



BRAND LOYALTY IN THE AGE OF DIGITAL TRANSFORMATION IN UNILEVER BANGLADESH: A DYNAMIC CAPABILITIES PERSPECTIVE

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Abstract

Digital touchpoints have come to define fast-moving consumer goods (FMCG) brand-building and loyalty, yet repeat business and advocacy are proving increasingly hard to come by in a platform-mediated market environment. This report, grounded in Dynamic Capabilities Theory, integrates existing empirical studies into an explanation of how management can address changing demands of consumer expectations by seizing opportunities via integrated engagement and configuring existing resources for digital brand loyalty in fast-moving consumer goods markets. This report spotlights three issues which continue to arise for management in platform-mediated markets for FMCG brands via e-commerce, social networks, and influencer platforms: unstable platforms and a fractured dataset; a gap between analytics capabilities, content management abilities, or customer relationship management; or difficulties with trust and governance issues with transparency and brand protection and brand safety issues. On the back of an existing literature evidence base, this report proposes a Dynamic Loyalty Capability Loop construct for Unilever Bangladesh Limited, whereby insights are drawn, orchestration occurs over a variety of digital touchpoints, and organizational reformation is focused on existing brand loyalty outcomes such as repeat purchase, share of wallet, and advocacy.

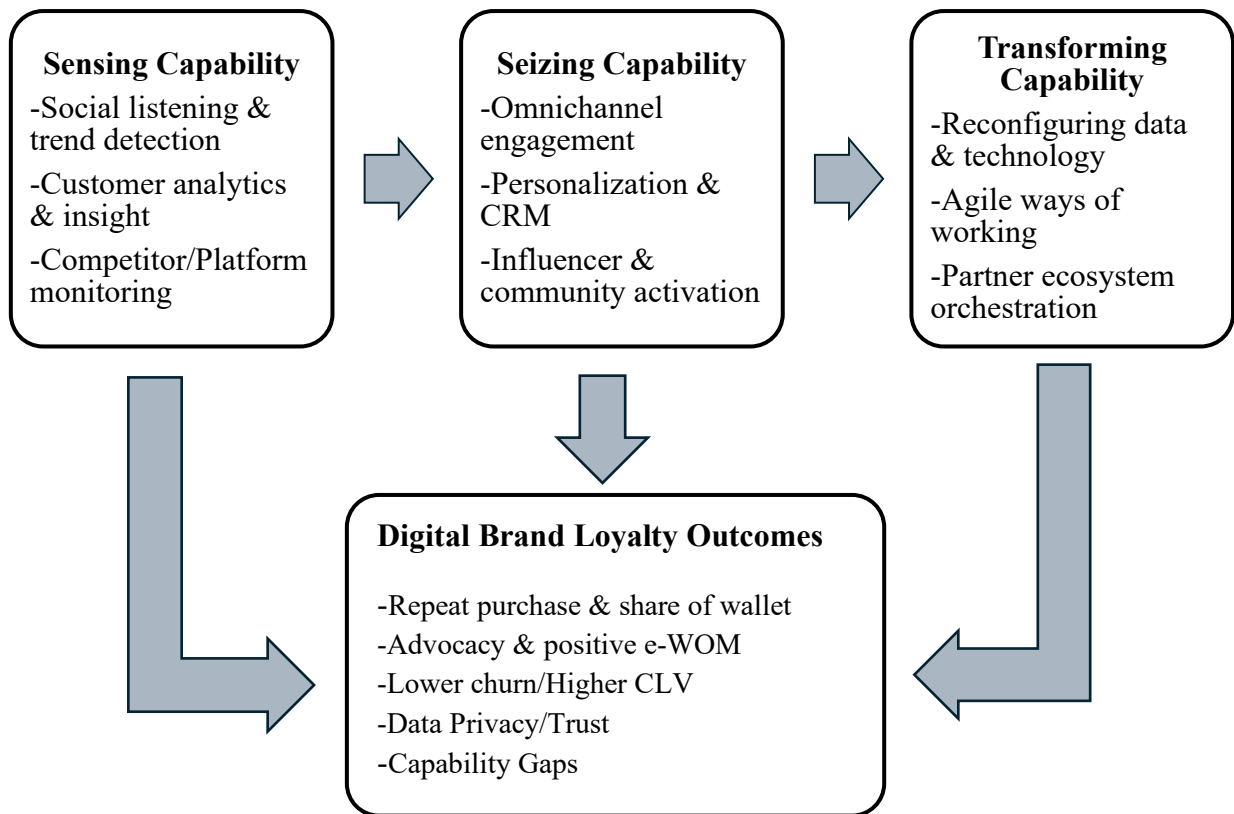


Figure 1. Dynamic Capabilities Enabling Digital Brand Loyalty

ACRONYMS AND ABBREVIATIONS

ABI/INFORM	Abstracted Business Information
CRM	Customer Relationship Management
Churn	Customer Attrition
CLV	Customer Lifetime Value
DCT	Dynamic Capabilities Theory
DLCL	Dynamic Loyalty Capability Loop
EBSCO	Elton B. Stephens Company
eWOM	Electronic Word of Mouth
FMCG	Fast Moving Consumer Goods
IT	Information Technology
MNC	Multinational Company
PLS-SEM	Partial Least Squares Structural Equation Modeling
SEM	Standard Error of the Mean
UBL	Unilever Bangladesh Limited

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PART-1

1. Introduction

Digitalization in the growth markets has driven the transformation of loyalty to brands at a faster pace. In Bangladesh, the influx in smartphone usage and internet accessibility has expanded the consumer journey far beyond the point of purchase. This includes brands like Unilever Bangladesh Limited (UBL) falling into the FMCG category, where repurchasing and advocacy have been driven by an intricate landscape of digital interactions such as e-commerce sites, brand pages on social networks, influencer content creation on the internet, apps on e-commerce sites and review sites, and even loyalty programs.

Nevertheless, although digital communication increases reach, it also makes management even more challenging. Algorithms change unpredictably, and there is little attention, fragmented data of the customer resides somewhere in the third-party platforms, and trust is being constantly challenged by privacy, misinformation, and brand safety puzzles. Empirical research shows that even when social media and digital marketing investments increase, the link to loyalty can be weak unless firms develop capabilities that convert digital signals into coordinated action and sustained customer value (Wang and Kim, 2017; Ye et al., 2022; Shanahan et al., 2019).

Therefore, DCT is a suitable theoretical lens through which the analysis in this report should be conducted. Dynamic capabilities are the organizational capabilities that enable the intentional sensing of opportunities and threats, and the subsequent transformation/reconfiguration of resources to sustain superior performance under changing environments. In volatile digital environments, static assets such as brand awareness or channel presence are insufficient; what matters is how managers continuously renew marketing, analytics, and relationship resources in response to market shifts (Teece, 2007).

