

ABSTRACT

The development of sharia is currently experiencing rapid growth and become part of financial life in the Islamic world. But in early 2015 the development of asset and third party fund (DPK) has decreased. This is because there are many public perception that Islamic banks and conventional banks are the same and people are still dubious to sharia compliance of Islamic bank. Therefore we need a development strategy through the implementation of sharia governance. Sharia governance is expected to have an impact on the reputation of Islamic banks and create customer confidence towards Islamic banks, which in turn can increase the market share of Islamic banks.

The purpose of this study was to determine the effect of implementation of sharia governance to reputation and customer loyalty. The object of this study are customers of Islamic Banks and Sharia Business Unit in West Java. The sample was 129 respondents with purposive sampling. This research is a field research with a quantitative approach. The data used is primary data obtained based on respondents' answers to questionnaires distributed by the researchers to customers of Islamic banks in West Java. Measurement instrument using a Likert scale 1-5 from Strongly Disagree (STS) until the Strongly Agree (SS). To test the effect of the implementation of sharia governance to reputation and customer loyalty used SPSS 22.

From the results of data processing using simple regression and multiple regression prove that the sharia governance significant positive effect on the reputation of Islamic banks, sharia governance significant positive effect on customer loyalty, and the reputation of Islamic banks significant positive effect on customer loyalty. This shows that the sharia governance and reputation of Islamic banks have major stakes in partnership with Islamic banks and decided to maintain the Islamic banks.

Keywords : *islamic banking, sharia governance, reputation, loyalty*