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Modeling Loyalty among Chinese Customers

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ABSTRACT

This study explores the influence of unique Chinese factors on customer relationships, specifically satisfaction, trust, commitment, and loyalty (STCL). The research uses structural equation modeling (SEM) to test the effect of nine indigenous factors from the Chinese value system on STCL measures of customer relationships among Chinese consumers. The results indicate that three indigenous factors have a significant effect on customer satisfaction, while one factor affects trust. However, the other five indigenous factors do not have a significant influence on STCL measures. Furthermore, the study finds that the prevailing direct chain of the STCL does not hold in this case. The finding reveals a new direct explanation chain, TCL, which differs from the existing explanation chain. Understanding the importance of Ren Qing and Mian Zi can provide scholars and practitioners with valuable insights for building and retaining customer loyalty in China's competitive market.

JEL Classification: M310

Keywords: courtesy, positive emotions, honesty, ren qing, harmony with others, mian zi, kindness, responsibility, angry hostility, marketing, relationship marketing, salespersons, customer satisfaction, trust, customer commitment, customer loyalty, Chinese customer

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I. INTRODUCTION

For a business to succeed in competition, the consumer's loyalty is the key. What drives consumer loyalty is the question all businesses would like to have answers to. Satisfaction, trust, commitment, and loyalty (STCL) are important factors in relationship marketing (Morgan and Hunt, 1994; Vasquez and Alonso, 2000). Some of the research finds the direct path among satisfaction, trust, commitment, and loyalty. The other introduces more antecedents or drivers to loyalty (Anderson et al., 1994; Anderson et al., 2008; Chen et al., 2008; Chu et al., 2018; Chu et al., 2021; Cooil et al., 2007; Morgan and Hunt, 1994; Vasquez and Alonso, 2000).

The previous research and literature on customer loyalty have been focused on regression path relationship analysis among STCL and their antecedents or drivers (Anderson et al., 2008; Chu et al., 2018; Chu et al., 2021; Morgan and Hunt, 1994; Vasquez and Alonso, 2000). Yet, what left out is what the result will be if we invite all variables together simultaneously. The regression analysis has its limitations in estimating complex relationships among variables and also lacks of detecting more accurate dimensions of the theoretical concepts (Cole and Preacher, 2014). This study uses the structural equation modeling (SEM) technique to examine the latent variables, simultaneous relationships, and indirect effects vs. direct effects regarding consumer loyalty based on previous data and constructs (Chu et al., 2018; Chu et al., 2021; Cole and Preacher, 2014).

To better understand the dynamics and causal link among STCL, in this study, we propose a conceptual model that invites all variables from previous research both indigenous (moderating) variables: Courtesy, Responsibility, Angry hostility, *Mian Zi* (*Face*), Kindness, Positive emotion, Honesty, *Ren Qing* (Reciprocal obligation), Harmony with others; and imported (core) variables: Satisfaction, Trust, Commitment, Loyalty (Chu et al., 2018; Chu et al., 2021). Then, the results of both the proposed model and the modified model are presented. Finally, the limitations and implications of the findings to both academia and practitioners are discussed.

II. LITERATURE REVIEW AND PROPOSED MODEL

Customer loyalty is a key aspect of business success. Different types of customer loyalty exist, such as brand loyalty, service loyalty, goods consumption, tourist-related products, not-for-profit relationships, and store loyalty (Dick and Basu, 1994; Mothersbaugh, 2024; Sahagun and Vasquez-Parraga, 2014; Vasquez-Parraga and Sahagun, 2014; Zamora et al., 2011). This research focuses on store loyalty in retail environments. Store loyalty refers to the strong attachment customers have towards a particular store or supplier, based on their favorable perception of the store and expressed through frequent and repeated purchases (Kotler et al., 2024).

Customer satisfaction is the degree of contentment a customer feels toward a product or service (Kotler et al., 2024; Mothersbaugh, 2024; Oliver, 1999), which is an essential factor in ensuring good customer service (Chan and Raharja, 2024; Gad, 2024), but it is not enough to build loyalty.

