The Relationship between Key Operational Factors and Customer Retention toward Supermarkets in Batu Pahat

Tey Wee Ning[1], Hafizah Zulkipli[1]*

[1] *Department of Management and Technology, Faculty of Technology Management and Business, Universiti Tun Hussein Onn Malaysia, 86400 Batu Pahat, Johor. MALAYSIA*

*Corresponding Author: hafizahz@uthm.edu.my

Abstract

In the face of escalating retail competition, supermarkets face significant challenges in retaining customers. With technological advancements and evolving customer needs, key operational practices have become crucial for success. This research proposal aims to investigate the impact of key operational factors on customer retention in Batu Pahat, Johor supermarkets. The study will assess the levels of these factors and their relationship with customer retention. A quantitative method using questionnaires will be employed for data collection, with IBM SPSS Statistics 26 utilized for analysis. The research expected to examine the positive correlations between key operational factors, such as people, products, and systems, and customer retention. Findings from this study will offer valuable insights for supermarkets to enhance their operational strategies and contribute to the body of knowledge on this subject, potentially inspiring further research in this area. The findings indicate a positive relationship between supermarket customer retention and key operational factors of people, products and systems. In light of these findings, supermarkets in Batu Pahat should focus on increasing product quality diversity, improving employee-customer interaction and optimizing internal operating systems to optimize their operations to improve customer retention. The results of this study may help supermarkets identify their key operational factors and may also help other researchers understand and encourage them to continue research on this topic.

1. Introduction

In recent years, the Malaysian supermarket industry has experienced significant growth, and the retail market is structured into three main groups traditional retail, modern retail such as hypermarkets or supermarkets, department stores, and online retail with increasing competition between them (EVBN, 2018). Global Data (2022) reported the Malaysia retail market was valued at RM 433.4 billion, anticipated to grow over 8% until 2026. Today's retailers are changing at a rapid pace to become more consumer-centric and increase their operational efficiency (Deloitte, 2020). Stevenson (2018) stated that operations stand as the core of business activities, including the creation of goods or service provision. Therefore, key operational factors significantly drive organizational performance by ensuring optimal operation process. The key operational factors may be vary depending on different industry and company's goals.

Besides, there are some challenges and issues that faced by the organization which including the labour shortages, long lead times, inventory management issues, safety condition problems, poor communication and poor-quality control (Staff, 2023). These problems and issues should be taking serious by industries and

companies due to it will hinder the overall efficiency and effectiveness of the organization's operations and leading to potential financial losses and customer dissatisfaction. Other than that, the retail industry is facing new challenges in 2022 due to inflation and the rising cost of living, it leading to supply chain problems for retail brands (Gilliland, 2023). Therefore, Berman *et al.* (2018) highlight that the conformity of supermarket operations to the "retail mix" may affect the frequency of customer purchases directly or indirectly affecting the internal operational activities of their retention. For example, a consumer reports stated that 21% of customers complain about too few checkout lanes and long wait times in supermarket and other complaints about low product selection (9%) are impacting customer retention (Kelso, 2018).

In addition, the focus respondents on this study is the customers of supermarkets in Batu Pahat, Johor. According to a report University of Tungku Abdul Rahman (2015), it stated that Batu Pahat was chosen because it is the second most developed area in Johor, Malaysia. Therefore, this report also shows that district has a fast-growing population and good infrastructure, which creates an opportunity for Batu Pahat to expand its retail base. In summary, the focus on this study is to explore the relationship between the key operational factors and customers retention towards supermarket in Batu Pahat, Johor.

2. Literature Review

2.1 Supermarkets

Retail means all activities and services related to the sale of goods to the final consumer. It connects all the actions and processes required from the procurement of goods to their delivery, including additional services (Caro, Kök and Martínez-de-Albéniz, 2020). The retail market structure is divided into three groups, namely traditional retail, modern retail, and online retail (EVBN, 2018). According to Matthieu, Lew, An T. Nguyen & Hai-Ly Nguyen (2022), the 7% to 10% annual revenue growth across the Association of Southeast Asian Nations (ASEAN) continues to come mainly from modern retailing, especially in supermarkets. Supermarkets play an important role both for the national economy and the needs of the people. One of their contributions to Malaysia is the increase in employment rate. Supermarkets mainly cater to the needs of residents and small businesses by giving regular replenishment of household products in stock.

