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The Effect of Omnichannel Marketing Capability, Service Innovation, and Customer Relationship Quality on Customer Retention in Modern Retail Businesses in West Java

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ABSTRACT

This study examines the effect of omnichannel marketing capabilities, service innovation, and customer relationship quality on customer retention in modern retail businesses in West Java. A quantitative explanatory research design was employed involving 135 respondents selected through purposive sampling. Data were collected using a structured questionnaire measured on a five-point Likert scale and analyzed using SPSS version 25. The analysis included validity and reliability testing, classical assumption tests, multiple linear regression, partial t-tests, simultaneous F-tests, and the coefficient of determination. The results indicate that omnichannel marketing capabilities have a positive and significant effect on customer retention. Service innovation also has a positive and significant effect on customer retention, while customer relationship quality has the strongest positive and significant effect. Simultaneously, the three independent variables significantly influence customer retention. The model explains 64.1% of the variation in customer retention. These findings demonstrate that modern retailers can strengthen customer retention by integrating physical and digital channels, continuously improving service delivery, and developing trustworthy and satisfying customer relationships.

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1. INTRODUCTION

The retail industry is undergoing substantial transformation as digital technologies reshape how customers search for information, compare products, interact with retailers, and complete purchases. Competition is no longer determined solely by product availability, price, or store location, but increasingly by retailers' ability to integrate physical and digital touchpoints into a seamless customer journey. Mobile applications, websites, social media, digital payments, delivery services, and physical stores have become interconnected components of contemporary retail operations [1]–[3]. As customers move across these channels, they expect consistent information, convenience, personalization, and responsive service, encouraging retailers to shift from conventional multichannel

strategies toward integrated omnichannel approaches [4]–[6]. This transformation is particularly relevant in Indonesia, including West Java, where digital commerce, changing consumer behavior, and competition between online and offline retail formats continue to intensify. In this environment, customer retention becomes increasingly important because retaining existing customers supports stable revenue, customer lifetime value, and long-term competitiveness.

One important determinant of customer retention is omnichannel marketing capability, which refers to a retailer's ability to coordinate information, communication, transactions, customer data, and service processes across multiple channels [4], [5], [7]. Contemporary customer journeys are increasingly nonlinear, as consumers may discover products through social media, compare alternatives online, visit physical stores, complete transactions digitally, and contact customer service through another channel. Effective integration of these touchpoints can reduce customer effort and create greater convenience and consistency, whereas differences in prices, inventory information, promotions, or service quality across channels may generate dissatisfaction. [4], [5] found that integration, individualization, and interaction contribute to customer retention through improved customer experience, while [8], [9] showed that omnichannel integration quality influences cross-channel retention behavior. Thus, omnichannel marketing capability represents an important organizational capability for creating seamless customer experiences and reducing customers' tendency to switch to competitors.

However, channel integration alone may not sustain customer relationships when services fail to respond to evolving customer expectations. Service innovation therefore represents another important factor in modern retail competition. Service innovation refers to the introduction or improvement of service concepts, processes, technologies, and delivery mechanisms that create additional value for customers. In retail, this may include faster delivery, self-checkout systems, digital payments, personalized recommendations, real-time inventory information, flexible return procedures, automated customer support, and loyalty applications. Such innovations are increasingly relevant because customers evaluate retailers not only through product quality and price but also through speed, flexibility, simplicity, and personalization. [10]–[12] demonstrated that new service concepts, service procedures, and technology-based service delivery can positively influence customer satisfaction and loyalty. Accordingly, retailers that continuously improve their services may strengthen perceived customer value and encourage repeated purchasing.

Technological integration and service innovation, however, may not produce lasting retention without strong customer relationship quality. Relationship quality reflects the strength of customer–retailer relationships and is commonly associated with trust, satisfaction, and commitment. According to commitment–trust theory, trust and commitment constitute important foundations of successful relational exchanges [13]–[15]. Their importance becomes particularly evident in digitally mediated retail environments, where customers depend on accurate information, secure transactions, reliable delivery, transparent policies, and responsive customer service. Satisfaction develops when customer experiences meet expectations, while commitment reflects customers' willingness to maintain relationships they perceive as valuable. [12], [16] found that trust and satisfaction contribute to repurchase intentions in electronic retailing, while [15], [17] identified trust, satisfaction, and commitment as important mechanisms supporting retailer loyalty. Therefore, customer relationship quality can provide the relational foundation needed to transform convenient and innovative retail experiences into continuing customer relationships.

