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**ANALYSIS OF THE MEDIATION SEQUEL OF
CUSTOMER SATISFACTION BASED ON THE
RELATIONSHIP BETWEEN SERVICE QUALITY AND
CUSTOMER LOYALTY: A STUDY IN THE
TELECOMMUNICATION INDUSTRY**

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Master of Business Administration in Management of Technology

Department of Management of Technology

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The dissertation was submitted to the Department of Management of Technology of the University of Moratuwa in partial fulfilment of the requirement for the degree of Master of Business Administration in Management of Technology.

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DECLARATION

I declare that this is my own work, and this thesis/dissertation does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any other University or institute of higher learning and to the best of my knowledge and believe it does not contain any material previously published or written by another person except where the acknowledgment is made in the text. I retain the right to use this content in whole or part in future works (such as articles or books)

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Date: 10/08/2024

The above candidate has carried out research for the Ph.D./MPhil/Masters thesis/dissertation under my supervision. I confirm that the declaration made above by the student is true and correct.

Name of the supervisor: Dr.(Mrs.) VP Thesara Jayawardane

Signature of the supervisor:

Date: 22.08.2024

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ABSTRACT

The main objective of this research is to identify the relationship between service quality and customer loyalty in the Telecommunication sector in Sri Lanka. Further, customer satisfaction was selected as a mediator between this relationship. It was identified that there is an increasing competition among the telecom providers in Sri Lanka and it is important to uplift the service quality. To identify the relationships, researcher carried out a comprehensive literature review. According to literature, it was identified that there is a positive relationship between service quality and customer loyalty. This study followed a quantitative methodology. Therefore, a conceptual framework and hypotheses were built up based on literature. Population covered in this study was the total telecommunication customers in Sri Lanka. 150 was selected as the sample size of this study. A 5-point Likert scale was used in the construction of a questionnaire survey, which was based on the indicators found in the literature research. Reliability, correlation, descriptive statistics, and regression analysis were all performed using SPSS for data analysis. This study's primary conclusion was that, in Sri Lanka's telecommunications industry, customer loyalty and service quality are positively correlated. Moreover, the relationship between service quality and customer loyalty was found to be considerably mediated by customer satisfaction. It was advised to improve client happiness and service quality.

Keywords: Customer loyalty, Customer satisfaction, Service quality

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LIST OF ABBREVIATIONS

TRCSL	Telecommunications Regulatory Commission of Sri Lanka
IT-BPM	Information Technology and Business Process Management
R&D	Research and Development
GSM	Global System for Mobile Communications
BSC	Base Station Control
BTS	Base Transceiver Station
MSC	Mobile Switching Center
KMO	Kaiser-Meyer-Olkin
SDL	Service-Dominant Logic
SQ	Service Quality
CL	Customer Loyalty
CS	Customer Satisfaction

LIST OF APPENDICES

Appendix A: Questionnaire