

**INVESTIGATING THE MEDIATION EFFECT OF SATISFACTION ON
RELATIONSHIPS BETWEEN SERVICE QUALITY AND PERCEIVED
VALUE TO LOYALTY:**

**Empirical Evidence from Telecommunication Service Centres in
Malaysia**

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ABSTRACT

In the telecommunication business, running telco service centres is very important and central to the business operations. Telco service centres play a very important role in the telecommunications service industry as they serve as the primary connector between the telcos and their customers. Therefore, an assessment of service quality and customer satisfaction with services received at the telco service centres in Malaysia is essential. It is imperative for telcos in Malaysia to continue to address core needs of existing and prospective customers in order to drive growth and build an outstanding reputation in the industry within the region. Customer satisfaction plays an important role in the retention of existing customers in the telecommunications industry, whereby to attain higher user satisfaction, telcos would have to compete aggressively in giving superior and quality services.

The purpose of this paper is to verify the relationships among service quality, perceived value, customer satisfaction, and customer loyalty telecommunication service. The proposed research framework and questionnaires were adopted from prior research. A total of 441 telco service centre customers' responses were collected mainly from Klang Valley area. The findings show that service quality positively influences customer loyalty. In addition, perceived value and customer satisfaction positively affects customer loyalty respectively. The mediation effect of satisfaction on both the relationships between service quality and loyalty and between perceived value and loyalty is also supported.

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