Customer Engagement

This case emphasizes the importance of customer engagement (hereafter, CE) to marketing practice, particularly consumer marketing. We will review the existing evidence related to the role of customer engagement in marketing practice from a critical thinking perspective, and ultimately make recommendations for how Best Buy should seek to increase customer engagement as part of their marketing strategy going forward.

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Why a Focus on Customer Engagement (CE)?

There is an abundance of evidence supporting the conclusion that increasing CE is generally associated with “good/better” marketing outcomes. SAP recently identified 44 facts helping to make this case in defining the future of CE based from a variety of information sources (see http://www.slideshare.net/sapcrm/44-facts-defining-the-future-of-customer-engagement). The transcript from this slideshow is presented below:

**44 Facts Defining the Future of Customer Engagement Presentation Transcript**

- 1. 44 FACTS DEFINING THE FUTURE OF CUSTOMER ENGAGEMENT
- 2. Customers who are fully engaged represent an average 23% premium in terms of share of wallet, profitability, revenue and relationship growth compared with the average customer. (Gallup State of the American Consumer 2014)
- 3. In the consumer electronics industry, fully engaged shoppers make 44% more visits per year to their preferred retailer than do actively disengaged shoppers. And when they do visit their preferred electronics retailer, these fully engaged shoppers purchase more items than they originally intended to. (Gallup State of the American Consumer 2014)
- 4. In the retail banking industry, customers who are fully engaged bring 37% more annual revenue to their primary bank than do customers who are actively disengaged. (Gallup State of the American Consumer 2014)
- 5. Fully engaged policy owners purchase 22% more types of insurance products than actively disengaged policy owners do. (Gallup State of the American Consumer 2014)
- 6. Fully engaged hotel guests spend 46% more per year than actively disengaged hospitality industry guests spend. (Gallup State of the American Consumer 2014)
- 7. 52% of those surveyed whose organizations are building customer service apps for mobile devices are also creating mobile-friendly websites vs. 36% who are creating native iOS/Android mobile apps. (Social Media Today: The Social Customer Engagement Index 2014)
- 8. 27% of companies say it takes them less than an hour to respond to questions/issues on social channels. (Social Media Today: The Social Customer Engagement Index 2014)
- 9. 15% of companies surveyed say more than 25% of customer service inquiries are initiated over social channels. (Social Media Today: The Social Customer Engagement Index 2014)
- 10. 60% of organizations see that customer service will be the top source of competitive differentiation in the next three years. (The Service Council’s (TSC) Service Transformation: The Business Case)
- 11. 71% of organizations indicate increasing importance being placed on service. The Service Council’s (TSC) Service Transformation: The Business Case
- 12. 66% of customers are willing to spend more with companies who provide superior customer service. (SAP, Customer Service is the Heart of Marketing)
- 13. 52% of companies say Facebook is the most effective social channel for customer service. (Social Media Today: The Social Customer Engagement Index 2014)
- 14. 32% say they have seen very positive impact from social on customer service goals and objectives. (Social Media Today: The Social Customer Engagement Index 2014)
• 15. 81% of companies say social customer service strategy is integrated into overall social strategy of the organization. (Social Media Today: The Social Customer Engagement Index 2014)

• 16. 45% of buyers require person-to- person contact in the buying process (ITSMACFO)

• 17. Algorithms based on customer usage patterns can predict when a customer will be interested in a specific product, and provide sales teams with prompts to approach the customer with tailored upsell and cross-sell offers. These efforts can achieve improvements of 10 – 15% EBITDA in subscription businesses. (McKinsey 2013)

• 18. Customer retention is 14% higher among companies applying big data and analytics to deal velocity. Aberdeen Customer Engagement Report 2014

• 19. 100% of best-in-class companies provide Sales with remote access to social media. Aberdeen Customer Engagement Report 2014

• 20. By 2016, the web will influence more than 50% of all retail transactions, representing a potential sales opportunity of almost $2 trillion. (US Cross-Channel Retail Forecast, 2011 to 2016, Forrester Research, July 2012)

