

EXAMINING THE IMPACT OF SOCIAL PROOF NUDGE, DIGITAL NUDGE AND TRUST ON BRAND LOYALTY IN THE APPAREL INDUSTRY: A NUDGE THEORY PERSPECTIVE

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ABSTRACT

This research aims to investigate the impact of various nudge constructs on consumer brand loyalty and to evaluate whether these constructs act as effective encouraging factors. Additionally, the study examines the role of word-of-mouth (WOM) as a mediator among these independent variables. To be precise, it seeks to determine if these nudges can foster sustainable loyalty or if they merely result in short-term gains. The study focuses on four constructs: Digital Nudge, Social Proof Nudge, Trust, and Word of Mouth (as a mediator), and their influence on brand loyalty within the clothing business. Data were gathered through a self-administered questionnaire from a sample of 390 respondents. The research aims to provide valuable insights into the application of nudge theory strategies in the clothing industry, ultimately contributing to more effective and ethical approaches to building brand loyalty. Structural equation modeling was employed to analyze the relationships between the constructs. The results indicate that social proof nudges and word of mouth significantly impact brand loyalty, whereas digital nudges and trust have a comparatively weaker influence. This research offers novel insights and implications for future studies and marketing strategies in the clothing business, specifically targeting the enhancement of brand loyalty among customers.

Keywords: *Nudge; Consumer Behavior; Digital Nudge; Social Proof; Online Buying; Brand Loyalty; Trust; Word of Mouth.*

INTRODUCTION

Since the bestseller by Richard Thaler and Cass Sunstein “Nudge” popularity came into being after the publication of the book, public and private institutions have grown to take more interest in behavioral insight’s usage in general and nudges specifically (Otto et al., 2016). Several years of research done in psychology and behavioral economics to alter the behaviors

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and decisions of people resulted in the nudge theory. The concept of libertarian paternalism (i.e., a philosophical view that positively discriminates on the usage of people's cognitive biases and approximations that enable decision-making of the people in the marketplaces) is also advanced by nudge theory.

Problem Statement

This study addresses a critical issue in modern-day marketing strategies within the clothing industry. The challenge clothing brands face is retaining customer loyalty in an increasingly digital and competitive market. Clothing brands are struggling to maintain and enhance brand loyalty amidst a flood of marketing messages and choices available to consumers. The different methods of building brand loyalty are becoming less effective as consumer behavior evolves in the new era landscape. The challenge is to find out how the impact of digital signals, social nudges, trust, and word of mouth as parameters for brand loyalty and altering consumer behavior will affect the brand's clothing in a positive or desirable behavior (Bergram et al., 2022).

Purpose of the Study

Based on the gap identified from previous research, the purpose of driving this study is the need for a deeper understanding of how different types of nudges (social proof and digital nudges, word of mouth) and trust influence brand loyalty. Specifically, the study seeks to explore whether these nudges can create sustainable loyalty or if they merely offer short-term gains. This understanding is crucial for clothing brands to develop ethical, desirable, and effective marketing strategies that build lasting customer relationships.

RESEARCH OBJECTIVES

The objective is to find the impact and correlation between the constructs, check their intensity level (desirable or undesirable), and understand how the consumer decides while purchasing any clothing brand keeping in consideration trust, word of mouth, and brand loyalty factors. By addressing these issues, the research aims to provide valuable insights into the role of nudge theory strategies in the clothing industry, contributing to more effective and ethical approaches to building brand loyalty.

Nudge theory promotes change in groups using indirect methods instead of direct enforcement and instructions (Kaplan, 2013). So, studying the concept of all constructs is expected to give deeper insight into how marketers and practitioners can make use of word-of-mouth by the

Nudge concept to allow the consumers to think appropriately and make decisions by being offered choices and enable positive reinforcement in future buying.

LITERATURE REVIEW

The literature analysis showed that nudges have been reported as influential on consumer behavior in terms of academics and practices but found the quantitative review of digital nudges to be less effective (Hummel, 2019; Maedche 2019). This literature review prompts us to reflect on past literature analyses on nudging concerning user behavior. This review pursues to summarize the findings of the most current marketing research on Nudge to offer a more wide-ranging overview of the effects and application of Nudge as a marketing tool. The chapter is also expected to look at the research gap based on the connection between the nudge and negative consumer behavior.

