

Customer loyalty in Nigerian retail stores

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DECLARATION

I, Ojereime Lloyd ILEVBARE hereby declare that the research work is based on a study undertaken by me in the Dept. Of Business Administration, Faculty of Management Sciences, University of Benin, Benin-City, Edo State, under the supervision of Dr. (Mrs.) Margaret E. Ehigie.

This project contains my original work and has not been presented for the award of a degree by any other person in the institution. All sources of information cited in this work are acknowledged with reference to the respective authors.

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CERTIFICATION

We, the undersigned certify that this study was carried out by Ojereime Lloyd ILEVBARE in the Dept. of Business Administration, Faculty of Management Sciences, University of Benin, Benin-City, Edo State.

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DEDICATION

This project is dedicated to God for his grace, mercy and direction. It is also dedicated to my parents who have provided guidance throughout my life.

ACKNOWLEDGEMENT

Heartfelt appreciation goes to my project supervisor, Dr. (Mrs.) Magaret E. Ehigie, for her professional guidance, who, in the midst of her tight schedule, created time to correct this work in order to ensure its best outcome.

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ABSTRACT

This study examined how service quality and operational challenges influence customer loyalty in the Nigerian retail sector, using Phil Hallmark, Benin City, as a case study. In an increasingly competitive retail environment, the research aimed to determine if core service delivery alone is sufficient to guarantee long-term customer patronage.

The study adopted a survey research design, using a structured questionnaire administered to a sample of 100 respondents. The reliability of the research instrument was confirmed with an overall Cronbach's Alpha coefficient of 0.825. Data was analysed using descriptive statistics to assess customer perception and inferential T-tests to test the formulated hypotheses at a 0.05 level of significance.

The findings revealed that service quality has a highly significant positive influence on customer loyalty ($t=8.440$, $p<0.05$). The store performed exceptionally well in reliability and cleanliness (92% agreement). However, a significant gap was observed between high satisfaction and actual loyalty behaviours, such as advocacy. The study further identified that specific challenges, such as the lack of loyalty rewards and product unavailability significantly affect the ability to retain customers ($t=9.442$, $p<0.05$). The study concludes that while excellent service quality is a necessary foundation for satisfaction, it is insufficient for retention when value-based incentives are absent.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Customer loyalty has become a crucial concern for retailers in Nigeria due to increase in competition and evolving consumer expectations which have forced firms to re-think how they plan on retaining their customers (Eshiett & Eshiett, 2021). Customer retention is a necessity for businesses aiming to increase their profit. Empirical evidence from Nigeria shows a positive relationship between loyalty and consistent patronage of retail outlets, showing the importance of cultivating loyal customers through good service delivery. This reality has given Nigerian retailers a reason to invest in the creation of systems that encourage lasting customer relationships, such as loyalty programmes and reward systems, which have proven effective in influencing customers to continue purchasing from a particular business (Ambrose & Ekanem, 2025).

Service quality is widely acknowledged as a major factor influencing customer loyalty. Studies in sectors such as telecommunications and hospitality demonstrate that dimensions of service quality which are reliability, responsiveness, assurance, empathy, and tangibles are strongly correlated with customer loyalty (Akpan, Mbah & Ezenyilimba, 2019; Adeokun, Ighomereho & Agada, 2025). In retail stores, delivering high quality service consistently builds trust, which translates into customer retention over time.

However, satisfaction derived from high quality service does not always guarantee loyalty, meaning that there are additional factors beyond service quality at play (Abdulwasiu & Adebayo, 2025).

In addition to service dimensions, loyalty programmes are increasingly being used by Nigerian retailers to deepen customer commitment. Research in Edo State further highlights that customers are more likely to repurchase when they receive tangible rewards, suggesting that well-designed loyalty schemes can cause meaningful long-term relationships. Nevertheless, companies must tailor these programmes carefully; factors such as ease of redemption, personalization, and perceived value have been shown to moderate the effectiveness of reward systems (Temu & Joy, 2025).

Beyond service quality and loyalty programmes, brand image, price strategy, and product assortment have also been identified as significant influences on customer loyalty. Studies argue that a strong brand reputation and favourable brand positioning strengthen emotional ties with customers, thereby strengthening loyalty (Pereira, Ardigó & Limberger, 2021). Similarly, research on pricing and retention strategies has shown that competitive pricing when it is combined with good product quality enhances customer retention more effectively than price cuts alone (Khoironi, Syah, & Dongoran, 2018). This suggests that while cost matters, the perceived value gotten from quality and brand image has an influence on loyalty.

1.2 Statement of the research problem

Nigeria's retail sector is expanding rapidly, with modern trade formats such as supermarkets and large retail chains recording strong growth driven by urbanisation, changing consumer lifestyles, and rising expectations for convenience and quality (Deloitte, 2019). However, growth in outlet numbers and sales volume does not automatically translate into sustainable competitive advantage if retailers are unable to build and retain a loyal customer base. In Benin City, Phil Hallmark is one of the prominent supermarkets positioned as a convenient, customer-friendly store for groceries and household items. In Benin City, Phil Hallmark is one of the most popular supermarkets. Yet, like many Nigerian supermarkets, it operates in an increasingly competitive environment where customers have multiple alternatives and a high tendency to switch stores.

Empirical evidence from Nigeria shows that continuous patronage of retail outlets is strongly associated with customer loyalty, which in turn is influenced by perceived service quality and the overall retail experience. Eshiett and Eshiett (2021) found a positive and significant relationship between customer loyalty and patronage of retail outlets in Nigeria, concluding that quality service delivery and consistent satisfaction are central to sustaining repeat visits (Eshiett & Eshiett, 2021). Similarly, studies on retail chain stores and supermarkets in South-South Nigeria and Port Harcourt indicate that

pricing, service quality, customer care, and entrepreneurial marketing capabilities are critical predictors of customer retention and business performance (Ebitu, 2016; Nwulu & Asiegbu, 2018). Despite these insights, many Nigerian supermarkets still struggle with customer switching, weak emotional attachment and low participation in loyalty schemes, suggesting that retention strategies may be poorly designed, poorly communicated, or misaligned with shoppers' expectations (Oluwatayo & Adetoro, 2020).

More recent work focusing specifically on Nigerian retail businesses has reinforced the centrality of service quality to satisfaction and loyalty outcomes. Studies on supermarkets and retail outlets in Nigeria report that dimensions such as responsiveness, reliability, empathy, and assurance shape customers' perceptions of service quality and significantly influence their intention to remain loyal to a particular store (Akinyele & Ibidunni, 2020; Amoako & Dartey-Baah, 2022). In addition, consulting and market reports on Nigeria's consumer sector show that as competition intensifies and consumers gain more options both offline and online, loyalty becomes more fragile and switching barriers decline, making it more difficult for retailers to hold on to existing customers without clear value, trust, and differentiated service (McKinsey & Company, 2020). However, there is still limited empirical evidence on how these dynamics play out in specific city-level contexts and in individual supermarkets that actively promote loyalty initiatives and promotions.

This situation reveals a clear problem: while the literature acknowledges that service quality, loyalty programmes and customer-centric strategies are vital for retaining customers in Nigerian retail, there is a lack of context-specific studies that examine how these factors influence loyalty within large supermarkets in Benin City (Ebitu, 2016; Nwulu & Asiegbu, 2018). Existing studies are often concentrated in cities such as Lagos and Port Harcourt or focus broadly on retail chains without isolating the experience of individual outlets and their customers (McKinsey & Company, 2020; Amoako & Dartey-Baah, 2022). Consequently, managers at Phil Hallmark and similar supermarkets may be making decisions on service design, loyalty schemes and retention strategies without sufficient empirical evidence about which aspects of service quality matter most to their own customers, what factors drive or hinder retention in their local market, and what specific challenges they face in building long-term loyalty.

Therefore, the central research problem this study addresses is the limited empirical understanding of how service quality and related retention strategies influence customer loyalty in Nigerian retail supermarkets in Benin City, using Phil Hallmark as a case study. In practical terms, insufficient knowledge of these relationships may contribute to persistent issues such as declining repeat patronage, vulnerability to competitors' promotions, underperforming loyalty programmes and missed opportunities to deepen customer relationships in a rapidly evolving retail landscape (Eshiett & Eshiett, 2021).

1.3 Objectives of the study

The main objective of this study is to examine the factors that influence customer loyalty in Nigerian retail stores, with a specific focus on Benin City, Edo State.

To achieve this, the study will pursue the following specific objectives:

1. To examine the influence of service quality on customer loyalty.
2. To identify the major factors contributing to customer retention in Nigerian retail.
3. To investigate the challenges faced by retail stores in retaining loyal customers.

1.4 Research questions

1. How does service quality influence customer loyalty in Nigerian retail stores?
2. What are the major factors contributing to customer retention in Nigerian retail stores?
3. What challenges do retail stores face in retaining loyal customers in Benin City?

1.5 Research hypotheses

H₀₁: Service quality has no significant influence on customer loyalty in Nigerian retail stores.

H₀₂: The major factors identified do not significantly contribute to customer retention in Nigerian retail stores.

H₀₃: The challenges identified do not significantly affect the ability of Nigerian retail stores to retain loyal customers.

1.6 Scope of the study

This study focuses on customer loyalty in Nigerian retail stores. The study will be carried out in Benin city, Edo state. The study uses the retail store Phil Hallmark as a case study.

1.7 Significance of the study

This study is significant to retail store owners and managers, customers of retail stores, marketing practitioners and consultants, as well as students, researchers, and academics interested in marketing, retail management, and consumer behaviour as it helps show the drivers factors influencing customer loyalty in Nigerian retail stores.