• 21. Companies that put data at the center of their marketing and sales decisions improve their marketing return on investment by 15-20% (McKinsey 2013)

• 22. Only 14% of marketers say customer centricity is ranked high within their organization; only 11% percent say that their customers would say customer centricity is ranked high within their organization. The CMO Council, Mastering Adaptive Customer Engagement (2014)

• 23. 66% of marketers believe that quick response times to customer requests or complaints is the most important attribute demonstrating customer centricity through the eyes of their customers. The CMO Council, Mastering Adaptive Customer Engagement (2014)

• 24. Facebook’s “like” button is pressed 2.7 billion times every day across the web, revealing users’ interests. (BI Intelligence 2014 Report)

• 25. An integrated analytic approach can free up some 15 - 20% of marketing spending. Worldwide, that equates to as much as $200 billion that can be reinvested by companies or drop straight to the bottom line. (McKinsey 2014)

• 26. 52% of Marketing Execs surveyed say that it is a combination the people, the processes and the platforms needed to properly develop, manage, measure and continue delivery of the customer experience. The CMO Council, Mastering Adaptive Customer Engagement (2014)

• 27. 52% of Twitter users in the U.S. consume news on the site (more than the percent of those who do so on Facebook), according to Pew Research. (BI Intelligence 2014 Report)

• 28. According to a CEI Survey, 86% of buyers will pay more for a better customer experience, but only 1% of customers feel that vendors consistently meet their expectations. (Forbes)

• 29. 73% of marketers view customer centricity as critical to the success of their business and role at the company. The CMO Council, Mastering Adaptive Customer Engagement (2014)

• 30. 70% of buying experiences are based on how the customer feels they are being treated. (McKinsey)

• 31. A 2% increase in customer retention has the same effect as decreasing costs by 10% (Leading on the Edge of Chaos, Emmet Murphy and Mark Murphy)
32. 55% of consumers would pay more for a better customer experience. (Defaqto Research)
33. The customer experience will reign as the primary investment target in 2014 as 68% of businesses plan to increase their customer management spend. (2014 Call Center Executive Priorities Report)
34. The majority of businesses are unable to support an omni-channel customer journey. Only 12% can provide a seamless hand-off between channels. (Forrester Wave Customer Service Solutions 2014)
35. According to a CEI Survey, 86% of buyers will pay more for a better customer experience. (Forbes)
36. An Accenture study found that 72% of respondents “showroomed,” or bought digitally after seeing a product in a store. (Accenture)
37. Millennials, those consumers aged 18 to 34, remain the key age demographic for online commerce, spending more money online in a given year than any other age group. (Business Insider Intelligence 2014)
38. More shoppers are looking to take advantage of seamless retail services involving the store: In a recent survey, 19% of shoppers said they are using “click and collect” services. (Accenture)
39. 57% of women indicated that they made an online purchase in the last year, compared to 52% of men. (SeeWhy 2014)
40. In the first quarter of 2014, 198 million U.S. consumers bought something online. (comScore’s quarterly State Of Retail report)
41. 22.2% of men made purchases on their smartphones versus 18.2% of female respondents. (SeeWhy 2014)
42. Millennials spend around $2,000 annually on e-commerce despite having lower incomes than older adults. (Business Insider Intelligence 2014)
43. Boomers and seniors have adopted mobile commerce. 1 in 4 mobile shoppers in the U.S. is over the age of 55. (BI Intelligence 2014 Report)
44. Women indicated they weren’t ready to buy 2x more than male respondents, with 62.5% of females, versus 24.7% of males, revealing a desire to browse more before buying via their tablets. (SeeWhy 2014)

It is easy to see why marketers are so interested in increasing customer engagement levels with their products and brands! Some additional sources making this case can be found in the State of the American Consumer (Gallup, 2014), Mastering Adaptive Customer Engagements (SAP, 2014), and The Social Customer Engagement Index 2014: Results, Analysis, and Perspectives (SAP, 2014). These reports will prove invaluable as you progress throughout this case.

