Factors Influencing Customer Loyalty in Modern Retail: A Case Study of Big C and Lotus

Napassorn Haruetaitawon*
Independent Researcher
E-mail: napassorn.hareu@gmail.com

*Corresponding Author
E-mail: napassorn.hareu@gmail.com

Abstract

Modern Trade (MT) is a critical sector in Thailand's economy, marked by intense competition. Retailers in the modern trade sector continuously develop marketing strategies and retail mix components to foster customer loyalty. This research explores the components that contribute to customer satisfaction and loyalty in modern retail, with a focus on developing effective marketing strategies tailored to diverse customer segments. Data were collected through surveys from a sample of 259 participants and analyzed using the GSCA Pro statistical program. The study reveals that product quality and service quality are the two most significant factors influencing customer satisfaction. Consumer segments, including Generation Y and X, along with Baby Boomers, prioritize service quality. In contrast, Generation Z emphasizes a favorable shopping atmosphere. Female customers prioritize product prices, while male customers place the highest importance on excellent service and a pleasant shopping environment in modern retail stores. Thus, retailers in the modern trade sector should consistently enhance product quality and service, creating a positive shopping environment to maintain customer loyalty.

1   Introduction

Research conducted over the past few decades has consistently demonstrated that customer loyalty to a brand is a crucial factor in gaining a competitive advantage and is among the most valuable assets for companies (Evanschitzky et al., 2012; Kumar & Shah, 2004). This success is evidenced by the substantial efforts of many businesses to develop marketing strategies and various campaigns aimed at enhancing customer loyalty (Duffy, 1998).

Measuring customer loyalty involves two interconnected dimensions: the attitudinal approach, focusing on customers' overall perceptions and intentions to purchase in the future, and the behavioral approach, assessing consumer purchasing behavior such as the quantity, frequency, and repeat purchases (Bandyopadhyay & Martell, 2007; Senić & Marinković, 2014). Establishing and maintaining brand loyalty is considered a best practice for achieving a competitive edge in the marketplace (Wattanacharoensil et al., 2024).

Modern trade, a business model emphasizing responsiveness to consumers' daily life needs through a diverse product offering, plays a significant role in the Thai economy, with an estimated value of 2.8 trillion Baht (Senachai et al., 2023). However, this sector faces intense competition due to a wide array of consumer purchasing channels (Senachai et al., 2023). Acquiring new customers in such a competitive environment entails higher costs than retaining existing ones. Consequently, retailers often develop marketing programs to cultivate customer loyalty and retain their customer base, aiming for sustained and repeated long-term purchases (Vilches-Montero et al., 2018).

Key factors in cultivating customer loyalty in the modern trade sector include service quality and the retail mix (Senachai et al., 2023). However, the impact of elements related to customer participation and their influence on purchasing decisions remains inconclusive (Terblanche, 2018). Additionally, limited research exists on the motivating factors influencing customer behavior and loyalty in various retail versions, a crucial aspect for consumer behavior research (Senachai et al., 2023). Therefore, this study aims to investigate the factors contributing to customer loyalty in different retail versions within the modern trade sector, utilizing Big C and Lotus's as representative businesses, with the goal of informing future market strategies that foster customer loyalty.

2   Literature Review

2.1   Consumer Behavior and Satisfaction Across Generations in Product Selection

Hardesty and Bearden (2009) underscore the pivotal role of investigating consumer behavior, especially when contemplating the variances inherent in different generational cohorts. It is well-established that each generation manifests distinctive patterns in their purchasing behaviors. Notably, Generations X and Y have been observed to display a pronounced proclivity for products endowed

with a favorable image, setting them apart from other age groups (Foscht et al., 2009; Parment, 2013). Devaraj et al. (2001) further accentuate the critical importance ascribed to product quality within the consumer dynamics of these generations. The quality of products not only significantly impacts brand loyalty but also plays a decisive role in shaping overall customer satisfaction.

Conversely, Generation Z exhibits a perceptibly different set of priorities, according to Ismail et al. (2021). This cohort places a heightened emphasis on product variety and the allure of captivating advertisements, indicating a departure from the emphasis on product quality observed in the preceding generations. Such a shift in consumer preferences underscores the dynamic nature of market demands, necessitating a nuanced understanding of divergent generational perspectives. Contrarily, Baby boomers, as elucidated by Whalen et al. (2023), manifest a distinct inclination towards prioritizing cost-effectiveness while concurrently valuing product quality. The inherent dichotomy in the preferences of Baby boomers exemplifies the complexity embedded in consumer behaviors across generations.