Trust and commitment are critical factors in building customer loyalty and research must explore beyond satisfaction to understand these two factors (Morgan and Hunt, 1994; Mothersbaugh, 2024). This is not just because trust and commitment are

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crucial for successful relationship marketing they also lead to cooperative behaviors (Morgan and Hunt, 1994), mediate successful relationship marketing in various industries, and are fundamental in building customer loyalty (Morgan and Hunt, 1994; Ojha et al., 2024). Trust is of utmost importance for Chinese customers due to the significance of relationships in Chinese society (Cheung et al., 2001). Hence, reliable and accountable stores can build trust in customers.

Customer commitment boosts store loyalty and relationship performance cross-culturally (Vasquez-Parraga and Sahagun, 2014). It also improves channel arrangement effectiveness and reduces turnover intention. The more customers identify with a store, the more likely they are to remain loyal to it (Chu et al., 2018).

Satisfaction, trust, commitment, and loyalty (STCL) are important factors in relationship marketing (Chu et al., 2018; Morgan and Hunt, 1994). However, it is crucial to consider additional factors when studying them in different cultures, such as when exploring these factors among Chinese customers (Chu et al., 2021).

Based on studies of the Chinese personality and value system, nine essential factors have been identified: courtesy, positive emotions, honesty, *Ren Qing* (Reciprocal obligation), harmony with others, *Mian Zi* (Face), kindness, responsibility, and angry hostility (Chu et al., 2021). These drivers play a pivotal role in fostering healthy relationships between businesses and Chinese consumers.

Courtesy. Chinese culture places great emphasis on courtesy, including reciprocity and treating worthy individuals with respect, which are commonly used in China and among ethnic Chinese societies (Chu et al., 2018). Courtesy plays a vital role in determining satisfaction levels and greatly influences overall satisfaction with service experiences (Kong and Giri, 2007). Being courteous will leave a lasting impression on customers, increasing the likelihood of their return and nurturing a positive intention to do so (Chuang et al., 2014).

Positive emotions are more effective at increasing the consumers' behavioral intention, facilitating intense interpersonal interaction, and possibly motivating donations (Chu et al., 2018; de Souza et al., 2023).

Honesty. Customers value honesty and transparency when purchasing products and services. Transparent honesty gives firms a competitive advantage, leading to higher profits by selling more units at the same prices. To exploit this advantage, firms must strive for full transparency on honesty (Pigors and Rockenbach, 2016).

Ren Qing is a significant aspect of Chinese culture. It entails reciprocal obligation and is crucial for survival in China (Chu et al., 2021). It includes adherence to cultural norms, reciprocity in interactions, and the exchange of social favors and affection (Cheung et al., 2001). Enhancing *Ren Qing* interactions among employees boosts work performance. Research shows *Ren Qing* impacts work satisfaction and productivity. Chinese companies should consider *Ren Qing* for high-quality work (Xie et al., 2023). Additionally, *Ren Qing* behavior helps Western organizations connect with Chinese counterparts (Khan et al., 2016).

Harmony with others. Harmony is the avoidance of conflict and the establishment of equilibrium (Cheung et al., 2001). Interpersonal harmony is crucial for predicting employees' commitment and intention to leave an organization. Positive interpersonal harmony within an organization enhances commitment and decreases turnover intentions (Chen, 2015). The importance of harmony is also highlighted in Chinese business literature, where mediation and negotiation are preferred for resolving disputes (Huang,

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2008; Jarvis and Chu, 2001).

Mian Zi is related to social interaction and signifies a person's position in the community and how they are perceived by others. Chinese culture highly values *Mian Zi*, which symbolizes an individual's reputation and influences purchasing decisions (Lin et al., 2013). Moreover, *Mianzi* is important for moderating product categories and shaping brand perception in Chinese consumers (Rashid et al., 2019).

Kindness. Performing kindness was a positive experience for people who reported being in a significantly more positive mood after doing a kind act for someone else (Kumar and Epley, 2023). In China, the belief is that good deeds lead to positive outcomes and bad deeds result in negative consequences, with the timing of actions determining the rewards. This belief system promotes kindness in social interactions (Chu et al., 2021).