2.2 Customer Retention

Customer retention is defined as a trend or attitude measure of existing customer repurchase (Srivastava, Naik, and Narula, 2018). It refers to the ability of supermarkets to retain their existing customers. Besides, Schaeffer and Sanchez (2020) stated that customer retention modifications and customization of operations can attract and retain customers for retailers to repurchase or reduce customer churn in a given period. In the theoretical perspective, Relationship Marketing Theory is one term that is suitable to be used in customer retention. It emphasizes that building long-term relationships with customers and other stakeholders can create a sustainable competitive advantage (Morgan & Hunt, 1994). Gronroos (2011) states that trust, customer satisfaction, and relationship quality are the key factors for customer retention. The theory suggests that personalized communication with customers can lead to a strong relationship between supermarkets and customer perceptions. Besides, this allows customers to demonstrate loyalty and sustain their commitment to the supermarket over time. Apart from this, another theoretical perspective related to customer retention is the Service Quality Theory. It was developed by Parasuraman, Valarie Zeithaml and Leonard L Berry in 1985 and is also known as SERVQUAL. SERVQUAL is a theoretical framework for measuring and managing service quality to understand different aspects of service quality and to promote general customer satisfaction and loyalty (Ahmed, Hadiza & Queensley, 2021). It is composed of five dimensions which is reliability, responsiveness, assurance, empathy, and tangibility. The theory states that superior service quality leads to customer satisfaction, trust and ultimately customer retention (Berry, Parasuraman & Zeithaml, 1988). This is because when customers perceive that supermarkets provide excellent service, it will increase their satisfaction and develops trust, which increases the likelihood of repurchase.

2.3 Key Operational Factors Towards Customer Retention

2.3.1 People

The terms of "People" refers to a collective group of individuals who share the common characteristics such as culture, tradition, language, institutions, and beliefs (Merriam-Webster, 2023). In this research, it may determine as the role of employees and customer interaction within supermarkets. Therefore, it also includes the aspects like employee attitude and behaviours, customer service and the interpersonal dynamic between employees and customers (Coursera, 2023; Kearney, Coughlan & Kennedy, 2021).

There are several studies have explored the significance of customer service and employee behaviour in effecting the customer satisfaction and loyalty within the retail industry. For example, P.J, Singh, Kokkranikal, Bharadwaj, Rai and Antony (2021) conducted a study that focused on tourism and hospitality that highlighted the increasing popularity and importance of service quality and customer satisfaction which related to the key factors of people. Therefore, it mentioned that the friendly and knowledgeable employees will positively influence customer perceptions of the service quality, and leading to increase the customer satisfaction. This study also makes it clear with the understanding and improving customer experiences is crucial for employees. Similarly, Bahadur, Aziz and Zulfiqar (2018) emphasized the employee empathy on customer satisfaction and loyalty during employee-customer interactions. They found that the customers are more likely to develop loyalty toward organizations when employees show empathy towards them. This is due to the customers can perceive employee empathy through meaningful conversations, personalized assistance and genuine warmth shown by employees during the interactions. Therefore, this study reported that empathy expressed through active listening, politeness and caring attitude can positively influence the customer's satisfaction and purchase intentions.

In the theoretical perspectives, the Social Exchange Theory is more suitable for the term of people in key operational factors. This is because this theory provides a valuable theoretical framework for understanding the implication of "People" as the key factors on the customer retention. Based on Social Exchange Theory, customers develop an emotional bond with employees who provide a positive experience and quality service, leading to increased customer loyalty (Blau, 1964). Not only that, it also suggests that reciprocal relationships between individuals play a vital role in fostering customer retention within the supermarket. A positive interaction with employees will create a sense of trust, satisfaction and also reciprocity to encouraging the customers to remain loyal to the supermarket. Therefore, supermarkets may refer to this theory and focus on training their employees to deliver exceptional service, fostering strong relationship with their customers and enhancing the customer retention.