The imperative of comprehending the factors that underpin customer satisfaction within each generational cohort is underscored by the intricacies inherent in the contemporary market landscape (Beauchamp & Barnes, 2015). The dynamic interplay of socio-economic, technological, and cultural factors within the modern marketplace renders the study of consumer behavior an indispensable undertaking. The efficacy of marketing strategies hinges upon a profound understanding of the nuanced requirements and motivations of diverse generations. Consequently, the exploration of these generational dynamics not only augments theoretical insights into consumer behavior but also furnishes practical implications for businesses seeking to tailor their strategies to the diverse and evolving needs of their target demographic. In this context, the investigation of generational disparities in consumer preferences becomes an instrumental facet of market research and strategic planning within the realms of contemporary commerce.

2.2 Retailing Mix

The concept of the retailing mix encapsulates the intricately coordinated activities and tasks undertaken by retail establishments across various dimensions to effectively cater to the diverse needs of customers (Bellini et al., 2011; Melis et al., 2015). Terblanche (2018) identifies six pivotal components within the retailing mix, namely product quality, service, pricing, marketing communication, store atmosphere, and location. These components collectively exert a profound influence on customer satisfaction, subsequently fostering loyalty. To delve deeper into these components, it is imperative to comprehend their individual contributions to the retailing mix.

Product quality assumes a central role within this framework, necessitating a genuine alignment with customer needs to sustain satisfaction and elevate loyalty (Fornari et al., 2013). Complementary to this, the delivery of excellent service, characterized by personalized recommendations and detailed product

information, emerges as a critical factor in augmenting both customer satisfaction and loyalty. Consequently, these aspects emphasize the integral role of customer-centric strategies in retailing.

Pricing, acknowledged as a pivotal marketing tool (Yan, 2008), wields significant influence over customer satisfaction, trust, and repeat purchases. Appropriately set prices not only enhance customer satisfaction but also contribute to the establishment of trust, fostering a conducive environment for sustained patronage (Yao & Liu, 2005). Furthermore, promotional activities, including the strategic use of coupons, discounts, and freebies, are identified as influential factors shaping consumer behavior and enhancing satisfaction levels (Fam & Merrilees, 1996).

The ambiance within the retail environment, encompassing elements such as lighting, colors, scents, and product arrangement, plays a pivotal role in crafting a pleasant shopping experience. This not only ensures customer comfort but also contributes to the convenience of the shopping process. For contemporary retailers, the interior atmosphere of the store emerges as a strategic imperative for gaining a competitive edge, stimulating consumer behavior, and ultimately impacting purchasing decisions (Grayson & McNeill, 2009).

Moreover, the location of the store assumes significance in influencing consumer satisfaction. Factors such as easy accessibility, safety, and convenience become critical determinants in shaping the overall shopping experience (Blut et al., 2018). The store's geographical positioning directly correlates with the ease with which consumers can access the establishment, thereby profoundly impacting their level of satisfaction.

In light of the extensive literature reviewed, the formulation of hypotheses becomes a logical progression, providing a foundation for empirical investigation. The proposed hypotheses delineate specific relationships between each component of the retailing mix and consumer satisfaction. These hypotheses, if validated, stand to contribute valuable insights into the nuanced dynamics of consumer behavior within the context of modern retail environments. Based on the literature reviewed, the following hypotheses are proposed:

H1: The atmosphere of modern retail stores has a positive impact on consumer satisfaction.

H2: Product pricing positively influences consumer satisfaction.

H3: Product quality has a positive impact on consumer satisfaction.

H4: Overall service quality positively influences consumer satisfaction.

H5: Store location has a positive impact on consumer satisfaction.

H6: Sales promotion positively influences consumer satisfaction.

2.3 Relationship between Satisfaction, Repeat Purchases, and Consumer Loyalty

The concept of customer satisfaction, defined as the favorable attitude customers hold towards a product or service, plays a pivotal role in shaping subsequent consumer behaviors. As posited by Shankar et al. (2003), satisfied customers exhibit a propensity for engaging in repeat purchases, thereby establishing a

direct link between satisfaction and consumer behavior. In the context of the retail industry, customer satisfaction is widely acknowledged as a potent driver for fostering consumer loyalty (Picón et al., 2014).

