

REPUTATION BRAND ISLAMIC BANKING IN INDONESIA

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Abstract

This research examines how customers who use mobile banking services perceive the brand image of Islamic banks in Indonesia. It applies a qualitative content analysis approach using thematic analysis in NVivo. This analysis focuses on the mobile banking apps of Islamic banks in Indonesia. This research found that the main components of Islamic bank brand reputation are operational responsiveness and operational efficiency of the services, alongside trust and transparency. Customers of Islamic banks perceive that compliance with Sharia principles and Islamic values is a given. Therefore, Islamic values and Sharia compliance do not enhance the bank's reputation. The data analysis found that customers appreciate banks that provide consistent, reliable service. Customers consider deep digital services critical, but still prioritize transaction reliability, security, and service quality as the most influential factors in the banking service brand reputation. Thus, for Islamic banks to provide professional, secure, and customer-oriented services and to integrate Sharia values, their brand reputation must be sustained. This research offers both a theoretical contribution to the scholarship on brand reputation in Islamic banking and a consolidated, practical, service, and reputation strategy for the digital age.

Keywords: Brand Reputation; Customer Trust; Digital Innovation

INTRODUCTION

The emergence of Islamic banking in Indonesia has experienced rapid growth, consistent with the global pattern of growth in both countries with a majority of Muslims and those with a Muslim minority (Afrida et al., 2024). In a recent report published by the Financial Services Authority (OJK), national Islamic banking assets totalled Rp980.3 trillion, with year-on-year growth of 9.88% and a market share of 7.72% as of 2024. Industry consolidation, which gave birth to Bank Syariah Indonesia (BSI), along with 13 Islamic Commercial



Banks (ICBs) and 20 Islamic Business Units (IBUs), has been the largest contributor to this growth. Regardless of the factors that have contributed to this rapid growth, Islamic banks continue to be perceived as lacking in innovation and efficiency compared to conventional banks (Albaity & Rahman, 2019; Rahmah et al., 2025). There is, of course, a demand for management. There is a concern about the bank's reputation. There is a concern that people have lost trust in the bank. There is a concern that the bank is Sharia-compliant. There is concern that the bank's services and operations are of poor quality. There is concern that the bank's integrity is lacking.

The banking sector considers information technology (IT) one of the primary factors that determines bank reputation. In particular, mobile banking and IT have enabled banks to adopt approaches that reframe and redefine customer touchpoints (Sudarsono et al., 2022). Moreover, rather than being a supportive tool, IT serves as a core driver, helping Islamic banks navigate the financial technology (FinTech) revolution (Mainata et al., 2025). Digital services, if executed poorly, can tarnish banks' reputations, while high-quality digital offerings can strengthen them. Thus, mobile banking services are one of the digital banking tools that help Islamic banks improve their reputation in the banking sector (Mainata et al., 2025).

Although many banks and institutions invested financially, operationally, and technologically in the infrastructure of mobile banking systems, a gap still exists between the system's expectations and the actual service provided. In fact, many mobile users perceive banking functions as so advanced that they are even entitled not to have banking systems as part of their mobile systems (Mainata et al., 2025; Sudarsono et al., 2022). Instead, they expect banking systems to be lightweight in terms of system capabilities and high in terms of user-interactivity and user-friendliness, even to the point of being operationally capable of supporting banking services (Sudarsono et al., 2022). There is a need to systematically and holistically analyse the factors that attract users to mobile banking systems. Also, service quality and user attitude, as firm and positive pillars of the banking sector, must be investigated.

Using the synthesis of Theory, Reputation, Branding, and Brand Equity Theory, which states that a strong brand is built on consistent customer experience, service, and delivery, this is particularly true for Islamic banking, as a reputation is built from both the financial side and the integration of Islamic and modern service methodology. Given Indonesia's large Islamic population, Islamic banks compete to offer reputationally beneficial services (Farook et al., 2011). With today's digital services, not providing them leaves a reputation gap, in which customers feel that the Sharia values upheld do not match the professionalism of the service provided (Ahmed et al., 2020).



This is one of the few empirical studies on Islamic banking in Indonesia that examines the interaction between quality digital services and brand reputation. While the asset side of the industry continues to grow, the gap in its digital infrastructure looms over its sustainability and long-term viability. This research builds on prior work and identifies the key components of mobile banking ecosystems that affect Islamic banks' reputations, thereby filling existing gaps.

LITERATURE REVIEW

Reputation Brand

In Islamic banking, the outcomes of stakeholders' perceptions regarding a bank's credibility, quality of service, and service delivered with the correct ethical principles have made brand reputation an important strategic asset (Indraswari, 1996; Walker, 2010). According to reputation theory, a bank's reputation is the result of a sustained series of stakeholders' experiences and evaluations of the bank's operations, with the bank's transparency, reliability, and trustworthiness (Barnett et al., 2006; Walker, 2010). Islamic banking has made the practice of reputation management complex and sensitive in the banking industry, as reputation in Islamic banking is intertwined with financial performance, adherence to the Islamic faith, and ethical values (Pala et al., 2024).

