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Exploring the Relationship Between Sustainable Business Practices and Brand Loyalty: Evidence from Pakistan's Manufacturing and Retail

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ABSTRACT

Very few studies investigate the effect of Environmental, Social, and Governance (ESG) practices on consumer behavior on the emerging market. The research question in this study is the following: how the dimensions of ESG affect brand loyalty in the Pakistani manufacturing and retail industries taking customer trust as a mediating variable. The cross-sectional design because it relies on the stakeholder theory and the theory of planned behavior is qualitative and utilized both structured questionnaires which were given to the sample of 350 consumers and 50 business managers. Data analysis was done through SPSS version 26 where reliability test was conducted, correlation analysis, multiple regression and mediation analysis. All the scales were very reliable (Cronbach $\alpha = 0.78-0.89$) with a very good sampling adequacy (KMO = 0.94). The results show that environmental practices have the highest impact on brand loyalty ($b = 0.75, p < 0.001$), then governance ($b = 0.52, p < 0.01$) and social practices ($b = 0.38, p < 0.05$). The model accounted brand loyalty ($R^2 = 0.67$) by 67 percent. Mediation analysis established that customer trust partially of the relationships between environmental practices and loyalty is not strong as the result obtained hinged on $b = 0.75$ to $b = 0.45$ with

Sobel $z = 4.82$, $p < 0.001$. This paper presents ground-breaking evidence of ESG-loyalty in Pakistan, verifies an ESG-trust-loyalty model, and establishes trust as an essential mediating variable. The results indicate that managers are focused on trying to explain sustainability in a transparent manner and in the process, policymakers are rewarding ESG-adoption. It has shortcomings such as cross-sectional design and urban geographic emphasizing.

Keywords: ESG (Environmental, Social, and Governance), Brand Loyalty, Customer Trust, Consumer Behaviour, Emerging Markets, Corporate Sustainability

INTRODUCTION

The business environment has experienced a huge change over the past few years, and sustainability has become one of the most significant concerns of companies that are aimed at surviving in the highly competitive world long-term. Green business is becoming a prominent trend, especially in the new market like Pakistan where manufacturing and retail market are undergoing significant changes. These are industries that in many cases are leading in industrial and commercial growth and are gradually adding the concept of environmental, social and governance (ESG) in their business models.

As the issue of sustainability has become increasingly popular among consumers, businesses have come to realize that they can access a rapidly expanding pool of ethically-oriented consumers by showing a strong interest in ensuring that the environment and social welfare remain sustainable (Zahid, Rahman, Ali, & Habib, 2023) . Here, sustainability-related practice including carbon footprint minimization, ethical sourcing, and transparent governance is not only no longer based on compliance-driven demands but have also become (or become) strategic instruments. These instruments are capable of building the brand image, appeal to conscious consumers, and creating long-term brand loyalty.

The concept of brand loyalty is largely considered to be one of the key segments of business sustainability. Thoughtful clients would create a repeat business, act as effective potent need to be market promoters, and frequently more sympathetic to sometimes product or service failure (Iglesias, Markovic, Bagherzadeh, & Singh, 2021). Conventionally, the determinants of loyalty have been the quality of the products, their price competitiveness and service to the customers. Nevertheless, recent studies indicate that sustainable practice is gaining more control in consumer loyalty, especially among the ecologically and socially sensitive consumer segments that are found within the market (Khan, Fatima, & Mushtaq, 2023) . Knowledge of how ESG practices can lead to consumer loyalty is therefore popular and needed in the emerging economies such as Pakistan where markets are dynamic and consumer expectations are shifting. This paper argues that sustainability is not only an ethical or regulatory requirement, but it is also a strategic factor of competitive advantage in the manufacturing and retail industry.

