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Competitive Advantage and Operational Efficiency: Key Drivers of Retail Success

Ventaja competitiva y eficiencia operativa: factores clave del éxito del comercio minorista

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Abstract

Present study investigates the relationships between consumer preferences, competitive advantage, and retail success within the context of Saudi Arabia. By utilizing a sample of 386 respondents, the research employs a quantitative approach to analyze the significance of various constructs, including market trends, technology adoption, operational efficiency, and the regulatory environment. Study findings shows that consumer preferences positively influence competitive advantage, which in turn enhances retail success. Additionally, study highlights the crucial role of market trends and technology adoption in driving operational efficiency and improving overall retail outcomes. The results underscore the importance of aligning business strategies with consumer needs and market dynamics in Saudi Arabia, providing valuable insights for practitioners aiming to enhance organizational performance and competitiveness.

Keywords: Retail success, consumer preferences, Saudi Arabia, technology adoption.

Resumen

El presente estudio investiga las relaciones entre las preferencias de los consumidores, la ventaja competitiva y el éxito minorista en el contexto de Arabia Saudita. Al utilizar una muestra de 386 encuestados, la investigación emplea un enfoque cuantitativo para analizar la importancia de varios conceptos, incluidas las tendencias del mercado, la adopción de tecnología, la eficiencia operativa y el entorno regulatorio. Los resultados del estudio muestran que las preferencias de los consumidores influyen positivamente en la ventaja competitiva, lo que a su vez mejora el éxito del comercio minorista. Además, el estudio destaca el papel crucial de las tendencias del mercado y la adopción de tecnología para impulsar la eficiencia operativa y mejorar los resultados minoristas generales. Los resultados subrayan la importancia de alinear las estrategias comerciales con las necesidades de los consumidores y la dinámica del mercado en Arabia Saudita, proporcionando información valiosa para los profesionales que buscan mejorar el desempeño y la competitividad de la organización.

Palabras claves: Éxito minorista, preferencias de los consumidores, Arabia Saudita, adopción de tecnología.

Introduction

In recent years, Saudi Arabia's retail sector has witnessed rapid growth and transformation, which is driven by the country's economic diversification efforts under the Vision 2030. Goal of Vision 2030 is to reduce reliance on oil revenues and develop a sustainable non-oil economy, with retail emerging as a crucial sector in this agenda (Al-Hudhaif, 2021). This transformation and shift have been facilitated by several factors, which including consumer preferences, market trends, increase in technological adoption, and dynamic regulatory environment. Thus, for the retailers to thrive in the Kingdom, understanding and navigating these interconnected factors are important to achieve these as competitive advantage, operational efficiency, and ultimately, retail success. Saudi Arabia retail market is marked by unique consumer preferences shaped by religious, cultural, and societal norms. Local consumers in Saudi Arabia display strong brand loyalty, with preferences for Halal products and culturally appropriate offerings. Thus, retailers catering to these preferences through personalized and localized products in better position to gain competitive advantage (Alqahtani & Payne, 2022). Additionally, the interplay between these preferences and emerging market trends, for instance, the rise of ethical and sustainable products, highlights the importance of being attuned to shifting consumer demands. Further, environmental and seasonal fluctuations in demand, particularly during religious occasions like the month of Fasting, also play a critical role in shaping retail strategies, pushing businesses to remain agile in responding to market shifts (GCC - Retail Industry Report, 2021).

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Further, the adoption of technology has become increasingly central to retail success in Saudi Arabia, especially with the rapid expansion of e-commerce and mobile commerce. Electronic platforms such as e-commerce sites and mobile apps provide consumers with greater convenience and facility, where retailers are embraced these technologies and reap the benefits through enhanced operational efficiency. The good example is the rise of digital payment systems and real-time data analytics, which has enabled retailers to streamline operations, reduce costs, and offer more personalized services (Alkhwaiter, 2020). E-operators like Noon and

Souq.com even “Amazon Saudi Arabia” are prime examples of retailers capitalizing on these technological advancements, that delivering seamless Omni-channel experiences to customers.

