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# CUSTOMER EQUITY DRIVERS AND ITS EFFECT ON CONSUMER LOYALTY

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**Abstract**
Competition in the retail sector is very tight today, forcing companies to use the right strategy to maintain customers in the long run. The main purpose of this study is to discuss the importance of customer equity in affecting trust, consumer satisfaction, and loyalty. By using the theory of customer equity, this study tries to analyze the importance of companies to capture customer values, create consumer trust, and satisfy consumers in order to have long term customer loyalty. Data was collected through offline surveys with a structured questionnaire. A sample of 210 respondents was recruited using a purposive sampling method. To verify the hypotheses, the study employed SmartPLS. The study results found that only value equity effect on trust. Meanwhile, brand equity and relationship equity partially did not influence trust, but simultaneously customer equity driver impact on trust. Trust and satisfaction positively influence loyalty, meanwhile, trust does not affect satisfaction.
**Keywords**: customer equity, trust, satisfaction, loyalty, retail store

## INTRODUCTION

The retail industry is a strategic and important sector in the economy of any society because the retail industry contributes significantly to GDP and employment (Cheema, 2010; Raharja et al., 2021). However, currently, the retail industry is experiencing serious problems. The problem faced is not only the low purchasing power caused by the COVID-19 pandemic situation but also the tight competition. It is feared that the decline in the retail industry could threaten economic stability if improvements were not made. Therefore, efforts to arouse the passion of the retail industry need to be done.

The problem is how can a retail company win the competition and remain attractive in the eyes of consumers so that consumers are still willing to shop at the store (off-line or online)? According to a previous study, the store must be able to create a significant difference from other stores and create customer value to be able to compete in the market and encourage consumers to continue shopping at these retail stores (Veloso et al., 2017; Kotler et al., 2021). Nowadays many modern shops offer one-stop shopping to pamper their consumers. One-stop shopping is a concept of a shop by providing almost all the needs of consumers so that consumers expected simply visit one store only (Nandonde & Kuada, 2018). In addition, stores can make a difference to achieve excellence by providing the best possible service, at a fair price, providing adequate facilities for consumers. Facing a competitive market situation, the store should implement a defensive strategy, which is to focus on customer retention issues (Kotler et al., 2021). Thus efforts to create loyalty must be maximized (Veloso et al., 2017).

According to Kotler et al. (2021) to create consumer retention, companies need to promise and deliver customers superior value and satisfy them. It means that today's marketing concept requires marketers not only to understand the desires and fulfill the needs of consumers but also be able to create customer value in order to make customer engagement and customer relationship management that is mutually beneficial (Chahal & Bala, 2017; V. Srivastava et al., 2024).

To find out how far the company can capture consumer value, adequate measurement tools are needed. Customer equity is an approach that is currently widely used by business organizations because of its ability to measure or assess individual customers and customer segments from a value perspective (Rust et al., 2004). Customer equity according to (Vogel et al., 2008) is a measure of future consumer behavior expected by consumers. Thus customer value is a company valuable asset that must always be maintained and monitored. How can companies organize marketing programs to capture customer value equity in order to improve long-term performance (Chahal & Bala, 2017).

The value-based consumer approach to customer equity management is based on three main drivers of customer equity, namely value equity, brand equity, and relationship equity (Cho & Jang, 2017; Hyun, 2009; Ou et al., 2017). Marketing is defined as not only fulfilling consumer needs but also delivering value to satisfy consumers. It is expected that satisfied consumers will lead to purchase intentions (Srivastava, 2018; Rahman, 2015; Ellyawati, 2017). From this statement, it can be said that current marketing places more emphasis on customer engagement and management of mutually beneficial customer relationships in the long run. This study intends to examine the importance of consumer equity for companies to retain existing customers and attract potential customers. In addition, this study also aims to provide retail businesses with a better understanding and knowledge on how to manage consumers so that consumers have loyalty and long-term relationship with the company.

## THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

The basic concept of customer equity is a marketing concept that not only pays attention to the needs and desires of consumers but is more concerned with customer satisfaction. Consumer satisfaction is an indicator that leads to consumer loyalty (Kotler et al., 2021). The concept of customer value is applied in business to create and maintain long-term customer value relationships (lifetime customer value).

