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Factors Influencing Customer Loyalty in Commercial Banks: A Case Study of ACLEDA Bank Plc.

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ABSTRACT

Banks and financial institutions have recently strived to enhance their services to attract and retain customers; however, little is known about strategic enhancement in the banking sector from previous research. Therefore, this study examines factors influencing customer loyalty in commercial banks using ACLEDA Bank Plc. as a case study. By using a survey questionnaire to collect data from 203 customers who use bank products and services and by using multiple regression analysis, the study reveals a positive impact of service quality (SQ), customer satisfaction (CUS), bank image (BI), and trust (TRU) on customer loyalty (CL). This highlights the importance of commercial banks, such as ACLEDA Bank Plc., in maintaining high standards of products and services to attract customers and cultivate enduring relationships with them.

Keywords: *Service Quality, Customer Satisfaction, Bank Image, Trust, Customer Loyalty, Bank Products and Services*

1. Introduction

Background of the study

Banks are one of the main stakeholders in the financial markets and are essential to the stability of a nation's economy. Nowadays, banks compete with each other to attract customers by trying to develop their banking systems and enhance their performance to retain their customers by strengthening customer satisfaction and building customer loyalty (Chochol'áková et al., 2015). According to Rosenberg & Czepiel (2017), there are two significant reasons for maintaining customers; first, customers are scarce resources, which are easier to obtain from an old customer than from a new one. Second, customer loyalty has a positive effect on the profitability and revenues of the company. Based on a study by Dimitriades (2006), it was found that loyal customers positively viewed an organization, favored an organization over others, and engaged in repurchases. Many researchers noted that customer loyalty has become a popular research topic, but factors determining the loyalty of customers in the service industry are less documented (Han et al., 2008). Despite this, there is not a lot of literature that investigates customer loyalty in terms of service quality, customer satisfaction, bank image, and trust in developing countries, particularly in Cambodia. Even though there is some research about service quality using the SERVQUAL model, the model was used to measure only specific products and services of ACLEDA Bank Plc. It touches on products and services offered to the customer, its reputation, beliefs, or loyalty of customers. Because of this research gap, the study attempts to discover the impact of service quality, customer satisfaction, bank image, and trust on the customer loyalty of commercial banks by using ACLEDA Bank Plc. as a case.

Research Objective

This study examines factors influencing customer loyalty, such as service quality, customer satisfaction, bank image, and trust in commercial banks, by using ACLEDA Bank Plc. as a case study.

Significance of the Study

This study offers valuable insights into customer loyalty towards ACLEDA Bank Plc., informing strategies to attract and retain loyal customers in the banking sector. It benefits banking and finance stakeholders, including commercial banks, bank leaders, bank employees, students, and researchers interested in this topic.

2. Literature Review

Customer Loyalty

Customer loyalty is a feeling or attitude that makes a customer either return to a company, shop there again, or repurchase a certain product or service (John, 2011). Loyalty is a favorable opinion of a company's value, which can lead to increased purchases over time (McCain et al., 2005). According to Krumay and Brandtweiner (2010), customer loyalty is regarded as one of the most important variables influencing a company's performance. It is demonstrated by giving recommendations to other customers and continuing to use the product. It is created through a belief (service quality), affect (satisfaction), and cognitive (customer loyalty) process (Ayyildiz & Cengiz, 2007). Many service providers viewed loyal customers as a significant source of competitive advantage because it could cost up to 10 times less than acquiring a new customer (Razavi et al., 2012).

Service quality model (SERVQUAL Model)

According to Chakrabarty et al. (2008), service quality is defined as an adaptation to the customer’s requirements in providing the service. Dam & Dam (2021) describe service quality as the outcome of the client’s overall quality evaluation of a service provider by comparing clients’ expectations and their perceived quality obtained. Parasuraman et al. (1988) proposed SERVQUAL as the model to measure service quality, including tangibility, reliability, responsiveness, assurance, and empathy. It confirmed the SERVQUAL Model as the scale that is valid and reliable for the service fields, including hospitality, telecommunication, tourism, and banks (Andaleeb, 2001; Lymperopoulos et al., 2006; Seth et al., 2005). Each dimension has its own meaning. First, tangibility refers to physical facilities, equipment, the outfit of the staff, and communication materials. Second, reliability is the ability to perform the service dependably and accurately, as promised. Third, responsiveness is related to the organization’s ability and willingness to help customers and be quick to respond. Fourth, assurance is about the acknowledgment and courteousness of employees and their ability to build trust and confidence toward customers. Last, empathy refers to the helpful and personalized attention of the company to its customers, including access, communication, and understanding of the customer (Parasuraman et al., 1988).