Further, in technological trends, the regulatory environment in Saudi Arabia is a critical factor that retailers must navigate. Introduction of policies such as the new implemented tax (VAT), Saudization, and trade reforms under Vision 2030 have reshaped the retail landscape. Regulatory frameworks are designed to encourage local employment and develop the private sector, yet they also impose challenges for retailers in terms of compliance and operational costs. Because these reforms may increase short-term expenses, aligning with government initiatives can enhance long-term growth prospects for retailers operating in Saudi Arabia (Alghamdi et al., 2021).

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Literature review and development of hypotheses

Consumer Preferences and Competitive Advantage: Preferences of consumers are included product types, brand loyalty, and purchasing behavior, which are important and vital in determining competitive advantage in the retail industry, especially in Saudi Arabia. Because, Saudi consumers have a strong affinity for products and brands that align with Islamic and cultural values, which shape their preferences and loyalty. That’s the reason that the local market has seen a high demand for Halal products, premium goods, and luxury items which cater to these religious and cultural values (Alserhan, 2010). Retailers that potentially meet these preferences by providing localized products, such as Halal certifications, and cultural sensitivity in marketing communications enjoy a competitive advantage. For instance, brands like “Abdul Samad Al Qurashi and Almarai” have tailored their products to align with local customs and religious requirements, which enhanced their brand loyalty and market share (Alsadhan et al., 2022). Further, the increase demand for personalized customer experiences has pushed retailers to innovate through Omni-channel approaches, that combines physical retail with digital experiences, that further boosting their competitive advantage (Alqahtani & Payne, 2022). In perspectives of Saudi Arabian market, loyalty programs, customer-centric

services, and alignment with traditional and modern consumer values have been instrumental for brands in creating a unique competitive advantage over both local and global competitors (Almutairi et al., 2023).

H1: *consumer preferences have positive impact on competitive advantage.*

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Competitive Advantage and Retail Success: Retailers that develop and establish a strong competitive edge through strategic differentiation, customer loyalty, and market adaptation are better positioned to achieve retail success. From Saudi Arabian perspectives, competitive advantage is often derived from the ability to balance international retail trends with local cultural and religious expectations. For instance, the success of retailers like Extra and Jarir books, which focuses on customer-centric strategies, competitive pricing, and high services quality, demonstrates how competitive advantage directly influences retail success (GCC Retail Industry Report, 2021). In additional, retail success is typically measured through sales performance, market share, customer satisfaction, and operational efficiency. With unique offers and value proposition, such as Jarir's focus on providing both physical and digital shopping experiences have been able to capture significant market share in Saudi market (KPMG, 2022). Additionally, they are offering competitive pricing, seamless Omni-channel integration, and responsive customer service, where these companies have built a strong foundation for long-term retail success.

Additionally, competitive advantage in Saudi Arabia's retail industry is increasingly shaped by digital transformation, including the adoption of e-commerce platforms and digital payment systems. Retailers that leverage these technological advancements have experienced significant retail success, as seen in the rapid growth of e-businesses giants such as Noon and Amazon Saudi Arabia (Statista, 2023).

H2: *Competitive advantage has positive impact on retail success.*

Market Trends and Retail Success: Seasonal demands, trend of fashion, and emerging consumer behaviors, are considered as market trends and they play a crucial role in determining retail success in Saudi Arabia. Since, the Kingdom undergoes rapid economic transformation under their 2030 vision, several market trends have reshaped the retail landscape. These include the growing importance of e-commerce, luxury spending, and a shift towards sustainable and ethical consumerism (Al-Hudhaif, 2021).