From a branding perspective, Hoo et al. (2024) and Rojas-Lamorena et al. (2022) describes the first iteration of the Brand Equity Theory, which was expanded upon by Keller, and offers a detailed understanding of the components involved in creating and sustaining a brand's value. Brand equity, according to the aforementioned theory, results from four primary components: brand awareness, perceived brand quality, brand associations, and brand loyalty. In the domain of Islamic Banking, considerable brand equity enhances reputation by building customer trust and serves as a differentiator compared to traditional banks. Brand equity is also the result of consistent quality of service and positive customer experience (Rahi et al., 2020).

Additionally, Signaling Theory offers the most basic explanation of how Islamic banks build trust to mitigate the communication gap between banks and customers (Spence, 1973). Given the nature of the financial sector as a type of credence good, a type of consumer good, and Islamic banks being the most relied on (Balafoutas & Kerschbamer, 2020). These include, but are not limited to, the operational transparency of the Sharia Supervisory Board (SSB) and digital services, which help to assess the competence of banks (Afdawaiza et al., 2024). If effective, these signals will strengthen the brand's reputation by



fostering goodwill and trust in the Sharia banking system (Afdawaiza et al., 2024; Wang et al., 2020; Widayanti, 2023).

This research integrates three primary theoretical approaches: Reputation Theory, Brand Equity Theory, and Signaling Theory, to formulate a comprehensive analytical model. These three theories, combined, Reputation Theory, Brand Equity Theory, and Signaling Theory, provide a comprehensive explanation of how consumer attitudes, quality of services, moral assurance, and trust, as a reputation component, lead to the creation and maintenance of brand reputation in the Islamic banking sector (Herbig & Milewicz, 1993).

From the perspective of strategic management, reputation is the sum of experiences, stakeholder evaluations over time, and a company's performance. Walker and Widayanti (2023) explained that a company's reputation is a strong, credible promise to deliver the services it offers (Walker, 2010a; Widayanti, 2023). Herbig, Milewicz, and Golden further reinforce this perspective in Rizaldi's Research, noting that reputation is a testament to a company's ability to deliver services, innovate, and create new ones. (Rizaldi, 2022). Hence, service providers must demonstrate integrity and build rapport with consumers to deliver the best service and experience (Yusfiarto et al., 2022).

In contrast to conventional financial institutions, Islamic banks enjoy greater brand equity. Islamic banks offer value-based banking services due to the combination of banking services and the Islamic & ethical financing services. From the service aspect, Islamic banks provide services that concentrate on the importance of trust and offer customer-oriented problem-solving services (Iqbal & Mirakhor, 2011; Wajdi Dusuki & Irwani Abdullah, 2007). The Islamic banks' ethical service commitment is driven by the Islamic *adl* (justice), transparency, and fairness (social responsibility) ethics (Afrida et al., 2024).

The reputation framework is primarily construable on the term *Amanah*, which reflects the trust customers place in the banking institution to handle their funds in a Sharia-compliant manner (Iqbal & Mirakhor, 2011). This is where Signaling Theory is mostly relevant. The Sharia Supervisory Board (SSB) is upheld as the primary Sharia-compliant overseeing body and the key reputation 'signal' that acts to reduce the pre-contractual information asymmetries between a bank and a customer. The SSB's prohibition of *riba* (usury) and the imposition of risk-sharing, particularly, align with the financing goals of a bank with the community's social objectives to signal a marketplace (Farook et al., 2011).

This research posits that Islamic banking should be regarded as ethical in addition to being legal, since operational transparency together with Sharia



compliance constitutes brand equity. Such a line of thought provides a more justified framework for examining the other variables that influence the brand equity of Islamic banks within the contemporary, highly competitive financial market.

METHOD

This analytical structure uses a qualitative, exploratory-descriptive approach to understand the reputation of Islamic banking brands in Indonesia. A descriptive approach allows for capturing the processes and perceptions of a social phenomenon (Albaity & Rahman, 2019). In understanding brand reputation, this phenomenon depends on the customer experience. Demand characteristics and capture contextually and interpretively. Qualitative measures, in the form of descriptive, narrative, and interpretive approaches, outweigh performative measures. The research focused on analyzing the meanings, patterns, and narratives of users' experiences with Sharia banking services.

This research focused on 1,261,270 customer reviews of mobile banking applications. All reviews were obtained from the official application stores, where users can share their experiences with Islamic banking services (Spence, 1973b; Vargo & Lusch, 2008). This enables the researchers to capture the brand reputation for Islamic banking in Indonesia (Widayanti, 2023)

The subject was all Islamic Commercial Banks in Indonesia. A purposive sampling technique was used to select the Research sample with the following criteria: (a) an Islamic commercial bank, (b) a mobile service. There is significant research about active banking and having enough publicly available customer reviews. According to these parameters, 12 of the 14 operating Islamic banks in Indonesia were selected as research subjects. The analyzed figure for customer reviews totals 1,261,270 across all 12 banks.