What is Customer Engagement (CE)?

Originating from “Customer Experiences”

The origins of the concept of customer engagement can be traced to earlier considerations of “customer experiences” as a concept. Meyer and Schwager (2007) argue that customer experiences encompasses every aspect of the company’s offering. Companies traditionally tried to capture the customers’ experiences through measures of satisfaction, which they defined as
essentially the culmination of a series of customer experiences (e.g., the net result of good ones minus bad ones). Meyer and Schwager (2007, p. 2) define customer experiences as “… the internal and subjective response customers have to any direct or indirect contact with the customer.” In brief, Meyer and Schwager (2007) (1) distinguish customer experience management from customer relationship management based on different subject matter, timing, monitoring, audience, and purpose; (2) call for the specific measurement of customers’ experiences; and (3) argue that systematically monitoring customers’ experiences can allow for improving the experience, which is positively correlated with a marketer’s bottom line.

Verhoef et al. (2009) take a dynamic view of customer experiences across time. They propose a conceptual model of customer experience creation (see Figure 1), as well as identify a half dozen important issues worthy of future research (see Figure 2).

![Figure 1: Verhoef et al.'s (2009) Conceptual Model of Customer Experience Creation](image-url)
Puccinelli et al. (2009) extend these arguments by considering customer experience management in retailing from a social psychological perspective. These authors argue that specific elements of consumer behavior play important roles during various stages of the consumer decision making process. Figures 3 and 4 present their key arguments.
Table 1
Summary of important issues worthy of further research.

Goals
- How do congruity between the shopping goal and the retail environment affect consumers’ evaluation, search, and shopping behavior?
- How do environmental factors (e.g., economic conditions) influence consumer motives?
- How might the retail context facilitate shopper need recognition through in-store communications (e.g., point-of-purchase displays)?

Memory
- How do sensory memories interact with other memories to determine evaluations?
- How does this relationship depend on the environmental context?
- How does short-term memory affect evaluations when the online environment allows almost instantaneous access to information and comparative choices?
- Does the storage mechanisms used in long-term memory differ in their impact on processing and evaluations? If so, which model is most appropriate in different retail settings?
- What cues should retailers use to enhance customer evaluations, purchases, and loyalty?

Involvement
- Which types of in-store activities can retailers use to increase involvement (e.g., sampling, trials)?
- What is the effectiveness of offering food samples to increase involvement, trial, purchase, and satisfaction in grocery settings?
- Can retailers increase experiential trials through merchandise, such as when music stores allow consumers to sample and listen to music prior to purchasing CDs?
- Are experiential trials more effective when they include a host of products?
- What are the benefits of deeper processing for retailers that carry more merchandise and consumers who shop there?

Attitudes
- How should retailers or brand managers update their attitude models to reflect the balance between prior store/brand associations and new information?
- What are the trade-offs associated with different attitude assessments (e.g., conjoint versus Likert scales), and which best reflect consumers’ evaluations?
- If attitudes are stored in memory, what cues can retailers use to evoke positive or negative affect in consumers?
- How do retailers establish equity after they have reverted to a “sale after sale” mentality?
- How might retailers use research on reinvigorating old brands to launch new products that have both high awareness and very positive associations, when they have become less positive but awareness remains high?
- How can retailers employ attitudinal measures to predict the subsequent behavioral intentions and actions of their prospects and consumers?

Affect
- How does affect/mood influence information search, shopping behavior, and channel preferences?
- Does a negative mood result in shopping in comfortable/familiar channels, or does it result in visiting new and unfamiliar retailers?
- What makes a shopping environment more or less engaging/rousing to customers? What is the role of product assortment, service, and atmosphere in generating arousal/engagement? In what circumstances does customer engagement translate into higher sales and/or profits?
- What can be done to make the shopping experience fun, desired, and a treat?
- How do affect-laden signage/displays/seed caps influence consumer evaluations and choice? Is their effectiveness a function of consumers’ inherent mood states?