Underpinning Theory

The concept of Nudge theory was popularized in the year 2008 by two American Scholars namely Richard Thaler and Cass Sunstein. The concept of Nudge theory is mainly linked with the design of choices that as a result impact the decisions of consumers. The theory postulates that the design of choices relies on how people perceive instinctively rather than rationally. The theory is based on the understanding of the reality of the situation and human tendencies, unlike the traditional forcible instructions that ignore the reality of the situation and people. In simple words, this theory is used to help people alter and improve their thinking to make the right decision.

How Nudge Theory works

Cafeteria Design

Envision a school cafeteria where the goal is to motivate students to choose healthier and better foods. They may apply the nudge principle in place of stashing healthy items away and placing unhealthy treats at eye level. Some may arrange fruits and vegetables in visually appealing and convenient places, such as next to the cash register, while less healthful treats are tucked away out of sight. Without eliminating the option of less healthy items, this small adjustment can encourage students to make healthier decisions.

Over the last few years, there have been some nudges addressed by past researchers. One of the current reviews done on nudging noted that defaults are seen as one of the most popular nudges that have gotten most of the attention in the past literature related to nudging (Hummel & Maedche, 2019). A recent review of the literature showed that social influence nudges have

been reported to get the least attention in the literature yet both social and default nudging are of significant importance (Thaler & Sunstein, 2008).

The literature analysis reflected that there has been little research on the area of how various kinds of nudges help to influence people with different personality features. Ingendhal et al. (2020) conducted a study in this area by exploring online shopping scenarios to test whether the customer needs for cognition and uniqueness essentially moderate the defaults and social influence nudge or not. To do so, the scholars did two experiments with stratified sampling based on age, gender, and education. A total of 1561 sample sizes were taken in the study. The findings of the study showed that defaults and social influence have been predicted to impact consumer decision-making while doing online shopping. Both experiments showed that nudge effectiveness was impacted by the need for cognition, but it was not impacted by uniqueness. Therefore, practitioners could further expand the study to make use of these nudges to boost consumer decisions.

Another study was done to explore the time of planning prompt nudge delivery and its impact (Hmurovic, 2006). The author conducted the study in three different essays. The first essay was about the online lottery and the other two were a large-scale experiment done. The study explored that if the nudges were planned before the deadline, it would bring little advantage to the company. However, it was found that such kind of nudges seemed to be effective in the case of control messages. The study stated that if the control messages are delivered on time, then they are deemed effective. The findings of the study suggested that there must be more research done on knowing the right time to deliver the nudge.

Powell (2012) studied the concept of Gentle Nudge. A gentle nudge was identified as being implemented in a non-commercial setting. The study made use of the effect of panopticon. The effect was achieved by using the eye image that was increased by the donations. Bentham introduced the impact where the author introduced the contemporary designs that enable to pan-inmate the watching time by just watching a single prison without being known by anyone. It should be noted that it is merely impossible to watch all the inmates at one time. This was done to make the inmates react or behave appropriately and it was shown that they are being watched every time. This made the inmates respond in such a way that they began to monitor themselves and as a result, they behaved better than before.

Adukia (2023) discusses the tools of choice architecture that hold substantial potential for multinational companies: product placement, pricing strategies, and product bundling. Each

tool is analyzed in detail, with a focus on its advantages, disadvantages, and practical examples, as well as a comparison to traditional marketing techniques to underscore their importance to multinational enterprises. Moreover, it explores the interplay between choice architecture and Corporate Social Responsibility (CSR) in influencing consumer behavior. Contrasting these choice architecture techniques with conventional marketing methods highlights the impact and implications of choice architecture and CSR on consumer decision-making.

Another study by Bouzzine et al. (2024) was intended to conceptualize nudging as a complementary initiative to traditional management control systems that support proactive and reactive actions against sexual harassment in the workplace. The study enriches and extends the existing literature by providing a new, ethically sound, and comprehensive approach to sexual harassment in the workplace, integrating psychological perspectives with managerial and legal perspectives. This approach not only meets some current minimalist, observation-focused strategies but also suggests a new avenue for future research.

One of the studies was done by Friis et al. (2015) where the authors experimented to test the three distinct types of nudges to motivate the eating of vegetables in a restaurant that ordered buffets. It is worth noting that green vegetables are healthy, and they also have a higher margin. The study to encourage consumer behavior made use of three types of nudges that involve default nudge, priming nudge, and perceived variety nudge. The findings of the study showed that using the default option nudge, the consumption of vegetables was increased. The priming nudge resulted in reducing the meat-based meals and the intake of wholesome energy was also noted to be eliminated.