Within FMCG, the loyalty challenge is distinctive. Consumers are price sensitive and switch quickly when promotions appear. Digital channels make comparison easier, amplify electronic word-of-mouth, and enable micro-targeted competitor offers. At the same time, FMCG portfolios are broad and served by complex distributor and retail systems. As a result, loyalty outcomes—repeat purchase, share of wallet, and advocacy—depend on managerial ability to orchestrate multiple channels and partners while preserving consistent brand meaning and trust (Sohaib and Han, 2023; Bruneau et al., 2018).

This report responds to a practical and scholarly gap: we still know too little about how management teams in emerging-market FMCG firms build and deploy dynamic capabilities across digital touchpoints to secure loyalty, and what specific challenges constrain sensing, seizing and transforming processes. Existing studies often examine isolated tools (e.g., social media analytics, influencer campaigns, or loyalty programs) rather than the capability system that links insight, action, and organisational renewal over time (Bullini Orlandi et al., 2020; Hossain et al., 2024).

Accordingly, the purpose of the report is to synthesise empirical evidence and apply it to Unilever Bangladesh Limited's context. The report provides a dynamic capability-based theory of (a) how Unilever Bangladesh Limited can sense digital opportunities and threats, (b) how the company can seize these opportunities through a harmonized approach to e-commerce, social media, influencers, and CRM, and (c) how it can transform internal resources and governance to sustain loyalty as the digital environment evolves (Zhou and Kuang, 2025; Wu et al., 2024).

To keep the discussion managerial and actionable, the report focuses on the following areas that managers commonly face: dependence on the platforms or algorithms; gaps with customers regarding analytics, content operations, and customer data; organizational inertia and complexity; and the risks to customer trust or user/privacy risks that can damage customer loyalty. These challenges are used as “stress tests” for dynamic capabilities, revealing where Unilever Bangladesh Limited's routines, skills, and structures may need renewal.

Bangladesh's digital commerce landscape is characterised by rapid experimentation. Marketplace platforms and quick-commerce models increase the visibility of price promotions and facilitate impulse switching. Social platforms are central to discovery and community talk, while influencers and micro-creators shape product trials and brand meaning. For Unilever Bangladesh Limited, this implies that the online or digital marketing communication channel is no longer to be treated as an add-on to communication. Rather, it is to be integrated into its strategy and business processes.

From a dynamic capability perspective, the question is not just one of investing in e-commerce, CRM, or influencer marketing, but of developing an operating system that is constantly (1) sensing changes in the pattern of demand or the logic of the platforms that firms contest, (2) quickly conceives and implements its engagement initiatives, and (3) learns to make the next initiative better than the last. Evidence suggests that capability building—particularly analytics routines and cross-functional integration—mediates the relationship between digital tool use and performance outcomes (Braojos-Gomez et al., 2015; Hossain et al., 2024).

This report also addresses methodological and pedagogic requirements by using a structured evidence base. Rather than relying on anecdote or a single case narrative, it synthesises 64 empirical research papers published in peer-reviewed outlets, extracting patterns relevant to digital brand loyalty. The emphasis on empirical studies is important because managers frequently confront competing “best practices”; a synthesis enables prioritisation of capability investments that are consistently linked to loyalty outcomes across contexts.

The rest of the report is organized as follows. Section 2 states the research objectives and questions. Section 3 highlights the relevant literature and fulfills the demand of the conceptual area of brand loyalty and dynamic capabilities. Section 4 shows the methodology employed in accumulating the evidence and analyzing it. Section 5 presents the findings and discussion, finally resulting in the DLCL developed specifically for Unilever Bangladesh Limited. Section 6 concludes with contributions, limitations and recommendations for both management practice and future research.

2. Research Objectives and Questions

Guided by a Dynamic Capabilities perspective, the report aims to explain how Unilever Bangladesh Limited can sustain digital brand loyalty in a rapidly evolving platform environment, and how management can address capability gaps and execution barriers.

Research objectives are to:

- To explore how Unilever Bangladesh Limited senses the changes occurring in the behavior of the consumer, particularly in the realm of digital markets.
- To determine how Unilever Bangladesh Limited harnesses digital opportunities like digital marketing, e-commerce, customer relationship management, influencer marketing, etc., to foster customer loyalty.
- To examine how Unilever Bangladesh Limited transforms or changes their respective resources to ensure customer loyalty under constant change.
- To identify some major challenges Unilever Bangladesh Limited currently encounters in cultivating loyal customers and retaining them in the face of an increasingly information-technology-based world.
- To provide strategic recommendations for developing dynamic capabilities to enhance digital-driven brand loyalty in Bangladesh

Research questions are:

- How do the dynamic capabilities; sensing, seizing, transforming of Unilever Bangladesh Ltd. influence brand loyalty in the digital era?
- How does Unilever Bangladesh Limited monitor digital trends and consumer insights for loyalty, including social listening, analytics, reviews, and competitor monitoring?
- How does the seizing capability of Unilever Bangladesh Limited enable retention-focused digital engagement across all key touchpoints, and what are the challenges that restrict effective execution and sustained loyalty outcomes?
- How does the Unilever Bangladesh Limited transform internal resources and routines of technology, people, processes, and governance to keep brand loyalty as the digital conditions are continuously changing?

3. Literature Review

3.1 Digital brand loyalty in FMCG

Literally, brand loyalty is described as a commitment to repurchase, to counter-switching, based on a positive attachment, trust, and habit. In various digital settings, loyalty seems to assume a progressively relational nature, also because consumers are social beings who derive information about brands from social interactions, and express loyalty through advocacy, sharing, and co-creation. Empirical research demonstrates that loyalty in online contexts is shaped not only by satisfaction but also by customer engagement, attachment and perceived relationship quality (Bruneau et al., 2018; Shanahan et al., 2019).

FMCG loyalty is often “light” rather than exclusive, making it sensitive to promotions and availability. This vulnerability is further amplified in digital channels, where immediate comparisons are possible, as well as the immediacy of the exposure itself, as the consumer needs access to continual information. At the same time, digital touchpoints can strengthen loyalty when they create convenience, recognition and social identity benefits—for example through personalised offers, community participation, and trusted influencer endorsement (Sohaib and Han, 2023; Benevento et al., 2025).