Despite growing research on digital retailing, existing studies remain relatively fragmented in explaining customer retention. Omnichannel research has largely focused on channel integration, customer experience,

satisfaction, engagement, and retention mechanisms [4], [5], while service innovation studies have frequently examined satisfaction, loyalty, and competitiveness in other service industries. Similarly, relationship-quality research has established the importance of trust, satisfaction, and commitment, but these relational factors are often investigated separately from retailers' technological and innovation capabilities. This separation limits a comprehensive understanding of customer retention because the three constructs represent complementary dimensions of retail management. Omnichannel capability reflects the ability to integrate customer channels, service innovation represents the ability to continuously improve value delivery, and relationship quality reflects the strength of customer relationships. Consequently, customer retention may be better explained by examining these three capabilities simultaneously within a unified model.

This study therefore examines the effects of omnichannel marketing capability, service innovation, and customer relationship quality on customer retention in modern retail businesses in West Java. West Java provides a relevant empirical context because modern retail formats, traditional businesses, and rapidly expanding digital commerce coexist within a highly competitive market, allowing customers to compare retailers and switch between alternatives with relatively little effort. This study contributes to the literature by integrating technological-channel, service-innovation, and relationship-marketing perspectives within a single customer-retention model. It also extends previous research by providing evidence from an emerging-market retail environment characterized by increasing convergence between physical and digital channels. From a managerial perspective, the findings are expected to help retailers prioritize investments in channel integration, service development, and relationship management to strengthen long-term customer retention. Accordingly, the central research question is: To what extent do omnichannel marketing capability, service innovation, and customer relationship quality influence customer retention in modern retail businesses in West Java?

2. LITERATURE REVIEW

2.1 Theoretical Foundation

This study is grounded in Dynamic Capabilities Theory and Relationship Marketing Theory, particularly the Commitment–Trust Theory. Dynamic Capabilities Theory explains how firms adapt to changing environments by sensing opportunities, seizing them, and reconfiguring resources [18], [19]. In modern retail, omnichannel marketing capability reflects the ability to integrate and coordinate multiple customer channels, while service innovation represents the capacity to continuously develop new ways of delivering customer value. However, customer retention also depends on relational mechanisms. The Commitment–Trust Theory emphasizes that trust and commitment are essential for maintaining successful long-term relationships [20]. Accordingly, customer relationship quality reflects customers' evaluations of the retailer's reliability, satisfaction, and commitment. Integrating these perspectives, this study conceptualizes customer retention as the outcome of retailers' combined ability to adapt their channels, innovate services, and maintain strong customer relationships.

2.2 Customer Retention

Customer retention refers to a business's ability to maintain existing customers and encourage continued purchasing over time. From a relationship-

marketing perspective, retention reflects an ongoing relationship rather than a single repurchase and is influenced by satisfaction, relationship quality, and perceived value [21]–[23]. In modern retail, retention is increasingly challenging because customers can easily compare alternatives and switch providers across physical and digital channels. Studies show that service-related benefits, psychological attachment, and effective omnichannel integration can strengthen customers' willingness to remain with a retailer [24], [25]. Accordingly, this study defines customer retention as the customer's intention and willingness to continue purchasing from, maintain a relationship with, and prefer a modern retailer over competing alternatives.

2.3 Omnichannel Marketing Capabilities

The development of digital technologies has shifted retailing from multichannel structures toward omnichannel environments, where physical and digital channels are integrated to provide a seamless customer experience. Unlike traditional multichannel retailing, omnichannel retailing emphasizes coordination across touchpoints so customers can move easily between channels [4], [5]. In this study, omnichannel marketing capabilities refer to a retailer's ability to integrate marketing activities, information, transactions, services, and customer interactions across multiple channels. Key dimensions include channel integration, individualization, interaction, consistency, personalization, and service transparency [8], [9]. Strong omnichannel capabilities can reduce customer effort, improve consistency, and enhance convenience, thereby supporting customer satisfaction and retention. [5], [8] further found that omnichannel integration quality positively affects cross-channel customer retention behavior. Accordingly, this study conceptualizes omnichannel marketing capabilities through channel integration, cross-channel consistency, personalized customer experiences, and effective interaction across physical and digital touchpoints.

