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Insights, Innovation, and Analytics for Optimal Customer Engagement

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Samala Nagaraj



Insights, Innovation, and Analytics for Optimal Customer Engagement

Samala Nagaraj
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A volume in the Advances in Marketing, Customer Relationship Management, and E-Services (AMCRMES) Book Series



Published in the United States of America by
IGI Global
Business Science Reference (an imprint of IGI Global)
701 E. Chocolate Avenue
Hershey PA, USA 17033
Tel: 717-533-8845
Fax: 717-533-8661
E-mail: cust@igi-global.com
Web site: <http://www.igi-global.com>

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Library of Congress Cataloging-in-Publication Data

Names: Nagaraj, Samala, 1980- editor.
Title: Insights, innovation, and analytics for optimal customer engagement / Samala Nagaraj, editor.
Description: Hershey : Business Science Reference, 2020. | Includes bibliographical references and index. | Summary: "This book is an attempt to study the emerging concept of customer engagement and investigating underlying theories, innovative ways, review of existing literature, engagement analytics and insights for marketers with reference to customer engagement"-- Provided by publisher.
Identifiers: LCCN 2020031417 | ISBN 9781799839194 (hardcover) | ISBN 9781799868644 (paperback) | ISBN 9781799839200 (ebook)
Subjects: LCSH: Customer relations--Management. | Branding (Marketing) | Consumer satisfaction.
Classification: LCC HF5415.5 .I57 2020 | DDC 658.8/12--dc23
LC record available at <https://lcn.loc.gov/2020031417>

This book is published in the IGI Global book series Advances in Marketing, Customer Relationship Management, and E-Services (AMCRMES) (ISSN: 2327-5502; eISSN: 2327-5529)

British Cataloguing in Publication Data

A Cataloguing in Publication record for this book is available from the British Library.

All work contributed to this book is new, previously-unpublished material.
The views expressed in this book are those of the authors, but not necessarily of the publisher.

For electronic access to this publication, please contact: eresources@igi-global.com.



Advances in Marketing, Customer Relationship Management, and E-Services (AMCRMES) Book Series

ISSN:2327-5502
EISSN:2327-5529

Editor-in-Chief: Eldon Y. Li, National Chengchi University, Taiwan &
California Polytechnic State University, USA

MISSION

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The Advances in Marketing, Customer Relationship Management, and E-Services (AMCRMES) Book Series (ISSN 2327-5502) is published by IGI Global, 701 E. Chocolate Avenue, Hershey, PA 17033-1240, USA, www.igi-global.com. This series is composed of titles available for purchase individually; each title is edited to be contextually exclusive from any other title within the series. For pricing and ordering information please visit <http://www.igi-global.com/book-series/advances-marketing-customer-relationship-management/37150>. Postmaster: Send all address changes to above address. © © 2021 IGI Global. All rights, including translation in other languages reserved by the publisher. No part of this series may be reproduced or used in any form or by any means – graphics, electronic, or mechanical, including photocopying, recording, taping, or information and retrieval systems – without written permission from the publisher, except for non commercial, educational use, including classroom teaching purposes. The views expressed in this series are those of the authors, but not necessarily of IGI Global.

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Augmented Reality and Its Relationship With Customer Experience in Retailing..... 1

Nil Engizek, School of Business, Istanbul University, Turkey

Today, traditional retailers have been faced with tough competition mainly because of the internet and online shopping. There is no doubt that online shopping is increasing all around the world, even in the developing countries. Although it is said that internet has a pressure on companies to decrease their price, up to date studies showed the opposite way. In other words, people do not buy from the internet because of just low price; branding is still the most important criteria for people. Because of this, companies have started making investment on digital branding. Of course, the logical point behind the branding is still same, but the tools they use to create high brand equity are different. With the help of technology, firms, especially those who have online selling via their websites, generate different vehicles to differentiate their selves from competitors, and give their customers a unique online experience. One of the vehicles that they use nowadays is augmented reality.

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Pınar Yürük-Kayapınar, Trakya University, Turkey

Customer engagement is more than a purchase between a customer and a business. Activities such as active participation of the customer in the business, loyalty to the brand, continuous exchange of information are a few of the customer engagement activities. Today, with the developing and changing internet technologies, the concept of customer engagement is also handled from a different angle. Because

both businesses and customers have started to use internet technologies in all their activities. This situation led to the emergence of the concepts of online engagement and social media engagement. Thus, customers are now making all their interactions with the business online or through social media accounts. The aim of this chapter is to discuss the process from customer engagement to online and social media engagement and to present empirical studies on these topics.

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Customer engagement (CE) has become a hot topic of today’s business. It has been widely recognized as one of the most important drivers of a business’s prosperity. Customer engagement (CE) is considered as a perfect predictor of firm’s growth as it works as an effective strategy to build and maintain strong relationship between customers and firms. This chapter is aimed to explore the theoretical foundations of customer engagement (CE) and provides clear insight and comprehensive knowledge about customer engagement and CE models that widely used by firms to engage their customers, contribution of CE in value creation process, as well as barriers apparent in introducing customer engagement analytics and their capabilities of dealing with large customer data-set as well. This chapter is beneficial for a reason that it may provide a comprehensive knowledge about customer engagement to the academics (i.e., marketing students, scholars, and researchers) as well as practitioners of various industries.

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Katarzyna Żymkowska, University of Bielsko-Biala, Poland

The concept of customer engagement (CE) refers to the customer activism in value formation which is not a new notion in the marketing and management literature. Existing theories of customer activism constitute particular anchors for systemizing the knowledge on optimal CE and offer considerable value to the developing literature

on the profitable CE management. Those notions are associated with two influential metatheories, such as value co-creation and network management, and include presumption, customer participation, service and service-dominant logic, customer resource integration, extended resource-based view, user and open innovation, and customer integration in innovation process. The main objective of this chapter is to review the above-mentioned concepts in order to recognize their managerial implications which might inform CE management efforts undertaken by managers in each stage of this process. This chapter contributes to a better understanding of the CE management challenges and provides additional insights for advancing the research in this domain.

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Sara Santos, Universidade de Aveiro, Portugal

Pedro Espírito Santo, ESTGOH, Politécnico de Coimbra, Portugal

Luísa Augusto, Instituto Politécnico de Viseu, Portugal

Customer engagement is a multidimensional concept which develops over the time and is widely studied in the literature of marketing. Consumers attached to the brand tend to be more involved in behaviors that support the brand. On the other side, brand-self connection is an important element in consumer-brand relationship being part of brand attachment, where social media have a special role. Playfulness and informativeness of video have a significant impact on the value of social media ads, and the authors present the relationship between these two variables and customer engagement. The study will present an investigation with 235 Portuguese individuals during the months of confinement justified by the pandemic COVID-19. The results show that customer engagement depends on informativeness, playfulness, and brand-self connection. Throughout this empirical study, they show that social media brand engagement is explained by these variables. This chapter enhances knowledge on customer engagement, brand-self connection, and video informativeness and playfulness, supporting new researches in this topic.

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Ruchita Pangriya, Kumaun University, India

Aditi Priya Singh, ISBR Business School, India

Customer engagement simply means connecting with your customers. The objective of customer engagement is to build a strong emotional bond between your brand and your customer. A study by McKinsey And Company rated customer engagement as the top priority of all businesses. There is no doubt on the point that customer engagement leads to consumer loyalty. Companies need to think about innovative and unique ways to engage our customers. The objective of writing this chapter is

to unfold the various creative and innovative ways for customer engagement. For this purpose, the author has discussed the various examples across the industries. The author has tried to explain how different sectors are working on this strategy with the help of new technology. This chapter is going to be extremely useful for the researchers, scholars and strategy makers by educating them and presenting the new horizons of consumer engagements.

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Raul V. Rodriguez, Woxsen University, India

We are witnessing a real revolution in the way we buy and in consumer habits. It's been decades since brands started taking their first steps in ecommerce, followed by the implementation of the first online payments and the phenomenon of .com. However, even at that time, companies had little information about their customers, and these were perceived and treated as a large homogeneous mass. The stage today is different. The user is proactive and has access to a lot of information, which makes him more demanding. For this and other reasons, the consumer should be perceived and treated as an independent individual and whose needs determine the development and marketing of a brand's products and services (now called a centric customer strategy).

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Ali Tehci, Ordu University, Turkey
Yusuf Ersoy, Uşak University, Turkey

With the digitalization experienced as a result of technological developments, global economies have been affected in various ways, and data and information flows have accelerated. Technological developments that significantly increased the spread of information have undoubtedly affected all consumers and businesses. Especially with the widespread use of mobile-internet-based applications, consumers spend more time and shop on digital platforms. It is thought that businesses need to analyze digital consumer attitudes and benefit from marketing activities and digital marketing opportunities to gain a competitive advantage in digital markets. For this reason, it is aimed to determine the criteria that affect the consumer attitude in digital markets and the most suitable firm according to these criteria by using the analytical hierarchy process (AHP) method. Within the scope of the research, three different firms in the field of e-trade were evaluated based on expert opinion

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Soumya Singh, University of Hyderabad, India

In an era marked by rampant switching behaviors, “customer engagement” has come to the rescue of firms with its promised potential of long-term loyalty. However, firms’ attempts to engage customers without a clear understanding of its long-term impact on consumer wellbeing may backfire the entire effort by hampering customer perceived value and satisfaction associated with the service. Thus, the chapter revolves around the notion that customer engagement, when designed with the vision of adding meaning and value to customer life, becomes in true sense “optimal.” In support of this argument, the chapter documents the cases of customer engagement campaigns which have failed utterly in the long run due to their adverse effects on consumer wellbeing. Light is also casted upon successful engagement events which have brought meaning and wellbeing to all within its ambit. Using insights from in-depth interviews, four major factors ruining engagement efforts have been identified, namely over-engagement, irrelevant content, over-personalization, and inauthenticity.

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Tiruchirappalli, India

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Tiruchirappalli, India

The growth of online retail has changed the course of customer relationship management (CRM) at large. There are a variety of challenges faced by the marketers besides the opportunities of doing business online although the application of advance technologies has helped resolve issues pertaining to CRM to the maximum extent. However, customer engagement (CE), one very important of aspects of CRM, is very critical in online retailing and dynamically complex. Online retailers are using advance technologies and social media platforms to engage customers and optimize the benefits of customer engagement. To gain new customers and retain loyal ones have been challenging tasks, and hence, continuous customer engagement with creative ideas and content is the only solution. The present chapter focuses on the important of customer engagement by online retailers, factors influencing CE, and how marketers need to optimize customer engagement through innovative and

analytical methods.

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Determinants of Customer Engagement in Electronic Word of Mouth (eWOM) Communication196

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The technological advancement in the usage of social networking sites (SNSs) has grown beyond boundaries. This expansion helps organizations to capture the attention of online customers towards their products and services. The primary purpose of the study is to list the drivers of eWOM credibility and explore its role in customer engagement at SNSs. A conceptual model that categorizes source credibility, trustability, knowledge, tie strength, and homophily are identified as the drivers of eWOM source credibility in SNSs. Similarly, valence, volume, consistency, emotions, quality, and rating are listed as the drivers of eWOM message credibility. This study suggested that drivers of eWOM will impact on customer engagement and that will, in turn, result in building a positive attitude, brand image, and behaviour towards the product or service listed in the SNSs. Further, the study discusses the theoretical and managerial implications in engaging customers through eWOM.

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Jurgen Janssens, asUgo Consulting, Belgium

In a digitally (em)powered age, customers expect a service and product experience in line with continuously evolving expectations. This induces great potential for organisations that shape engagement before, during, or after the main customer touch points. Powered by insights coming from the CRM driven 360° view, they entail even more value when enabling a company to quickly and continuously learn from its experiences. This chapter will illustrate that project managers need to master a dual dynamic to attain through activated customer engagement. On the one hand, new types of projects, changing expectations, and shifting habits offer humbling challenges. On the other hand, governance, change, and delivery continue to be the foundational baseline. By integrating theoretical insights and real-life cases, the author wants to stimulate project managers. Rather than seeing the digital era as a transformational tsunami for customer engagement, they should see it as an

opportunity to go beyond things in a reality where rapidly changing demand entails growth, learning, and great value.

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Debdutta Choudhury, Woxsen University, India

Hospitality is one of the most important sectors of the economy and offers employment to thousands of people. The recent advances in technology has seen that quite a few of the players in this industry have successfully deployed artificial intelligence, machine learning, and robotics. This chapter delves into the details of such deployment in the various processes in this sector and discusses the short-term, medium-term, and long-term impact of these technologies on all the major stakeholders of this industry. The author also looks at the cost benefit analysis of this technologies and concludes that most players sooner, rather than later would be forced by competition to strongly adopt them. The chapter also briefly discusses the changing roles of human employees in this scenario.