Customer satisfaction (CUS)

Customer satisfaction refers to an individual, company, or organization effectively provides products and services to meet consumers’ needs (Cengiz, 2010). According to Fornell et al. (1996), customer satisfaction is related to the mood of the customer and their behavior towards the product and service after using them by comparing their actual performance to their expectations. It is an overall assessment based on a product's or service's whole purchase and consumption experience throughout time (Abdullah, 2011). In the business environment today, customer satisfaction is often considered the core of success because it has significantly influenced behavior, repurchases, and word-of-mouth communication (Sivadas & Baker-Prewitt, 2000). It serves as an exit barrier, assisting the organization in customer retention, customer loyalty, and long-term financial performance (Anderson & Sullivan, 1993; Kärnä, 2004; Selnes, 1993).

Bank image (BI)

Bank image is identified as a person's perceptions and feelings toward a bank brand in such a way that feelings or perceptions influence how consumers behave toward it (Zhang, 2015). The value of a brand is its ability to create an exclusive, positive, and recognizable association in the minds of its customers. Based on research by Aaker (1996) and Keller (1993), bank image is considered the core of marketing and advertising research because it is the underlying principle of the tactical marketing mix problem and plays a key role in creating long-term brand equity. Bank image is one of the reasons why customers come to purchase a bank’s products and services because they believe in its brand name (Keller, 1993).

Trust (TRU)

Trust is defined as a feeling of security and comfort that a person receives when spending or doing business with a certain company (Bernarto, 2017). It has both cognitive and emotional elements that can be linked to the specific actions of the parties to exchange relations (Coughlan, 2021). According to Chang et al. (2014), trust is described as a person’s confidence in another subject based on that subject’s level of honesty and competency. In banks, there are two types of trust, which are system trust and institution trust. System trust is the trust within the banking network itself, such as security, reliability of transactions, and overall efficiency (Bülbül, 2013). For an institution trust, the bank would keep its promises and act according to the promises, procedures, and outcomes of what the customer had expected them to (Sirdeshmukh et al., 2002). In today's competitive market, trust is a crucial source that is influenced by customer perceptions of an organization's potential to fulfill its promises, show sincere concern, exhibit willingness, maintain integrity, and ensure security (Coughlan, 2021).

Conceptual Framework and Hypotheses

Service quality (SQ) and customer loyalty (CL)

Service quality is recognized as one of the most crucial factors in the services industry. Some of the previous studies demonstrated that service quality is a foundation of customer loyalty and positively affects customer loyalty (Anwar et al., 2019; Setiawan & Sayuti, 2017). Previous studies in the banking sector, for instance, those conducted in Taiwan (Quan, 2010) and Greece's banking sector (Jamal & Anastasiadou, 2009), showed a positive relationship between service quality and customer loyalty. Banks consider perceived service quality a requirement to retain their competitive edge and maintain loyal customers (Kheng et al., 2010). Along with the previous studies, this study adopted the SERVQUAL model (Parasuraman et al., 1988) with five dimensions, including tangibility, reliability, responsiveness, assurance, and empathy, to measure service quality toward customer loyalty. Therefore, this study proposes the following hypothesis.

H1: Service quality has a positive and significant impact on customer loyalty.

Customer satisfaction (CUS) and customer loyalty (CL)

According to Zeithaml (2003), customer satisfaction is linked with happiness, delight, and a sense of relief. In the study of the Indian banking industry (Thakur, 2011) and the Iranian banking industry (Rehman and Afsar, 2012), there is a significant and positive relationship between customer satisfaction and customer loyalty. According to Grönroos (1984), customer satisfaction fosters a strong connection between service providers and their customers, and when customer satisfaction grows to a higher level, it results in customer loyalty. However, retaining customers depends on several other factors that contribute to customer satisfaction by increasing their loyalty to banks, such as a wide range of service choices, greater convenience, better prices, and enhanced income (Thakur, 2011). Hence, this study proposes the following hypothesis.

H2: Customer satisfaction has a positive and significant impact on customer loyalty.