A study was conducted by Ingendah et al. (2020) to examine the effectiveness of nudging in terms of consumer's need for cognition and consumer's need for uniqueness and for the testing purpose of the effectiveness of the two noticeable nudges i.e., the default and social influence, an experimental scenario of online shopping is used. Two experiments were done with a stratified sample which is stratified based on age, gender, and education. The sample size consists of 1561 people. The study revealed the findings that consumers' decisions while doing online shopping are impacted by default and social influence. In addition, both experiments revealed that the need for cognition can impact the effectiveness of the nudge but the need for uniqueness has no impact on the effectiveness of the nudge. Thus, it is concluded that both nudges can strongly influence consumer's decision-making.

Furthermore, Olya et al. (2023) expanded existing knowledge on promoting sustainability using a mixed-methods approach that first empirically tested conceptual models from the perspective of visitors and then interviewed key stakeholders to explore important structural, strategic, and tactical changes promoting sustainability behavior patterns. A quantitative approach is used to unpack visitors' opinions about the effects of climate change and DSR on their sustainable behavior intentions. As a key driver, how can we get visitors to behave more sustainably? This was the impetus to conduct another study and interview experts who could provide practical examples of policies and solutions to improve sustainable behavior. The results of the interviews deepened our understanding of what (structural, strategic, and tactical incentives) and who (key stakeholders) should be included in plans to promote sustainable behavior.

Kraak et al. (2017) conducted a study to find out how customers of restaurants can be nudged toward the environment of healthy food and reduce obesity in the United States. This study helped to identify the choice framework of the customers and to develop a novel framework that can be used by the owners of the restaurants to nudge their customers by promoting a healthy food environment. The study is conducted in three steps, where in the first step nudge or choice architecture framework is reviewed systematically to categorize strategies that promote healthy behaviors in the environment. The study revealed the importance of nudging the customers towards a healthy food environment so that obesity and other diseases can be reduced.

Eigenbrod and Janson (2018) conducted a study that aimed to identify the positive effects of digital nudges and to provide guidelines to practitioners so that IT artifacts can be built more trustworthy and improve marketing practitioners' retargeting strategy. An online experiment was conducted with an ensuing survey done on 225 participants with 195 lawful data sets which tested the influence of social and information nudges present in the retargeting posters. The data was then analyzed by structural equation modeling along with the variance-based partial least squares (PLS). The study concluded by providing a twofold contribution, which is on one hand it provided guidelines, explanations, and predictions to evaluate the effects of nudges in retargeting posters on consumer behavior. On the other hand, it provided guidelines to marketing practitioners to be perceived as more trustworthy which eventually leads to better booking behavior.

Kumar et al. (2024) study the effectiveness of data-driven government incentives in the form of social travel and their psychological impact on citizens when government restrictions exist. The prevention of social displacement due to infectious diseases has been studied from a medical point of view, especially for diseases. This study will contribute to the wider field of UTAUT 2 applications. The sample was used to test users' intentions to undertake social travel during the virus outbreak and the psychological impact of FMH. There are five aspects of the model: personal situation, social situation, organizational situation, professional culture, and psychological impact of social travel. Studies have shown that the effectiveness of social travel is positively related to attitudes, and the subjective values associated with social travel are positively related to attitudes. As a result of the evaluation of human psychology, the understanding of social travel and the fact that social travel has achieved the desired results.

Another study was done by Forberger et al. (2019) where the researchers intended to offer a brief overview of the interventions through choice architecture techniques. This was done to motivate physical activity and to recognize the research gap. The study used snowball sampling combined with a systematic electronic database search for studies published in 2018 and the ones that reported interventions to influence the physical activity consuming techniques for choice architecture. A total of thirty-five publications were added to the study, out of which eight of them were online and the other ones reflected on the interventions done at the railway stations, malls, and airports. The study targeted the general population, and the major focus was the lifestyle behavior of the target population. The intervention neither targeted the micro level, nor the macro level. The study found that be it micro or macro-level interventions, the nudge did not influence at any level.