Several retailers who are quick to adapt to these market trends are more likely to succeed. For example, the surge in online shopping, particularly during the pandemic of “COVID-19”, has led to a permanent shift in consumer behavior. Some retailers like “Namshi” and “Noon” that invested early in e-commerce infrastructure have achieved considerable success due to their ability to meet evolving market demands (GCC Retail Industry Report, 2021).

Furthermore, seasonal trends, such as increased spending during the month of “Fasting” and other religious holidays, have created opportunities for retailers to boost sales and improve customer loyalty. Advance and fashioned retailers, in particular, have leveraged the demand for modest fashion, offering products that align with both global trends and local religious requirements (Alqahtani & Payne, 2022).

H3: *Market trend has positive impact on retail success.*

Technological Adoption and Operational Efficiency: Adoption of the technology is a key factor influencing operational efficiency globally including Saudi Arabia's retailing sector. Implementation of e-payment systems, e-businesses platforms, and mobile applications has significantly improved the efficiency of operations, management of supply chain, and customer service.

A general experience has been observed that retailers who invest in technology experience faster decision-making processes, optimized inventory management, and enhanced customer satisfaction (KPMG, 2022). Further, the

adoption of e-payment solutions such as Mada-Payment and Apple Pay has revolutionized the retail sector, providing faster and more secure transactions, which contribute to operational efficiency (Alkhowaiter, 2020). Further, retailers like Extra and Jarir Book Stores have integrated technological solutions into their logistics and supply chain management processes, which ensures the product availability and meets customer demands while reducing operational costs. In Saudi Arabia's perspectives, the rapid digital transformation under Vision 2030 has led to the proliferation of Omni-Channel retail strategies. By mixing both online and offline shopping experiences, retailers have been able to streamline operations and improve customer satisfaction, thereby boosting operational efficiency (PWC, 2020).

H4: *Technological adoption has positive impact on operational efficiency.*

Operational Efficiency and Retail Success: Likewise other factors, operational efficiency is also a very critical determinant of retail success, because it's directly influencing a company's ability to reduce costs, meet customer demands, and improve profitability. From the perspectives of Saudi Arabia, retailers whose focuses on optimizing their operations, from inventory management to customer service, have seen significant improvements in market performance. Additionally, effective supply chain management, lean operations, and workforce optimization are important and essential components of operational efficiency (Slack, 2019).

Examples included, i.e. Carrefour Saudi Arabia has successfully implemented lean management techniques to improve operational efficiency, focusing on reducing waste, enhancing product availability, and delivering excellent customer service. Further, this operational efficiency has been a key driver of their retail success, as it allows them to respond quickly to market changes and consumer needs (Saudi Ministry of Commerce, 2022). Retailers that streamline their operations by mixing technology, automating routine tasks, and enhancing workforce productivity tend to outperform competitors in terms of sales performance, customer satisfaction, and market share (Saudi Ministry of Commerce, 2022).

H5: *Operational efficiency has positive impact on retail success.*

Regulatory Environment and Retail Success: Regulatory environment likewise globally also in Saudi Arabia plays a pivotal role in shaping retail success. Locally regulatory frameworks for instance, Saudization, Value-Added Tax, and trade policies have direct implications for retail businesses. The program of Saudization mandates a certain percentage of local employment in the private sector, which has pushed retailers to invest in workforce training and development. However, this initially raises operational costs, it also fosters customer loyalty and corporate social responsibility, which can positively impact retail success (Alghamdi et al., 2021).

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The introduction of Value Added Tax in the year of 2018 required retailers to adjust their pricing strategies and accounting processes. However, this action and regulatory environment created some initial challenges, retailers that quickly adapted to the regulatory changes saw improvements in financial transparency and consumer trust, which in turn enhanced their long-term retail performance (Gulf Business, 2019). Further, the trade liberalization policies under the “2030 vision” have opened the market to foreign investment, increasing competition but also providing opportunities for retailers to expand and innovate. For instance, some retailers like Jarir book stores and Panda stores, which have successfully complied with “Saudization” and “Value Added Tax” regulations, have demonstrated strong market performance, highlighting the importance of regulatory compliance for retail success (PWC, 2020).