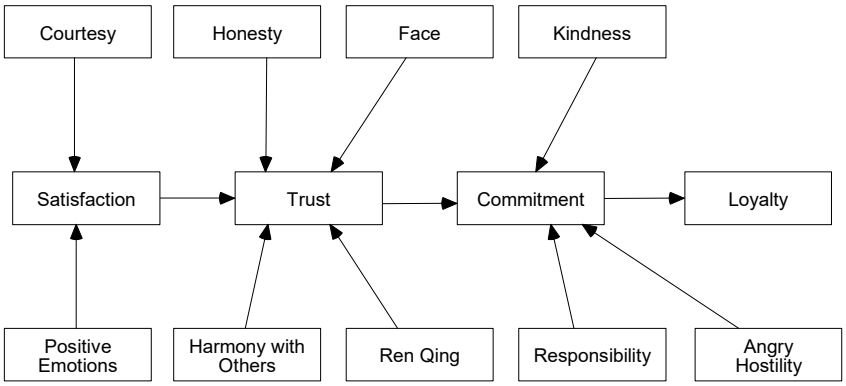
Responsibility is the act of consistently fulfilling obligations. People who have a sense of responsibility are seen as reliable, trustworthy, and steadfast (Chu et al., 2021).

Angry hostility is the negative side of harmony, which has a potential negative impact on customer commitment. Individuals who are hostile and inhospitable seldom cultivate meaningful connections with others (Chu et al., 2021).

Some of the previous study examines the role of customer satisfaction, trust, and commitment in influencing store loyalty among Chinese consumers (Chu et al., 2018). The other study identifies the drivers of customer relationships that influence customer loyalty among Chinese consumers (Chu et al., 2021). This study advances prior research by utilizing SEM to assess connections between imported and indigenous variables. It provides more precise metrics for theoretical constructs and a deeper understanding of variable interrelationships, filling a void in current literature and having implications for researchers and practitioners.

The existing explanation chain is: satisfaction leads to trust, trust leads to commitment, and commitment leads to loyalty (Chu et al., 2018; Chu et al., 2021; Vasquez and Alonso, 2000). Based on the previous research, this study puts all variables, both imported and indigenous, simultaneously in SEM to test if the path relationships defined and discovered in previous research still hold. See Figure 1 for the proposed model below:

Figure 1
Proposed model



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III. METHODOLOGY

This study employs measures from existing literature (Chu et al., 2021); see the following table: Construction of Survey Instrument. The anchor is a five-point Likert-scale for all measurements ranging from “strongly agree” to “strongly disagree.”

The data used in this study are adopted from previous research on a diverse group of adult consumers in a major Chinese city, considering various factors like age, gender, education, and occupation. This ensures the respondents represent the broader population and improves the study's external validity, thereby allowing for the generalization of the results to the larger population of Chinese consumers (Chu et al., 2018; Chu et al., 2021). Participants were 212 customers who were classified as any person who had, has, or can have some interaction with a salesperson or salesperson. This includes final consumers and any member who has purchasing experience with salespersons or salespeople in general. See Table 1 for Sample Characteristics.

Table 1
Sample Characteristics

Variable and Category		Percent
Age Group	under 20	2.8
	21-30	43.9
	31-40	43.9
	41-50	9.0
	51-78	0.5
Gender	male	67.5
	female	32.5
Marriage	single	27.4
	married	70.8
	widowed	0.5
	living together	1.4
Education	missing value	1.4
	not being in school	1.4
	high school or less	34.9
	1-2 years college	17.0
	3 years college	25.9
	4 years college	16.5
	M.A.	0.9
	Ph.D. or equivalent	0.5
	other	1.4
Occupation	missing value	2.8
	unemployed	1.9
	worker	60.4
	teacher	2.8
	businessperson	1.4
	staff	27.4
	other	3.3

Multiple regression and logistic regression analysis techniques have been popular

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statistical methods to test relationships between variables, due to their limitations, they have been replaced by structural equation modeling (SEM) (Cole and Preacher, 2014). The SEM can effectively capture and evaluate intricate relationships among variables, resulting in a significantly enhanced measurement of the theoretical concepts (Cole and Preacher, 2014).

