

Perceived Staffing Adequacy and Customer Experience Strategy on Customer Loyalty with Perceived Vision 2030 Consumer Economy Agenda as a Moderator: A Study on the Retail Sector in Saudi Arabia

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Abstract:

Introduction: This paper aimed to explore the association between perceived staffing adequacy, customer experience strategy, and customer loyalty in the Saudi Arabia retail sector, and evaluate the moderating influence of the perceived Vision 2030 Consumer Economy Agenda.

Methodology: A structured survey questionnaire using a five-point Likert scale and a purposive sampling method were used to collect data from 488 retail customers in Saudi Arabia. Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to determine relationships.

Result: The results showed a positive and significant association between customer loyalty and perceived adequacy of staffing and customer experience strategy in the Saudi retail industry. The customer experience strategy showed a relatively high association with customer loyalty. Moreover, the perceived Vision 2030 Consumer Economy Agenda was a significant moderator of the associations between perceived staffing adequacy, customer experience strategy, and customer loyalty.

Conclusion: This study's novelty lies in its focus on the role of consumer perception of macro-level policy reform (Vision 2030 Consumer Economy Agenda) as a boundary condition in determining the association between staffing adequacy, the customer experience strategy, and customer loyalty. It combines the Social Exchange Theory and the Institutional Theory to provide a basis for understanding how perceptions of institutional reforms affect consumer judgments of service inputs and differentiate between strategic service signals and generic measures of service quality in the changing environment of the Saudi Arabian retail sector.

Keywords: Customer loyalty, perceived staffing adequacy, customer experience strategy, vision 2030, saudi retail sector, institutional theory.

1. INTRODUCTION

The retail industry of Saudi Arabia is at the crossroads of radical economic change and consumer market development in the Middle East. In the last ten years, Saudi Arabia has grown to be the biggest retail economy in the Gulf Cooperation Council, with both online and offline consumer spending skyrocketing as the country is urbanising, income levels are increasing, and the population of young techno-savvy people alters the consumption trend (Arab News 2026; Consultancy

Middle East, 2025). As reported by (Knight Frank, 2025), Saudi retail expenditure reached SAR 1.41 trillion in 2024, and e-commerce transaction volume is rapidly increasing and is projected to make up almost 50% of the overall retail transactions by 2030 as part of the digital-economy push of the Vision 2030 agenda.

This accelerated market growth is part of a larger vision of Vision 2030 Consumer Economy Agenda, the diversification of the Saudi Arabian economy, where the focus is on

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developing the non-oil private sector, consumer empowerment, and diversifying to a vibrant service economy, as indicated by (Waheed, 2022; Winarni & Permana, 2022) as well. As suggested by (Selim & Alshareef, 2025), Vision 2030 includes a clear intention to reinforce the Consumer Economy Programme, become more competitive in the market, and offer enhanced services in the most critical sectors, such as retail. Consequently, (Olaopa & Alsuhaibany, 2023; and Yusuf & Lytras, 2023) revealed that the retail sector is shifting towards omni-channel and experience formats, which are a combination of physical and digital interfaces to address the more advanced customer demands. In the context of these radical structural changes, there are critical underexplored concerns of how the adequacy of the staffing and customer experience strategy results in customer loyalty within this dynamic environment, and to what extent customer relationship depends on the perception of Saudi consumers of the Vision 2030 Consumer Economy Agenda.

Despite the existence of studies such as (Agha, 2025; and Magsi *et al.*, 2025) on technological and operational improvements in Saudi retail, the impacts of perceived adequacy of staffing, such as sufficiency of staff numbers, level of skills, and customer experience training, on customer experience and long-term loyalty are under-researched. Although the literature, such as (Mutambik, 2023; and Sun & Pan, 2023) on service quality, agrees that the interaction between workers has a profound impact on the degree of customer satisfaction and loyalty, empirical support on the topic of staffing adequacy in the Middle East retail sector is scarce and disjointed. Furthermore, the available literature (Nasrudin *et al.*, 2025) on the Saudi retail setting concentrates on the general dimensions of service quality without specific emphasis on staffing and analyzing more extensive strategic factors such as the customer experience frameworks. Similarly, the Consumer Economy Agenda of Vision 2030, as a perceived moderating variable in consumer loyalty relations, has not been given significant scholarly coverage, even though it has been central to the policy of retail and consumer expectations.