The National Institute for Health and Care Excellence (NICE) has now provided funding for the Institute of Digital Healthcare (IDH) to act as a coordinating center for the integration of the Midlands hospitals. The aim of IDH with this funding is to facilitate the first major integration in the Digital Health Arena in the Midlands. Thanks to the stratification of Health Surrey and the partnership with the University of Exeter, IDH has acquired the ability to build a Digital Health Integration Platform in a Tier 1 University. The IDH integration platform aims to foster collaborative, multidirectional integration in the Digital Health Arena. The integration platform will be fully functional by the middle of 2021.

The results of the analysis were illustrated using various techniques: a word cloud, a tree map, a thematic diagram, a table, and a distribution theme,



to clarify the findings of the Research Visualization. This function provides a means to assist in the exploration and interpretation of the data, and to visualize the relative size of the reputation indicators of each of the analyzed Islamic banks.

RESULTS AND DISCUSSION

The preliminary processing of the collected data entails a first-step explanatory analysis to elucidate the overall customer understanding of Islamic banking's reputation in Indonesia. Customer feedback was collected and analyzed using NVivo to identify the dominant themes related to brand reputation. The first examination of perception rainbow analytics indicates the presence of issues typically associated with troublesome integration, the service provided, support for multiple platforms, the span of the Internet, app features, and general usability (Figure 1). Analyzing the perception rainbow illustrates concerns among users that mobile banking apps may lack cross-device and system integration that would improve user experience and lower access restrictions. Moreover, issues related to security, registration, activation, and various app functionality issues are further occurring. Problems of such a nature, particularly within the context of financial services, have a detrimental effect on user trust, especially when concerns of data privacy, transaction security, and system reliability are the key factors for users in choosing to adopt and continuously use a service.

System latency, application failures, and transaction failures cause users to lose transactions that may be important to them, and these issues are exacerbated during times of peak usage. These problems reduce the satisfaction of users and can cause financial and operational problems. Mobile banking service providers face large issues, and digital services refinements are needed to address the challenges. The issues draw further discussions about the necessary, appropriate, accessible, and easy-to-use layered technology, which, when combined, serve to improve the efficacy, safety, and reliability of services offered in digital banking.

In the Brand Analysis of Service Quality of Bank Syariah Aceh (Figure 2 (a)), the construction service quality dimension is the most significant reputation dimension, and it is approximately 40%. Following that is the trust (*amanah*) dimension, which is about 24%. The Sharia compliance and ethical conduct dimensions are the least covered, at about 15% and 12% respectively. Also infrequent and low in the analysis is the dimension of digital service quality. The detailed analysis of the service quality of Sharia Bank Aceh is yet to be conducted.

The brand analysis for Bank Aladin Syariah (Figure 2 (b)) demonstrates that Service quality is the most significant component shaping consumer

perceptions, accounting for more than 54% of the overall theme. The trust (*amanah*) dimension records the least coverage, at around 12%, while the dimensions of sharia compliance and ethical considerations each represent approximately 8%. Other dimensions, meanwhile, appear in relatively small or limited proportions.

Based on the analysis of brand reputation, the Bank Syariah Indonesia (Figure 2 (c)) brand shows service quality as the highest thematic coverage at 32%. Trust (*amanah*) at 30%, then sharia compliance at 24%. On the other hand, the rest of the dimensions, namely, ethical conduct, performance of digital services, and customer participation, have quite low coverage, each at <6%.

In terms of reputation, analysis shows that the BTN Syariah Bank (Figure 2 (d)) brand has the most severe issues with account registration and activation. 30.68% of the complaints were related to the limitations of the features that the app provides, 22.56% were related to the features of the app, 14.63% were due to technical issues, 12.45% were related to problems in the performance of the app that enable transactions (transaction problems), and 8.04% were related to user satisfaction. Security problems were mentioned by 5.79% of respondents, connection problems by 1.85%, service integration by 0.98%, and device compatibility by 0.57%. All in all, these data highlight issues with app registration and functionality. Combined, these problems directly affect the overall user experience of the Bank BTN Syariah application.

