

INFLUENCE OF ADAPTIVE MARKETING IN CUSTOMER RETENTION USING DIGITAL NUDGING

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ABSTRACT

Using technology, data, and real-time insights, adaptive marketing customises marketing initiatives to fit particular customer demands and behaviours. This method is particularly successful in digital nudging, wherein digital interfaces gently direct users towards intended actions. This study explores the relationship between adaptive marketing and customer loyalty in the digital commerce landscape. It explores the Nudge Constellation, Quantum Engagement, Trust Event Horizon, and Warp Speed Retention. Digital nudges guide users towards desired actions, but when combined with adaptability, the magic intensifies. Adaptive marketing is a quantum superposition of tactics, impacting engagement metrics like click-through rates and dwell time. Trust is the central focus, and adaptive marketing fuels customer retention through personalised onboarding and loyalty programs.

INTRODUCTION

Adaptive marketing is a dynamic method in which consumer comments and real-time data constantly shapes marketing strategy and techniques. It uses artificial intelligence (AI), machine learning, and big data analytics among other technologies to provide consumers relevant and personalised marketing experiences.

Adaptive marketing is applied in the following sectors and areas:

- Online stores utilise adaptive marketing to personalise shopping experiences, suggest items, and design focused promotions depending on user preferences and behaviour.
- Brick-and-mortar retailers apply adaptive marketing for tailored in-store experiences including mobile app-targeted promotions, loyalty programs, and real-time inventory changes.
- Marketers use adaptive marketing to instantly maximise digital ad campaigns by changing ad placements, creative content, and targeting criteria depending on performance data.
- Adaptive marketing helps companies respond to consumer interactions, trends, and feedback by customising material and engagement techniques on social media channels.
- Adaptive marketing lets content, timing, and frequency change depending on recipient behaviour and engagement measures, enabling tailored email campaigns.
- Banks and other financial services use adaptive marketing to provide individualised financial advice, product recommendations, and services depending on consumer data and interactions.
- Adaptive marketing allows telecommunications firms to customise offers, service suggestions, and customer support depending on user data and network usage trends.
- Airlines, hotels, and travel agents utilise adaptive marketing to personalise travel experiences, run focused discounts, and enhance customer service.
- Automotive: Using adaptive marketing, car manufacturers and dealers customise marketing messaging, provide individualised discounts, and improve customer relations grounded on user data.
- Using adaptive marketing, healthcare providers and insurance companies interact with patients with tailored health material, appointment reminders, and wellness programmes.
- Streaming services, media firms, and content creators utilise adaptive marketing to suggest items, personalise user experiences, and involve audiences depending on viewing behaviour and preferences.
- Adaptive marketing is used in educational institutions and e-learning systems to customise course suggestions, material delivery, and engagement techniques depending on student behaviour and development.
- By using real-time data and insights, adaptive marketing—which is generally used across many sectors to improve consumer experiences, raise engagement—and drive better company outcomes—is becoming increasingly important.
- Through encouraging innovation, increasing corporate efficiency, and upgrading customer experiences, adaptive marketing significantly helps the economy grow. Adaptive marketing offers the following numerous strategies to support economic growth.
- Personalising marketing initiatives help companies more effectively satisfy customer requirements and preferences, therefore promoting higher satisfaction and more expenditure.
- Customised offers and promotions inspire more regular buying, therefore increasing corporate income.
- Adaptive marketing lets companies react fast to consumer trends and changes in the market, therefore preserving their competitiveness.
- Businesses can spot and seize fresh prospects more quickly, therefore promoting a more dynamic and competitive market.
- Using cutting-edge technologies like artificial intelligence and machine learning in adaptive marketing forces companies to innovate.
- This creativity affects general company operations, customer service, product development, and marketing only.
- Focusing on tactics that maximise returns helps

adaptive marketing to enable more effective distribution of marketing dollars. By cutting waste and using their resources, companies may improve financial results and create economic stability.

- Targeting specific markets and customising consumer interactions, adaptive marketing helps Small and Medium-Sized Enterprises (SMEs) compete with bigger companies.
- As SMEs expand thanks in part to this democratization of marketing techniques, job creation and economic diversification follow.
- Drives Job Creation: As adaptive marketing spreads, so does the need for qualified individuals in data analytics, digital marketing, and technology development.
- In these highly sought-after fields, this demand drives workforce development and generates fresh employment prospects.
- Encouragement of consumer-centric markets via adaptive marketing helps companies to be more sensitive to consumer preferences and demands.
- Greater customer satisfaction and loyalty resulting from this consumer-centric strategy help to drive ongoing economic development.

Businesses applying adaptive marketing may efficiently reach and interact with foreign audiences, therefore broadening their market. This growth diversifies income sources, promotes the world economy, and facilitates international trade. Data analytics helps companies to make wise selections that increase operational effectiveness and strategic planning using which they drive decision making.