H6: *Regulatory environment has a positive impact on retail success.*

Competitive Landscape and Retail Success: Competitive landscape in retail industry has been a significant determinant of success across different industries, including Saudi Arabian market. Highly competitive environments, firms need to adopt unique strategies to differentiate themselves and capture market share. Competitor strategies, market share and strategic positioning, all these factors play a pivotal role in achieving retail success. Retail sector of Saudi Arabia, being one of the most dynamic in the region due to 2030 vision, has seen considerable changes in its competitive landscape. Governments have focused on liberalizing the economy, that has fostering the innovation, and encouraging foreign direct

investment (FDI) has led to increased competition among local and international retailers.

Additionally, retailers in Saudi Arabia face increasing pressure to innovate and adapt to the rapid changes in consumer preferences and technological adoption. As due to competition, companies must develop distinctive value propositions to maintain customer loyalty and drive growth. A theory that was presented by Porter's, called a theory of competitive advantage which highlights that businesses need to either adopt cost leadership or differentiation strategies to stay competitive (Porter, 1985). From the perspectives of Saudi Arabia, retailers who successfully differentiate themselves by offering culturally relevant products, superior customer experiences, and advanced technological platforms tend to perform better. Study conducted by Alkahtani (2021) supports this argument, noting that the competitive landscape in Saudi Arabia demands businesses to adopt innovative practices to cater to an increasingly tech-savvy and demanding consumer base.

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Furthermore, strategic positioning within the competitive landscape is critical for success. The concept of strategic positioning emphasizes how a company positions itself in the market relative to competitors, based on factors such as pricing, product quality, customer service, and innovation. Additionally, in Saudi Arabia this is particularly relevant as retailers seek to balance traditional retail models with new, digital-first strategies (Alshehri, 2022). Retailers who embrace Omni-Channel strategies, combining physical and digital retail experiences, are gaining a competitive advantage in the market. Following the transition is facilitated by technological advancements and changing consumer preferences, particularly among younger generations who expect seamless shopping experiences both online and offline (Bodla & Nawaz, 2020). Market share is another important aspect of the competitive landscape which influences retail success. Retailers with significant market share that are typically more resilient to competitive pressures, as they benefit from economies of scale and a larger customer base. Major players of Saudi Arabia, that are includes, Al Othaim Markets and Panda Retail have managed to secure substantial market shares by expanding their presence and adapting to

local consumer preferences (Aldosari, 2023). Convincingly, this competitive landscape, thus, pushes retailers to continuously innovate and enhance their operational efficiency to maintain or expand their market share.

H7: *Competitive landscape has a positive impact on retail success.*

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Methodologies and Data

Methodology part can be refer to the method and techniques, that are used to guide present research efforts. Henceforth, it includes the approaches to conduct the research study and the specific techniques that are used to collect, and analyze, to interpret the data. However, research design is usually referring to and defines to collect the data styles and to analyze it. Current research study however designed the questionnaire that includes number of items. A unique link from the “Google forms” was created, and all the items included and spread it randomly on different social media platforms. Several social media platforms were chosen to target respondents from different age groups. The present study was based on quantitative approach. Thus, items questionnaire is prepared in the link and shared among these social media channels. Next, “SPSS” statistical package for social sciences were utilized to analyze the collected data. The following tests were conducted to obtain descriptive analysis, validity and measurement, standard deviation and mean, hypotheses and correlation tests.

Measurements: Data was collected from the targeted respondents through various electronic-channels selected at random. A total of 386 valid responses were obtained and analyzed using SPSS. In order to ensure the validity of the responses, this study followed the guidelines recommended by Hair et al. (2010), confirming that the response rate was appropriate for the current study. A five-point Likert scale was used, with options ranging from (1) = Strongly Disagree to (5) = Strongly Agree.