Atmospheres
- What role does consumer physical consistency contribute to interior atmospheres (e.g., parking lot, store exterior, signage, and window treatments) and interior atmosphere cues (i.e., ambient, design, social) play in shopping and retail patronage?
- What role does consistency between the atmosphere of the store and its Web site play?
- Do thematic designs within stores serve as attracting or avoidance destinations?
- What is the role of emerging environmental elements (e.g., scent, temperature)?
- How do atmospheric factors influence metrics such as sales and profits, in addition to evaluations and intentions?

Attributions
- How can retailers increase customer satisfaction through attributions to retail employees for positive events?
- How can retailers overcome consumer skepticism toward friendly employee behavior?
- What tactics as part of a service recovery strategy can prevent customers from blaming the retailer or in the case of a genuine mistake, how can the retailer help the customer forgive the retailer?

Figure 4: Puccinelli et al. (2009) Important Areas of Future Research

Moving from “Customer Experiences” to “Customer Engagement”

Gambetti and Graffigna (2010) identify the concept of engagement as a means to capture consumer experiences in customer-centric marketing approaches. Based on exploratory and systematic content analysis, these authors report evidence that (1) five contextual dimensions of
engagement exist (consumer, customer, brand, advertising, and media), however, (2) consumer brand engagement is the only significant concept in their findings. In addition, Gambetti and Graffigna (2010) assert the importance of the behavioral activation component of engagement, including its co-creational, social sharing, interactive, collaborative, and participative dimensions. They thus call for holistic views of marketing brands. These authors call for further research in identifying the domain and nature of the concept.

Bowden (2009) presents a conceptual framework of customer engagement that considers the concept as a process. This process is envisioned to redirect satisfaction research toward an approach that encompasses an understanding of the role of commitment, involvement, and trust in the creation of engaged and loyal customers. In this view engagement and loyalty are distinct (but related) concepts.

Van Doorn et al. (2010) define customer engagement as a customer’s behavioral manifestations that have a brand or a firm focus, beyond purchase, resulting from motivational drivers. These authors posit five dimensions of customer engagement behaviors, including:

- **Valence**: positive or negative behavioral manifestations.
- **Form or Modality**: Refers to the different ways in which it can be expressed by customers (e.g., types of resources such as time versus) money.
- **Scope**: Temporal (ongoing or momentary) and geographic (local or global).
- **Nature of Its Impact**: Conceptualized in terms of immediacy of impact, intensity of impact, breadth of impact, and longevity of impact.
- **Customer Goals**: This captures the customer’s purpose for engaging.

Brodie et al. (2011, p. 260) arguably provides the most comprehensive definition to date of the customer engagement concept (see Figure 5):

“Customer engagement (CE) is a *psychological state* that occurs by virtue of *interactive, cocreative customer experiences* with a *focal agent/object* (e.g. a brand) in focal service relationships. It occurs under a specific set of context-dependent conditions generating differing CE levels; and exists as a *dynamic, iterative process* within service relationships that *cocreate value*. CE plays a *central role* in a nomological network governing service relationships in which other relational concepts (e.g., involvement, loyalty) are antecedents and/or consequences in iterative CE processes. It is a *multidimensional concept* subject to a context- and/or stakeholder-specific expression of relevant cognitive, emotional and/or behavioral dimensions” (italics not added).
So et al. (2014) most recently assert that the study of CE to date has largely been conceptual in nature, with little empirical support underlying the development of theory. So et al. (2014) present a first effort to operationalize (i.e., measure) the concept specific to the hospitality and tourism industry. Interestingly, So et al. (2014) trace the origins of the CE concept to employee engagement theory. Interestingly, these authors also ultimately rely heavily on the conceptual definition of CE advocated by Brodie et al. (2011). Figure 6 presents an alternative set of multidimensional concepts that So et al. (2014) build upon to develop their survey items.
### Table 1
Potential Dimensions of Customer Engagement