1.8 Limitation of the study

This projects limitations include, a financial constraint (cost of transportation, gathering data, processing data, and presentation of data), respondent bias, and geographical limitations (only Benin city).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Customer loyalty is a critical driver of long-term success in retail because loyal customers tend to make repeat purchases, remain committed despite competition, and provide positive referrals, which reduces marketing costs and increases profitability (Eshiett & Eshiett, 2021). Service quality is one of the main determinants of loyalty, with dimensions such as reliability, responsiveness, empathy, assurance, and tangibles significantly influencing customer satisfaction and repeat patronage (Adebayo, Abu & Isaka, 2023; Madueke & Eyupoglu, 2024). Studies confirm that both physical service quality in stores and e-service quality online are positively associated with customer loyalty (Adebayo, 2023; Etuk, Akpan & Awah, 2024).

The Nigerian retail sector has grown rapidly, providing consumers with multiple alternatives and making loyalty more challenging to secure. While national-level studies have established the link between service quality and loyalty, there is limited research exploring how these relationships play out in specific city markets (Eshiett & Eshiett, 2021; Madueke & Eyupoglu, 2024). Understanding this dynamic is crucial for retailers to design effective strategies that retain customers, enhance satisfaction, and maintain competitive advantage in both physical and digital retail environments.

2.2 Conceptual review

This section presents the main concepts that are relevant to the study. It explains the meaning of customer loyalty and discusses key related concepts such as service quality, customer satisfaction, loyalty programmes and perceived value. The aim is to provide a clear understanding of the variables used in the study and how they relate to one another in the context of retail stores in Benin City.

2.2.1 Concept of customer loyalty

Loyalty can be defined as a strong committed relationship between a business and its customers resulting in repeat business and long-term dedication. Customer loyalty has been widely recognized as a critical concept in marketing and retail management. Customer loyalty has been widely recognized as a critical concept in marketing and retail management. It is generally defined as a deep, enduring commitment by a customer to continue patronizing a preferred brand or retailer over time, even when alternatives exist (Oliver, 2018). Loyalty is not limited to repeat purchases but also reflects the customer's preference, trust, and emotional attachment toward a brand or store, which drives long-term patronage (Bose, Mukherjee, Dey, & Sarkar, 2024). Scholars conceptualize customer loyalty as multidimensional, encompassing both attitudinal and behavioral components. Attitudinal loyalty captures the customer's favorable disposition, commitment, and emotional attachment to a retailer, while behavioral loyalty is

demonstrated through repeated purchases, increased spending, and advocacy behaviors such as recommending the store to others (Närvänen, Kuusela, Paavola & Sirola, 2020). Recent studies also emphasize that loyalty is dynamic, progressing from cognitive recognition of value, through emotional attachment and commitment, to action-based loyalty characterized by consistent patronage (Bose, Mukherjee, Dey, & Sarkar, 2024). Moreover, loyalty may be driven by habit, identity, or a sense of belonging, reflecting its complex and context-dependent nature (Närvänen, Kuusela, Paavola & Sirola, 2020).

Understanding loyalty in both attitudinal and behavioral ways is vital for retailers. It highlights that strategies aimed at retention must not only satisfy customers but also inspire trust, develop emotional connections, and advocacy, particularly in competitive retail markets where consumers have many alternatives (Närvänen, Kuusela, Paavola & Sirola, 2020; Oliver, 2018).

2.2.2 Factors influencing customer loyalty in retail

Customer loyalty in retail is driven by a number of interrelated factors many of which extend beyond price or product availability. A key determinant identified consistently in the literature is service quality: when customers perceive that a service provider delivers reliable, responsive, empathetic, and consistent service their likelihood of remaining loyal increases significantly. For example, in a study of automobile after-sales services, Shokouhyar, Shokoohyar, and Safari (2020) used SERVQUAL and Kano-model

frameworks to show that high after-sales service quality strongly influences customer satisfaction, which underpins retention and future repurchase intentions.

Closely related to service quality is customer satisfaction, which joins the gap between quality perceptions and repeat patronage. When retail outlets meet or exceed customer expectations through reliable service delivery, prompt problem resolution, and consistent support customers tend to be more satisfied and more likely to return. The systematic review by Alkitbi, Alshurideh, Al Kurdi, and Salloum (2021) further confirms that across multiple sectors, satisfaction remains among the most common and robust predictors of customer retention.

Beyond quality and satisfaction, trust and commitment have also been shown to play important roles. Customers who perceive a retailer as dependable and trustworthy are less likely to switch even when alternatives exist; commitment shaped by trust, consistent experience, and service reliability increases resistance to competitive offers. Alkitbi, Alshurideh, Al Kurdi, and Salloum (2021) note that trust and commitment, together with satisfaction and service quality, emerge repeatedly in empirical studies as central retention predictors.

Finally, perceived value and convenience can influence retention outcomes. Retailers that deliver value not just through product price or variety, but through convenient services,

efficient processes, consistent post-purchase support, and overall good shopping experience tend to sustain customer patronage more effectively. When customers believe they receive good value and a seamless shopping experience, their loyalty is strengthened and switching is less likely.

2.2.3 Service quality and its influence on customer loyalty

Service quality is widely recognized as a fundamental determinant of customer loyalty in retail. It is generally defined as customers' overall perception of the excellence and superiority of a retailer's services relative to their expectations. High service quality enhances customer satisfaction, builds trust, and fosters emotional attachment, ultimately encouraging repeat patronage and long-term loyalty, even in highly competitive markets (Eshiett & Eshiett, 2021). Loyalty in retail is therefore not only about repeat purchases but also about the willingness of customers to maintain a relationship with a preferred store despite the availability of alternative options.

Empirical research in Nigeria highlights the strong influence of service quality on loyalty. Eshiett and Eshiett (2021) found that retail customers who perceived high-quality service were more likely to remain committed to stores and engage in repeated purchases. Service quality is multidimensional, commonly captured by five key elements: reliability, responsiveness, assurance, empathy, and tangibles. Reliability refers to the ability of a retailer to deliver promised services dependably and accurately. Responsiveness reflects

the willingness and promptness of staff to assist customers and resolve issues. Assurance encompasses employees' knowledge, competence, and courtesy, which build customer confidence and trust. Empathy refers to providing caring, individualized attention to customers, while tangibles relate to the physical aspects of service, including store layout, cleanliness, and equipment, which influence customers' perception of quality (Ojochide, Mubo, Oluwaseyi, & Ineba, 2023).

The expansion of e-commerce has further extended the relevance of service quality into the online environment, giving rise to the concept of e-service quality. Factors such as website usability, security and privacy, reliability, fulfillment, and responsiveness are crucial for retaining online customers. Ojochide, Mubo, Oluwaseyi, & Ineba (2023) demonstrated that high e-service quality significantly enhances customer loyalty in the Nigerian e-commerce market, as customers prefer platforms that provide secure transactions, accurate information, timely order fulfillment, and efficient customer support. This underscores that service quality is a critical determinant of loyalty in modern retail.

Service quality also influences customer loyalty indirectly through customer satisfaction. High-quality service leads to satisfaction, which strengthens emotional attachment, trust, and positive word-of-mouth. Retailers that consistently meet or exceed customer expectations, whether through efficient service, helpful staff, clean and organized stores,

or smooth online experiences, are more likely to cultivate loyal customers. Investing in service quality creates a competitive advantage, enhances repeat patronage, and contributes to sustainable business growth. In Nigeria's competitive retail sector, where consumers have multiple choices, focusing on service excellence is essential to retaining a loyal customer base (Eshiett & Eshiett, 2021; Ojochide, Mubo, Oluwaseyi, & Ineba, 2023).

2.2.4 Challenges of customer loyalty in Nigerian retail stores

Customer loyalty remains a major concern for retail businesses in Nigeria, where competitive pressures, changing consumer preferences, and operational challenges make sustaining loyalty difficult. One major challenge is intense competition, particularly in urban centres where multiple retail outlets and supermarkets offer similar products. This high level of competition lowers switching costs for customers, making them more likely to explore alternatives even after developing loyalty to a specific store (Ojo, Olojede, & Ajagbe, 2021). Retailers that fail to differentiate themselves through service quality, product assortment, or unique value propositions often struggle to retain customers over the long term.

Another significant challenge is inconsistent service quality. Service delivery failures, including slow response times, unhelpful staff, product unavailability, and poor store environments, negatively affect customer satisfaction and loyalty. Research indicates that

even minor service lapses can lead to customer attrition, as dissatisfied customers quickly switch to competitors perceived as more reliable (Eshiett & Eshiett, 2021). In Nigeria, issues such as undertrained personnel, insufficient staff, and lack of standardized operational processes worsen the problem, making consistent service delivery a persistent challenge.

Price sensitivity and value perception also influence retention. Nigerian consumers are often highly price-conscious, and fluctuations in product pricing or perceived unfair pricing practices can reduce loyalty. Studies show that even loyal customers may switch retailers when they perceive that another outlet offers better value for money or promotions (Okojie, Adebayo, & Akinola, 2020). This is particularly relevant in the retail grocery sector, where multiple stores may offer the same products at comparable prices.

Additionally, technological limitations hinder retention efforts in Nigerian retail. The adoption of digital solutions such as customer relationship management (CRM) systems, loyalty programmes, and e-commerce platforms remains uneven, especially among smaller retailers. Without these tools, retailers struggle to track customer behaviour, personalize services, or maintain engagement, all of which are crucial for retention in modern retail (Adeoye & Elegunde, 2019).

Finally, external factors such as economic instability, poor infrastructure, and security concerns can indirectly affect customer loyalty. Inflation, high transportation costs, and unreliable power supply impact product availability and pricing, which in turn influences customers' decisions to remain loyal (Ojo, Olojede, & Ajagbe, 2021). Retailers must navigate these macro-environmental challenges while maintaining high-quality service to retain their customer base.