A longitudinal study by Van Gestel et al. (2018) discovered the impact of food repositioning nudges on healthy food choices in kiosks. to fulfill the aim of the study. The researcher gathered eight weeks of sales data to conduct the investigation. The ending weeks resulted in developing a baseline, however, the next 4 weeks were lined up by applying a nudge to them. The nudge was applied in the form of moving the healthy food options to the checkout counter. The other unhealthy options of food were made accessible to the customers on other aisles and racks of the store. The major variable of interest was the healthy food product proportion that was chosen to be repositioned and sold per day. The findings of the study explored that the ratio of chosen healthy food products in the total food sales was reported to be higher in the nudge weeks as compared to the baseline weeks. Customers were reported to buy healthy options of food in the nudge phase, and they approved the nudge.

Concerning the token economy, past scholars have defined it as a form of behavior adjustment that is made to raise the desired behavior or undesired behavior of the consumers by using the tokens. Another study showed that the basic premise of a token economy is that it rewards behavior. When researchers applied the social loyalty program by rewarding consumers, it was noted that the consumers responded appropriately (Onghal, 2012). Past studies done on the token economy have shown that lacking that they have not been tested to see the impact on brand loyalty.

Research findings by Bergram et al. (2022) related to the digital push have increased over the past five years. Taxation in the digital domain differs from the equivalent domain in important ways. For example, online, the chosen architecture can be connected and customized using real-time data. To understand the current state of the literature and identify areas for research, the question provides a systematic review of empirical studies evaluating digital impulses. The systematic review included 73 peer-reviewed papers, including 109 individual studies that evaluated 231 digital nudges. Overall, about half of the research on digital collision focuses on three contexts: privacy/security and trade/commerce, but this study's results show that some online matches are rarely investigated.

Based on the literature analysis, it can be concluded that past studies have been done on the Nudges relating to default nudges, digital nudges, gentle nudges, social proof nudges, and planning prompt nudges. The results showed that these nudges seem to be influential when creating a positive influence on consumer behavior for long-term performance. However, there has been a major gap identified in the past literature that no study has been able to reflect on the fact that these nudges can affect brand loyalty and how these nudges are used by further expanding them to boost consumer decisions.

METHODS

The research approach relates to the plans and procedures that will be undertaken in the research. This study has taken exploratory analysis as the research approach. Exploratory research is the process of exploring or investigating an issue that has not been studied previously by past researchers. Given this, research prompts to bridge the gap of past research by investigating all the above variables and the mediator effect, to check the influence of all variables on consumer brand loyalty. The study utilized quantitative methodology. It employed the use of a questionnaire to measure the scale of cause & effect and the connection of different variables on consumer brand loyalty.

Sampling Design

A sample of respondents' primary data is composed through questionnaires from random consumers who love to wear branded clothes. The respondents of the study followed the "Convenience Sampling Technique" drawn from the population of the Apparel Brand Industry. The target population of this research was mostly people who have a sense of clothing brands. A total of 390 samples of questionnaires were distributed to the target population of general consumers who have experience of buying and selling several types of brands in the age group of 18 to 45 including women and men both from Pakistan to gather unbiased feedback on the questions raised in the questionnaire.

Instrumentation

For the reason of reviewing the factors such as Digital Nudge, Social Proof Nudge, Trust, and word of mouth a questionnaire was formulated with 20 questions, 4 questions for each variable. To make certain that we acquire sufficient and dependable facts, we decide to close end-questions. The questionnaire was self-administrative have adopted. A 4-point Likert scale is used in our questionnaire. This research conducts a "Correlational study" as it is the non-experimental method, therefore the primary source of data has been used in this research to measure the variables and their statistical connection between them and also to evaluate the online survey that has been conducted utilizing Google Forms, sending emails, and WhatsApp messages. The consent of the respondents was taken before giving their views.

The statistical test used in this study is PLS. Three tests were conducted i.e.,

- 1. Pilot Testing:** SPSS software is used for coding and cleaning the data as it can re-code the existing variables (IVs and DVs), produce completely original variables, and also from the remaining ones, and can also do classification and data formatting. (Kpolovie, 2017)
- 2. Reliability:** Reliability is a notion used to evaluate the quality of the research. It refers to the consistency of a research study. If the findings are duplicated consistently, it means the study is reliable and we will be using this in the study to check the internal consistency of the scale.
- 3. SEM Modelling:** The statistical technique used in the study is SEM modeling. These include confirmatory factor analysis, confirmatory composite analysis, path analysis, partial least squares, and path modeling. The software used to perform the test is partial least square software.

Analysis and Findings

In this research, the relationship between consumer and brand loyalty involvement and digital nudge with word of mouth has been studied as a mediating factor. The study anticipates a purpose to find out the favorable behavioral outcome of consumer involvement with a brand and its brand confidence. However, the data collection has been done online through Google Forms and hypothesis testing has been done with the support of discriminant validity, correlation, and path analysis. The chapter also reflects the reliability analysis.

