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## Effect of Service Quality on Service Value and Customer Retention for Clothing Store Brands in China

*Vpliv kakovosti storitev na njihovo vrednost in na to, koliko so kupci zvesti trgovskim blagovnim znamkam oblačil na Kitajskem*

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### Abstract

An increasing number of new Chinese clothing store brands are selling and offering similar products and services and consequently clothing store brand providers must compete to survive in this industry. They need to focus on customers' special needs and preferences to maintain and retain a long-term relationship. The objective of this study is thus to examine the relationship between service quality and customer retention for clothing store brands in China, and the mediated effect of service value in the relationship between service quality and customer retention for clothing store brands in China. A quantitative research for data collection was implemented. As many as 385 questionnaires were collected by the professor, PhD students, MSc students and BSc students of different nationalities in China. The data was analysed using SmartPLS and SPSS software. Customer perception of the quality of a service product in all sizes has a beneficial effect on customer retention. Service value affects customer retention positively. Practical implications for the target market of the clothing sector should be focused on young individuals aged 36 to 45 years, holding a Master's degree and earn more than €1,000/month. Findings indicated significant and direct relationships between service quality, service value and customer retention. It was also found that service value has a full mediated effect. This study will be of interest to the clothing store brands in understanding how service quality is essential for maintaining a long-term relationship with customers.

Keywords: service quality, service value, customer retention, clothing store brands, China

### Izveček

Na Kitajskem je v prodaji oblačil s trgovskimi znamkami veliko novih subjektov, ki tržijo podobne izdelke in storitve. Ponudniki oblačil uveljavljenih znamk morajo tekmovati med seboj za preživetje, saj je konkurenca zelo huda. Da bi ohranili lojalnost svojih kupcev na dolgi rok, so prisiljeni upoštevati posebne potrebe in želje svojih strank. Cilj te študije je torej proučiti razmerje med kakovostjo storitev pri ohranjanju zvestobe trgovskim znamkam oblačil na Kitajskem in posrednim učinkom vrednosti storitve na razmerje med kakovostjo storitev in zvestobo trgovcem z oblačili na Kitajskem. Izvedena je bila kvantitativna raziskava z zbiranjem podatkov. Anketiranih je bilo 385 profesorjev, doktorskih študentov, magistrov in študentov univerzitetnih študijskih programov na Kitajskem. Podatki so bili analizirani s programsko opremo SmartPLS in SPSS. Dojemanje storitev kot kakovostnih v vseh vidikih ugodno vpliva na zvestobo

*kupcev. Vrednost storitve pozitivno vpliva na zvestobo strank. Iz tega sledi, da bi se na ciljanih trgih oblačil morali osredotočiti na mlade, stare od 36 do 45 let, ki imajo magisterij in na mesec zaslužijo več kot tisoč evrov. Pokazalo se je, da obstajajo pomembne in neposredne povezave med kakovostjo storitve, vrednostjo storitve in zvestobo strank. Ugotovljeno je bilo tudi, da ima vrednost storitve popoln mediacijski učinek. Ta študija je zanimiva za trgovine z blagovnimi znamkami oblačil, da bi lažje razumeli, kako pomembna je kakovost storitev za ohranjanje dolgoročnih odnosov s strankami.*

*Ključne besede: kakovost storitev, vrednost storitve, zvestoba kupcev, trgovska znamka oblačil, Kitajska*

## 1 Introduction

The clothing store brands nowadays not only meet customers' primary needs, such as food and shelter, they also provide much more, for example they can cover other requirements, such as personalised services, etc. As many organisations and sectors are evolving, the Chinese clothing sector has become one of the most critical drivers of Chinese economic growth and development. China was the leading global economy in 2019 [1].

In a competitive clothing sector, clothing store brands need to discover methods to improve their services through various and comprehensive programs that are different from their competition. In order to achieve this goal, clothing store brands managers need to understand and find out the needs and anticipations of their customers. Then they need to alter their product service offerings based on the needs and expectations of their customers to properly satisfy their needs [2]. In order to enhance customer retention in the clothing sector, clothing store brands need to understand that clients may be influenced by service characteristics. Inability to provide vital attention to the quality of services (tangibles, assurance, reliability, responsiveness and empathy) can lead to a negative evaluation of the clothing brands by customers, which can ruin the brand's opportunity of having more customers. Recent research has shown that consumer retention in the clothing sector can be affected by numerous marketing factors, such as promotion, price, place, product, people, process, physical evidence and after-sales service. These factors are considered essential [2] in order to achieve consumer loyalty and satisfaction.