Customer loyalty, a subsequent outcome of satisfaction, denotes the degree of positive experiences and the manifestation of affirmative behaviors directed towards a particular company or brand (Shankar et al., 2003). It is a multifaceted construct, encompassing not only repeat purchases but also a deeper, emotionally invested connection with the brand or company. The relationship between customer satisfaction and loyalty is integral to understanding the dynamics of consumer retention in the retail sector.

In the comprehensive study conducted by Mittal and Lassar (1998), a direct correlation between customer satisfaction and repeat purchases was established. Lower instances of repeat purchases were indicative of a deficiency in loyalty, while higher frequencies of repeat purchases reflected an ingrained sense of loyalty. This reinforces the idea that satisfaction is a precursor to loyalty, and the extent of repeat purchasing behavior serves as a tangible measure of consumer loyalty (Mittal & Lassar, 1998; Picón et al., 2014; Shankar et al., 2003).

H7: Customer satisfaction exerts a positive influence on the likelihood of repeat purchases.

H8: Repeat purchases positively contribute to the development of customer loyalty in the modern retail business.

2.4   Conceptual framework

The conceptual framework for this study is developed based on the comprehensive literature review and theoretical foundations presented earlier. The model integrates and modifies the structural equation model, comprising components related to the retailing mix, customer satisfaction, repeat purchases, and store loyalty. This model, configured as a Second Order model, measures customer satisfaction as a latent construct derived from six dimensions of the retailing mix: modern retail store atmosphere, pricing strategy, product quality, service quality, store location, and sales promotion. The relationship between these constructs is depicted in Figure 1 (Note: In the context of the conceptual framework, the abbreviations are as follows: AM: Modern Retail Store Atmosphere, PR: Pricing Strategy, MQ: Product Quality, SQ: Service Quality, LC: Store Location, SP: Sales Promotion, SA: Customer Satisfaction, RP: Repeat Purchases, LY: Store Loyalty).

The six dimensions of the retailing mix collectively contribute to shaping customer satisfaction, representing a higher-order latent variable. This conceptualization recognizes the interdependence and collective impact of these dimensions on the overall satisfaction of consumers. The second-order nature of the model acknowledges that customer satisfaction is not a unidimensional construct but is influenced by multiple factors within the retailing mix.

Modern Retail Store Atmosphere: This dimension encompasses the interior ambiance of the retail store, including lighting, colors, scents, and product arrangement. It is expected to positively influence customer satisfaction, fostering
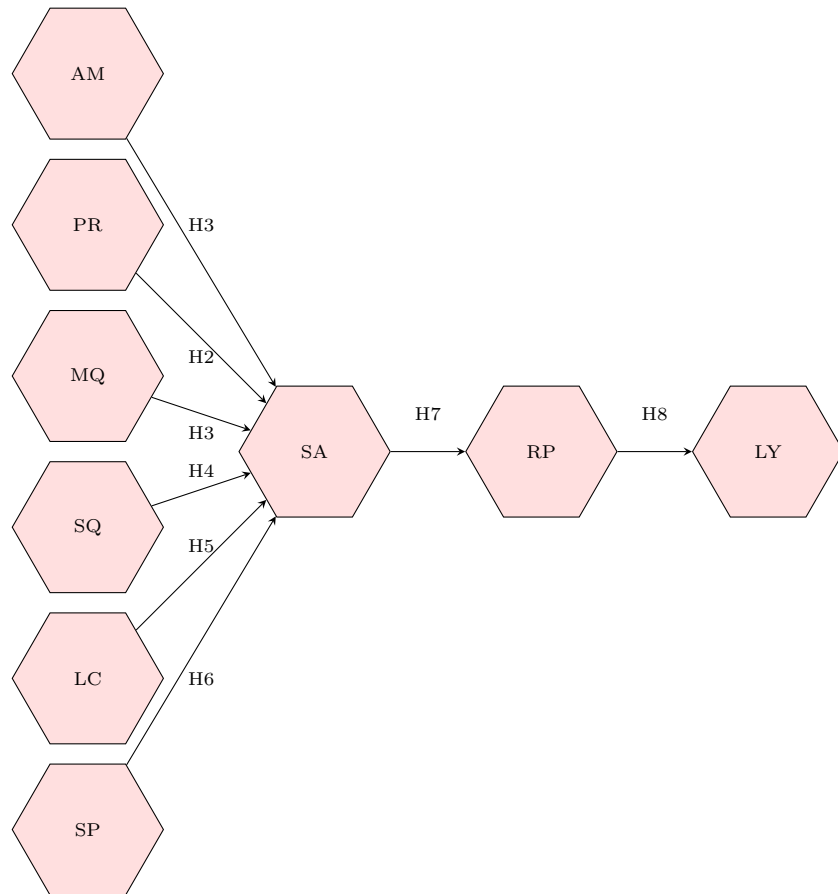
Figure 1: Conceptual Framework

