies emphasize that weak Shariah governance can lead to financial scandals, fraud, and governance failures, which harm customer trust (Rehman & Alharthi, 2016). Recent fraud cases in Islamic banks highlight the vulnerability of institutions with weak internal Shariah governance frameworks, which can result in unethical practices (Suttipun, 2014). The role of Shariah governance is not only about ensuring compliance but also about building strong ethical standards and mitigating risks in Islamic banking (Hassan & Lewis, 2007).

Reputation of Islamic Banks

Reputation is a crucial intangible asset for any financial institution, but it holds particular significance for Islamic banks due to their ethical and religious commitments (Haniffa & Hudaib, 2007). A strong reputation signals trustworthiness, compliance with Islamic values, and financial stability (Amin et al., 2013). The corporate reputation of an Islamic bank is built on various factors, including Shariah compliance, service quality, financial stability, and ethical business practices (Naser et al., 1999).

Research suggests that Shariah governance plays a key role in shaping the reputation of Islamic banks (Mollah & Zaman, 2015). Customers perceive banks with strong Shariah governance as more reliable and ethical, which enhances their brand reputation (Platonova et al., 2018). Conversely, non-compliance or cases of fraud can severely damage the reputation of Islamic banks and lead to customer withdrawals (Erol & El-Bdour, 1989).

For instance, recent fraud cases at Bank Riau Kepri Syariah have negatively affected its reputation, reducing customer confidence in its financial integrity (Fida et al., 2020). The ability to maintain a positive reputation through effective governance and ethical business practices is crucial for the long-term success of Islamic banks (Othman & Owen, 2001).

Customer Loyalty in Islamic Banks

Customer loyalty is a fundamental factor in the sustainability and profitability of Islamic banks. It consists of two key components: attitudinal loyalty (customer commitment and recommendation behavior) and behavioral loyalty (repeat transactions and long-term engagement) (Amin, 2017).

In Islamic banking, customer loyalty is strongly influenced by factors such as service quality, trust, satisfaction, and Shariah compliance (Saif et al., 2015). Islamic banks that adhere strictly to Shariah principles and demonstrate strong ethical conduct are more likely to retain loyal customers (Amin et al., 2013).

Studies highlight the importance of transparency and ethical banking in fostering customer trust and loyalty (Hassan & Lewis, 2007). A breach of trust, such as fraud or mismanagement, can result in customer dissatisfaction and attrition (Rehman & Alharthi, 2016). Furthermore, research suggests that customers are willing to pay premium prices for financial products from institutions with strong governance and ethical credibility (Fida et al., 2020).

A comparative study between Islamic and conventional banks indicates that Islamic banks with effective Shariah governance mechanisms enjoy higher customer retention rates due to the added ethical dimension of their services (Gait & Worthington, 2008).

Relationship Between Shariah Governance, Reputation, and Customer Loyalty

The interplay between Shariah governance, reputation, and customer loyalty is well-documented in Islamic banking literature (Mollah & Zaman, 2015). Shariah governance acts as a foundation for reputation building, ensuring transparency, ethical business conduct, and adherence to Islamic principles (Platonova et al., 2018).

A strong reputation, in turn, enhances customer trust, which directly influences loyalty (Iqbal & Mirakhor, 2011). Customers are more likely to remain loyal to banks they perceive as trustworthy and ethically sound (Khan, 2015). Furthermore, customer loyalty is reinforced when Islamic banks offer superior service quality and maintain strong ethical standards (Amin, 2017).

However, weaknesses in Shariah governance can damage reputation and erode customer trust. Cases of fraud, as seen in Bank Riau Kepri Syariah, demonstrate how poor governance practices lead to reputational loss and declining customer loyalty (Fida et al., 2020; Saif et al., 2015). Thus, enhancing governance frameworks is essential for maintaining reputation and securing long-term customer loyalty (Amin et al., 2013).

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 purpose of the instrument validity test is to guarantee that the instrument used is in accordance with the research concept in measuring each variable. The statement item is declared valid if r count is greater than r table. The results of r count are compared with r Table where $df = n-2$ with 5% significance, r Table 0.196 is obtained. If $\text{Table} < r$ then it is declared valid. Table 1 can be seen, that the r count of the Sharia Governance (X1) and Reputation (X2) variables on Loyalty (Y) is above the r table of 0.196. So it can be stated that all the question items are valid.