2.3.2 Product

In this study, the "Product" refers to the quality and variety of items offered by supermarkets. Haaff (2023) defines a product as any item or service sold to serve a customer's need or want, encompassing physical goods like vehicles, furniture, and food, as well as intangible offerings like education, software and experience. Product aspects includes quality (Stylidis, Wickman & Söderberg, 2019; Indeed Editorial Team, 2023), assortment (Kay, 2022), availability, innovation design (Product Plan, 2021) and the overall value proposition provided to customers (Enfroy, 2022).

Besides, several studies shown that impact of product attributes on customer satisfaction and loyalty within the supermarket industry. For example, Supriyanto, Wiyono & Burhanuddin (2021); Mofokeng (2021) and Wang, Lu and Tan (2018) emphasize how attributes such as quality, variety, delivery, and service significantly affect customer satisfaction. When products meet or exceed customer expectations, leading to contentment with their purchase decisions, it enhance satisfaction. Conversely, Marín-García, Gil-Saura and Ruiz-Molina (2021) investigate the impact of innovation and sustainability on customer satisfaction in retail, revealed that supermarkets that introducing innovative products aligned with customer preferences are more likely to retain a loyal customer base.

The Expectation-Confirmation Theory (ECT) is closely related to product attributes, offering insights into their impact on customer satisfaction and loyalty. Based on this theory, the expectation from customers about the quality, variety and overall value of products is based on prior experiences, advertising or word-of-mouth from others (Oliver, 1980). This is due to when the perceived performance of the products meets or exceeds customers' expectations, it confirms their initial expectations and leads to satisfaction and loyalty. Therefore, supermarkets need to consistently deliver a high-quality product and ensure a diverse assortment to meet their customer expectations. Moreover, the supermarkets can also employ strategies to proactively manage their customer expectations such as introducing new and innovative products, regularly updating their offerings and adapting to changing customer preferences and market trends.

2.3.3 System

The term "System" derives from the Greek word "Systema" and it typically represents a group of resources that collaborate to produce desired outputs from given inputs. The components within a system are interconnected and function together in order to achieve a common objective (Solanki, 2021). In this study, the system is referring to the operational processes and infrastructure within supermarkets. It encompasses various of aspects such as store layout and design (Damen, 2021; Eby, 2023), inventory management, supply chain processes (De Koster, Johnson & Roy, 2017) and the overall convenience and effectiveness of the operational system (Eby, 2023).

Numerous studies have examined the impact of operational factors on customer satisfaction and retention within the supermarkets. For instance, Wilson and Christella (2019) conducted an empirical study on the e-commerce industry and found that factors related to convenience and efficiency significantly influenced customer satisfaction. Specifically, reliability, time saved, delivery performance where found to positively impact toward the customer satisfaction and retention. This study also suggests that company specializing in the e-commerce industry should always enhance their product and services to their customer, in which customers will be satisfied, thus increasing their likeness to repeat their purchasing experience on the company in the future.

The theory that suitable for the system factor is the Service-Profit Chain Model. This service-profit chain model is a business model that researchers developed at Harvard in the 1990s. It offers a theoretical perspective on understand the relationship between the operational system and customer retention. According to this model, there is a link between internal operational factors and customer outcomes such as loyalty and retention (Heskett, Jones, Loveman, Sasser & Schlesinger, 1994). In consequences, the Service-Profit Chain Model suggests that a well-designed and efficiently managed system will enhances employee satisfaction and motivation, it also leading to improved customer service delivery. As a result, satisfied customers are more likely to become loyal, repeat customers, thus, it positively impacting the customer retention. Therefore, this theoretical perspective emphasized the importance of an integrated and well-functioning operational system in achieving customer satisfaction and fostering a long-term customer relationship.
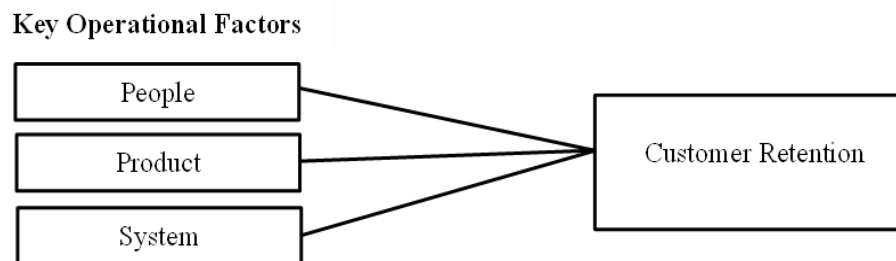