According to one source [3], the combination and mixing of all parameters affecting the retention of customers lead to the quality of the service. Knowing the impact of service quality on service value and customer retention is therefore important for clothing store brands. Since the retention of a customer is affected by the quality of the service, the marketing

mix has become a major issue for all companies [3]. This study seeks to investigate the impact of service quality on service value and customer retention for clothing store brands in China.

## 2 Materials and methods

### 2.1 Customer retention

Customer retention means an undertaking's ability to continue business with a specific customer or constantly adapt to their needs. Retention can also be described as love, identification, engagement, confidence, and clients' readiness to recommend and repurchase intentions; the first four expressions are emotional-cognitive retention constructs and the last two behavioural intents [4]. According to Oliver and Varki [5] customer retention is a strong commitment to continuously repurchase or repatriate a preferred product or service in the future, despite situational factors and marketing attempts that may trigger the switching of behaviour. Later, Ranaweera and Prabhu [6] define customer retention as the customer's propensity to remain with its current service provider. Many organisations today have trouble attracting new customers so their marketing department is restructured and managers are appointed to pay attention to their current customers [7]. Customer retention is very important for the clothing industry in order to ensure long-term sustainability and growth and it is therefore their duty to be able to meet all of the customers' needs. They must be aware of the current situation whenever crises occur and be prepared to react rapidly. In addition, the management of the clothing store brands must guarantee that individual customers are as satisfied as possible. If the leadership of clothing store brands is serious about contributing to the success of their clients, then retention is a key element. In reality, the minimal expectation in terms of retention should be that clients will simply return to the clothing store brands within the first year [8].

## 2.2 Service value

Creation of value derives from services [9, 10]. Prior to choosing a service, customers are smart enough to consider and determine any advantages these services may have. Such a scenario has encouraged the company to provide benefits and services from the customer's point of view with a useful service for competitive benefits, profitable growth and business development.

The concept of 'value development' becomes an important measure in consumer behaviour, such as customer retention and behavioural intentions that are in line with increasing recognition of service value [11, 12]. Furthermore, building customer relationships that will lead to development and profitability [13] as a key aspect in the business strategy [9] is crucial for the organisation's continued growth and development. This implies that providing greater value to clients will allow organisations to: (1) reinforce profit and maintain a competitive advantage by incorporating significant strategic directions [11, 14]; (2) simplify resource allocation by scheduling managers linked to service design and the delivery stage [15]; and (3) improve service encounter systems that drive customers to achieve beneficial results [16]. Despite a wide-ranging attention and previous research, several problems connected with the core concern of service value remain uncertain. Wu and Ledden to studies by some authors [12, 17], unresolved problems relating to the importance of the service cover (1) the definition and idea are lacking in compromise. Consequently, the structure of service value has always been misapplied in social sciences and marketing research of goods in particular [18]; (2) The findings from the empirical measure are inconsistent and the topic has been criticised for lack of agreement between academics on definitions and ideas; and (3) the connection between service value and other constructs, such as service quality and customer retention has been controversially discussed. As value-related problem discussions are yet to come to an agreement on generalisation, ongoing research of this structure is required to narrow the knowledge gap as this research attempts to explore the value of service including links to other constructs. In the Thamrin [19] study, they believe that the value of the service is situational and context-dependent. Due to its nature, the value judgment is a function of evolving norms. These norms are likely to differ depending on the environments, location, culture and the moment the value assessment was conducted.

### 2.2.1 Relationship between service value and customer retention

Service value and customer retention are key elements of academic and business marketing because these factors are closely connected to market share, marketing relationships and purchase intention, as well as behaviour [20]. In the literature on marketing services the connection between service value and customer retention has thus been seriously deliberated.