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Preface

In this modern world of social connections and interactions, engaging customers over social platforms by the brands has become essential. It has been imperative for the brands and firms to keep customers engaged in reaping profitable long-term relationships. A significant increase in marketers' effort in recent times is observed in enhancing the customers' engagement experience both offline and online. With the advent of new technology, though the engagement activities have been creative and innovative, it has become essential to measure these activities' effectiveness. A variety of analytics has been used to measure customer engagement tools and activities' effectiveness. The insights from these measurements have provided direction for the marketers to optimize the engagement efforts.

The present book is intended to comprehensively address the various innovative techniques in engaging customers and the analytical tools used in measuring the outcomes of the methods. The book content also provides detailed information about analytics used to measure these outcomes and their effectiveness. Customer engagement is a very dynamic psychological behavior of the customer/consumer towards a brand/firm/product/service. The customer manifests this behavior through tweets, likes, comments, reviews, recommendations, and shares. Hence, recording and analyzing these reactions to the engagement activities is critical to improving engagement effectiveness. A lot of engagement metrics have been introduced and implemented to measure. This book has included thirteen chapters discussing the various engagement creative methods, tools, techniques, and analytics applied for better customer engagement. Hence, the book's title is *Insights, Innovation, and Analytics for Optimal Customer Engagement*.

The first chapter, "Augmented Reality and Its Relationship With Customer Experience in Retailing," would introduce the upcoming smart technology used in engaging the customer in the context of retail settings. One of the intelligent technologies that can create value for customers is augmented reality (AR) and is one way to link the gap between online and traditional merchandising. AR is a technique 'to combine real and computer-generated digital information into the user's view of the physical world in such a way they appear as one environment.'

The retail sector offers excellent opportunities to use AR applications. The chapter talks about AR applications in retail settings with relevant examples and sets the platform in further understating the successive chapters.

The second chapter, “Examination of Empirical Studies on Customer Engagement, Online Engagement, and Social Media Engagement,” enumerates the various recent and relevant studies that empirically tested the consequences and antecedents of customer engagement. The chapter explains the detailed background and conceptual understanding of customer engagement and further gains on discussing the results of empirical studies in the literature. It is seen that different studies using internet technologies instead of traditional engagement concept started to be carried out, especially in 2020. There is a lot of work done especially with social media networks, interactions, likes, comments, followers, eWOM, artificial intelligence, website interactivity, social media analytics are commonly used variables.

The third chapter, “Customer Engagement: Theoretical Framework, Reviewing, and Cataloguing,” is aimed to explore the theoretical foundations of Customer Engagement (CE) and provides clear insight and comprehensive knowledge about Customer engagement and CE models that widely used by firms to engage their customers, the contribution of CE in the value creation process as well as barriers apparent in introducing Customer Engagement Analytics and their capabilities of dealing with large customer data-set as well. This chapter is beneficial because it may provide a comprehensive knowledge about Customer Engagement to academics, i.e., marketing students, scholars and researchers, and practitioners of various industries.

The fourth chapter is “Review of Customer Activism Concepts: Implications for Customer Engagement Management.” Customer engagement (CE) refers to customer activism in value formation, which is not a new notion in the marketing and management literature. Theories of customer activism constitute particular anchors for systemizing optimal customer engagement knowledge. Those notions are associated with two influential metatheories, such as value co-creation and network management, and include service-dominant logic, customer participation, presumption, customer integration, user and open innovation. The review of the concepts mentioned earlier in this chapter reveals that customer activism may bring positive firm-level outcomes and some risks or disadvantages. Therefore, a realistic view on CE in managerial practice is recommended in this chapter, and adequate terminology to describe CE’s role in firm-level value creation is proposed. This chapter contributes to a better understanding of the CE management challenges and offers the foundations for advancing the research in this domain.

The fifth chapter, “The Role of Customer Engagement on COVID-19 Era,” is enjoyable, which discusses CE in times of COVID-19. This chapter will present that brand-self connection has an essential role in customers’ engagement. This book chapter aims to introduce the concept of customer engagement in the COVID-19

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era, evidencing informativeness, video playfulness, and brand-self connection as predictive variables of customer engagement. This work will have two phases. The first phase will be a systematic review of the literature among the variables presented (customer engagement, informativeness, playfulness, and brand-self connection). In a second phase, the chapter aimed to analyze customer engagement in 235 Portuguese individuals during the months of confinement justified by the pandemic COVID-19.

The sixth chapter is “Creative and Innovative Ways of Consumer Engagement.” There is no doubt that customer engagement leads to consumer loyalty. But we need to think about the best possible ways to engage our customers. Not only the unique ways for engagement but also, we need to make the strategies that can’t be copied easily. This chapter aims to unfold companies’ various creative and innovative practices for engaging their customers. Thus, the author discussed the multiple examples across the industries. The author will explain how different sectors are working on this strategy and how companies grow their revenues by adopting these tactics. This chapter will help the researchers, scholars, and strategy makers educate them and present the new horizons of consumer engagements.

The seventh chapter is “Impact of Artificial Intelligence in the future of Retail and Customer Engagement.” This chapter focuses on and discusses the applications of AI and ML techniques deployed in customer engagement and measurement in the retail segment. The chapter also discusses the various technologies like Virtual Reality, Face detection, and Personal Assistant used for customer engagement at large.

The eighth chapter is “Firms and Consumer Attitudes in the Digital Market: Analytical Hierarchy Process Approach.” With the digitalization experienced due to technological developments, global economies have been affected in various ways, and data and information flows have accelerated. Technological developments that significantly increased information spread have undoubtedly affected all consumers and businesses. Especially with the widespread use of mobile-internet-based applications, consumers spend more time and shop on digital platforms. It is thought that companies need to analyze digital consumer attitudes and benefit from marketing activities and digital marketing opportunities to gain a competitive advantage in digital markets. Thus, it aims to determine the criteria that affect the consumer attitude in digital markets and the most suitable firm according to these criteria by using the Analytical Hierarchy Process (AHP) method. Within the research scope, three different firms in the field of e-trade were evaluated based on expert opinion according to 5 criteria.

The ninth chapter, “Valuing Wellbeing: A Step Closer to Optimum Customer Engagement,” revolves around the notion that customer engagement, when designed with the vision of adding meaning and value to a customer’s life, becomes in real sense “optimal.” In support of this argument, the chapter documents the cases of customer engagement campaigns that have failed utterly in the long run due to

their adverse effects on consumer wellbeing. Light is also cast upon successful engagement events which have brought meaning and wellbeing to all within its ambit. Using insights from in-depth interviews, four significant factors that ruin engagement efforts have been identified: over-engagement, irrelevant content, over-personalization, and inauthenticity.

The tenth chapter is “Online Retailing and Customer Engagement: The Changing Paradigm of Customer Relationship Management (CRM).” The growth of online retail has changed Customer Relationship Management (CRM) at large. There are various challenges faced by the marketers besides the opportunities of doing business online. Although the application of advanced technologies has helped resolve issues pertaining to CRM to the maximum extent. However, Customer Engagement (CE), one essential aspect of CRM, is critical in online retailing and is dynamically complex. Online retailers are using advanced technologies and social media platforms to engage customers and optimize customer engagement benefits. To gain new customers or retain loyal ones has been a challenging task, and hence continuous customer engagement with creative ideas and content is the only solution. The present chapter focuses on the importance of online retailers’ customer engagement, factors influencing CE, and how marketers need to optimize customer engagement through innovative and analytical methods.

The eleventh chapter is “Determinants of Customer Engagement in Electronic Word of Mouth (eWOM) Communication.” The technological advancement in the usage of Social Networking Sites (SNSs) has grown beyond boundaries. This expansion helps organizations capture online customers’ attention towards their products and services. The study’s primary purpose is to list the drivers of eWOM credibility and explore its role in customer engagement at SNSs. A conceptual model that categorizes source credibility, trustability, knowledge, tie strength, and homophily are identified as the drivers of eWOM source credibility in SNSs.

Similarly, valence, volume, consistency, emotions, quality, and rating are listed as eWOM message credibility drivers. This study suggested that drivers of eWOM will impact customer engagement and that will, in turn, result in building a positive attitude, brand image, and behavior towards the product or service listed in the SNS’s. Further, the study discusses the theoretical and managerial implications of engaging customers through eWOM.

The twelfth chapter is “It’s All About Creating Customer Value: Activating Engagement Through CRM-Driven Projects.” In a digitally (em)powered age, customers expect a service and product experience in line with continuously evolving expectations. This induces great potential for organizations that shape engagement before, during or after the main customer touchpoints. Powered by insights coming from the CRM driven 360° view, they entail even more value when enabling a company to quickly and continuously learn from its experiences. This chapter will

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illustrate that project managers need to master a dual dynamic to attain through activated customer engagement.

On the one hand, new projects, changing expectations, and shifting habits offer humbling challenges. On the other hand, governance, change, and delivery continue to be the foundational baseline. By integrating theoretical insights and real-life cases, the author wants to stimulate project managers. Rather than seeing the digital era as a transformational tsunami for Customer Engagement, they should see it as an opportunity to go beyond things in a reality where rapidly changing demand entails growth, learning, and great value.

The last chapter is “Artificial Intelligence in the Hospitality Sector.” Hospitality is one of the most critical sectors of the economy and offers employment to thousands of people. The recent advances in technology have seen that quite a few industry players have successfully deployed Artificial Intelligence, Machine Learning, and Robotics. This chapter delves into the details of such deployment in this sector’s various processes. It discusses the short-term, medium-term, and long-term impacts of these technologies on all the major stakeholders of this industry. The author also looks at the cost-benefit analysis of these technologies and concludes that most players sooner, rather than later, would be forced by competition to adopt them firmly. The chapter also briefly discusses human employees’ changing roles in this scenario.

The above brief description of the thirteen chapters showcases the relevance of the topics covered to understand the analytics and innovation in optimal customer engagement. The issues would give readers, marketers, scholars, students a comprehensive understanding of customer engagement in various sectors and the methods and techniques to be applied.

Acknowledgment

I am delighted and thankful to IGI Global Inc., USA, to produce this book entitled Challenges and Opportunities for the Convergence of IoT, Big Data, and Cloud Computing, which is highly needed in the present data-driven internet controlled world.

I express my deep sense of gratitude to Jan Travers, Lindsay Wertman, and other IGI Global members who supported either directly or indirectly during book project development.

I am thankful to all authors who have contributed their valuable efforts and ideas in our book's form of chapters. Also, I would like to express our sincere thanks to all my reviewers for their continuous support, guidance, and encouragement in bringing this book to success.

I am thankful to my institute's management and faculty for their support and kindness while completing this book.

Also, I am thankful to my family members for their support and encouragement in achieving this target in our academic career goal.

With Regards

Samala Nagaraj

Chapter 1

Augmented Reality and Its Relationship With Customer Experience in Retailing

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ABSTRACT

Today, traditional retailers have been faced with tough competition mainly because of the internet and online shopping. There is no doubt that online shopping is increasing all around the world, even in the developing countries. Although it is said that internet has a pressure on companies to decrease their price, up to date studies showed the opposite way. In other words, people do not buy from the internet because of just low price; branding is still the most important criteria for people. Because of this, companies have started making investment on digital branding. Of course, the logical point behind the branding is still same, but the tools they use to create high brand equity are different. With the help of technology, firms, especially those who have online selling via their websites, generate different vehicles to differentiate their selves from competitors, and give their customers a unique online experience. One of the vehicles that they use nowadays is augmented reality.

INTRODUCTION

The retail sector has undergone a significant change compared to the past and continues to do so. The most influential factor on this change is the Internet and it is said that its impact on the sector will continue in the coming years (Doherty, & Ellis-Chadwick, 2010; Griffiths, & Howard, 2008). When someone look at what

DOI: 10.4018/978-1-7998-3919-4.ch001

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kind of changes the internet brings to the sector, the most important thing that stands out is the born of multichannel retailing. In other words, a new channel was created and a lot of retailers have move to it. As a result, e-commerce has shown significant growth in the past years (Sands, Ferraro, & Luxton, 2010).

Although online sales continue to increase, retailers have to deal with a number of challenges. The best known of these difficulties are high product return rates and online shopping card abandonment (Dacko, 2016; Hilken et al., 2018). Webrooming is also mentioned as a worry which retailers face (Dacko, 2016; Hilken et al., 2018). Webrooming is defined as a consumer behaviour which people search for information online and then purchas offline (Flavian et al., 2016). It is claimed that the reason for these problems is because consumers cannot have direct experience with products on the internet (Hilken et al., 2017; Overmars and Poels, 2015). The lack of a direct experience of consumers with products leads to an increased sense of uncertainty in them, resulting in the perception that online shopping is risky (Yaoyuneyong et al., 2014). In addition, the fact that consumers have no realistic expectations about products due to not being in direct contact with them leads to poor online consumer experience (Mooy & Robben, 2002).