Bank image (BI) and customer loyalty (CL)

A bank image has a significant impact on how customers perceive the organization when they hear its name. It has been widely recognized that a positive bank image can greatly influence customers' purchasing decisions, repeat purchases, and especially the attraction of new customers (Wu, 2014). Research has shown that bank image has a favorable and considerable influence on customer loyalty in the banking industry (Narteh & Braimah, 2020; Rehman & Afsar, 2012). To effectively measure a bank's image, Kotler & Keller (2013) have identified several indicators, including good performance and security services, provided by the bank, management's genuine concern for customer satisfaction, and the presence of an attractive brand identity. Thus, this study proposes the following hypothesis.

H3: Bank image has a positive and significant impact on customer loyalty.

Trust (TRU) and customer loyalty (CL)

According to Patrick (2002), trust is related to ideas, feelings, emotions, or behaviors of customers that arise when they believe a provider would act in their best interests. This belief in the provider's intentions was closely related to loyalty toward a product or service, as highlighted by Gul (2014). When customers have trust in a brand name, it creates a strong connection and influences their loyalty to that brand (Morgan & Hunt, 1994). A study by Leninkumar (2017) further supported the positive correlation between customer trust and loyalty, so it can be assumed that once customers put their trust in, it shows that they have loyalty toward that bank. According to Gefen (2000), being transparent about their products and services, responding promptly to customer inquiries or complaints, and consistently delivering high-quality experiences are the bonds that create trust between the bank and their customers. Therefore, the present study proposes the following hypothesis.

H4: Trust has a positive and significant impact on customer loyalty.

Conceptual Model

Based on the previous theoretical background and hypotheses, this study proposes the following conceptual model, focusing on four hypotheses, namely the impact of service quality, customer satisfaction, bank image, and trust on customer loyalty in the banking industry.

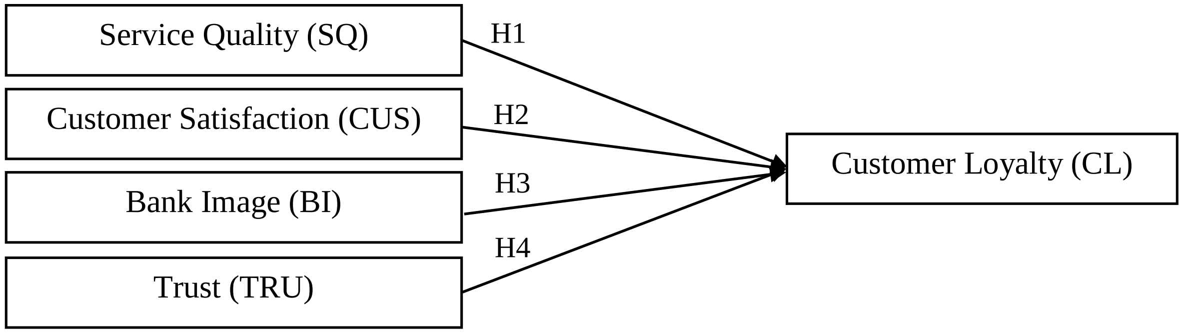

Figure 1: Conceptual Model proposed by researchers

3. Methods

Research design

This study used a quantitative method, which involved collecting and analyzing numerical data (Bhandari, 2021). Additionally, this study attempted to apply the correlational study approach to look for correlations between variables. This study focused on examining the link between two or more variables, with a result that may show a positive, negative, or zero correlation (Bhandari, 2021). Thus, the study used this model to develop a research tool to collect data from the target participants who have used ACLEDA Bank Plc.'s products and services.

Research area

This study took place in Phnom Penh city because there are different groups of people from various backgrounds. Moreover, there are 22 branches, including the headquarters and other branches in Phnom Penh. Therefore, this allowed the survey to easily reach potential respondents who are currently customers of ACLEDA Bank Plc.

Sample and sampling frame

The study collected data from customers who were using products and services at ACLEDA Bank Plc. Their ages ranged from 18 to over 55 years old. Their occupations were students, part-time workers, full-time workers, business owners, unemployed people currently looking for a job, not looking for a job, and retired. To ensure unbiased responses from the respondents, a simple random number was employed. According to Lauren (2020), simple random sampling is used to make sure that each person in the population has an exactly equal opportunity of being chosen.

Sample size

The target population in this study were internal and external customers who have used any products and services of ACLEDA Bank Plc. Norng (2022) cited that a case-to-IV ratio of 40 to 1 would be practical for running stepwise regression. Since the study assigned four independent variables to one dependent variable, it needed 160 respondents in total. Even though the calculation needed at least 160 participants, it would be great if the study was conducted with a 200-sample size. According to Norng et al. (2022), "For a practical case of regression analysis in the structural equation model (SEM), the study selected 204 students as a sample size'' (p. 69).

