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The Impact of Customer Service Quality on Customer Satisfaction in the Saudi Retail Sector

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Graduation Project – 1

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1. Chapter 1: Introduction

1.1. Research Background

The retail sector is one of the largest contributors to economic growth and consumer spending worldwide. As competition continues to increase, retailers are expected to provide not only high-quality products but also excellent service that meets or exceeds customer expectations. Customers today have access to a wide range of shopping options, making service quality a key factor that influences their purchasing decisions and overall experience. Businesses that consistently deliver reliable and responsive service are more likely to retain customers, strengthen their reputation, and achieve long-term success. Consequently, service quality has become a strategic priority for organizations seeking to maintain a competitive advantage in dynamic retail markets.

In Saudi Arabia, the retail industry has experienced rapid growth due to economic diversification initiatives under Vision 2030, technological advancements, and changing consumer preferences. The expansion of shopping malls, supermarkets, specialty retailers, and e-commerce platforms has increased competition among businesses, making customer satisfaction more important than ever. As Saudi consumers become more informed and demanding, retailers must continuously improve the quality of their services to attract and retain customers. This growing emphasis on customer experience has encouraged both researchers and practitioners to examine how different aspects of service quality influence customer satisfaction in the Saudi retail sector.

Service quality refers to customers' overall evaluation of the excellence of a service based on their expectations and actual experiences. One of the most widely accepted frameworks for measuring service quality is the SERVQUAL model developed by Parasuraman, Zeithaml, and Berry (1988). The model identifies five

dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. These dimensions have been extensively applied across various industries and countries to evaluate customers' perceptions of service quality and its relationship with customer satisfaction. Numerous studies have confirmed that higher levels of perceived service quality contribute to greater customer satisfaction, which subsequently improves customer retention and organizational performance (Parasuraman et al., 1988).

Recent research continues to support the importance of service quality in influencing customer satisfaction across different sectors. Zygiaris et al. (2022) found that improvements in service quality significantly enhanced customer satisfaction within the Saudi auto care industry, particularly in the post-pandemic environment where customer expectations had changed considerably. Similarly, Alhamdan and Hadi (2024) demonstrated that customer satisfaction plays a crucial role in strengthening the relationship between service quality and customer loyalty, highlighting the importance of maintaining high service standards. Earlier research conducted by Mahfooz (2014) also found a significant positive relationship between service quality and customer satisfaction among customers of Saudi hypermarkets, emphasizing the relevance of service quality within the Kingdom's retail environment. Furthermore, Albinalsheikh (2022) reported that service quality remains a key determinant of customer satisfaction and loyalty in Saudi Arabia's banking sector, suggesting that delivering high-quality service is essential across different service industries.

Despite the extensive body of literature examining service quality and customer satisfaction, many studies have focused on specific industries such as

banking, hospitality, healthcare, and automotive services. In contrast, fewer studies provide a broad examination of how service quality influences customer satisfaction across the Saudi retail sector as a whole. In addition, continuous changes in consumer behavior, digital transformation, and increasing customer expectations require ongoing investigation to ensure that previous findings remain relevant in today's business environment. Therefore, further research is needed to better understand the relationship between service quality and customer satisfaction within Saudi retail businesses.

This study aims to examine the impact of service quality on customer satisfaction in the Saudi retail sector. Using the SERVQUAL framework as the theoretical foundation, the study will investigate how customers perceive different dimensions of service quality and how these perceptions influence their overall satisfaction. The findings are expected to contribute to the existing literature while providing practical recommendations for retail organizations seeking to improve customer experiences and strengthen their competitive position in Saudi Arabia.

1.2. Research Problem

Service quality is widely recognized as a key factor that influences customer satisfaction and organizational success. As customer expectations continue to evolve and competition in the Saudi retail sector increases, retailers must understand how the quality of their services affects customer satisfaction. Although previous studies have examined this relationship in different industries and countries, several theoretical and practical issues remain.

Therefore, this section presents the theoretical and practical gaps that justify the need for the current study.