The study addresses these gaps by assessing the effects of perceived staffing adequacy and customer experience strategy on customer loyalty among Saudi retail consumers, and the moderating effects of Perceived Vision 2030 Consumer Economy Agenda on these relationships. This study contributes to the body of research because it reconfigures the construction of customer loyalty by providing a consumer interpretation of macro-level policy reformation as a conditioning factor. More precisely, it suggests that the perceived Vision 2030 Consumer Economy Agenda cannot influence the retail development on the structural level only but does affect the consumer of the firm-level service practises, which, in turn, changes the relationships between the perceived staffing adequacy, customer experience strategy, and customer loyalty. By so doing, the research brings the Institutional Theory out of its conventional emphasis on organisational adherence to regulatory and normative forces to a consumer-oriented approach whereby institutional reforms serve as interpretive frames according to which customers make judgments and respond behaviourally. Moreover, the conceptualization of the

two strategic service signals, staffing adequacy and customer experience strategy, in the present study is contrasted with the traditional service quality research, which regards service attributes as generic SERVQUAL-type dimensions. The combination of these points of view gives the study a more detailed image of the interaction of macro-level economic transformation with the micro-level service experience to form customer loyalty, thus contributing to the theoretical accuracy and place-specific considerations of the Saudi retail environment.

2. LITERATURE REVIEW

2.1. Theoretical Framework

The theoretical basis of this study combines the Social Exchange Theory (SET) with the Institutional Theory to illustrate the process and the situational dynamics that determine customer loyalty. SET articulates the relationship between positive service inputs and results of loyalty because it is based on mutual interactions between customers and firms. The customers consider service encounters and base their choice on perceived benefits and costs as proposed by (Liu *et al.*, 2026; Meira & Hancer, 2021), indicating that they develop relational commitments when realized benefits are positive. Personal perceptions of the sufficiency of staffing and customer experience strategy are strategic service inputs in retail settings, which indicate organisational investment in service quality. These inputs are perceived by the customers as valuable benefits, and they respond with loyalty behaviours, which are observed in the works of (Gawuna & Dasuki, 2022; and Rajāa & Mekkaoui, 2025). Similarly, (Hsiao *et al.*, 2023; and Shahzad *et al.*, 2025) also highlight that frontline service interactions are another important exchange mechanism that may affect customer loyalty.

However, SET cannot provide an answer to the question when these service inputs are perceived in a more favourable way. In response to this limitation, the Institutional Theory is developed, where the evaluations of the stakeholders are influenced by those regulatory and normative environments suggested by (Mohammad *et al.*, 2024) as well. Vision 2030 Consumer Economy Agenda is the conceptual way of how this study is developed in terms of the consumer perceived institutional frame. (Alharethi & Kabil, 2024) argue that national reform agendas are salient institutional forces that condition consumer responses, and (Alqahtani *et al.*, 2024) propose that alignment with socio-economic goals is important to evaluate the services. Therefore, favourable attitudes toward Vision 2030 reinforce the ways the customers perceive the adequacy and experience strategies in staffing, and increase their correlation with loyalty.

2.2. Conceptualization of Key Constructs

In this research, an operationalisation of its key constructs is undertaken in order to capture consumer evaluative judgments in retail settings. Aligned with (Waheed, 2022), Perceived Staffing Adequacy is the perceived ability of the retailer by the consumer to have adequate, available, and competent staff to provide adequate and effective service at the appropriate time. Besides, earlier research by Selim and

(Alshareef, 2025) incorporates staffing into the larger service quality aspect; the study isolates it as a specific construct that is a factor of frontline service capacity, as (Meira & Hancer, 2021) also underscore. Customer Experience Strategy is conceptualised as how customer views the retailer as purposefully developing uniform, captivating, and smooth experiences with a variety of touchpoints (Rajâa & Mekkaoui, 2025). In contrast to generic experience measures, this conceptualization focuses on strategic orchestration of interactions, which is also true based on the arguments of (Hsiao *et al.*, 2023) that experience is a managed process, not an outcome. Perceived Vision 2030 Consumer Economy Agenda is the perception of the consumer that the national reform efforts are enhancing the quality of retail, service standards, and customer orientation. Developing the Institutional Theory, this construct represents the way in which macro-level reforms are perceived by the consumer level in the form of evaluative frames forming expectations of the service (Selim & Alshareef, 2025).

2.3. Hypotheses Development

The relationship between staffing adequacy in retail settings and customer loyalty has become an increasingly explored topic in retail and service management studies. Frontline employees have been the centre of focus when it comes to service experiences in retail environments; hence, the display of availability, responsiveness, and competence of employees has a strong influence on how consumers rate service quality and consequent loyalty behaviour (Alqahtani *et al.*, 2024). The study by (Dam & Dam, 2021) explored the connections between staffing adequacy, customer satisfaction, and customer loyalty through survey data on 299 customers of a supermarket in Vietnam, analysed using PLS-SEM. Their results show that the quality of services is a major boost to customer loyalty, and at the same time, they reinforce the brand image and customer satisfaction. Even though the study conceptualises the quality of service as a multidimensional construct, the authors focus on the aspect of employee responsiveness and reliability that is strongly linked with the aspect of staffing adequacy as a determinant of important influence on the development of loyalty. Nevertheless, the application of convenience sampling and the emphasis on a single urban retail setting restrict the extrapolation of the results to other markets, where consumers and industries are relatively undergoing a radical change.