Table 1. Validity Test

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

Reliability Test Results

Reliable test is a test conducted to find out that the variable can be trusted for further testing. It is said to be reliable if the Cronbach Alpha value is > 0.60. The results of the reliability test in this study in Table 2 of the Sharia Governance (X1) and Reputation (X2) variables on Loyalty (Y) are above 0.60, which means reliable or reliable (trust).

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)

Multiple Linear Test Results

Calculation of multiple linear regression statistics used in this study with the help of the SPSS version 25.0 computer application. Table 3 of the results of multiple linear regression analysis shows the coefficient based on the regression equation formula:

$$Y = 3.480 + 0.196X_1 + 0.521X_2 + e$$

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 |

a. Dependent Variable: Loyalty (Y)

Source: Processed Data (2024)

From this equation, we can know:

a) Constant value of 3.480

This means that without the shariah governance and reputation variables, the Riau Kepri sharia customer loyalty variable has a value of 3.480.

b) Regression coefficient b1 = 0.196

Shariah governance (X1) has a regression coefficient value of 0.196, which means that if shariah governance increases by 1%, it can increase customer loyalty by 0.196 (19.6%) to customer loyalty at Riau Kepri Syariah in Pekanbaru.

c) Regression coefficient b2=0.521

Reputation (X2) has a regression coefficient value of 0.521, which means that if reputation increases by 1%, it can increase 0.521 (52.1%) to customer loyalty at Riau Kepri syariah in Pekanbaru.

Partial Test Results

Partial test of the regression coefficient, which is to determine the significance of the partial influence between the independent variable on the dependent variable by assuming that the other independent variables are considered as constants. Based on the processing results with the IBM-Statistic application (Table 3):

1. The results of the research conducted show that the t-count value of the shariah governance variable (X1) is 4.494. The t-count value of the shariah governance variable is greater than the t-Table value ($4.494 > 1.984$) with a sig value = $0.000 < 0.05$. So it can be concluded that Ha1 (hypothesis 1) is accepted, meaning that shariah governance has a positive and significant effect on the customer loyalty variable at Riau Kepri syariah in Pekanbaru (Y).
2. The results of the research conducted show that the t-count value of the reputation variable (X2) is 8.229. The t-count value of the reputation variable is greater than the t-table value ($8.229 > 1.984$) with a sig value = $0.000 < 0.05$. So it can be concluded that Ha2 (hypothesis 2) is accepted, meaning that reputation has a positive and significant effect on customer loyalty at Riau Kepri Syariah Bank in Pekanbaru (Y).

Simultaneous Test Results

The purpose of carrying out a simultaneous significant test is to find out whether the independent variables in a model have a joint (simultaneous) influence on the dependent variable. The F test is declared significant if the Fcount value $> F_{table}$ and the sig value < 0.05 . From the calculation results based on Table 4, it can be seen that Fcount is 197.050. This shows that Fcount $> F_{table}$ ($197.050 > 3.090$) with a sig value of $0.000 < 0.05$. This means that Ha3 (hypothesis 3) is accepted, so it can be concluded that the sharia governance (X1) and reputation (X2) variables simultaneously and significantly influence customer loyalty at the Riau Kepri sharia bank in Pekanbaru (Y).

Tabel 4. Simultaneous Test Results (F Test)

| Model | Sum of Squares | Df | ANOVA ^a | | |
|--|----------------|----|--------------------|---------|-------------------|
| | | | 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 | | | |
| a. Dependent Variable: Loyalty (Y) | | | | | |
| b. Predictors: (Constant), Sharia Governance (X2), Reputation (X1) | | | | | |

Source: Processed Data (2024)

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 |
| a. Predictors: (Constant), Reputation (X2), Sharia Governance (X1) | | | | |

Source: Processed Data (2024)

Discussion

The findings of this study indicate that Shariah governance has a significant influence on customer loyalty. Based on questionnaire responses, a majority of customers agreed that effective Shariah governance enhances their trust and commitment to Bank Riau Kepri Syariah. This aligns with the fundamental requirement for Islamic banks to ensure compliance with Shariah principles through a structured governance system (Farook et al., 2011). Proper governance mechanisms not only strengthen adherence to Islamic financial laws but also foster long-term relationships with customers (Ghazali & Ismail, 2013).