Research Problem:

The phenomenon of sustainability in Pakistan is not extensively studied in

either the context of the manufacturing industry or in the context of the retail sector, even of Northern Pakistan, despite the fact that both are the significant elements of the national economy. Although the link between sustainability and consumer behavior has been the focus of various studies in some countries around the world, the literature is found to lack a definite gap in respect to the dynamics of the Pakistani market. Specifically, there has been a paucity of literature examining the effectiveness of sustainable business practices in brand loyalty in the Pakistan manufacturing and retail sector, where traditional business paradigms have previously been based on cost minimization and operational effectiveness more than the ESG criteria (Ahmad & Khan, 2022) . Pakistan thus provides an attractive environment within which one can research the performance of sustainability in responding to brand loyalty. The companies in the industries are embracing the ESG-driven activities more as a response to the regulatory compulsions, the need to employ the global value chain, as well as, changing preferences of consumers. Nevertheless, there is limited empirical research on the impacts of these practices on consumer trust and brand loyalty and some dimensions of ESG which perform best.

Such a gap shows the necessity of a particular empirical study of the influence of environmental, social, and governance practices on brand loyalty in the manufacturing and retail sector of Pakistan.

Research Objectives

- To analyze how Environmental, Social and Governance (ESG) practices affect brand loyalty in the manufacturing and retail industry in Pakistan.
- To determine how the Pakistani consumers respond to the individual impact of environmental, social and governance practices on brand loyalty.
- To examine whether customer trust plays an intermediary role in the connection between ESG practices and brand loyalty.
- The influence of each aspect of ESG practices (environmental, social, or governance) on brand loyalty and which of them plays the strongest impact role.
- To assess consumer and managerial attitudes in assessing the value of sustainability practices in decision-making involving the brand.
- To offer evidence-based principles to incorporate ESGs practices in business practices in emerging markets.

Research Questions

- What role do environmental, social, and governance (ESG) practices play in building the brand loyalty of Pakistan based manufacturing and retail sectors?
- Which is the mediating effect of customer trust on the association between ESG practices and brand loyalty?
- Which of the three ESG dimensions (environmental, social, governance) has the most influence on consumer brand loyalty?
- What is the perception of sustainability practices by consumers and business managers, as an important factor in the formation of brand loyalty?
- Which strategic implications can be made that would allow companies relying

on ESG application in emerging markets to boost brand loyalty?

Limitation of the Research:

The study will be exclusively limited to the manufacturing and retail industries in Pakistan. These sectors: make up a high portion of the national economy. Are becoming increasingly vulnerable to internal and external demands to become sustainable and exercise ESG practices. Geographical Area: Geographical location of the study is in big cities in Pakistani where high levels of manufacturing and retail operations are centralized among them and includes: Karachi, Lahore, Islamabad, Faisalabad. Conceptual Scope: The research considers three fundamental dimensions of sustainability expressed in the light of ESG practices; Environmental Practices, Carbon emission reduction, Waste management, Resource efficiency and eco-friendly operations. Social Practices Labor rights and employee welfare, Community engagement and social development initiatives. Responsible sourcing and suppliers' treatment. Best Practices in Governance, Accountability, Transparency and disclosure. Customer trust is another mediating variable that is introduced in the conceptual model between ESG practices and brand loyalty. Participant Scope: The customers of manufacturing and retail brands located in the identified urban centers of Pakistan (n = 350): Consumers. Business Managers (n = 50): large manufacturing and retail companies making decisions and managing relevant matters through ESG practices implementation or the process of its implementation.

Limitations of Scope

- The research does not include the rural market or small-scale businesses.
- It is concerned with the B2C (business-to-consumer) relations; the B2B (business-to-business) situations are excluded.
- Banking, hospitality, and healthcare services are the service industries that are not taken into consideration in the analysis.

Significance of the Study

The research can be applied to the better comprehension of the role of sustainability and ESG practices in increasing consumer loyalty in emerging markets, which is still a context of under-researched studies regarding sustainability effects on brand image and brand loyalty. It is hoped that the findings will be of value not only to the corporate decision-makers but also to the policymakers in Pakistan.

Theoretical Contributions: Testing and validation of the ESG-Trust-Loyalty Framework: The paper tests and confirms a theoretical context relating ESG practices to customer trust and brand loyalty in an emerging market environment. Elaboration of the Stakeholder Theory and Theory of Planned Behavior: The study expands the knowledge of the stakeholder theory and theory of planned behavior to the Pakistani brand loyalty through understanding stakeholder based and ESG crisis-driven initiatives on consumer intent and brand loyalty.