There is a growing body of evidence supporting the association with loyalty outcomes. Studies in retailing show that integrated channel experiences and personalised touchpoints can enhance relationship quality, which in turn supports repeat purchase intention and advocacy. However, results also show diminishing returns when personalisation is perceived as intrusive or manipulative, or when platform experiences feel inconsistent with the brand’s values, highlighting the managerial importance of trust and governance (Shanahan et al., 2019; Zhou et al., 2019).

3.2 Dynamic Capabilities Theory as a Management Lens

The theory of Dynamic Capabilities Theory (DCT) was created to clarify how companies can retain competitive advantage in an environment characterized by considerable environmental dynamism. Instead of strategy being “the science of choosing an optimal position,” the theory focuses on the processes which facilitate organizational renewal: sensing opportunities and threats, seizing them through timely investments and coordinated action, and transforming/reconfiguring resources to maintain fit with the environment (Teece, 2007).

In platform-mediated markets, digital technologies produce a faster rate of change and increase interdependence. Platforms can “own” customer interfaces and data, creating dependence. At the same time, digital tools generate massive behavioural signals that allow rapid learning. Empirical studies show that performance effects of digital tool adoption are conditional on complementary capabilities—analytics routines, cross-functional integration, and organisational learning—rather than the tools alone (Braojos-Gomez et al., 2015; Bullini Orlandi et al., 2020; Wu et al., 2024).

Marketing scholars increasingly conceptualise “dynamic marketing capabilities” as the ability to reconfigure market knowledge, resource allocation and customer relationship processes in response to environmental change. In this view, brand loyalty is not a static outcome of brand equity, but a moving target shaped by evolving consumer expectations and platform logics. The DCT emphasis on renewal aligns closely with the managerial reality of digital brand building: loyalty depends on continuous improvement in insight, experience design, and operational execution.

3.3 Sensing Capability: Detecting Digital Signals and Loyalty Drivers

Sensing refers to identifying emerging opportunities and threats by scanning, learning, and interpreting changes in the environment (Teece, 2007). In digital marketing, sensing often relies on social listening, review mining, search and clickstream analytics, competitor monitoring, and experimentation data. Evidence suggests that these sensing activities are not purely technical:

they require routines and cross-functional interpretation so that signals become actionable insight.

Empirical studies show that social media analytics deployment helps firms sense technological discontinuities and respond more effectively, especially when marketing and IT are integrated and employees have the necessary analytical skills (Bullini Orlandi et al., 2020). Similarly, research on social media use in CRM contexts shows that organisations can build a “social CRM” capability when they combine social media data with relationship processes, improving understanding of customers and enabling more relevant engagement (Wang and Kim, 2017).

Sensing is also shaped by platform dependence. When customer interactions occur on third-party platforms, firms may have limited access to data and constrained control over algorithms. Studies in platform economies highlight the importance of developing customer analytics capability instruments—sets of tools and routines that allow organisations to translate fragmented digital traces into coherent customer insights (Hossain et al., 2024).

Finally, sensing is linked to trust. Consumers may resist data collection if it is covert or excessive, undermining loyalty. Research on e-service quality and customer satisfaction indicates that perceived reliability, security and responsiveness are foundational to loyalty, suggesting that sensing systems must be paired with privacy-by-design governance (Zhou et al., 2019).

3.3.1 From Data to Insight: Micro Foundations of Digital Sensing

Across empirical studies, a recurring theme is that “data availability” does not automatically translate into sensing. Managers must build the “micro-foundations of human action,” “individual skills,” “shared interpretive frames,” and “decision routines” that convert data into insight and action. Research on social media competence in small firms shows that competitor pressure and IT infrastructure enable learning, but marketing management and innovation management capabilities determine whether firms build sustainable competence rather than ad hoc activity (Braojos-Gomez et al., 2015).

In the same manner, studies involving social media analytics and technological opportunism make much of the issue of integration and skills. Bullini Orlandi et al. (2020) highlight that analytics deployment is more effective when marketing and IT are aligned and employees have analytical capability. For Unilever Bangladesh Limited, the implication is that social listening tools and dashboards are necessary but not sufficient; managers must embed insight routines (weekly “insight-to-action” sprints, cross-brand learning forums, and shared taxonomies for consumer needs) so that sensing becomes continuous.

A further lesson is that sensing must operate at multiple levels: brand-level (sentiment, share of voice, creative performance), portfolio-level (category shifts and cannibalization risk), and ecosystem-level (platform policy changes, retailer algorithm adjustments, and creator network dynamics). Empirical work on customer analytics capability in platform economies provides an instrument-based view of the tools and routines required to translate fragmented traces into actionable insight (Hossain et al., 2024).

3.4 Seizing Capability: Orchestrating Engagement Across Touchpoints

Seizing refers to mobilising resources to capture opportunities through investment and coordinated action. In digital loyalty building, seizing involves designing customer value propositions across touchpoints, aligning channel roles, and translating insights into concrete initiatives such as personalised content, e-commerce activation, influencer collaborations, and loyalty/CRM programs.

Multiple empirical studies indicate that social media applications can enhance firm capabilities—such as agility and adaptability—and that these dynamic capabilities mediate relationships between digital engagement tools and performance outcomes (Ye et al., 2022). In customer relationship contexts, social CRM capabilities can strengthen performance when social media use amplifies relationship processes, indicating that seizing depends on both technology use and relationship routines (Wang and Kim, 2017).

Seizing also involves managing social commerce and value co-creation. Large-scale survey evidence suggests that experiential value in social commerce enhances consumer engagement; engagement is positively associated with loyalty and satisfaction, and these in turn support value co-creation (Nadeem et al., 2021). This is an important result from an FMCG marketing brand's perspective, since co-creation and advocacy can be utilized through “communities,” “micro creators,” and “user-generated content,” although “only experiences described as authentic and socially rewarding will trigger co-creation and advocacy.” Influencer ecosystems are another seizing domain. Empirical studies show that influencer network characteristics and content diffusion shape brand social network growth around new product launch events (Benevento et al., 2025). At the same time, influencer partnerships increase governance risks—misalignment, misinformation, and reputational spillovers—requiring careful selection and monitoring as part of seizing capability.

Loyalty programs represent a further seizing mechanism when they encourage ongoing engagement rather than purely transactional redemption. Evidence shows that loyalty program members are not automatically engaged; engagement varies and can be measured through behavioural and relational indicators. Managers must therefore design program features that fit customer motivations and journey stages (Bruneau et al., 2018).

Personalisation can strengthen seizing when it increases perceived relevance and engagement. Yet, it must avoid intrusiveness. Research on social media advertising suggests that perceived personalisation increases brand engagement and attachment, which then enhance perceived quality and loyalty, implying that seizing efforts should prioritise transparent and value-adding personalisation rather than opaque tracking (Shanahan et al., 2019).