Hypothesis Testing

Table 1. Discriminant Validity

	BL	DN	SPN	TR	WOM
BL	0.675				
DN	0.559	0.641			
SPN	0.548	0.704	0.755		
TR	0.406	0.594	0.25	0.62	
WOM	0.708	0.708	0.484	0.595	0.706

The above table denotes the discriminant validity which aims to demonstrate the evidence of measuring the constructs that are theoretically not related to each other thus, they are also not found to be highly related to each other. As per the research, there is no such standard value for the discriminant validity thus the result having the value of less than 0.85 depicts that discriminant validity exists between the scales. The above table shows that the discriminatory validity of brand loyalty is 0.675 while digital nudge is 0.559, social proof nudge is 0.755, trust is 0.63, and word of mouth is 0.706 simultaneously. This shows that the values are less than 0.85 and that discriminatory validity exists between the scales. The table also shows the discriminatory validity with other variables.

Table 2. Evaluation Model

Construct	Item	Loading	CA	CR	AVE	Outer Weight
Digital Nudge	DN1	0.584				0.259
	DN2	0.535				0.535
	DN3	0.692	0.67	0.602	0.693	0.692
	DN4	0.584				0.584
Social Proof Nudge	SPN1	0.811				0.404
	SPN2	0.837				0.358
	SPN3	0.703	0.758	0.84	0.657	0.176
	SPN4	0.654				0.383
Trust	TR1	0.64				0.348
	TR2	0.79	0.671	0.705	0.685	0.327
	TR3	0.536				0.329

	TR4	0.561				0.177
Word-of-mouth	WOM1	0.576				0.445
	WOM2	0.687	0.659	0.797	0.699	0.401
	WOM3	0.798				0.41
	WOM4	0.744				0.364
Brand Loyalty	BL1	0.529				0.008
	BL2	0.557	0.724	0.601	0.731	0.362
	BL3	0.736				0.381
	BL4	0.685				0.495

The measurements with reflective indicators have been analyzed by the validity and reliability of their respective constructs. For the measurement of the reliability of their construct, analyze the outer loadings of the indicators. See Table 1. As per the table, the majority of the indicators have loaded down on their respective constructs higher than 0.5. The common criteria for the loadings indicate that every indicator has to be loaded above 0.7. This is known as the thumb rule for loadings. However, other authors have stated that indicators with lower outer loadings (i.e., between 0.5 to 0.7) can also be retained based on their contributions in average variance extracted (Wong, 2013). Weaker outer loadings of the items (below 0.4) are always discarded from the model (Hair, Hult, Ringle, & Sarstedt, 2014). The loadings presented in Table 2 confirm the reliability and validity of the indicator as all the values lie between 0.5 and 0.7.

Table 3. Model Evaluation with Cronbach's Alpha

	Cronbach's Alpha	CR	Average Variance Extracted (AVE)
L	0.724	0.601	0.731
DN	0.67	0.602	0.693
SPN	0.758	0.84	0.657
TR	0.671	0.705	0.685
WOM	0.659	0.797	0.699

The above table is a Cronbach alpha evaluation that depicts the values of Cronbach alpha reliability and average variance extracted. The idea of Cronbach alpha shows the measure of internal consistency and how closely a set of items are related. Also, it has been considered to measure the reliability of a scale. It has also been denoted that as the average inter-item correlation increases, the idea of Cronbach alpha also increases, holding the number of items constant.

