ABSTRACT

The purpose of this research is to examine the factors affecting customer loyalty of a BCEL bank in Vientiane, Lao PDR. The conceptual framework was developed to represent the relationship between customer loyalty (dependent variable) and its influencing factors which including service quality (tangibility, reliability, responsiveness and assurance), switching cost, trust, reputation, habit, customer satisfaction (independent variable).

The researcher surveyed on 400 respondents who had experienced with BCEL bank in Vientiane for more than three years. Then, this research has five hypotheses and the collected data was analyzed by using SPSS program, Person Correlation Coefficient and Multiple Linear Regression to test the relationship among factors. The researcher utilizes 5-point Likert scale 1 to 5 represents for questionnaires.

The result shows that between all five sub-variables of service quality and trust, switching cost, reputation, habit, customer satisfaction, and customer loyalty have a positive relationship. Moreover, trust and customer satisfaction with customer loyalty have a positive correlation. Finally, trust has a statistical significant effect on customer satisfaction.

Key Words: service quality, trust, switching cost, reputation, habit, customer satisfaction and customer loyalty.