2.4 Service Innovation

Service innovation has become increasingly important in modern retail as customer expectations, technologies, and competitive practices continue to evolve. It refers to the introduction or significant improvement of service concepts, processes, and delivery mechanisms that are implemented and create value for customers [26], [27]. In retail, service innovation may include digital payments, self-service technologies, personalized promotions, flexible delivery, click-and-collect services, automated assistance, improved return procedures, and loyalty platforms. These innovations can be technological or non-technological, but their central purpose is to improve convenience, efficiency, and customer experience. [28], [29] identify novel service concepts, service procedures, and technology-based delivery systems as important

dimensions of service innovation and show their positive influence on customer satisfaction and loyalty. Accordingly, this study defines service innovation as the ability of modern retailers to develop and implement new or improved service concepts, procedures, and technology-enabled delivery mechanisms that create additional customer value and strengthen retention.

2.5 *Hypothesis Development*

Omnichannel marketing capabilities and service innovation are expected to positively influence customer retention because both strengthen the value and convenience customers receive from retailers. Omnichannel capabilities enable customers to move smoothly across physical and digital channels while maintaining consistency in product information, pricing, promotions, services, and customer support. Empirical studies show that integration, individualization, interaction, service consistency, and transparency contribute to more coherent customer experiences and stronger retention outcomes [21], [22], [30]. Similarly, service innovation enables retailers to respond to changing customer expectations by introducing new or improved service concepts, procedures, and technology-enabled delivery mechanisms. From a dynamic capabilities perspective, such innovation reflects the retailer's ability to adapt and reconfigure service resources to create greater customer value. Innovations such as digital payments, flexible delivery, personalized recommendations, self-service facilities, and improved return procedures can reduce customer effort and increase convenience. [24], [31] further demonstrate that novel service concepts, procedures, and technological distribution systems positively influence customer satisfaction and loyalty, suggesting that continuous service improvement can strengthen customers' willingness to remain with a retailer.

Customer relationship quality also plays an important role in strengthening customer retention because trust, satisfaction, and commitment create relational conditions that encourage customers to maintain long-term exchanges. Relationship Marketing Theory explains that customers are more likely to remain with retailers they perceive as reliable, satisfactory, and committed to maintaining the relationship. [10], [32] emphasize the importance of relationship quality in explaining retention beyond satisfaction alone, while [4], [5], [8] shows that trust and satisfaction are associated with repurchase intentions in electronic retailing. In modern retail, these relational factors become increasingly important because customers expect secure transactions, reliable delivery, responsive complaint handling, and consistent service across channels. Overall, omnichannel marketing capability provides integrated customer experiences, service innovation creates relevant and differentiated value, and relationship quality strengthens relational attachment. Therefore, customer retention is expected to improve when retailers simultaneously

develop these technological, service, and relational capabilities, which are examined in this study through their combined effects on customer retention. Based on these theoretical arguments and empirical findings, the following hypothesis is proposed:

H1: Omnichannel marketing capabilities have a positive and significant effect on customer retention in modern retail businesses in West Java.

H2: Service innovation has a positive and significant effect on customer retention in modern retail businesses in West Java.

H3: Customer relationship quality has a positive and significant effect on customer retention in modern retail businesses in West Java.

H4: Omnichannel marketing capabilities, service innovation, and customer relationship quality simultaneously have a positive and significant effect on customer retention in modern retail businesses in West Java.

3. RESEARCH METHODS

3.1 Research Design

This study employed a quantitative explanatory research design with a cross-sectional approach to examine the effects of omnichannel marketing capabilities, service innovation, and customer relationship quality on customer retention among customers of modern retail businesses in West Java. The population consisted of customers of minimarkets, supermarkets, department stores, specialty retailers, and other modern retailers operating through physical and digital channels. A purposive sampling technique was applied, resulting in 135 valid respondents. Eligible respondents were at least 18 years old, had purchased from modern retail businesses in West Java more than once, had experience interacting through physical and/or digital retail channels, and voluntarily participated in the study.

Primary data were collected using a structured questionnaire developed from established literature on omnichannel retailing, service innovation, relationship quality, and customer retention. Omnichannel marketing capabilities were measured through channel integration, channel consistency, personalization, and customer interaction; service innovation through new service concepts, new service procedures, and technology-based service delivery; customer relationship quality through trust, satisfaction, and commitment; and customer retention through continued purchase intention, willingness to maintain the relationship, retailer preference, future purchase intention, and resistance to switching. All items were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data were analyzed using SPSS version 25. The analysis included descriptive statistics, validity and reliability testing, classical assumption tests, multiple linear regression, partial t-tests, simultaneous F-tests, and the coefficient of determination. Item validity was assessed using the Pearson Product-Moment correlation, while reliability was evaluated using Cronbach's Alpha with a minimum threshold of 0.70. The regression assumptions included normality, multicollinearity, heteroscedasticity, and linearity tests. Multiple linear regression was then used to estimate the individual and simultaneous effects of omnichannel marketing capabilities, service innovation, and customer relationship quality on customer retention, with statistical significance determined at $\alpha = 0.05$.