As a background and result, there were two kinds of customer retention roles to service value. According to Oliver's model [21], the first form of customer retention may lead from results of performance, such as product efficiency, quality of service or cost-based value, such as low cost. The second retention form is called value-added retention which suggests retention is derived from the value of customer service. If the client is unhappy, this will have an adverse effect on the quality of customer service. In Bolton et al. [22], the research verified that value-based retention is the outcome of a cognitive comparison method where cognitive assessment occurs before the affective reaction occurs.

The first form of customer retention has been referred to for this research, which focuses on customer retention as a result of service quality where offering value to clients is extremely satisfying to clients on an ongoing basis [23]. Generally, in previous research in multiple service industries, the immediate connection of service value was recognised as a reliable predictor of customer retention and compatible with previous and present research [17, 18, 24, 25].

Recognised from previous results about important relationships for these two constructs, the current research is restricted to continuing research in this regard. The results of this research in the context of clothing store brands may lead to current information about this relationship. The first hypothesis was proposed as follows on the basis of the discussion above: *H1: Service value has a positive effect on customer retention.*

## 2.3 Service quality

Service quality is frequently described as a discrepancy between service expectations and perceived service provided by the organisation and employee service performance [26]. In the early establishment of the notion of service quality, the [20] service quality model, also known as the Nordic view, recognised two dimensions of service quality, namely, technical

quality linked to “what customers get” and functional quality linked to “how they get it.” The research by Behera defines technical quality as “what the customer receives as a consequence of relationships with a service company” and functional quality, defining it as “the transfer of technical quality.” Behera also found that the company’s corporate image was constructed by the technical and functional quality of service.

In his research on the mid-end model, Parasuraman et al [27] described service quality as a worldwide judgement or attitude pertaining to the general excellence or superiority of the service and Parasuraman et al [27] again quoted this concept. Edward [20] claim that Yee et al. [28] define service quality as being the most commonly accepted for studying service quality by other academics. This research uses the definition of Parasuraman et al [27].

### 2.3.1 Relationship between service quality and customer retention

The link between service quality and customer retention has become a focal point in literature about services [6, 29]. Service quality plays a vital role in achieving a competitive advantage by providing high-quality service capable of achieving customer retention and shaping the enterprise’s beneficial result, such as customer loyalty and reducing company rivals [30].

Some of the recent research has provided coherent evidence on the immediate and beneficial relationship between service quality and retention of customers, such as studies carried out by Ranaweera, Venetis and Han [6, 29, 31]. These findings were in line with the following past studies Ennew and Hennig [32, 33].

Several scientists studied the immediate impact of customer retention on the connection between each dimension of service quality. For instance, Islam et al. [34] provided quantitative results on service quality delivery and its impact of customer retention in Malaysia’s banking sector, which disclosed that the dimension of certainty, empathy, reliability, and responsiveness has a connection to but it does not have an important impact on customer retention. Only tangible dimensions have a favourable connection and an important effect on the retention of customers. The results of the assessment are not in line with [35] results obtained by the Malaysia Islamic banks using PAKSERV, taken from the SERVQUAL scale where tangible, assurance, honesty, customisation

and formality dimensions have an important connection with customer retention but not reliability. Another Hume and Sullivan [30] research of the public health service discovered that the dimension of certainty, compassion and responsiveness has important customer retention relationships, they are, however, not tangible and reliable. While the research by Islam et al. [34] discovered that all SERVQUAL sizes were important for customer retention, the outcome showed that the tools used to evaluate the quality of service were extremely accurate and valid. Inconsistent results from the impact of SERVQUAL sizes on customer retention in previous research may, however, be due to cultural differences [34].

Studies applying a higher order construct of service quality are growing due to the complexity of abstract service quality. For example, studies of Rajaratnam et al. [36] in rural tourism destinations in Malaysia used seven dimensions of service quality, i.e. availability and logistics, key tourism experience, hygiene, data, safety, value-for-money and hospitality through formative strategy using the structural equation model methodology. Their research results indicate that the quality of service was important for the retention of tourists, and suggests that the quality of service was a direct precedent for customer retention. They also verified that the quality of service is a multidimensional structure. While the research of mobile communications providers in China by Daniel et al. [37] adjusted the hierarchical model of service quality as suggested by Brady [38].