There is also another consumer behaviour which is the opposite of webrooming and called showrooming. In this behaviour type, not only data is collected in physical stores, also consumers evaluate products in physical stores and then purchase online) (Neslin et al., 2014). These both consumer practices are frequently used in omnichannel consumer behaviour (Flavián, Gurrea, & Orús, 2020). There are obviously negative consequences of these behaviors for retailers, specifically causes free-riding behaviors of consumers. In this behavior style, one retailer's channel is specifically preferred by consumers for their searching and planning, and then to purchase the product consumers switch to another retailer's channel (Chiou et al., 2012; Chiu et al., 2011). As it is mentioned above the reason for customers in engaging in free-riding behavior is escaping or decreasing hesitations related with the purchasing process. Presently, consumer can reach a huge amount of onformation on online channels. However, consumers cannot actually examine products or get personal recommendation on the internet.

However, it does not mean that webroomers and showroomers are always free riders. They can use the same retailer's both channels (Neslin and Shankar, 2009; Gensler et al., 2017) which is the desired situation for all retailers. As it is said the most valued segment for retailers is the one which consists of buyers who use both online and offline channels in their buying processes (Fernandez et al., 2018). Studies showed that this valuable segment who use multiple channels of the same retailer buy more products, spend more, and pay higher prices than single-channel consumers (Fernandez et al., 2018; Lee and Kim, 2008; Van Baal and Dach, 2005). Realizing this, online retailers are looking for ways to provide their customers with an

unforgettable experience in both channels. Technological developments and digital technologies have an important role in the creating of better consumer experience. Using different technologies in retailing is called smart retailing and is a platform that retailers and customers use to increase the quality of their customers' experiences (Belk, 2010; Pantano & Timmermans, 2014). Examples of smart retailing applications include interactive displays, smart shopping carts, radio frequency identification systems (RFID), shopping assistant systems, near field communication systems (NFC), and augment-reality interactive technology (Roy et al., 2017). Smart retail technologies that enable superior and personalized retail services, might create the ways which, in the end, can positively enhance the retail experience of customers (Hoffman and Novak, 2015; Wunderlich et al., 2013). The application of such smart technologies has other advantages for retailers in addition to providing a better customer experience. These include improved firm management, reduced costs, and ultimately greater profitability (Renko & Druzijanic, 2014).

It is worth noting that these applications are used in traditional retailing in addition to online retailing (Hagberg et al., 2017). In today's retail industry, conventional bricks and mortar stores are in intense competition with the rapidly growing online commerce. In order to stay alive and make profit traditional retailers also integrate these technologies to bring back their customers and/or to improve their experiences. The combination of elements in traditional retailing with digital technologies provides a highly personalized and interactive environment (Berman, 2019; Pantano et al., 2018). As a result, the customer experience in traditional retailing is also affected in a positive way (Javornik, 2016a, b; Poushneh, 2018) and leads to an increase in the desire to purchase (Poncin & Mimoun, 2014). A recent report has shown that investments in smart retail technologies will probably raise by 20% to \$36 billion by 2020 as it was around \$14 billion in 2015 (Research and Markets, 2015).

One of the smart technologies that has the potential to create value for customers is augmented reality (AR) (Huang & Liu, 2014; Pantano, 2014). Baek et al. (2018) said that augmented reality is one of the ways to be the link to the gap between online and traditional merchandising. Olsson et al., (2013, p.288) define AR as a technique 'to combine real and computer generated digital information into the user's view of the physical world in such a way they appear as one environment'. The retail sector offers excellent opportunities to use AR applications (Cruz et al., 2018). Some of the examples of AR applications in retailing are virtual mirrors, furniture planners and virtual make-up trials. It is believed by some authors (Dacko, 2017; Morgan, 2017) that online conversion rates might be improved and return rates are likely to be decreased with the help of AR technology. As it gives a 'try before you buy' chance to consumers (Smink et al. 2019). Firms realize the benefits of this technology for consumers and, of course in the end for their self, and they have started to make investments on it. It is estimated that AR industry will reach

\$56.8bn globally by 2020, and in the retail market, it is expected to reach almost \$7.9bn globally by 2023 (Markets and Markets, 2018). Also there are forecasts about AR growth. For example, annual growth rate of the AR market is projected to be 31% until 2021 by a market report established by Technavio (2017). Also there is an estimation made by BCG (2018) regarding the number of AR users and is believed that there will be more than 120 million AR users only in the US by 2021. In addition to the benefits provided to consumers, factors such as the increase in online shopping and smartphone usage led retailers to increase their investment in AR technologies (Flavián et al., 2019; Watson et al., 2018). Because of all these reasons in this chapter, augmented reality was discussed in detail also its relationship with customer engagement was explained.

This section of the book started with the introduction of “customer experience” concept and then continued with definition of smart retailing, augmented reality (AR), its importance for retailers and consumers were discussed.

2. KEY CONCEPTS: FROM CUSTOMER EXPERIENCE TO AUGMENTED REALITY

2.1 Customer Experience

It is mentioned in the literature that the traditional product/service value proposition is no longer satisfactory for getting customers or creating differentiation (Carbone & Haeckel, 1994). Developing competencies in creating and managing excellent customer experiences that make lasting impressions in the minds of consumers is one of the main tasks that companies should do (Crosby and Johnson, 2007). The main differentiator in building competitive advantage is experience (Berry et al, 2002). This new phenomenon is realized by leading firms and they have been looking for new and superior methods to create unforgettable experiences (Shaw & Levin, 2002).

It is worth mentioning that experiences are inherently personal, unless an individual is engaged with the object in question in an emotional, physical, intellectual or even spiritual level, experience cannot exist this individual’s mind. It is not possible for two people having the same experience as it stems from the interaction between the person’s mind and the event in question. (Pine & Gilmore, 1998). So when firms design anything with the aim of improving customer experience they should take into account this information and should think each customer individually.

The importance of experience in consumption is realized by academic environment and Holbrook and Hirschman (1982) recommended that in order to better understand consumer behaviour, an experimental approach to consumption should also be considered. They witnessed that dealings with products, services and shopping leads

to overall customer satisfaction. Since then, various approaches have been taken to describe the concept of customer experience and to know its relationship to a number of independent variables. One of the definition of customer experience was given by Meyer and Schwager (2007) and they defined it as “the internal and subjective response that customers have to any direct or indirect contact with a company” (p. 118). It is not occurred just during sales process and service activities, throughout the life cycle of a consumer, all interactions with a company or brand should be considered (Frow & Pyne, 2007). Experiences are so important to consumers that Pine and Gilmore(1998) are able to express it with this sentence “commodities are fungible, goods tangible, services intangible and experiences memorable”.

After understanding the importance of experience in consumption, in addition, the interest in retailing began to create experience. One of the most important reasons why interest has shifted from simple transactions to this side is that relationship marketing has become very important today. Giving unforgettable experience is one of the crucial way to building enduring relationships with customers (Berman & Evans, 2007). Also firms know that getting a new customer is more expensive compared to existing ones and if existing ones are delightful with company’s products and services, they will continue to be customers of it. Because of this it has long been the subject of research on how store atmosphere and other retailing features in retailing can create experience and affect customers’ emotions and buying behaviour (Alexander & Nobbs, 2016; Clarke et al., 2012; Kotler, 1973). Kotler (1973) was one of the first authors to prove that creating sensory touch points in retailing generates a positive consumer experience and after that the significance of an pleasant experience throughout the shopping activity enlarged (Kozinets et al., 2002; Bäckström, & Johansson, 2006).

Also some researchers studied the effects of positive shopping experience on the outcomes and found that consumers who had good shopping experience involved in more purchases when compared to those who did not (Kim & Kim, 2008). Another outcome of this enjoyable shopping experience was that this experience showed a key role in the consumers’ satisfaction process. (Söderlund, & Julander, 2009). Furthermore, the value of goods and services offered in the store can be enhanced by experience (Newsom et al., 2009; Roussos et al., 2003).

For these reasons many traditional retailers have started using different applications such as bar, gyms and restaurants in the points of sale with the purpose of entertaining more consumers, attracting new ones, increasing their shopping experience and communicating the brand in new and attractive methods (Chang & Burke, 2007; Michon et al., 2005). Significant examples are the Armani brand, which added in its most significant Italian store (in Milan, Italy) the famous Nobu Restaurant, and the Ralph Lauren brand which created the Ralph Lauren Restaurant in Chicago

(USA), where each element of the environment reflects and reminds the brand style (Pantano, & Naccarato, 2010, p.204).

However, in today's retailing, in order to differentiate firms, these kind of creative ideas are not enough. The present developments in technologies helped companies to find out new powerful tools in order to improve in-store consumers' experience (Blázquez, 2014). Also not only this technology is used in store, in online shopping environment it is being used widely. In addition, the attractive environment created by technology can make the shopping experience engaging and memorable (Kozinets et al., 2002). Tools such as store order hubs, iPads, and displays, used in-store technologies, help create a new product layout within the store and make it more easy to get and convenient to buy products from the store (Blázquez, 2014).

Furthermore, technology has an important role in creating an integrated experience across channels. Technology helps redefining store experience and store layouts with more advanced technologies, such as click-to-gather services or interactive fitting rooms that connect to social networks (Blázquez, 2014). However, one of the things which retailers need to pay attention is that they should focus on the technology suitable for consumers and really provide value for them (Blázquez, 2014). For example, in the fashion industry, sensory elements are particularly prominent as consumers look at entertainment when shopping for clothing (Blázquez, 2014). Consequently, the in-store experience should offer a convenient, comfortable and fun environment that makes shopping a pleasant experience for customers (Chu, & Lam, 2007).

As it is mentioned above, these interactive technologies are also important for online retailers. Internet has created a new channel for traditional retailers and many retailers have made the transition to this channel to advantage from the benefits that the Internet offers (Klaus & Nguyen, 2013) for example expanded reach, reduced costs, lower physical and geographical barriers, as well as 24/7 retailing (Christodoulides et al., 2012). While some of retailers exist in both offline and online, only retailers with online stores also emerged. Even though online shopping has brought advantages to both consumers and companies, there are, on the other side, some difficulties in terms of competition. Due to internet; price and product information has become more transparent and consumer are more powerful (Becerra and Korgaonkar, 2013; Klaus & Nguyen, 2013). Therefore, online retailing has become even more difficult and even impossible to compete on price or product. This highlights the need for creating customer experience to build value and differentiate from competitors in online retailing.

Actually, online retailers offer a greater shopping experience. Because it can be updated more often and more easily compared to a physical store. Flexible architecture and layout, with a low-cost investment in software and programming make these easier for online retailers. The other advantages of online shopping based on customer

experience are improved 3D graphics which improves product presentation and interaction, the suggestion of a broader range of services, for example suggested systems for supporting a consumer's purchase decision, improved information on the product (i.e. video explaining the manufacturing process), home delivery polices, etc.; and suitability in terms of location, parking, opening hours and access, since it consists of a store, available anytime (24/7) and anywhere where an desktop internet connection is obtainable (Pairin & Keng, 2003; Pantano & Verteramo, 2015 cited in Pantano, et al., 2018, p. 94).

Because of all these reasons companies have been looking for ways to create customer experience and they have been started using highly interactive technologies in retailing. This created a new concept which is "smart retailing". In the following part, smart retailing and augmented retailing concepts were discussed in detail.

Smart Retailing

Improvements in Internet technology have increased the chance of connecting products remotely, resulting in the emergence of new devices or objects called "smart" (Wunderlich et al., 2013). The "smart", which explains the socio-economic and technological progresses arising from the rapid developments in information, communication and connected technologies, has become a new fashion in the modern business world (Demirkan & Spohrer, 2014; Dennis et al., 2014). It is defined as any object and system which has the abilities of sensing, controlling and connectivity with other devices and networks (Baz, 1996; Haque et al., 2013).

The word "smart" was first used in the "smart city" concept. The development of smart cities has led to the birth of the idea of smart. Pantano and Timmermans (2014) were the first authors who suggested "smart retail" concept based on the idea of "smart cities". Smart retailing refers to the existence of smart objects or devices that can be interconnected with the aid of wireless technology (Atzori et al., 2010). Interactive displays, smart shopping carts, radio frequency identification systems (RFID), shopping assistant systems, near field communication systems (NFC), and augment-reality interactive technology (ART) in stores are all the examples for smart technologies used in today's retailing (Roy et al., 2017).

The most important advantages of smart retailing that are not in traditional retailing are said to provide a sense of flexibility and to connect the physical and online worlds and allow real-time interaction with customer (Gregory, 2015). These advantages allow retailers to gain new abilities in terms of observing, controlling, optimization and autonomy (Porter & Heppelmann, 2014). Retailers have the chance to use their competencies to generate value for their customers and to express value suggestions (Kim et al., 2017).

Connecting and communicating with their customers and also tracking them with the help of these smart technologies can give companies an efficient feedback on consumer response about products, services and retailing strategies (Pantano, & Naccarato, 2010). This is an important competitive advantage for firms with the purpose of forming strategies capable to do well in the existing changing market (Zahay & Peltier, 2008). Another benefits that such smart technologies provide to retailers are attracting more customers to visit, giving improved customer experience, enhanced company management, cost reductions, and eventually better sales and profit (Renko & Druzijanic, 2014; Poncin & Ben Mimoun, 2014).