1.2.1. Theoretical Gaps

Although numerous studies have confirmed a positive relationship between service quality and customer satisfaction, most have focused on industries such as banking, healthcare, hospitality, and e-commerce. Comparatively fewer studies have examined this relationship within the Saudi retail sector, particularly in light of recent economic reforms and changing consumer expectations. In addition, many existing studies were conducted before the rapid expansion of digital retail services and omnichannel shopping experiences, which have significantly influenced customer perceptions of service quality. Consequently, there is a need for updated research that investigates how service quality affects customer satisfaction in the current Saudi retail environment.

1.2.2. Practical Gaps

The Saudi retail sector is becoming increasingly competitive as businesses strive to attract and retain customers through high-quality services. Although many retailers invest in employee training, customer service programs, and digital technologies, they often lack current evidence regarding which aspects of service quality have the greatest influence on customer satisfaction. As consumer expectations continue to evolve under Saudi Vision 2030 and the rapid growth of the retail industry, businesses need updated research to support effective decision-making. Therefore, this study addresses this practical gap by examining the impact of service quality on customer

satisfaction in the Saudi retail sector and providing findings that can assist retail managers in improving service delivery and enhancing customer experiences.

The theoretical and practical gaps discussed above highlight the need to further examine the relationship between service quality and customer satisfaction in the Saudi retail sector. Accordingly, this study seeks to answer the following research question:

How does service quality affect customer satisfaction in the Saudi retail sector?

1.3. Research Significance

1.3.1. At the theoretical level

At the theoretical level, this study contributes to the existing literature by examining the relationship between service quality and customer satisfaction within the Saudi retail sector. It applies the SERVQUAL model, one of the most widely recognized frameworks for measuring service quality, to provide updated evidence in the context of Saudi Arabia. The findings are expected to enrich the current body of knowledge, support future research on service quality and customer satisfaction, and provide a reference for researchers interested in retail management and consumer behavior in emerging markets.

1.3.2. At the practical level

This study provides evidence that can help retail organizations better understand how service quality influences customer satisfaction. The findings may assist managers in identifying areas that require improvement, developing customer-oriented service strategies, and enhancing employee performance

through targeted training programs. In addition, the study offers practical evidence that can support decision-making and contribute to improving customer experiences, increasing customer satisfaction, and strengthening the competitiveness of retail businesses in Saudi Arabia.

1.4. Research Questions

This study examines the impact of service quality on customer satisfaction in the Saudi retail sector. To achieve the purpose of the study, the following research questions are proposed:

1. How does service quality affect customer satisfaction in the Saudi retail sector?
2. What is the level of service quality perceived by customers in the Saudi retail sector?
3. What is the level of customer satisfaction among retail customers in Saudi Arabia?
4. Is there a significant relationship between service quality and customer satisfaction in the Saudi retail sector?
5. Which dimension of service quality has the greatest influence on customer satisfaction?

1.5. Research Objectives

1. Assess the level of service quality in the Saudi retail sector.

2. Measure the level of customer satisfaction among customers in the Saudi retail sector.
3. Examine the relationship between service quality and customer satisfaction.
4. Identify the dimensions of service quality that have the greatest influence on customer satisfaction.
5. Provide recommendations that help retail organizations improve service quality and enhance customer satisfaction.

1.6. Research Hypotheses

H1: Service quality has a significant effect on customer satisfaction in the Saudi retail sector.

H2: Customers perceive the level of service quality in the Saudi retail sector positively.

H3: Customers are generally satisfied with the quality of services provided by the Saudi retail sector.

H4: The dimensions of service quality have different effects on customer satisfaction in the Saudi retail sector.

1.7. Research Model

The research model illustrates the relationship between the independent variable, service quality, and the dependent variable, customer satisfaction. It provides the conceptual framework for examining how service quality influences customer satisfaction in the Saudi retail sector.

The empirical study will be conducted in the Saudi retail sector. This industry was selected because it plays an important role in the Kingdom's economy and relies heavily on service quality to meet customer expectations and maintain competitiveness. Data will be collected from customers who have recently visited retail stores in Saudi Arabia, making the retail sector an appropriate setting for examining the relationship between service quality and customer satisfaction.