Similar emphasis is made in the operational research on the significance of the capacity of staffing to ensure the effective delivery of retail services. (Diaz *et al.*, 2025) examined the problem of operational constraints of 24-hour retail stores in the Philippines by qualitatively interviewing store owners and employees. The results indicate that staffing deficits, especially during peak times or night shifts, interfere with service provision and compromise customer experiences since they have to wait to be served and have inaccessible service experiences, which eventually negate customer retention. However, the qualitative case-study design is mainly indicative of managerial and operational views as opposed to consumer

reviews and hence incapable of empirically estimating the direct impact of staffing adequacy on loyalty outcomes. These results are consistent with the Social Exchange Theory, which assumes that relational consequences, loyalty, are the results of positive interactions with customers in terms of service, as reflected in the arguments of (Alharethi & Kabil, 2024; and Suriansha *et al.*, 2024) as well. However, perceived staffing adequacy as a predictor of consumer-based loyalty is occasionally investigated in previous studies. To address this gap, this study proposes:

H1: There is a statistically significant and positive relationship between Perceived Staffing Adequacy and Customer Loyalty in the retail sector of Saudi Arabia.

The strategy of customer experience has been identified as an important factor in customer loyalty, especially in service-oriented industries where value generation is realised at many points of interaction. (Makudza, 2021) proves that customer loyalty in the banking industry is largely determined by customer experience management, which involves virtual, physical, and service interactions. These observations are consistent with the Social Exchange Theory that states that such positive experiential benefits are returned by customers in loyalty behaviours, as indicated by (Mohammad *et al.*, 2024). Though the research is more operationalized to the dimensions of interaction instead of focusing on the experience as the wider strategic organisational potential. Also, the industry-specific focus and cross-sectional survey design restrict the applicability of the results to different retail settings where the elements of experience are more diverse.

Likewise, evidence emerging in e-retailing literature. (Zaid & Patwayati, 2021) concluded that customer experience has a positive effect on loyalty, both directly and indirectly, via engagement and satisfaction processes in PLS-SEM with 512 participants. Although their results support the relational exchange perspective, the study uses a student sample and deals with digital retail environments, so that the findings can be questionable in terms of their applicability to the real-life retail world, where face-to-face service interactions are still at the centre. Specific information related to the retail sector is presented by (Selim & Alshareef, 2025), who also affirm that customer retention is greatly boosted when the customer experience is improved in the contemporary retail setting.

However, the conceptualization of customer experience by the authors is mostly a moderating product and not a strategic initiative that is planned by organisations to influence loyalty. To expand on this point of view, (Kumar & Mokha, 2021) state that technological programmes like E-CRM can improve customer experiences and loyalty results. However, their review also finds conceptual vagueness in the integration of customer experience and strategic relationship management in the systemic organisation of organisations. Taken together, these researches argue the significance of experience in influencing loyalty, though they lack empirical emphasis on the issue of customer experience as a unified strategic capability in the retail markets. In order to fill this gap, this study hypothesises:

H2: There is a statistically significant and positive association between Customer Experience Strategy and Customer Loyalty in the retail sector of Saudi Arabia.

Emerging markets are characterised by greater consumer expectations and relationships between firms and customers, as increased by national economic agendas and institutional reforms. In terms of the Institutional Theory, the macro-level policies establish regulatory and normative pressures which impact the way consumers judge organisational practises and quality of services (Olaopa & Alsuhaybany, 2023). The Vision 2030 Consumer Economy Agenda within the framework of Saudi Arabia is a significant institutional change that helps to enhance consumer markets, boost the level of services, and promote competition in the sphere of the private sector. Generally, (Yusuf & Lytras, 2023) claim that the Vision 2030 changes have transformed consumer expectations in the Saudi retailing industry, especially on service quality and customer-focused innovation. The research mainly utilises policy analysis and secondary economic information, though, and thus empirical knowledge of the perception of consumers concerning these institutional alterations relative to loyalty patterns is restricted.

In the same way, (Ha, 2021) explored the overall economic transformation in relation to Vision 2030 and found that the institutional changes in favour of service excellence and workforce development prompt the firms to enhance operational and customer engagement strategies. Although the strategy of institutional alignment is emphasised in the study, its macroeconomic approach does not consider the dimension of consumer perception that account the behavioural response like loyalty. Under the organisational level, (Shibeika, 2025) discovered that Vision 2030 efforts have compelled Saudi service organisations to enhance customer experience strategies and employee competence building to keep them competitive. Nevertheless, the qualitative design that takes into consideration the managerial views limit the capacity to study the impacts that such institutional initiatives have on the customer perceptions directly.