Although there have been several approaches to evaluating service quality in the aforementioned literature, such as multi-dimensional service quality, one-dimensional service quality, and hierarchical service quality model, service quality remains an important building block for customer retention. This is due to the nature of the quality of service and the connection between client retention being seen as linear, which shows that high quality of service results may result in elevated customer retention. The current research proposes the following hypothesis in order to meet the current gap in clothing store brands in China: *H2: Service quality has a positive effect on customer retention.*

### 2.3.2 Relationship between service quality and service value

There is no doubt that marketing scientists have long been interested in service quality and service value.



The notion of service quality was described as the evaluation of the general excellence or superiority of the service by the customer [27]. While Cronin et al. [16] conceptualised the quality of service that reflected the performance-based assessment of the perception of service quality during a service meeting. They described perceived service quality in an article by Zeithaml et al. [39] that consisted of elements through performance, expectation and disconfirmation. Functional quality, such as response, reliability, empathy, certainty and technical quality (in tangible terms) becomes a major driver for customers in evaluating the value of purchasing a product or service in terms of cost, effort, emotion, connection and social aspects. The client will perceive the high-quality output, speed of service delivery, comfort and friendly services through the superiority of service provided by the supplier as a significant effect on the client compared to what they are giving.

Service quality therefore plays a significant role in determining the value of service. Results from the research conducted by Cronin et al. [16] demonstrate that perception of quality mainly has a defined service value where it highlights quality rather than price associated with its exchange transaction. Other scholars, including De Oña and Mazzulla [40], reference past studies, such as Lai and Petrick [41], Muala and Ngo and Nguyen [42, 43] and later research, in which comparable findings consistently showed that the customer's perceived service value assessment was directly dependent on the customer's perceived service quality assessment. Ledden et al. [17] acknowledged that several scholars like Ganguli and Roy [44], Wang, Shieh, and Hsiao, [45] and Erdil and Yildiz [46] regarded quality as a value component dimension. Sweeney and Soutar [47] also stressed that the function of service value was a crucial component of decision-making, and perceived service quality was a major antecedent of service value.

In distinct contexts, such as clothing store brands, further research of this connection enriches current understanding. The third hypothesis for this connection was thus proposed as follows: *H3: Service quality has a positive effect on service value.*

### 2.3.3 Service value as mediator between service quality and customer retention

The function of service value is essential in the relationship between the service provider and the client. In addition, the function of service significance is

substantial and unique where this variable can serve as a mediator [16] and moderator [48]. Having a better knowledge of the role of service value is therefore essential.

In the connection between service quality and customer retention, service value was empirically recognised as a mediating variable [15, 49]. A study conducted by Cronin and Brady [16, 38] suggests that the customer retention evaluation was preceded by a cognitively focused service quality and service value evaluation. According to Chen and Yang [49], service value serves as a more important predictor in service evaluation than service quality. Empirical research findings by Kuo et al. [50] state that the overall impacts of post-purchase intention contributed to the value of service, followed by the quality of service and customer retention. It has been found that providing a greater service value will boost customer's favourable behavioural intent and word of mouth.

Research using a structural equation model conducted by Hume and Mort [30] in performing arts settings in Australia illustrates the importance of the quality of service to customer retention, while intention to repurchase was fully dependent on service value, but not the peripheral quality of service and evaluation of emotions. They suggest that executives should concentrate on core quality of service as a main factor, such as showing or acting in performing arts, to determine intention to purchase again. Their research also discovered that the quality of service, peripheral quality of service and evaluation of emotions was directly connected to the value of service, but were not important for customer retention and service value. The complicated mediation function of service value should therefore warrant further studies.

Research by Kwun [51] is another proof of the mediation role of service quality. His research of a campus food service discovered that the role of service value mediation varied from gender to gender. The connection between service quality and customer retention was fully mediated by service value for female customers, while the quality of food and menu was partly mediated by the importance of service. On the contrary, only food quality was mediated by male consumers' service value. The outcome shows that evaluations produced by male and female customers on the characteristics of campus food service gave mixed trade-off advantages on the quality of service and had distinct impacts on satisfaction and customer behaviour.