**Value equity**

The concept of equity itself comes from an economics term which means fairness. Equity will occur if everyone benefits according to his contribution (price, effort, cost, energy, mind). If all people get benefits in accordance with the efforts made there will be equality of justice means that all people get their rights (justice) or their rights are fulfilled (Ellyawati, 2017).

In a business context, customer value equity can be defined as a consumer evaluation of the value of a product or service provided by a company about what is spent compared to what is obtained. Why is customer equity necessary for the company? The basic concept is that long-term relationships with consumers can create revenue for companies, both tangible and intangible (Pavlova, 2018). According to Kotler et al. (2021), customer equity might be used as a measure of company performance that is better than sales or market share. Therefore, the company must always improve good relations with consumers to create benefits for consumers. Whereas Razzaq et al. (2017) stated that value equity is the ratio of the overall evaluation of customers about what is received compared to what is paid or sacrificed. In other words, customer equity value is all of the company values perceived by consumers (Kotler et al., 2021). Value equity can be measured through the quality of products, prices, and services provided by the company (Pavlova, 2018; V. Srivastava et al., 2024).

According to the equity approach, an organization can maintain and expand its customer base by creating value equity, brand equity, and relationship equity. These three equity drivers can work independently or together to increase the equity and customer value of a company (Lemon et al., 2001). Customer value equity is a key element of consumer relationships with the company in the long run (Hyun, 2009). However, in competitive competition, where products available at the store are almost the same or homogeneous, therefore value equity becomes difficult to gain (Pavlova, 2018). Because the product is homogeneous, it is difficult for consumers to differentiate products between companies. As a result, companies are less likely to benefit from applying the concept of customer value equity, or in other words, the equity effect is weak in value (Ou et al., 2017). Value equity becomes important when there are significant differences between competing company brands (Ramaseshan et al., 2013). In high competition, consumer trust in brands can be a powerful weapon to attract consumers and even long-term commitments can be formed. The study conducted by (Cho & Jang, 2017) found that increasing value equity would have a positive influence on customer trust. Based on these arguments, the hypotheses proposed are:

H1: Customer value equity will have a positive effect on trust.

**Brand equity**

According to Aaker that brand equity is a set of brand assets and liabilities that are attached to a brand, its name, and symbols that add or subtract the value provided by the product or service (Tanveer & Lodhi, 2016). Brand equity is an emotional and subjective assessment of consumers of a brand by not taking into account the objective performance of the product (Razzaq et al., 2017; Razzag et al., 2017; Severt, 2007). Brand equity is a measure of a brand's ability to capture consumer preferences and loyalty. A brand has positive brand equity when customers react better to the same products of other brands (Kotler et al., 2021).

H2: Brand equity will have a positive effect on trust.

**Relationship Equity**

Relationship equity is the customer perceived value of the interactions and mutually beneficial relationships between consumers and companies. Companies trying to serve consumers well, care to customers, and pay attention to consumer rights (Ou et al., 2017). Perceived equity relationship is considered good if consumers believe that they are treated and served well. Consumers who are treated and served well continuously tend to lead to consumer trust. Consumer trust tends to reduce the risk of customer switching behavior (Cho & Jang, 2017) Established companies will maintain long-term relationships with their customers. The company's priority is to maximize relationships with customers that are mutually beneficial (Maggon & Chaudhry, 2018).

H3: Relationship equity will have a positive effect on trust.