Overall, seizing capability in digital loyalty building is best understood as orchestration: aligning content, channel roles, and relationship processes across paid, owned, earned and partner channels. This orchestration is inherently managerial, requiring cross-functional coordination, resource allocation discipline, and test-and-learn routines to scale what works.

3.4.1 E-Commerce and Omnichannel Engagement As Seizing Arenas

For FMCG firms, e-commerce creates a distinct seizing challenge: sales often occur via marketplaces and retailers, limiting direct control over the consumer interface. Yet e-commerce also offers opportunities for richer product information, targeted bundles, and rapid experimentation with promotions. Seizing capability therefore includes designing “channel roles” and incentives: what is activated through marketplaces versus direct brand channels, and how are offers coordinated to avoid destructive price wars?

Empirical evidence suggests that CRM technology and social media use can jointly shape post-sale service behaviors, indicating that seizing should integrate relationship processes with digital interaction channels rather than treating them as separate systems (Agnihotri et al., 2017). In consumer markets, loyalty programs can support engagement when they provide meaningful journey-stage value, but the evidence also warns that membership alone does not imply engagement (Bruneau et al., 2018).

In omnichannel contexts, seizing often requires consistent measurement and attribution across offline and online touchpoints. Fragmented measurement leads managers to optimize the wrong metrics (e.g., reach or clicks) rather than loyalty drivers (repeat purchase, share of wallet and advocacy). This is why dynamic capabilities emphasize orchestration and learning rather than static KPI dashboards: managers need experimental routines that connect engagement actions to downstream loyalty outcomes over time.

3.4.2 Influencer and Community Ecosystems: Value Creation and Governance

Influencer and community ecosystems intensify both opportunity and risk. They can hasten trials, influence social identities pertaining to brands, as well as cultivate believable stories that brands can attain via paid media only in a limited capacity. Empirical research indicates that influencer network positions and popularity can significantly affect brand social network growth around launches (Benevento et al., 2025).

On the other hand, influencer ecosystems amplify governance challenges, too. Decentralization that allows authenticity can create message drift, misinformation, or reputational spillover. Studies of value co-creation through social media marketing show that trust is a key mediator: social media marketing activities can build trust, which then supports loyalty and co-creation intentions (Sohaib and Han, 2023). For Unilever Bangladesh Limited, this implies that seizing influencer opportunities requires structured governance—clear brand safety rules, disclosure expectations, crisis playbooks, and monitoring routines—so that trust is protected.

Customer engagement research further suggests that engagement can turn negative when community conflict or disappointment emerges, harming market-based assets. While the present report is focused on loyalty building, the literature signals that seizing should include “exit ramps” and recovery strategies (e.g., transparent issue response and service recovery) to prevent negative engagement spirals.

3.5 Transforming Capability: Renewing Resources, Routines and Governance

Transforming refers to reconfiguring organisational assets and structures to support new strategies. In digital loyalty contexts, transforming capability includes upgrading data and technology architecture (e.g., customer data platforms and measurement systems), redesigning processes for agile content and campaign operations, building new skills in analytics and community management, and reshaping partnerships with platforms, retailers and creators.

Empirical research links digital transformation with dynamic capabilities and strategic outcomes. For example, panel data evidence from Chinese listed firms shows that digital transformation and dynamic capabilities jointly promote strategic aggressiveness, with dynamic capabilities mediating the effect of transformation (Zhou and Kuang, 2025). Although the outcome differs from brand loyalty, the mechanism is relevant: digital transformation produces value when it builds dynamic capabilities that enable new strategic moves.

Similarly, evidence from SMEs indicates that managerial capabilities and strategic orientation influence the adoption of digital marketing strategies, and that these strategies are associated with organisational performance (Wu et al., 2024). This implies that transforming is not a technology project; it is a leadership and capability development agenda that shapes how quickly an organisation can renew routines and scale learning.

Transforming also involves developing competences for sensing and response. Studies show that learning to develop a social media competence depends on organisational capabilities such as marketing management and innovation management and on IT infrastructure capability (Braojos-Gomez et al., 2015). This is consistent with a capability-system view: investments in technology must be paired with routines, governance and skill development.

Finally, transforming must address trust and compliance. E-service quality research indicates that reliability, privacy and responsiveness build satisfaction and loyalty (Zhou et al., 2019). In FMCG, where consumers may not have high involvement, trust can be fragile; governance failures in data and influencer ecosystems can quickly undermine loyalty. Transforming therefore includes risk management capabilities: privacy-by-design, content governance, and brand safety processes.

3.5.1 Transforming for Scale: Organization, Culture and Ecosystem Partnerships

Transforming capability is often where loyalty strategies fail. Managers can achieve success in running digital endeavors but fail to sustain the growth of those endeavors because of structural hurdles such as "silos between brand, sales, and IT," as well as "inflexible" permission systems and the "absence of common data architecture." The literature on digital marketing strategy adoption indicates that managerial capabilities, innovativeness, and proactiveness influence whether firms adopt digital strategies that improve performance (Wu et al., 2024).

In FMCG, transformation frequently requires shifting from campaign-based execution to product-and-platform operating models. That means establishing cross-functional "growth squads" that own key customer journeys, shared backlogs, and test-and-learn cycles. It also means investing in first-party data capture and consent mechanisms so that sensing and personalization do not rely entirely on platform data. The platform-economy literature implies

that firms must actively manage dependence through partnerships and data agreements while building internal analytics capabilities (Hossain et al., 2024).

Transforming also concerns ecosystem orchestration. Unilever Bangladesh Limited's loyalty outcomes are influenced by retailer and platform decisions. Dynamic capabilities approach therefore treats partners as part of the resource base that must be configured and reconfigured. This includes co-planning promotions with e-commerce partners, aligning measurement standards, and developing joint learning processes that stabilize execution even when platform rules shift.

3.6 Synthesis: What We Still Need to Explain for Unilever Bangladesh

Synthesising the literature suggests three critical propositions. First, digital loyalty outcomes depend on capability systems rather than isolated tools: social media use, analytics, and loyalty programs produce loyalty benefits when linked through sensing-seizing-transforming routines (Wang and Kim, 2017; Bullini Orlandi et al., 2020). Second, platform environments create dependence and data fragmentation, making customer analytics capability and governance crucial (Hossain et al., 2024). Third, trust and personalisation are double-edged: they can strengthen engagement and loyalty, but also backfire if perceived as intrusive or unsafe (Shanahan et al., 2019; Zhou et al., 2019).