Table 4. Indicator Correlations

	Gender	Age	Education	DN1	DN2	DN3	DN4	SPN1	SPN2	SPN3	SPN4
Gender	1										
Age	0.169	1									
Education	-0.035	0.639	1								
DN1	0.28	0.014	-0.119	1							
DN2	0.152	-0.266	-0.082	0.011	1						
DN3	-0.104	-0.403	-0.353	0.354	0.247	1					
DN4	-0.278	-0.295	-0.133	-0.025	-0.153	0.075	1				
SPN1	0.043	-0.232	-0.185	0.427	0.42	0.515	0.308	1			
SPN2	-0.092	-0.372	-0.315	0.296	0.058	0.465	0.459	0.51	1		
SPN3	-0.142	-0.155	-0.362	-0.043	0.187	0.225	0.348	0.419	0.38	1	
SPN4	0.215	-0.064	-0.238	0.709	0.052	0.597	-0.003	0.584	0.581	0.16	1
TR1	-0.235	-0.109	-0.134	0.096	0.21	0.336	0.11	0.045	0.166	-0.096	0.125
TR2	0.109	-0.002	0.118	0.132	0.234	0.202	0.154	0.164	0.071	0.093	0.204
TR3	0.097	0.18	0.182	0.1	-0.112	0.179	0.461	0.053	0.301	0.017	0.149
TR4	-0.25	-0.429	-0.038	-0.075	0.376	0.242	0.308	0.156	0.261	0.216	-0.097
WOM1	0.028	-0.18	-0.119	0.333	0.217	0.355	0.137	0.382	0.134	0.159	0.362
WOM2	-0.237	-0.281	-0.2	-0.008	0.322	0.017	0.38	0.213	0.507	0.165	0.034
WOM3	-0.265	-0.375	-0.422	-0.15	0.227	0.368	0.51	0.177	0.426	0.452	-0.015
WOM4	0.199	-0.168	-0.053	0.088	0.345	0.361	0.338	0.286	0.189	0.275	0.059
BL1	0.203	0.027	0.033	-0.141	0.096	0.004	-0.061	-0.029	0.201	0.043	-0.089
BL2	0.219	0.174	0.203	-0.075	0.122	-0.19	0.09	0.215	0.119	0.067	-0.096
BL3	-0.274	-0.648	-0.249	0.04	0.566	0.319	0.286	0.362	0.343	0.325	0.036
BL4	0.275	0.141	0.03	0.469	0.311	0.043	0.124	0.696	0.303	0.272	0.499

The above table 4 of indicator correlation depicts the associations and relationships among the variables. It also shows that a change in one variable can change the specific direction of another variable. Moreover, understanding the relationship is useful as the researcher could use the value of one variable to predict the value of another variable. It has been denoted that the greater the absolute value of correlation, the stronger the association (Ringle, Da Silva & Bido, 2015). As per the above table, the stronger correlation is between trust and the dependent variable, which is 0.8. While the table also shows that some values are perfectly linear and indicates the value of -1 and 1 that shows perfect consistent change in the other variable. Digital nudge, word of mouth, and brand loyalty have values that are negative and show a weak correlation among the variables.