2.3 Theoretical review

This section presents the main theories that are relevant to the study. It explains some of the various theories related to customer loyalty. The aim is to provide a clear understanding of the theories related to customer loyalty, ultimately creating a foundation for the theoretical framework of the study.

2.3.1 Expectancy-Disconfirmation Theory (EDT)

The Expectancy-Disconfirmation Theory (EDT), developed by Richard L. Oliver in 1980, is a widely recognized framework for understanding customer satisfaction and its impact on future behaviour. The theory proposes that satisfaction is determined by the comparison between what a customer expects from a product or service and the actual performance they perceive after experiencing it. In other words, satisfaction arises from the confirmation or disconfirmation of expectations.

The theory identifies three possible outcomes of this comparison:

1. Positive Disconfirmation: This occurs when the perceived performance exceeds the customer's expectations. Positive disconfirmation leads to high levels of satisfaction, delight, and a greater likelihood of repeat engagement with the product or service.
2. Confirmation: This occurs when the perceived performance meets the customer's expectations. In this case, customers are satisfied, though the level of satisfaction is moderate compared to positive disconfirmation.
3. Negative Disconfirmation: This occurs when the perceived performance falls below expectations. Negative disconfirmation results in dissatisfaction, which may lead customers to switch to alternative products or services or to share negative feedback.

EDT emphasizes the central role of expectations in shaping customer perceptions. Expectations are influenced by various factors, including previous experiences, word-of-mouth recommendations, marketing communications, and personal needs. On the other hand, perceived performance reflects the actual experience of the product or service, including both tangible aspects (such as product quality or physical facilities) and intangible aspects (such as customer service, responsiveness, and reliability).

A key insight of the theory is that satisfaction is not solely determined by objective performance but by the gap between expectations and performance. Even objectively good performance can lead to dissatisfaction if it falls short of high expectations. Conversely, modest performance may generate satisfaction if expectations were low, highlighting the subjective nature of customer evaluations.

Furthermore, EDT provides a framework for understanding the behavioural consequences of satisfaction and dissatisfaction. Positive disconfirmation typically encourages loyalty, repeat purchases, and favourable word-of-mouth recommendations, while negative disconfirmation can lead to defection, complaints, and negative reviews. This makes the theory particularly valuable in marketing and consumer behaviour research, as it explains not only satisfaction outcomes but also subsequent customer actions.

2.3.2 Relationship Marketing theory

Relationship Marketing Theory emphasizes the importance of creating, maintaining, and enhancing long-term relationships between organizations and their customers. Unlike traditional marketing, which focuses primarily on individual transactions and short-term sales, relationship marketing prioritizes loyalty, satisfaction, and ongoing engagement. The theory recognizes that sustaining long-term relationships with customers is often more profitable than continually acquiring new ones, as loyal customers are more likely to make repeat purchases, recommend the brand to others, and provide valuable feedback.

At the heart of the theory are the concepts of trust and commitment. Trust reflects the customer's belief that the organization is reliable, honest, and capable of delivering on its promises, while commitment represents the willingness to maintain an ongoing relationship with the organization. Together, these elements form the foundation of a stable and mutually beneficial exchange. When customers trust a business and feel committed to it, they are more likely to remain loyal even in the face of competitive alternatives.

Relationship marketing also emphasizes understanding and responding to the unique needs of individual customers. Personalized interactions, tailored communications, and consistent service are essential components of building strong relationships. The theory suggests that organizations must actively engage with their customers, seek feedback, and maintain open lines of communication to reinforce trust and satisfaction. This ongoing interaction helps customers feel valued and understood, which in turn strengthens the emotional connection with the brand.

The theory further highlights the importance of mutual benefit in maintaining relationships. Long-term loyalty is most effectively cultivated when customers perceive that the relationship provides ongoing value beyond single transactions. Organizations that prioritize customer needs and consistently deliver quality service foster a sense of reciprocity, encouraging continued engagement and loyalty.

2.3.3 Service Quality theory

Service Quality Theory focuses on how customers evaluate the quality of services provided and the effect of this evaluation on satisfaction and loyalty. It emphasizes that service quality is a key determinant of customer behaviour, as it influences perceptions of value, trust, and reliability. The theory proposes that customers do not judge service solely on outcomes but also on the process of delivery, the interactions they experience, and the overall engagement with the organization.

A widely used framework for understanding service quality is the SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry (1988). This model identifies five dimensions that shape customer perceptions. Tangibility refers to the physical aspects of service delivery, including facilities, equipment, appearance of personnel, and communication materials. Tangibility creates the first impression and can influence customer perceptions of professionalism and credibility. Reliability concerns the ability of the service provider to deliver promised services consistently and accurately. Customers prioritize reliability because it ensures that their expectations are met without errors or delays.

Responsiveness relates to the willingness and ability of employees to assist customers promptly and efficiently. It includes the timely handling of inquiries, requests, and complaints, which contributes to overall satisfaction. Assurance is based on the

knowledge, competence, and courtesy of employees, as well as their ability to inspire trust and confidence in customers. This dimension is particularly important in situations where customers rely on professional expertise or face uncertainty in decision making. Empathy involves understanding and addressing the unique needs of individual customers. It emphasizes personalized attention and care, making customers feel valued and respected.

Service Quality Theory highlights that high-quality service leads to increased customer satisfaction and loyalty. Customers who perceive that the service consistently meets or exceeds expectations tend to form positive attitudes toward the organization. Conversely, poor service quality can result in dissatisfaction, negative word-of-mouth, and customer attrition. Satisfaction, according to the theory, is influenced not only by the results of the service but also by how it is delivered, including consistency, reliability, and attentiveness.

The theory also recognizes that service quality is subjective and influenced by customer expectations, which may vary due to past experiences, cultural norms, personal preferences, and exposure to competitors. Effective management of service quality, therefore, requires organizations to monitor and respond to these evolving expectations continually. This dynamic aspect of the theory emphasizes that organizations must focus

on both maintaining current service standards and anticipating future customer needs to remain competitive.

Service Quality Theory underscores that delivering high-quality service involves managing multiple dimensions simultaneously. Tangibility, reliability, responsiveness, assurance, and empathy interact to shape customer perceptions, which in turn influence satisfaction and loyalty. The theory provides a structured approach to understanding these interactions and highlights the importance of consistently meeting and exceeding customer expectations across all dimensions of service delivery.

2.3.4 Customer Satisfaction theory

Customer Satisfaction Theory is a key framework in marketing and consumer behaviour research that explains how the fulfillment of customer expectations influences attitudes, loyalty, and purchasing behaviour. The theory suggests that satisfaction is a result of the customer's evaluation of a product or service based on their expectations prior to the purchase and their actual experience with the product or service afterward. Satisfaction arises when perceived performance meets or exceeds expectations, while dissatisfaction occurs when performance falls below expectations.

The theory emphasizes that customer satisfaction is multidimensional, incorporating both cognitive and emotional responses. The cognitive dimension involves rational

assessments of product or service attributes, such as quality, reliability, and price, while the emotional dimension reflects the feelings and perceptions generated during and after the consumption experience. Both dimensions contribute to the overall sense of satisfaction and influence subsequent behaviour.

Several models are commonly used to explain customer satisfaction. Expectancy-disconfirmation, for example, is often integrated with customer satisfaction theory, highlighting that satisfaction results from the comparison between expected and actual performance. Other models, such as the performance-only approach, suggest that satisfaction is determined purely by the perceived quality of the product or service, independent of prior expectations. These models collectively underline that satisfaction is both a subjective judgment and an outcome of measurable performance.

Customer Satisfaction Theory also addresses the behavioural consequences of satisfaction. Satisfied customers are more likely to engage in repeat purchases, maintain loyalty to the brand, and recommend the product or service to others. Dissatisfied customers, on the other hand, may defect to competitors, provide negative feedback, or actively discourage others from engaging with the business. The theory therefore highlights satisfaction as a critical driver of customer retention and long-term organizational performance.

The theory further recognizes that satisfaction is influenced by a range of internal and external factors. Internal factors include personal preferences, prior experiences, and expectations, while external factors include marketing communications, social influence, and competitive offerings. The interplay of these factors shapes the customer's perception of value and determines whether the overall experience is satisfying.

Customer Satisfaction Theory also emphasizes the dynamic nature of satisfaction. Customer expectations and perceptions evolve over time, influenced by repeated interactions, exposure to alternative products or services, and changes in individual needs. This means that organizations must continuously monitor satisfaction levels, gather feedback, and adapt their offerings to ensure that customer expectations are consistently met or exceeded.

The theory highlights the central role of measurement in managing satisfaction. Organizations often use surveys, feedback forms, and performance metrics to assess satisfaction levels across multiple touchpoints. By identifying areas of strength and weakness, businesses can implement strategies to enhance customer experience, improve service quality, and increase the likelihood of loyalty and retention.

2.3.5 Commitment-Trust theory

Commitment-Trust Theory is a foundational framework within relationship marketing that explains the mechanisms through which long-term relationships between organizations and customers are established and maintained. The theory proposed by Morgan and Hunt in 1994, posits that trust and commitment are the two central factors driving successful relational exchanges. Trust refers to the confidence that one party has in the reliability, integrity, and honesty of the other party, while commitment reflects the intention to maintain a long-term relationship and continue engaging in mutually beneficial exchanges.

According to the theory, trust and commitment are interdependent and mutually reinforcing. Trust reduces perceived risks and uncertainties in the exchange relationship, making customers more willing to continue interactions with the organization. Commitment, on the other hand, strengthens the intention to maintain the relationship even in the presence of competitive alternatives or potential challenges. Together, trust and commitment foster loyalty, satisfaction, and stability in relationships between customers and organizations.

The theory emphasizes that both parties in a relationship must perceive mutual benefits to sustain long-term engagement. Customers remain committed when they believe that the value derived from the relationship exceeds the costs or risks involved. Similarly, organizations invest in trust-building activities, such as consistent service delivery,

transparency, and ethical practices, to encourage reciprocal commitment from customers. This dynamic highlights the relational nature of exchanges, moving beyond one-time transactions to focus on ongoing, cooperative interactions.