**Trust**

Previous studies stated that consumer equity is an antecedent of customer trust (Cho & Jang, 2017; (Razzaq et al., 2017). Trust plays a very important role in business competition as it is today, especially in maintaining relationships with customers (Windi & Ellyawati, 2015). Customer trust can be defined as customer perceptions of security in transactions, not being cheated by the company, and willingness to depend on the company (Cho & Jang, 2017). The increment of customer equity will encourage higher customer trust as well. Furthermore, the trust will lead to customer satisfaction. Customer trust and satisfaction are predictors of loyalty (Harianto & Ellyawati, 2023; Cho & Jang, 2017; Razzaq et al., 2017). Previous studies stated that most consumers tend to buy

well-known brands because they trust in the company or product, and this means that loyalty will also increase (Dlačić & Kežman, 2014).
H4: Customer trust will have a positive effect on satisfaction
H5: Customer trust will have a positive effect on loyalty

**Satisfaction and loyalty**
Previous studies have shown a tendency that consumer satisfaction is the key to the success of the retail business (Ramanathan et al., 2017). Consumer satisfaction is defined as the level at which product performance matches customer expectations (Lestari & Ellyawati, 2019). While according to (Hellier et al., 2003), the definition of consumer satisfaction is the level of pleasure or overall satisfaction perceived by consumers, resulting from the ability of services to meet the desires, expectations, and needs of customers in relation to the services provided.
According to (Bilgin, 2018), customer loyalty is a customer commitment to repurchase a product or service from time to time and is committed to being a loyal customer of the product company in the future, although there are better offers coming from competitors. An experimental study conducted by (Ellyawati, 2017) found that consumers who are satisfied with the purchase of a product tend to make re-purchase. Even when a service failure occurs, of service recovery is considered satisfactory, consumers still make a repeat purchase. Brand loyalty is a measure of how consumers are committed to repeat buying a particular brand on a regular basis (Schiffman & Wisenblit, 2019). There has been a lot of marketing literature stated that satisfaction is the antecedent of customer loyalty. Previous studies stated that consumer satisfaction increases the willingness to repurchase a product or service that leads to increased brand loyalty (Tanveer & Lodhi, 2016; Lestari & Ellyawati, 2019; Cho & Jang, 2017).
H6: Customer satisfaction will have a positive effect on loyalty

## METHODOLOGY

For data collection, this study used a cross-sectional survey design using a structured questionnaire with a pencil and paper test method. We use a research instrument adopted from previous studies with several changes according to research needs (Cho & Jang, 2017). The questionnaire is classified into two parts, the first section contains questions about the characteristics of respondents and the second section contains the main questions for hypothesis testing. The sampling method used in this study is a non-probability sampling method with a purposive sampling technique (Bougie & Sekaran, 2020). The questionnaire was distributed offline to 210 respondents around the Southwestern State College campus, Basundhara, Kathmandu, Nepal. We have to eliminate nine of them because of not complete answers and only 201 was used to test the proposed model. Respondents recruited are consumers who have bought products in modern retail stores in Nepal for the past six months, with a minimum age limit of 17 years. All observed variables will be measured by a multi-item indicator, with a Five-point Likert Scale, based on the criteria score of 1 (strongly disagree) to a score of 5 (strongly agree).
Data analysis was processed using a variance-based Structural Equation Model (Partial Least Square-PLS). There are two measurement models, namely the measurement model (outer model) and the structural model (inner model). The outer model is used to test construct validity and instrument reliability which can be seen through Cronbach's alpha and composite reliability (internal reliability consistency), outer loading and AVE (convergent validity), cross-loading, and The Fornell-Larcker criterion (discriminant validity). The evaluation of the inner model is tested from the value of the path coefficients (ß), coefficient of determination (R2), effect size (the value of f2), the relevance of the prediction (the value of Stone-Geisser's Q2), and the significant path (p-value) (Hair et al., 2014; Ghozali & Latan, 2015).

## RESULT AND DISCUSSION

**Respondent profile**
Data is then processed using SPSS statistical program to obtain respondent profiles. From 201 data collected, a number of 110 (54.7%) respondents were male and 91 (45.3%) respondents were women. Based on a residential, 142 (70.6%) of respondents live in a big city, 51 (25.4%) of respondents live in middle to a small city and 8 (4.0%) of respondents live in rural areas. Based on their occupation, 160 (79.6%) of respondents were students, 26 respondents (12.9%) are employees, and 6 respondents have other occupations (3%). While products that are often bought in modern retail stores are clothing as many as 87 respondents (43.3%), daily necessity (27.9%), electronic (15.9%), fresh food (10.4%), and others (2.5%). The questionnaires were distributed in the campus area, therefore the age of the respondents is more or less the same old, which ranges from 17 years to 30 years of old.