a pleasant and comfortable shopping experience. Pricing Strategy: The pricing of products is considered a critical marketing tool. Appropriate pricing is hypothesized to have a positive impact on customer satisfaction, trust, and the likelihood of repeat purchases. Product Quality: Quality of the products offered plays a significant role in customer satisfaction. It is anticipated that high product quality will positively influence overall satisfaction and, consequently, store loyalty. Service Quality: Service quality, including factors like personalized recommendations and information provision, is expected to contribute to building customer satisfaction and loyalty. Store Location: The location of the retail store is crucial, impacting customer satisfaction. Easy access, safety, and convenience are key factors influencing overall satisfaction and the likelihood of repeat purchases. Sales Promotion: Promotional activities, such as coupons, discounts, and freebies, are anticipated to positively influence consumer behavior, increasing satisfaction and the probability of repeat purchases.

3 Method

This study centers on consumers who have previously interacted with the services of contemporary retail establishments, such as Big C and Lotus. The research encompasses a sample size of 259 individuals, meticulously selected through the application of a simple random sampling technique. The primary data collection tool employed is a comprehensive questionnaire, structured into five distinct sections:

4.1 Personal Information Section

In this initial section, demographic data concerning the respondents is systematically gathered to establish a foundational understanding of the study population.

4.2 Factors Influencing Customer Satisfaction

The second section of the questionnaire is dedicated to an in-depth exploration of the various factors that significantly contribute to shaping and influencing customer satisfaction.

4.3 Sales Promotion

This section delves into the nuanced impact of sales promotions, considering both online and offline formats, on the overall satisfaction levels of customers engaged with modern retail stores.

4.4 Factors Affecting Repeat Purchases

The fourth segment scrutinizes the diverse factors that play a pivotal role in influencing customers' decisions to revisit and engage in repeat purchases.

4.5 Indicators of Store Loyalty

Concluding the questionnaire, the final section meticulously examines and elucidates the key indicators that offer insights into the establishment of store loyalty among consumers patronizing modern retail outlets. This structured approach to data collection and analysis ensures a robust and comprehensive investigation into the multifaceted aspects of consumer behavior within the realm of contemporary retail environments.

Characteristics	Numbers	Percent
Gender:		
Male	84	32.4
Female	175	67.6
Age:		
19-24 years (Generation Z)	88	33.9
25-40 years (Generation Y)	40	15.4
41-56 years (Generation X)	92	35.5
Over 57 years (Baby Boomer)	39	15.1
Average Monthly Income:		
Less than 10,000 Baht	82	31.7
10,001-20,000 Baht	49	18.9
30,001-40,000 Baht	29	11.2
30,001-40,000 Baht	23	8.9
More than 40,000 Baht	76	29.3
Occupation:		
Student	82	31.7
Private Company	69	26.6
Employee/Contractor	14	5.4
Government Employee/Staff	82	31.7
Self-employed/Business Owner	69	26.6
Other	14	5.4

Table 1: Demographic Characteristics of the Sample Group

The Likert Scale, a 5-point measurement, is employed as the metric for data analysis. The gathered data will be processed using the GSCA Pro software (Hwang et al., 2021), facilitating a comprehensive and advanced analysis of the research findings. This robust methodology ensures a rigorous investigation into the intricacies of consumer behavior and the various factors shaping their perceptions and actions in the context of modern retail stores.