Fig. 1 *Research Framework of Relationship Between Key Operational Factors and Customer Retention*

3. Research Methodology

In this study, the researcher used the quantitative method to collect data through questionnaire. The study will be conducted by distributing the questionnaire to 382 customers of Batu Pahat supermarkets. Besides, the target population of this study is concentrated between the age of 18 to 64 years old. Therefore, this means that the sample size of the population in this study is 117,362 respondents (Mahidin, 2022). Not only that, this study uses convenience sampling in non-probability sampling. A convenience sampling is the most widely used method in clinical research. It selects samples based on their accessibility and proximity (Gravetter & Forzano, 2011). According to Krejcie and Morgan (1970), there are 382 samples to be measured because the population size of this study is 117,362.

Furthermore, the questionnaire consisted of three parts A, B and C sections, Which the Part A is demographic, Part B focuses on questions related to the independent variables which are people, products and systems, and Part C is about the dependent variables related to customer retention. The demographics section includes personal information such as respondents' gender, age, ethnicity, employment status, income level and frequency of going shopping. The questions in the questionnaire were adopted and referenced from past studies (Nguyen, 2020). Therefore, Part A will use two basic types of scales which is nominal scales and ordinal scales. The nominal scale is used for the part of gender section because there are only two options for respondents to choose from. Ordinal scales allow respondents to choose from more than two options. The five-point Likert scale was used for part B and C. The range was from "strongly agree", "agree", "neutral", "disagree", and "strongly disagree". It can help researchers to measure the extent to which respondents agree or disagree with the questions.

In addition, this study uses the statistical software IBM SPSS Statistics 26 to analyze the data collected by the questionnaire. SPSS can evaluate research results and determine whether the study was able to meet the research objectives. It can help researchers to conduct preliminary data analysis such as reliability analysis, descriptive analysis, normality analysis and correlation analysis.

Table 1 *Research Instrument Questionnaire*

Part	Category	Number of items	Past study
A (Demographics)		6	
B (Key operational factors)	• People	5	Nguyen, 2020
	• Product	5	
		5	

| C (Dependent variable) | • System
• Customer Retention | 5 | Nguyen, 2020 |

4. Data Analysis and Findings

The researchers were distributed spreadsheet questionnaires to residents in Batu Pahat from October 15, 2023 to November 14, 2023. Based on Krejcie and Morgan's table (1970), this study selected 382 respondents as the sample from a total of 117,362 individuals in Batu Pahat. As a result, the response rate of this study only has 302 respondents, which is 79.06%.

Table 2 *Results of Reliability Analysis for Pilot Study*

Variables	Cronbach's Alpha	N-item in scale	Interpretation
Independent Variables (Key Operational Factors)			
People	0.877	5	Good
Product	0.743	5	Acceptable
System	0.884	5	Good
Dependent Variables			
Customer Retention	0.829	5	Good

Table 2 shows the reliability analysis results of the pilot study. This pilot test was based on the data obtained from the responses of 30 respondents and the results were obtained using Cronbach's Alpha value. The reliability of Cronbach's alpha for people, systems, and customer retention are 0.877, 0.884, and 0.829 respectively, indicating a good level of consistency. Meanwhile, the Cronbach's Alpha value was 0.743, which is an acceptable level of reliability. These reliability scores indicate that the survey instrument effectively captures elements such as people, products, systems, and customer retention. Therefore, these findings confirm the validity of the research instrument.