**Table 1. Respondent Profile**

| Variable | Freq | Percentage | Variable | Freq | Percentage |
|---|---|---|---|---|---|
| Gender | | | Residence | | |
| Man | 110 | 54.7% | Big city | 142 | 70.6% |
| Woman | 91 | 45.3% | Middle to small city | 51 | 25.4% |
| Occupation | | | Rural area | 8 | 4.0% |

| | | | | | |
|---|---|---|---|---|---|
| Graduate/undergrad student | 160 | 79.6% | Product purchase | | |
| Employee | 26 | 12.9% | Clothing | 87 | 43.3% |
| Businessman | 9 | 4.5% | Daily necessity | 56 | 27.9% |
| Others | 6 | 3% | Electronics | 32 | 15.9% |
| | | | Fresh food | 21 | 10.4% |
| | | | Others | 5 | 2.5% |

**Evaluation of Measurement Model**
**Convergent Validity**
Convergent validity of the measurement model is assessed based on item scores estimated by the SmartPLS program. According to (Ghozali & Latan, 2015), convergent validity is said to be fit if the outer loading value of each indicator is more than 0.7 and the AVE value of each variable is greater than 0.5. After going through several iterations, four indicators must be eliminated to get the expected outer loading.
Table 2 shows that all outer loadings values of the research indicators have values greater than 0.7. The higher the value of outer loadings the better the convergent raliability of the study. When outer loadings have been fit, then the AVE analysis can be continued. Judging from the value of AVE, all variables have AVE more than 0.5. This indicates that 50% or more variance of the indicator can be explained (Ghozali & Latan, 2015; Hair et al., 2014).

**Reliability**
The instrument reliability test in SmartPLS can be seen from Cronbach's alpha value and composite reliability (Abdillah & Hartono, 2015). Table 2 presents the results of the factor loading, AVE, Cronbach's alpha test, and the composite reliability of the measurement model. Cronbach's alpha of each observed variable is exceeded 0.7. This shows that the items have a relatively high internal reliability consistency. All composite reliability values in this study have exceeded 0.7 which means that all observed variables used in this study are reliable.

**Discriminant Validity**
Discriminant validity shows the extent to which a variable is completely different from other variables. According to (Ghozali & Latan, 2015), the discriminant test can be assessed from cross-loading and the Fornell-Larcker criterion. Cross loadings can be seen by comparing the value of the outer loadings of the indicator of the related variable, the value must be higher than the outer loadings of other variables and the value must exceed 0.7. Table 3 shows the results of cross-loadings of each indicator is relatively greater than all outer loadings on other variables.

**Table 2.** Factor loadings, average variance extracted, composite reliability and Cronbach's α of measurement items

| Variable | Factor Loading | AVE | Composite Reliability | Cronbach's α |
|---|---|---|---|---|
| **Brand equity** | | **0.596** | **0.898** | **0.885** |
| **BE10** | **0.749** | | | |
| **BE5** | **0.720** | | | |
| **BE6** | **0.819** | | | |
| **BE7** | **0.827** | | | |
| **BE8** | **0.727** | | | |
| **BE9** | **0.782** | | | |
| **Loyalty** | | **0.650** | **0.848** | **0.731** |
| **L24** | **0.841** | | | |
| **L25** | **0.811** | | | |
| **L26** | **0.766** | | | |
| **Relationship equity** | | **0.711** | **0.907** | **0.873** |
| **RE12** | **0.789** | | | |
| **RE13** | **0.804** | | | |
| **RE14** | **0.865** | | | |
| **RE15** | **0.909** | | | |
| **Satisfaction** | | **0.858** | **0.948** | **0.921** |
| **S20** | **0.943** | | | |
| **S21** | **0.944** | | | |

| | | | | |
|---|---|---|---|---|
| **S22** | **0.892** | | | |
| **Trust** | **0.840** | **0.719** | **0.885** | **0.806** |
| **T16** | **0.840** | | | |
| **T17** | **0.866** | | | |
| **T18** | **0.838** | | | |
| **Value equity** | | **0.650** | **0.847** | **0.731** |
| **VE2** | **0.841** | | | |
| **VE3** | **0.804** | | | |
| **VE4** | **0.772** | | | |

The proposed second method for the discriminant validity test is based on the value of The Fornell-Larcker criterion. Table 4 shows the validity of the criteria by comparing AVE roots for each variable must be greater than the correlation of other latent variables in the model. Thus, the conclusion that can be drawn from Table 3 and Table 4 is that the study has adequate discriminant validity.