Commitment-Trust Theory also addresses the consequences of these relational factors. High levels of trust and commitment are associated with increased customer loyalty, reduced defection, willingness to forgive occasional service failures, and positive word-of-mouth behaviour. Conversely, a lack of trust or weak commitment can lead to dissatisfaction, opportunistic behaviour, and the erosion of customer relationships. The theory, therefore, provides a framework for understanding both the formation and maintenance of long-term customer loyalty.

Furthermore, the theory recognizes that trust and commitment are influenced by multiple factors, including perceived reliability, competence, fairness, communication, and the history of interactions. Effective relationship management requires organizations to actively foster trust through transparent communication, dependable service, and ethical practices. Simultaneously, organizations must nurture commitment by demonstrating the long-term benefits of the relationship, providing personalized attention, and ensuring that customer needs are consistently addressed.

Commitment-Trust Theory also highlights the temporal aspect of relational exchanges. Relationships are dynamic, developing over repeated interactions and shared experiences. Trust can be strengthened or weakened based on the consistency of service and interactions, while commitment evolves as customers perceive the ongoing value of the relationship. This emphasizes the importance of continual engagement and investment in relationship management to maintain loyalty and satisfaction over time.

2.4 Theoretical framework

This study is based on two theories: the Expectancy–Disconfirmation Theory (EDT) and the SERVQUAL Model. The Expectancy–Disconfirmation Theory (EDT), developed by Richard L. Oliver (1980), is one of the most widely applied models in consumer behaviour and service quality research. The theory states that customer satisfaction is a result of a cognitive comparison between pre-purchase expectations and post-purchase experiences. Customers approach a service encounter with certain expectations based on prior experience, word-of-mouth, advertising, or brand reputation. After the customer consumes the service, they compare their actual experiences to these expectations. If the performance exceeds expectations, positive disconfirmation occurs, resulting in satisfaction and loyalty. However, when performance falls short of expectations, negative disconfirmation occurs, leading to dissatisfaction and possible switching behaviour.

This theory directly supports the first objective of the study, which is to examine the influence of service quality on loyalty. It explains that loyalty is not just a behavioural outcome but a psychological response to perceived value and satisfaction. When retail store customers experience services that meet or exceed expectations, they feel satisfied and develop an emotional connection with the store. This satisfaction translates into returning customers, willingness to pay more, and positive word-of-mouth. Conversely, when customers' expectations of the service quality are not met it brings dissatisfaction which weakens loyalty. Therefore, EDT provides the theoretical foundation for understanding how service experiences shape loyalty outcomes in retail environments.

While EDT explains the process of satisfaction formation, the SERVQUAL Model, developed by Parasuraman, Zeithaml, and Berry, identifies the specific dimensions that determine perceived service quality. The model conceptualizes service quality as the gap between customer expectations and perceptions across five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. Tangibility refers to the physical factors involved in the service, such as store layout, facilities, and staff appearance; reliability represents the ability of the service provider to deliver as promised; responsiveness measures the willingness of employees to assist customers; assurance reflects employees' competence and courtesy, while empathy captures the level of individual attention and care given to each customer.

The SERVQUAL model thus supports the second objective, which seeks to identify the major factors contributing to customer retention. By evaluating Phil Hallmark's performance across SERVQUAL's five dimensions, this study can determine which aspects of service quality are most influential in retaining customers. For instance, reliability and responsiveness foster trust and confidence in the brand; assurance and empathy build emotional satisfaction and commitment; while tangibility enhances customers' perceptions of professionalism and comfort within the store environment. Empirical studies in African retail contexts have shown that consistent service delivery across these dimensions is positively associated with customer loyalty and retention. For example, studies in South African supermarkets and Nigerian retail outlets have confirmed that high-quality service across all dimensions enhances customer satisfaction, strengthens commitment, and reduces switching behaviour (Shava, 2021; Ighomereho, Ojo & Omoyele, 2022; Sustainable Economic Growth: E-Service Quality's Role in Fostering Customer Loyalty in Nigeria SMEs, 2022).

Using both theories helps to provide a clear framework for addressing the third objective, which is to identify the challenges faced by retail stores in retaining loyal customers. The Expectancy–Disconfirmation Theory explains that dissatisfaction arises when there is a persistent mismatch between expectations and perceived service performance, while the SERVQUAL Model identifies the sources of these mismatches. In the Nigerian retail

sector, such gaps may stem from poor staff training, limited customer feedback systems, long waiting times, or inconsistent service delivery. For example, when a customer expects quick service but service is delayed due to understaffing or poor process management, negative disconfirmation occurs. Similarly, when the physical environment (tangibility) is not well-maintained or employees have a don't care attitude, customers feel neglected, leading to reduced satisfaction and loyalty.

Both theories therefore show the importance of managing customer expectations and continually improving service performance to minimize these gaps. By understanding where perception meets expectation, managers can design targeted strategies to improve service delivery and sustain loyalty. For retail stores, applying the EDT and SERVQUAL frameworks means monitoring customer feedback regularly, ensuring that staff are trained to respond empathetically, and maintaining consistency in reliability and responsiveness. This approach allows the store to align its service performance with customer expectations, which will reduce negative disconfirmation and help customer retention.

2.5 Empirical review

Empirical studies on service quality and customer loyalty provide critical insights into the factors that drive retention in retail contexts. Service quality has consistently been shown to influence customer satisfaction and loyalty, both in physical and digital retail

environments. In Nigeria, a study by Ighomereho, Ojo, and Omoyele (2022) examined retail outlets and found that consistent service delivery significantly predicts customer loyalty. Their survey of shoppers across multiple retail outlets demonstrated that customers who perceive high-quality service are more likely to engage in repeated patronage and recommend the store to others, highlighting the role of service quality in fostering trust and long-term commitment. Similarly, Shava (2021), in a study of supermarket chains in South Africa, observed that service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibility positively influence customer satisfaction, which in turn affects loyalty and retention. The findings suggest that high-quality service acts as a cornerstone for developing enduring customer relationships, reinforcing the rationale for evaluating supermarkets using the SERVQUAL model.

The importance of service quality extends beyond physical retail. As e-commerce and hybrid retail models gain prominence, digital service quality also emerges as a critical determinant of customer loyalty. The study “Sustaining Economic Growth: E-Service Quality’s Role in Fostering Customer Loyalty in Nigeria SMEs” (2022) demonstrates that e-service quality dimensions, including reliability, trust, convenience, empathy, and web design, significantly affect customer satisfaction and loyalty among Nigerian online shoppers. Similarly, Akpan and Etuk (2024) found that fulfillment, responsiveness, and

security in online shopping contexts directly influence loyalty, showing that quality service in person or online is essential for customer retention. These studies indicate that even for physical retailers with digital extensions, maintaining consistent service quality across all channels is vital to sustaining loyalty. For supermarkets like Phil Hallmark, integrating high standards of service into both physical and online channels could ensure a holistic approach to retaining customers, particularly in competitive retail environments.

Research in adjacent retail and service sub-sectors also offers insights applicable to supermarket contexts. In the fast-food retail sector in Nigeria, Muhammed and Onishowo (2025) reported that empathy-oriented service, alongside product quality and value, significantly increases repeated patronage. Although fast-food outlets differ from supermarkets in product type and service delivery, the principle that personalized attention and customer care enhance loyalty is transferable to supermarkets, where customer-staff interactions, checkout experience, and assistance in-store contribute to overall satisfaction. In telecommunications, Adebisi and Umukoro (2020) observed that perceived service quality directly impacts customer loyalty among GSM subscribers in Nigeria, demonstrating that the quality-loyalty relationship is robust across different service industries. These findings collectively reinforce the view that service quality is a universal driver of customer retention, whether in retail, food, or service sectors.

Several patterns emerge from the empirical literature. First, service quality is a consistent predictor of customer loyalty and repeated patronage. Studies in both physical and digital retail contexts reveal that customers who perceive service as reliable, responsive, and empathetic exhibit higher levels of commitment and lower switching behavior. Second, satisfaction often mediates the relationship between service quality and loyalty. In both e-service and physical retail studies, improved service quality enhances satisfaction, which subsequently strengthens loyalty. Third, interpersonal service dimensions, including empathy, staff competence, and responsiveness, play a vital role in fostering customer commitment. While tangibility and the physical environment matter, customers often value the personal attention and assistance provided by staff, which can enhance their perception of the brand and encourage repeat visits. Finally, empirical evidence emphasizes that digital service quality is increasingly relevant, even for physical retailers. The ability to provide reliable, secure, and convenient online services can reinforce loyalty and complement in-store experiences.

Despite these consistent findings, the literature also highlights several gaps and limitations. Few studies focus specifically on supermarkets in Nigeria or sub-Saharan Africa, with most research addressing general retail outlets, SMEs, or non-supermarket services such as telecommunications or fast-food chains. Consequently, there is limited context-specific empirical evidence for supermarket settings, particularly in mid-sized

cities such as Benin City. Furthermore, while e-service quality research provides valuable insights for online or hybrid retail, there is limited work integrating both physical and digital service quality in the same study. Methodological variations across studies, including differences in service quality scales, loyalty measures, and industry contexts, further complicate direct comparison. These gaps justify the current study, as examining service quality and loyalty within Phil Hallmark supermarket in Benin City contributes substantial empirical evidence to the literature.

2.6 Research gap

Despite extensive research on customer loyalty, service quality, and retention strategies, several gaps remain. Existing studies have largely focused on general service quality and satisfaction levels without adequately exploring the specific mechanisms through which service quality influences customer loyalty in local retail environments. Most research focuses on theoretical constructs, but there are few studies that focus on and capture the unique challenges and behaviours of Nigerian customers, in terms of repeat patronage and customer retention strategies.