Descriptive analysis: Demographic data of 386 respondents reveals that 58.55% are male, and 41.45% are female. A majority (77.46%) are Saudi Nationals, while 22.54% are non-Saudi. Age distribution shows most respondents are between

21-40 years old, with 34.46% aged 31-40. However, marital status, 86.01% are married. Whereas 37.05% are graduates, while smaller percentages hold diplomas, undergraduate degrees, PhDs, or none. Respondents' income varies with 43.01% earning between 6001-10000 SR monthly. This monthly spending is diverse, with 25.13% spending less than 1000 SR and 19.95% spending between 7001-9000 SR.

Table 1. Respondents Demographics

Demographics	Options (if any)..	Frequency Total = 386	Percentage %
Gender	Male	226	58.55
	Female	160	41.45
		N=386	100%
Nationality	Saudi Nationals	299	77.46
	Non- Saudi Nationals	87	22.54
		N=386	100%
Age Group	Up to 20 Years	09	2.33
	21-30	94	24.35
	31-40	133	34.46
	41-50	45	11.66
	50 & above	105	27.20
		N=386	100%
Marital Status	Married	332	86.01
	Non-Married	54	13.99
		N=386	100%
Education Level	Diploma/Certificate/etc.	39	10.10
	Undergraduate	106	27.46
	Graduate	143	37.05
	PhD	71	18.39
	None of them	27	6.99
		N=386	100%
Monthly Income	Less than 1000-SR	25	6.48
	1001-3000	53	13.73
	3001-6000	97	25.13

	6001-10000	166	43.01
	10001 & Above	45	11.66
		N=386	100%
Total Spending Monthly	Less than 1000-SR	97	25.13
	1001-2000	83	21.50
	2001-5000	34	8.81
	5001-7000	29	7.51
	7001-9000	77	19.95
	10000 & Above	66	17.10
		N=386	100%

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Source: The authors themselves.

Following the study, SPSS was used for Cronbach's alpha testing, and all values met the necessary standards. Additionally, Cronbach's Alpha values for the considered constructs indicated the internal consistency and reliability of the measures used in the study. As rule of thumb, Cronbach's Alpha value above 0.70 is considered acceptable, and above 0.90 is considered excellent. Thus, in the following case, "Consumer Preferences" (0.911), "Market Trends" (0.896), "Technological Adoption" (0.943), "Regulatory Environment" (0.917), and "Competitive Advantage" (0.918) show excellent reliability. Additionally, "Competitive Landscape" (0.771), "Operational Efficiency" (0.779), and "Retail Success" (0.793) are also reliable, though slightly lower, but still within an acceptable range for consistency. Details are provided on the table below.

Table 2. Cronbach's Alpha values

Constructs	Value of Cronbach Alpha
Consumer Preferences	0.911
Market Trends	0.896
Technological Adoption	0.943
Regulatory Environment	0.917
Competitive Landscape	0.771
Competitive Advantage	0.918

Operational Efficiency	0.779
Retail Success	0.793

Source: The authors themselves.

Table 3 shows a summary of considered constructs related to the present study, further it showcasing the means, standard deviations, and mean levels. Constructs assessed include Consumer Preferences (mean: 4.094, standard deviation: 0.911), Market Trends (mean: 5.009, standard deviation: 0.909), and Technological Adoption (mean: 5.112, standard deviation: 0.873), among others. All the considered constructs are categorized under "Middle to the mean level," indicating a moderate perception among respondents. Such as, Competitive Landscape had the highest mean score of 5.787 with a standard deviation of 0.917, suggesting a relatively strong agreement on this construct. Whereas contrary, Regulatory Environment received a mean score of 4.039 (standard deviation: 0.902), indicating a slightly lower perception. However, overall, the data illustrates that respondents perceive these constructs moderately, reflecting their views on key factors influencing their context.