Augmented Reality

One of the “smart” technologies that is ever more recognized as the potential to produce value for both customers and retailers is the use of augmented reality in smart retail environments (Huang & Liu, 2014; Pantano, 2014). Javornik (2016b) argued that the first practises of AR date back to the 1950s in cinematography. Nevertheless, the concept became widespread in the 1980s when engineer Thomas Caudell was used to describe a new technology that was useful for the assembly and installation of electronic cables in aircraft (Caudell & Mizell, 1992). AR was used commercially first time in 2008 by the automobile industry in the form of a 3-D simulation. Since then, different applications of AR have occurred together with virtual annotations (Google Glass), virtual try-ons, content augmentation, holograms and projection mapping (Javornik, 2016a). These different applications of AR were used in military, medical, gaming and robotics (Mekni & Lemieux, 2014; Spreer & Kallweit, 2014), however also marketing uses have begun to increase (Mekni & Lemieux 2014).

How AR works is based on the displaying virtual objects in the 3D dimension (Azuma, 1997; Azuma et al., 2001; Reinwald et al., 2014). Even though it is similar to virtual reality, there are also fundamental differences between these two concepts and it is worth mentioning them. First of all, the main aim of them are similar which is improving customer experience. However, the way they chose to do it is not the same. In AR situation, as it is mentioned above, virtual objects are reproduced in 3D images and consumers who use AR application feel that they are using or experiencing the actual product or service. Conversely, in the virtual reality situation, in order to reproduce the objects devices are used by users such as wearing smart glasses (Milgram et al., 1995). When it is looked at the differences between AR and VR, AR is more suitable for both traditional and also online retailing as it gives chances to consumers for example, experience numerous products/clothes without physically trying them (Verhagen et al., 2014; Yim et al., 2017). It is mentioned that integrating real and virtual elements in a store environment improves the customer

experience (Flavián et al., 2019). Then the question is what kind of AR applications are available for retailers and the answer of it was given in the following part.

APPLYING AUGMENTED REALITY TO RETAILING

What AR Applications are Relevant for Retailers?

Towards the end of the 2000s, AR applications started to be seen in marketing (Javornik, 2016c). Retailing has become one of the leading areas of marketing in this sense (Centric Digital, 2016). Over the last few years, a large number of retailers, particularly in the beauty and apparel sectors, have begun to use different AR applications to enhance the customer shopping experience (Flavián et al., 2019). Studies (e.g. Goldman Sachs, 2016; Ericsson Consumerlab, 2017; Markets and Markets, 2018) showed that there are three major AR applications used by companies. They are online web based, in-store and mobile app.

In online-web based applications, the computer screen and webcam become an AR mirror (Caboni, & Hagberg, 2019). Consumer who are at the other side of computer can easily see how clothes or beauty products look in real time, they can change the size and the colour of the product. In other words, these applications create an atmosphere where customer feel that they are in a real fitting room (Kang, 2014). The Ray-Ban Virtual Mirror is one of the first online web-based AR applications developed in the retail setting. It makes easy for potential customers to find the most appropriate ones for their face (Pantano et al., 2017). Also online-web based applications are commonly used in beauty industry (e.g. Benefit Cosmetics, CoverGirl, Estee Lauder) (Caboni, & Hagberg, 2019).

In order to personalize the customer's experience, AR applications have been also used in the store (Berman, 2019). Numerous AR in-store applications are mainly established on a dressing room, which lets customers to try on clothes virtually in front of an "augmented mirror" (Caboni, & Hagberg, 2019). It helps customers save their time as they can try on more clothes in less time (Erra & Colonnese, 2015). Additionally, with the help of virtual mirrors, customers can take a picture of their clothes from any perspective and compare them with other clothes (Berman, 2019; Pantano & Gandini, 2017, 2018). Another advantage of using this type of in-store application is permitting customers to check the size and colour of the clothes they are wearing before buying (Hwangbo et al., 2017). In this way, customers can get information about their body shape concerning the clothes they want to purchase. A lot of big companies, such as L'Oréal and Sephora, have announced AR mirrors in their stores to allow customers to experience virtual facial makeup (Berman, 2019; Yim et al., 2017).

Mobile augmented reality (MAR) applications are a quite new phenomenon but are being used increasingly within retailing (Scholz & Duffy, 2018). Leading firms, for instance IKEA, Wayfair and Sephora, have presented specific mobile AR apps to allow consumers to try products on their bodies or in specific spaces in the home or elsewhere (Scholz and Duffy, 2018). Having a smartphone camera is enough to integrate physical and augmented objects.

As it is discussed above, there are different AR applications available in today's retailing world including both online and offline retailing. As AR can make contribution to the retail setting both online and in and physical stores by creating different value for consumers and retailers (e.g. Pantano et al., 2017; Scholz & Duffy, 2018). In the following part, how AR applications can create value for retailers was discussed.

AR Shopping Applications Value to Retailers and Consumers

There is no doubt that in order to achieve customer satisfaction, traditional retailing approaches for example promotions and in-store environments are still important (Bäckström, K., & Johansson, 2006; Grewal et al., 2009). In addition to these traditional methods, studies showed that AR applications might also increase satisfaction (Kent et al., 2015). Gaining high level of satisfaction has the ability of increasing sales and profits. Also a study conducted by Bulearca and Tamarjan's (2010) showed the other benefits for companies and brands provided by AR. They said that the use of AR applications leads to increased customer loyalty as these applications make customers occupy with retailers and more keen to go stores presenting this technology (Pantano, 2016). Using these applications can also give a competitive advantage to firms compared to their competitors (Shankar et al., 2010).

Besides these benefits provided by AR to companies, there are also other benefits which are really important for companies (Dacko, 2017, p.245). Improving conversion rates is one of them. AR technologies are likely to increase conversion rates for many different product groups, from clothing to make-up. Companies can achieve this by using for example "virtual dressing rooms" (Gaioshko, 2014), or "3D augmented reality makeup and anti-aging mirror" which let customers to try out make up (Martínez et al., 2014). Reducing return rates is another benefit provided by AR to retailers. One of the key problems which retailers encounter is returned goods. This is a problem not only for online retailers but it is also valid for offline stores. Specifically, items that are large amount can be serious problems for firms if they are returned by customers. The cost of carrying such heavy or large products may go beyond the costs of the products themselves. In order to overcome these problems, some companies started to use AR applications. One of the best examples of this is furniture retailer IKEA. In 2013 "augmented reality catalogue"

was announced by the company. The AR application permits customers to measure the width and height of the actual room they intend to buy furniture by using the camera of their smartphone. In this way, it provides a very precise picture of how the furniture is placed in the real environment and the minds of the consumers about the remaining space (Baier et al., 2015). Ultimately, this leads to a reduction in the return rates of the products sold.

Dacko (2017) mentioned another benefit and he said that by giving a more interactive and interesting experience, AR can liven up otherwise static shelf displays (e.g. the Walgreen app) and support driving store footfall. He also suggested that AR applications allow a more personalized shopping experience (e.g. the Converse or Topology Eyewear apps).

Eyüboğlu (2011) and Bonetti et al. (2018) said that other valuable outcomes may be gained by companies because of using AR applications in retailing including higher level of customer engagement and positive word-of-mouth about the retailer.

The other most important benefit for retailers is linked to gaining information about consumer behaviour as it allows data collection about customers faster than ever. Based on these data, improvements are made regarding the service provided at the points of sale which might have positive impacts on the consumer shopping experience (Flavián et al., 2019; Dacko, 2017).

Another benefit that AR application gives to retailers is changing the respondents' attitude toward the brand in a positive way (Rauschnabel, Felix, & Hinsch, 2019).

Lastly, companies that have adopted and implemented AR technologies early can be perceived by competitors and consumers as extremely innovative and market leaders in the use of technology (Teo and Pian, 2003; Pantano, 2014).

Using this technology does not only give benefits to retailers, it is also valuable for consumers who prefer using it. For example, with the help of increasing product tangibility by using AR, consumers and potential users can interact with products and touch them in an augmented way (Brenngman et al., 2018) (Vonkeman et al., 2017) and purchase in confidence (Pantano, 2014, 2016). AR aids customers to understand how merchandises suitable for them personally (Rese et al., 2014; Olsson et al., 2013) by adding different degrees of information (e.g. digital and interactive images, videos). This kind of interaction with products, especially for online shoppers, might decrease the perceived risk.

As it was mentioned in the previous part through AR, it is likely to generate a deeper level of customer satisfaction and engagement (Javornik, 2016a, b). AR applications offer more active 3D animation throughout the online shopping process compared to traditional e-commerce (Pantano et al., 2017; Lee & Park, 2014).

Fan et al. (2020) also found that if consumers use AR technology during online shopping, they may have a more positive attitude towards that product. Also in the

same study it is mentioned that cognitive load can be reduced if a consumer prefers using AR applications during shopping.

Difficulties with AR

Even though AR shopping applications are beneficial in a lot of ways for retailers and consumers, there are also some challenges that retailers encounter in managing these applications.

From the shopper's angle, concerns might be related with how easy, challenging or time-consuming an AR shopping application is to learn to use or to frequently use. Some consumers may not prefer it as according to them an AR application may not be fast or reliable enough to use on a regular basis (Ramakrishna et al., 2013). Another issue from the customer's viewpoint might be about AR shopping application compatibility with the user's smartphone's operating system (Dacko, 2017). Also privacy concerns of consumers about giving their personal information such as their name and email address to use the application make them stopping this application. To sum up, AR may offer benefits for both side, retailers and consumers, however there are also some challenges and issues which need to overcome.

CONCLUSION

In this chapter the importance of customer experience for firms was discussed. Also in order to improve customer experience what kind of changes occurred in traditional retailing specifically mentioned. In this respect, it is said that, based on the literature, to improve in-store experience old-style methods are not enough. Companies need to follow technological developments and implement them in-store. Doing these are really vital for firms, as after the existence of internet a new retailing channel has been created which is online retailing and traditional ones are really losing their customers to new one. In order to gain back and also keep existing customers, firms really focus on improving in-store experience.

Creating an unforgettable customer experience is also important for online retailers. It might be seen easy to open an online shop and may be give the cheapest price compared to competitors in order to get profit. However, internet has made the pricing strategies of company transparent and competition is not based on price anymore. As today's consumers are more powerful and they can easily compare prices the products. Also with the help of internet, companies can change their prices online in a very short time based on their competitors or make price adjustments according to the customer. In addition, there are studies in the literature that consumers are not only focused on price. If so, Amazon wouldn't have had the most market share,

selling a product that doesn't differentiate from different vendors like book content (Clay *et al.*, 2001; Smith and Brynjolfsson, 2001). Most of the time, consumers can find the best price from the price comparison sites, but in the end they tend to prefer the companies they trust and have good experiences with.

Also another understanding gained from this study is that competition in the retail industry will be established on the holistic consumer experience, instead of individual products (von Briel, 2018). Retailers should make something to accomplish and endure a regularly high quality of interactions at all customer touchpoints in order to build a holistic consumer experience.

To sum up, experience has become today's most important competitive tool for both offline and online retailers. One of the most popular and useful ways of creating unforgettable experiences today is to make advanced technologies available to consumers both in-store and online. Augmented reality is one of the most common applications used for this purpose. Retailers will have to reinvent stores with using digital technologies such that physical stores will come to be crucial destinations for unique sensory shopping experiences. Augmented reality is one technology that can be anticipated to have a vital role in retailers' efforts to improve consumers' in-store experiences.

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Chapter 2

Examination of Empirical Studies on Customer Engagement, Online Engagement, and Social Media Engagement

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ABSTRACT

Customer engagement is more than a purchase between a customer and a business. Activities such as active participation of the customer in the business, loyalty to the brand, continuous exchange of information are a few of the customer engagement activities. Today, with the developing and changing internet technologies, the concept of customer engagement is also handled from a different angle. Because both businesses and customers have started to use internet technologies in all their activities. This situation led to the emergence of the concepts of online engagement and social media engagement. Thus, customers are now making all their interactions with the business online or through social media accounts. The aim of this chapter is to discuss the process from customer engagement to online and social media engagement and to present empirical studies on these topics.

DOI: 10.4018/978-1-7998-3919-4.ch002

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INTRODUCTION

The change in information and communication technologies, the intensification of competition, the rapid spread of the internet, and the new order that emerged with these changes and developments, led to the emergence of great differences especially in the marketing practices and strategies of businesses. The fact that technology is the focus of all activities has triggered the rapid transformation of the marketing sector, entering a new period and the emergence of new approaches in marketing. In addition to this change in marketing, there have been differences in the behavior and habits of consumers, and new preferences and expectations have emerged. Changing consumer and customer behaviors and marketing approaches have led to the emergence of new concepts in marketing, and some concepts to be handled differently with developing technology. One of these concepts is customer or consumer engagement. Because all activities of consumers such as purchasing a product, participating in an activity, collecting information, comparing products, commenting on products, repurchasing, sharing their experiences with others have changed. The main reason for this is the rapid development of technology and the world's effort to keep up with technology. As the technology changes consumer behavior, new factors related to customer engagement have begun to be taken into consideration.