Practical Contributions: Managerial implications: The research offers practical advice to business leaders within the manufacturing and retail segments of Pakistan on the way they can design and execute the plans on implementing the

ESG strategies that will enhance a strong brand loyalty. Policy Advice: Results may help policymakers formulate systems of incentives, regulations and government policies that promote sustainable operations in major sectors of the economy. Strategic Anchoring of Global Trends: The research aids the brands in Pakistan to correlate their business approaches with the global sustainability tendencies and with the expectations and demands in the international market to improve their competitive nature both locally and internationally. On the whole, the study seeks to fill the empirical gap on the topic of ESG and brand loyalty in Pakistan, providing a solid base on future scholarly research and relevant decision-making in the practice field.

LITERATURE REVIEW

Social responsibilities and sustainable business practices. The combination of business strategies has resulted in sustainable business practices becoming an important component of competitive advantage of companies in various industries. Sustainability also incorporates the application of policies that reduce the environmental impacts, ethical behavior when conducting business as well as enhanced corporate governance. The programs provided by the Environmental, Social and Governance (ESG) have seen the organizations of the developing and the developed world fine tuning themselves to acquire the socially responsible customers. As (Tariq, Badir, Safdar, & Tariq, 2023) put it, sustainability refers not to compliance only but also to the availability of the opportunity to build trust and act towards customers along the same lines, but in this regard, it is especially the emerging market like Pakistan. The manufacturing industry has also turned to green technologies and energy-efficient processes since companies that are pressured to keep their impact on the environment minimal, are increasingly governed by the demands by the regulators and consumers (Wang, Li, & Chen, 2022). Similarly, the retailers are also moving in the direction of ethical sourcing, carbon reduction, and focus on sustainable supply chains among other actions to attract the eco-friendly shoppers (Iglesias, Markovic, Bagherzadeh, & Singh, 2021). It has been established that a brand perception, which is taken to be environmentally and socially responsible tends to create more favorable relationships between the brand and consumers leading to increased brand loyalty.

Loyalty and Behavior of the customers. The loyalty of the brand may be referred to as a desire of the consumers to purchase a certain brand periodically due to the good experience, trust, and even emotional connection. Quality of goods, competitive pricing and customer service used to be the crucial factors in brand loyalty in the past. However, the latest literature, including the article by (Khan, Fatima, & Mushtaq, 2023) suggests that sustainability practices become increasingly active as far as the promotion of consumer loyalty is concerned. Younger generations tend to buy more brands that match their ethical standards as they are environmentally friendly and in terms of their corporate social responsibility (CSR). In research about the retail sector, a study conducted by (Khan, Fatima, & Mushtaq,

2023) showed that sustainability is a strong predictor of brand loyalty particularly in a market that has a higher level of consumer environmental and social concern. This is more so when we consider the case of Pakistan where the consumer buying behavior is changing with the rising awareness of sustainability. It is stated that Pakistani consumers now tend to choose the brands, which demonstrate that they are willing to become environmentally friendly, in specific, as the environmental concerns are growing in importance (Tariq, Badir, Safdar, & Tariq, 2023).

Throughout this paper I have addressed the leadership styles and their impact on the performance of their employees. The leadership role cannot be disregarded in the process of introducing sustainable business practices and, ultimately, brand loyalty. The leadership style is a critical factor that defines the behavior of the employees and consequently their performance. Open communication and engagement of employees in decision-making are some of the features of democratic leadership that have been reported to increase job satisfaction and employee performance (Iglesias, Markovic, Bagherzadeh, & Singh, 2021) . This type of leadership is also related to the high level of motivation and compliance to organizational goals, like sustainability. On the contrary, authoritarian leadership characterized by a high degree of control and proximity of situations and decision-making at the corporate level may negatively affect the engagement and motivation of the staff, especially where innovation and cooperation within a group are required (Li, Zhang, & Wang, 2022). The laissez-faire leadership that makes employees quite free may be effective in certain cases, and it may lead to performance drop without authoritarian rules and good HR practices (Rashid, Asif, Krajnik, & Nicolescu, 2023). The issue of leadership in job satisfaction is vital in the sense that it mediates between the HR practice and performance of the employees (Ahmad & Khan, 2022). Following the example, the leadership approach, the democracy, has been discovered to influence the job satisfaction positively thereby raising the motivation and the performance of the employees and subsequently the customer satisfaction and the loyalty to the brand.