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Table 3: Mean & Standard Deviation

Constructs	Mean	Standard Deviation	Mean Level
Consumer Preferences	4.094	0.911	Middle to the level
Market Trends	5.009	0.909	Middle to the level
Technological Adoption	5.112	0.873	Middle to the level
Regulatory Environment	4.039	0.902	Middle to the level
Competitive Landscape	5.787	0.917	Middle to the level
Competitive Advantage	5.102	0.899	Middle to the level
Operational Efficiency	4.081	0.814	Middle to the level
Retail Success	5.138	0.932	Middle to the level

Source: The authors themselves.

Table 4 illustrates the correlations among various variables related to consumer preferences, market trends, technology adoption, regulatory environment, competitive landscape, competitive advantage, operational efficiency, and retail success. Each variable shows significant positive correlations with all others, indicating interconnected relationships. Notably, Consumer Preferences correlates strongly with Regulatory Environment ($r = 0.821$) and Competitive Landscape ($r = 0.826$), suggesting that understanding consumer needs can enhance market positioning. Market Trends and Technology Adoption are positively linked to Operational Efficiency ($r = 0.804$), indicating that technological advancements improve operational capabilities. The Regulatory Environment correlates with Retail Success ($r = 0.789$), underscoring its importance in driving business outcomes. Overall, these correlations emphasize the need for businesses to consider these interconnected factors to enhance operational effectiveness and achieve retail success.

Table 4: Correlation of Variables

		Cons. Pref.	Mkt. Tre.	Tech. Adop.	Reg. Envi.	Comp. Lands.	Comp. Adv.	Oper. Effe.	Ret. Succ.
Cons. Pref.	Pearson Correlation	.592	.511	.628	.821	.826	.799	.845	.687
	Sig. (2-tailed)	--	.000	.000	.000	.000	.000	.000	.000
	N =	386	386	386	386	386	386	386	386
Mkt. Tre.	Pearson Correlation	.809	.735	.791	.608	.818	.679	.776	.801
	Sig. (2-tailed)	.000	---	.000	.000	.000	.000	.000	.000
	N =	386	386	386	386	386	386	386	386
Tech. Adop.	Pearson Correlation	.681	.809	.701	.778	.736	.807	.804	.843
	Sig. (2-tailed)	.000	.000	---	.000	.000	.000	.000	.000
	N =	386	386	386	386	386	386	386	386
Reg. Envi.	Pearson Correlation	.911	.778	.739	.807	.833	.617	.886	.789
	Sig. (2-tailed)	.000	.000	.000	---	.000	.000	.000	.000
	N =	386	386	386	386	386	386	386	386

Comp. Lands.	Pearson Correlation	.706	.733	.697	.743	.819	.608	.878	.709
	Sig. (2-tailed)	.000	.000	.000	.000	---	.000	.000	.000
	N =	386	386	386	386	386	386	386	386
Comp. Adv.	Pearson Correlation	.811	.791	.818	.893	.711	.709	.887	.878
	Sig. (2-tailed)	.000	.000	.000	.000	.000	---	.000	.000
	N =	386	386	386	386	386	386	386	386
Oper. Effe.	Pearson Correlation	.811	.821	.738	.843	.761	.879	.776	.787
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	---	.000
	N =	386	386	386	386	386	386	386	386
Ret. Succ.	Pearson Correlation	.831	.781	.768	.843	.731	.719	.887	.777
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	---
	N =	386	386	386	386	386	386	386	386

***Correlations are significant at 0.01 level (2-tailed)

Source: The authors themselves.