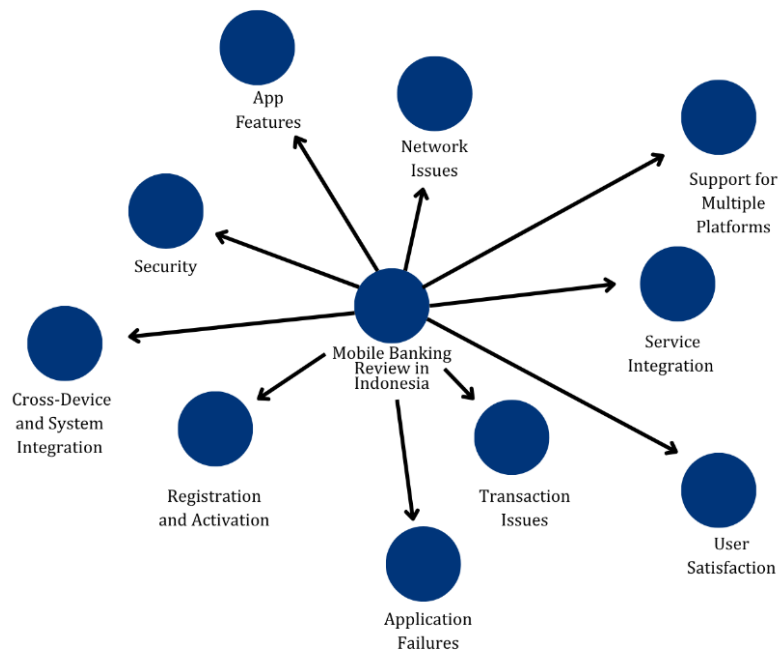


Figure 1. Review General about Mobile Banking in Islamic Banks
 Source: Data Processed by Researcher and NVIVO Software (2025)

In the service satisfaction survey conducted on the brand reputation study of BTPN Syariah (Figure 2 (e)), the respondents mentioned that 46.8 % of users experience satisfaction with the service offered. The main complaints were on the transactions and the registration and activation of accounts, where 19.75% and 18.84% complained about them. Disruptions in connection and technical issues were attributed 0.82% and 0.7%, respectively. Despite the account registration issues and transactional process challenges, survey respondents rated the user satisfaction above average.

Results from the analysis on the reputation of brand Panin Dubai Syariah Bank (Figure 2 (f)) shows that the service quality dimension takes the largest share of the thematic coverage with about 32%, with trust (amanah) at 24% coverage and Sharia compliance at about 21% coverage. Ethical behaviour is at about 12%, while digital services and their use are at 2% coverage, arising from service-related issues.

Analysis of the BCA Syariah Bank (Figure 2 (g)) brand reputation shows that both responsiveness and service efficiency are the most dominant attributes, with close to 32% of the total coded mentions in that area, while the others, including trust, transparency, and employee professionalism, are in the 13%-14% range. The remaining attributes, including ethics, Sharia assurance, and problem-solving, are in the range of 7%-9% each, while digital innovation, technological ease, and additional service features are each in the <3% category.

Bank BJB Syariah reputation analysis (Figure 2 (h)) shows that user satisfaction was the most prominent factor, with 31.52% rate of satisfaction due to the service offered. Application technical problem complaints accounted for 22.65%, followed by account registration and activation (17.35%), transaction (outbound and inbound) constraints (16.45%), feature inadequacy (3.89%), and security and service integration complaints (0.99% + 0.08%). The findings indicate technical, registration, and transaction flow concerns from users, even though the satisfaction level was relatively high.

Reputation analysis of Bank KB Syariah Bank (Figure 2 (i)) indicates that the most significant issue concerns the registration and activation processes, which account for 48.16% of the total complaints. This is followed by complaints regarding transactions, which account for 14.29% and 30.52% of the users, who were satisfied with the customer service offered. Very few users, only 0.28%, reported technical problems with the application, which is a sign that the technical side of the application is fairly stable compared to other issues. This is a sign that the technical side of the application is fairly stable compared to other issues. This would indicate that customer service



improvement efforts should focus on registration, activation, and transaction processes.

The results of the reputation analysis of Bank Mega Syariah (Figure 2 (j)) show that most users (61.31%) were satisfied with the customer service offered. Customers complained most about the registration and activation processes (14.66%), followed by transactions (12.54%), limited features (3.51%), technical problems (3.07%), and integrated services (0.14%). Although the level of satisfaction is high, there are still issues with registration, transaction processes, and application features

Among Bank Muamalat users, only 29.23% reported being satisfied with the service (Figure 2 (k)). Bank Muamalat users' complaints include technical application issues at 26.77%, problems with registration and account activation at 22.12%, transactional issues at 8.66%, connection issues at 4.93%, and service merger issues at 4.92%. Overall, complaints about technical issues, registration, and transactional problems remain significant and affect users' experience with the system.

The result of the reputation analysis of the brand Bank NTB Syariah (Figure 2 (l)) has shown that the major problems with the brand have to do with the account registration and activation process (42.81%), user satisfaction has been poor (26.13%), technical problems with the application have been reported by 11.44%, transactional issues by 3.38%, and the application has insufficient features which is reported by 10.92%. Overall, the issues with registration, features, and application stability are the most prominent.