When the literature is examined, it is seen that the concepts of customer engagement, consumer engagement, brand engagement, media engagement, advertising engagement are discussed, and the concept of customer and consumer engagement is used the most. Today, online consumers and social media engagement have been added to the engagement literature, with consumers beginning to use the internet for shopping. Along with these concepts, the traditional concept of engagement has been differentiated, businesses have had the opportunity to get closer to a much wider audience, and concepts have emerged that can instantly measure the behavior and responses of consumers, based on the establishment of a reciprocal, interactive connection and communication with consumers.

Customer engagement behaviors go beyond transactions, and may be specifically defined as a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers (Van Doorn, et al. 2010). Customer engagement is a component of relationship marketing, which is applicable to both offensive and defensive marketing strategies, aimed at attracting, building, maintaining, and enhancing relationships with potential and existing customers (Vivek, Beatty & Morgan, 2012). In the same study, in which customer engagement is theoretically examined, it is determined that the basic components of customer engagement are participation and involvement for both current and potential customers, as well as value, trust, affective commitment, word of mouth, loyalty and brand

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community involvement are potential results of customer engagement. Van Doorn et al. (2010), in his study that theoretically examines customer engagement, it was examined between the businesses antecedents (customer-based, firm-based and context-based) and consequences. However, it was emphasized that word-of-mouth (WOM) activity, recommendations, helping other customers, blogging, writing reviews, and even engaging in legal actions are the basic behaviors of customer engagement.

The rapid change of the internet and changes in the consumer caused the concept of customer engagement to change. As a result of using the concept of engagement with the internet, it has revealed the concept of online engagement. On online platforms, this form of engagement is commonly referred to as online engagement and is addressed from the perspective of measuring undertaken actions, such as the click-through rates (CTR), page views, etc., with different measures being applied depending on the possibilities offered by the platform (Cvijikj & Michahelles, 2013). Online engagement can be regarded as a psychological state of users characterized by interactive, cocreative user experiences with a focal agent and object. Calder, Malthouse & Schaedel (2009), who examined customer engagement for a website, developed 2 types of online engagement according to the results of this study. The first is personal engagement, and the second is social-interactive engagement. It was determined that social interactive engagement controls personal engagement and later affects advertisements.

Another concept used with online engagement is social media engagement. But measurement factors are different from each other. Social media is one of the more prevalent channels through which customers engage with a brand or firm, and businesses are recognising the need to engage where current and potential customers are paying most attention (Baird & Parasnis, 2011).

According to the short literature study located above, the following aims are planned to be made in this chapter. Firstly, the concept of customer engagement will be discussed. After these concepts are explained theoretically, empirical studies in the literature on these concepts will be examined. In these studies, other variables that are considered and associated with the concept of engagement will be discussed and the results of these studies will be examined. Secondly, the concepts of online engagement and social media engagement will be mentioned. After explaining these concepts that are generally used together, empirical studies in the literature on these concepts will be examined. In these studies, other variables that are dealt with and associated with the concept of online engagement and social media engagement will be investigated and the results of these studies will be discussed.

BACKGROUND

Customer Engagement

The concept of customer management has changed over time. Until the 1990s, customer transactions were often focused on monetary value. The factors used to measure the profitability of the business were recency, frequency, monetary and value. The goals of businesses have changed over time. With the change in the goals of the businesses and the emergence of marketing periods, the main goal was to establish good relations with customers. During this period, researches were conducted on how long a customer will stay in the business by understanding the customer lifetime value. As a result of the researches, it has been revealed that customer satisfaction is not sufficient in order to create customer loyalty and gain profit. The important thing is to keep customers busy. With this goal, the engagement period, in which satisfaction and emotions take place in the process of managing customers, has entered (Pansari & Kumar, 2017).

Customer engagement is defined as (Bowden, 2009): *“a psychological process that models the basic mechanisms by which a service brand creates customer loyalty for its new customers and the mechanisms by which loyalty can be maintained for its customers who purchase again.”* Therefore, engagement includes feelings of trust, honesty, pride and passion for a brand (McEwen, 2004). And another definition of customer engagement is (Pansari & Kumar, 2017): *“as the mechanics of a customer’s value addition to the firm, either through direct or/and indirect contribution.”* According to this concept, direct contributions constitute of customer purchases, while indirect contributions constitute of customer referrals, customer influence, customer knowledge, social media messages from consumers about the brand and customer feedback to the brand (Kumar et al. 2010). These direct and indirect contributions provide tangible and intangible benefits to the business or brand. Tangible benefits result in market share, high profits and high incomes, while intangible benefits result in contributions such as permission marketing, privacy sharing, increased engaged customers, increased trust in customers (Pansari & Kumar, 2017). Therefore, the goal of businesses is to create long term customer engagement. To do this, businesses have to consider two key factors. The first is to strengthen psychological connections and create experiences. The second is to transform psychological and experiential commitment into a sense of self towards the business. Thus, the customer will feel the long term engagement and will not easily give up the business (Harmeling et al. 2017). Also, when customers use businesses’ websites, many businesses ask them to evaluate their websites. So they do this to get customers involved in the process. For example, in a contest, Lays asked its customers to develop a new chip and stated that the winner of this contest

will own 1% of the turnover of the new product. This situation enabled customers to participate more actively (Verhoef, Reinartz & Krafft, 2010).

It is assumed that the customer engagement manages the emotion and satisfaction of customers. Also, different customers will have very different emotional intensity and satisfaction levels. Therefore, Pansari & Kumar (2017) created a matrix consisting of four basic strategies to manage emotion and satisfaction.

- If a consumer feels high emotion and high satisfaction with the brand, this is called '*True Love*'.
- If a consumer feels low emotion but high satisfaction with the brand, this situation is called '*Attraction*'.
- If a consumer feels high emotion but low satisfaction with the brand, this situation is called '*Passion*'.
- If a consumer feels low emotion but low satisfaction with the brand, this situation is called '*Indifference*'.

Online Engagement and Social Media Engagement

With the introduction of Web 2.0, the internet has become more efficient for both customers and businesses that create content. With Web 2.0, platforms such as YouTube, Facebook, Twitter where users can contribute their content and create personal content such as Blogger or Wikipedia have also emerged. With the power of this internet environment, businesses and customers have begun to change direction (Ulker-Demirel, 2019). Consumers become more active and more effective on businesses when they use the ever-evolving communication platform. They carry out all their activities online. Considering this change, businesses act together with consumers in order to attract customers and increase their profits (Rasool, Shah & Islam, 2020). Changing direction has also changed the way customers engage businesses. Customers began to express or share what they wanted to say, their appreciation for the brand, or their contribution to businesses in the online environment. This situation led to the emergence of the concept of online engagement. Online engagement refers to the customer's involvement in the brand or business, either directly or indirectly, using internet technologies in an online environment. Therefore, online engagement is the realization of traditional customer engagement using internet technologies.

Another concept included in online engagement and used with it is engagement through social media. Social media accounts are very important in the concept of online engagement. Customer engagement in online social platforms Cheung, Lee & Jin (2011, p. 3) as follows: "the level of a customer's physical, cognitive, and emotional presence in connections with a particular online social platform". This

behavior is an active digital behavior that is created for the brand or business or provides high personal engagement to the consumer in an online environment. This active behavior defined in the digital environment occurs at 3 levels (Valentini et al., 2018):

- *Consuming*: It is a type of behavior that is limited to only seeing the images and videos of the brand or its products. In this type of behavior, you only have to like posts and follow topics.
- *Contributing*: This type of behavior involves active participation. The individual actively participates in conversations involving the brand or product. Like commenting on social media posts.
- *Creating*: It is the type of behavior that requires the highest level of activity. There is a high level of interaction. It includes actions such as creating, uploading, publishing content related to the product and the product. It is the behavior that is constantly followed by other users.

Social media engagement is based on interaction, and usually certain posts are responded immediately, regardless of who posted the message. Social media is an important concept in engagement because it enables both the business, the brand and the customers to establish a two-way connection in a real-time dialogue, create value together and provide an improved customer experience (Riley, 2020). For example, on the pages of brands on Facebook, there are 3 basic variables for measuring online engagement. liking, commenting and sharing. A post with many likes and shares may indicate that its content is of interest, increasing its probability of being liked by someone, and thereby leading to a dissemination of the brand message to additional potential customers through the Facebook algorithm (Luarn, Lin & Chiu, 2015). Another example is YouTube. YouTube engagement is based on both participation and consumption. Participation is measured by like, dislike, comment, share and upload, while consumption is measured by view and read comments (Khan, 2017). In addition a high number of comments on a post represents the degree of success or impact, because it suggests that users invested their time to share their opinions (Sabate, Berbegal-Mirabent, Cañabate & Lebherz, 2014). In the study of Gummerus, Liljander, Weman & Pihlström (2012) investigated the effects of customer engagement behaviors on perceived relationship benefits and relationship outcomes in a Facebook brand communities, the following results were obtained: the influence of customer engagement behavior on satisfaction is partially mediated by social benefits and entertainment benefits, while the effect of transactional engagement behaviour on satisfaction is fully mediated through the same benefits. The effect of customer engagement behavior on loyalty is mediated through entertainment benefits. Another study examining the relationships between

content type, media type and posting time, and social media engagement revealed that entertaining and informative content significantly increased the level of engagement. Also, posts created on workdays increase the level of comments, while posting in peak activity hours will reduce the level of engagement (Cvijikj & Michahelles, 2013). In another study with the same results as this study, it was emphasized that media and content type of posts exert a significant effect on user online engagement (Luarn, Lin & Chiu, 2015).

EMPIRICAL STUDIES ON CUSTOMER ENGAGEMENT, ONLINE ENGAGEMENT And SOCIAL MEDIA ENGAGEMENT

In the short literature study above, the literature on customer engagement, online engagement and social media engagement has been theoretically discussed and analyzed. In this section, some of the empirical studies conducted in the 2020 on these concepts will be examined. The studies examined were explained in detail what the purpose of the study was, which analysis method was used, how much the sample was and what the results were obtained from the analyzes. In addition to all these, the table shows in which journal the studies were published and which variables were used in the study.

Wang (2020) examined the relationship between branded mobile application adoption and customer engagement. This study, which uses a data set of more than 15,000 customers, analyzes digital interactions between applications, spending and e-mail blocking of customers. According to the results, it has been revealed that customers increase their interaction on branded websites, especially after adopting and using a branded mobile application. Also, low-tier customers show a more significant increase in cross-platform interaction than customers who are already loyal. High-spending customers show a higher increase in spending and promotion responses than low-tier customers.

Rietveld et al. (2020) analyzed Instagram posts using machine learning models. 46.9 K Instagram posts from 59 brands were used as the sample, and the Negative Binomial model was used to explain the customer engagement. According to the results obtained, it shows that visual emotional and informative objections encoded to the content produced by the brand affect customer engagement in terms of likes and comments. It has also been revealed that positive high and negative low arousal images increase customer loyalty. It is that emotional appeal affects the customer relationship more than informative appeals for both visual and textual modalities. Except for informative branding objections, it has been found that informative objections have a negative impact on customer engagement.

Ho & Chung (2020) investigates how customer engagement through various social media communities of mobile apps affects brand value and relationship equity and repurchase intention. In this study, 485 customers of Gogoro, Taiwan's largest electric scooter company, were used as a sample and tested by structural equation modeling. According to the results obtained, customer equity is positively affected by the mobile apps' customer engagement. This result shows that existing customers increase their repeat purchasing intention. Also, the repurchase intention is positively affected by the customer equity across value, relationship and brand developments.

The main purpose of the Molinillo, Anaya-Sánchez & Liebana-Cabanillas (2020)'s study is to examine the impact of social support and community factors (community driven, community identification and community trust) on customer engagement and customer loyalty towards social commerce websites. For this purpose, surveys were collected from 437 Facebook users. According to the findings, customer engagement is a key factor of four dimensions of customer loyalty (one transactional: repurchase intention and three non-transactional: willingness to co-create, stickiness intention and positive eWOM intention) towards social commerce websites. Also, customer engagement is significantly affected by social support and two community factors (community identification and community trust).

Another study was conducted in the tourism sector. In this study by Fang, Zhang & Li (2020), they aim to analyze the relationship between physical attractiveness of service employees, service expertise, desire for social interaction and customer engagement in the tourism sector. For this purpose, they use the experimental method based on interviews and scenarios. As a result of the analysis, the following results were found: Customer engagement is affected by physical attractiveness of service employees. In addition, desire for social interaction mediates this effect. And finally, the relationship between physical attractiveness of service employees and desire for social interaction is moderated by service expertise.