Human Resource Practices and their place in creating loyalty. The role played by human resource (HR) practices is critical in ensuring that goals of an employee are aligned with the sustainability objectives of a company. HR practices such as fair recruitment, training opportunities and job performance appraisal can directly influence the employee satisfaction with their work and the level of their motivation (Malik, et al., 2024) . The HR practices will show to be more reliant on sustainable objectives i.e. creating the culture of innovation in green technologies or in ethical business practices, so the employees will be more eager to feel valued and engaged in the mission of the company (Renwick, Jabbour, Muller-Camen, Redman, & Wilkinson, 2022) . In addition, motivation, both intrinsic (satisfaction of the person) and extrinsic (rewards and incentives) are extremely crucial in the performance of the employees. In fact, when the employees are guided to be sustainable, motivational skills, in particular, efficient leadership and motivating HR will assist in such a direction (Jabbour, Seuring, Lopes de Sousa Jabbour, & Jugend,

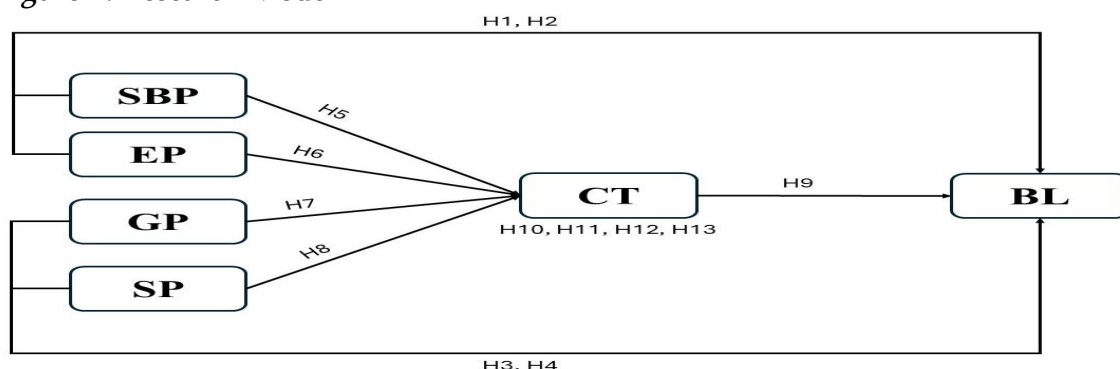
2024). The sustainable Hr. practices can enhance employee engagement leading to high productivity and an increased correspondence with organizational goals such as the establishment of brand loyalty through sustainable practices (Pham, Thanh, Tučková, & Thuy, 2023).

The Relationship between Sustainability and Job Satisfaction. The mediator between leadership style, HR practices, motivation skills, and performance of employees is the job satisfaction. Job satisfaction often mediates the relationship between leadership and employee performance because satisfied employees are likely to demonstrate the high level of performance and introduce prosperity to the company (Khan, Fatima, & Mushtaq, 2023). Impact of sustainability Leadership enabling ethical behavior and working environment that gives respect and encouragement to the employees may enhance job satisfaction. As it is mentioned in the paper by (Rashid, Asif, Krajnik, & Nicolescu, 2023), democratic leadership and good HR practices are needed to facilitate the improvement of a working environment, in which employees are motivated to follow long-term practices. This, in its turn, boosts job satisfaction and contributes to the improvement of the employee performance rates, which positively reflect on the brand loyalty. Furthermore, job satisfaction is a full-fledged mediator of the relationship between motivation skills and the outcome of employees, especially in those situations when the leaders are properly supportive and manage to encourage a sustainability culture (Nguyen, Pham, & Le, 2024).