The results of the research by Kwun [51], Kuo et al. [50] and Cronin et al. [16] indicate that quality of service, value of service and retention of customers can jointly contribute to a significant impact on customer service intention and perception after purchase. They also suggest analysing the integration of these factors through a multivariate analytical strategy.

The aforementioned literature review endorsed the function of service value as a mediating variable between the service quality relationship and the retention of customers. Continuous inquiry into this relationship will lead to current understanding due to the sort of service and place variables that may be uncertain in the relationship finding. Since the analysis of this connection has been ignored specifically in the context of the Chinese clothing store brands, the issue remains. To fill the current gap, it would therefore be useful to present the research to find a response on this relationship. Based on the empirical evidence, this research suggested the fourth hypothesis as follows: *H4: Service value mediates a positive effect on the service quality and customer retention.*

## 2.4 Research framework

Building on past empirical research, the article presents a model for finding out the relationship between service quality and customer retention in clothing store brands: Mediating effect of service value (Figure 1). Furthermore, the model indicates a number of hypotheses that support these suggested backgrounds.

## 2.5 Research methodology

This chapter addressed the following problems pertaining to research design, such as population, sample size, sampling technique, study hypothesis, questionnaire design, method of assessment, and reliability

outcome. The research population measured who is buying at clothing store brands in China. About 385 questionnaires had valid answers and were used in this research paper for data analysis; the information was analysed using partial least square regression. According to Sekaran (2003), a total of 385 answers were used and subsequently analysed, resulting in a response rate of 80% using the 5-point Likert scale for all answers with (1 = strongly disagree, 2 = disagree, 3 = undecided, 4 = agree, 5 = strongly agree). The questionnaire is split into four components: section (1) population variables (8) items; section (2) quality of service measurements (22) items from Zeithaml et al. [39]; section (3) service value (5) items from Ledden et al. [17]. Finally, section (4) adjusted (4) items from Han [31] for customer retention. In conclusion, the researcher used convenience sampling processes in social science studies as a prevalent type of sampling design (thorough sampling). Mohr and Spekman [52] provide an appropriate database for scientists to use the methods of statistical inference. This sampling design strategy is also relevant in the marketing of services.

## 3 Results and discussion

### 3.1 Profile of respondents

The aim of the profile of respondents is to study their characteristics according to the study samples that were established. In terms of gender, men accounted for 38.7% clothing consumers, while women accounted for the remainder of 61.3%. It was determined that men are less inclined to buy clothing store brands than women. Analysis by age provided information about the purchasing behaviour of people. It was shown that older people have a higher propensity to purchase clothing store brands.

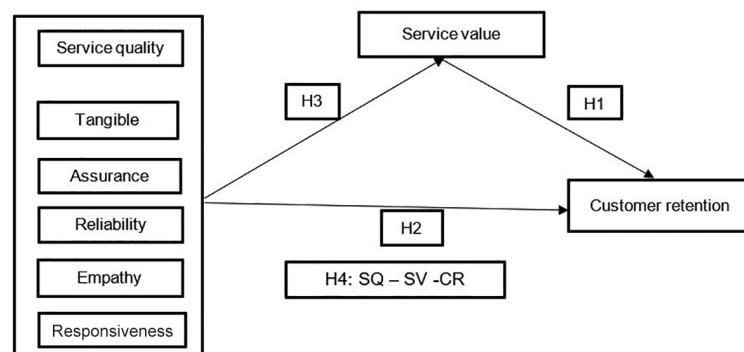


Figure 1: Research framework

This study explains demographic characteristics of the respondents. It shows that respondents aged 36 to 45 years account for 30.6% of the total. The customer of a clothing store brand is represented by consumers who earn a monthly salary of between €1,001 and €1,500, or 24.7% of the total. The selection of clothing brands is highly dependent on the information available to the buyer. Clients with higher qualifications will be choosier in their consumption decisions. The data for the qualification level show that the highest level achieved by the largest group of respondents is master degree,

which accounts for 55.1%. At 51.2% of the respondents are married, 32.7% are single, while 16.1 are other.

The occupation of consumers also has an effect on their consumption behaviours. Features of respondents by occupation subjugated by government equal 12.9%. The number of respondents bought clothing brands non- government equal 15.7%, while the majority of respondents bought clothing brands 39.9% own employee, 18.8% have bought clothing brands by student and 12.7% have bought clothing brands by others.