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Conceptual Definition</th>
<th>Relevant Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification</td>
<td>The degree of a consumer’s perceived oneness with or belongingness to the brand (Bhattacharya et al., 1995)</td>
<td>Ashforth and Mael (1989); Bakker et al. (2008); Demerouti and Bakker (2008); Gonzalez-Romá et al. (2006); Hollebeek (2009); Macey and Schneider (2008); Mael and Ashforth (1992); Tajfel and Turner (1985)</td>
</tr>
<tr>
<td>Attention</td>
<td>The degree of attentiveness, focus, and connection that a consumer has with the brand</td>
<td>Hollebeek (2009); Kahn (1990); Rothbard (2001); Vivek (2009)</td>
</tr>
<tr>
<td>Enthusiasm</td>
<td>The degree of excitement and interest that a consumer has in the brand (Vivek, 2009)</td>
<td>Harter, Schmidt, and Hayes (2002); Macey and Schneider (2008); Patterson et al. (2006); Salanova et al. (2005); Schaufeli and Bakker (2004); Schaufeli, Martinez, Pinto, Salanova, and Bakker (2002); Schaufeli, Salanova, et al. (2002); Vivek (2009)</td>
</tr>
<tr>
<td>Absorption</td>
<td>A pleasant state which describes the customer as being fully concentrated, happy, and deeply engrossed while playing the role as a consumer of the brand (Patterson, et al., 2006)</td>
<td>Hollebeek (2009); Patterson et al. (2006); Rothbard (2001); Salanova et al. (2005); Schaufeli and Bakker (2004); Schaufeli, Bakker, and Salanova (2006); Schaufeli, Martinez, et al. (2002); Schaufeli, Salanova, et al. (2002)</td>
</tr>
<tr>
<td>Interaction</td>
<td>Various participation (both online and offline) that a customer has with the brand organization or other customers outside of purchase</td>
<td>Bijmolt et al. (2010); Erat, Desouza, Schäfer-Jugel, and Kurzawa (2006); MSI (2010); Patterson et al. (2006); van Doorn et al. (2010); Verhoef et al. (2010); Wagner and Majchrzak (2007)</td>
</tr>
</tbody>
</table>

Figure 6: Theoretical Dimensions of CE Proposed by So et al. (2014)

Summary

Following our critical thinking approach, Table 1 presents a summary of the definitions discussed to date.

<table>
<thead>
<tr>
<th>Source</th>
<th>Concept</th>
<th>Definition</th>
<th>Key Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meyer and Schwager (2007); Rose et al. (2012)</td>
<td>Customer experience</td>
<td>The internal and subjective response customers have to any direct or indirect contact with the customer.</td>
<td>Holistic, psychological, subjective response</td>
</tr>
<tr>
<td>Verhoef et al. (2009)</td>
<td>Customer experience</td>
<td>Holistic in nature, customer experience involves the customer’s cognitive, affective, emotional, social, and physical responses to the retailer.</td>
<td>Holistic, psychological, subjective response</td>
</tr>
<tr>
<td>Reference</td>
<td>Terminology</td>
<td>Definition</td>
<td>Related Term(s)</td>
</tr>
<tr>
<td>---------------------------------------</td>
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<td>---------------------------------------------</td>
</tr>
<tr>
<td>Bowden (2009)</td>
<td>Customer engagement</td>
<td>A psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand.</td>
<td>Psychological process underlying satisfaction judgments and loyalty formation</td>
</tr>
<tr>
<td>Sprott et al. (2009)</td>
<td>Brand engagement in self-concept</td>
<td>An individual difference representing consumers’ propensity to include important brands as part of how they view themselves.</td>
<td>Psychological, self-concept</td>
</tr>
<tr>
<td>Van Doorn et al. (2010); Verhoef et al. (2010)</td>
<td>Customer engagement</td>
<td>Customer engagement behaviors go beyond transactions, and may be specifically defined as a customer’s behavioral manifestations that have a brand or a firm focus, beyond purchase, resulting from motivational drivers.</td>
<td>Motivated consumer behaviors</td>
</tr>
<tr>
<td>Hollenbeek (2011)</td>
<td>Customer engagement behaviors</td>
<td>The level of a customer’s cognitive, emotional, and behavioral investment in specific brand interactions.</td>
<td>cognitive, emotional, and behavioral investment in brand interactions</td>
</tr>
<tr>
<td>Brodie et al. (2011); So et al. (2014)</td>
<td>Customer engagement</td>
<td>Customer engagement (CE) is a psychological state that occurs by virtue of interactive, cocreative customer experiences with a focal agent/object (e.g. a brand) in focal service relationships. It occurs under a specific set of context-dependent conditions generating differing CE levels; and exists as a dynamic, iterative process within service relationships that cocreate value. CE plays a central role in a nomological network governing service relationships in which other relational concepts (e.g., involvement, loyalty) are antecedents and/or consequences in iterative CE processes. It is a multidimensional concept subject to a context- and/or stakeholder-specific expression of relevant cognitive, emotional and/or behavioral dimensions (italics not added).</td>
<td>psychological state, interactive, cocreative customer experiences, focal agent/object, cocreate value, a multidimensional concept, multidimensional concept, cognition, emotion, behavior</td>
</tr>
<tr>
<td>Summary</td>
<td>Customer engagement</td>
<td>Customer engagement (CE) is a social psychological process creating a psychological state that motivates a consumer to elicit relationship building consumer behaviors.</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Definitions of Customer Experience and Engagement