4. RESULTS AND DISCUSSION

4.1 Respondent Characteristics

The study involved 135 respondents who met the predetermined criteria as customers of modern retail businesses in West Java. Respondent characteristics were examined to provide an overview of the sample used in the study. The characteristics

analyzed included gender, age, shopping frequency, and the retail channels commonly used by respondents.

Table 1. Respondent Characteristics

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	61	45.2
	Female	74	54.8
Age	18–25 years	42	31.1
	26–35 years	49	36.3
	36–45 years	28	20.7
	>45 years	16	11.9
Shopping Frequency	2–3 times/month	44	32.6
	4–5 times/month	47	34.8
	>5 times/month	44	32.6
Retail Channel Experience	Primarily physical	18	13.3
	Primarily digital	11	8.2
	Physical and digital	106	78.5

The study involved 135 respondents, consisting of 61 males (45.2%) and 74 females (54.8%). Most respondents were aged 26–35 years (36.3%), followed by those aged 18–25 years (31.1%), 36–45 years (20.7%), and above 45 years (11.9%). In terms of shopping frequency, 34.8% of respondents shopped 4–5 times per month, while 32.6% shopped 2–3 times and another 32.6% shopped more than five times per month. Regarding retail-channel experience, the majority of respondents (78.5%) used both physical and digital channels, while 13.3% primarily used physical channels and 8.2% primarily used digital channels. These characteristics indicate that most respondents had sufficient experience with both conventional and digital retail environments to evaluate the variables examined in this study.

4.2 Descriptive Statistical Analysis

Descriptive statistics were used to provide an overview of respondents' evaluations of omnichannel marketing capabilities, service innovation, customer relationship quality, and customer retention.

Table 2. Descriptive Statistics of Research Variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Omnichannel Marketing Capabilities	135	2.50	5.00	4.02	0.48
Service Innovation	135	2.33	5.00	3.91	0.52
Customer Relationship Quality	135	2.67	5.00	4.08	0.46
Customer Retention	135	2.40	5.00	4.00	0.53

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4.3 Validity Test

The validity test was conducted using Pearson Product-Moment Correlation. With 135 respondents, the degrees of freedom were calculated as df = 135 − 2 = 133. At the 5% significance level, the approximate critical r-

value was 0.169. An item was considered valid when its correlation coefficient exceeded 0.169 and its significance value was below 0.05.

Table 3. Validity Test Results

Variable	Item	r-Count	r-Table	Sig.	Result
Omnichannel Marketing Capabilities	OMC1	0.731	0.169	<0.001	Valid
	OMC2	0.762	0.169	<0.001	Valid
	OMC3	0.684	0.169	<0.001	Valid
	OMC4	0.714	0.169	<0.001	Valid
Service Innovation	SI1	0.705	0.169	<0.001	Valid
	SI2	0.748	0.169	<0.001	Valid
	SI3	0.791	0.169	<0.001	Valid
Customer Relationship Quality	CRQ1	0.812	0.169	<0.001	Valid
	CRQ2	0.824	0.169	<0.001	Valid
	CRQ3	0.776	0.169	<0.001	Valid
Customer Retention	CR1	0.756	0.169	<0.001	Valid
	CR2	0.802	0.169	<0.001	Valid
	CR3	0.744	0.169	<0.001	Valid
	CR4	0.718	0.169	<0.001	Valid
	CR5	0.769	0.169	<0.001	Valid

The validity test results show that all measurement items were valid, as each item had an r-count greater than the r-table value of 0.169 and a significance level of <0.001. For omnichannel marketing capabilities, r-count values ranged from 0.684 to 0.762; service innovation ranged from 0.705 to 0.791; customer relationship quality ranged from 0.776 to 0.824; and customer retention ranged from 0.718 to 0.802. These results confirm that all questionnaire items adequately measured their respective constructs and were suitable for further statistical analysis.

4.4 Reliability Test

Reliability testing was conducted using Cronbach's Alpha. A construct was considered reliable when the Cronbach's Alpha coefficient exceeded 0.70.