Table 1: Demographic characteristics of participants

Demographic	Characteristic	Frequency	Percentage
Gender	Male	236	61.3
	Female	149	38.7
Age	Below 25	72	18.7
	25–35	89	23.1
	36–45	118	30.6
	46–55	42	10.9
	56 and older	64	16.6
Monthly salary (EUR)	Below 500	79	20.5
	500–1000	85	22.1
	1001–1500	95	24.7
	1501–2000	83	21.6
	Above 2001	43	11.1
Qualification	Diploma	15	3.9
	Degree	54	14
	Master	212	55.1
	Doctoral	104	27
Marital status	Single	126	32.7
	Married	197	51.2
	Other	62	16.1
Occupation	Government	51	13.2
	Non- government	59	15.4
	Own employee	154	39.9
	Student	72	18.8
	Others	49	12.7
Source of information	Online	272	70.6
	Friends	42	10.9
	Relatives	14	3.6
	Advertisement	24	6.2
	Others	33	8.6

Table 2: Correlations among variables and discriminant validity

	ASS	CR	EMP	REL	RES	SV	TAN
ASS	0.901						
CR	0.799	0.832					
EMP	0.891	0.832	0.899				
REL	0.863	0.799	0.887	0.888			
RES	0.885	0.786	0.895	0.885	0.902		
SV	0.842	0.843	0.867	0.821	0.835	0.886	
TAN	0.876	0.780	0.876	0.758	0.871	0.812	0.906

Note: ASS = assurance; CR = customer retention; EMP = empathy; REL = reliability; RES = responsiveness; SV = service value; TAN = tangible

The results show how the respondents obtained their source of information about clothing store brands. Several response options were made available and the respondents were allowed to choose more than one option. A large portion of the respondents (272 respondents) obtained source information about clothing store brands using online services and a total of 42 respondents received source information about clothing store brands from friends. Meanwhile, 14 respondents obtained their source information about clothing store brands via their relative(s). Lastly, 24 of the respondents got their source information by advertisement and 33 of the respondents received their source information about clothing store brands from others.

### 3.2 Discriminant validity

The degree to which items distinguish between constructs or measure separate ideas is the discriminating validity of the measures. Hair et al. [54] explained in this regard that the discriminating validity stipulates that the average variance extracted from each latent construct (AVE) should be higher than the highest square correlation of the other latent construct as recommended by Fornell and Cha [55] criterion, and that the loading of the item should be greater than all its cross loading.

### 3.3 Testing of hypotheses

First of all, for direct hypothesis, H1 postulates an important connection between service value and customer retention where previous studies frequently support this relationship. The connection between these relationships also discovered an important aspect in the context of clothing store brands service ( $\beta = 0.467$ , S.E. = 0.090,  $t = 5.174$ ,  $p < 0.000$ ) in the same manner. In addition,  $R^2$  was found to be

0.754 in customer retention and was substantially explained by the value of the service. All service value products played key roles in shaping service value construction and thus revealed the significant role of quality service value results in building customer retention relationship.

Confirmed and approved the second assumption predicting an important connection between SQ and CR. The regression outcome produced by SmartPLS showed that the link between SQ and CR was important ( $\beta = 0.430$ , S.E. = 0.094,  $t = 4.593$ ,  $p < 0.000$ ). The  $\beta$  value was comparatively large with the  $t > 2.58$ . Another statistical finding is that the  $R^2$  for CR was 0.704, which was near to the significant variance rate accounted for by SQ. All variables under SQ were discovered to portray SQ build considerably on the basis of Table 3. Compared to other factors in SQ, the outer weights of 0.105 and  $t = 4.664$  for EMP had reached the largest value. This shows that EMP was the most important element in the development of service quality in the context of clothing store brands.

In previous studies, the connection between SQ and SV was not always linked with a fresh idea in marketing research. SQ was discovered to be considerably combined with SV ( $\beta = 0.876$ , S.E. = 0.025,  $t = 35.084$ ,  $p < 0.000$ ) and  $R^2$  value of 0.768 as shown in Figure 1. Therefore, this study's third hypothesis was verified and adopted. SQ variables coded as TAN, REL, RES, ASS and EMP had important features in molding SQ build that caused important connection between SQ and SV which were found to be more fruitful.