Another notable gap is the limited use of case studies in Nigerian retail research. While many studies examine customer loyalty at a general level, few have focused on specific retail brands to understand how service quality, customer satisfaction, and relationship management practices interact to influence loyalty. This leaves a lack of contextualized

insight into the practical strategies that retail stores employ to retain customers and how these strategies are perceived by consumers.

Furthermore, research in Nigeria often underrepresents the challenges faced by retail stores in maintaining long-term loyalty. While service quality and satisfaction are frequently measured, there is less attention given to obstacles such as inadequate customer engagement, inconsistent service delivery, and competition from emerging retail platforms. These factors may significantly influence customer retention but remain underexplored in current studies.

In addition, most prior studies have relied on broad surveys without incorporating detailed, context-specific metrics that capture both attitudinal and behavioral loyalty. This limits the understanding of how customers' perceptions translate into actual repeat patronage and advocacy. There is also a scarcity of recent studies using contemporary data and modern retail environments, meaning insights from older research may not accurately reflect current consumer behaviors, especially with changing shopping patterns and the influence of technology.

2.7 Conceptual framework

The conceptual framework of this study provides a theoretical representation of the relationships between key variables affecting customer loyalty in Nigerian retail stores. It is designed to explain how service quality, customer satisfaction, and relationship management practices influence customer loyalty, while considering the challenges associated with customer retention.

In this framework, service quality, customer satisfaction, loyalty programmes, brand image, and pricing strategy are the independent variables. Service quality encompasses dimensions such as reliability, responsiveness, assurance, empathy, and tangibility, which collectively shape customers' perceptions of the retail store's performance. Customer satisfaction refers to the extent to which customers' expectations are met or exceeded, influencing their likelihood of repeat purchases and positive recommendations. Loyalty programs are reward systems, such as discounts set up by the business to encourage patronage. Brand image is the perception of a product or service by consumers; it influences customers' expectations in terms of service quality. Pricing strategy is a comprehensive plan made by the business to set the price of products or services at a rate that takes into consideration factors like cost, value, competition, and other factors to ensure profitability and sustainability of the business.

The dependent variable is customer loyalty, which reflects the tendency of customers to remain committed to a retail store. Loyalty can manifest in behavioural terms, such as repeat purchases and consistent patronage, as well as attitudinally, through preference and advocacy for the store. The conceptual framework proposes that higher service quality, greater customer satisfaction, and effective relationship management will lead to stronger customer loyalty.

Additionally, the framework recognizes the challenges of customer retention as moderating factors that may influence the strength and nature of these relationships. Challenges such as inconsistent service delivery, inadequate engagement, competitive pressures, and operational inefficiencies can weaken the impact of service quality, satisfaction, loyalty programmes, good brand image and good pricing strategy. By including these factors, the framework accounts for the complexity of sustaining customer loyalty in the Nigerian stores.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology used for this study. The methodology outlines the research design, population of the study, sampling techniques, research instrument, sources of data, validity testing, and the methods used for data analysis. These methodological procedures were designed to ensure that the study provides reliable, valid, and objective findings in line with the research objectives.

3.2 Research design

This study adopted a survey research design. The design was adopted because it allows for gathering quantitative data from a large number of respondents to describe existing relationships among variables such as service quality, customer retention, and loyalty. According to Saunders, Lewis, and Thornhill (2019), the descriptive survey design is useful when the objective is to obtain an accurate representation of characteristics within a population and to analyze relationships among key variables.

3.3 Population of the study

The population of this study comprises all customers of Phil Hallmark, a major retail store located in Benin City, Edo State, Nigeria. The choice was based on accessibility and

based on the fact that it will represent the needed scale to answer the research questions. The sample to be used is customers who purchase or have purchased goods from the store.

3.4 Sample size

A sample size of 100 respondents was used for the study. This was chosen due to limitations and convenience in the data collection process.

3.5 Sampling technique

A convenience sampling technique was chosen for the study. According to Etikan, Musa, & Alkassim (2016), convenience sampling is often used in studies where random sampling is impractical or where researchers aim to collect data quickly and cost-effectively from respondents with direct experience relevant to the study.

3.6 The research instrument

The research instrument used to obtain data from respondents was a structured questionnaire. The first section of the questionnaire was focused on respondents' personal information, while the subsequent sections addressed variables such as service quality factors, customer retention factors, and challenges associated with maintaining customer loyalty.

3.7 Operationalization and measurement of variables

For this study, the major variables were operationalized and measured using a structured questionnaire designed on a five-point Likert scale. Respondents were asked to indicate their level of agreement with each statement, ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The variables were defined and measured as follows:

3.7.1 Dependent variable

Customer loyalty: Customer loyalty refers to the extent to which respondents intend to continue patronizing the retail store, recommend it to others, and prefer it over competing stores. It was measured using multiple items adapted from previous studies on loyalty and retention. Typical statements included:

- I intend to continue shopping at this retail store.
- I will recommend this retail store to friends and family.

Responses to these items were scored on the five-point Likert scale and aggregated to form a composite measure of customer loyalty.

3.7.2 Independent variables

a. Service quality: Service quality refers to respondents' perception of how well the retail store delivers services that meet their needs and expectations. It was measured using items reflecting reliability, responsiveness, assurance, empathy, and tangibles. Examples of statements included:

- Staff attend to me promptly in this retail store.
- The staff of this retail store are courteous and professional.
- The environment of this retail store is clean and well-organized.

Scores on these items were combined to obtain an overall service quality score for each respondent.

b. Customer satisfaction: Customer satisfaction describes the overall level of contentment respondents feel with their shopping experience in the retail store. It was measured with statements such as:

- Overall, I am satisfied with the services provided by this retail store.
- My experience in this retail store usually meets my expectations.

Higher average scores indicate higher levels of satisfaction.

c. Loyalty programmes: Loyalty programmes refer to the presence and perceived usefulness of reward schemes or benefits offered by the retail store to encourage repeat patronage. They were measured with items such as:

- This retail store offers rewards or incentives for frequent shopping.
- The loyalty or reward programme of this store encourages me to come back.

Responses were used to assess how strongly loyalty programmes influence respondents' intention to remain loyal.

d. Brand image: Brand image refers to how respondents perceive the reputation, credibility, and overall perception of the retail store. It was measured using statements like:

- This retail store has a good reputation in Benin City.
- I consider this retail store to be trustworthy.

Composite scores were used to represent perceived brand image.

e. Pricing strategy: Pricing strategy captures respondents' perception of whether the prices of goods in the retail store are fair, competitive, and reflect value for money. It was measured with items such as:

- The prices of products in this retail store are reasonable.
- Compared to other stores, the prices here are competitive.

Higher scores reflect more favourable perceptions of pricing.

3.7.3 Challenges in retaining loyal customers

The challenges faced by retail stores in retaining loyal customers were also measured through respondents' perceptions. Items focused on factors such as staff attitude, waiting time, product availability, and store environment. Examples include:

- Long waiting time at the checkout discourages me from coming back.
- Sometimes the products I need are not available in this store.

These items were used to identify key obstacles that may weaken loyalty and retention.

3.7.4 Measurement scale

All items were measured on a five-point Likert scale:

1 – Strongly Disagree

2 – Disagree

3 – Undecided

4 – Agree

5 – Strongly Agree

The responses were coded and analysed using descriptive and inferential statistics to determine the relationships between service quality, other explanatory variables, and customer loyalty among respondents in selected retail stores in Benin City.

3.8 Field work

The field work involved distribution of the structure questionnaire via a google form. The link for this google form was shared to individuals who have shopped at Phil Hallmark. The link was shared via WhatsApp to respondents. The responses gotten from the form were automatically sorted on the google form website making the data easily understandable. There was a 100% success rate for the administered questionnaires as no questions were left unanswered in the use of the google forms.

3.9 Validity of the research instrument

To ensure the validity of the research instrument employed in the conduction of the study, experts were consulted (supervisor) to review intended the statements of the questionnaire and evaluate its capability to achieve the objectives of the study.

3.10 Reliability of the research instrument

In this study, the reliability of the questionnaire was assessed using the internal consistency method. A pilot test was first conducted on a small sample (30) of the

respondents. The responses obtained from the pilot test were coded and analysed using the Statistical Package for Social Sciences (SPSS).

Cronbach's alpha coefficient was used to determine the internal consistency of the items measuring the major variables in the study, such as service quality, customer satisfaction, loyalty programme brand image, pricing strategy, customer loyalty, and challenges in retaining loyal customers. A Cronbach's alpha value of 0.825 was gotten indicating that the questionnaire was suitable for the research as it achieved a score higher than 0.7, which is deemed the acceptable score for reliability of the research instrument.

3.11 Method of data analysis

The study used both descriptive and inferential statistics to analyze the collected data. Descriptive statistics such as frequency distribution, mean, and standard deviation were used to summarize the respondents' views on service quality and loyalty. The t-test was applied as an inferential tool to test the research hypotheses at a 5% level of significance. Data analysis was carried out using the Statistical Package for Social Sciences (SPSS) version 25.0 to ensure accuracy and reliability of results.

3.12 Model specification

To examine the relationship between customer loyalty and its determinants, this study specified a linear regression model. The model relates customer loyalty (dependent

variable) to key independent variables, including service quality, customer satisfaction, loyalty programmes, brand image, and pricing strategy.

Functional form:

$$CL=f(SQ,CS,LP,BI,PS)$$

Where:

- CL = Customer Loyalty (dependent variable)
- SQ = Service Quality
- CS = Customer Satisfaction
- LP = Loyalty Programmes
- BI = Brand Image
- PS = Pricing Strategy

The functional form illustrates the conceptual framework, showing how customer loyalty depends on the identified independent variables.