Statistical method

This study adopted the Pearson Correlation Matrix before running multiple regression by using the formula below to calculate the data.

$$Y = \beta o + \beta 1\ Xi1 + \beta 2\ Xi2 + \ldots + \beta p\ Xip + \in$$

Where X represents the four independent variables and Y is defined as the dependent variable.

X1 = Service Quality
X2 =Customer Satisfaction
X3 = Bank Image
X4 = Trust
Y= Customer Loyalty
$\beta 0$ = Y-intercept (Value of Y when all Xi = 0)
βp = Slope coefficients of each independent variable
$\in$= Random Error

Research tool

The primary data for this quantitative research was collected using a cross-sectional study design. According to Kumar (2014), the purpose of a cross-sectional study was to determine the prevalence of a problem or issue by gathering responses from participants at one point in time. The questionnaire was divided into seven categories and was designed using Google Forms and Microsoft Office Forms. The questionnaire consisted of closed- and open-ended questions where respondents chose from predetermined answer categories provided by the researcher. The first category focused on gathering personal information from the respondents; the second category assessed their perceptions of service quality by adopting from (Tazreen, 2012; Yee & Faziharudean, 2010); the third category measured customer satisfaction by adapting (Gremler & Gwinner, 2000; Fatima & Razzaque, 2014; Kaura, 2013; Sulaiti et al., 2006); the fourth category explored opinions about the ACLEDA Bank Plc.'s image by adapting Yee and Faziharudean (2010); the fifth category examined customer trust from (Ball et al., 2004); the sixth category measured the loyalty of customers by using (Caruana, 2002; Ganguli & Roy, 2011; Lai et al., 2012; Zeithaml et al., 1996), and the seventh categories focused on the suggestions and recommendations from the participants regarding ACLEDA Bank Plc.'s products and services. The study measured the four variables by using a seven-point Likert scale ranging from 1 to 7, with options including "1. Strongly disagree," "2. Disagree," "3. Somewhat disagree," "4. Neutral," "5. Somewhat agree," "6. Agree," and "7. Strongly agree." Additionally, another seven-point scale ranging from "Very dissatisfied" to "Very satisfied" was also used to measure customer satisfaction.

Data collection

To gather the necessary information, the researcher used a survey questionnaire, which consisted of a predetermined set of questions (Cooper & Schindler, 2011). Since this study was quantitative, the researcher used a self-report instrument to gather data by employing an online questionnaire. This method allowed for convenient analysis of the collected data using appropriate programs (Kumar, 2014). By using the online questionnaire to collect the data, researchers could save time without having face-to-face interaction, and the participants could complete the survey anytime and from any place that was convenient for them.

Data analysis

This study used SPSS statistical software for analyzing quantitative data. The data analysis method involved profiling respondents demographically, assessing instrument reliability (e.g., Cronbach's alpha), conducting descriptive analysis (means, frequencies, correlations), testing hypotheses, and checking for multi-collinearity. This approach provides a comprehensive understanding of factors influencing customer loyalty in commercial banks, particularly the ACLEDA Bank Plc.

Ethical considerations

The following ethical concerns were taken into account while working with participants, such as gathering data, obtaining informed consent, offering incentives, requesting sensitive information, reducing the potential to damage participants, and protecting confidentiality (Kumar, 2014). Thus, ethical considerations in this research study involved seeking permission, explaining the purpose of collecting information, and maintaining confidentiality. Before surveying the participants, the researcher requested permission from the ACLEDA Institute of Business (now ACLEDA University of Business) and ACLEDA Bank Plc. Headquarters. Then the researcher informed the respondents about the purposes, information, and reasons for conducting the questionnaire. Moreover, all the information shared by the participants was maintained privately.

