

## **Abstract**

There are stiff competitions among banks in Malaysia as bank services have been widely used by Malaysian. Customer satisfaction is one of the critical components that each bank would like to gain. The key objective of this research is to determine the predictors of customer satisfaction in domestic retail banking sector. Apart from that, this research attempts to examine the relationship between customer satisfaction and customer loyalty and to find out if customer satisfaction exists as a mediator between service quality, perceived value, corporate image and customer loyalty. A questionnaire survey was conducted and data were collected from 240 respondents who were experienced banking facility users.

The reliability and validity test were conducted for the research variables and the variables were found to be reliable and valid. The multiple regression test, correlation test and Sobel test were conducted to examine the relationship among the variables.

The findings show there are positive relationships between service quality, perceived value, corporate image and customer satisfaction. Corporate image is found to be the strongest predictor for customer satisfaction. Customer satisfaction also has positive influence on customer loyalty, and exists as the mediator variable between service quality, perceived value, corporate image and customer loyalty.

This study provides an insight to the domestic retail banking sector on the importance of customer satisfaction in order to retain the customers that lead to the organization ultimate goal, customer loyalty.

## ***Keywords***

Service Quality, Perceived Value, Corporate Image, Customer Satisfaction, Customer Loyalty, Domestic Retail Banking Sector

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