

## **Factors affecting store loyalty of retail supermarket stores: customers' perspective**

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**Abstract:** Retailers are now changing their retail shops into self-selection stores which are similar to supermarket so called retail supermarket stores. The main objective of the study was to examine the factors such as store image, store environment, store convenience, service quality on the creation of store loyalty of retail supermarket stores in the East Coast of Sri Lanka. The questionnaire survey among 389 respondents was used to collect the data. SMART PLS3 was used for analysis. Findings suggest that the structural model containing store image, store convenience, store environment, store attractiveness and service quality influence on the creation of store loyalty. However, store image, store environment, and service quality do not support the hypotheses formulated in this study. Service quality, service environment, and store image attributes also need more focus by the retailers to improve the loyalty and customer stores' satisfaction.

**Keywords:** store image; retail supermarkets stores; convenience; environment; store loyalty; retailing; store attraction.

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### **1 Introduction**

The retailing industry is now rapidly growing in Sri Lanka playing a pivotal role in the value creation of the country with a contribution of one-third of the national gross domestic production and injecting 14% to the labour market. While retailing is one of the huge industries in the world contributing to the economy, it is regarded as service-dominant logic which is also stated as a paradigm shift in the retailing business (Kandampully, 2006; Tajeddini et al., 2013). In the case of the supermarket industry in Sri Lanka, major players are Cargills Food City, Arpico, Laughs Sunup, Keells Super and Lanka Sathosa. Of all supermarket brands, Cargills Food City has its presence in