

The Impact of the Effectiveness of Customer Loyalty Programs in Increasing Customer Retention and Repeat Purchases with a Mediating Effect on Customer Satisfaction, with Special Reference to Modern Trades in the Western Province

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This study investigates the nuanced interplay between customer loyalty programs, customer satisfaction, and corporate brand identity in contemporary Sri Lankan trade. Employing a positive research philosophy and deductive approach, the research aims to discern how loyalty programs impact customer retention and repeat purchases, with customer satisfaction as a mediating factor. The study was conducted in the western province of Sri Lanka and gathered 382 responses through a convenient sampling method. Data analysis utilised SPSS 26 software, employing regression analysis to unravel relationships between variables. Results indicate a significant positive influence of customer loyalty programs on customer retention and repeat purchases, with customer satisfaction mediating. Managerial implications emphasise the strategic design and implementation of effective loyalty programs, highlighting the pivotal role of customer satisfaction. Recommendations include aligning loyalty initiatives with emerging technologies, understanding cross-cultural dynamics, and adapting to the evolving digital landscape. This research contributes valuable insights into customer engagement strategies in modern trades, offering practical guidance for businesses aiming to optimise customer loyalty, satisfaction, and brand identity. The study concludes by suggesting avenues for future research, encouraging exploration of emerging technologies, cross-cultural nuances, longitudinal perspectives, digital impacts on loyalty, and comparative analyses across industries and geographical regions for a holistic understanding of customer engagement in modern trade.

Keywords: *Customer Loyalty Programs, Customer Retention, Customer Satisfaction, Repeat Purchase*