However, there are gaps in the studies as they are mainly based on developed markets or the service sector, with few studies carried out on the FMCG sector in emerging markets. In Bangladesh, management must also confront the digital divide and varying levels of platform literacy across consumer segments. This report therefore applies the synthesis to Unilever Bangladesh Limited's context and frames a set of managerial actions that can realistically be implemented given local constraints and partnership structures.

3.7 Management Challenges Highlighted by the Evidence

Across the reviewed empirical evidence, four recurring management challenges appear particularly salient for Unilever Bangladesh Limited.

First, platform volatility: social and commerce platforms are constantly updating algorithms, formats, and advertising policies, making it difficult to determine the reach and effectiveness of any conversion. This pressures managers to develop rapid sensing and experimentation capabilities to avoid over-reliance on last quarter's playbook (Bullini Orlandi et al., 2020; Benevento et al., 2025).

Second, data fragmentation and measures: Customer touchpoints exist on multiple platforms, across multiple retailers, which make the single customer view difficult to achieve and therefore weaken the integration between digital actions and loyalty metrics. Customer analytics capability and integrated CRM routines are repeatedly identified as critical enabling capabilities (Wang and Kim, 2017; Hossain et al., 2024).

Thirdly, capability gaps and execution overload: content satiation and multi-channel imperatives place an ever-increasing execution burden on marketing organizations. Without transforming routines (agile ways of working, modular content systems, and cross-functional squads), seizing opportunities becomes inconsistent and slow (Wu et al., 2024).

Fourth, trust and governance: personalization, influencer marketing, and data-driven engagement can all backfire if they are perceived to be intrusive or unethical. Studies on personalization and e-service quality emphasise that trust and perceived safety underpin loyalty, so governance must be embedded in both sensing and seizing processes (Shanahan et al., 2019; Zhou et al., 2019; Sohaib and Han, 2023).

PART-2

4. Methodology

4.1 Research Design

This report uses an integrative, theory-guided literature review to synthesise empirical evidence on digital brand loyalty through a Dynamic Capabilities perspective. The design is suitable because the research questions are explanatory (“how” capabilities shape loyalty) and the phenomenon spans multiple domains (marketing, information systems, and strategy).

4.2 Data Gathering and Search Strategy

A structured search strategy was designed around three concept clusters: (a) dynamic capabilities (sensing, seizing, transforming, reconfiguration), (b) digital touchpoints and capabilities (social media analytics, social CRM, influencer marketing, customer analytics capability, e-commerce and omnichannel), and (c) loyalty outcomes (repeat purchase, advocacy, brand attachment, customer engagement, satisfaction and trust). Searches targeted peer-reviewed journal articles and were framed to prioritise studies with explicit empirical methods.

Consistent with business research practice, multiple academic databases were used (e.g., Scopus, Web of Science, ABI/INFORM, and EBSCO Business Source) alongside backward and forward citation chasing from highly relevant seed articles. Search strings combined terms such as: “dynamic capability” and (“social media” or “digital marketing” or “customer analytics” or “social CRM” or “e-commerce”) and (“brand loyalty” or “customer loyalty” or “engagement” or “advocacy”).

4.3 Inclusion and Exclusion Criteria

Inclusion criteria were: (1) peer-reviewed journal articles; (2) empirical study designs (quantitative, qualitative, mixed methods, or panel data) rather than purely conceptual pieces; (3) the study examined digital touchpoints or digital marketing/analytics capabilities relevant to loyalty; and (4) the study provided findings that could be mapped to sensing, seizing or transforming mechanisms. Exclusion criteria were conference papers, theses, non-peer reviewed reports, purely technical algorithm papers without managerial implications, and articles where loyalty was not materially addressed.

4.4 Sample and Descriptive Overview

Applying the criteria produced a final corpus of 64 empirical papers. The sample included studies from marketing, information systems, strategy and operations journals. Methods were diverse: PLS-SEM and covariance-based SEM surveys were common; several studies used panel data from firms or platforms; and a smaller number used qualitative case study or mixed-methods designs. This diversity supports triangulation because loyalty-related dynamics are likely to vary across contexts.

4.5 Analytical Techniques and Process of Analysis

Analysis followed a two-stage coding process. First, each article was coded deductively using Dynamic Capabilities categories (sensing, seizing, transforming) and loyalty outcomes (repeat purchase, advocacy/eWOM, engagement, attachment, satisfaction and trust). Second, inductive coding identified recurring mechanisms, challenges and managerial practices within each category (e.g., social listening routines, customer analytics capability instruments, influencer governance, loyalty program engagement design, agile marketing operations, and privacy-by-design).

To improve reliability, the coding used a structured extraction template capturing: research context, sample characteristics, methods, key constructs, main findings, and reported managerial implications. Themes were then compared across studies to identify convergent evidence and boundary conditions. The findings section presents the thematic synthesis and translates it into a Dynamic Loyalty Capability Loop (DLCL) for Unilever Bangladesh Limited.

4.6 Ethical and Quality Considerations

As this report is based on secondary research, it does not involve direct collection of personal data. Quality was assessed by prioritising peer-reviewed outlets and by noting methodological rigour (sample adequacy, construct validity, and transparency of analysis). Nevertheless, limitations typical of literature reviews remain, including publication bias and contextual differences across countries and industries; these are addressed in the conclusion.

To make the review transparent, the search and screening process was documented in four steps: identification, screening, eligibility and inclusion. Identification generated an initial pool of articles from the databases based on titles and abstracts. Screening removed duplicates and clearly irrelevant records. Eligibility involved full-text checks against inclusion criteria, with attention to whether the study provided actionable results for capability building. Inclusion finalised the 64-paper corpus.

While formal meta-analysis was not appropriate due to construct heterogeneity (different operationalisations of loyalty, engagement and capability constructs), the synthesis aimed for analytical generalisation. Specifically, it focused on whether the direction of relationships and the underlying mechanisms were consistent across studies, and it highlighted boundary conditions such as industry setting, platform type, and maturity of digital infrastructure.

Finally, the analysis explicitly linked empirical patterns to Unilever Bangladesh Limited's managerial context. This step is crucial in dynamic capabilities research because capabilities are

path-dependent: they build on existing routines and assets. The discussion therefore avoids one-size-fits-all prescriptions and instead proposes staged capability development, indicating which practices are feasible in the short term and which require deeper organisational transformation.

5. Findings and Discussion

5.1 Overview of Themes

The thematic synthesis indicates that loyalty outcomes in digital environments are best explained by how organisations build and connect three capability sets—sensing, seizing and transforming—rather than by the presence of any single digital channel. Across the 64 studies, five themes recur: (1) continuous insight generation through analytics and social listening; (2) omnichannel orchestration and social CRM as mechanisms for converting insights into relevant engagement; (3) community and influencer ecosystems as sources of value co-creation and advocacy; (4) trust and governance as the “license to personalise”; and (5) organisational transformation for scale, including agile marketing operations and data architecture upgrades.