Better corporate results and general economic stability follow from this data-driven strategy. Rising company efficiency, consumer spending, and market competitiveness taken together help to drive economic growth. Adaptive marketing enables companies to flourish and expand, therefore supporting the more general economic development.

FUNDAMENTAL IDEAS OF NUDGING

In marketing, nudging is the gently directing or influencing action taken by consumers without thus

limiting their freedom of choice. Here is a closer examination of nudging's mechanisms and uses in marketing:

- Choice architecture is the arrangement of decisions' presentation to affect their outcome. In a cafeteria, for instance, arranging better food options at eye level to inspire better eating practices.
- Assuming that many individuals will continue with the default configuration, it is advisable to configure advantageous options like such. For instance, unless they choose not, to automatically enrol clients in a rewards programme.
- Using the actions of others to impact others is known as social proof. Showing that a product is a best-seller, for instance, or stressing favourable reviews will inspire others to buy.
- Making certain material more obvious and unforgettable helps with salience. For limited-time offers, for instance, emphasise them with strong colours or bold typeface.
- Priming: Exposing individuals to specific stimuli prior helps to gently change their impressions and actions. In ads, for instance, utilising pictures of satisfied consumers helps to establish a favourable relationship with the product.
- Anchoring: Offering an anchor—a reference point—that shapes next decisions and assessments. To give the discount additional weight, for instance, show a higher original price adjacent to a lowered price.

LITERATURE REVIEW

- Kristiningsih ji et al (2023) - "Adaptive Digital Marketing Approaches for MSMEs Amidst the COVID-19 Pandemic". Adaptive digital marketing strategies are crucial for MSMEs to enhance resilience, empower consumers, gain market insights, and make informed decisions amidst the Fourth Industrial Revolution and the COVID-19 pandemic.
- Darrell Norman Burrell et al (2023) - "Adaptive Marketing, Management Strategy, and Technology Innovation in Beverage and Hospitality Markets". As evidenced by Sweeter the Juice winery's response to the COVID-19

epidemic using technology-driven solutions guided by a management consultant, adaptive marketing is modifying strategies to changing surroundings.

- A. Leslie Gunatilaka (2023) - “The Adaptive Marketing of Penny Dreadful: Listening to The Dreadfuls”. In “The Adaptive Marketing of Penny Dreadful,” adaptive marketing—that is, Showtime matching methods with fan ideas from social media—improves engagement and innovatively approaches television marketing.
- Caroline Kalil Reimann et al (2022) - “Adaptive marketing capabilities, market orientation, and international performance: the moderation effect of competitive intensity”. Adaptive marketing is the ability of companies to evolve with the times using vigilant learning, experimentation, and open marketing, therefore improving international performance, particularly in competitive conditions.
- Irina Petlin et al (2022) - “Scientific and methodological approach to the evaluation of adaptive marketing strategy of hotel enterprise enterprises”. As the research on hotel sector marketing strategies indicates, adaptive marketing is modifying strategies depending on internal and external analysis to satisfy changing market conditions.
- Sayan Putatunda et al (2023) - “A BERT-based Ensemble Approach for Sentiment Classification of Customer Reviews and its Application to Nudge Marketing in e-Commerce”. Using sentiment analysis of consumer feedback, nudge marketing—a subtle tactic for e-commerce firms—allows them to lead consumers towards better decisions without coercion.
- Evan Polman et al (2023) - “Nudges Increase Choosing but Decrease Consuming: Longitudinal Studies of the Decoy, Default, and Compromise Effects”. As shown in longitudinal studies on the decoy, default, and compromise effects, nudging marketing influences decisions but may over time lower consumption.
- Viktor Ivankovic et al (2022) - “Market nudges

and autonomy”. In for-profit environments, market nudges might overwhelm individuals because of their uncontrolled character and stacking effect, therefore possibly affecting autonomy. Suggested to solve these issues are policy actions.

- Ajay Kumar Kadiyala (2022) - “Is Digital Nudging an Ethical Marketing Strategy?” Digital nudging is a marketing tactic based on smartphone apps meant to gently steer consumer behaviour. The study investigates its ethical consequences from consumer viewpoints, therefore addressing its acceptance as a marketing strategy.
- Alice Gimblett (2019) - “Nudging responses to marketing emails: Evidence from London Fireworks Campaign”. As the London Fireworks Campaign study shows, “nudge marketing involves using behavioural triggers like specificity, social proof, and reciprocity to enhance email response rates.”
- Blake M. DiCosola, Gina Neff (2022) - “Nudging Behavior Change: Using In-Group and Out-Group Social Comparisons to Encourage Healthier Choices”. According to the paper, “nudge marketing in health choices involves using in-group and out-group social comparisons at checkout to encourage healthier decisions.”
- Mark Passera (2011) - “Nudge this: behavioural economics & political marketing”. Using behavioural economics, nudging marketing gently influences choices. Emphasising prejudices and heuristics to properly guide decisions, it questions the presumption of reason.