4   Result

4.1   Characteristics of the Sample Group

The analysis of sample group characteristics revealed that the majority of participants were female, accounting for 67.6%. The age distribution predominantly

Profiles	Numbers	Percent
Retail Stores:		
Big C	78	30.1
Lotus's	181	69.9
Frequency of Shopping Within 1 Month:		
Less than 1 time	32	12.4
1-2 times	142	54.8
3-4 times	47	18.1
More than 4 times	38	14.7
Types of Purchased Products:		
Consumer goods such as soap and laundry detergent	213	82.9
Consumables like fresh food and confectionery	191	74.3
Electronics, such as electrical appliances	24	9.3
Days and Times for Shopping:		
Regular days between 10:00 AM - 3:00 PM	53	20.6
Regular days from 3:00 PM onwards	95	37
Holidays between 10:00 AM - 3:00 PM	73	28.4
Holidays from 3:00 PM onwards	93	36.2

Table 2: Behavioral Characteristics of the Sample Group

fell within the range of 41-56 years, constituting 35.5%. Additionally, a significant portion of the sample reported a monthly income below 10,000 Baht, comprising 31.7%. The most prevalent occupational category was students, representing 31.7% of the sample, as illustrated in Table 1.

Behavioral Characteristics

The analysis revealed that the majority of the sample group frequented the services of the modern retail store, Lotus, accounting for 69.9%. Their service utilization pattern was primarily 1-2 times per month, constituting 54.8%. The highest-purchased product category was consumables, representing 82.9%. The preferred day and time for utilizing services were regular weekdays, with a majority opting for visits starting from 3:00 PM onwards, accounting for 37%, as depicted in Table 2.

4.2   Construct Validity Examination

In assessing the construct validity of the measurement model, this study included three latent variables: customer satisfaction, repeat purchase, and customer loyalty towards modern retail stores. The customer satisfaction variable comprised second-order variables derived from the components of the Retail Mix theory, namely Ambience, Price, Merchandise Quality, Service Quality, Location, and Sales Promotion.

The examination of the measurement model involved a statistical comparison of results for data analysis using the GSCA Pro program (Hwang et al., 2021). All variables were tested simultaneously. Convergent validity, determined by standardized factor loadings exceeding .70, was observed. The highest loading was .92, indicating participation in various activities within the modern retail store, while the lowest was .69 for the impact of product and service quality on repeat purchases, and .60 for satisfaction with discounted product promotions. Overall, variables falling below the standard did not significantly differ.

The average variance extracted (AVE) for each variable, indicating the extracted variance shared among its measures, exceeded .50. The analysis revealed values ranging from .59 to .81, with .81 being the highest for store loyalty. Discriminant validity, measured by the Heterotrait-Monotrait ratio (HTMT), demonstrated values below .85, except for one variable with a slightly higher value of .88. Nevertheless, this discrepancy was not substantial.

In evaluating model fit measures, the goodness-of-fit index (GFI) should exceed .90, and the standardized root mean square residual (SRMR) should be below .08. The analysis demonstrated a GFI of .97 and an SRMR of .068, suggesting that the research model is reliable and exhibits low model discrepancy, as summarized in Table 3.

4.3   Hypothesis Testing Results

The summary of hypothesis testing results reveals that all hypotheses proposed by the research team demonstrate statistically significant levels at 0.05 ($P < 0.05$). In examining the correlation values, positive relationships were observed, and each variable exhibited a Sig value. Notably, the variables of product quality and service quality displayed a positive correlation with a path coefficient of 0.83 each. This identical and highest coefficient significantly influences the variable of customer satisfaction, as depicted in Table 4.

4.4   Gender Effects

Upon analysis, it was found that males exert a statistically significant influence in the range of .75 to .91, with a positive relationship leading to a path coefficient of .85 for the variable of service quality, which has the highest impact on customer satisfaction. Females, on the other hand, demonstrated a statistically significant influence in the range of .79 to .89, with a positive relationship resulting in a path coefficient of .84 for the variable of price, which has the greatest impact on customer satisfaction. These findings are summarized in Table 5.