**Table 3 Cross Loadings SEM-PLS Algorithm**

| Item | Brand Equity | Loyalty | Relationship Equity | Satisfaction | Trust | Value Equity |
|---|---|---|---|---|---|---|
| **BE10** | **0.749** | -0.014 | 0.283 | -0.012 | 0.055 | -0.012 |
| **BE5** | **0.720** | -0.026 | 0.345 | 0.099 | 0.016 | -0.026 |
| **BE6** | **0.819** | 0.044 | 0.324 | 0.067 | 0.072 | 0.044 |
| **BE7** | **0.827** | 0.083 | 0.327 | 0.050 | 0.045 | 0.083 |
| **BE8** | **0.727** | -0.037 | 0.334 | 0.023 | -0.023 | -0.037 |
| **BE9** | **0.782** | 0.021 | 0.329 | 0.048 | 0.032 | 0.020 |
| **L24** | 0.033 | **0.841** | 0.174 | -0.102 | 0.479 | 0.841 |
| **L25** | 0.037 | **0.811** | 0.177 | -0.172 | 0.388 | 0.804 |
| **L26** | 0.042 | **0.766** | 0.132 | -0.070 | 0.470 | 0.772 |
| **RE12** | 0.338 | 0.186 | **0.789** | 0.044 | 0.116 | 0.186 |
| **RE13** | 0.310 | 0.155 | **0.804** | -0.009 | 0.075 | 0.155 |
| **RE14** | 0.290 | 0.168 | **0.865** | -0.065 | 0.155 | 0.168 |
| **RE15** | 0.382 | 0.171 | **0.909** | -0.081 | 0.223 | 0.171 |
| **S20** | 0.070 | -0.155 | -0.037 | **0.943** | -0.053 | -0.154 |
| **S21** | 0.048 | -0.121 | -0.034 | **0.944** | -0.050 | -0.120 |
| **S22** | 0.030 | -0.093 | -0.078 | **0.892** | 0.001 | -0.091 |
| **T16** | 0.017 | 0.411 | 0.146 | -0.024 | **0.840** | 0.411 |
| **T17** | 0.068 | 0.457 | 0.203 | -0.044 | **0.866** | 0.459 |
| **T18** | 0.099 | 0.531 | 0.135 | -0.038 | **0.838** | 0.532 |
| **VE2** | 0.033 | 0.841 | 0.174 | -0.102 | 0.479 | **0.841** |
| **VE3** | 0.037 | 0.811 | 0.177 | -0.172 | 0.388 | **0.804** |
| **VE4** | 0.042 | 0.766 | 0.132 | -0.070 | 0.470 | **0.772** |

**Table 4 Fornell-Larcker**

| | Brand Equity | Loyalty | Relationship Equity | Satisfaction | Trust | Value Equity |
|---|---|---|---|---|---|---|
| **Brand Equity** | **0.772** | | | | | |
| **Loyalty** | 0.046 | **0.806** | | | | |
| **Relationship Equity** | 0.394 | 0.199 | **0.843** | | | |
| **Satisfaction** | 0.057 | -0.139 | -0.049 | **0.927** | | |
| **Trust** | 0.076 | 0.556 | 0.190 | -0.042 | **0.848** | |
| **Value Equity** | 0.046 | 1.000 | 0.199 | -0.138 | 0.558 | **0.806** |

**Structural Model Evaluation**

After the measurement, the model is accepted according to the specified criteria, and all items are stated valid and reliable, the next step is to test the structural equation model. Figure 2 shows the structural results of the model.