1.8. Research Methodology

This study will adopt a quantitative research approach. The methodology of the study includes the following:

- **Research Design:** A descriptive research design will be used to investigate customers' perceptions of service quality and their overall satisfaction.
- **Population and Sample:** The study will target customers who have recently visited retail stores in Saudi Arabia. Participants will be selected using a convenience sampling method.
- **Data Collection:** Data will be collected through a structured questionnaire distributed to the selected participants.
- **Data Analysis:** The collected responses will be analyzed using appropriate statistical techniques to examine the relationship between service quality and customer satisfaction and to test the proposed hypotheses.

1.9. Scope of The Study

This study focuses on the Saudi retail sector and examines the relationship between service quality and customer satisfaction. The study includes customers who have recently visited retail stores in Saudi Arabia. The findings will be based on data collected through a questionnaire from the selected participants.

1.10. The Suggested Project Structure

- **Introduction:** Presents the research background, problem statement, objectives, research questions, hypotheses, significance of the study, research model, methodology, and scope of the study.
- **Literature Review:** Reviews the relevant theories and previous studies related to service quality and customer satisfaction.
- **Research Methodology:** Describes the research design, target population, sampling technique, data collection method, and data analysis.
- **Data Analysis and Findings:** Presents the analysis of the collected data, hypothesis testing, and interpretation of the results.
- **Conclusion and Recommendations:** Summarizes the main findings, presents the conclusions, and provides recommendations for future research.

2.Chapter 2: Literature Review

2.1. Introduction

Service quality and customer satisfaction have been widely studied in retail because both are closely linked to how customers evaluate their shopping experiences. Customers increasingly assess retailers through the full service process, including employee interaction, responsiveness, reliability, accessibility, the physical environment, and the support provided before and after a purchase. As retail services become more competitive and more connected to digital channels, understanding how these factors influence customer satisfaction has become more relevant.

Recent research shows that customer satisfaction is shaped by several parts of the retail experience rather than by one individual factor. Goić et al. (2021) examined customer satisfaction across different grocery retail formats and found that aspects of service execution influenced customers' evaluations differently depending on the retail setting. Their findings suggest that the importance of particular service elements can change according to the type of retail environment. Faria et al. (2022) also reported a positive relationship between service quality and customer satisfaction, while showing that store design and the physical retail environment contribute to how customers perceive the overall quality of their experience.

The development of digital and electronic retail services has also influenced the way customers experience and evaluate service quality. Retail interactions are no longer limited to the physical store, as customers increasingly use online platforms, mobile services, and electronic communication alongside traditional channels. This has expanded the range of service factors that can influence satisfaction. In Saudi Arabia, Al-Wahashi (2023) examined both traditional and electronic retail services and found that several dimensions of retail service quality were significantly related to customer satisfaction. This is particularly relevant to the Saudi market, where customers are increasingly exposed to different forms of retail interaction across both physical and digital environments.

Recent literature also shows that the relationship between service quality and customer satisfaction is not identical in every setting. Tedja et al. (2024), through a systematic review of empirical studies, found consistent evidence supporting a positive relationship between service quality and satisfaction. However, the strength of this relationship varied according to the research context, the variables included, and the way service quality was measured. This indicates that findings from one industry or market cannot always be applied directly to another without considering the characteristics of the specific retail environment.

The following sections examine service quality and customer satisfaction in greater detail. Service quality is discussed in terms of its development, definitions, dimensions, and theoretical approaches, followed by a review of customer satisfaction and the factors associated with customers' evaluations of their experiences. The relationship between both variables is then examined through previous empirical studies, with particular attention given to retail settings and research relevant to the Saudi market.

2.2. The independent variable

Service quality describes the level of service customers believe they receive from a business. In retail, it covers the different interactions and processes that take place throughout the shopping experience. This can include how employees communicate with customers, how quickly assistance is provided, whether information is accurate, how easy the store is to use, and how effectively the retailer handles problems. Because these experiences occur at different stages of the customer journey, service quality is broader than simply providing friendly customer service.

From a business perspective, service quality also reflects how consistently a retailer delivers the standard of service it promises. A customer may have a positive experience during one visit but form a different opinion if the quality changes significantly during another visit. Consistency is therefore an important part of service delivery. Retailers need clear procedures,

trained employees, available products and effective communication to provide a similar level of service across different customers and locations.