In general terms, Islamic bank brands' reputations are determined not by their ideological positions or their positions in the technology cycle, but by the consistent provision of service and, through service provision, mechanisms that build trust. This contradicts the assertion that reputational branding is a substitute for substantive policy and therefore underscores the necessity for Islamic banks to practice Sharia compliance in a more integrated manner, so that services are seen, not merely through mere proclamations.

The tree map shows findings from Indonesian users of Islamic mobile banking applications, segmented by theme: user satisfaction, issues with registration and activation, technical issues, transaction issues, and a lack of features. Each block in the tree map shows the percentage of complaints or satisfaction per app (Afrida et al., 2024). In the "Satisfied with Services" category, Bank Mega Syariah has the largest share, indicating that a significant number of users are satisfied with the services provided (Asnawi et al., 2019; Janah & Iskandar, 2021).

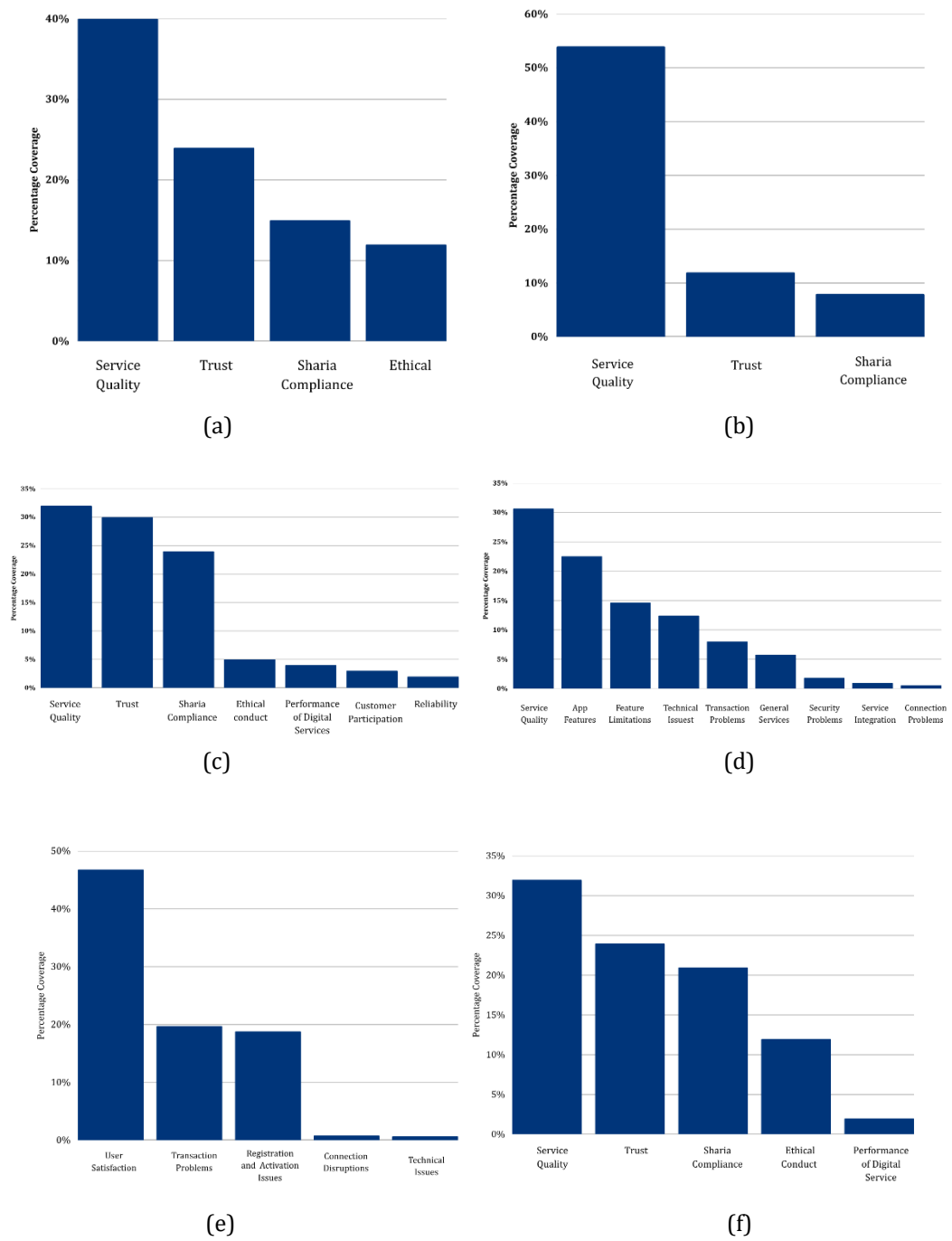
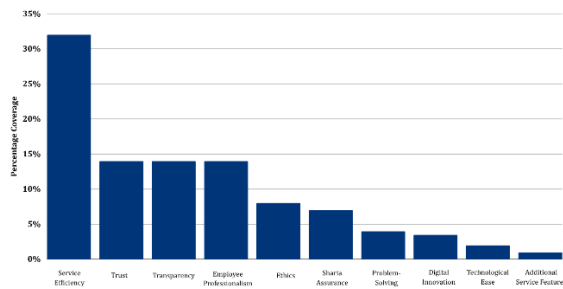