Table 3 *Results of Reliability Analysis for Actual Study*

Variables	Cronbach's Alpha	N-item in scale	Interpretation
Independent Variables (Key Operational Factors)			
People	0.725	5	Acceptable
Product	0.729	5	Acceptable
System	0.767	5	Acceptable
Dependent Variables			
Customer Retention	0.737	5	Acceptable

Table 3 shows the reliability analysis results of the actual study based on the above. Based on the questionnaire responses of 302 respondents, the researchers obtained the results by using Cronbach's Alpha value. The results showed that the Cronbach's Alpha values of the three IVs and DV in this study all indicated acceptable reliability levels. They are people (0.725), product (0.729), system (0.767) and customer retention (0.737). Therefore, the reliability test results of this survey also indicate that the questionnaire has been used in this study and can be adopted by other researchers.

Table 4 *Demographic Data (n=206)*

Characteristics	Items	Frequency (N)	Percentage (%)
Gender	Female	177	58.6
	Male	125	41.4
	Total	302	100
	18-20 years old	27	8.9
	21-30 years old	120	39.7

Age	31-40 years old	106	35.2
	41-50 years old	39	12.9
	51-64 years old	10	3.3
	Total	302	100
Race	Malay	139	46.0
	Chinese	149	49.3
	Indian	14	4.6
	Total	302	100
Employment Status	Student	102	33.8
	Employed, Part-Time	20	6.6
	Employed, Full-Time	166	55.0
	Not Employed	5	1.7
	Retired	9	3.0
	Total	302	100
Income Level (RM)	Less than 1,000	102	33.8
	1,001-2,000	46	15.2
	2,001-3,000	30	9.9
	3,001-4,000	54	18.0
	4,001-5,000	28	9.3
	5,001 or above	42	13.9
	Total	302	100
Frequency of Going Shopping (per month)	1-2 times	32	10.6
	2-3 times	44	14.6
	3-4 times	63	20.9
	4-5 times	57	18.9
	More than 5 times	106	35.1
	Total	302	100

Results of a survey conducted among 302 residents of Batu Pahat. As shown in Table 4, the majority of respondents were female (58.6%), 21 to 30 years old (39.7%), Chinese (49.3%), Employed, Full-Time (55%), Income level is less than RM1000 (33.8%) and Shopping frequency is more than five times per month (35.1%).

Table 5 *The Descriptive Analysis*

	Mean	Level of Tendency
Independent Variables		
People	3.5709	Moderate
Products	4.1400	High
System	3.7667	Moderate
Dependent Variable		
Customer Retention	3.7467	Moderate

Table 5 presents the descriptive analysis of people, products, system and customer retention. Firstly, the results show the overall mean score for people is 3.5709, as it indicating a moderate level. Besides, the mean score for products is 4.1400, which it indicating a high level. Furthermore, the mean score for system is 3.7667, which indicating a moderate level. In the level of customer retention, the total average for mean score is 3.7467, which it signifying a moderate level. As a result, the descriptive analysis shows the level of products has the highest mean score compare to other variables such as people, system and customer retention.

Table 6 *Result of Normality Test*

Dependent Variable	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig
Customer Retention	.105	302	.000	.975	302	.000

Based on the Table 6, the normality test revealed that the data does not follow a normal distribution, with a p-value of 0.000 in dependent variable, which is significantly lower than the standard of 0.01. As a result of this deviation from normality, the study proceeds with Spearman's correlation analysis to further investigate the relationship between key operational factors and customer retention.

Table 7 *Overall Result of Spearman's Correlation Analysis*

	Variables		Coefficient value (r)	Interpretation
Spearman's rho	People	Correlation Coefficient	0.335**	Weak
		Sig. (2-tailed)	0.000	
	Products	Correlation Coefficient	0.410**	Moderate
		Sig. (2-tailed)	0.000	
	System	Correlation Coefficient	0.435**	Moderate
		Sig. (2-tailed)	0.000	

Based on the Table 7, it shows the overall result of Spearman's correlation analysis. Firstly, the correlation analysis shows that there is a statistically significant positive relationship between people and customer retention with correlation coefficient of 0.335 and significant value of 0.000, as it shows a weak relationship between people and customer retention. This implies that human element, which including aspects such as employee behaviour, customer service and interpersonal interactions, where it plays a significant role in influencing customer retention toward supermarkets in Batu Pahat, Johor. Although the correlation is not particularly strong, but its significance still suggests that focusing on people-related factors may contribute to a positive customer retention environment.