Earlier research established that customers evaluate both the outcome of a service and the way it is delivered. Grönroos (1984) distinguished between what customers receive and how they receive it. This is relevant to retail because two stores can sell similar products while providing very different customer experiences. Factors such as employee attitude, waiting time, communication and convenience can therefore help customers distinguish one retailer from another.

Parasuraman et al. (1988) later introduced SERVQUAL as a way of measuring customer perceptions of service through several dimensions. As discussed in the previous chapter, the model includes tangibles, reliability, responsiveness, assurance and empathy. Rather than repeating these dimensions in detail, their main value to the present study is that they show service quality as a combination of several areas of performance rather than one general characteristic.

However, general service models do not always capture everything customers experience in a retail store. Retail businesses combine the sale of physical products with customer service, which creates additional factors that customers can evaluate. Dabholkar et al. (1996) developed the Retail Service Quality Scale specifically for this setting. Their approach included physical aspects, reliability, personal interaction, problem solving and store policy. This model draws attention to practical issues such as store layout, employee behavior, returns, complaints and policies that can directly shape the retail experience.

The physical side of retail service remains particularly relevant. Store cleanliness, organization, layout and ease of finding products can influence customers before they even speak to an employee. Mahfooz (2014), in a study of Saudi hypermarkets, found that physical aspects had the strongest effect among the retail service quality dimensions examined. The study suggests that the way a retail environment is organized and presented can form an important part of customers' perceptions of quality in Saudi Arabia.

Employee performance is another major part of the retail experience. Customers often depend on employees for product information, assistance, recommendations and solutions when something goes wrong. Faria et al. (2022) found that reliability and responsiveness were particularly relevant to service quality in retail. Their study also emphasized store design, showing that retailers compete through a combination of human service and the environment in which the service takes place.

Problem solving is also an important part of service quality. Customers do not only judge a retailer when everything goes according to plan. Returns, exchanges, complaints, incorrect orders and payment issues can also influence their perception of the business. The way employees respond in these situations can show whether the retailer is flexible, organized and willing to resolve customer concerns. For this reason, service recovery is part of maintaining service quality rather than being treated as a separate issue.

Retail service has expanded further as businesses have introduced websites, applications, delivery services and other digital channels. Customers can now begin a purchase online, communicate with the retailer electronically and complete the transaction in a physical store, or complete the entire process digitally. As a result, customers can judge service through factors such as ease of access, system reliability, security, communication and fulfilment in addition to the traditional in-store experience.

This change is visible in recent Saudi research. Alzaydi (2021) examined the integration of online and offline retail service quality in Saudi Arabia and included elements from physical, online and mobile service experiences. The study showed that customers increasingly evaluate retailers across connected channels rather than through a single point of contact. This places greater pressure on businesses to maintain service standards throughout the entire customer journey.

Al-Wahashi (2023) also examined traditional and electronic retail services in Saudi Arabia using dimensions including reliability, responsiveness, flexibility, accessibility, empathy and security. The findings showed that different aspects of retail service remain relevant as customers move between traditional and electronic forms of shopping. The inclusion of

flexibility, accessibility and security also shows how the meaning of service quality has expanded as retail practices have changed.

Taken together, previous research shows that retail service quality includes both visible and less visible parts of the customer experience. Customers can evaluate the store itself, employee performance, reliability of the service, convenience of the process, the handling of problems and the quality of digital interactions. These areas are connected, meaning that strong performance in one area does not always compensate for poor performance in another. A well-designed store, for example, cannot fully replace unreliable service, while an efficient online platform cannot solve every problem created by poor customer support.

For retailers, managing service quality therefore requires attention to the complete service process. It involves setting clear standards, training employees, maintaining the retail environment, responding effectively to complaints and ensuring that digital and physical channels work together. In the current study, service quality is treated as the independent variable because these different elements of service represent the experience provided by the retailer and form the basis for examining customers' responses within the Saudi retail sector.

2.3. The dependent variable

Customer satisfaction represents the customer's overall evaluation of an experience with a business. It reflects whether the experience matched what the customer expected and whether the outcome was considered acceptable or valuable. In retail, satisfaction can develop during a single purchase, but it can also be influenced by previous experiences with the same retailer. For this reason, customers who visit the same business several times can gradually develop a general opinion about how satisfied they are with that retailer.