4. Results and Discussion

Demographic information

Table 1: Demographic information of the respondents (N = 203)

Item	Categories	Frequency	Percentage
Gender	Male	104	51.2
	Female	99	48.8
	18-24 years	93	45.8
	25-34 years	41	20.2
Age	35-44 years	51	25.1
	45-54 years	16	7.9
	Over 55 years	2	1.0
	Students	59	29
	Full-time Employee	104	51.2
	Part-time Employee	15	7.4
Occupation	Business Owner	14	6.9
	Unemployed (Currently looking for a job)	5	2.5
	Unemployed (Currently not looking for a job)	3	1.5
	Retired	3	1.5

Source: Authors' calculation

Table 1 shows the frequency and proportion of specific item categories in a sample of 203 people. There were three sections, including gender, age, and occupation. Based on the gender of the total population, 51.2 percent were male and 48.8 percent were female. Almost half of the respondents were 18-24 years old (about 45.8%), followed by 25-34 years old

(20.2%), 35-44 years old (around 25.1%), and older than 44 years old (8.9%). In terms of occupation, 29% were employed as students and 51.2% were full-time employees. On the other hand, the proportion of part-time workers and business owners was 7.4% and 6.9%, respectively. The remaining percentage (5.5%) were currently unemployed, either looking for work or without looking for work, or retired.

Analysis of the agreement level

Table 2 shows the level of agreement within five variables. It contains the results of the study of the variables, including the minimum, maximum, mean, SD, and level of agreement. Since this study used a seven-point Likert scale rating approach, the significance of each variable revealed the efficacy level of each element from the responses provided by the participants. The analysis shows that all variables were rated as ‘Agree and Satisfied’ with the means ranging from 5.64 to 5.88.

Table 2: Level of agreement

Variable	Min	Max	Mean	SD	Level of Agreement
Service quality (SQ)	2.8	7.00	5.6414	0.85478	Agree
Customer satisfaction (CUS)	2.5	7.00	5.7291	0.88748	Satisfied
Bank image (BI)	2.75	7.00	5.8054	0.92661	Agree
Trust (TRU)	2.75	7.00	5.8842	0.85749	Agree
Customer loyalty (CL)	2.5	7.00	5.6700	0.92246	Agree

**Note: Strongly Disagree: 1.00-1.85, Disagree: 1.86-2.71, Somewhat Disagree: 2.72-3.57, Neutral: 3.58-4.42, Somewhat Agree: 4.43-5.28, Agree: 5.29-6.14, Strongly Agree: 6.15-7.00

Correlation analysis

Correlation analysis helped to determine whether there was a positive or negative correlation between the variables, and how strong or weak the correlation was. According to Pearson (1926), the method that was most commonly used for analyzing numerical variables was the Pearson correlation approach; it assigned a value between − 1 and 1, where 0 indicates no correlation, 1 is a total positive correlation, and − 1 was a total negative correlation. Following this, a correlation value of 0.7 between two variables implies a significant and positive relationship between both of them (Nettleton, 2014).

Table 3 presents the Pearson Correlation Matrix for five variables: SERVQUAL, CUS, BI, TRU, and CL. The values in the table indicate the strength and direction of the linear relationship between each variable. All variables show significant correlations at the 0.01

level. It showed that the correlations of each pair of the constructs are positively correlated, around 70% to 80%. The lowest correlation was 0.708 between BI and CUS; and the highest one was 0.843 between BI and SQ.

Table 3: Pearson Correlation Matrix

	SQ	CUS	BI	TRU	CL
Service quality (SQ)	1				
Customer satisfaction (CUS)	0.767**	1			
Bank image (BI)	0.843**	0.708**	1		
Trust (TRU)	0.803**	0.719**	0.802**	1	
Customer loyalty (CL)	0.799**	0.719**	0.782**	0.776**	1

** Correlation is significant at the 0.01 level (2-tailed).

Reliability test

The findings of a reliability test using Cronbach's alpha on each study variable are shown in Table 4. Cronbach's alpha was used to assess how well the items on a scale or test measure the same construct or concept. Higher values of Cronbach's alpha indicated greater internal consistency and reliability, with a value of 0.7 or higher generally considered acceptable for research purposes (Taber, 2018). There were 203 participants in total. All the variable values were highly consistent, ranging from 0.828 to 0.891.

Table 4: Cronbach's alpha on each variable

N	Items	Cronbach alpha (n = 203)
1	Service quality (SQ)	0.891
2	Customer satisfaction (CUS)	0.866
3	Bank image (BI)	0.828
4	Trust (TRU)	0.842
5	Customer loyalty (CL)	0.842

Model fitness

According to the analysis of variance (ANOVA), the SERVQUAL, customer satisfaction, bank image, and trust model were statistically significant at 0.000. This indicates that the proposed model fits in this study.