In addition, the correlation and analysis also show that there is a statistically significant positive relationship between products and customer retention with correlation coefficient of 0.410 and significant value of 0.000, as it shows a moderate relationship between products and customer retention. This finding emphasises the importance of the products offered by supermarkets in Batu Pahat, Johor as a significant determinant of customer retention. This moderate correlation suggests that customers are likely to be influenced by the quality, variety and availability of products when deciding whether to remain loyal to a particular supermarket.

Similarly, the correlation analysis also highlighted that there is a statistically significant positive relationship between system and customer retention with correlation coefficient of 0.435 and significant value of 0.000, as it also shows a moderate relationship between system and customer retention. This means that the efficiency and effectiveness of the internal systems of the supermarket play an important role in customer retention. Therefore, the moderate relationship indicates that well-organized and technologically proficient systems have a positive effective on customer retention, as it reflecting the importance of simplified operations in the supermarket industry.

Table 8 *Summary of Hypotheses*

Hypothesis		Coefficient value (r)	Result
H_1: There is a relationship between people and customer retention toward supermarkets in Batu Pahat, Johor.	Correlation Coefficient	0.335**	Supported
	Sig. (2-tailed)	0.000	
H_2: There is a relationship between products and customer retention toward supermarkets in Batu Pahat, Johor.	Correlation Coefficient	0.410**	Supported
	Sig. (2-tailed)	0.000	
H_3: There is a relationship between system and customer retention toward supermarkets in Batu Pahat, Johor.	Correlation Coefficient	0.435**	Supported
	Sig. (2-tailed)	0.000	

Based on the Table 8, it shows the summary of hypotheses, where the study investigated the relationship between key operational factors and customer retention toward supermarkets in Batu Pahat, Johor. Three independent variables such as people, products and system were considered in the study. Therefore, the analysis revealed significant findings which supporting the hypotheses. First and foremost, H_1 represented the hypothesis that there is a relationship between people and customer retention. The results show that there is a significant positive relationship with a correlation coefficient of 0.335 ($p < 0.001$). This result supports the hypothesis as it indicates that the way employee or personnel interact with customers plays an important role in influencing customer retention in supermarkets. Thus, H_1 is supported. Besides, H_2 represented the hypotheses that there is a relationship between products and customer retention. The results show that there is a significant positive relationship with a correlation coefficient of 0.410 ($p < 0.001$). This outcome lends support to the H_2, as it indicating that the quality and appeal of products offered by supermarkets significantly impact the customer retention. Thus, H_2 is supported. Moreover, H_3 focused on the relationship between the system and customer retention. The results indicated a significant positive relationship with a correlation coefficient of 0.435 ($p < 0.001$). Therefore, the findings support H_3, which emphasizing the importance of an efficient and well-organized operational system in supermarkets for enhancing customer retention. Thus, H_3 is supported.

5. Conclusion

This study focuses on the relationship between key operational factors and customer retention toward supermarkets in Batu Pahat, Johor. Furthermore, this study answered a total of three objectives. From the perspective of people, product and system factors, the most significant key operational factors affecting customer retention at Batu Pahat Supermarket in Johor are systems and products, followed by personnel. The findings highlight the critical role of employee interactions with customers and indicate the need for increased levels of empathy to enhance rapport and improve customer satisfaction. Additionally, study highlights the importance of product variety and personalized experiences, which underscores the importance of adapting to changing customer preferences. Although it is quite convenient to obtain product information online, supermarkets are also called on to improve their digital platform systems to provide a more flexible shopping experience. While customers' reliance on supermarket purchases is clear, there are still opportunities to promote active engagement to enhance word-of-mouth promotion and feedback engagement. Moreover, the study confirmed the existence of a positive relationship between people, products, systems, and customer retention through correlation analysis. This shows that employee behavior and attitude, product variety and quality, and efficient systems have a significant impact on customer retention. In a nutshell, this study provides valuable insights into supermarkets in Batu Pahat, Johor and highlights the relationship between key operational factors and customer retention. As the retail industry continues to evolve, the findings will form the basis for strategic decisions and further exploration of the complex dynamics of the retail industry.