Parihar and Dawra (2020), aimed at the role of customer engagement in turning the committed customer into a loyal customer in the context of online service. For this purpose, it investigates the effects of commitment dimensions on customer engagement dimensions and their effects on loyalty. In this study conducted with the survey method, structural equation modeling was used to test the relationships. As a result of the analysis, the following results were found: Commitment, customer engagement and loyalty are related to each other. Affective and continuance commitment, two of the commitment dimensions, has been revealed to have significant and positive relationship with customer engagement. In addition, two of the 3 dimensions of the customer engagement (Customer influence behavior, Customer knowledge behavior) were found to be in an significant and positive relationship with loyalty.

Another study is related to artificial intelligence. Artificial intelligence is at the focal point of technology development and information technology disciplines.

Therefore, in the near future, many studies on artificial intelligence will be conducted and it will settle in the very center of human life. Prentice, Weaven & Wong (2020) aims to test the relationship between artificial intelligence service quality, artificial intelligence customer satisfaction and customer engagement. Data has been collected from hotel customers in Australia who have used artificial intelligence tools before. According to the results, it was analyzed that there is a significant relationship between artificial intelligence service indicators, service quality perceptions, artificial intelligence satisfaction and customer engagement. It considerably moderates the impact of artificial intelligence preference between in the relationship of information quality and satisfaction.

Ou et al. (2020) continued his research based on both individual and corporate characteristics of customer engagement. At the individual level, it establishes a relationship chain that extends from customer engagement to attitudinal and behavioral loyalties through impulsive behavior. At the corporate level, it examines a cross-level impact from brand equity in this relationship chain from the service environment. Two different surveys were conducted. According to the results, the service environment has a direct and moderating effect on customer engagement. It has been revealed that brand equity has only moderating effects on certain loyalty characteristics.

Kosiba et al. (2020) examines the impact of consumer banking customers' sense of trust in the bank on customer engagement in Ghana. In this study, an intercept approach was used to select the participants and a questionnaire was applied to the participants. Structural equation modeling was made on the collected data. The results obtained show that trust in service has a positive relationship with emotional engagement cognitive engagement and behavior engagement. In addition, economy based trust has a positive relationship with emotional engagement cognitive engagement and behavior engagement. Trust factors have a positive relationship with both customer engagement, cognitive engagement, and behavior engagement. However, no significant relationship has been determined between the years of being a bank customer and customer engagement.

Touni et al. (2020) conducted his study on Facebook brand communities. The aim of the study is to examine the customer-brand experience and customer engagement as two of the key drivers of customer engagement, as well as to explore the quality of a hotel's brand relationship with the Facebook brand community. In this study, in which 347 Facebook users were selected as a sample, structural equation modeling was applied to the collected data. According to the results, it is confirmed that customer and brand relationships are the driving force for customer engagement. With hotel brand communities built on Facebook, CE has a mediating effect on the way from customer-brand experience to brand relationship quality.

Another study is about social media engagement. Lee et al. (2020) explores how social media posts and comments by destination marketing organizations improve customer engagement. For this purpose, Facebook event pages of 72 destination marketing organizations were used and panel data analysis was applied as the analysis method. Research results show that a destination marketing organizations' social media efforts are positively correlated with customer engagement. And destination marketing organizations with a high level of information in their messages have more customer engagement on their Facebook event pages.

Another study was conducted in the banking sector. Islam et al. (2020) is about how bank websites can make customer engagement more effective in order to increase customer trust and customer loyalty. For this purpose, an online survey was conducted and data were collected from 598 public and private bank customers in India. Structural equation modeling was made on the collected data. As a result of the analysis, the following conclusions have been reached: It has been revealed that website features consisting of website interactivity, website aesthetics, customization, ease of use and telepresence have a positive effect on customer engagement. In addition, positive relationships between customer engagement, customer trust and customer retention have also been identified.

Garg et al. (2020) examines the relationship between social media analytic practices and business performance and the mediating role of customer engagement in this relationship. Therefore, a sample group of senior and mid-level managers was formed in India, as well as retail and information technology consultants. A total of 281 data were obtained from individuals with titles such as Digital Marketing Executive/Digital Marketing Specialist, Management Consultant, Analytics Manager, Customer Relationship Manager, Marketing Director, Engagement Manager. And structural equation modeling has been done. According to the results, it has been analyzed that there is an important and positive relationship between social media analytic practices and business performance. In addition, customer engagement has an intermediary role in this relationship.

Vo, Chovancová & Tri (2020) aimed to increase the number of online bookings by increasing customer satisfaction and customer engagement behavior in e-service of up-scale hotel websites in Vietnam. In addition to this purpose, they wanted to test the mediation relationship between customer satisfaction, website quality and customer engagement behavior. 332 people who made online reservations were courtesy online and face to face, and these data were analyzed with Partial Least Structural Equation Modelling. The findings obtained are as follows: It has been revealed that the website service quality increases customer satisfaction and affects customer engagement behaviors and brand loyalty. In addition, it provides a partial mediating effect on the relationship between customer satisfaction, website service quality and customer engagement behaviors.

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Acharya (2020) aimed to examine the effects of brand familiarity, customer brand engagement and self-identification on word-of-mouth communication. Questionnaires were conducted with 458 people and the data were tested by structural equation modeling. According to the results obtained, brand familiarity has a positive effect on customer brand engagement. Self-identification also positively affects word-of-mouth communication. Two dimensions of customer brand engagement (cognitive processing and affection) have a positive effect on self-identification. However, no significant impact was found between the activation dimension of customer brand engagement and self-identification.

The study of Kim, Yoo & Yang (2020) is about online engagement. This study on the online engagement of social media users focuses on flow theory, which is important to understand customer engagement in the online environment. The aim of the study is to examine flow factors and investigate the influence of social media users on positive attitudes and continuance intention. For this purpose, 516 questionnaires were collected online from South Korea and structural equation modeling was performed on the collected data. According to the results, challenge, information quality and system quality are important variables in the flow. Flow affects positive attitudes and continuance intention. Also, an important relationship was found between skill and flow. Positive attitude is a very important determinant for continuance intention.

Another study related to online engagement is to analyze the posts about products or brands published by digital influencers on Instagram. A qualitative analysis was performed by applying the semiotic image analysis and the critical incidents technique. The results obtained by examining the posts of digital influencers on Instagram are as follows: It has been determined that digital platforms reveal and strengthen different forms of interaction for consumers. Especially in Instagram, engagement extends the value creation process as it attributes social roles to the person (Silva et al., 2020).

Antoniadis et al. (2020) 's study also examines the factors that increase engagement levels in social networking sites. The study was conducted on 12 brand pages promoting food products, 501 posts were included in the study, and the features of the posts that attracted the attention of consumers were examined in these posts. The results obtained are as follows: it turns out that visuality, posting on workdays, and responsiveness increase post levels and popularity. Posting durations, on the other hand, were examined to have no effect on participation levels.

Herrera et al. (2020) examined the effect of experiential marketing on online consumer engagement in the fashion industry in Aguascalientes. A questionnaire was applied to young people between the ages of 20 and 34, and structural equation modeling was made on the data obtained. According to the results, a direct and

positive relationship has emerged between online engagement and experiential marketing. But this relationship is not substantial.

Levy & Gvili (2020) examine the impact of shoppers' culture and product involvement on engagement in price negotiations on online shopping sites. For this purpose, consumer culture theory and the elaboration likelihood model has been used to examine the effects of culture and involvement on engagement in price negotiation. And 2 separate studies were designed to test this purpose. The first is the study done with eBay transaction data, the second is the study done in a controlled laboratory environment. The first study revealed positive effects of collectivism and shoppers' engagement in price negotiations. In the second study, the moderator effect of eWOM on the relationship in the first study was determined. Moreover, when buyers shared information on price negotiation, it was observed that the positive effect of collectivism on the negotiation was diminished and the effect of engagement strengthened.

Sadek & El Mehelmi (2020) aimed to measure the impact of customer brand engagement on brand satisfaction, loyalty and trust through the online brand experience. 392 people were reached with the online questionnaire, the study was conducted in the Egyptian banking sector and tested with structural equation modeling. The results show that customer brand engagement has a significant positive impact on brand satisfaction, trust and loyalty through online brand experience.

In their studies, Rachman & Mayangsari (2020) aims to determine the communication styles that Instagram consumers interact with local fashion brands and examine the relationship between Instagram content of fashion brands and consumer engagement. The results obtained from the online survey are as follows: The type of content of the features of Instagram posts (entertainment, informative, and remuneration posts) increases customer engagement. It turned out that entertainment in particular has a very significant impact on customer engagement.

In the study of Chen (2020) investigates to what extent news content affects news engagement on Facebook and how social networks have a mediating effect on this effect. There are 3 basic news consumption factors to determine how much perceived news engagement on Facebook explains: news content attributes, social networks, and news engagement. It shows that social networks have a smaller impact on online news distribution than is believed, while also mediating the influence of news content on social media news engagement. As a result, it was determined that the production of news content is not the only factor that concerns readers while users interact with news on social media. The variety of social networks that spread content is also important.

Yasin et al. (2020) aimed to examine the relationships between five personality dimensions (Neuroticism, Extraversion, Openness, Agreeableness, Conscientiousness), online-brand community engagement, intention to forward

online company generated contents and intention to forward user generated content. Customers of banks operating in Palestine were selected as a sample and a total of 685 data were analyzed using structural equation modeling. According to the results, personality traits of extraversion, conscientiousness and openness have a positive effect on online brand community engagement. In addition, online brand community engagement plays an important role in terms of intention to forward online company generated contents and intention to forward user generated contents.

Lee, In & Lee (2020) is to examine the relationship between customer engagement and customers' experiential quality through social media. This study of hospitals also explores the role of service characteristics in a hospital that can shape the interactions between patients and the hospital. 669 data were collected from the hospital (The rankings of social media friendly hospitals, the Hospital Compare database, the Center for Medicare and Medicaid (CMS) cost report, the CMS impact file, the Healthcare Information and Management Systems Society Analytics database and the Dartmouth Atlas of Health Care). According to the results, there is a positive and important relationship between hospital's social media engagement and experiential quality. In addition this, offline engagement is an important determinant of experiential quality.

Dabbous & Barakat (2020) aims to examine the impact of content quality and brand interactivity in social media on consumers' brand awareness and purchase intentions. In addition, it is investigated whether hedonic motivation, consumer engagement and brand awareness mediate the relationship between social media stimuli and offline purchase intention. For this purpose, structural equation modeling was applied to test the relationships. According to the results: 1. Content quality and brand interactivity have a positive significant impact on brand awareness. 2. Content quality and brand interactivity have a positive significant impact on both the hedonic and utilitarian motives to engage in social media. 3. Hedonic motive has a significant positive impact on consumer engagement in social media. 4. Brand awareness and consumer engagement have a positive significant impact on offline purchase intention. 5. Brand awareness mediates the positive relation between content quality, brand interactivity and offline purchase intention. 6. Hedonic motive mediates the positive relation between content quality, brand interactivity and consumer engagement. 7. Consumer engagement acts a mediator in the relation between hedonic motive and offline purchase intention.

The aim of the Kumar & Kumar (2020) studies is to develop a model expressing the role of online brand community based benefits (experience based and self esteem based) and community engagement investment in predicting brand community engagement levels. For this reason, data were collected from 925 members of the firm that creates online branding communities. Structural equation modeling was used to test the model. The results show that the experience and self-esteem benefits of customers increase brand community engagement. Perceived community

engagement investment positively drives brand community engagement. In addition, brand community engagement positively affects brand community commitment and brand loyalty.

Li & Xie (2020) aimed to examine the impact of image content on social media engagement in their study. For this purpose, they have two basic questions: Are picture social media posts more popular than those without pictures? Why are pictures with certain attributes more interesting than some other pictures? They used data sets from Twitter and Instagram on major airlines and sports vehicle brands to find answers to these two basic questions. According to the results, image content in both product categories on Twitter has a significant and strong positive impact on user engagement. It turns out that high-quality and professionally shot images lead to consistently higher engagement across both platforms for both product categories. Another result is that the effect of the colourfulness varies according to the product category. While the presence of a human face in the picture and the harmony of the text ensure higher user engagement on Twitter, the same engagement cannot be achieved on Instagram.

Nguyen et al. (2020) examined how social media engagement and electronic word of mouth activities changed the perceived brand image and students' enrolment intentions. The results obtained from a sample of 445 students in Vietnam are as follows: eWOM seeking activities and perceived brand image have a mediating effect on the effect of social media participation on enrolment intention. Compared to their postgraduate colleagues, potential undergraduate students' perceptions of an institution's brand image are more strongly influenced by eWOM seeking activity on social media.