Items	Loadings	AVEs
Ambience Satisfaction:		.59
Store Layout	.81	
Lighting	.78	
Importance of Smell	.83	
Cleanliness	.76	
Store Decoration	.63	
Price Satisfaction:		.70
Clear Price Labels	.90	
Price-Quality Relationship	.91	
Competitive Pricing	.82	
Product Quality Satisfaction:		.82
Product Quality	.87	
Modern Product Range	.88	
Quality Certifications	.83	
Location Satisfaction:		.78
Proximity	.87	
Convenient Parking	.87	
Clear Location	.9	
Service Quality Satisfaction:		.69
Employee Service	.84	
Checkout Efficiency	.85	
Fast Delivery Management	.85	
In-Store Security	.86	
Return/Exchange Service	.86	
Restroom Service	.77	
Sales Promotion Satisfaction:		.58
Discount Promotions	.60	
Coupon Discounts	.75	
Buy 2 for Less	.69	
Special Price for 2	.76	
Monthly Promotions	.78	
Free Item Promotions	.78	
Discount Code + Free Shipping	.79	
Free Shipping with Minimum Purchase	.80	
Point Accumulation	.77	
Membership Card Promotions (Big C)	.80	
Credit Card Promotions (Big C)	.80	
Club Card Membership Promotions (Lotus's)	.83	
Repurchasing:		.69
Brand Loyalty	.88	
Preference Over New Stores	.91	
Quality Impact on Repurchasing	.69	
Alternative Promotions Impact on Repurchasing	.83	
Customer Loyalty:		.81
Word-of-Mouth Recommendation	.85	
Participation in Store Activities	.92	
Regular Information Follow-Up	.91	
Brand Products Impact on Loyalty	..89	

Table 3: Factor Loadings of all Measurement Items

Hypothesis	Coefficient	CI	Results
H1: The ambiance of the new retail store has a positive impact on consumer satisfaction.	.81	[.75;.86]	Failed to Reject
H2: Pricing of products positively influences consumer satisfaction.	.82	[.77;.87]	Failed to Reject
H3: Product quality has a positive effect on consumer satisfaction.	.83	[.79;.86]	Failed to Reject
H4: Overall service quality has a positive impact on consumer satisfaction.	.83	[.77;.87]	Failed to Reject
H5: The location has a positive influence on consumer satisfaction.	.78	[.72;.82]	Failed to Reject
H6: Sales promotion has a positive impact on consumer satisfaction.	.68	[.62;.74]	Failed to Reject
H7: Consumer satisfaction has a positive effect on repeat purchases.	.65	[.58;.72]	Failed to Reject
H8: Consumer repeat purchases have a positive impact on customer loyalty in the new modern retail business.	.65	[.59;.74]	Failed to Reject

Table 4: Results of Hypothesis Testing

Hypothesis	Male	Female	Results
H1: The ambiance of the new retail store has a positive impact on consumer satisfaction.	.85	.78	Statistically Different
H2: Pricing of products positively influences consumer satisfaction.	.74	.84	Statistically Different
H3: Product quality has a positive effect on consumer satisfaction.	.82	.82	Not Statistically Different
H4: Overall service quality has a positive impact on consumer satisfaction.	.85	.82	Statistically Different
H5: The location has a positive influence on consumer satisfaction.	.78	.77	Statistically Different
H6: Sales promotion has a positive impact on consumer satisfaction.	.72	.67	Statistically Different

Table 5: Gender Effects

Hypothesis	Gen Z	Gen Y	Gen X	Babyboomers	Omnibus Test
H1: The ambiance of the new retail store has a positive impact on consumer satisfaction.	.83	.89	.75	.84	Rejected
H2: Pricing of products positively influences consumer satisfaction.	.7	.91	.82	.92	Rejected
H3: Product quality has a positive effect on consumer satisfaction.	.80	.87	.84	.82	Failed to Reject
H4: Overall service quality has a positive impact on consumer satisfaction.	.74	.94	.88	.79	Rejected
H5: The location has a positive influence on consumer satisfaction.	.78	.86	.76	.83	Rejected
H6: Sales promotion has a positive impact on consumer satisfaction.	.68	.86	.57	.7	Rejected
H7: Consumer satisfaction has a positive effect on repeat purchases.	.68	.73	.64	.70	Rejected
H8: Consumer repeat purchases have a positive impact on customer loyalty in the new modern retail business.	.56	.80	.73	.61	Rejected

Table 6: Generation Effects

4.5 Generation Effects

Upon analysis, it was observed that Generation Z consumers exert a statistically significant influence ranging from .69 to .91. Notably, the path coefficient was .83 for the variable of ambience, which had the most significant impact on customer satisfaction. Generation Y consumers demonstrated the most substantial influence, ranging from .89 to .96, with a path coefficient of .94 for the variable of service quality, which had the highest impact on customer satisfaction. Generation X consumers exhibited a statistically significant influence ranging from .82 to .92, with a path coefficient of .88 for the variable of service quality, which had the greatest impact on customer satisfaction. Additionally, Baby Boomer consumers showed a statistically significant influence ranging from .88 to .95, with a path coefficient of .92 for the variable of price, which had the most significant impact on customer satisfaction.