Acknowledgement

Conflict of Interest

Authors declare that there is no conflict of interests regarding the publication of the paper.

Author Contribution

*The authors confirm contribution to the paper as follows: **study conception and design:** T.W.N., and H.Z; **data collection:** T.W.N.;**analysis and interpretation of results:** T.W.N., and H.Z; **draft manuscript preparation:** T.W.N., and H.Z. All authors reviewed the results and approved the final version of the manuscript.*

References

Ahmed, B. A.-Q., Hadiza, S. A., & Queensley, A. R. U. (2021). *Impact of Service Quality on Customer Retention of Listed Food and Beverages Companies in Kaduna State*. *4*(1992), 80–85.

Berman, B., Evans, J. R. and Chatterjee (2018). Retail Management: A strategic Approach (13th ed.) UK: Pearson Education.

Berry, L. L., Parasuraman, A., & Zeithaml, V. A. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, *64*(1), 12–40.

Blau, P. M. (1964). Exchange and Power in Social Life John Wiley & Sons. *New York*, 93-94.

Caro, F., Kök, A. G., Martínez-de-albéniz, V., Caro, F., Kök, A. G., & Mart, V. (2020). *Manufacturing & Service Operations Management The Future of Retail Operations*. *March*.

Coursera. (2023). *10 customer service skills for success in any Job*. Coursera. Retrieved May 29, 2023, from https://www.coursera.org/articles/customer-service-skills

Deloitte. (2020). *The New Retail Operating Model of the Future How retailers need to adapt their operating model to become future-ready*. https://www2.deloitte.com/content/dam/Deloitte/de/Documents/consumer-business/Study_Retail Operating Model of the Future.pdf

Eby, K. (2023). *Retail Store Layout Design and Planning*. Smartsheet. Retrieved May 29, 2023, from https://www.smartsheet.com/store-layout Solanki, K. (2021). *What is system?: Meaning, definition, element & types of system*. Top4u. Retrieved May 29, 2023, from https://www.toppers4u.com/2021/12/what-is-system-meaning-definition.html

Enfroy, A. (2022). *Product value proposition: Definition & examples*. Qualtrics. Retrieved May 29, 2023, from https://www.qualtrics.com/au/experience-management/product/value-proposition/?rid=ip&prevsite=en&newsite=au&geo=MY&geomatch=au

EU-Vietnam Business Network – EVBN (2018). Vietnam's Distribution and Retail Channels. *Fintech Edition 2018*, 1–52. Retrieved from http://www.ukabc.org.uk/wpcontent/uploads/2018/09/EVBN-Report-Retail-Final-Report.compressed.pdf

Gilliland, N. (2023.). *Four trends that could shape omnichannel retail in 2023*. Retrieved April 9, 2023, from https://econsultancy.com/trends-omnichannel-retail-2023/

GlobalData. (2022). Malaysia retail market size by sector and channel including online retail, Key Players and forecast, 2022-2026. Market Research Reports & Consulting | GlobalData UK Ltd. Retrieved April 19, 2023, from https://www.globaldata.com/store/report/malaysia-retail-market-analysis/

Gravetter, F., & Forzano, L. (2011). *Research Methods in Social and Behavioral Sciences*.

Haaff, B. de. (2023). *What is a Product? Definition, Types, & Examples | Aha! software*. https://www.aha.io/roadmapping/guide/product-management/what-is-a-product

Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E., & Schlesinger, L. A. (1994). Putting the service-profit chain to work. *Harvard business review*, *72*(2), 164-174.

Indeed Editorial Team. (2023). Understanding product quality: What it is and why it matters. Retrieved May 29, 2023, from https://www.indeed.com/career-advice/career-development/product-quality

Kay, M. (2022). *Maximize sales with these product assortment strategies*. Shopify. Retrieved May 29, 2023, from https://www.shopify.com/retail/product-assortment

Kearney, T., Coughlan, J., & Kennedy, A. (2021). Investigating the employee–customer relationship in a utilitarian context. *Journal of Marketing Management*, *37*(13–14), 1287–1312. https://doi.org/10.1080/0267257x.2021.1910329

Kelso, A. (2018). *Consumer Reports grocery survey reveals the difficulties of offering speed and service| DIVE BRIEF*. Retrieved April 9, 2023, from https://www.grocerydive.com/news/grocery--consumer-reports-grocery-survey-reveals-the-difficulties-of-offering-speed-/533935/

Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Advanced Public and Community Health Nursing Practice: Population Assessment, Program Planning and Evaluation, Second Edition*, *30*, 607–610. https://doi.org/10.1891/9780826138446.0006

Mahidin, D. D. M. U. (2022). *P.150 batu pahat johor*.