Beckers et al. (2014) provide the most recent consideration of the appropriate conceptualization and definition of the customer engagement construct and conclude that, consistent with the summary in Table 1, customer engagement represents a latent\(^1\) psychological state, which

translates into observable customer engagement behaviors. Beckers et al. (2014, pp. 103-104) specifically summarize the state of knowledge to date as:

“To recap, in the emerging customer engagement literature there appears to be growing consensus that customer engagement is a multidimensional construct containing an attitudinal as well as a behavioral dimension. However, the exact dimensionality of the construct remains debatable. In addition, although there is merit for both an attitudinal dimension as well as a behavioral dimension of customer engagement, similar to the construct of customer loyalty (Van Doorn 2011), the latent dimension of customer engagement needs further refinement. Most importantly, it is unclear yet how the psychological dimension of customer engagement delineates (especially empirically) from alternative well-established constructs in customer management, such as commitment and involvement. Conceptually, So et al. (forthcoming, p.10) argue for the overall customer engagement construct that ‘engagement requires more than the exercise of cognition’ and that activity sets engagement apart from other constructs. Hence, for the overall customer engagement construct it is the behavioral aspect that distinguishes customer engagement from other constructs.”

Beckers et al. (2014) ultimately argue for a managerial emphasis in customer engagement research and practice that focuses on observed customer engagement behaviors that go beyond customer-firm purchase transactions. This is the perspective students are encouraged to adopt herein given the weight of the evidence to date.

How Does Customer Engagement (CE) Work?

Now that we have established to our best ability possible at this time what customer engagement is, we next turn our attention to the specific behaviors that can represent an engaged customer. As asserted above, So et al. (2014) is the first to offer empirical support for the behaviors to be measured to capture CE in marketing practice. Figure 7 presents the view of So et al. (2014) in terms of how they perceive CE operates in marketing practice.
Beckers et al. (2014) identifies three customer engagement behavioral classifications identified within the extant literature. The first is customer-to-customer interactions, defined as communications between consumers about a company and/or brand (e.g., word-of-mouth behaviors). The second is customer co-creation in new product development, which represents a collaborative new product development activity in which consumers actively contribute and select various elements of a new product offering. Finally, active customer feedback represents the voice of the customer.
So, how should a company attempt to manage a customer’s engagement? Van Doorn et al. (2010) present a framework to guide such activities that students are encouraged to consider (see Figure 8). These authors propose a three-step procedure involves (1) identifying the occurrence of customer engagement behaviors, (2) evaluating these behaviors, and then (3) taking the correct actions to manage these behaviors. These correct actions would include leveraging, transmitting, and addressing both the positive as well as negative customer engagement behaviors that are voiced internally to the company, as well as attempting to stimulate positive customer engagement behaviors that are voiced to external audiences. In formulating your recommendations in this case, students are encouraged to reconcile their recommendations with this managerial framework.