3.13 Ethical consideration

In this study, the following ethical principles were observed during the research process. Firstly, all respondents were informed of the purpose of the study before participating. Participation was completely voluntary, and all respondents had the right to decline participation in the study. Secondly, the study was completely anonymous, and all data collected was used solely for academic purposes. Finally, by acknowledging all sources

of information and avoiding plagiarism in the collection, analysis, and presentation of data. By observing these ethical standards, the study aimed to maintain the trust, rights, and dignity of all respondents while ensuring the credibility and validity of the research findings.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter focuses on the presentation and interpretation of data obtained from respondents. The data was obtained from a structured questionnaire distributed to people who have shopped at Phil Hallmark.

4.2 Demographic characteristics of respondents

The demographic variables of respondents in this study include gender, age, education level, and occupation. Results are in **Table 4.2** below:

Category	Frequency	Percentage (%)
Gender		
Male	27	27
Female	73	73
Age		
18-25	40	40
26-35	4	4
36-45	21	21
46 and above	35	35
Education level		
Graduate	76	76
Undergraduate	23	23
Secondary	1	1
Occupation		
Student	26	26
Business person	43	43
Civil servant	18	18
Other	13	13

Gender of respondents: Table 4.2 shows that 27(%) of the respondents were male and 73(%) of the respondents were female. This means that most of the respondents were female.

Age distribution: The age distribution showed that majority of the respondents (40%) fell in the 18-25 age range. Followed by the 46 and above age range (35%) with the 36-45 group being 21(%) and the 26-35 age group being 4(%).

Education level: 76(%) of the respondents are graduates while 23(%) of the respondents are undergraduate level and only one respondent is in secondary level.

Occupation: The majority of the responders operated in the business sector at 43(%) with students at 26(%), civil servants at 18(%) and other occupations at 13(%).

4.3 Data presentation and analysis

Table 4.3: Service quality and customer loyalty

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Phil Hallmark gives me good and reliable service.	27(%)	65(%)	8(%)	0(%)	0(%)
2	Staff attend to me quickly and politely.	21(%)	55(%)	24(%)	0(%)	0(%)
3	The store is always clean and well arranged.	43(%)	49(%)	8(%)	0(%)	0(%)
4	The workers know their job and make me feel confident	15(%)	59(%)	25(%)	1(%)	0(%)
5	I am happy with the overall service I get at Phil Hallmark.	15(%)	72(%)	11(%)	2(%)	0(%)
6	I prefer shopping at Phil Hallmark more than other stores.	13(%)	39(%)	40(%)	6(%)	2(%)
7	I plan to keep shopping at Phil Hallmark in the future.	12(%)	55(%)	29(%)	3(%)	1(%)
8	I tell my friends and family to shop at Phil Hallmark.	12(%)	38(%)	37(%)	13(%)	0(%)

On the first question 27(%) of the respondents answered strongly agree and 65(%) Agree, resulting in 92% total agreement. This shows that majority of the respondents agree that Phil Hallmark delivers reliable service. On question 2 43(%) strongly agree and 49(%) agree meaning majority of respondents find the staffs responses prompt and polite but the respondents 24(%) neutral show that these respondents are not completely satisfied with the staff. On question 3 43% Strongly Agree and 49% Agree. This indicates strong consensus that the physical retail environment is well-maintained. For question 4 15% Strongly Agree and 59% a 25% Neutral response suggests a quarter of respondents do not feel strongly assured of staff competency. For question 5, 15% Strongly Agree and 72% Agree. This shows high general satisfaction with the service in Phil Hallmark. For question 6 had 13% Strongly Agree and 39% Agree. 40%of respondents remained Neutral, while 8% disagreed, indicating a significant segment of the respondents lack a definitive reason to choose Phil Hallmark over rivals. For question 7 12% Strongly Agree and 55% Agree. The 29% neutral response rate shows that some respondents are not committed to long-term patronage. For question 8, 12% Strongly Agree and 38% Agree. The combined 50% Neutral (37%) and Disagree (13%) responses reveal that Phil Hallmark has not successfully converted its satisfied base into active promoters.

Table 4.4: Reasons for customer retention

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The products sold at Phil Hallmark are of good quality.	15(%)	49(%)	14(%)	22(%)	0(%)
2	The prices of goods are fair and affordable.	5(%)	44(%)	29(%)	13(%)	9(%)
3	The store gives discounts to loyal customers.	4(%)	20(%)	43(%)	25(%)	6(%)
4	The staff are friendly and helpful.	15(%)	45(%)	32(%)	2(%)	6(%)
5	When I complain, the issue is handled quickly.	9(%)	42(%)	38(%)	4(%)	7(%)
6	I feel respected and valued as a customer.	13(%)	43(%)	34(%)	3(%)	7(%)
7	The store's good name makes me want to keep shopping there	17(%)	49(%)	19(%)	14(%)	1(%)

For question 1 15(%) strongly agree, 49(%) agree, 14(%) remain neutral, and 22(%) disagree. This indicates that a majority of the respondents agree that Phil Hallmark have good quality products. For question 2 5(%) strongly agree, 44(%) agree, 29(%) were neutral 13(%) disagree and 9(%) strongly disagree. This shows that majority if

respondents are satisfied with the product pricing in Phil Hallmark. For question 3 4(%) strongly agree, 20(%) agree, 43(%) were neutral, 25(%) disagree and 6(%) strongly disagree. This indicates that majority of respondents have not received discounts from Phil Hallmark. For question 4 15(%) strongly agree, 45(%) agree, 32(%) were neutral, 2(%) disagree and 6(%) strongly disagree. This indicates that majority of the respondents find the staff friendly and helpful. For question 5 9(%) strongly agree, 42(%) agree, 38(%) were neutral, 2(%) disagree and 7(%) strongly disagree. This indicates that majority of respondents are satisfied with Phil Hallmark complaint management but 38(%) were neutral indicating that a substantial amount of respondents were not very satisfied with the complaint management in Phil Hallmark. For question 6 13(%) strongly agree, 43(%) agree, 34(%) were neutral, 3(%) disagree and 7(%) strongly disagree. This indicates majority of the respondents feel respected and valued. For question 7 17(%) strongly agree, 49(%) agree, 19(%) were neutral, 14(%) disagree and 1(%) strongly disagree. This indicates that a majority of respondents agree that the stores good name motivates them to continue shopping there.

Table 4.5: Problems retail stores face in keeping customers

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Poor customer service makes customers stop coming.	22(%)	64(%)	14(%)	0(%)	0(%)
2	Some products are not always available in the store.	8(%)	49(%)	29(%)	12(%)	2(%)
3	High prices make customers go to other stores.	2(%)	24(%)	43(%)	26(%)	5(%)
4	Complaints are not always handled well.	6(%)	60(%)	32(%)	2(%)	0(%)
5	Some workers are rude or unfriendly.	7(%)	51(%)	38(%)	4(%)	0(%)
6	There are few rewards or benefits for loyal customers.	7(%)	56(%)	34(%)	3(%)	0(%)

In question 1, 22(%) strongly agree, 64(%) agree and 14(%) were neutral, indicating that majority of respondents agree that poor customer service negatively affects customer retention. In question 2, 8(%) strongly agree, 49(%) agree, 29(%) were neutral, 12(%) disagree and 2(%) strongly disagree, showing that Phil Hallmark has an issue with availability of products that the respondents were aiming to purchase. In question 3, 2(%)

strongly agree, 24(%) agree, 43(%) were neutral, 26(%) disagree and 5(%) strongly agree. This indicates a divisive view on the pricing of goods sold in Phil Hallmark, with a vast majority having a neutral opinion on the prices of products. In question 4, 6(%) strongly agree, 60(%) agree, 32(%) were neutral and 2(%) disagree. This indicates that a majority of respondents believe that complaints can be handled better in Phil Hallmark. For question 5, 7(%) strongly agree, 51(%) agree, 38(%) were neutral, and 4(%) disagree, indicating that a majority of the respondents found some of the staff at Phil Hallmark rude or unfriendly in their demeanor. In question 6, 7(%) strongly agree, 56(%) agree, 34(%) were neutral, and 3(%) disagree, showing that the majority of the respondents were less than satisfied with the benefits Phil Hallmark provides.

4.4 Correlation OR Description of the research variables

The study operationalized the conceptual model into three distinct groups of measurable variables: the Independent Variable, the Dependent Variable, and Intervening/Moderating Variables, measured across 21 items in the survey.

4.4.1 Independent variable: service quality (SQ)

The core independent variable, Service Quality, was measured based on the respondents' assessment of the store's primary service offerings, which lay the foundation for satisfaction. This variable was constructed from a combination of items related to the key SERVQUAL dimensions:

- Reliability: Measured by "Phil Hallmark gives me good and reliable service" (Q1).
- Responsiveness/Assurance: Measured by "Staff attend to me quickly and politely" (Q2) and "The workers know their job and make me feel confident" (Q4).
- Tangibles: Measured by "The store is always clean and well arranged" (Q3).
- Composite Measure: The average score across items Q1, Q2, Q3, and Q4 was used to represent the overall Service Quality score in the inferential analysis.

4.4.2 Dependent variable: customer loyalty (CL)

Customer Loyalty serves as the primary dependent variable, representing the outcome this study seeks to explain. Loyalty was measured using both attitudinal and behavioural intent metrics:

- Attitudinal Loyalty (Preference): Measured by "I prefer shopping at Phil Hallmark more than other stores" (Q6).
- Behavioural Intent: Measured by "I plan to keep shopping at Phil Hallmark in the future" (Q7).
- Advocacy Intent: Measured by "I tell my friends and family to shop at Phil Hallmark" (Q8).
- Composite Measure: The average score across items Q6, Q7, and Q8 was used to determine the overall Customer Loyalty score in the inferential analysis.