One of the main theories used to explain customer satisfaction is expectation-disconfirmation theory. Oliver (1980) explained that customers usually enter an experience with certain expectations and compare these expectations with the actual outcome. When the experience meets expectations, customers are generally satisfied. When the experience exceeds expectations, satisfaction can become stronger, while an experience that falls below expectations can result in dissatisfaction.

Customer expectations are not always the same. They can be influenced by previous experiences, recommendations from other customers, advertising, price, the retailer's reputation, and experiences with competing businesses. As a result, two customers can receive a similar experience but evaluate it differently. A customer with higher expectations can be more difficult to satisfy than someone who expected a basic level of service. This makes satisfaction a personal evaluation rather than a fixed outcome that is identical for every customer.

The type of retail business can also affect what customers consider satisfactory. Goić et al. (2021) examined customer satisfaction across different grocery retail formats and found that the factors contributing to satisfaction did not have the same importance in every type of store. Their findings also showed that negative performance can have a particularly strong effect on customers' evaluations. This means that preventing disappointing experiences can be as important as trying to create highly positive ones.

Customer satisfaction is also connected to the overall experience customers have while shopping. The final purchase is only one part of this experience. Customers can also form opinions based on how easy or stressful the shopping process feels and whether the experience matches what they expected from the retailer. Faria et al. (2022) found that the retail environment contributed to customer satisfaction alongside other aspects of the customer experience. This shows why retailers need to consider the shopping process as a whole rather than focusing only on the final transaction.

The growth of digital retail has added another side to customer satisfaction. Customers can now develop opinions about a retailer without entering a physical store. Molinillo et al. (2022) examined customers' experiences with retail mobile applications and found that affective, sensory, and cognitive experiences influenced satisfaction. Their findings are useful because they show that digital satisfaction is not based only on whether an application works. Customers also respond to how the experience feels and how comfortable or enjoyable it is to use.

Recent studies have also looked at satisfaction within the physical store in a broader way. Shamim et al. (2024) examined the in-store customer experience and found that satisfaction develops through both the service experience and the wider shopping experience. This supports the idea that customers form an overall judgment by combining different parts of their visit instead of evaluating every part separately.

Another important point in the literature is the difference between satisfaction and loyalty. A satisfied customer does not automatically become a loyal customer. Satisfaction describes how the customer evaluates an experience, while loyalty relates more to future actions, such as returning to the retailer or continuing the relationship. However, the two concepts are closely connected. Tedja et al. (2024), in their systematic review, found that customer satisfaction was associated with customers' intentions to continue relationships with businesses. This makes satisfaction important to retailers not only as an immediate result, but also because of its connection with future customer behavior.

The importance of satisfaction is also seen within the Saudi retail market. Al-Wahashi (2023) found a significant relationship between customers' evaluations of retail services and their satisfaction in Saudi Arabia. The study included customers using traditional and electronic retail services, which is useful for understanding satisfaction in a market where customers increasingly move between physical and digital shopping options.

From a business perspective, measuring customer satisfaction helps retailers understand how customers view their performance. Satisfaction surveys, ratings, complaints, reviews, repeat visits, and customer feedback can provide information about areas where the customer experience is working well and where improvements are required. However, satisfaction should not be judged through one indicator alone because customers can express their opinions in different ways.

Customer satisfaction can therefore be viewed as the result of several judgments made throughout the customer experience. Expectations provide a starting point, while the actual experience determines whether those expectations are confirmed or not. Previous experiences and the type of retail setting can further influence this evaluation. As retail continues to develop across physical and digital channels, the way customers form satisfaction is also becoming broader.

2.4. The relationship between the independent and the dependent variables

The literature generally supports a positive relationship between service quality and customer satisfaction. However, more recent studies show that the relationship is not as simple as improving every part of a service equally. Customers respond differently depending on the type of retailer, the stage of the shopping process, the channel being used, and what they expected from the experience.