These themes collectively explain why many digital loyalty initiatives underperform: they are treated as campaigns rather than as capability building. The discussion below interprets each theme through Dynamic Capabilities theory and extracts implications for Unilever Bangladesh Limited’s management team.

5.2 Theme 1 – Building an Always-On Digital Sensing Engine

Empirical evidence consistently shows that digital sensing is a capability, not a dashboard. Firms that deploy social media analytics more effectively are those that integrate marketing and IT and invest in employee skills, enabling them to translate signals into decisions (Bullini Orlandi et al., 2020). This aligns with the dynamic capabilities view that sensing is an interpretive process: managers must detect weak signals, test hypotheses, and update mental models.

For Unilever Bangladesh Limited, an always-on sensing engine should combine at least four data streams: (a) social listening and creator content tracking (brand, category and competitor); (b) marketplace and retailer signals (search rank, price, reviews, availability); (c) owned-channel behavioural data (website interactions, campaign responses, CRM interactions where available); and (d) experimentation data (A/B tests, creative testing, offer testing). The goal is to generate insight on loyalty drivers—what makes customers come back and what triggers switching.

The evidence also suggests that sensing must be structured around action. Customer analytics capability research highlights the need for instruments—repeatable sets of tools and routines—that allow teams to agree on definitions, build comparable metrics, and create a shared view of customers across platforms (Hossain et al., 2024). In practice, UBL can operationalise this by building an “insight-to-action cadence”: weekly insight reviews, monthly hypothesis pipelines, and quarterly platform scenario planning that anticipates algorithm or policy changes.

Management challenges in this theme are typically twofold. First, the customer journey is less visible. Second, the skill set of the team is a constraint in some cases and leads again to

outsourcing the task in other cases. Dynamic capabilities theory suggests that outsourcing can support scale but must be complemented by internal learning routines so that sensing knowledge becomes embedded in the organisation rather than remaining with agencies.

5.3 Theme 2 – Seizing Through Omnichannel Orchestration and Social CRM

Seizing is the capability to mobilise resources and coordinate action to capture opportunities. The review indicates that social CRM and omnichannel orchestration are key seizing mechanisms linking digital engagement to loyalty outcomes. In a dynamic capability perspective, social CRM is not merely a technology, but a set of routines that integrate customer data and interactions into relationship processes (Wang and Kim, 2017).

Studies also show that CRM technology can shape service behaviours and customer communication when combined with social media use (Agnihotri et al., 2017). This means that for an organization such as "Unilever Bangladesh Limited," the focus of loyalty building ought not be on marketing communications alone; the firm should attend to the entire range of customer-related response speeds in social and commerce interfaces because customers view these as gauges of the firm's trustworthiness.

The issue of omnichannel orchestration is more complicated in the context of FMCG because the purchase happens through the retailer. The literature suggests that the managerial task is to define channel roles and coordinate offers and messaging across platforms, reducing inconsistency. In the Bangladesh context, where marketplace promotions are common, Unilever Bangladesh Limited must manage the risk that constant discounting erodes loyalty by training customers to switch for price. Dynamic capabilities emphasise seizing through differentiated value propositions: bundles, convenience, exclusive drops, community benefits, or trusted advice, rather than generic discounts.

Operationally, the seizing theme implies building "journey playbooks" that map which touchpoints are responsible for discovery, trial, repeat purchase, and advocacy. These playbooks should be continuously updated based on sensing insights, and performance should be measured using loyalty proxies (repeat purchase rate, basket frequency, retention cohorts, share of wallet where available) rather than awareness metrics alone.

5.4 Theme 3 – Community, Influencers and Value Co-Creation as Loyalty Multipliers

The review highlights strong empirical support for engagement and value co-creation pathways. In social commerce, consumer experiences enhance engagement and self-brand connection, which improve brand relationship performance and enable value co-creation (Nadeem et al., 2021). These mechanisms are likely to be particularly impactful in the FMCG industry where switching is easy.

Research also shows that social media marketing activities can build brand trust and loyalty, and that trust mediates the relationship between marketing activities and loyalty outcomes (Sohaib and Han, 2023). It is particularly pertinent to brands when considering purchase plans affected by authenticities, misinformation, and platform trust in a marketplace. Brands seeking advocacy through community engagement need to participate in a way to attain consumer advocacy.

Influencer ecosystems can further enhance this effect when it comes to shaping trial and diffusion. Evidence from new product launch events indicates that influencer network positions and popularity affect brand network growth (Benevento et al., 2025). However, the same evidence implies managerial risk: influencer dependence can create volatility and reputational exposure. Managers therefore need governance capabilities—clear selection criteria, disclosure standards, content review and monitoring, and crisis playbooks—to protect brand trust.

For Unilever Bangladesh Limited, the strategic implication is to treat influencers and communities not as “campaign media” but as capability assets: relational capital that can be cultivated over time. That means prioritising long-term creator partnerships, investing in community management, and aligning creator narratives with brand purpose and consumer needs. It also means designing feedback loops where community insights feed the sensing engine and inform product and packaging decisions, reinforcing loyalty through co-creation.

5.5 Theme 4 – Trust, Ethical Personalization and The Governance of Loyalty

A consistent theme across the evidence is that loyalty is bounded by trust. Studies of social media personalisation show that perceived personalisation can increase engagement and attachment, which in turn enhance perceived quality and brand loyalty (Shanahan et al., 2019). However, trust can collapse when personalisation feels intrusive or when consumers suspect opaque tracking. Likewise, e-service quality research finds that reliability, privacy and responsiveness underpin customer satisfaction and loyalty (Zhou et al., 2019).

For managers, this means that the “license to personalise” must be earned. A dynamic capabilities perspective suggests that governance is part of capability building: sensing must monitor trust signals (complaints about privacy, negative sentiment, misinformation), seizing must implement transparent value exchange (why data is collected and what benefits consumers receive), and transforming must institutionalise privacy-by-design and brand safety routines.

In the context of Unilever Bangladesh Limited, governance becomes relevant and significant in consideration of the platforms and influencers. A practical approach is to define “non-negotiables” for loyalty building: disclosure for influencer content, clear customer data consent where first-party data is collected, and rapid response protocols for misinformation or safety concerns. These controls should not be seen as constraints; they are enabling mechanisms that protect loyalty relationships.