Given that the previous research only employed the regression analysis, which is good for data exploration. To view the entire picture from the data at once, this study employs the SEM technique to test the proposed model and assess its fit. The SEM is used because of 1) latent variables, 2) simultaneous relationships needed, and 3) indirect effects vs. direct effects need to be contrasted. This technique is particularly appropriate for this study since "SEM allows the explicit representation of a distinction between observed and latent variables, which makes it possible for researchers to test a wide variety of hypotheses" (Kline, 1998). This study has a large enough sample size (n = 212) for SEM analysis (Kline, 1998), which is "always to test a model with a sample size of 200, no matter what the original sample size was, because 200 is proposed as being the critical sample size" (Hair et al., 1998). The AGFI, GFI, CFI, Adj-Chi, and p-value will be used to assess model fit and adequacy (Arbuckle, 2022).

IV. RESULTS AND DISCUSSIONS

The data for this study is adopted from previous research obtained from China (Chu et al., 2018; Chu et al., 2021), and the results for SEM analysis and the empirical study come from the data as well. Green et al. (2000) highly recommend that the researcher examine if items use the same metric and scale before conducting any estimates of reliability. As previously noted, all the items in this study used the same metric and scale. To avoid wording confusion in cross-cultural research, there was no reverse scale in the final questionnaire.

The internal consistency of the measurement, content/face validity, construct validity, factor analysis, correlation analysis, and regression analysis all meet the requirements reported previously (Chu et al., 2018; Chu et al., 2021). This study only reports the results of the structural equation modeling by using the factors from previous research (Chu et al., 2018; Chu et al., 2021).

Seven core variables had eigenvalues exceeding one and ranged from 8.68 to 1.05, respectively. "A solution accounting for 60 percent of the total variance is considered as satisfactory" (Hair et al., 1998). The total percentage of variance accounted for was 62.65% for core variables. See Table 2 for the eigenvalues of the imported variables.

Table 2
Factor Analysis: Eigenvalues of the Imported (Core) Variables

Factor	Eigenvalues	% of Variance	Cumulative %
1	8.68	29.93	29.93
2	2.52	8.70	38.63
3	2.04	7.04	45.67
4	1.41	4.85	50.52
5	1.28	4.42	54.94
6	1.19	4.11	59.05
7	1.05	3.60	62.65

Extraction Method: Maximum Likelihood.

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Ten indigenous variables had eigenvalues exceeding one and ranged from 10.23 to 1.05, respectively. Their total percent of variance accounted for 66.87% of the indigenous variables, which is satisfactory. Table 3 presents detailed eigenvalue information for each of the indigenous variables.

Table 3
Factor Analysis: Eigenvalues of the Indigenous (Moderating) Variables

Factor	Eigenvalues	% of Variance	Cumulative %
1	10.23	27.65	27.65
2	2.85	7.70	35.35
3	2.03	5.49	40.84
4	1.94	5.23	46.07
5	1.78	4.81	50.88
6	1.28	3.46	54.34
7	1.23	3.33	57.67
8	1.20	3.24	60.91
9	1.15	3.12	64.03
10	1.05	2.84	66.87

Extraction Method: Principal Component Analysis.

Both eigenvalues of the imported and indigenous variables exceed one, and the percent of total variance exceeds 60 percent. Both of these results fall into satisfactory requirements.

With a sample size of 212, a loading of .40 falls into the acceptable range (Hair et al., 1998). Six factors came out after factor analysis, with loading ranging from .42 to .76, respectively (Chu et al., 2018). This represents the acceptable correlation between the original items and their factors. Besides their loading, six factors all had Cronbach's alpha greater than .73, which meets the requirement for a confirmatory study (Hair et al., 1998). All factors had more than three items, which denoted a good representation of the underlying dimensions (Nunnally and Bernstein, 1994; Tabachnick and Fedell, 1996).

Indigenous items revealed nine factors by employing principal components analysis. Cronbach's alpha ranged from .60 to .82 respectively among the nine indigenous factors, which meet the requirement for exploratory study (Hair et al., 1998). All the indigenous factors had more than three items loaded on each of the factors (Chu et al., 2021).

Cronbach's alphas for both constructs were acceptable with imported variables of over .73 and indigenous variables of over .60. Loadings of imported items were greater than .42, and the majority loading of indigenous items was greater than .40 with four exceptions (Chu et al., 2018; Chu et al., 2021).