Finally, the hypothesis of indirect impact predicts that SV will mediate the connection between SQ and CR. In previous research, there has been numerous evidence of the role of SV as mediator between these two factors. SQ has a substantial direct impact on CR with a route coefficient of  $\beta = 0.430$  in



the current research. The indirect impact of SV was 0.409 and statistically substantial with  $t = 5.120$  ( $p < 0.000$ ) after the mediating variable was inserted for regression. The path coefficient  $\beta$  was decreased to 0.021 for direct impact between SQ and CR but still has an important impact as shown in Table 1. Determining the amount of mediation and the outcome shows that SV has a complete mediation impact on the connection between SQ and CR in the next assessment. Therefore, it was verified and approved in the H4 hypothesis.

According to Hair [40], the primary assessment criterion of the structural model by PLS-SEM is the  $R^2$  measures and to determine the significance level of the path coefficients. The reason is because the objective of the prediction-oriented PLSSEM approach is to explain the variance of endogenous latent variable and reasonably high  $R^2$  value should be obtained. A rule of thumb in marketing research studies,  $R^2$  values of 0.75, 0.50, or 0.25 for endogenous latent variables in the structural model can be represent-

ed as substantial, moderate, or weak, respectively. Accordingly, the obtained  $R^2$  value can be used to interpret the quality of the structural model which indicates the explanatory variance by the exogenous variables contained in the endogenous variable. Assessment results it can be explained the  $R^2$  was found to be 0.754 for CR, indicating that SQ can account for 75.4% of the variance in the CR, which was substantial level.

### 3.4 Discussion

The finding of all hypotheses validated and verified the complete mediation of service quality and client retention. With the presence of service value as a mediator between service quality and client retention, the value of  $R^2$  improved from 70.4% to 75.4% for variance strength explained in client retention. Recognised service value has a complete mediation impact between service quality and customer retention, the size of the indirect impact for service value consequence. In the past, studies on the role of service

Table 3: Summary of hypotheses testing results for direct and indirect effect

Hypotheses	Path	$\beta$	S.E.	t-value	p-value
H1	SV $\rightarrow$ CR	0.467	0.090	5.174	0.000
H2	SQ $\rightarrow$ CR	0.430	0.094	4.593	0.000
H2a	ASS $\rightarrow$ CR	0.081	0.018	4.548	0.000
H2b	EMP $\rightarrow$ CR	0.105	0.023	4.664	0.000
H2c	REL $\rightarrow$ CR	0.099	0.022	4.568	0.000
H2d	RES $\rightarrow$ CR	0.082	0.018	4.518	0.000
H2e	TAN $\rightarrow$ CR	0.082	0.018	4.578	0.000
H3	SQ $\rightarrow$ SV	0.876	0.025	35.084	0.000
H3a	ASS $\rightarrow$ SV	0.166	0.007	23.915	0.000
H3b	EMP $\rightarrow$ SV	0.215	0.006	35.250	0.000
H3c	REL $\rightarrow$ SV	0.202	0.007	29.801	0.000
H3d	RES $\rightarrow$ SV	0.167	0.005	33.285	0.000
H3e	TAN $\rightarrow$ SV	0.167	0.005	32.270	0.000
H4	SQ $\rightarrow$ SV $\rightarrow$ CR	0.409	0.080	5.120	0.000
H4a	ASS $\rightarrow$ SV $\rightarrow$ CR	0.078	0.015	5.053	0.000
H4b	EMP $\rightarrow$ SV $\rightarrow$ CR	0.100	0.020	5.020	0.000
H4c	REL $\rightarrow$ SV $\rightarrow$ CR	0.094	0.018	5.123	0.000
H4d	RES $\rightarrow$ SV $\rightarrow$ CR	0.078	0.015	5.208	0.000
H4e	TAN $\rightarrow$ SV $\rightarrow$ CR	0.078	0.015	5.125	0.000

Note: CR = customer retention; SV = service value; SQ = Service quality; EMP = empathy; REL = reliability; RES = responsiveness; ASS = assurance ; TAN = tangible

value as a mediator are not a new topic. Numerous studies provided the same results on the impact of service quality mediation such as Kwun [51] in Food Services, Chen et al. [49] in Taiwan Financial Services, [56] in clothing Services, Hume and Mort [30] in Australian Art Performance, Cronin et al. [16] in Service Environments and Brady et al. [38] in Fast Food Services in America and Ecuador.