5.6 Theme 5 – Transforming for Scale: The Dynamic Loyalty Capability Loop

The final theme integrates the others: transforming capability determines whether sensing and seizing can be sustained and scaled. Empirical evidence from multiple settings indicates that digital transformation contributes to strategic outcomes when it builds dynamic capabilities that mediate effects and enable renewal (Zhou and Kuang, 2025). Evidence from SMEs similarly indicates that managerial capabilities shape digital marketing strategy adoption and performance, reinforcing the view that leadership and capability development are central (Wu et al., 2024).

This report, based on the synthesis, proposes a Dynamic Loyalty Capability Loop for Unilever Bangladesh Limited. The DLCL is a recurring cycle linking (1) Sense: an always-on insight engine, (2) Seize: omnichannel orchestration and engagement initiatives, and (3) Transform:

organisational reconfiguration and governance upgrades that institutionalise learning. The loop is “dynamic” because each cycle should improve the next: insights become more precise, engagement becomes more relevant, and operations become faster and more reliable. DLCL operational components for UBL:

- Sense – Insight Engine: social listening, marketplace review mining, competitor monitoring, and experimentation dashboards; defined “insight-to-action cadence”; customer segment models that track loyalty drivers.
- Seize – Orchestrated Engagement: journey playbooks, integrated social CRM routines, influencer/community activation plans, and loyalty program design that targets engagement (not only redemption).
- Transform – Capability Renewal: cross-functional growth squads, a modular content operations model (asset libraries and rapid testing), customer data and measurement architecture, and governance for privacy and brand safety.

Management issues addressed by DLCL: volatile platforms/hubs and disjointed data (sensing instruments/partner measurement agreements mitigate both issues), operational overwhelm/excessive execution lead times (agile squads/agile content mitigate the problem), trust risks (governance embeds this issue).

5.7 Implementation Roadmap for Unilever Bangladesh

Translating DLCL into practice requires staged implementation. A realistic roadmap for Unilever Bangladesh Limited can be structured in three horizons.

Horizon 1 (0–3 months): stabilise sensing and governance foundations. Establish a cross-functional “Digital Loyalty Council” (marketing, sales, customer care, IT/data, legal/compliance). Define loyalty KPIs and a weekly insight cadence. Deploy standardized social listening tools and review monitoring. Introduce influencer and content governance policies, such as disclosure, brand safety, and approval thresholds, in addition to a misinformation quick response system.

Horizon 2 (3–9 months): Scale seize via playbooks and agile execution. Build customer journey playbooks for priority categories/brands. Pilot a social CRM operating model (service response standards, community management, escalation paths). Redesign loyalty/CRM initiatives to emphasise engagement mechanics—community challenges, tiered recognition, and value-adding benefits rather than generic discounts. Run test-and-learn cycles to connect initiatives to retention cohorts.

Horizon 3 (9–18 months): transform for sustainable advantage. Invest in a customer data and measurement layer that supports consented first-party data capture and cross-platform reporting. Establish growth squads for key journeys and category missions. Formalise partner ecosystem agreements (retailers and platforms) for co-planning promotions and measurement. Develop capability development plans for analytics, content operations, and community management.

Throughout implementation, management should use “learning metrics” alongside outcome metrics: speed of insight generation, experiment velocity, cross-functional collaboration quality,

and governance compliance rates. These metrics indicate whether dynamic capabilities are strengthening.

5.8 Boundary Conditions and Bangladesh-Specific Considerations

Applying the evidence to Bangladesh requires attention to boundary conditions. First, the digital divide remains salient: consumers differ widely in platform literacy, payment adoption, and trust in online commerce. Dynamic capabilities therefore need segmentation at the capability level. For example, sensing should monitor not only “digital-native” segments but also hybrid segments that discover online and purchase offline. Seizing should design channel roles that respect these behaviours—using social media for education and reassurance, and offline retail partnerships for fulfilment and availability assurance.

Second, marketplace and retailer power can be stronger in emerging markets, reducing the brand’s direct access to customer data. This intensifies the strategic importance of first-party data capture through owned channels and value exchanges (content, community, or service) that consumers find worthwhile. A capability system view suggests that Unilever Bangladesh Limited should treat data partnerships as part of transforming capability: negotiating data and measurement access with key retail partners while building internal instrumentation to reduce dependence.

Third, content saturation is acute in low-attention, mobile-first environments. The evidence indicates that personalisation and relevance can improve loyalty, but only when consumers perceive authenticity and transparency (Shanahan et al., 2019). In Bangladesh, local language, cultural cues, and trustworthy creator voices can materially increase perceived relevance; thus, seizing capability should include localised creative development and creator relationship management.

5.9 Implications for Managers: Capability Investments to Priorities

Across the themes, three capability investments appear consistently high-leverage for digital loyalty.

First, invest in customer analytics capability as an organisational system. This entails a shared definition of loyalty metrics, integrated dashboards that link engagement to retention cohorts, and analytics talent closer to decision making. Evidence suggests that analytics becomes strategically valuable when paired with integration and routines that enable timely response (Bullini Orlandi et al., 2020; Hossain et al., 2024).

Second, redesign operational execution for speed and learning. Agile growth squads, modular content systems, and structured experimentation increase the ability to seize opportunities despite platform volatility. This transforms marketing from “campaign production” to a continuous learning system, consistent with dynamic capabilities thinking (Wu et al., 2024).

Third, treat trust governance as a loyalty capability. Trust is not an afterthought: it is the basis upon which personalization, influencer activation, or community engagement are made possible. Governance investments—privacy-by-design, influencer disclosure and brand safety monitoring—protect loyalty relationships and reduce the risk of negative engagement spirals (Zhou et al., 2019; Sohaib and Han, 2023; Benevento et al., 2025).

5.10 Theoretical Implications For Dynamic Capabilities and Loyalty Research

The synthesis contributes to Dynamic Capabilities scholarship by illustrating how capability mechanisms operate in customer-centric outcomes rather than solely in financial performance. The reviewed evidence suggests that loyalty is a downstream outcome of capability configuration: sensing identifies evolving loyalty drivers, seizing designs and delivers relevant touchpoint experiences, and transforming institutionalises the routines that protect trust and accelerate learning.

Second, the report extends the discussion of platform dependence by highlighting customer analytics capability and governance as boundary resources. In platform ecosystems, firms do not fully control the customer interface; thus, dynamic capabilities include negotiating, configuring and reconfiguring boundary resources (data access, measurement agreements, and partner workflows).

Thirdly, the report highlights the interdependence between loyalty and governance. Traditional loyalty studies often foreground satisfaction and value. In digital environments, governance and ethics become central: personalisation and influencer marketing can create value, but the sustainability of that value depends on trust and legitimacy. Dynamic capabilities provide a useful lens because they foreground managerial renewal and learning under these evolving constraints.

