ABSTRACT

This study focuses on factors that affect customer loyalty and its impact on word of mouth. The rapid development of technology and information and the change in mindset and behavior of people force the company to be able to provide excellent service and qualified products so as to satisfy its customers better, which in turn can foster customer loyalty, thus encouraging positive word of mouth.

Empirical data found indicate a problem on Nokia mobile phone customer loyalty. Based on these, the problem formulated in this study is **"How to increase customer loyalty impacting on word of mouth?"**

To answer the research problem, we conducted some literature reviews and previous research journals which in turn direct the researcher to develop four hypotheses of five examined constructs. The hypotheses were tested by using statistical software AMOS 16. Empirical data needed to test the hypotheses were obtained from 150 questionnaires distributed to respondents who are the Regular 1 and Regular 2 students of the Faculty of Economics of Undip Semarang.

According to the analysis of the research model shows that the model can be accepted based on the feasibility of the model. Thus, the causality test results of the hypotheses show that there is a positive and significant influence of the perception of quality, buying experience, and products excellence on customer loyalty and there is a positive and significant influence of customer loyalty on word of mouth.

Keywords : quality perception, buying experience, product excellence, customer loyalty, word of mouth