Both imported and indigenous variables from factor analysis were developed into summated scores. The summated scores were carried on to correlation analysis to identify the relations between related hypothesized constructs. Refer to Table 4 for details on descriptive statistics.

The statistically significant levels of the correlation ranged from .01 to .05. There were seven correlation coefficients under a significant level of .05 (Chu et al., 2021). Tables 5 presents the results of the correlation analysis.

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Table 4
Descriptive Statistics

Variable	Mean	Std. Deviation
courtesy	2.04	0.59
responsibility	2.19	0.55
angry	1.90	0.64
Mian Zi (Face)	2.71	0.74
kindness	2.09	0.57
positive emotion	2.31	0.55
honesty	2.64	0.61
Ren Qing	1.79	0.45
harmony with other	2.20	0.56
satisfaction	2.72	0.54
trust	2.52	0.61
commitment	3.17	0.82
loyalty	2.90	0.67

The statistically significant levels of the correlation ranged from .01 to .05. There were seven correlation coefficients under a significant level of .05 (Chu et al., 2021). The following tables show the results of the correlation analysis.

Table 5
Correlation Coefficients (n = 212)

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13
1.courtesy	1.00												
2.responsibility	0.79**	1.00											
3.angry	0.53**	0.47**	1.00										
4.*Mian Zi (Face)*	0.13	0.19**	0.14*	1.00									
5.kindness	0.75**	0.69**	0.45**	0.09	1.00								
6.pstv. emtn.	0.48**	0.51**	0.43**	0.14*	0.46**	1.00							
7.honesty	0.16*	0.25**	0.19**	0.16*	0.28**	0.41**	1.00						
8.*Ren Qing*	0.26**	0.32**	0.42**	0.31**	0.22**	0.31**	0.26**	1.00					
9.harmony	0.57**	0.51**	0.44**	0.15*	0.42**	0.40**	0.19**	0.29**	1.00				
10.satisfaction	0.15*	0.22**	0.26**	0.37**	0.12	0.31**	0.51**	0.39**	0.23**	1.00			
11.trust	0.34**	0.39**	0.18**	0.04	0.27**	0.30**	0.36**	0.21**	0.32**	0.45**	1.00		
12.commitment	0.03	0.09	0.00	0.22**	0.01	0.19**	0.31**	0.20**	0.15*	0.47**	0.34**	1.00	
13.loyalty	0.10	0.16*	0.04	0.20**	0.06	0.18**	0.21**	0.21**	0.24**	0.38**	0.31**	0.47**	1.00

**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).

All the means and standard deviations were within the range of possible values. Second, all the correlations among the variables were positive at .01 to .05 significant levels. The relationships among the constructs of the core model were all confirmed, and the relationships among the constructs of the path models with an exploratory nature were partially supported. Refer to Figure 2 for the correlation coefficients of the hypothesized relationships.

All structural equation models were conducted by using IBM SPSS Amos 29.0.0.0. Two-stage analyses were conducted to test the hypotheses in the proposed model and refine it accordingly.

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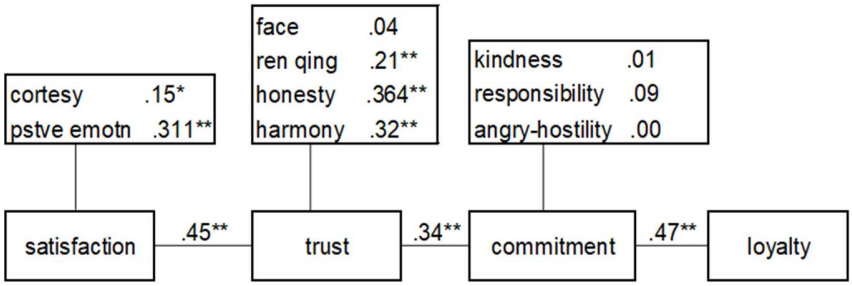
Figure 2
Correlation Coefficients of Hypothesized Relationships