4.4.3 Intervening/moderating variables: major factors and challenges

These variables represent the key determinants and inhibitors of loyalty that directly influence the relationship between Service Quality and Customer Loyalty (as addressed in H₀₂ and H₀₃). They were divided into positive factors and perceived challenges:

- Positive Factors/Perceived Value: These include items like "The products sold at Phil Hallmark are of good quality" (Q9) and "The staff are friendly and helpful" (Q12).
- Challenges: These variables directly hinder customer retention and were critical in the inferential testing (H₀₃), they are:
 1. Perceived Price Sensitivity: "High prices make customers go to other stores" (Q18).
 2. Operational Inconsistency (Inventory): "Some products are not always available in the store" (Q17).
 3. Reward Gap (Retention): "The store gives discounts to loyal customers" (Q11) and "There are few rewards or benefits for loyal customers" (Q21).
- Composite Measure: The inferential testing of H₀₃ used the average score of the most critical weakness factors, specifically Q17 (Product Unavailability) and Q21 (Few Rewards for Loyal Customers), to assess the overall impact of challenges.

4.5 Answering the research questions

This section provides definitive answers to the research questions established in Chapter One, based on the empirical evidence gathered from the survey and validated through statistical testing.

Research Question 1: Does service quality significantly influence customer loyalty in Nigerian retail stores?

Yes, service quality does significantly influence customer loyalty. The rejection of the Null Hypothesis (H_{01}) is the primary evidence for this conclusion. The Paired Samples T-Test showed a highly significant difference between the mean Service Quality score (SQ Mean: 4.098) and the mean Customer Loyalty score (CL Mean: 3.593), resulting in a T-Statistic of 8.440 and a P-Value of 0.000. The extreme P-Value confirms that service quality is a powerful determinant of customer sentiment. However, the presence of a statistically significant gap between the two means (SQ is higher than CL) indicates that while service is influential, it is not the only factor driving loyalty; other elements, such as perceived value and rewards, are necessary to translate high satisfaction into strong loyalty.

Research Question 2: Do the major factors identified significantly contribute to customer retention in Nigerian retail stores?

Yes, the major factors identified significantly contribute to customer retention. This conclusion is supported by the rejection of H_{02} , which is an inference drawn from the significant impact found in both H_{02} and H_{03} . The factors investigated (Service Quality, Challenges, and Perceived Value) were all found to have a highly significant effect on the outcome:

- Positive Contribution: High Service Quality (4.098) significantly drives initial satisfaction and retention intent.
- Negative Contribution: The presence of identified Challenges (Mean: 3.580) significantly acts as an inhibitor, driving customers away and preventing retention. The statistical significance of both the independent (Service Quality) and intervening (Challenges) variables confirms that these major factors are critical drivers of the store's ability to retain customers.

Research Question 3: Do the challenges identified significantly affect the ability of Nigerian retail stores to retain loyal customers?

Yes, the challenges identified significantly affect the ability to retain loyal customers. The rejection of the H_{03} confirms this finding. The One-Sample T-Test assessed whether the average score for key Challenges was significantly higher than the neutral point of 3.0. The results yielded a T-statistic of 9.442 and a P-value of 0.000. This statistically proves

that customers, as a group, perceive the key challenges (Product Unavailability and Few Rewards for Loyal Customers) to be a genuine problem (mean score of 3.580 is significantly above 3.0), thus negatively and significantly impacting the store's retention efforts.

4.6 Testing of hypotheses

Table 4.6: t-test for the various hypotheses

Hypothesis	No. Exp. (N)	Mean	SD	Df	t-cal.	t-critical	P-Value	Decision
H ₀₁ (Service Quality (SQ) vs Consumer Loyalty (CL))	100	SQ: 4.098 CL: 3.593	SQ: 0.589 CL: 0.613	99	8.440	1.984	0.000	Reject H ₀₁ (p<0.05)
H ₀₂ (Major Factors Contribution)	-	-	-	-	-	-	-	Inferred from H ₀₁ and H ₀₃ (Reject H ₀₂)
H ₀₃ (Challenges vs 3.0)	100	CH: 3.580	0.615	99	9.442	1.660	0.000	Reject H ₀₃ (p<0.05)

H₀₁: Service quality has no significant influence on customer loyalty in Nigerian retail stores (Phil Hallmark, Benin City).

H₀₂: The major factors identified do not significantly contribute to customer retention in Nigerian retail stores.

H₀₃: The challenges identified do not significantly affect the ability of Nigerian retail stores to retain loyal customers.

Table 4.6 shows that there is significant relationship between service quality and customer loyalty. The table shows that the calculated value is 8.440 and the critical value is 1.984 at 0.05 alpha level significance. Therefore H₀₁ is rejected. The table also shows that the calculated value is 9.442 and the critical value is 1.660. The average perception of challenges in the study is 3.580 which is higher than the neutral point 3.0 proving that customers' issues significantly influence loyalty. Therefore H₀₃ is rejected. H₀₂ is rejected based on results gotten from testing H₀₃ and H₀₁.

4.7 Discussion of findings

The findings show that the majority of respondents perceive the service quality in Phil Hallmark, Benin City, as generally high. Responses on service quality and loyalty indicate that a large proportion of respondents agreed that the store provides good and reliable service and that they are satisfied with their overall experience. This supports recent views that reliable, responsive, and courteous service increases satisfaction and the likelihood that respondents will remain loyal to a firm (Hapsari, Clemes & Dean, 2017; Monferrer, Segarra, Estrada & Moliner, 2019). It is also consistent with studies in Nigerian retail environments which report that service quality remains a strong driver of loyalty (Eshiett & Eshiett, 2021; Adebayo, Abu & Isaka, 2023).

The results indicate that satisfaction does not automatically translate into strong loyalty. Although respondents rated service quality positively, fewer clearly preferred Phil Hallmark over other competing stores or showed willingness to recommend the store to friends and relatives. A number of respondents remained neutral about recommending the store or committing themselves to long-term patronage. This pattern aligns with research distinguishing between simple satisfaction and deep attitudinal loyalty, noting that satisfied respondents can still switch if competitors offer better value or incentives (Suhartanto, Hidayat & Handayani, 2019; Akpan & Etuk, 2024).

The test of the relationship between service quality and loyalty showed a statistically significant effect, with higher perceived service quality associated with higher levels of loyalty among respondents. This finding is in line with recent applications of expectancy–disconfirmation and service quality models, which show that when performance meets or exceeds expectations, respondents tend to repeat patronage and strengthen their relationship with the firm (Hapsari *et al.*, 2017; Eshiett & Eshiett, 2021).

Beyond service quality, the study shows that several factors contribute meaningfully to retention in Phil Hallmark. Respondents agreed that the store offers good quality products, and staff are generally friendly, helpful, and respectful. Many also indicated that the good name and reputation of Phil Hallmark encourages them to continue shopping there. These results support findings that product quality, staff attitude, trust, and store image are

important foundations for long-term relationships in retailing (Akpan & Etuk, 2024; Adeokun, Ighomereho & Agada, 2025). They also reflect the view that customer retention is driven by both functional value, such as product quality, and relational value, such as respect and friendliness (Eshiett & Eshiett, 2021; Adebayo, Abu & Isaka., 2023).

The findings also reveal some clear weaknesses. A sizeable share of respondents were unsure whether prices in Phil Hallmark are fair and affordable, and many were neutral about receiving meaningful discounts or rewards. This suggests that respondents do not clearly perceive Phil Hallmark as offering superior value or attractive loyalty benefits compared with other stores. Neutral responses on complaint handling further show that respondents were not fully convinced that their complaints are consistently treated promptly and fairly. These results align with studies showing that poor service recovery, weak loyalty schemes, and unclear value propositions can limit the development of strong loyalty, even when basic service quality is satisfactory (Hapsari *et al.*, 2017; Akpan & Etuk, 2024; Adeokun *et al.*, 2025).

The test on the contribution of these factors to retention indicates that they have a significant effect, supporting the view that good product quality, courteous staff, a positive store name, and perceived fair treatment all work together to enhance retention. This aligns with studies which argue that loyalty is multidimensional and depends on the

joint effect of satisfaction, perceived value, trust, and relationship quality (Hapsari *et al.*, 2017; Akpan & Etuk, 2024; Adeokun *et al.*, 2025).

The findings also highlight challenges that can negatively affect customer retention. Respondents identified poor customer service at certain times, delays in handling complaints, stockouts of some products, unfriendly behaviour from some staff, relatively high or unclear prices, and the absence of attractive loyalty rewards as major issues. Many agreed that these problems can reduce patronage and drive customers to competitors. This is consistent with recent studies identifying inconsistent service delivery, weak complaint management, price sensitivity, and poor loyalty programmes as common obstacles to retention in Nigerian retailing (Eshiett & Eshiett, 2021; Adebayo, Abu & Isaka., 2023; Adeokun *et al.*, 2025).

The demographic profile of respondents shows that the dominance of young and middle-aged respondents, as well as the mix of students, salary earners, and self-employed individuals, suggests that Phil Hallmark serves a broad but value-conscious segment. This group is often more sensitive to price, service convenience, and perceived benefits, which may explain why they are quick to notice gaps in complaint handling, product availability, and loyalty rewards, even when basic service quality is good (Eshiett & Eshiett, 2021; Akpan & Etuk, 2024; Adeokun *et al.*, 2025).

Overall, the discussion of findings shows that Phil Hallmark is performing well in core areas of service quality and product delivery, positively influencing loyalty among respondents. Nevertheless, the store has not fully converted this advantage into strong and stable loyalty due to gaps in complaint handling, staff attitude, product availability, pricing clarity, and absence of strong loyalty rewards. This supports the argument in recent literature that modern retail customers are demanding and can easily switch when they perceive better value elsewhere, even if they are reasonably satisfied (Monferrer *et al.*, 2019; Eshiett & Eshiett, 2021; Akpan & Etuk, 2024).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study focused on customer loyalty in Nigerian retail stores with a case study of Phil Hallmark in Benin City, Edo state. The objectives of the study are to examine the influence of service quality on loyalty, to identify major factors contributing to customer retention, and to identify the challenges faced by retail stores in retaining loyal customers. This chapter contains the summary of findings, conclusion and recommendations.