One important development in recent retail research is the growing focus on consistency across different parts of the shopping journey. Zhang et al. (2022) studied service quality in an omnichannel retail environment and found that product information consistency was particularly important for customer satisfaction. Interestingly, personalization was more strongly connected with loyalty than with satisfaction. This difference shows that individual areas of service can produce different customer

outcomes. A retailer therefore needs to understand what each part of the service experience is actually contributing rather than assuming that all improvements have the same effect.

The connection between service quality and satisfaction also extends beyond what happens inside the store. Prassida and Hsu (2022), using IKEA as an omnichannel retail case, found that logistics service quality and channel integration worked together in shaping customer satisfaction. Their study distinguished between satisfaction with a particular transaction and satisfaction built through several experiences with the retailer. A customer may therefore be disappointed with one delivery while still having a positive opinion of the business based on previous experiences. This is useful for retailers because it shows that satisfaction can develop over time and does not always depend on one transaction.

Other research suggests that the effect of service quality is also influenced by trust. Uzir et al. (2021) examined home-delivery services and found that service quality, perceived value, and trust all contributed to customer satisfaction. Trust also partly explained the relationship between service quality and satisfaction. In practical terms, customers are not only judging whether a service was completed. They are also forming opinions about whether the business and the people delivering the service are dependable. This becomes especially relevant in online retail, where delivery can be one of the few direct interactions between the customer and the business.

Customer expectations can also change how service performance affects satisfaction. Caruelle et al. (2023) examined waiting time during service encounters and found that customers reacted differently depending on whether the actual wait was shorter or longer than expected. Waiting much longer than expected reduced satisfaction, while receiving service sooner than expected produced a strong positive response. Their findings show that satisfaction depends partly on the difference between the service customers expect and what they eventually experience. For retail managers, this means

that managing customer expectations can be almost as important as reducing the waiting time itself.

Another issue is the increasing connection between physical and digital channels. Customers can now search for a product online, check its availability through an application, visit a store, complete the purchase digitally, and arrange delivery through another channel. As a result, inconsistent information or service between these channels can affect the customer's opinion of the retailer. Zhang et al. (2022) found that customers valued consistency between channels, while Prassida and Hsu (2022) showed that effective integration between service and logistics contributed to satisfaction. These findings suggest that customers increasingly evaluate the retailer as one business rather than evaluating each channel separately.

Recent evidence also shows why the relationship should not be treated as identical across countries. Tulebayeva et al. (2026) compared omnichannel consumers in Turkey and Kazakhstan. Channel integration quality had a strong relationship with satisfaction in Kazakhstan, while no significant relationship was found in the Turkish sample. The same retail strategy therefore produced different customer responses depending on the market. This is particularly useful to the present study because it shows why results from other countries cannot automatically be assumed to represent Saudi customers.

Research conducted within Saudi Arabia provides stronger support for the relationship in the local setting. Al-Wahashi (2023) found that the quality of both traditional and electronic retail services significantly affected customer satisfaction among customers across Saudi Arabia. Alhamdan and Hadi (2024) also examined Saudi retail customers and found that satisfaction played an important role between service quality and customer loyalty. Together, these studies show that satisfaction can act both as an immediate response to the service received and as part of the process that influences longer-term customer relationships.

At the same time, the Saudi evidence has some limitations when applied to the current retail environment. Al-Wahashi's (2023) research was conducted within the unusual conditions surrounding the COVID-19 pandemic, while other Saudi studies have concentrated on particular areas such as online retail, banking, hypermarkets, or automotive services. Alzaydi (2021), for example, examined online-to-offline retail during the pandemic, while Albinalsheikh (2022) focused specifically on online banking services. These studies provide useful evidence, but their settings do not represent every type of retail experience in Saudi Arabia.

The literature therefore supports the general relationship between service quality and customer satisfaction while also showing that the relationship depends on context. Different studies highlight information consistency, logistics, trust, waiting time, physical service, and channel integration as factors that can influence customers in different situations. Recent cross-country findings also show that the same factor does not necessarily produce the same response in every market.

This creates a clear reason to examine the relationship within the wider Saudi retail sector. Rather than focusing on one retailer, one shopping channel, or one service industry, the current study considers how customers evaluate service quality within the Saudi retail environment and whether different areas of service have different levels of influence on their satisfaction.