Other Evidence in the Literature to Date

The remainder of this section identifies some studies from the literature that can further inform students’ awareness of the issues related to customer engagement management. This literature is growing rapidly, so students are strongly encouraged to conduct their own literature reviews and updates as part of the activities associated with this case and course.

Hellebeek (2011) presents an argument that the three underlying themes of customer engagement behaviors include immersion (perception that time flies in brand interactions), passion (strong, positive affect), and activation (willingness to spend significant time and/or effort interacting with the brand). Hellebeek et al. (2014) extend this line of inquiry by developing and validating a measurement scale which purports to capture customer engagement behavior in social media settings. These authors (1) define the construct as a consumer’s positively valenced brand-related cognitive, emotional, and behavioral activity during or related to focal consumers/brand interactions; (2) derive three major dimensions of the construct, including cognitive processing, affection, and activation; and (3) develop a purportedly reliable and valid 10-item survey-based scale to measure the concept. See Figure 9 for how these authors theorize the social psychological process underlying the development of their scale.

![Figure 9: Source -- Hollebeek et al. (2014)](image-url)
Hollebeek and Chen (2014) present a more comprehensive conceptual model of how customer engagement operates and forms (see Figure 10).

However, it is important for students to recognize that other perspectives exist as to how customer engagement forms and operates in practice. For example, Wirtz et al. (2013) presents a model of the antecedents and outcomes of online brand community engagement vis-à-vis online brand communities (see Figure 11).
As previously noted, Bowden (2009) envisions consumer engagement as a process that encompasses an understanding of the role of commitment, involvement, and trust in the creation of engaged and loyal customers. Figure 12 presents her conceptual framework.
Verhoef et al. (2010) also present a conceptual model of customer engagement consistent with van Doorn et al.’s (2010) definition of the concept of customer engagement, one that positions the concept as a behavioral manifestation toward the brand or firm that goes beyond transactions (see Figure 13).
Van Doorn et al. (2010) also present a conceptual model of customer engagement (see Figure 14).

Brodie et al. (2011) presents a series of hypothesized conceptual relationships vis-à-vis customer engagement (see Figure 15).
Most recently, Chandler and Lusch (2015) propose a broadened framework and research agenda based on Service Dominant Logic (SDL) relating the concepts of value propositions, engagement, and service experience. The proposed framework specifically focuses on time (when) and constellation (with whom) in service management, and purports to shed light on the fundamental role that value propositions play in service systems. We suggest herein that this recently proposed framework can help inform our understanding of engagement as it relates to our Best Buy case.

Chandler and Lusch (2015, p. 8) begin by defining value propositions as “…invitations from actors to one another to engage in service.” The “intensity” level of a value proposition refers to how strongly it reflects an invitation from one actor to another to engage in service. Highly intense value propositions can be characterized as competitive, successful, superior, and compelling. Chandler and Lusch (2015, p. 9) argue:

“There is an urgent need in the service literature to integrate these varying conceptualizations to account more fully for the influence of context and experience of on customer engagement (Bolton 2011; Malthouse and Calder 2011). This points to exploring engagement not only as customer engagement but also as supplier, manufacturer, retailer, and provider – and, more generally, actor – engagement as well. And, most important, because engagement can involve many different actors at the same time, it is important to understand how value propositions invite engagement. To explore this more fully, we propose five properties of engagement.”
Table 1. Five Properties of Engagement.