Similar arguments are made by (Setiawan *et al.*, 2021), who propose that consumer trust and service expectations can be moulded by national transformation programmes and have an indirect influence on the loyalty results. They, however, do not explicitly assess moderating effects within given service interactions in their cross-national comparative analysis. Similarly, (Manyanga *et al.*, 2022) note that the consumer-based reforms of Vision 2030 stimulate retail organisations to promote workforce capacity and innovation of services, although there is no empirical validation on the basis of consumer-level data. All these studies show that institutional reforms do have an effect on the strategies of organisations and consumer expectations; however, few of them investigate how consumer perceptions towards such reforms moderate the relationship between the service practises and the result of loyalty. To fill this research gap, the following research hypotheses are proposed;

H3a: Perceived Vision 2030 Consumer Economy Agenda positively moderates the relationship between perceived staffing adequacy and customer loyalty.

H3b: Perceived Vision 2030 Consumer Economy Agenda positively moderates the relationship between customer experience strategy and customer loyalty.

3. METHODOLOGY

The current research project followed a primary quantitative research design to empirically investigate the interrelationships between perceived adequate staffing, customer experience strategy, customer loyalty and the moderation effect of the Perceived Vision 2030 Consumer Economy Agenda 2030 Consumer Economy Agenda. A survey questionnaire based on structured and close-ended questions was used to collect data based on measurement items that obtained validity in an examination of the retail setting. The measurement scale was based on a five-point Likert scale on a scale of 1 (strongly disagree) to 5 (strongly agree), which is generally suggested to yield perceptions and behavioural intentions in consumer research, as suggested by (Taherdoost, 2019). The questionnaire was segmented into four parts that stated the constructs of the study: Perceived Vision 2030 Consumer Economy Agenda 2030 Consumer Economy Agenda, Customer Loyalty, Perceived Staffing Adequacy, and Customer Experience Strategy.

The target population was retail customers in Saudi Arabia with recent experience of shopping in retail outlets. The participants were contacted on social media such as Instagram, X (formerly known as Twitter), and Facebook, as this allowed reaching a wider range of digitally active consumers. The method of sampling used in the study is purposive sampling, which, as per (Thomas, 2022), entails the selection of respondents due to certain criteria that apply to the research purpose. It was deemed to be the right approach as only those customers who have experience in retail purchasing and understand the service interactions can make significant assessments of the perceived staffing adequacy and customer experience approaches. Purposive sampling is also often used in similar consumer-focused research to guarantee that the participants are knowledgeable of the required experience suggested by (Obilor, 2023).

As recommended by (Rahman, 2023) the estimation of the required minimum sample size was done by G*Power whereby the sample size was estimated based on the statistical power (0.80), level of significance (0.05) and the expected medium effect size (0.15) when using multiple regression models, according to the recommendation. The analysis showed that the sample size was to be above 200 respondents; thus, a larger sample was aimed at to enhance the statistical strength. The number of consumers who received the questionnaire was about 800, with 540 of them filling out the questionnaire, which is equal to 55% of the response rate. Upon the examination of the missing answers and possible outliers, 52 questionnaires were eliminated, and a final sample of 488 respondents was obtained.

The issue of potential selection bias was reduced through the dispersion of the survey to a variety of social media platforms to represent different population groups. As indicated

by (Wei *et al.*, 2023), independent t-tests were used to compare early respondents (n1 = 100) with late respondents (n2 = 100) to examine non-response bias. Also, the multicollinearity was tested based on the variance inflation factor (VIF) method, in which lower values than the criterion of 3.3 show that there is no significant issue of multicollinearity (Gaskin *et al.*, 2025). In addition, the issue of Common Method Bias (CMB) was tested through Harman’s Single Factor Test, which involved Exploratory Factor Analysis (EFA), in which total variance explained was found to be below 50%, that is, 46.31%. It indicated no issue of CMB in the model.

To conduct the data analysis, Partial Least Squares Structural Equation Modelling (PLS-SEM) with SmartPLS software was applied since it is appropriate to use predictive models and complex relationships with moderating effects (Haji-Othman & Yusuff, 2022). The measurement model was analysed by initially testing the internal consistency reliability using Cronbach’s alpha and composite reliability, and convergent validity using Average Variance Extracted (AVE). It was followed by path coefficient analysis to validate the hypothetical relationships and the moderating relationship between the constructs.