Marín-García, A., Gil-Saura, I., & Ruiz-Molina, M.-E. (2021). Do innovation and Sustainability Influence Customer Satisfaction in retail? A question of gender. *Economic Research-Ekonomska Istraživanja*, *35*(1), 546–563. https://doi.org/10.1080/1331677x.2021.1924217

Matthieu, F., Lew, C., An T. Nguyen, & Hai-Ly Nguyen. (2022). *ASEAN grocery: Balancing growth with profitability | McKinsey*. https://www.mckinsey.com/industries/retail/our-insights/asean-grocery-balancing-growth-with-profitability#/

Merriam-Webster. (2023). *People*. In Merriam-Webster.com dictionary. Retrieved May 29, 2023, from https://www.merriam-webster.com/dictionary/people

Mofokeng, T. E. (2021). The impact of online shopping attributes on customer satisfaction and loyalty: Moderating effects of e-commerce experience. *Cogent Business & Management*, *8*(1). https://doi.org/10.1080/23311975.2021.1968206

Morgan, R. M., & Hunt, S. D. (1994). The Commitment-Trust Theory of. *Journal of Marketing*, *58*(July), 20–38. https://journals.sagepub.com/doi/full/10.1177/002224299405800302

Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of marketing research*, *17*(4), 460-469.

P.J., S., Singh, K., Kokkranikal, J., Bharadwaj, R., Rai, S., & Antony, J. (2021). Service quality and customer satisfaction in Hospitality, leisure, sport and tourism: An assessment of research in web of science. *Journal of Quality Assurance in Hospitality & Tourism*, *24*(1), 24–50. https://doi.org/10.1080/1528008x.2021.2012735

Schaeffer, S. E., & Rodriguez Sanchez, S. V. (2020). Forecasting client retention — A machine-learning approach. *Journal of Retailing and Consumer Services*, *52*, 101918. https://doi.org/10.1016/J.JRETCONSER.2019.101918

Srivastava, M., Naik, S., & Narula, A. (2018). Quantitative Modeling of Customer Retention in Context of Indian Retail Market. *Indian Journal of Commerce & Management Studies*, *IX*(1), 108. https://doi.org/10.18843/ijcms/v9i1/15

Staff, C. (2023). *9 Operations Management Problems (and a solution for each!)*. Conger Industries Inc. Retrieved May 7, 2023, from https://www.conger.com/operation-management-problems/

Stylidis, K., Wickman, C., & Söderberg, R. (2019). Perceived quality of products: A Framework and attributes ranking method. *Journal of Engineering Design*, *31*(1), 37–67. https://doi.org/10.1080/09544828.2019.1669769

Supriyanto, A., Wiyono, B. B., & Burhanuddin, B. (2021). Effects of service quality and customer satisfaction on loyalty of Bank customers. *Cogent Business & Management*, *8*(1). https://doi.org/10.1080/23311975.2021.1937847

Wang, Y., Lu, X., & Tan, Y. (2018). Impact of product attributes on customer satisfaction: An analysis of online reviews for washing machines. *Electronic Commerce Research and Applications*, *29*, 1–11. https://doi.org/10.1016/j.elerap.2018.03.003

Wilson, N., & Christella, R. (2019). An empirical research of factors affecting customer satisfaction: A case of the Indonesian e-commerce industry. *DeReMa (Development Research of Management): Jurnal Manajemen*, *14*(1), 21. https://doi.org/10.19166/derema.v14i1.1108 De Koster, R. B., Johnson, A. L., & Roy, D. (2017). Warehouse Design and management. *International Journal of Production Research*, *55*(21), 6327–6330. https://doi.org/10.1080/00207543.2017.1371856