A complete mediation impact between service quality and customer retention in the environment of clothing store brands in China is the most compelling reason for service value because service quality has a powerful direct impact on service value and customer retention. Customers are constantly seeking quality in the services they have engaged in and are always a key component in the delivery of marketing and business services. High service quality establishment will result in high service value [57] and customer retention [31, 58, 59] and attracting another opportunity to increase the picture of an organisation [12, 60], encourages beneficial behaviours such as reuse intention, positive word of mouth referral and allegiance [18]. By comparison, poor quality service leads to the damage of a company's strength owing to adverse reaction, bad word of mouth and low client buyback [9]. In brief, there will be trash in the trash [54].

This research demonstrates that all dimensions of service quality worked intensively together to serve value and retention in the clothing store brands environment. Equally relevant to this research, it was observed that the measurement of quality of service in clothing store brands is better by combining functional and technical factors rather than functional aspects alone as proposed by [20]. As a quality output reaches an acceptable level, after engaging in the service, clothing store brands clients will evaluate the benefit versus disadvantages. Because clients prefer high quality in clothing store brands, perception of value becomes beneficial and minor defects that clients encounter during service consumption are ignored. This is obvious in the current research where quality performance variables in service value continued to achieve the highest effect rating, followed by value and social variables, although several elements of service quality were discovered to be poor. This finding coincided with the research by Cronin et al. [16]. Therefore, it was suggested that clothing store brands operators should concentrate on and promote any initiative to enhance quality in clothing store brands services

from the moment to the time to deliver high value to their clients, leading to retention of customers. Possible initiatives such as cashless clothing payments, mini retail outlets or valet services can be regarded for value-added services to increase an excellent experience among clothing store brands customers and should guarantee precious characteristics known to the client. High customer worthiness, after service usage, will make a specific service unique that could enhance company competitiveness through elevated level of retention. This declaration was backed by the current research results where customer-represented service comparison had attained the highest loading in the retention structure compared to other parts. In addition, the results of this research consistent with the research by [16] where they discovered that retention was mainly explained by quality of service and value of service and further conclude that cognitive evaluations precede emotional reactions. Their research also shows that joint attempts are being made to enhance quality, value and retention as a means of refining perceptions of client service. In addition to suggestions, the current research also highlights manager's requirements to decide the correct approaches, embed clear direction among employee and frequent tracking to guarantee excellence in delivering value to their clients [49].

## 4 Conclusion

The aim of the research is to explore the service quality and service value effect on customer retention to clothing store brands in China. The study's descriptive outcome indicates that there is still a mild level of customer retention on service in clothing store brands. This implies the perception on medium level of service quality and service price of clothing store brands clients. The research framework structural assessment shows that the model has appropriate predictive significance in PLS-SEM technique for the constructs through the blindfolding procedure. Briefly, the findings of the study show the difference in the effect of service quality. The connections between service quality, service value and retention with fairly elevated statistical results were discovered to be important for an immediate impact. This demonstrates that the quality of service and the value of service are efficient variables in the retention of customers.

Service value had shown complete mediation impacts in subsequent assessment studies. In short, it has discovered acceptance of four hypotheses developed from the study framework. Thus, the study's research goals were achieved.

The research results were discussed and suggested that executives integrate workable approaches in clothing store brands in terms of mixing quality and value of service in order to provide favourable retention reactions among clothing store brands clients. Periodically evaluating customer feedback on services can help service providers improve their clothing store brands service and monitor any changes in behavioural trends that serve as inputs to further improve clothing store brands services. There have been acknowledged several constraints in the study that offer possibilities in future studies. Future studies were proposed to include intentional conduct, real behaviour, other antecedent factors and research model moderator variables. Application of the low and high order construct notion in future research is also proposed. Further validation of the results of the study was promoted through the expansion of sample size, building type, geographic region and other service industries.

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