**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).

To examine the overall fit measure of the proposed model, the following measure diagnostics were employed: Chi-square, goodness of fit index (GFI), adjust GFI (AGFI), normed fit index (NFI), root mean square error of approximation (RMSEA), and Comparative fit index (CFI) as recommended from existing literature (Arbuckle, 2022; Hair et al., 1998). The results of the proposed model revealed a Chi-square (*df*) of 949.179(*66*) significant at the .000 level. The ratio of χ^2/df is 14.38, which is greater than 3 and does not meet the minimally acceptable ratio: χ^2/df <3. Moreover, low and nonsignificant values of the χ^2 index are desired. This "indicates that the overall fit of the overidentified model does not differ statistically from that of a just-identified version of it" (Kline, 1998). The GFI and AGFI were .496 and .305, respectively, which were lower than the desired values for the perfect fit, which should have a value of 1 for both of them (Arbuckle, 2022; Kline, 1998). The values of NFI and CFI were both .155, whereas the favorable values of them are .90 (Arbuckle, 2022). These two values are far from the favorable values. Overall, the proposed model did not show a good fit based on the recommended guideline.

For root mean square error of approximation (RMSEA), Browne and Cudeck (1993) recommend that "a value of the RMSEA of about 0.08 or less for the RMSEA would indicate a reasonable error or approximation and would not want to employ a model with a RMSEA greater than 0.1". The result of the proposed path model showed a value of RMSEA of .252, which is far more than the recommended value (Arbuckle, 2022). Overall, the fit of the proposed model did not fall within the standards or recommendations, indicating a poor model fit. See Table 6 for the results of the proposed and modified model. Given that some relationships in the proposed model did not work as expected, an interaction effect model and a modified model are produced. The interaction effect model demonstrates a significant improvement in explaining loyalty. The R^2 went from .26 to .28, indicating the importance of the Chinese factors in the model that the regression analysis (Chu et al., 2021) was unable to identify. Presented below are the results of the modified model.

To examine the overall fit measure of the modified model, the same measure diagnostics were employed in this modified model as they were used in the proposed model, such as Chi-square, GFI, AGFI, NFI, RMSEA, and CFI, as recommended from existing literature (Arbuckle, 2022).

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The Chi-square (*df*) of the modified model is 22.019 (*13*) significant at the .055 level. The ratio of χ^2/df is 1.69, which is low enough and less than 3. These results meet the minimally acceptable ratio of χ^2/df <3 well (Carmines and McIver, 1981). Moreover, it meets the desired nonsignificant values of the χ^2 index. This "indicates that the overall fit of the overidentified model does not differ statistically from that of a just-identified version of it" (Kline, 1998). The GFI is .976, and the AGFI is .933, which are both close to the perfect fit value of 1 (Arbuckle, 2022). The value of NFI is .943, and CFI is .975, both of which are greater than the favorable value of.90 (Arbuckle, 2022).

For root mean square error of approximation (RMSEA), by following the Browne and Cudeck (1993) recommendation, the guideline of a value of the RMSEA of about 0.08 or less for the RMSEA is taken into consideration because it indicates a reasonable error or approximation. The value of RMSEA smaller than 0.1 is the criterion for this modified model. The result of the modified model showed a value of RMSEA of .057, which is less than the recommended value (Arbuckle, 2022). Refer to Table 6 for the results of the proposed and modified models.