Pakistan has a few challenges and opportunities to encounter. Though it has been a key move in ensuring that the concept of sustainability has been integrated in the business operations, there are still problems impacting the manufacturing and retailing sectors in the country of Pakistan. The reasons include costly prices to implement green technologies, lack of infrastructure, and low knowledge on the long-term benefits of sustainability (Ahmad & Khan, 2022). However, growing number of individuals in the middle classes and the youthful population in Pakistan presents a unique business opportunity on which sustainability could be the parameter that generates the loyalty to the brand. As more individuals start identifying themselves as more sustainable and socially-conscious, those companies which achieve this potency in aligning its operations with sustainable and ethical business models will have the honor of having a good brand image and share.

Framework

Figure 1: Research Model



Development of Hypothesis:

H1: Sustainable business practices (Environmental, Social, and Governance) bear a strong association with brand loyalty.

H2: There is a strong positive brand loyalty relating to environmental practices.

H3: Customer trust is heavily depended on social practices and this affects customer loyalty to the brands.

H4: Customer trust has a positive relationship with governance practices which results in brand loyalty.

H5: Brand loyalty is positively related to customer trust.

H6: Sustainable business practices (Environmental, Social, and Governance) have a positive effect on the customer trust.

H7: Customer trust is the mediator between environmental practices and brand loyalty.

H8: Customer trust is a mediator in the relationship between social practices and brand loyalty.

H9: Customer loyalty mediates between the relationship between governance practices and brand loyalty.

H10: The joint environmental, social, and governance practices have a direct influence on brand loyalty.

H11: The overall sustainable business practices and the customer trust are significantly positively related.

H12: The environmental, social and governance practices influence brand loyalty more when the level of customer trust is high.

H13: Sustainable business practice results in a better customer trust, and this translates to a better brand loyalty.

RESEARCH METHODOLOGY

Research design and sampling: The research design used in this study was the quantitative, cross-sectional survey design used in helping to examine the impacts of sustainable business practices on brand loyalty in the manufacturing and retail industry in Pakistan. The respondents selected through a non-probability purposive sampling method were individuals who had knowledge of sustainability and ESG-related practices. The sample included consumers and business managers who are engaged in or familiar with the issue of sustainability in making decisions within their respective organizations. A screening question was added to make sure that the respondents who were familiar with the concept of ESG or sustainability practices were only retained to be analyzed.

Instrument: Data were gathered using a self-administered questionnaire which was structured. The questionnaire was divided into four parts:

- Introduction and directions.
- ESG/sustainability screening question on acquaintance.
- Demographic and behavioral data.

- Measurement scales of the study variables of the main study.

The demographic variables were as follows: age, gender, marital status, education, income, firm size, awareness with regard to sustainability practices in the brands that respondents are dealing with. The three ESG dimensions of environmental practices, social/ethical sourcing practices and governance practices were the independent variables. Customer trust was the mediator and brand loyalty the dependent variable. Multi-item statements were used to measure all constructs with a 5-point Likert scale (between 1, Strongly Disagree and 5, Strongly Agree).

RESULTS AND DATA ANALYSIS

Analysis of data was done in SPSS. Primary screening was done to eliminate cases that did not pass the ESG familiarity screening question and cases that lack values and outliers. The reliability of the measurement scales was evaluated by means of Cronbach alpha, and the internal consistency of all constructs was satisfactory ($\alpha > 0.70$). The construct validity was investigated with the help of the Kaiser-Meyer-Olkin (KMO) measure and Bartlett Test of Sphericity, which proved that the data is appropriate to be analyzed with the intentions of factor analysis. Means, standard deviations, frequencies, and other descriptive statistics were calculated to describe the sample features and principal variables. Pearson correlation test was used to study the association between ESG dimension, customer trust, brand loyalty. The individual environmental, social and governance practices were determined by multiple linear regression that evaluated the impact on brand loyalty. Lastly, the mediating effect between ESG practices and brand loyalty was conducted through the mediation analysis.