The purpose of the study of Oliveira & Fernandes (2020) is to validate and adapt the model proposed by Linda Hollebeek and colleagues in 2014, to examine its driving forces and consequences. For this purpose, data has been collected from 243 luxury brand followers on Instagram. According to the results of the research, the brand's self expression feature, as well as consumer involvement, significantly affects social media engagement for luxury brands.

In the studies of Cheung, Pires & Rosenberger (2020), it was aimed to examine the effects of social media marketing elements (entertainment, customization, interaction, electronic word of mouth-eWOM and trendiness) on consumer brand engagement and brand knowledge. Data were collected from 214 experienced social media users in Hong Kong through the online survey. Structural equation modeling was made on the collected data. Interaction, word of mouth and trendiness directly affect the consumer's brand loyalty. In addition, interaction, electronic word of mouth-EWOM and trendiness has emerged as the main factors that strengthen brand awareness and brand knowledge.

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Nguyen, Hunsaker & Hargittai (2020) aimed to investigate the relationship between online social participation of adults and social capital in their study. Data were collected from adults aged 60 and over. According to the results, internet skills have a moderation role in the relationship between online social engagement and social capital. Older adults with more Internet skills are more often involved in certain online social events related to online bridging.

Table 1. Journals' name and variables of the studies in 2020

References	Journals	Variables
Wang (2020)	Computers in Human Behavior	PC Web Interactions, Mobile Web Interactions, App Interactions, Spending, After App Release, App Adopter, Email Response
Rietveld et al. (2020)	Journal of Interactive Marketing	Likes, Comments, Positive high arousal, Negative high arousal, Positive low arousal, Negative low arousal, Visual brand centrality, Visual product centrality, Textual brand mention, Textual product mention, Textual deal mention, Textual price mention, Textual product location mention, Textual target audience mention, Control differentiation, control esteem, control knowledge, Control relevance, Control followers, Control count.
Ho & Chung (2020)	Journal of Business Research	Perceived mobile apps' customer engagement, value equity, Brand equity, Relationship equity, Repurchase intention, Perceived brand equity.
Molinillo, Anaya-Sánchez & Liebana-Cabanillas (2020)	Computers in Human Behavior	Social support, Community drivenness, Community Identification, Community trust, Willingness to Co-create, Stickness Intention, Positive eWom Intention, Repurchase Intention.
Fang, Zhang & Li (2020)	Annals of Tourism Research	Physical attractiveness of service employees, Service expertise, Desire for interaction, Tourists' customer engagement.
Parihar & Dawra (2020)	Journal of Product & Brand Management	Affective commitment, Customer referral behavior, Customer influence behavior, Continuance commitment, Customer knowledge behavior, Loyalty, Customer Engagement.
Prentice, Weaven & Wong (2020)	International Journal of Hospitality Management	Artificial Service Performance, Artificial Information Quality, Artificial System Quality, Artificial Preference, Artificial Information Satisfaction, Artificial System Satisfaction, Customer Engagement.
Ou et al. (2020)	Journal of Hospitality & Tourism Research	Service environment, brand equity, customer engagement, Impulsive Behavior, Attitudinal Loyalty (Revisit Intention, WOM, Willingness to Pay More), Behavioral Loyalty (Length of Stay, Budgeted Spending, Actual Spending, Frequency of Visit)
Kosiba et al. (2020)	The Service Industries Journal	Trust in service provider, Emotional Engagement, Cognitive Engagement, Behavioral Engagement, Economy based trust.
Touni (2020)	Journal of Hospitality & Tourism Research	Customer Involvement in Facebook, Customer Brand Experience, Customer Engagement, Brand Reputation, Brand Relationship Quality.
Lee et al. (2020)	Journal of Travel Research	Customer engagement, Visitors destination marketing organization efforts, Information richness, fan size, Post length, Comment length, event category, event scope, event size.
Islam et al. (2020)	International Journal of Bank Marketing	Website interactivity, Website aesthetics, Customization, Ease of use, Telepresence, Customer Engagement, Customer trust, Customer retention.

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Table 1. Continued

References	Journals	Variables
Garg et al. (2020)	International Journal of Information Management	Social media analytics practices, Business performance, Customer Engagement.
Vo, Chovancová & Tri (2020)	Journal of Quality Assurance In Hospitality & Tourism	Website service quality (Customer cognition of website, information and interface and trust), customer satisfaction, customer engagement behavior, brand loyalty.
Acharya (2020)	South Asian Journal of Business Studies	Brand familiarity, Customer brand engagement (cognitive, affective and activation), self-identification, word of mouth.
Kim, Yoo & Yang (2020)	Journal of Hospitality & Tourism Research	Challenge, Skill, Interactivity, Information quality, System Quality, Concentration, Enjoyment, Time Distortion, Flow, Positive Attitude, Continuance Intention.
Herrera et al. (2020)	Advances in Management & Applied Economics	Experiential marketing (Sensorial, Cognitive, Affective, Behavior, Social), Online Engagement (Stimulation and inspiration, social facilitation, Temporal, Self-Esteem and citizenship, Intrinsic Enjoyment, Utilitarian, Participation and socialization, Community).
Levy & Gvili (2020)	International Journal of Advertising	Constant, Transaction Involvement, Shopper's activity, Experience, price, country, Collectivistic Culture, Individualistic cultures, Engagement in price negotiation.
Sadek & El Mehelmi (2020)	Journal of Business and Retail Management Research	Customer brand engagement, Online brand experience, brand satisfaction, brand loyalty, brand trust.
Rachmah & Mayangsari (2020)	KnE Social Science	Customer engagement, post characteristics (entertainment, informative, and remuneration posts).
Chen (2020)	Mass Communication and Society	Perceived relevance of news, news engagement, Emotionality, Homophily, social media engagement, tie strength.
Yasin et al. (2020)	Economic Research-Ekonomska Istraživanja	Personality dimensions (Neuroticism, Extraversion, Openness, Agreeableness, Conscientiousness), Online-brand community engagement, Intention to forward online company generated contents and Intention to forward user generated content.
Lee, In & Lee (2020)	Journal of Services Marketing	Social media engagement (Online engagement, offline engagement) Service Complexity, Experiential Quality.
Dabbous & Barakat (2020)	Journal of Retailing and Consumer Services	Content quality, Brand Interactivity, Utilitarian Motive, Hedonic Motive, Brand Awareness, Customer Engagement, Purchase Intention.
Kumar & Kumar (2020)	Journal of Retailing and Consumer Services	Perceived community benefits (experiences and self esteem), Community relationship investment, Brand ownership, Brand community engagement, Brand community commitment, brand loyalty.
Li & Xie (2020)	Journal of Marketing Research	Image Content (Mere presence, Image characteristics), Text Content, Attention, engagement.
Nguyen et al. (2020)	Higher Education Research & Development	Social media engagement, eWOM seeking activities, Student type, perceived brand image, enrolment intention.
Oliveira & Fernandes (2020)	Journal of Strategic Marketing	Consumer involvement, brand expressiveness, components of consumer brand engagement, brand image, brand loyalty.
Cheung, Pires & Rosenberger (2020)	Asia Pacific Journal of Marketing and Logistics	Entertainment, Interaction, Trendiness, Customisation, eWOM, Consumer Brand engagement, Brand awareness, brand image.
Nguyen, Hunsaker & Hargittai (2020)	Information, Communication & Society	Online Social Engagement, social capital internet skills.

FUTURE RESEARCH DIRECTIONS

This study theoretically examines the concepts of customer engagement, online engagement and social media engagement. The subjects included in the study provide a guide on which points related to these concepts should be focused more. This study also examines what empirical studies are about customer engagement, online engagement and social media engagement. But only 2020 was taken. Studies to be examined in a longer period will be more guiding. In addition to the literature review in the first part of the study, an empirical study on these issues will provide a better understanding of the subject. It is hoped that the study will serve as a resource for future studies and contribute to the literature in addition to the previous ones.

CONCLUSION

Rapidly changing and developing information and communication technologies, the rapid spread of the internet have caused changes in the behavior of both businesses and customers, and has led to different approaches to marketing. One of the concepts that has changed in marketing is the customer engagement. Today, with these changes, the concepts of online engagement or social media engagement have started to be used more. Because customers now make their communications with the business or the brand, and their purchases online.

When the literature is reviewed, it is seen that there are a lot of studies, both theoretical and empirical, especially on customer engagement. There are studies that have been applied in many sectors such as finance, health and tourism and have been handled with different factors. In this study, since there are a lot of studies on these issues, only the studies published in 2020 until today have been considered and analyzed. When we look at the studies in general, it is seen that different studies using internet technologies instead of traditional engagement concept started to be carried out, especially in 2020. There is a lot of work done especially with social media networks, interactions, likes, comments, followers, eWOM, artificial intelligence, website interactivity, social media analytics are commonly used variables.

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KEY TERMS AND DEFINITION

Customer Engagement: It refers to the individual consumer participation or involvement in the activities of businesses. Like buying a product, commenting on the product, being loyal to the brand.

Engagement: To be attached to anything, to participate, initiative.

Online Engagement: It is the realization of customer engagement using internet technologies. The customer does all activities online.

Online Interaction: Online interaction is that in marketing, consumers communicate or interact with each other, with the business or with the brand, and this is done in an online environment.

Social Media Engagement: It stands for customer engagement done through social media networks. The customer buys products from their social media accounts, communicates with the brand, shares their thoughts about the brand or product on their social media account.

Social Networking Sites: It refers to the social media networks people use such as Facebook, Twitter, Instagram, YouTube.

Web 2.0: It is a network where internet technologies are changing and developing rapidly and consumers adapt to these developments and changes.

Chapter 3

Customer Engagement: Theoretical Framework, Reviewing, and Cataloguing

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ABSTRACT

Customer engagement (CE) has become a hot topic of today's business. It has been widely recognized as one of the most important drivers of a business's prosperity. Customer engagement (CE) is considered as a perfect predictor of firm's growth as it works as an effective strategy to build and maintain strong relationship between customers and firms. This chapter is aimed to explore the theoretical foundations of customer engagement (CE) and provides clear insight and comprehensive knowledge about customer engagement and CE models that widely used by firms to engage

DOI: 10.4018/978-1-7998-3919-4.ch003

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their customers, contribution of CE in value creation process, as well as barriers apparent in introducing customer engagement analytics and their capabilities of dealing with large customer data-set as well. This chapter is beneficial for a reason that it may provide a comprehensive knowledge about customer engagement to the academics (i.e., marketing students, scholars, and researchers) as well as practitioners of various industries.

BACKGROUND

In a world of business relations, the concept of “Engagement” is not new (Brodie, Hollebeek, Juric, & Ilic, 2011); (Vivek, Beatty, Dalela, & Morgan, 2014) It has been widely recognized as one of the most important drivers of a business’s prosperity (Kunz, et al., 2017). However, the significant interest of business practitioners has developed in last decade and many scholars of marketing side have shown interest and worked on Customer Engagement (CE).

The current market scenario of technological advancements in which firms are offering outburst choices of product/services and customers are well informed, it becomes pivotal for the firms to engage their all customers and develop strong relationship with them. The approach of creating, building enhancing and retaining relationships with customers is portrayed as Customer Engagement (Brodie, Ana Ilic, & Hollebeek, 2013); (Islam & Rahman, 2016). Customer Engagement (CE) related behaviours outstrip transactions that may be explained as materialization of customer’s behaviors about firm or brand resulting from motivational drivers (Brodie, Hollebeek, Juric, & Ilic, 2011).

Customer Engagement (CE) is considered as a vital to the firm’s competitive advantage (Doorn, Lemon, & Mitta, 2010); (Brodie, Ana Ilic, & Hollebeek, 2013); (Islam & Rahman, 2016). In an interactive and continuously changing business environment, the Customer Engagement (CE) constitute a strategic injunctions for enhancing business’s performance i.e. profitability, competitive advantage, higher sales growth co-creation of customer’s experience and values while gaining an increased attention from business as well as academic practitioners (Brodie, Hollebeek, Juric, & Ilic, 2011); (Vivek, Beatty, Dalela, & Morgan, 2014). In order to enhance customer value and business’s performance, a substantial interest is in engaging the customer and the customer communities in co-creation and co-production activities (Auh, Bell, McLeod, & Shih, 2007); (Jaakkola & Alexander, 2014).

Vargo & Lusch, (2004, 2008) and Brodie, Hollebeek, Juric, & Ilic, (2011) argued that the theoretical roots of Customer Engagement can be explained by extracting a theory of marketing relationship addressing customer’s interactional experiences and

Customer Engagement

co-creation of value The researchers have articulated this view-point as marketing Service Domain (SD) logic (Vargo & Lusch, 2004) ; (Vargo & Lusch, 2008). This view-point offers a transcending relationship's view known as "goods-dominant" which is different of traditional views of marketing relationships (Vargo, 2009). This shows that customers generate specific behavioral outcomes through their interactional experiences when they interact with organization and related stakeholders in the process of value co-creation (Brodie, Hollebeek, Juric, & Ilic, 2011).