2.5. Conclusion

The literature reviewed in this chapter shows that service quality and customer satisfaction remain closely connected within retail settings, but the way customers evaluate their experiences has become broader over time. Earlier research focused mainly on direct interaction between customers and businesses, while more recent studies include the physical environment, digital platforms, delivery services, communication,

problem handling, and the connection between different shopping channels. Retail service has therefore become more complex as customers move between physical and digital forms of shopping.

The findings also show that customers do not judge every part of the retail experience in the same way. Some studies place greater importance on reliability and responsiveness, while others highlight the physical environment, accessibility, information consistency, or channel integration. These differences suggest that the factors influencing customer evaluations depend partly on the type of retailer and the way the service is delivered. What customers expect from a supermarket, for example, may not be the same as what they expect from an online retailer or a business offering both physical and digital services.

Customer satisfaction also appears to develop from more than one interaction. Previous experiences, expectations, convenience, trust, and the quality of the overall shopping process can all influence the final evaluation. Goić et al. (2021) showed that the factors contributing to satisfaction can differ across retail formats, while Prassida and Hsu (2022) demonstrated that satisfaction can develop through both individual transactions and the customer's wider experience with a retailer. This means that one positive or negative interaction can influence satisfaction, but customers can also form a broader opinion over time.

Another important finding is that service failures can have a strong influence on customers. Waiting longer than expected, receiving inconsistent information, experiencing delivery problems, or having difficulty resolving an issue can reduce the quality of the overall experience. Caruelle et al. (2023) demonstrated how differences between expected and actual waiting times can affect satisfaction. This highlights the importance of managing both service performance and customer expectations. Retailers cannot always guarantee that every part of the experience will be perfect, but the way

they communicate and respond when problems occur can influence how customers evaluate the situation.

The development of omnichannel retailing has added another level to this relationship. Customers increasingly expect information and service to remain consistent when they move between websites, applications, physical stores, delivery services, and customer support. Zhang et al. (2022) showed that consistency across retail channels can influence customer satisfaction, while Prassida and Hsu (2022) emphasized the importance of connecting logistics and service across different channels. These findings indicate that customers are less likely to view each channel as a separate part of the business. Instead, they often judge the retailer as one complete experience.

The literature also suggests that customer satisfaction has value beyond the immediate shopping experience. Satisfaction can influence whether customers return, continue using the same retailer, or develop a stronger relationship with the business. Tedja et al. (2024) found that satisfaction was associated with customers' intention to continue their relationships with service providers. Alhamdan and Hadi (2024) also connected customer satisfaction with the relationship between service quality and customer loyalty. From a business perspective, this means that improving satisfaction can contribute to both short-term customer reactions and longer-term customer relationships.

Research within Saudi Arabia generally supports the findings reported in international studies. Mahfooz (2014), Alzaydi (2021), Al-Wahashi (2023), and other Saudi-focused studies found that the way customers evaluate service is related to their level of satisfaction. However, these studies have often focused on specific industries, retail formats, or particular conditions such as the COVID-19 period. Other Saudi studies have examined banking, automotive services, or online shopping rather than the retail sector as a whole.

This creates an important point for the current research. The existing literature provides strong evidence that service quality is associated with customer satisfaction, but it does not suggest that every aspect of service has the same influence in every market. Customer expectations can differ according to the business, the shopping channel, the type of purchase, and the wider market environment. This makes it useful to examine the relationship directly within the current Saudi retail sector rather than depending entirely on findings from other countries or individual industries.

The Saudi retail environment also continues to combine traditional stores with electronic and mobile services. Customers can now interact with the same retailer in several different ways during one purchase. This development means that their expectations are also likely to become broader. Retailers are therefore expected to manage not only direct customer service but also the consistency, convenience, and reliability of the entire shopping process.

Overall, the literature provides a strong foundation for examining the relationship between service quality and customer satisfaction in Saudi retail. It shows a generally positive relationship between the two variables while also identifying differences in the factors that influence customers across different settings. These differences support the need for further research that considers the current Saudi retail environment and identifies which areas of service have the strongest influence on customer satisfaction. The findings reviewed in this chapter therefore provide the theoretical and practical basis for the research model, hypotheses, and methodology used in the following stages of the study.

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