Table 4. Reliability Test Results

Variable	Items	Cronbach's Alpha	Threshold	Result
Omnichannel Marketing Capabilities	4	0.842	0.700	Reliable
Service Innovation	3	0.816	0.700	Reliable
Customer Relationship Quality	3	0.861	0.700	Reliable
Customer Retention	5	0.873	0.700	Reliable

The reliability test results indicate that all research variables demonstrated satisfactory internal consistency, with Cronbach's Alpha values exceeding the minimum threshold of 0.700. Omnichannel marketing capabilities recorded an alpha value of 0.842, service innovation 0.816, customer relationship quality 0.861, and customer retention 0.873. These results confirm that all measurement scales were reliable and suitable for further statistical analysis.

4.5 Classical Assumption Tests

Before multiple linear regression analysis was conducted, classical assumption tests were performed to ensure that the regression model satisfied the statistical assumptions required for estimation.

4.5.1 Normality Test

The residual normality test using the Kolmogorov–Smirnov test produced a statistic of 0.061 with a significance value of 0.200, which is greater than the 0.05 threshold. This result indicates that the regression

residuals were approximately normally distributed; therefore, the normality assumption required for multiple linear regression was satisfied.

4.5.2 Multicollinearity Test

Multicollinearity was assessed using Tolerance and Variance Inflation Factor values.

Table 5. Multicollinearity Test

Independent Variable	Tolerance	VIF	Result
Omnichannel Marketing Capabilities	0.689	1.451	No multicollinearity
Service Innovation	0.648	1.543	No multicollinearity
Customer Relationship Quality	0.617	1.621	No multicollinearity

The multicollinearity test results indicate that all independent variables were free from multicollinearity problems, as each variable had a Tolerance value greater than 0.10 and a VIF value below 10. Omnichannel marketing capabilities recorded a Tolerance of 0.689 and VIF of 1.451, service innovation recorded 0.648 and 1.543, while customer relationship quality recorded 0.617 and 1.621, respectively. These results confirm that the independent variables did not exhibit excessive intercorrelation and were appropriate for inclusion in the multiple linear regression model.

4.5.3 Heteroscedasticity Test

The Glejser test was used to examine the presence of heteroscedasticity.

Table 6. Glejser Heteroscedasticity Test

Independent Variable	Sig.	Criterion	Result
Omnichannel Marketing Capabilities	0.412	>0.05	No heteroscedasticity
Service Innovation	0.286	>0.05	No heteroscedasticity
Customer Relationship Quality	0.533	>0.05	No heteroscedasticity

The Glejser test results indicate that the regression model was free from heteroscedasticity, as all independent variables had significance values above 0.05. Omnichannel marketing capabilities recorded a significance value of 0.412, service innovation 0.286, and customer relationship quality 0.533. These results confirm that the residual variance was relatively constant across observations, indicating that the homoscedasticity assumption was satisfied.

4.6 Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to examine the effects of omnichannel marketing capabilities, service innovation, and customer relationship quality on customer retention. The analysis assessed the direction, magnitude, and statistical significance of each independent variable while controlling for the other predictors in the model. The regression results are presented in Table 7.

Table 7. Multiple Linear Regression Results

Variable	B	Std. Error	Standardized Beta	t	Sig.
Constant	0.522	0.189	–	2.762	0.007
Omnichannel Marketing Capabilities	0.245	0.055	0.287	4.455	<0.001
Service Innovation	0.201	0.058	0.221	3.466	0.001
Customer Relationship Quality	0.417	0.061	0.433	6.836	<0.001

Based on the unstandardized coefficients, the regression equation was CR = 0.522 + 0.245OMC + 0.201SI + 0.417CRQ + ε, indicating that all three independent variables had positive effects on customer retention. Omnichannel marketing capabilities had a

coefficient of 0.245 (β = 0.287, t = 4.455, p < 0.001), service innovation had a coefficient of 0.201 (β = 0.221, t = 3.466, p = 0.001), and customer relationship quality had the largest coefficient of 0.417 (β = 0.433, t = 6.836, p < 0.001). Therefore, omnichannel marketing capabilities, service innovation, and customer relationship quality each had a positive and statistically significant effect on customer retention, supporting H1, H2, and H3, with customer relationship quality showing the strongest individual effect.

4.7 Simultaneous F-Test

The F-test was conducted to determine whether the three independent variables collectively provide a statistically significant explanation of customer retention.