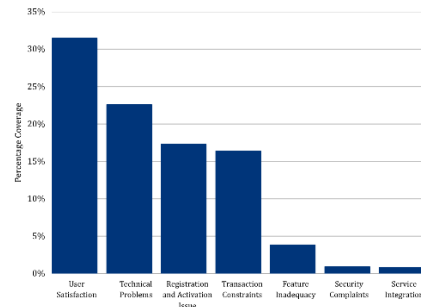
Figure 2. Brand Reputation Analysis

Source: Data Processed by Researcher and NVIVO Software (2025)

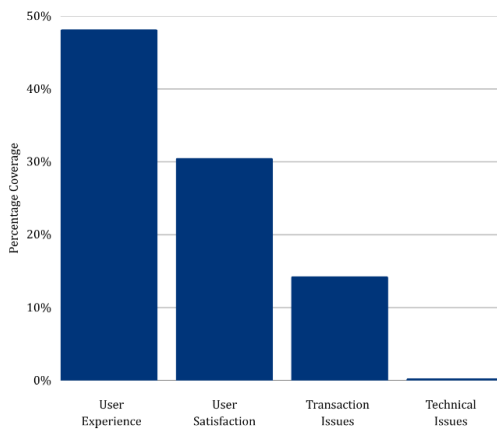
Note: (a) Bank Aceh Syariah; (b) Bank Aladin Syariah; (c) Bank Syariah Indonesia; (d) BTN Syariah; (e) BTPN Syariah; (f) Panin Dubai Syariah



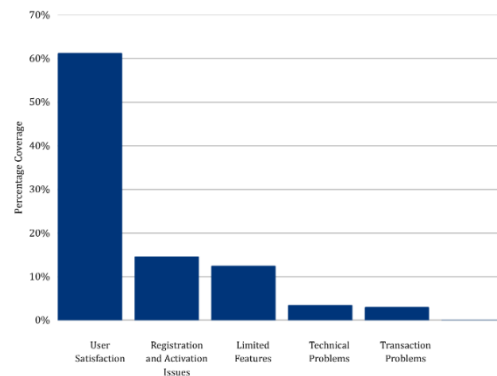
(g)



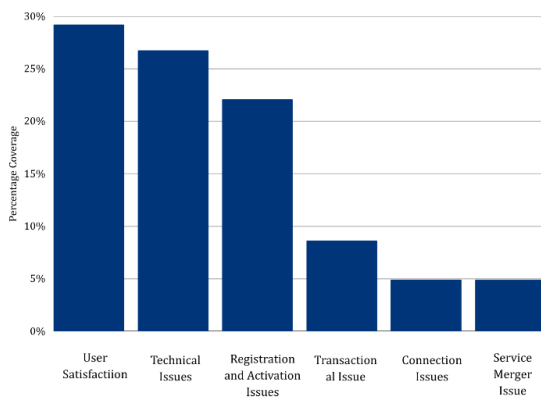
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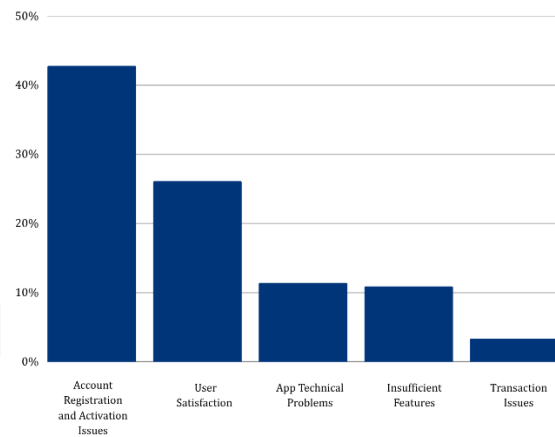
(i)



(j)



(k)



(l)

Figure 2. Brand Reputation Analysis (continued)

Source: Data Processed by Researcher and NVIVO Software (2025)

Note: (g) BCA Syariah; (h) BJB Syariah; (i) Bukopin Syariah; (j) Bank Mega Syariah; (k) Bank Muamalat; (l) Bank NTB Syariah



This shows that Mega Syariah has provided users with a positive experience, especially in terms of app usability, ease of transactions, and good customer support, while BJB Syariah and Muamalat DIN are in the same position, indicating success in customer satisfaction with their digital services. In contrast, more people complained about 'Registration and Activation', which most of the time was the first set of problems users encountered with BTN Syariah and Muamalat DIN, indicating that people were having registration and verification challenges, calling out for systems that would streamline and automate registration and verification, with the aim of less time and effort from users.