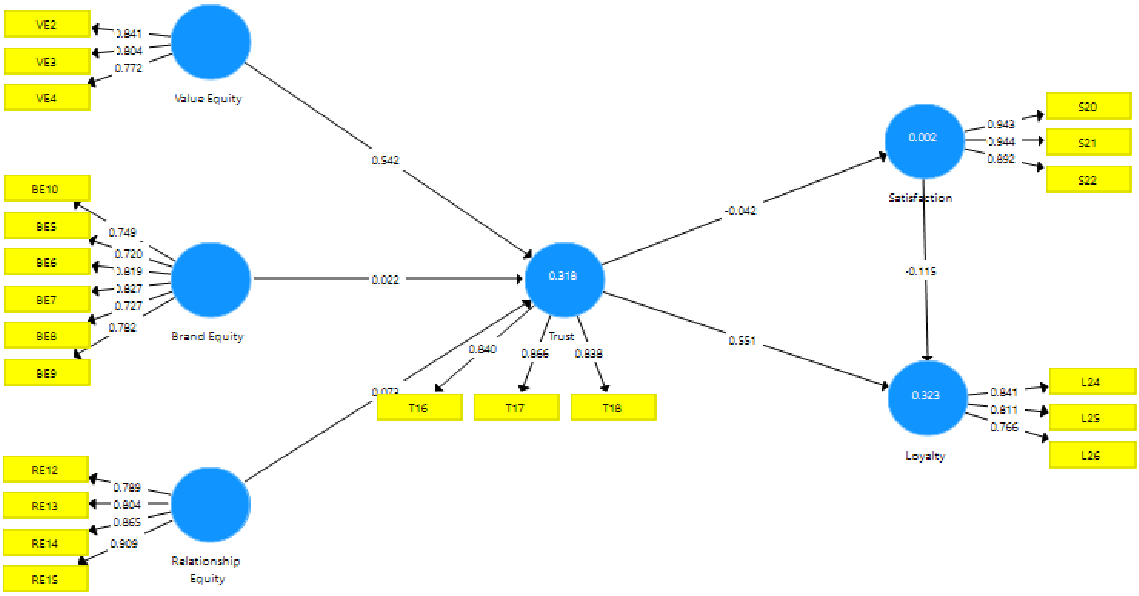


**Figure 2 Output of Structural Model**

Based on SmartPLS output, the study shows R-square results of trust variable (R2adj=0.316), satisfaction (R2adj=0.003), loyalty (R2adj=0.307). This means that the independent variables (value equity, brand equity, relationship equity) are able to explain 31.8% changes independent variable (trust), while the rest (68.2%) changes independent variable (trust) are explained by other variables not included in this model. The trust variable can only explain satisfaction by 0.3%. This value is so small, therefore it can be stated that trust and satisfaction have a very weak relationship. The relationship of loyalty and trust variables can be seen from the ability of variable trust in explaining 32.3% changes in the loyalty variable. It means that 67.7% of changes in the loyalty variable can be explained by variables not included in this model.

**Table 5 Structural Path Estimates**

| **Hipotesis** | **Relationship between variables** | **Original Sample (O)/path coef(β)** | **t-Statistics (\|O/Stdev\|)** | **p-value** | **Decision** |
|---|---|---|---|---|---|
| **H1** | **Value Equity → Trust** | 0.542 | 9.644 | 0.000 | Supported |
| **H2** | **Brand Equity → Trust** | 0.022 | 0.234 | 0.815 | Not supported |
| **H3** | **Relationship Equity → Trust** | 0.073 | 1.292 | 0.197 | Not supported |
| **H4** | **Trust → Satisfaction** | -0.042 | 0.537 | 0.592 | Not supported |
| **H5** | **Trust → Loyalty** | 0.551 | 10.811 | 0.000 | Supported |
| **H6** | **Satisfaction → Loyalty** | 0.115 | 1.987 | 0.047 | Supported |