PART-3

6. Contribution, Limitation, Conclusion and Recommendation

6.1 Contributions

The research provided various contributions to both theoretical and managerial literature, including an elucidation of the ways through which digital brand loyalties, within an emerging market FMCG scenario, could be explored from the Dynamic Capabilities framework.

From the theoretical standpoint, the report extends Dynamic Capabilities Theory is applied the framework to the achievement of a customer-centric outcome: digital brand loyalty, as opposed to the more traditionally explored outcomes of performance or competitive advantage. Whereas previous research on dynamic capabilities has focused on financial or innovative outcomes, this study illustrates how sense, seize, and transform capabilities may be directly related to loyalty metrics such as repeat buy, share of wallet, and advocacy. By synthesizing 64 studies, this report proves that digital loyalty is not generated by individual tools (such as social media programs or loyalty schemes), but by an integrated system that allows for renewal in an ever-changing platform environment.

A further conceptual contribution is the development of the Dynamic Loyalty Capability Loop (DLCL). The role of DLCL is to articulate abstract conceptualizations of capabilities as a concrete managerial model through a link between insight generation, omni-channel engagement, and organizational re-design as a cycle of learning.

This framework helps clarify how organisations can move from fragmented digital initiatives to a coherent capability architecture that sustains loyalty over time. In doing so, the report responds to calls in the literature for more integrative and operationalizable applications of dynamic capabilities in digital marketing contexts.

From a contextual perspective, the report helps build the meager empirical synthesis that addresses the specificity of FMCG organizations in emerging markets. Most discussions on deep learning programs are embedded in the context of the service industry or the developing economy. By utilizing the empirical synthesis to illustrate its findings for Unilever Bangladesh Limited, the report seeks to extend the generalizability of dynamic capabilities to MNCs in the same market context

In practical terms, the report provides managers with an evidence-based roadmap for capability development. It finds consistency across studies in high-leverage investments that support loyalty performance, such as customer analysis capabilities, social CRM routines, influencer governance, and agile marketing operations. Instead of providing broad strokes advice like ‘best practices,’ this report will help marketers understand the relevance and interplay between these investments.

6.2 Limitations

Despite its contributions, this report has several limitations that should be acknowledged when interpreting its findings.

First, the study is based on secondary data drawn from published empirical research. While the synthesis includes a diverse set of methods and contexts, it does not directly observe Unilever Bangladesh Limited’s internal processes, routines, or performance metrics. As a result, the analysis relies on theoretical alignment and contextual inference rather than direct organisational evidence.

Second, although the review prioritised peer-reviewed empirical studies, the findings may be affected by publication bias, as studies reporting significant or positive effects of digital initiatives are more likely to be published. This may lead to an over-representation of successful digital loyalty mechanisms relative to failed or neutral initiatives.

Third, there is construct heterogeneity across the reviewed studies. Loyalty is differentially conceptualized as intentions, involvement, satisfaction, and behavioural measures. While such variety is useful for facilitating analytical generalisation, the scope to make specific comparisons about the nature of the relationships is inhibited.

Fourth, the transferability of findings may be constrained by contextual differences. Emerging markets vary in terms of digital infrastructure, regulatory regimes, platform dominance, and consumer trust. While Bangladesh shares characteristics with many developing economies, the recommendations may require adaptation in contexts with different institutional conditions.

Finally, it has a managerial focus and thus does not take an in-depth approach to consumer resistance, ethical contestation, and asymmetrical platform/brand relations. These issues may shape loyalty outcomes in ways that are not fully captured by a capability-based framework.

6.3 Conclusions

This report set out to explain how Unilever Bangladesh Limited can sustain digital brand loyalty in a rapidly evolving platform environment by applying Dynamic Capabilities Theory. The synthesis of 64 empirical studies demonstrates that loyalty in digital FMCG markets is best understood as the outcome of interconnected sensing, seizing, and transforming capabilities rather than the adoption of individual digital tools.

The findings show that sensing capabilities enable firms to detect shifts in consumer expectations, platform dynamics, and competitive behaviour through analytics, social listening, and experimentation. Seizing capabilities translate these insights into coordinated engagement across social media, e-commerce, influencers, and CRM processes. Transforming capabilities ensure that these activities can be scaled and sustained by reconfiguring organisational structures, skills, data architecture, and governance mechanisms.

A central conclusion is that digital loyalty is increasingly fragile in platform-mediated markets due to price transparency, content saturation, and trust concerns. As a result, sustained loyalty depends less on short-term promotional intensity and more on the organisation's ability to continuously renew how it creates value, protects trust, and learns from digital interactions. The proposed Dynamic Loyalty Capability Loop provides a structured way for Unilever Bangladesh Limited to institutionalise this renewal process.

Overall, the report suggests that managing digital brand loyalty is an ongoing process to be built as a capability. It is not to be read as a specific objective for a campaign. Firms looking to cultivate brand loyalty through integrated capability systems as opposed to digital fragmentation would be in a stronger position to achieve it in unstable and data-constrained industries such as Bangladesh's FMCG environment.

6.4 Recommendations

Based on the evidence synthesis and analysis, the following recommendations are proposed for Unilever Bangladesh Limited.

First, institutionalise an always-on sensing system. Unilever Bangladesh Limited should integrate social listening, marketplace review analysis, competitor monitoring, and experimentation data into a shared insight platform. Establishing a regular "insight-to-action" cadence—weekly reviews and cross-functional interpretation—will help ensure that sensing leads to timely managerial decisions rather than static reporting.

Second, enhance capability in the process of seizing opportunities through omnichannel orchestration. This requires Unilever Bangladesh Limited to clarify the role of various channels for engagement on various platforms like marketplaces, social media, influencers, and CRM

programs. Decision-making for customer journeys must include how they support trial, repeat purchase, or both. Loyalty-relevant metrics must also be used to track performance instead of reach or impression-based measures.

Third, develop social CRM and community engagement as loyalty assets. Instead of using social media and influencer platforms as tactical campaign advertising and promotion tools, Unilever Bangladesh Limited can pursue and develop long-term influencer and influencer marketing capabilities and community engagement capabilities as relational loyalty program assets.

Fourth, embedding trust and governance into a digital process. Privacy-by-design principles, transparent data practices, influencer disclosure standards, and brand safety monitoring should be treated as enabling capabilities that protect loyalty rather than as compliance burdens.

Finally, transform organisational routines for speed and learning. Unilever Bangladesh Limited should move toward agile cross-functional growth squads supported by modular content systems and shared data architecture. This shall enable the organisation to adapt to platform volatility much more effectively with continuous improvement in loyalty outcomes as an ongoing process of learning.

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