4. RESULTS

4.1. Demographic Profile Analysis

The statistics shown in Table 1 portray demographic profile characteristics of the study participants. It is found that out of (N=488) respondents, 56.35% were males, and 35.86% were female, while 7.79% preferred not to answer. Among these participants, 30.47% were below 25 years of age, 24.59% fell in the age category of 25-34 years, 18.03% 35-44 years, and 14.34% were 45-54 years. Also, most of the participants, that is, 27.66% and 25.61%, held Bachelor's and Master's degrees. On the other hand, 35.86% makes retail shopping 3-5 times per month, and 25.20% more than 5 times a month. Lastly, in association to preferred retail shopping platform, 46.11% preferred online shopping platforms and 35.45% preferred omnichannel.

4.2. Measurement Model Assessment

The assessment of the measurement model of the study is carried out for internal consistency and reliability using Cronbach’s Alpha, Composite Reliability, and convergent validity using the Average Variance Extracted (AVE) method, as recommended by (Cheung *et al.*, 2024). The results are specified in Table 2.

Table 1. Demographics profile analysis.

Demographic Category		Frequency (n)	Percentage (%)
Gender	Male	275	56.35%
	Female	175	35.86%
	Prefer not to say	38	7.79%
Age Range	Below 25	150	30.74%
	25–34	120	24.59%
	35–44	88	18.03%
	45–54	70	14.34%
	55 and above	60	12.30%
Educational Qualification	Secondary	118	24.18%
	Diploma	90	18.44%
	Bachelor’s	135	27.66%
	Master’s	125	25.61%
	Doctorate	20	4.10%
Frequency of Retail Shopping	1–2 times per month	90	18.44%
	3–5 times per month	175	35.86%
	More than 5 times per month	123	25.20%
Preferred Retail Shopping Platform	Physical retail stores	90	18.44%
	Online retail platforms	225	46.11%
	Omnichannel	173	35.45%

Table 2. Measurement model assessment.

Latent Variables	Indicators	Factor Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Customer Experience Strategy	CES1	0.788	0.874	0.874	0.799
	CES2	0.894			
	CES3	0.874			
Customer Loyalty	CL1	0.906	0.813	0.836	0.727
	CL2	0.923			
	CL3	0.908			
Perceived Staffing Adequacy	PSA1	0.880	0.899	0.901	0.833
	PSA2	0.907			
	PSA3	0.863			
Perceived Vision 2030 Consumer Economy Agenda	PV1	0.893	0.860	0.860	0.781
	PV2	0.925			
	PV3	0.862			

The results presented in Table 2 indicate that the measurement items' factor loading ranged between 0.788 and 0.925, which is higher than the generally accepted 0.70, and thus indicate a strong indicator of reliability. It means that the measurement model accurately measures the latent constructs of the observed items properly, which strengthens the measurement model. The Cronbach alpha and composite reliability are also higher than suggested threshold of 0.7, which portrays satisfactory internal consistency. In addition, the average variance extracted (AVE) values are greater than 0.50, which can be considered a sign of convergent validity.

4.3. Discriminant Validity

The separability among study variables and the issue of conceptual overlapping are examined through discriminant validity using the HTMT ratio within the threshold of 0.85, as suggested by (Haji-Othman & Yusuff, 2022).

As shown in Table 3, it can be observed that all the HTMT values in the case of all the constructs are found to be lower than the threshold value of 0.85. This indicates that study constructs are separated and distinguished from each other with no conceptual overlapping.

4.4. Multicollinearity and Common Method Bias using VIF

The issue of multicollinearity and CMB is addressed while examining the values of VIF, which are specified in Table 4.

As depicted in the results, the values are below the standard threshold of 3.3, which rules out the issue of CMB and multicollinearity in the model.

4.5. Path Coefficient

The results presented in Table 5 of the structural model show substantial relationships between the variables in the study. On one hand, the customer experience strategy and customer loyalty have a direct positive statistically significant relationship ($\beta = 0.270, p < 0.001$) and indicate that successful customer experience strategies can significantly contribute to increasing consumer loyalty within the retail industry. This observation confirms that managed service interactions and touchpoints of experience motivate customers to have long-term relationships with retailers, supporting H2.

Likewise, staffing adequacy has a positive but modest relationship with consumer loyalty ($\beta = 0.100, p = 0.026$). The magnitude of the effect is relatively lesser, but the outcome shows that the customers who believe that the retail staff is adequate, responsive, and able show higher chances of engaging in the loyalty behaviours, which validates the acceptance of H1. Moreover, the Perceived Vision 2030 Consumer Economy Agenda has a direct and significant effect on customer loyalty ($\beta = 0.395, p < 0.001$), which means that it shows a notable direct association but requires careful theoretical interpretation.

Table 3. Discriminant validity.

