

ABSTRACT

Indonesian telecommunication industry is getting more competitive with increased of internet and mobile phone penetration. This leads to shifting focus towards customer satisfaction and loyalty. Service quality and perceived value become measurement methods to predict customer satisfaction. This study analyse the correlation of service quality and perceived value on customer satisfaction and loyalty. Data collected from 130 respondents through on-field survey using purposive sampling technique across Jakarta Selatan region and the survey was restricted to XL Axiata subscribers using XL Prioritas. The data obtained from the survey were analysed by Structural Equation Modelling, LISREL 8.80 software. The result shows that there is significant and positive correlation between service quality and perceived value to customer satisfaction and between service quality and perceived value to customer loyalty. The perceived value has most impact on both customer satisfaction and customer loyalty and should be seen as key variabel to measure customer satisfaction of services in telecommunications industries.

Key Words: Service Quality, Perceived Value, Customer Satisfaction, Customer Loyalty, Telecommunication.