Table 6
Summary of Results of Proposed Model and Modified Model

Proposed Model			Modified Model		
Linkages in the Model	Standard Estimate	*t*-value	Linkages in the Model	Standard Estimate	*t*-value
Commitment→Loyalty	0.468	7.67***	Commitment→Loyalty	0.369	5.44***
Trust→Commitment	0.357	5.06***	Satisfaction→Loyalty	0.210	3.10**
Responsibility→Commitment	0.041	0.42	Trust→Commitment	0.160	2.38*
Kindness→Commitment	-0.102	-1.12	Satisfaction→Commitment	0.398	5.90***
Angry Hostility→Commitment	-0.035	-0.46	Satisfaction→Trust	0.384	6.45***
Satisfaction→Trust	0.379	5.07***	Responsibility→Trust	0.308	5.17***
Honesty→Trust	0.150	2.19*	*Mian Zi (Face)*→Satisfaction	0.235	4.10***
Mian Zi (Face)→Trust	-0.160	-2.49*	Honesty→Satisfaction	0.420	7.42***
Harmony with others→Trust	0.228	3.68***	*Ren Qing* →Satisfaction	0.210	3.56***
Ren Qing →Trust	0.002	0.02	—	—	—
Courtesy→Satisfaction	-0.003	-0.04	—	—	—
Positive Emotions→Satisfaction	0.312	4.18***	—	—	—
Proposed Model Diagnostics		*p*-value	Modified Model Diagnostics		*p*-value
Chi-Square (*df*)	949.179(66)	*p*<.000	χ^2 (*df*)	22.019(13)	*p*=.055
GFI	0.496	*p*<.000	GFI	0.976	*p*<.000
Adjusted GFI	0.305		AGFI	0.933	
Normed fit index	0.155		NFI	0.943	
Comparative fit index	0.155		CFI	0.975	
RMSEA	0.252		RMSEA	0.057	

*p<.05; **p<.01; ***p<.000

Overall, the modified model performs significantly better than the proposed model, both in terms of parsimonious dimension and model fit, as measured by the standards from the literature (Arbuckle, 2022; Browne and Cudeck, 1993). The fit of the modified model also falls within the standards or recommendations, indicating a good model fit, as shown in the previous table of results of the proposed model and modified model. Refer to Figure 3 for the modified model and its corresponding results.

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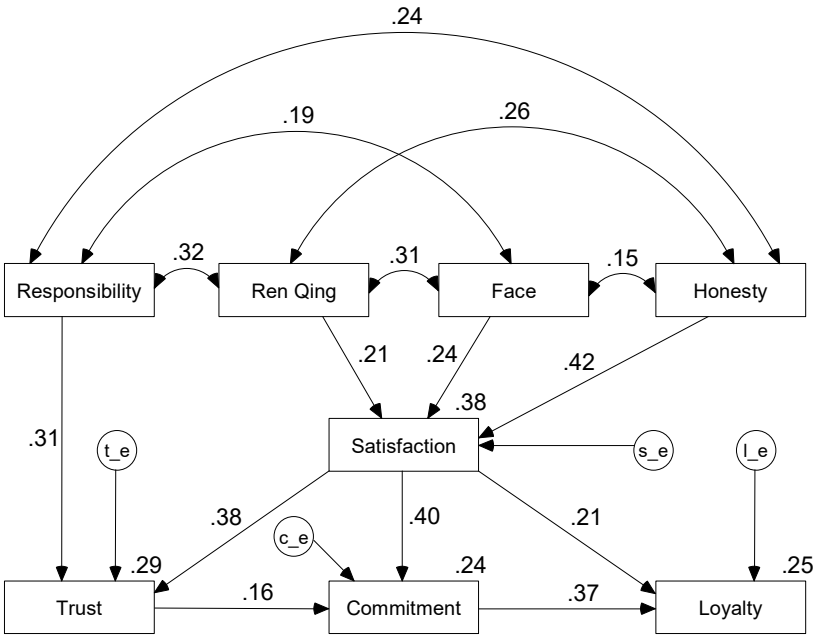
Figure 3
Modified Model



The results of the modified model show nine paths or relationships among the variables: commitment to loyalty, satisfaction to loyalty, trust and commitment, satisfaction and commitment, satisfaction and trust, responsibility and trust, *Mian Zi* (Face) to satisfaction, honesty to satisfaction, and *Ren Qing* to satisfaction.