-	Customer Experience Strategy	Customer Loyalty	Perceived Staffing Adequacy
Customer loyalty	0.435	-	-
Perceived staffing adequacy	0.532	0.500	-
Perceived Vision 2030 Consumer Economy Agenda	0.331	0.478	0.367

In terms of moderation, perceived Vision 2030 is a significant moderator in the predictive relationship of customer experience strategy and customer loyalty ($\beta = 0.105, p = 0.042$), and perceived staffing adequacy and customer loyalty ($\beta = 0.057, p = 0.032$). These results confirm that H3 is accepted, which means that perceptions of Vision 2030 reinforce such associations. Lastly, the f-square values reflect different sizes of the effect of predictors. Perceived Vision exhibits a middle-level effect ($f^2 = 0.286$) on customer loyalty, whereas perceived staffing adequacy exhibits a minimal effect ($f^2 = 0.035$). Customer experience strategy has an insignificant impact ($f^2 = 0.005$), which implies that there is little practically meaningful effect size, even though it is statistically significant.

4.6. Model Explanatory Power, Predictive Relevance, and Fitness

The model results in Table 6 depict moderate predictive power, as it illustrates 37.7% of the variance in customer loyalty ($R^2 = 0.377$; adjusted $R^2 = 0.371$) through its predictors. Further, the Q^2 predict value of 0.342 specifies acceptable predictive relevance. Lastly, comparatively low RMSE (0.814) and MAE (0.605) values advocate better model fitness.

5. DISCUSSION

The findings of this research affirm H1 that customer loyalty in the Saudi retail industry is positively and significantly predicted by perceived staffing adequacy. Though

the relationship is found to be modest. This finding is consistent with the general service management literature on the significance of frontline employees in influencing customer perceptions and relational outcomes. As an example, according to the research conducted by (Dam & Dam, 2021), customer loyalty in the retail setting is greatly boosted by the quality of the provided services, which underscores the fact that both responsiveness and reliability in customer communication matter a great deal. In a similar manner, (Diaz et al., 2025) also cited staffing shortages as a major issue in operations that influenced the delivery of services and customer satisfaction in the retail stores. These revelations are expanded in the current research because they prove that perceptions of sufficient staffing by the customers directly influence the result of loyalty.

Nevertheless, the size of the relationship that is witnessed in this study is relatively small when compared with the more significant service quality impacts witnessed in some of the earlier studies, like (Dam & Dam, 2021). The first reason could be found in the brisk modernization and digitalization of Saudi retail, as automated service provision and omnichannel solutions partially lessen dependencies on human relations, as in the traditional retail environment. Nonetheless, the involvement of human service encounters is still essential in improving the level of trust, solving problems, and personalising the experience.

Table 4. Variance inflation factor.

-	VIF
Customer experience strategy -> Customer loyalty	2.547
Perceived staffing adequacy -> Customer loyalty	2.263
Perceived Vision 2030 Consumer Economy Agenda -> Customer loyalty	1.798
Perceived Vision 2030 Consumer Economy Agenda x Customer experience strategy -> Customer loyalty	2.076
Perceived Vision 2030 Consumer Economy Agenda x Perceived staffing adequacy -> Customer loyalty	2.151

Table 5. Path coefficients analysis.

-	Path Coefficients	T-Statistics	P-Values	F-Square
Customer experience strategy -> Customer loyalty	0.270	4.102	0.000	0.005
Perceived staffing adequacy -> Customer loyalty	0.100	2.098	0.026	0.035
Perceived vision -> Customer loyalty	0.395	7.411	0.000	0.286
Perceived vision x Customer experience strategy -> Customer loyalty	0.105	2.032	0.042	-
Perceived vision x Perceived staffing adequacy -> Customer loyalty	0.057	2.051	0.032	-

Table 6. Predictive power and relevance.

-	R-Square	R-Square Adjusted	Q ² Predict	RMSE	MAE
Customer loyalty	0.377	0.371	0.342	0.814	0.605

Theoretically, the results are also in line with the Social Exchange Theory (SET), according to which the customers respond to the positive service experiences with a positive behavioural response, including loyalty (Alqahtani *et al.*, 2024). As indicated by (Alharethi & Kabil, 2024), consumers who find that retail stores have given them enough staff that is attentive and able to deliver, perceive this as an investment in quality of service by a given organisation, thus creating a reciprocal commitment. Hence, based on these arguments, it can be said that adequate staffing is likely to fortify customer-retailer relationships and increase the resultant loyalty in the Saudi retail environment, where economic reforms and global competition in the retail sector have shifted the expectation of customers towards high service levels. Retail managers are thus expected to focus on the planning of the workforce, staff training, and responsiveness of the service to guarantee that the staffing levels are appropriate to improve customer satisfaction and retention in the long run.