ADAPTIVE MARKETING: HOW IT HELPS IN NUDGING

Using real-time data, analytics, and customised tactics, adaptive marketing responds dynamically to changing market conditions and specific customer behaviour. It’s a great strategy for improving customer retention and gently influencing behaviour. Adaptive marketing helps in various spheres as follows:

- Encouraging Customer Action

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- Adaptive marketing customises material and offers depending on particular client preferences, behaviour, and past encounters. This personalising raises the possibility of guiding consumers towards desired behaviour, such as signing up for a service or completing a purchase.
- Analysing market trends, rival pricing, and consumer behaviour in real time helps companies dynamically change prices to inspire purchase. This might inspire urgency or offer quick incentives meant to prod consumers to behave.
- By means of data-driven insights, companies may pinpoint pivotal points in the customer journey to deliver focused messages or offers, therefore acting as behavioural triggers. For instance, an instant follow-up email including a discount voucher can prod a buyer who leaves their cart to finish the purchase.
- Adaptive marketing is the constant testing of several approaches to identify the most successful one. A/B testing allows companies to hone their strategies and find the best means of nudging consumers.
- Improving Client Attachment- Adaptive marketing guarantees that consumers get relevant and customised experiences, therefore enhancing their level of happiness and loyalty. Customised recommendations, tailored materials, and bespoke offerings help clients to feel important.
- Predictive analytics—using customer data analysis—allows companies to forecast future actions and pinpoint clients in danger of attrition. This makes it possible to keep consumers involved through proactive initiatives including tailored retention campaigns.
- Real-time Engagement-Adaptive marketing lets real-time engagement happen across email, social media, mobile apps, etc. Responses to consumer behaviour and timely encounters help to strengthen bonds and retain clients by means of time.
- Gathering and evaluating client comments allows companies to better grasp their wants and problems. This input is used in adaptive marketing

to constantly enhance goods, services, and client contacts, thereby raising general satisfaction and retention.

- Adaptive marketing makes loyalty programmes more relevant and tailored, therefore improving their value. Customised rewards and recognition depending on personal preferences and behaviour help to keep consumers by increasing the efficacy of these initiatives.
- Businesses may build a more interesting and rewarding customer experience by always adjusting to consumer behaviours and preferences, therefore increasing retention rates and improving nudging towards desired activities.

All things considered, adaptive marketing is a great instrument for economic growth because of its capacity to personalise consumer experiences, maximise resources, and inspire invention. Adaptive marketing enables continuous economic development and success by improving firm performance and creating a dynamic market environment.

NUDGING APPLICATIONS IN MARKETING

- Email campaigns use customised content and subject lines to raise open and click-through rates. Including social proof—like “Join thousands of satisfied customers”—can prod them to interact.
- Using choice architecture in website navigation will help users towards intended activities, including newsletter registration or purchase completion. For instance, make use of unique call-to-action buttons.
- Using past behaviour to guide individualised product suggestions derived from data. This improves the shopping experience and encourages consumers towards more purchases as well.
- Simplifying the checkout process and hence lowering friction will help to lower cart abandonment. Giving orders exceeding a specific amount free delivery can encourage consumers to put additional goods on their cart.

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- Creating loyalty programmes using nudges to inspire regular participation is a challenge. Showing consumers that they are moving towards the next incentive, for instance, can inspire further purchases.
- Time-limited offers and scarcity messages—e.g., “Only 2 left in stock!”—help to generate urgency and drive consumers towards quick response.

GOOD NUDGING EXAMPLES

- Amazon encourages further purchases with nudging strategies including “Customers who bought this item also bought...” They also build urgency with scarcity signals like “Only 3 left in stock.”
- Personalised suggestions based on viewing behaviour from Netflix are a kind of nudging, urging consumers to find new content they are likely to appreciate, thereby keeping them involved on the platform.
- One classic example of nudging is arranging impulse-buy products like candy and magazines next to the checkout stations. The ease and visibility encourage consumers to buy last-minute.

In marketing, nudging is a subtle yet effective approach that lets companies shape consumer behaviour in a way that feels natural and nonassuming. Understanding and using nudging ideas will help businesses develop more successful plans that increase involvement, conversion, and client loyalty.

CONCLUSION:

Digital nudging is a strategy that helps companies provide personalised, engaging, and fulfilling customer experiences. It involves sending tailored emails, alerts, and messages based on a customer’s past behaviour, preferences, and interactions. This can lead to increased customer retention and repeat business. Behavioural notifications, such as reminders about remaining items in a customer’s basket, can encourage customers to complete purchases. An

improved user interface can also enhance customer satisfaction and loyalty. Quick interventions, such as chat windows or comments, can help prevent turnover. Gamification and loyalty programs can boost involvement, while instructional materials can improve the consumer experience. Social evidence and community development can foster loyalty and belonging. Continuous value transmission ensures engagement and continuous value. Examples of digital nudging include e-commerce, SaaS platforms, and reminders about renewals and membership benefits. Overall, digital nudging can help companies build long-term loyalty and retention.

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