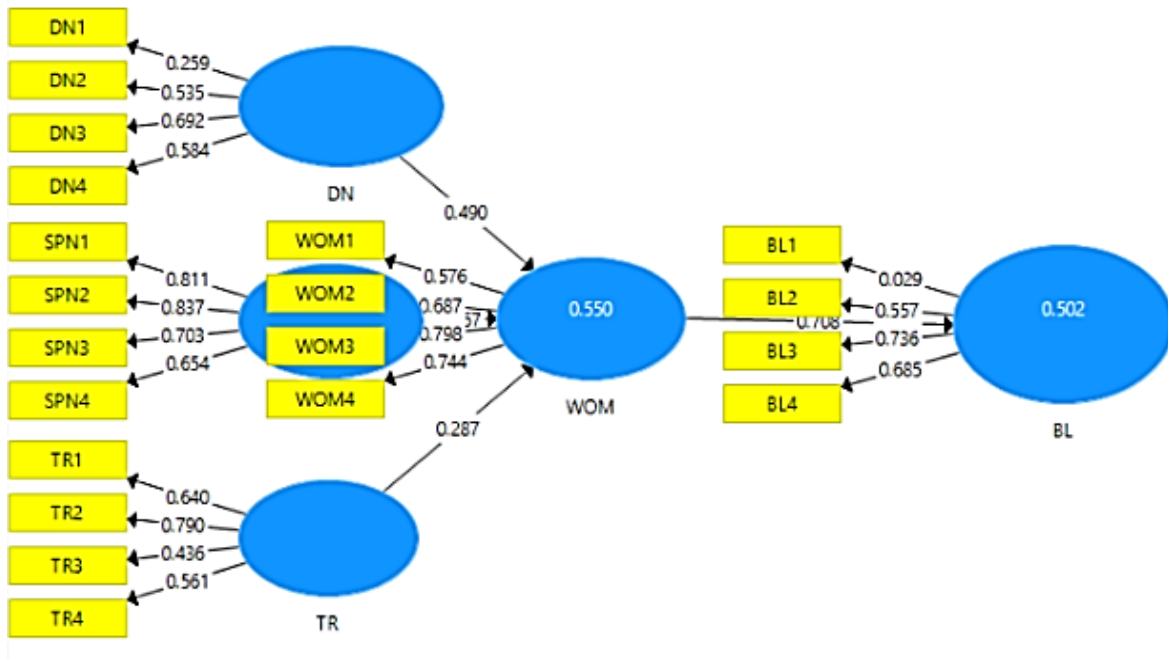


Figure 1. PLS Model

The above figure depicts the relationship and significance among the variables. The primary aim is to evaluate the effect and influence of digital nudge, social proof nudge, and trust on Brand Loyalty while the mediating variable is word of mouth. The path model has been showing the goodness of fit statistic and correlation matrix and has been analyzed from left to right.

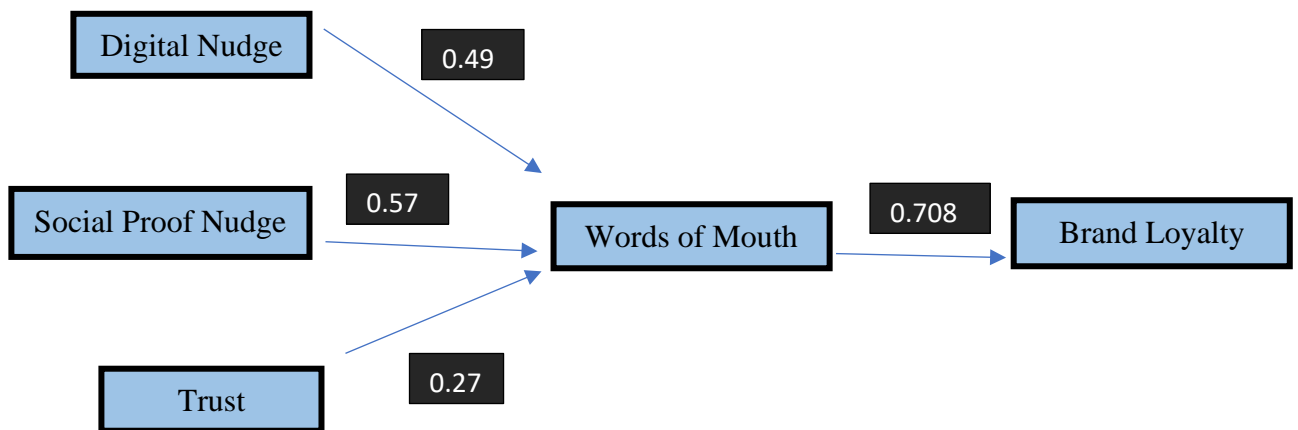


Figure 2. Conceptual Framework

Concerning digital nudge, there is a weak association with Word of Mouth which is 0.490 thus, the trust has a correlation of 0.287 which is also weak. In addition, word of mouth has a strong association with brand loyalty which is 0.708, and also shows positive effects. As per the above

model, the significance value of word of mouth is 0.029 which is less than 0.05 and depicts that there is a strong influence of WOM on brand loyalty. Moreover, other values show that the social nudge has a strong association with word of mouth and then WOM with brand loyalty. The values of social nudge are 0.811, 0.83, 0.70, and 0.65 simultaneously which shows that there is a strong and positive association.

As per the evaluation model, it has been depicted that the null hypothesis is being rejected and that there is an influence of trust and digital nudging on brand loyalty. The research reflects that digital nudging depicts designing the elements of the user interface in a manner that influences the behavior of users in the digital choice environment. The idea of a choice environment usually disturbs the factor of brand loyalty thus the decisions and judgments are to be made by the users. Humans are facing major challenges every day especially when it comes to purchasing online products as there is always a trust and brand loyalty issue. If customers are given a choice, environments enable users to make their judgments and decisions—challenges that people face every day, whether they are purchasing items from an online store or completing e-government or e-banking online forms. Continuous decisions in virtual, online worlds have increased our livelihoods with the use of information technology - social networking, e-commerce websites, mobile apps, etc. The results of any choice made by a consumer are dependent not only on his rationale as a homo-economicus but also on the nature of the selected knowledge environment. (Weinmann et al., 2016). Many studies have seen trust rather than the immediate impact as a moderating factor (Langfred, 2004; See-To & Ho, 2014). Hawass (2013) stated in his study that confidence is the key factor when buying in a risky environment and that costly choices require a long-term relationship between customers. For this reason, confidence means taking risks by making the valuable resources available to the trustee to achieve the desired returns. Elliott and Yannopoulou (2007) also noted that with a high degree of commitment and a strong understanding of buying risk, confidence is more important.

