ABSTRACT

In marketing, there is no doubt that customer loyalty is essential. Marketers will always try to keep their customers in long period or even forever if it is possible. Therefore, this research tries to examine the factors that influence the customer loyalty. These factors are perceived risk, switching costs and corporate image as a moderating variable between switching costs and customer loyalty. The necessary data was obtained through interviews using questionnaires to 100 respondents. The obtained data then analyzed by using the technique of Partial Least Square (PLS-SEM).

The results of statistical test by using Partial Least Square (PLS-SEM) showed that, the perceived risk has a positive effect on switching cost, switching cost has a positive effect on customer loyalty and corporate image did not moderate the relationship between switching costs and customer loyalty. Based on the results, a managerial implications can be drawn, namely loyalty enhanced by increasing switching costs and perceived risk. This is done by always creating a system performance that is easier to operate and easy to understand through creating operating systems is no more difficult than the previous editions and provide multitasking capabilities that have larger capacity. In addition , it should provide better security systems that are not easily infected by virus or cyber criminals hacked, give the perception that is more expensive and difficult to move to another operating system by means of improving customer satisfaction and provide good services (performance) within the operating system, simplify and make it cheaper for the installation of new programs and increase customer engagement (eg: forming a community joint branding with the mobile phone company or other computer company) to provide added value for Microsoft customers.

Keywords : Perceived risk, Switching Cost, Corporate Image, Customer Loyalty