

ABSTRACT

Today in highly competitive and complex business environment a customer loss is the customer gain for competitor and companies spend a huge effort and energy in retaining a customer as they do in acquiring them. The main purpose of this research is to examine the factors that have impact on customer loyalty with primary bank in the retail banking sector of Pakistan. For this purpose, a questionnaire is designed and 400 bank customers from Lahore participated in the survey. Factors such as Good Branch services, personalized services, Low or Reasonable charges, good number of nearby branches, automated teller machine service, switching cost and online banking services have been selected to analyze their impact on customer loyalty with primary bank. Structured equation modeling is used for the analysis of data. The results show that Good Branch service, personalized service, Low or Reasonable charges, good number of nearby branches and automated teller machine service have significant impact on customer loyalty with primary bank but switching cost and online banking service have insignificant impact on customer loyalty with primary bank. These factors help bank management to define priorities in order to increase customer satisfaction, which ultimately impacts on customer loyalty.