CONCLUSION

Conclusively, this study shows the impact of digital nudge and trust factor is very low with word of mouth as compared to other variables which are social proof nudge and word of mouth. In addition to this research, social proof nudge has a strong relation with word of mouth. It was observed positive results with brand loyalty. The secondary division of the research project focused on its influence and effects on the performance of consumer loyalty toward brands. We used survey questionnaires to collect data from 390 respondents between the ages of 18

and 45. The idea of taking this age bracket was done due to people buying brands under this age group and also, they have developed a mindset accordingly. The awareness of choice usually bothers the factor of brand loyalty thus the judgments are to be made by the users depending on their preferences. The statistics were calculated from end to end by a 5-point Likert scale. The survey is the most broadly used approach to collect data for the survey. A 5-point Likert-type scale, ranging from strongly disagree graded as (1) to strongly agree graded as (5), was used for the factors that influence the digital nudge, social proof nudge, trust, and word of mouth on brand loyalty.

The motive of this study was to find out the causes and effects under consideration of consumer behavior and how they develop brand loyalty with brands in a long-term race. The findings based on descriptive statistics as well as co-relational tests proved that some variables have a great influence, and some factors do not have a huge influence on brand loyalty.

DISCUSSION

The thesis investigates the influential factors which are Digital Nudge, Social Proof Nudge & Trust in Brand loyalty. From the findings, we accomplish the social proof nudge and word of mouth have significant importance in buying the clothing brand among all the influential factors that we have taken in this study. Digital nudging and trusting online websites become the strongest factors in creating doubt in the flourishing of the e-commerce industry in Pakistan. People resist change when it comes to the new way of shopping and that might be an effect of society. As verified in past empirical studies (Sangroya & Nayak, 2017; Sweeney & Soutar, 2001), it emphasizes that people who have a habit of following social values are expected to participate in pro-environmental behaviors, because an environmental attitude is generally formed by social relationships. As Ingendhal et al. (2020) in past findings defaults & social influence displayed that consumer decision also has a significant impact on personality while doing online shopping, so nudging outcomes is most prominent in personality constructs. People are living in a deceptive environment where they feel reluctant disclosing their personal information even their names and before spending even a penny on anything they make sure every bit of it before buying anything online. Former research by Kraak et al. (2017) has shown the importance of nudging your customers towards healthy experiments that reduce obesity and other diseases.

In contrast to this research, with the increase in market competition from globalization, brand loyalty has become the main target for a company in today's business climate. In addition,

making a consumer loyal to the brand is the greatest challenge for a business. Consumer commitment was thus perceived as a term that would lead, for example, to the result of customer behavior, like brand loyalty. Consumer participation will contribute to loyalty, sales, customer-oriented gains, and brand embassy. Furthermore, brand trust has been widely recognized as an integral factor that affects human relations at all stages. There has been a wide-ranging discussion about how brand confidence grows. Brand confidence remains unclear. In this research, the relationship between brand loyalty and consumer brand involvement and digital nudge while word of mouth has been studied as a mediating factor. The study anticipates a favorable behavioral outcome of consumer brand involvement and brand confidence.

IMPLICATIONS

Our research indicates that trust and word-of-mouth recommendations are crucial in online clothing purchases. E-commerce websites must prioritize building consumer trust and ensuring robust data security, particularly in the current COVID-19 context, where physical store access is limited. Additionally, social proof significantly influences those uncertain about a specific brand. These consumers often rely on the experiences and opinions of others, as people are more likely to be convinced by the actions of those they know. Thus, fostering positive reviews and testimonials can play a pivotal role in enhancing brand perception and consumer confidence.

RECOMMENDATIONS

In-depth research into consumer behavior is essential, especially in light of technological advancements and the enhancement of data analytics. Understanding the precise buying habits of consumers is crucial for fostering reliable brand loyalty. This approach can significantly benefit the clothing industry/business by boosting brand sales and establishing enduring customer loyalty. Additionally, leveraging big data and artificial intelligence can provide deeper insights into consumer preferences, allowing for more personalized marketing strategies. Exploring the impact of social media and online reviews on consumer decisions could further enhance our understanding, enabling brands to adapt more effectively to market trends. This comprehensive approach to studying consumer behavior not only supports immediate sales growth but also contributes to long-term brand success and customer retention.

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