Table 5: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	122.753	4	30.688	123.668	0.000
	Residual	49.134	198	0.248		
	Total	171.887	202			

Furthermore, the model summary of multiple linear regression analysis showed the R = 0.845, the R square = 0.714, and the adjusted R square = 0.708. In this sense, the whole model explains 71.40% of the variation in customer loyalty to bank products and services.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.845	0.714	0.708	.49815

Variance inflation factor

The study conducted a Variance Inflation Factor (VIF) test to determine the strength of the correlation between the independent variables, which is predicted by regressing one variable against every other variable (Aniruddha, 2020). According to O'Brien (2007), the VIF and tolerance were used to assess the degree of multicollinearity of the ith independent variable in a regression model. When the VIF exceeds 10, the regression coefficients are poorly estimated due to multicollinearity, and when the VIF exceeds 5, there is a problem with multicollinearity in the multiple regression model (Akinwande et al., 2015). The following table reveals that the VIF ranged from 2.638 to 4.699; thus, multi-collinearity is not present in this study because the VIF of all independent variables is less than 5.

Table 7: Collinearity statistics

Model	Tolerance	VIF
Service quality (SQ)	0.213	4.699
Customer satisfaction (CUS)	0.378	2.638
Bank image (BI)	0.244	4.106
Trust (TRU)	0.286	3.491

Multiple regression analysis

The following table shows the results of the hypothesis testing of H1, H2, H3, and H4 (service quality, customer satisfaction, bank image, and trust), which are independent variables of the regression analysis, while customer loyalty functions as the dependent variable.

For the first hypothesis (H1), it was demonstrated that the standardized coefficient (beta) between service quality (SQ) and customer loyalty (CL) is 0.281 with a p-value of 0.001, which means that when service quality proceeds with 1 standard deviation, indicating that a 1 standard deviation increases in service quality, leading to a moderate level impact of 28.1%

on customer loyalty. Hence, this result supports the first hypothesis that service quality strongly impacts customer loyalty.

On the other hand, the second hypothesis (H2) focuses on customer satisfaction (CUS) and reveals a level of significance at 0.010 with a beta value of 0.160. This suggests that an increase in customer satisfaction by one standard deviation will result in a gradual 16% improvement in customer loyalty. Therefore, this result supports the second hypothesis that service quality strongly impacts customer loyalty.

For the third hypothesis (H3), the standardized coefficient (beta) between bank image (BI) and customer loyalty (CL) is 0.231 with a p-value of 0.003. This showed that when BI goes by 1 standard deviation, customer loyalty (CL) changed at 23.1%. Thus, the H3 is accepted.

Lastly, for Hypothesis (H4), the standard coefficient (beta) between trust (TRU) and customer loyalty (CL) is 0.250 with a p-value of 0.001. It showed that there is a positive relationship between trust and customer loyalty, with a 25% influence. Hence, the H4 was supported.

Overall, the regression analysis shows that all independent variables (SQ, CUS, BI, and TRU) have a significant positive effect on customer loyalty (CL). These findings suggest that improving all four indicators can lead to increased customer loyalty in the long run.

Table 8: Results of Multiple Regression Analysis

	Unstandardized B	Coefficient Std. Error	Standardized Coefficients Beta	t.	Sig.
(Constant)	0.089	0.257		0.346	0.730
SQ	0.303	0.089	0.281	3.411	0.001
CUS	0.166	0.064	0.160	2.587	0.010
BI	0.230	0.077	0.231	3.000	0.003
TRU	0.269	0.076	0.250	3.528	0.001

Dependent Variable: Customer Loyalty (CL)

Results of hypothesis testing

The results of this research show that all four hypothesis statements are supported. Each independent variable was found to have a positive and significant effect on customer loyalty, as its significant level is less than 0.05.

Table 9: Hypothesis results

Hypotheses		Sig.	Result
H1:	Service quality (SQ) has a positive and significant impact on customer loyalty.	0.001**	Supported
H2:	Customer satisfaction (CUS) has a positive and significant impact on customer loyalty.	0.010**	Supported
H3:	Bank image (BI) has a positive and significant impact on customer loyalty.	0.003**	Supported
H4:	Trust (TRU) has a positive and significant impact on customer loyalty.	0.001**	Supported

Discussions

This section demonstrates how the study's findings and the body of literature can be compared and contrasted. Based on the research findings, it was discovered that the R square value is 0.714, indicating that the included independent variable can account for 71.4% of the variation in the dependent variable. Additionally, the adjusted R-square value was 0.708, showing the value was lower than the R-square. Therefore, it can be assumed that by adding another independent variable, "trust," from (Yee & Faziharudean, 2010) to the previous study (Osman et al., 2015) with three independent variables, "service quality," "customer satisfaction," and "bank image," it is significant and relevant to the study, as it offers a more thorough understanding of the factors influencing the dependent variable, "customer loyalty."