5.2 Summary

This study focused on examining customer loyalty in Nigerian retail stores with a case study of Phil Hallmark located in Benin City, Edo State. It was carried out in response to the growing competition among formal retail outlets such as supermarkets and mini-marts and the increasing tendency of customers to switch from one store to another. The study recognised that in the present business environment, attracting customers is no longer enough; retaining them and building long-term loyalty has become a major concern for retail operators.

The study focused on key variables that are commonly associated with customer loyalty. These include service quality, customer satisfaction, loyalty programmes and perceived value. Service quality was considered in terms of how respondents are attended to, the

responsiveness of staff, the cleanliness and organisation of the store environment and the reliability of services provided. Customer satisfaction was viewed as the overall assessment respondents make after their shopping experiences. Loyalty programmes were examined as deliberate efforts by retail stores to encourage repeat patronage through rewards and incentives. Perceived value reflected customers judgement of whether the benefits they receive from the store are worth the money, time and effort they spend.

A structured questionnaire was developed and administered to respondents who patronise Phil Hallmark in Benin City. The instrument was designed to capture their views on the various variables under study and to provide measurable information on their level of loyalty to the retail outlets they frequent. The data generated from the responses were analysed using appropriate statistical tools in order to determine the nature and strength of the relationships between service quality, customer satisfaction, loyalty programmes, perceived value and customer loyalty.

The study was also concerned with identifying the major factors that contribute to customer retention in the Nigerian retail context and the challenges that retail stores face in trying to keep respondents loyal. In doing so, it provided insights into how respondents perceive the efforts of retail stores, what they consider important in their choice of where to shop and what might encourage them to stay with one store rather than move to another.

Overall, the study has provided a clearer picture of customer loyalty in the retail sector of Benin City. It showed that loyalty is not a random occurrence but a result of deliberate actions and experiences that respondents have with retail stores. The evidence generated from the study offers useful guidance for retail managers and owners who wish to improve their ability to retain respondents and build long-term, profitable relationships in a competitive retail environment.

5.3 Conclusion

This study investigated the influence of service quality on loyalty, the major factors that contribute to retention, and the challenges that affect the ability of Phil Hallmark, Benin City to keep loyal respondents. The results show that Phil Hallmark has achieved a generally high level of perceived service quality and product delivery. Respondents indicated that services are reliable, staff are mostly friendly and respectful, and the store's reputation is positive. These strengths have a significant and positive effect on loyalty, confirming that good service quality remains a critical foundation for retaining respondents in a competitive retail environment. At the same time, the study shows that high satisfaction has not fully translated into deep and stable loyalty. Many respondents are still neutral about preferring Phil Hallmark over other stores or recommending it strongly to others. Important aspects of value and relationship management, such as perceived fairness of prices, visibility of discounts and rewards for loyal respondents and

effective complaint handling, are not yet strong enough to secure long-term commitment. The findings further reveal that challenges such as poor customer service at certain times, product stock outs, weak or slow complaint resolution, unfriendly behaviour from some staff and the absence of attractive loyalty schemes are serious enough to encourage them to switch to competitors. These issues are particularly important because the store serves a largely young and value-conscious group of respondents who are sensitive to price, convenience, product availability and tangible benefits.

5.4 Recommendation

Based on the findings of this study, several recommendations are proposed to enhance customer loyalty in Nigerian retail stores. First, retail stores should focus on improving service quality, as it was found to significantly influence customer loyalty. Staff should be well trained to be courteous, responsive, and professional, while ensuring that customers receive prompt assistance. Maintaining a clean and organized store environment and addressing customer concerns efficiently will also contribute to building trust and encouraging repeat patronage.

Second, improving customer satisfaction is crucial for retaining loyal customers. Retailers should actively seek feedback from respondents through surveys or suggestion boxes to understand their needs and expectations. By responding to customer concerns

and tailoring services to meet their preferences, stores can create positive shopping experiences that foster long-term loyalty.

Third, effective loyalty programmes can serve as powerful tools to retain customers. Retailers are encouraged to design programmes that are simple to understand, rewarding, and provide tangible benefits such as discounts, cashback, or exclusive offers. Such initiatives not only encourage repeat purchases but also create a sense of appreciation and value among customers.

Strengthening the store's brand image is another key recommendation. A positive reputation, consistent service delivery, and ethical business practices help build emotional connections with customers, which in turn enhances loyalty. Retailers should invest in marketing and communication strategies that highlight their credibility, reliability, and commitment to customer satisfaction.

Additionally, competitive pricing strategies should be adopted to ensure that products are perceived as fair and offer value for money. When combined with high quality service and loyalty incentives, competitive pricing can further encourage customers to continue patronizing the store.

Finally, retail stores should proactively identify and address challenges that hinder customer retention, such as long waiting times, limited product availability, or staff

inefficiency. By mitigating these barriers, stores can create a seamless and satisfying shopping experience that promotes repeat patronage and long-term loyalty.

5.5 Suggestions for further studies

While this study has provided insights into the factors influencing customer loyalty in Nigerian retail stores, there remain areas for further research that could deepen understanding of this subject. Future studies could expand the geographical scope to include other cities and regions in Nigeria, allowing for comparisons between urban and semi-urban retail markets. Such studies would help determine whether the findings from Benin City are consistent across different consumer demographics and retail environments.

In addition, subsequent research could explore other variables that may influence customer loyalty, such as the impact of digital marketing, e-commerce platforms, and social media engagement on retail customer retention. Investigating the role of technology-driven loyalty strategies could provide valuable insights for retailers adapting to the increasing prevalence of online shopping in Nigeria.

Longitudinal studies are also recommended, as they would allow researchers to track changes in customer loyalty over time and examine the long-term effectiveness of service quality, loyalty programmes, pricing strategies, and brand image in retaining customers.

This would provide a more dynamic understanding of loyalty behaviours and help retailers anticipate changes in consumer preferences.

Finally, qualitative approaches, such as in-depth interviews or focus group discussions, could complement quantitative surveys to gain richer insights into customer perceptions, motivations, and expectations. Such studies could uncover nuanced factors that influence loyalty, which may not be captured through structured questionnaires alone. By addressing these areas, future research can build on the current study and contribute to more comprehensive strategies for improving customer loyalty in the Nigerian retail sector.

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APPENDIX
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF BUSINESS ADMINISTRATION
UNIVERSITY OF BENIN, BENIN CITY

Dear respondents,

APPEAL FOR THE COMPLETION OF QUESTIONNAIRE

I am a 400L undergraduate student in the department named above. As part of the requirement for the programme I am conducting research on the topic “Customer Loyalty in Nigerian Retail Stores”. I humbly request your cooperation in responding honestly to the questions. All information given will be treated as confidential and used solely for academic purposes.

Yours Faithfully,

Ilevbare Ojereime Lloyd

RESEARCH QUESTIONNAIRE

Section A: Personal Information

1. Gender Male Female
2. Age 18–25 26–35 36–45 46 and above
3. Education Level Secondary Undergraduate Graduate
4. Occupation Student Civil Servant Business Person
 Other(Specify)

Section B: Service quality and customer loyalty

Please tick the option that best describes your opinion

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Phil Hallmark gives me good and reliable service.					
2	Staff attend to me quickly and politely.					
3	The store is always clean and well arranged.					
4	The workers know their job and make me feel confident					
5	I am happy with the overall service I get at Phil Hallmark.					
6	I prefer shopping at Phil Hallmark more than other stores.					
7	I plan to keep shopping at Phil Hallmark in the future.					
8	I tell my friends and family to shop at Phil Hallmark.					

Section C: Reasons for customer retention

Please tick the option that best describes your opinion

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
9	The products sold at Phil Hallmark are of good quality.					
10	The prices of goods are fair and affordable.					
11	The store gives discounts to loyal customers.					
12	The staff are friendly and helpful.					
13	When I complain, the issue is handled quickly.					
14	I feel respected and valued as a customer.					
15	The store's good name makes me want to keep shopping there					

Section D: Problems retail stores face in keeping customers

Please tick the option that best describes your opinion

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
16	Poor customer service makes customers stop coming.					
17	Some products are not always available in the store.					
18	High prices make customers go to other stores.					
19	Complaints are not always handled well.					
20	Some workers are rude or unfriendly.					
21	There are few rewards or benefits for loyal customers.					

Thank you for your cooperation.

APPENDIX II

RELIABILITY TEST

Sections	No. of Items	Calculated Cronbach's Alpha (α)	Interpretation
Service Quality (Q1-Q4)	4	0.822	Good
Customer Loyalty (Q6-Q8)	3	0.637	Acceptable
Retention Factors (Q9-Q15)	7	0.788	Good
Challenges (Q16-Q21)	6	0.813	Good
Overall Instrument (All 21 Items)	21	0.825	Good

The results in the table show that the overall questionnaire yielded a Cronbach's alpha coefficient of 0.825.

According to generally accepted standards, an alpha value above 0.70 indicates good internal consistency, while values above 0.80 are considered very good. The calculated overall coefficient of 0.825 confirms that the instrument is highly reliable and internally consistent.

Individually, three of the four constructs (service quality, retention factors, and operational challenges) demonstrated strong reliability, with values exceeding the 0.70

benchmark. The customer loyalty construct (0.637) is considered acceptable for research, indicating sufficient consistency to proceed with the main analysis. Based on these results, the instrument is deemed reliable for data collection in the study.