These findings show that customer experience strategy is positively related to customer loyalty at significant levels, validating H2, and meaning that properly developed experiential strategies contribute significantly to the increase of consumer commitment in Saudi retail markets. The findings also revealed that customer experience strategy has a stronger relative contribution, as compared to perceived staffing adequacy. This observation is in line with the existing studies that have underscored the strategic role of customer experience management. For instance, (Makudza, 2021) also showed that the physical, virtual, and service interaction can also be considered an effective way to realise its loyalty in the banking industry, and (Zaid & Patwayati, 2021) have revealed that customer experience could also play a positive role in loyalty in the e-retailing context in terms of engagement and satisfaction. Similarly, (Suriانشا *et al.*, 2024) added that customer satisfaction enhances retention in the current retail environment.

The current results support these inferences, though they also generalise them to the case of a fast-developing retail industry in Saudi Arabia, where experiential differentiation is one of the key competitive approaches. In contrast to the conventional retail markets where the variety of products becomes the key determinant of consumer behaviour, Saudi retailers compete with an increasingly high rate of immersive stores, customised service, and online platforms, as suggested by (Mohammad *et al.*, 2024). These changes can be used to justify why customer experience strategy is among the impacts that are stronger relative to the issue of staffing adequacy in the present research. Similarities with past studies can also be attributed to cultural as well as industrial reasons. Most of the emerging markets studied by (Makudza, 2021) also have similar retail trends of rapid digitalization and growing consumer demands for convenience and customization. Nevertheless, the socio-economic change peculiar to Saudi Arabia, which is based on Vision 2030, has spurred the pace of retail innovation and pushed organisations to invest in customer-oriented service paradigms.

Perceived Vision 2030 Consumer Economy Agenda has a strong direct relationship with customer loyalty, which proves that consumers are not responding to firms' level service interactions only, but also the macro-level institutional perception. This association can be explained in terms of the institutional spillover effects, when national reform efforts increase the level of confidence in market regimes and service providers. According to (Setiawan *et al.*, 2021), consumers who have a positive perception of Vision 2030 could become economically optimistic, give confidence to their country, and trust the retailing sector, which can be expressed in positive ratings of retail brands working in this system. This is in line with the fact that institutional environments help to influence the stakeholder perceptions across the organisational boundaries, thus the behavioural outcomes in an indirect manner through legitimacy, and trust revealed in the findings of (Ha, 2021) as well.

Furthermore, the comparatively stronger influence of the perceived Vision 2030 than that of staffing adequacy is that the macro-level confidence could be superior to the micro-level customer service assessments, through adequate staffing, especially in fast-changing economies, as supported by (Yusuf & Lytras, 2023). With the active encouragement of service excellence, modernization, and consumer empowerment promoted by Vision 2030 in the Saudi context, retailers can use the legitimacy spillover whereby the alignment with the national transformation increases their perceived credibility and appeal. This means that customer loyalty can also be inspired by direct service encounters as well as encompassing more confidence in the retail ecosystem, which can, in turn, support the significance of institutional context in consumer behaviour formation.

The results are aligned with the Social Exchange Theory because improved customer experiences generate a perception of the relational values, which the consumers develop loyalty behaviours. Consequently, the findings imply that in cases where retailers streamline both physical and digital interaction, customers feel greater advantages of the relationship between the retailer and customer. They are therefore likely to repeat purchase and spread positive word of mouth. These findings have strategic implications for Saudi retailers needing to invest in the areas of experiential innovation, omnichannel integration, and customised services to remain competitive in the fast-paced consumer economy.

The result indicates that the relationship between perceived staffing adequacy, customer experience strategy, and customer loyalty is moderated by perceived Vision 2030 Consumer Economy Agenda, accepting H3a and H3b, though the moderating role is found to be weak. This implies that the impact of consumer perceptions of macro-level reforms on loyalty is minimal but significant; hence, retail service inputs are mostly the key determinants of loyalty. These results align with the previous literature that highlights that the transformation programmes at the national level influence market behaviour through shaping consumer expectations (Selim & Alshareef, 2025). On the same note, (Olaopa & Alsuhaybany, 2023) opined that policy on economic

diversification motivates companies to improve operational efficiency and their relations with customers. The current research builds upon this by proving that the institutional frame of Vision 2030 is a consumer frame in the sense that it increases the perceived value and credibility of staffing and experience plans, even in a small, though significant, way, which leads to loyalty.

The moderating effect could be attributed to the fact that the Institutional Theory asserts that the greater the regulatory and normative environments, the more the organisational practises and stakeholder perceptions are formed, as suggested by (Yusuf & Lytras, 2023). Vision 2030 is an effective institutional framework that encourages consumer-oriented development, service quality, and competitiveness of the private sector (Olaopa & Alsuhaybany, 2023). Therefore, enhanced staffing and customer experience might be interpreted by consumers as a broader national improvement, which can increase their trust and loyalty to the retail brands.