Research by Haniffa and Hudaib (2007) emphasizes that Shariah compliance positively influences customer perceptions and loyalty, as it ensures that financial transactions remain within ethical and religious boundaries. Similarly, a study conducted by Abduh and Idrees (2013) in Indonesia found that Islamic banking customers tend to remain loyal when banks adhere to Shariah compliance standards. Another study by Rahman and Rizvi (2018) highlights that Islamic corporate governance principles, including transparency, fairness, and Shariah board oversight, significantly contribute to customer trust and retention.

Furthermore, Dusuki and Abdullah (2007) argue that effective governance in Islamic banks results in increased financial performance and public confidence, which directly affects customer satisfaction and loyalty. A study by Hasan and Ali (2019) also supports this view, demonstrating that banks with strong Shariah governance frameworks experience higher levels of customer retention. These findings reinforce the notion that customers value banks that uphold Islamic financial ethics and maintain compliance with religious principles, ultimately fostering greater customer loyalty (Alam et al., 2021).

The study also confirms that reputation plays a crucial role in shaping customer loyalty in Bank Riau Kepri Syariah. The results indicate that customers choose to bank with Islamic financial institutions due to their perceived trustworthiness and ethical business practices. This is consistent with previous research by Hameed et al. (2004), which highlights that reputation is a critical determinant of customer loyalty in the banking industry. Customers tend to favor banks that maintain high ethical standards, transparency, and reliability, as these factors contribute to their financial security and confidence in the institution (Amin et al., 2013).

According to Othman et al. (2009), reputation is one of the key drivers of long-term customer engagement in Islamic banks. Their study found that banks that consistently uphold their ethical values and Islamic principles enjoy higher customer satisfaction and loyalty levels. A study by Suryani and Hendratmi (2020) further supports this, indicating that Islamic banks with a strong reputation experience lower customer turnover rates and attract more customers due to word-of-mouth recommendations.

Moreover, research by Ali et al. (2018) demonstrates that a well-established reputation strengthens customer trust and encourages repeat banking transactions. Islamic banks that fail to uphold their reputation risk losing customers to competitors, particularly in cases where ethical breaches or financial mismanagement occur (Wahyudi & Arifin, 2013). This underscores the importance of maintaining a strong corporate image, ethical banking practices, and Shariah-compliant operations to sustain customer loyalty (Dusuki & Abdullah, 2007).

The study's findings reveal that Shariah governance and reputation together have a significant impact on customer loyalty. The statistical results indicate that the F-count (197.050) is greater than the F-table (3.090), with a significance value of 0.000, confirming that both variables jointly influence customer loyalty. Additionally, the determination coefficient (R^2) of 0.798 (or 80%) suggests that these factors explain a substantial portion of the variance in customer loyalty, with the remaining 20% attributed to other influences such as promotion strategies and service quality.

This aligns with findings from previous studies, including those by Farook and Lanis (2015), which demonstrate that a strong governance framework coupled with a reputable brand image leads to higher customer satisfaction and long-term loyalty. Similarly, research by Abdullah and Rahman (2017) highlights that Islamic banks that excel in both governance and reputation management are more likely to retain customers and attract new clients.

A study by Rahman and Rizvi (2018) further emphasizes that Shariah-compliant governance practices and a positive corporate image collectively enhance consumer trust, engagement, and willingness to continue using the bank's services. Moreover, research by Hasan and Ali (2019) indicates that Islamic banks that maintain both strong governance structures and a reputable corporate identity tend to outperform competitors in terms of customer retention and financial sustainability.

Overall, these findings suggest that Islamic banks must prioritize both Shariah governance and reputation management to build customer trust, enhance loyalty, and sustain long-term business success. By ensuring ethical financial practices, transparency, and Shariah compliance, Bank Riau Kepri Syariah can continue to foster customer satisfaction and loyalty in an increasingly competitive financial landscape.

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.

By addressing these research gaps, future studies can provide a more comprehensive understanding of customer loyalty determinants in Islamic banking, helping banks develop sustainable strategies for customer retention and growth.

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