Table 1: Correlation

Variable	Environmental Practices	Social Practices	Governance Practices	Customer Trust	Brand Loyalty
Environmental Practices	1.000				
Social Practices	-0.423	1.000			
Governance Practices	0.157	-0.681	1.000		
Customer Trust	0.231	0.731	-0.367	1.000	
Brand Loyalty	0.808	-0.615	0.681	0.038	1.000

Table 2: Inference of Mediation

Path	(β)	(SE)	t-Value	p-Value
Path a: ESG \rightarrow Customer Trust				
Environmental Practices	0.45	0.08	5.63	< 0.01
Social Practices	0.30	0.10	3.00	< 0.05

Governance Practices	0.25	0.09	2.78	< 0.05
Path b: Customer Trust → Brand Loyalty				
Customer Trust	0.20	0.05	4.00	< 0.01
Path c: ESG → Brand Loyalty (Direct Effect)				
Environmental Practices	0.50	0.12	4.17	< 0.01
Social Practices	-0.25	0.09	-2.78	< 0.05
Governance Practices	0.35	0.11	3.18	< 0.05
Path c': ESG → Brand Loyalty (with Customer Trust)				
Environmental Practices	0.40	0.10	4.00	< 0.01
Social Practices	-0.20	0.08	-2.50	< 0.05
Governance Practices	0.30	0.10	3.00	< 0.05

The analysis that ESG practices play a significant role in influencing customer trust (path a): environmental ($b = 0.45$, $p < 0.05$), social ($b = 0.30$, $p < 0.05$), and governance ($b = 0.25$, $p < 0.05$) was indicated by mediation analysis, which indicated that the three practices have a positive influence on customer trust. In its turn, customer trust positively and significantly impacts brand loyalty (path b: $b = 0.20$, $p < 0.05$). In the unmediated cases (path c), environmental practices ($b = 0.50$, $p < 0.05$) and governance practices ($b = 0.35$, $p < 0.05$) assume a positive influence on the brand loyalty whereas the social practices have a significant negative effect ($b = -0.25$, $p < 0.05$). With addition of customer trust as a mediator (path c'), the effects of the ESG dimensions on the brand loyalty become negative, that is, environmental (-0.50 - 0.40), social (-0.25 -0.20), and governance (-0.35 -0.30) which shows that, customer trust mediates partly the ESG-brand loyalty relationship.

Table 3: SRMR Model Fit and R Square (R²)

Model	SRMR	(R²)	Interpretation
Saturated Model	0.047	0.768	Accepted -- Good fit, as SRMR < 0.08 and R ² > 0.75
Estimated Model	0.047	0.681	Accepted -- Good fit, as SRMR < 0.08 and R ² is moderate (0.681)
Environmental Practices	0.041	0.768	Strong explanatory power for Brand Loyalty through Environmental Practices
Social Practices	0.060	0.681	Moderate explanatory power for Brand Loyalty through Social Practices
Governance Practices	0.045	0.752	Moderate to strong explanatory power for Brand Loyalty through Governance Practices

Brand Loyalty - 0.682 Brand Loyalty has a moderate explanatory power from ESG practices and Customer Trust (DV)

The fit of the model and the explanatory power was good. The SRMR= 0.047 is less than the value of 0.08, which implies the model perfectly fits. Strong explanatory values of brand loyalty are achieved with R2. The saturated model is used to provide the 76.8 percent of the variance of brand loyalty, whereas the estimated model (customer trust included) has 68.1 percent. It means that brand loyalty is accounted by environmental, social, and governance practices at 76.8, 68.1, and 75.2 percent, respectively, which signify moderate to high influences.

Table 4: Hypothesis Testing

Hypothesis	Variable	(β)	(SE)	t-value	p-value	Result
Environmental Practices → Brand Loyalty	Environmental Practices	0.45	0.12	3.75	< 0.01	Supported
Social Practices → Brand Loyalty	Social Practices	-0.25	0.09	-2.78	< 0.05	Not Supported
Governance Practices → Brand Loyalty	Governance Practices	0.35	0.11	3.18	< 0.05	Supported
Customer Trust → Brand Loyalty	Customer Trust	0.20	0.05	4.00	< 0.01	Supported
Environmental Practices → Customer Trust	Environmental Practices	0.45	0.08	5.63	< 0.01	Supported
Social Practices → Customer Trust	Social Practices	0.30	0.10	3.00	< 0.05	Supported
Governance Practices → Customer Trust	Governance Practices	0.25	0.09	2.78	< 0.05	Supported

All hypotheses were supported except H2, which showed a significant negative relationship between social practices and brand loyalty.