Further analysis revealed that Generation Y consumers, aged between 25 and 40 years, exhibited a statistically significant influence ranging from .55 to .85. The path coefficient was .73 for the variable of customer satisfaction, which had the most substantial impact on repeat purchases. Additionally, Generation Y consumers showed a statistically significant influence ranging from .67 to .90, with a path coefficient of .80 for the variable of repeat purchases, which had the most significant impact on customer loyalty. These findings are summarized in Table 6.

5 Discussion

The objective of this research was to examine the factors influencing customer loyalty in modern retail stores. The findings revealed that overall customer satisfaction, measured through the components of the retail mix, namely Ambience, Price, Merchandise Quality, Service Quality, Location, and Sales Promotion, exhibited positive correlations. These, in turn, significantly contributed to customer repeat purchases and ultimately led to customer loyalty, aligning

with Chiu et al. (2014) research highlighting the impact of the retail mix on customer satisfaction and loyalty.

Upon analyzing the factors affecting satisfaction, it was evident that both product quality and service quality held paramount importance, each with a standardized coefficient of .83. Devaraj et al. (2001) emphasized the role of improved product quality in maintaining high customer satisfaction levels. Furthermore, the study corroborated findings from Zhou et al. (2021), emphasizing that service excellence establishes a positive relationship between the service provider and the consumer, fostering satisfaction and subsequently loyalty.

Gender-based analysis revealed that male customers were most satisfied when receiving excellent service and experiencing a pleasant ambience, with a coefficient of .85. This corresponds with previous assertions (Audrain-Pontevia & Vanhuele, 2016; Vilches-Montero et al., 2018) that men prioritize sales staff assistance and a comfortable environment. Conversely, female customers exhibited the highest satisfaction regarding product price, emphasizing the pivotal role of pricing strategies in customer satisfaction and repeat purchases.

Examining generational differences, Generation Z customers expressed the highest satisfaction when encountering a positive shopping environment, resonating with Ismail et al. (2021) findings. Generation Y and X customers, on the other hand, showed that service quality was the most influential factor (Foscht et al., 2009). Similarly, for Baby Boomers, both service quality and price played equally crucial roles. This aligns with prior research (Jeon & Hyun, 2013; Parment, 2013), emphasizing that Baby Boomers consider service and price vital in their purchasing decisions, avoiding compromise on product quality.

In the highly competitive landscape of modern retail, where customer engagement is crucial (Bruneau et al., 2018; van Asperen et al., 2018), retailers must consistently develop and enhance every aspect of the retail mix. The study underscores the need for retailers to prioritize product and service quality while maintaining an inviting ambiance during the purchasing process. This approach aligns with marketing research suggesting that exemplary service quality and high-quality products are paramount for creating and maintaining customer loyalty (Dhasan, Kowathanakul, et al., 2021; Senachai et al., 2023). The findings, therefore, provide valuable insights for retailers aiming to secure and nurture a loyal customer base in the dynamic realm of modern retail.

6   Conclusion

In conclusion, the retail mix components, including Ambience, Price, Merchandise Quality, Service Quality, Location, and Sales Promotion, significantly influence customer loyalty in modern retail stores. The study indicates that product and service quality are the key drivers of customer satisfaction (Senachai et al., 2024), with notable variations based on gender and generational differences. As businesses strive to adapt and thrive in the evolving retail landscape, it is imperative for them to consistently enhance product and service quality while creating an inviting shopping environment. The research findings contribute

both academically and practically, offering valuable guidelines for the sustainable growth of modern retail businesses. Despite the study's limitations, such as limited diversity in the sample, future research should explore strategies for engaging customers more effectively and involve a more representative distribution of generational cohorts for enhanced analytical accuracy.

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