Results and discussion

Table 5 shows the results of hypothesis, showing significant positive relationships between various constructions. Considered all hypotheses (H1 to H7) are supported with significant t-values and positive relationships. For instance, H1 ($t = 9.121$, $p = 0.000$) confirms that consumer preferences positively influence competitive advantage. Similarly, H2 ($t = 9.524$, $p = 0.000$) establishes a strong positive link between competitive advantage and retail success. Additionally, H3 ($t = 9.243$, $p = 0.000$) highlights that market trends positively impact retail success. Further, H4 ($t = 8.193$, $p = 0.000$) shows that technology adoption leads to improved operational efficiency, and H5 ($t = 9.142$, $p = 0.000$) indicates that operational efficiency significantly contributes to retail success. H6 ($t = 8.112$, $p = 0.000$) demonstrates that the regulatory environment positively influences retail success, and H7 ($t = 9.019$, $p = 0.000$) confirms that the competitive landscape has a positive effect on retail success. All relationships are statistically significant with p-values of 0.000.

Table 5. Hypotheses Results

	Constructs	t-value	Significant	Result
H ₁	Cons. Pref. → Comp. Adv.	9.121	0.000	Positive
H ₂	Comp. Adv. → Ret. Succ.	9.524	0.000	Positive
H ₃	Mkt. Tre. → Ret. Succ.	9.243	0.000	Positive
H ₄	Tech. Adop. → Ope. Effi.	8.193	0.000	Positive
H ₅	Ope. Effi. → Ret. Succ.	9.142	0.000	Positive
H ₆	Reg. Envi. → Ret. Succ.	8.112	0.000	Positive
H ₇	Comp. Lands. → Ret. Succ.	9.019	0.000	Positive

Source: The authors themselves.

Results of the study provide clear evidence of the interconnectedness between consumer preferences, market dynamics, technological advancements, and organizational outcomes such as competitive advantage, operational efficiency, and retail success. For instance, H₁ reveals that consumer preferences significantly enhance competitive advantage, underscoring the importance of understanding and aligning with customer needs to remain competitive in the marketplace. This suggests that companies focused on customer-centric strategies are better positioned to outperform their competitors. Next, the hypotheses H₂ and H₃ demonstrate the pivotal role of competitive advantage and market trends in driving retail success, showing that both internal strengths and external market conditions are key contributors to organizational performance. Businesses that maintain a competitive edge and adapt to changing market trends tend to achieve higher success in retail sectors. Additionally, findings of H₄ and H₅ emphasize the role of technology adoption and operational efficiency in achieving retail success. Thus, technology not only enhances operational processes but also boosts efficiency, which in turn, positively affects overall business performance. Further, it indicates that firms investing in modern technology and improving operational systems are more likely to excel. H₆ highlights the positive impact of the regulatory environment on retail success, and suggests that compliance with regulations and a stable regulatory framework contribute to smoother business operations and better

performance outcomes. Lastly, the H7 confirms that a competitive landscape also plays a significant role in shaping retail success, as companies must continuously adapt to external pressures and competition to thrive.

Conclusion

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Findings suggest that businesses aiming for retail success should focus on multiple dimensions, including customer preferences, competitive advantage, market adaptation, technological adoption, operational efficiency, and regulatory compliance. These factors each is having significantly linked to improved performance, indicating that a holistic approach to business strategy is essential for achieving long-term success in competitive markets. Positive and significant relationships across all hypotheses affirm the critical importance of both internal capabilities and external market conditions in shaping business outcomes.

Study limitations

Contemporary study has several limitations that should be considered when interpreting the findings. The first thing first is that the sample size of 386 is adequate, the lack of diversity within the sample may limit the generalizability of the results across different industries or geographical regions. Further, the study employs a cross-sectional design, capturing data at a single point in time, which restricts the ability to draw causal inferences about the relationships between the variables. Next, the reliance on self-reported measures for constructs like consumer preferences and market trends may introduce response biases, as participants could provide socially desirable answers rather than objective assessments. Next, while the study focuses on key constructs, it may overlook other relevant factors influencing retail success, such as external economic conditions and technological disruptions. Since study been conducted in Saudi Arabia, thus, specific cultural context of the study may also influence the findings, as different attitudes towards technology and consumerism can affect the identified relationships. Last but not the least, given the rapidly evolving nature of market trends and technology, the results may become outdated as new innovations emerge.

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