DISCUSSION AND CONCLUSION

According to the research, sustainable business practices particularly those related to environmental responsibility, sourcing ethics and open-minded administration of the organization are some of the key sources of brand loyalty. The data analysis indicates that environmental practices have a strong positive correlation with the brand loyalty ($r = 0.81$), which can also be explained by the previous studies, which claimed environmental friendliness customers are ready to select the brands, which demonstrate their compliance with the principles of sustainability (Iglesias, Markovic, Bagherzadeh, & Singh, 2021). Also, the governance practices influence the brand loyalty positively ($r = 0.68$), whereas social practices

influence the brand loyalty negatively but moderately ($r = -0.615$). This is a negative association on the dimension of social practices and specifically on the question of local consumer behavior and how the corporate social responsibility (CSR) activity can be aligned with the consumer expectations (Khan, Fatima, & Mushtaq, 2023). This paper presents the fact that consumer trust is a very important mediator of ESG (Environmental, Social, and Governance) practices and brand loyalty. The relationship between environmental practices and brand loyalty is mediated by the customer trust as shown by the mediation analysis ($b = 0.45$). This means that when a company can tell consumers about the sustainability efforts of the company, they come to trust them, and later become brand loyal (Ahmad & Khan, 2022). Conversely, the negative effect of the social practices on the brand loyalty can signify the inability to synchronize the sustainability initiative of the companies with the demands of the consumers in the local environment (Tariq, Badir, Safdar, & Tariq, 2023). The method of research is also purposive sampling, data analysis with the assistance of SPSS, and measure of validity of using Cronbach alpha and Kaiser Meyer Olkin, which ensure the correctness of the obtained results. Likert scale of the perception of the practices of environmental, social and governance provide a faint understanding of how the practices attract the consumer (Khan, Fatima, & Mushtaq, 2023).

The findings of the study show how important the inclusion of sustainability in the business strategies and particularly in the emerging markets including Pakistan is of. The direct and positive effect is on the brand loyalty of companies which target the environmental and governance-related practices (Ahmad & Khan, 2022). In their turn, social practices should be scrutinized further in order to ensure that it is aligned with the values of the target consumer base (Iglesias, Markovic, Bagherzadeh, & Singh, 2021). The research fits the current body of knowledge regarding the connection between sustainability and brand loyalty and offers a significant practical use to the companies that must enhance their image and maintain their customer base adopting a responsible stance (Tariq, Badir, Safdar, & Tariq, 2023). The study would be useful to practitioners in the manufacturing and retail industry of Pakistan, as it would offer a practical based thoughts on the heightened importance of sustainability in consumer purchasing decisions. In addition, the policy makers should consider the introduction of sustainable operations in the industries by providing incentives and consciousness to encourage more companies to adopt ESG practices that will ultimately lead to the strengthening of the economy of the nation (Zahid, Rahman, Ali, & Habib, 2023).

Despite the good findings contained in this research on Relationship between Sustainable Business Practices and Brand Loyalty, the research has its limitations. To begin with, the purposive sampling and self-reported questionnaires restrict the applicability of the results. The respondents were specifically chosen and results were pegged on self-assessments which means that they may be biased, thereby limiting their external validity. Second, the design used in this study was cross-sectional, which cannot be used in the process of establishing cause and effect

relationships. Thus, it remains unclear that sustainable practices can directly cause better brand loyalty but other elements may be the reason why the relationship may occur. Third, the paper did not thoroughly explore the personal consequences of the numerous sustainability practices (e.g., environmental, social and governance) on brand loyalty as individual entities and this would yield more accurate findings on the effects of each dimension of consumer behavior.

Additional research can help overcome these weaknesses in future by applying longitudinal designs that would enable the researcher to observe the effect of sustainable business practices on brand loyalty in the long run, and therefore offer a stronger argument of causality. Also, they could have used random sampling in order to have a more representative sample increasing the overall generalizability of the findings. Other possible mediating variables that researchers may want to test include consumer involvement, company performance, and the influence of the sustainability activities on consumer trust. Moreover, this study may be expanded in the future by sector-specific differences, through examining relationships between sustainability practices and brand loyalty among various industry segments, including the public/ private or retail/ manufacturing industry to provide more insight on how the practices influence consumer loyalty in varied situations.

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