Table 5 shows the results of SmartPLS analysis that value equity has a positive and significant effect on trust ($\beta = 0.542$; p-value $<0.05$). Thus H1 is supported. The results of this study indicate that the higher the level of value equity perceived by consumers, the consumer trust will also increase. Brand equity and relationship equity have no effect on trust (H2 and H3 are not supported), this can be seen from p-value$>0.05$. Likewise, trust is said to have no effect on satisfaction (p-value$>0.05$). Thus it can be stated that H4 is not supported. The study found that trust has a positive and significant effect on loyalty ($\beta=0.551$, p-value$<0.05$). Therefore, it can be stated that H5 is supported. This means that the higher the level of trust the higher the level of loyalty. Finally, satisfaction has a positive and significant effect on loyalty ($\beta=0.115$, p-value$<0.05$). Thus H6 is supported. This shows the positive effect of satisfaction on loyalty, the increment of customer satisfaction tends to increase loyalty.

## DISCUSSION AND CONCLUSION

This study found that partially brand equity and relationship equity have no effect on consumer trust in modern retail stores. Only value equity influence on customer trust. This can be interpreted that to shop in the retail store, the consumers do not really care to company reputation and close relationship with the company. The consumers tend to trust companies by looking more at high-quality products and services, proper pricing that matches its quality. Consumers find that the retail store is worthwhile, and products are displayed appropriate for shopping. However, simultaneously the three equity drivers influence consumer trust ($R^2$adj = 0.316). When these three variables work together, customer trust will increase.

According to Lemon et al. (2001) theory of three equity drivers can work independently or together to increase a company's customer value. This study is not in line with previous research conducted by Cho & Jang (2017). Previous research was conducted in retail stores in South Korea and the USA, and the study results significantly prove that the three equity drivers affect customer trust and satisfaction. According to Chang & Wang (2014), the reason why customers visit the retail store and buy products in that store are driven more by price. While other studies have found that value equity and relationship equity influence the trust mediated by trust, and brand equity does not affect trust and loyalty (Ramaseshan et al., 2013).

This study found that consumer trust does not influence consumers to experience a satisfaction. This means that consumers put on trust in retail stores not because consumers experience satisfaction in shopping at retail stores, but because of the value equity that consumers get. The current study is in line with previous studies conducted on retail stores in the USA, but not in line with the same study conducted in South Korea (Cho & Jang, 2017). However, consumer trust and satisfaction affect loyalty, which means that for shopping in retail parties, besides the shop must be trustworthy it also be able to satisfy consumers. Consumers will be loyal because consumers believe that the store will not try to cheat and they feel secure when use products from the store. Consumer satisfaction also significantly effects on consumer loyalty, even though the influence is very weak. This shows that consumers who experience satisfaction because the store staff doing their function well, and the decisions are made appropriately. When a customer experienced satisfaction, they will consider a return to the retail store.

**Managerial Implication**

This study found that only value equity affects trust, although all equity drivers simultaneously influence on customer trust. This means that consumers of modern retail stores put on trust and loyal to these stores because they feel that the retail store has a high equity value. However, the combination of the three drivers will certainly increase trust and satisfaction which in turn will increase loyalty. In this situation, the store should implement a strategy that focuses more on customer value equity than brand equity and relationship equity. Value equity such as providing fair prices, price discounts, vouchers, product variety, and quality products must be encouraged. However, of course, the store should always improve and maintain the company reputation. Good relationship with customers should also be maintained so that consumers will always remember and not to switch to others. Consumer trust and satisfaction have been proven to increase consumer loyalty. Thus the company should always build trust and satisfy customers to get long-term loyalty.

**Future research**

To get good results, this study eliminates 4 indicators from 4 different observed variables (value equity, relationship equity, trust, and loyalty). This might be because the research objects are very diverse, and not specific to a particular retail store brand. In addition, because data collected in the campus area, therefore, the age of respondents recruited in this study was relatively homogeneous (age 17-20 years). This might be likely to cause bias and some instrument items had to be eliminated. For future research, it is better to use research objects in specific retail stores. Secondly, technological development cannot be ignored in supporting the success or failure of the retail business. Therefore, consumer equity is also influenced by technology and equipment equity. For future research, it is necessary to employ technology and equipment equity variables (Ou et al., 2017; Ivanov & Pavlova, 2017).

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