Complaints of "Technical Issues" are most frequent for Muamalat DIN, BJB Syariah, and BSI, showing that most users are worried about the reliability and functionality of the apps. The digital banking ecosystem sees users' concerns about reliability. Any incident that compromises reliability, including crashes, bugs, and slow processing or response times, is sure to result in the loss of user trust.

Concerning the category "Problem transactions," BSI is the most prominent. The most frequent problem transactions are delays, failure to transfer, or discrepancies in balances. Because transactions are the fundamental services offered by mobile banking, this is clearly a problem that needs to be prioritized.

Within the category "Features that are Inadequate," BTN Syariah, BCA Syariah, and a few other banks are temporarily noted as banks where the features are Insufficient. This indicates that these banks are lagging in the development of the app compared to the digital banking needs of the consumers, such as the integration of mobile wallets, enhanced security, and instant transaction notifications.

When analyzing the tree map data in its entirety, the strengths and weaknesses of Indonesian Islamic mobile banking applications are evident. Islamic mobile banking applications that have been rated highly by users have performed well with clear, easy technical navigation. On the contrary, Islamic mobile banking applications that have a lot of deficiencies are the result of technical, reliability, and complicated registration issues, as well as missing features. It is these findings that clearly provide justification for the need for a repair or improvement to the technical aspects, design, and user experience (UX).

It can be seen from text cloud visualization the most recurrent words used in the reviews of the Sharia-based mobile banking apps in Indonesia. Judging from the most frequent words used in the reviews 'application', 'transfer', and 'transaction' it appears that the users are more concerned about the technical and fundamental economic functions. (Mahadin & Akroush,



2019) Users also want ease & success in financial transactions (especially fund transfers) - user experience is impacted, and this is very important.

Other words that also appear are 'activation', 'account', and 'registration'. These words seem to indicate that the process of using the app, which includes setting up and verifying of the account, draws a lot of attention, both positively and negatively. Words like 'password', 'verify', and 'login' also highlight the need to help users to onboard quickly and easily, and also to do it safely and smoothly.

Moreover, words like 'features', 'interface', and 'display' reflect that users are talking about the usability of the interface and the existence of features that are relevant. The use of the words 'friendly' and 'facilitate' also indicates that users want simple banking functions to be easily accessible in order to perform their banking tasks easily.

The words 'problematic,' 'necessary repaired,' and 'uninstall' indicate that users of the application have experienced poor performance — whether a result of bugs, a lack of features, or other technical difficulties. However, some users also expressed appreciation for the application, using the words 'accept love,' 'praise,' 'I am grateful to Allah,' and 'beneficial.'

The word cloud illustrates that an application for Shariah-compliant mobile banking must have a seamless transaction process, simple and straightforward registration, a clear and easy-to-use interface, and solid and dependable technical performance. Future iterations of the service should clearly focus on user experience, the speed of the service, and a high level of digital security.

Discussion

The analysis illustrates the brand reputation of Islamic banks in Indonesia and how it is obtained from the customer service and Islamic banking experience. This includes customer service that is either prompt or delayed, as well as streamlined operational processes and mobile banking systems that are previously described as delayed. Most of the analyses show user satisfaction with the transactions versus the mobile banking complaints. While the criteria for Sharia Compliance are described, they are depicted in the symbolic dimension, Sharia Compliance, and the Ethical dimension are present but, the Islamic banking experience is weak and reputation is based on the Islam banking experience. Without Islam banking experience, reputation is not built. According to (Walker, 2010a; Widayanti, 2023). and Reputation Theory, 'the reputation trivialises the regard of stakeholders over a period of time on the functioning of the entity' and in context to the Service-Dominant Logic, the core value is not merely the institutional identity but the service process that is experienced by the customers (Vargo & Lusch, 2008) Brand Equity Theory



states that perceived quality is the basis for brand associations, confidence, and loyalty over time (Aaker, David, A. dan Alexander, L. Biel, 2009; Keller et al., 2012).

The significance of service quality lies in the specific characteristics of the respondents, namely active mobile banking users who perceive digital applications as the primary interface with their bank (Afrida et al., 2024). For this category of users, bank images are not constructed by normative or religious discourses, but rather by the ability to complete transactions, the speed of the system, and the user-friendly nature of the application. Therefore, the digital environment is where the Islamic banking image and reputation are constructed. These results are consistent with the findings of (Ati et al., 2020), and (Dewi et al., 2018), , who argued that the quality of service is the most important factor in the reputation and loyalty of customers. These findings are also consistent with (Fauzia et al., 2024), who argued that the performance of mobile banking builds customer trust and loyalty in Islamic banks in Indonesia.