The modified model also indicates that responsibility and satisfaction are direct indicators of trust; ren qing, mian zi (face), and honesty are direct indicators of satisfaction; trust and satisfaction are the direct indicators of commitment; satisfaction and commitment are direct indicators of loyalty; and the satisfaction serves as an indicator for trust, commitment, and loyalty. Furthermore, the modified model demonstrates that satisfaction plays a vital mediating role between import and indigenous factors in cultivating customer loyalty. First, satisfaction acts as a mediator between ren qing, mian zi, honesty, and trust. Second, it serves as a mediator between ren qing, mian zi, honesty, and commitment. Lastly, it performs as a mediator between ren qing, mian zi, honesty, and loyalty. Therefore, the modified model shows little support for some previous findings on direct paths between satisfaction, trust, commitment, and loyalty. Conversely, the results of the modified model support some of the existing literature (Andre and Saraiva, 2000; Murgulets et al., 2001), which suggests that satisfaction serves as an indicator of trust, commitment, and loyalty. It confirms that trust is not a direct indicator of loyalty in the modified model, which justifies the empirical findings of Vasquez and Alonso (2000) that commitment is the direct indicator of customer loyalty. The modified model also selectively spins off and removes Courtesy, Angry hostility, Kindness, Positive emotion, and Harmony with others that are not statistically significant.

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These indigenous factors may have been excluded because they are routine, standard, and common business practices less likely to be influenced by personal relationships. This refines and optimizes the model by focusing solely on the variables with a significant influence and a meaningful impact on customer loyalty. By eliminating these variables that do not contribute significantly to the outcome being measured, the modified model provides a more accurate representation of the relationship between the remaining variables, better predictions, and valuable insights into better decisions. In sum, the modified model reveals some paths and relationships, that disagree with some of the existing literature that trust, commitment, and loyalty are directly associated with each other. The interaction effect results demonstrate that the Chinese factors significantly enhance the explanatory power of the core model. Finally, the modified model shows a very good model fit with values approaching to perfect model fit.

V. CONCLUSION AND IMPLICATIONS

While the STCL may have a direct link among each other in some of the research in the Western literature. The relationship among them might not be fully explained by incorporating variables from the Eastern literature. Furthermore, traditional analysis, such as regression analysis cannot fully recognize the impact of Chinese variables among STCL as the structure equation model does nor how Chinese factors partition in STCL simultaneously (Chu et al., 2021). Even, few studies investigate delicately if bringing the Chinese factors to this STCL model simultaneously whether the direct link still holds nor what the results might be with the contribution of indigenous variables from the Chinese value system.

In the Chinese market, there is no direct relationship between satisfaction, trust, commitment, and loyalty (STCL) among Chinese customers. Instead, trust, commitment, and loyalty (TCL) form the direct link, where satisfaction plays a crucial role in establishing trust, commitment, and loyalty, showcasing the importance of satisfaction in building mutual trust, long-lasting commitment, and loyalty. While the indigenous factors of Courtesy, Harmony with Others, and Kindness may have diminished in the STCL model, it is Responsibility that paves the way for trust. Moreover, *Ren Qing, Mian Zi (Face),* and honesty play a vital role in ensuring customer satisfaction. When it comes to building customer loyalty in China, Chinese consumers tend to prioritize long-term relationships with businesses that they have a personal connection with to maintain mutual obligations. Businesses need to invest in building strong harmonious relationships with their customers by providing high-quality products and services. Chinese consumers are highly conscious of their social image and reputation, and they value businesses that help them maintain a positive public perception. This means that businesses need to be mindful of their actions and ensure that they do not cause embarrassment or loss of face for their customers to build and maintain their loyalty effectively. By understanding the importance of *Ren Qing* and *Mian Zi*, scholars can gain insights into how businesses can successfully build and maintain customer loyalty in China's highly competitive market. These highlight the importance of considering cultural and contextual factors when analyzing data and developing models, as they can have a significant impact on the results and interpretations of the study. For practitioners, satisfaction and commitment are the most important contributors to consumers' loyalty, on the other hand, other factors such as trust, responsibility, *Ren Qing*, *Mian Zi (Face),* and Honesty are also important as they

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contribute to loyalty indirectly via satisfaction and commitment. All these factors should be considered when providing services to consumers. Overall, the findings emphasize the need for a more nuanced and inclusive approach to research that considers the diverse influences that shape consumer behavior and decision-making.

Since the modified model shows three different paths and Courtesy, Harmony with Others, and Kindness faded away, future research might collect more data from various cities in China, first to test three paths individually to verify the modified mode and see if the three paths deviated from the modified model this study identified, and finally to invest further in Courtesy, Harmony with Others, and Kindness and see if participants from different areas of China deem these traditional Chinese factors differently from this study, as people from different parts of China might deem these factors differently.

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