<table>
<thead>
<tr>
<th>Property</th>
<th>Internal or External to Actor?</th>
<th>Illustrative Example Provided in Text</th>
<th>Formal Statement of Property</th>
<th>Relevant Cites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporal connections</td>
<td>External</td>
<td>Letter written from one actor to another</td>
<td>Present-day connections that have emerged from the past and are oriented toward future service experiences</td>
<td>Anderson, Hakansson, and Johanson (1994), Etgar (2008), and Kjellberg and Andersson (2005)</td>
</tr>
<tr>
<td>Relational connections</td>
<td>External</td>
<td>Scholar-parent actor who misses family dinner to work with coauthor to meet publication deadline</td>
<td>Present-day connections are comprised of other actors and the social roles that affiliate them with these actors</td>
<td>Freeman (1977), Frenzen and Nakamoto (1993), Brown and Reingen (1987), Snijders (2001), and Akaka and Chandler (2011)</td>
</tr>
<tr>
<td>Future disposition</td>
<td>Internal</td>
<td>Siblings who inherit family business but have different plans for running the business</td>
<td>Appropriation, renovation, or innovation of connections toward a specific future</td>
<td>Ballantyne et al. (2011) and Emirbayer and Goodwin (1994)</td>
</tr>
<tr>
<td>Present disposition</td>
<td>Internal</td>
<td>White headphones gaining meaning</td>
<td>Appropriation, renovation, or innovation of connections in the current time and place</td>
<td>Emirbayer and Mische (1998) and Arnould and Thompson (2005)</td>
</tr>
</tbody>
</table>

Figure 16: Source -- Chandler and Lusch (2015)

In short, Chandler and Lusch (2015) argue that engagement occurs when the five properties identified in Figure 16 above are aligned (i.e., *engagement is an alignment of past, present, and future dispositions, along with temporal and relational connection*). Thus, in this view, service experience involves both the external connections and internal dispositions for each actor engaged in a service. Consequently, Chandler and Lusch (2015, p. 13) define service experience as,

“…many-to-many engagement. It is the ongoing and dynamic alignment of the connections and dispositions of many actors. This occurs before, during, and after a service encounter, as actors tap into their unique dispositions and connections to engage with one another.”

The Growing Emphasis Supporting Emotional Influences. There is also some recent evidence that emotional consideration may play particularly strong roles in the social psychological processes underlying customer engagement behaviors. For example, Wallace et al. (2014) presents evidence that brands “liked” are expressive of the inner or social self. A positive relationship is found between the self-expressive nature of brands “liked” and brand love. Consequently, consumers who engage with inner self-expressive brands are more likely to offer word-of-mouth for that brand (see Figure 16). Sarkar and Sreejesh (2014) develop a three-item survey scale for brand love, and present empirical evidence that brand love can create customer engagement (see Figure 17). Finally, Franzak et al. (2014) present evidence that emotional arousal mediates the relationship between design benefits and customer engagement. In addition,
brand engagement intensifies with emotional arousal as design benefits change from functional, to hedonic, to symbolic.
Summary

The preceding introduction to the customer engagement literature demonstrates a rapidly advancing area of inquiry. However, this area is still in its infancy in terms of our understanding of how customer engagement should be conceptualized, measured, and used in explanatory models of consumer behaviors and/or marketing strategy formation. That said, the key “take-aways” from the literature review related to customer engagement include:

1. There is clear evidence that increased (positive) customer engagement is positively related (i.e., correlated) with “good” marketing outcomes, such as consumer satisfaction and loyalty.
2. A defensible conceptual definition of the concept of customer engagement is identified based on a critical thinking-based literature review.
3. Customer engagement is ultimately a social psychological process leading to a psychological state that motivates customer engagement behaviors. Beckers et al. (2014) ultimately argue for a managerial emphasis in customer engagement research and practice that focuses on observed customer engagement behaviors that go beyond customer-firm purchase transactions. This is the perspective students are encouraged to adopt herein given the weight of the evidence to date.
4. There is growing evidence that emotional considerations and relationships between consumers’ view of the brand and their “selves” plays an important role in how customer engagement operates in practice.

Bibliography


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