This is further reinforced by cultural and industrial forces. The retail industry in Saudi Arabia is actively being modernised with government incentives of promoting foreign investment, digitalization, and enhanced standards of service delivery (Selim & Alshareef, 2025). In these settings, the organisational discourse about the economic change may impact consumer values and perceptions. Therefore, retailers that match their operational strategies with Vision 2030 goals, including boosting workforce capabilities and customer experiences, experience better loyalty responses among customers.

CONCLUSION

This study provides empirical evidence that the customer loyalty in the Saudi retail industry is not determined by traditional service factors only, although it is formed in the environment of interaction of organisational service practises with the institutional changes. The results indicate that although perceived staffing adequacy is relevant towards loyalty, as it enables the presence of responsive and reliable service experiences, it has stronger effects when combined with strategically designed customer experiences that have the potential to create value at multiple service touchpoints. To this end, the establishment of loyalty in the modern retail setting seems to be more experiential than transactional. In addition, the moderating role of the perceived Vision 2030 Consumer Economy Agenda suggests that the macro-level economic reforms can also be used to change the ways consumers interpret and analyse organisational service initiatives. This shows that the issue of consumer loyalty in Saudi Arabia is a part of a broader socio-economic discourse in which institutional changes and reform rest on the expectations of the quality of services, innovation, and the capacity of workforces. Therefore, retailers that match the operational practises with Vision 2030 goals can build consumer loyalty more efficiently.

Although these contributions exist, there are a number of limitations that have to be taken into consideration. First, purposive sampling and self-reported survey data were used in the study, which limits the generalizability of the results and causes a bias in perception. Second, a cross-sectional design does not allow paying attention to the changes in the

perceptions of customers in the long run. The future study can take the form of longitudinal or mixed methods to reflect the changing attitudes of consumers over time due to changes in Vision 2030 reforms. Moreover, consideration of other moderating factors like service innovation or digital transformation may also help in unravelling the nature of loyalty in the new retail market.

LIMITATIONS

As data had been collected through social media platforms, the sample is mostly a representation of digitally accessible retail consumers in Saudi Arabia, which does not capture less digitally active groups. This could result in reduced representativeness and generalisations of the overall findings to the entire retail population. Further studies, therefore, should take into account the stratified sampling methods that will make the sample much more balanced in its demographic composition and provide the comparison between the sample features and the national retail consumer profiles in order to increase the generalizability.

IMPLICATIONS

The findings of this study hold specific policy implications for policymakers, retail managers, and researchers in Saudi Arabia. The policymakers can operationalize the Vision 2030 targets by launching certified retail workforce training programs, a standardized quality benchmark of service quality, and incentives based on the performance of customer-focused retailing activity, especially in emerging urban retail sectors. The initiatives of national service quality audit and workforce upskilling programs could contribute to the consistency in service provision and consumer confidence. Managing-wise, retail companies should introduce the use of data-based staffing frameworks, including peak-hole staffing, employee-sensitivity monitoring, and so forth, so that sufficient levels of service can be guaranteed. Moreover, managers must embrace intensive customer experience mapping tools in order to create harmonious customer omnichannel experiences at both physical and digital levels. Conformity of these practices to the Vision 2030 initiatives can lead to perceived retailer credibility. In theory, the research establishes that the perception of the institutions influences the way the consumers make sense of service investments, which supports the overall explanatory abilities of the SET and Institutional Theory on the consumer level.

LIST OF ABBREVIATIONS

AVE	=	Average Variance Extracted
CMB	=	Common Method Bias
EFA	=	Exploratory Factor Analysis
PLS-SEM	=	Partial Least Squares Structural Equation Modelling
SET	=	Social Exchange Theory
VIF	=	Variance Inflation Factor

AUTHORS' CONTRIBUTIONS

A.A. contributed to the design and implementation of the study. R.A., F.A.G., S.A., M.A. contributed to the analysis of the results and the writing of the manuscript.

ETHICAL APPROVAL & INFORMED CONSENT

All procedures were carried out in accordance with institutional research ethics committee guidelines and Declaration of Helsinki. Informed consent was not needed as there are no direct human participants. To ensure protection of any secondary data, all data were fully anonymized at the point of collection, and no personal or identifiable data was recorded.

AVAILABILITY OF DATA AND MATERIALS

The data will be made available on reasonable request by contacting the corresponding author [A.A.]

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CONFLICT OF INTEREST

The authors declare that there is no conflict of interest regarding the publication of this article.

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DECLARATION OF AI

During the preparation of this work the authors used ChatGPT for editing purposes. After using this tool, the authors reviewed and edited the content as needed and take full responsibility for the content of the published article.

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