Service quality

The study discovered that there is correlation between service quality and customer loyalty toward ACLEDA Bank Plc. This result is aligned with previous research, such as Athanassopoulos et al. (2001) and Bloemer and de Ruyter (1999), who found that tangibles, reliability, responsiveness, assurance, and empathy were important factors and had positive influences on customer loyalty.

Customer satisfaction

Additionally, this research found that there is a positive correlation between customer satisfaction and customer loyalty. The result is aligned with the study of Bowen and Chen (2001), showing that even a slight improvement in customer satisfaction could significantly enhance customer loyalty. This result supports the hypothesis that customers are more willing to suggest the bank to others when there is a positive impact between customer satisfaction and loyalty. Many respondents expressed their satisfaction based on the quality of the product and service as well as how convenient the ACLEDA Bank Plc. provides. They also felt assured in their decision to use ACLEDA Bank Plc.'s products and services. On the other hand, Kheng et al. (2010) presented a different perspective by suggesting that being loyal does not always mean being satisfied.

Bank image

Thirdly, the positive association between the bank's image and customer loyalty has been supported by previous research (Abdullah et al., 2000; Bigne et al., 2001; Haryanto & Budiman, 2015; Park et al., 2004; Zins, 2001). According to these studies, a stronger positive image of a bank is linked to greater customer loyalty. This can be attributed to customers considering the bank's image as an important factor when deciding whether to remain loyal to it. This study showed that customers tended to perceive ACLEDA's bank image as superior to that of its competitors, viewing it as a prestigious and trustworthy institution in Cambodia. Nonetheless, the study by Sumadi & Soliha (2015) found that the image of the bank does not affect customer loyalty in Indonesia’s banking sector.

Trust

Fourthly, trust is a positive indicator of customer loyalty. This result is consistent with the findings of various studies (Chinomona & Sandada, 2013; Gul, 2014; Mosavi & Ghaedi, 2012; Rasheed & Abadi, 2014; van Vuuren et al., 2012; Yap et al., 2012). The results show that trust is one component that might encourage customers to stick around and keep repurchasing goods and services because ACLEDA Bank Plc. has truthful information, is trustworthy, provides service as promised, and can protect the privacy of bank customers. Customers who trust ACLEDA Bank Plc. are more likely to recommend the bank to others, which can lead to increased customer retention. However, these results are contrasted by a study by Eakuru & Mat (2008), who found a negative relationship between trust and customer loyalty in the banking sector in South Thailand.

5. Conclusion and Implications

Conclusion

The study provided perceptions on four aspects of the loyalty of the customers in the banking services industry, such as the quality of service, the satisfaction of the customers, the trustworthiness of the customers, and the image of the bank itself. Among the four variables, service quality is the most important factor that impacts the loyalty of the customers. After that, the bank's image, trust, and satisfaction also influence customers to become loyal to the bank. Therefore, ACLEDA Bank Plc. should consider the overall dimensions of service quality, such as tangibility, reliability, responsiveness, assurance, and empathy, as well as customer satisfaction, trust, and the bank image, so that it can obtain customer loyalty.

The results of this study can be a meaningful input for decision makers at ACLEDA Bank Plc., especially for enhancing the operating manual and procedures for building customer loyalty. The continual and continuous improvement of customer service should be considered since it creates a competitive advantage over other banks in the future.

Implications and suggestions for further research

This study reveals a positive relationship between service quality (SQ), customer satisfaction (CUS), bank image (BI), and trust (TRU) on customer loyalty (CL). These results suggest that employing the SERVQUAL model is suitable for assessing bank service quality in relation to customer loyalty in the Cambodian context. However, the study emphasizes that service quality alone is not sufficient to gauge its impact on customer loyalty; factors like customer satisfaction, bank image, and trust also play crucial roles. Understanding these relationships enables banks to make informed decisions to enhance overall performance by leveraging these variables.

Since this study employs the quantitative method, future research should consider exploring the effective implementation of these variables in depth and detail so that it enables effective and efficient decision-making.

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