In addition to the quality of service, the other key components of the reputation of banking institutions include the trustworthiness (*amanah*), transparency, and professionalism of employees. User reviews mention trust-building around banks through the security of transactions, the clarity of the information provided, and the quick response of staff. This is building confidence. This is the practical construction of confidence in banks and is consistent with (Spence, 1973c). Signaling Theory, which posits that banks operate under information asymmetry. Hence, customers use these signals, namely consistent service and employee behaviour, to build trust in them. In Islamic banking, the trust and transparency of banks are positively associated with values that reflect ethical, Sharia-compliant banking (Farook et al., 2011c). In the banking sector, internal processes cannot be fully observed, underscoring the importance of external cues in building trust in banks.

Trust and confidence in the banks are strategically valuable. Trust in bank reputation and satisfaction enhance customer loyalty (Ati et al., 2020; Mahadin & Akroush, 2019a) Sharia governance and reputation are pivotal in sustaining customer loyalty (Suryadi et al., 2025) Brand personality and trust are fundamental in enhancing the reputation and image of Islamic banks in the competitive banking sector (Ahmed et al., 2020b).

Sharia compliance and ethical values, while remaining key components of Islamic banking identity, are not the most significant reputation-differentiating factors. They are seen as the bare minimum requirements expected of Islamic banks. This is explained by Institutional Theory, which shows that the more an element becomes an industry standard, the more it



loses its ability to differentiate (Barnett et al., 2003; Walker, 2010b). In Sharia law Muslim countries, Sharia non-compliance is expected, and while it is damaging, not adhering to it is not an option. This aligns with (Jaiyeoba et al., 2023; Vatankhah et al., 2023) whose research shows that Islamic branding affects choice, whereas branded service offerings fail to build positive reputations in Islamic banking.

The findings also show that registration failures, activation failures, transaction failures, and technical disruptions are likely to jeopardise the company's reputation. The numerous complaints in the first days of service use demonstrate how the onboarding experience affects trust in the service and its provider, which can be either positive or negative. This aligns with the Technology Acceptance Model, in which (Bertagnolli, 1881; Davis, 1989; Nguyen, 2021). stated that for a technology to be adopted, there must be a perception of its ease of use and usefulness. In the case of digital financial services, customers may experience a moment of satisfaction in using the system, but that moment of satisfaction will be short-lived. If the system is disrupted repeatedly, customers will develop negative perceptions of security and of the institution's trustworthiness. The findings support the results of (Novita & Hasanah, 2025) and (Mahadin & Akroush, 2019b), that system stability and the smoothness of transactions enhance satisfaction, trust, and positive word of mouth.

Digital innovation and the addition of new features are not the primary drivers of reputation as of yet. Low levels of customer innovation-related themes suggest that technological sophistication is less important than the other attributes of simplicity and reliability (Altaf et al., 2017; Arif Lubis, 2024). Within the TAM model and innovation diffusion theory, the impacts of innovations on attitudes and behaviours are apparent only when all service functionalities, including the basic ones, are fulfilled. This finding is consistent with (Takwim et al., 2024) and (Thu & Nguyen, 2021), who suggest that innovation y impacts loyalty only when basic service quality is provided.

This analysis corroborated that the reputation of Islamic banks in Indonesia is based on service quality, reliability, and increased trust rather than on ideological rhetoric or technological sophistication. While Sharia compliance is still an ethical imperative, it is no longer the primary point of differentiation. Hence, reputation-enhancing actions of Islamic banks should focus on combining Sharia values with professionalism, transparency, and ease of use. This prong of the study contributes to building the Islamic banking brand-reputation scholarship and to crafting service and technological upgrade strategies for banks in the Islamic banking cosmos of the modern banking world.



CONCLUSION

The structural analysis finds that the reputation of Islamic banks in Indonesia is not influenced by factory identity, ideology, or Sharia branding. It is the perceived quality of the service. The actual customer service reputation is determined by the power-responsive service, operationally efficient service, and transaction reliability, particularly in mobile banking. The analysis shows that Islamic values and ethics, and assurance of Sharia compliance, are perceived as the minimum standard in the Muslim-majority market. Thus, the No Again element is Yes Again, substantive, competitive, and even. An institutional reputation is the worst, and this explains the institutional perspective on the banking sector's reputation, in which well-established norms lose their distinctiveness. Digital innovation and transformation services are the focus of strategic Islamic banking and have exceeded expectations in terms of sophisticated technology and customer reputation. The theory of reception explains that customer perceptions of digital service are secondary instrumental support, adjacent to the self. The digital service must be internalized, perceived as valuable and usable, and ease the process. Overall, research unequivocally ascertains that to enhance Islamic bank brands, banks must offer consistent, transparent, and professional services and demonstrate their ability to implement Sharia principles in real, tangible services. Findings: These findings help formulate strategies and services to enhance the reputations of Islamic banks in the contemporary digital age, particularly in developing economies

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