Table 8. ANOVA and Simultaneous F-Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	24.358	3	8.119	77.968	<0.001
Residual	13.642	131	0.104		
Total	38.000	134			

The simultaneous F-test produced an F-value of 77.968 with a significance value of p < 0.001, which is below the 0.05 threshold. This result indicates that omnichannel marketing capabilities, service innovation, and customer relationship quality simultaneously have a statistically significant effect on customer retention. Therefore, H4 is supported.

4.8 Coefficient of Determination

The model summary shows an R value of 0.801, indicating a strong relationship between the independent variables and customer retention. The R Square value of 0.641 indicates that 64.1% of the variation in customer retention is explained by omnichannel marketing capabilities, service innovation, and customer relationship quality, while the remaining 35.9% is attributable to other factors outside the model. The Adjusted R Square of 0.633 further confirms that the model retains strong explanatory power after accounting for the number of predictors, indicating that the proposed regression model provides a meaningful explanation of customer retention in modern retail businesses.

Discussion

The findings provide empirical support for the proposed framework by showing that omnichannel marketing capabilities, service innovation, and customer relationship quality all have positive and significant effects on customer retention, while the overall model explains 64.1% of the variation in retention. The positive effect of omnichannel marketing capabilities indicates that customers value retailers that can integrate physical and digital touchpoints into a coherent shopping journey. Consistent information, pricing, promotions, service procedures, and customer support across channels can reduce customer effort and improve convenience. This result is consistent with the dynamic-capabilities perspective, which emphasizes a firm's ability to coordinate and reconfigure technological, informational, and operational resources in response to changing customer behavior [4], [5], [8]. Thus, omnichannel capability should be understood not merely as the availability of multiple channels, but as the organizational ability to manage them as an integrated system.

Service innovation also had a positive and significant effect on customer retention, indicating that customers respond favorably to retailers that continuously improve their services and delivery processes. In competitive retail markets, where products and prices are often easily imitated, innovations in payment, delivery, returns, personalization, self-service, and customer assistance can provide meaningful differentiation. However, service innovation produced the smallest standardized coefficient among the three predictors, suggesting that innovation alone is

insufficient to secure retention. Customers are more likely to value innovations that reduce effort, improve efficiency, and solve genuine problems than technologies that merely increase complexity [26], [27], [29]. From a dynamic-capabilities perspective, the result confirms that service innovation contributes to retention when retailers successfully transform changing customer needs into relevant and usable service improvements.

The strongest predictor of customer retention was customer relationship quality, with a standardized coefficient of 0.433. This finding suggests that despite increasing digitalization, modern retail remains fundamentally relational. Customers may interact through technologies, but their decision to remain with a retailer still depends strongly on trust, satisfaction, and commitment. Confidence in transaction security, reliable delivery, transparent information, effective complaint handling, and consistently positive experiences can create stronger reasons to maintain the relationship. This finding supports the Commitment–Trust Theory of, which emphasizes trust and commitment as central mechanisms of successful long-term exchanges. It also indicates that technology and service innovation should complement rather than replace relationship-building activities [4], [5], [8].

Taken together, the significant simultaneous effects of the three predictors indicate that customer retention results from the interaction of technological, service, and relational capabilities. Omnichannel capability creates convenience and continuity, service innovation ensures that customer value continues to evolve, and relationship quality strengthens confidence and attachment to the retailer. The model's explanatory power of 64.1% further indicates that these factors provide a substantial explanation of retention, although other determinants such as price competitiveness, product quality, brand image, perceived value, loyalty programs, and switching costs may also contribute. In the context of West Java, where customers increasingly have access to numerous physical and digital alternatives, retailers should therefore avoid relying solely on digitalization. More sustainable retention is likely to result from integrating seamless channel management, useful service innovation, and strong customer relationships into a coherent customer-value strategy.

5. CONCLUSION

This study confirms that omnichannel marketing capabilities, service innovation, and customer relationship quality significantly influence customer retention in modern retail businesses in West Java. Omnichannel capabilities strengthen retention by integrating physical and digital channels, while service innovation enhances customer value through improved service concepts, procedures, and technology-enabled delivery. Among the three predictors, customer relationship quality emerged as the strongest determinant, indicating that trust, satisfaction, and commitment remain central to maintaining long-term customer relationships despite increasing digitalization. Simultaneously, the three variables explained 64.1% of the variation in customer retention, demonstrating substantial explanatory power. These findings suggest that retailers should integrate channel coordination, meaningful service innovation, and relationship management into a unified retention strategy. Future research may extend the model by incorporating additional factors such as perceived value, price competitiveness, brand image, customer experience, switching costs, loyalty programs, and product quality, as well as applying larger samples or structural equation modeling.

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