Customer Engagement has been widely recognized as one of the most important drivers of firm's financial prosperity. Customer Engagement was declared as most important research area by Marketing Science Institute (MSI 2008) and the Journal of Service Research took initiative with special issue (2011, Vol. 14, No. 3), then (2011, Vol. 14, No. 3) was issued with responses (Vivek, Beatty, Dalela, & Morgan, 2014). However, both academics and practitioners yet have in-sufficient understandings about contribution of customer engagement in value co-creating process. Organizations face many challenges understanding the ways the customers contribute in the process of value co-creation. They need insights on the benefits and challenges of customer's contribution.

Therefore, in this book chapter, a brief overview of traditional models of customer's buying behaviors, their attitude towards transactions and how customer engagement related behavioral manifestations including Words Of Mouth (WOM) activity, complaining and co-creation behavior can be included in these models as well as the existing knowledge and customer's transactions models that may be beneficial for developing customer engagement models have also been discussed. Moreover, the problems related to marketing practice, barriers in introducing analytics for customer engagement and the customer engagement opportunities resulting from the increasing trends of online trading as well as the capabilities of CE analytics to deal with large data sets and their computing time have also been covered. In short, this chapter provides clear insight and comprehensive knowledge about Customer engagement and its effectiveness to the audience as well as underlying theories, creative methods, applied analytics and managerial implications of Customer Engagement. This book chapter has a vital contribution to the existing literature of customer engagement (CE) by highlighting the underlying theories, creative methods, applied analytics and managerial implications of Customer Engagement.

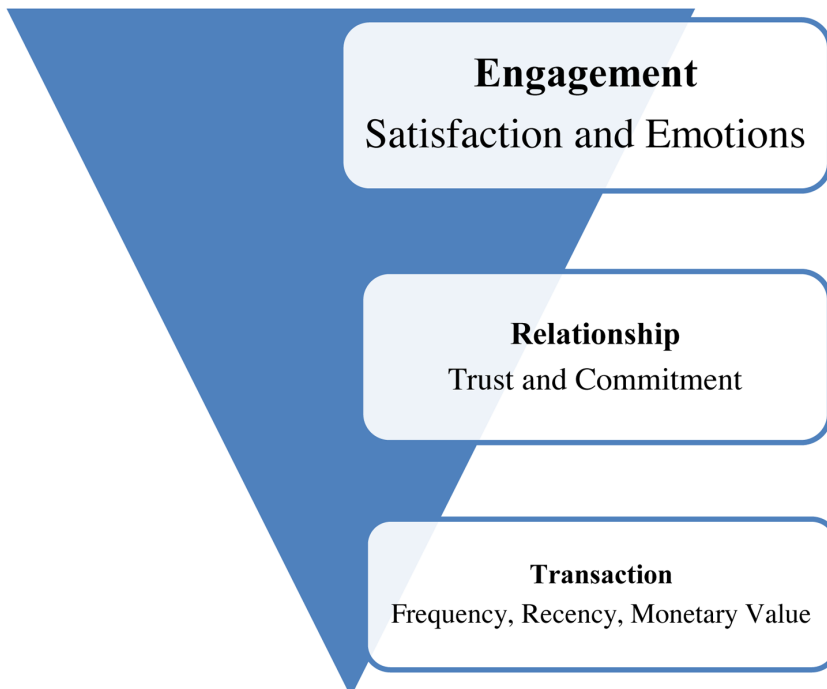
LITERATURE REVIEW

Evolution of Customer Engagement

The concept of Customer's management has developed over the last few years and this can be seen from the given metrics (Please see figure 01) that have been used in many different phases of marketing discipline. Up-to 1990's the main focus of marketing professionals was the customers and customer transactions (Pansari & Kumar, 2017). The standard view is that customers are exogenous to the firms and are acquiescent beneficiaries of firm's all activities of value creation (Deshpande, 1983); (Bijmolt, et al., 2010). However, a different frame of mind has emerged in last few years namely, that customers are the main source of creating value, competitive strategy and collaboration in the innovation process of firms. The central of this view-point is Customer Engagement (Bijmolt, et al., 2010) which attempts to aggregate numerous ways beyond transactions, through them the behaviours of customers might influence the firms (Jaakkola & Alexander, 2014).

Figure 1. The Evolution of Customer Engagement

Source: Pansari & Kumar, (2017)



Customer Engagement

The Gallup's Customer Engagement (CE) research (2001), the Economist Intelligence Unit report (2007), the Journal of Services Marketing (2010) and the special issues of the Journal of Service Research on Customer Engagement (2010) led the concept of Customer Engagement (CE) to be evolved among academics and practitioners (Sedley, 2010) ; (Vivek, Beatty, & Morgan, 2012). As per the views of academics, Customer Engagement is the participation's level of customers with organization's representatives and the customers in the collaborative process of knowledge exchange (Wagner & ann, 2007) ; (Vivek, Beatty, & Morgan, 2012). While, practitioners see Customer Engagement (CE) in organizational perspective and define it in term of activities that facilitate continues interactions strengthening physical, psychological and emotional investment of a customer in particular brand (Sedley, 2010) ; (Vivek, Beatty, & Morgan, 2012).

The existing literature regarding Organizational Behavior (OB) viewed the concept of Customer Engagement (CE) as a source of explaining organizational-citizenship and commitment behavior and predicting financial performance of the firms (Saks, 2006) ; Bowden, (2009). The literature of Organizational Behavior (OB) defined "Engagement" as a behavioral task promoting connections to both of the work and others (Kahn, 1990).

The literature of academics viewed "Engagement" related to but different from other organizational Behavior's constructs and a number of definitions have been given by academics (Saks, 2006). According to (Robinson, Perryman, & Hayday, 2004), "Engagement contains many of the elements of both commitment and OCB, but is by no means a perfect match with either. In addition, neither commitment nor OCB reflect sufficiently two aspects of engagement – its two-way nature, and the extent to which engaged employees are expected to have an element of business awareness".

Schaufeli, Salanova, Gonzalez-Roma, & Bakker, (2002) and Schaufeli & Bakker, (2004), stated that Engagement is a fulfilling, positive state of mind related to work characterized in terms of absorption, vigor and dedication. According to them, engagement is preserving, prevalent and affective-cognitive condition does not spotlight any event, object, individual and behavior. Naumann & Bowden, (2015) and Zhang, Guo, Huc, & Liu, (2016) defined CE as psychological, emotional and cognitive levels that customers express when interacts with an organization or firm. Bowden, (2009) defined Customer Engagement (CE) as a mental process through which loyalty is developed and maintained by new and old customers respectively.

The model given below (see figure 02, process of customer engagement) describes clearly that customers become loyal to a particular product/service by moving through a sequential psychological process. The new or first time users of a particular product/service have separate different temporary paths than the repeat customer/users of a product/service. This model indicates the vehicle by which a state of long lasting

loyalty develops among first time/new and repeat customers of particular product/service. According to Bowden, (2009), the process of customer engagement and specific segment related differences in this process can be described as under;

- Developing rational bonds with first time users
- Developing emotional bonds with repeat customers

Developing Rational Bonds with First Time Users

There are many unique characteristics displayed by first time users or new customers that distinct them from repeat customers having more information and experience (Soöderlund, 2002). Regarding this, (McGill & Iacobucci, 1992) and (Patterson, 2000), suggested that the first time users are the customers with minimum level of knowledge and positive expectations that's why they find it difficult to access new product/service. In this scenario, news customers always rely on information related to attribute level and focus on tangible and extrinsic cues when need to evaluate new product/service experience. They actively make and use comparison standards during their consumption experience to compensate their non-specific experiences.

One of the most prominent researches in this scenario conducted by (Mittal & Kamakura, 2001) and (Keiningham & Terry, 2001) argued that new customers are totally different from repeat customers thus cannot be treated in the same way because of the different need of these two different segments. They stated that organization that do not pay proper attention to these important segment of new and repeat customers not only fail to convert the new customers to loyal their customers provides but also to retain the loyal customers. Their arguments provide highest level of support for specified differences related to information processing between these two distinct segments.

Un-fortunately, most of the companies still treat all of their customers equally and offer/provide them the products/services of equal value regardless of how long they have been their customers and how much they spend usually. The companies that do not distinguish the new customers from repeat customers and provide/offer average products/services to all the customers may waste their resources in two ways;

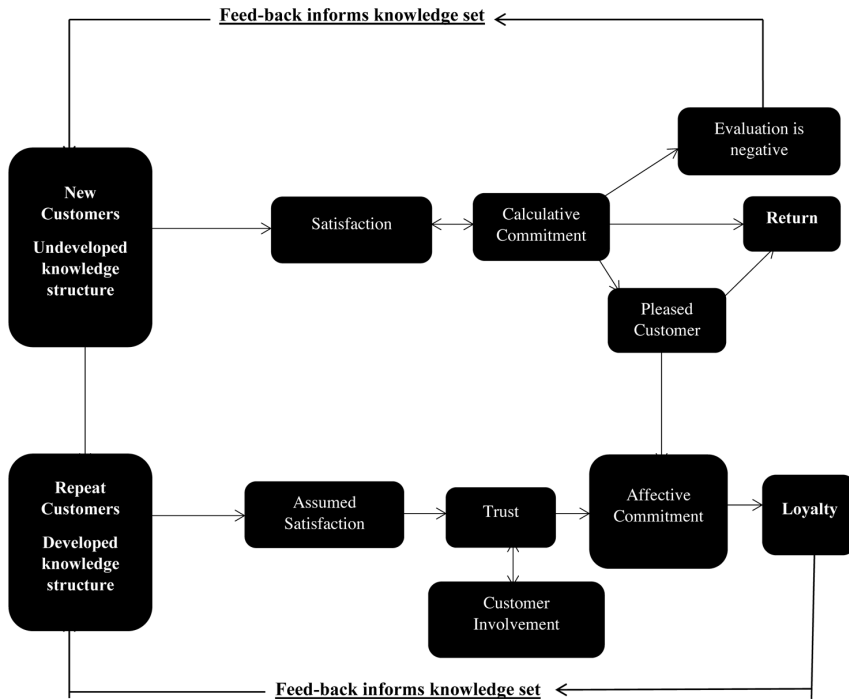
- By over-satisfying the customers with minimum expected profit
- By under-satisfying their loyal customers with higher expected profits

As a result, the more valuable and loyal customers with higher profit expectations defect and unappealing customer with minimum profit expectations stay with firm and lead to dilution of firm's profit (O'Brien & Jones, 1995).

Customer Engagement

Figure 2. Customer Engagement Process

Source: Bowden, (2009)



Developing Emotional Bonds with Repeat Customers

In today's business world, the creation and maintenance of customer loyalty is a widely discussed phenomena (Ganesh, Arnold, & Reynolds, 2000) ; (Ewing, Wagstaff, & Powell, 2013). The degree to which the customers are loyal to the firm is considered important in a firm's customer base. Customer's loyalty can be conceptualized as the combination of commitment and other loyalty related behaviors (Dick, 1994) ; (Day, 1969) ; (Ganesh, Arnold, & Reynolds, 2000). Loyalty and commitment seems to be related with each other as they mutually contribute in developing emotional bonds between customers and firms. However, Mano & Oliver, (1993), argued that satisfaction is something that leads to the development of strong emotional relationship among both parties. They argued that customer's involvement with particular product/brand is not necessary for building strong emotional relationship with them, but, satisfaction. They stated that customer's involvement is also not necessary for the customers to be satisfied. However, they argued that commitment is important for generating higher level of positive affect. McEwen, (2004), proved

their argument and stated that affective commitment is a vital element of creating strong emotional bonds/relationship between customers and firms.

Customers Engagement Models

Previously, various Customer Engagement (CE) models have been developed to examine the relationship between customers and firms. These well-established traditional models provide a clear insight about customer's behaviours and outcomes related to purchase transactions. Despite this, these models lead us a path for examining customer's behavioral manifestations and how these manifestations can be presented appropriately (Kamakura, et al., 2005) ; (Bijmolt, et al., 2010). Here, this chapter provides a review of Customer Engagement (CE) models and engagement related behavioral manifestation i.e. co-creation, words of mouth (WOM) and discontented behaviors. These models include;

- Customer Acquisition Model
- Customer Development Model
- Customer Retention Model

Customer Acquisition Model

The acquisition of customer is the first step of building customer-firm relationship. It model involves acquiring the right customers with maximum probability of positive response (Bijmolt, et al., 2010). Acquisition techniques are used with an aim of obtaining highly profitable customers. (Kamakura, et al., 2005). Recency, Frequency and Monetary value (RFM) model is most widely used customer acquisition technique (REINARTZ, KRAFFT, & HOYER, 2004) ; (Kamakura, et al., 2005) ; (Bijmolt, et al., 2010). Organizations use various marketing activities for acquiring more and more customers. These activities are different from each other based on communication channels and the type of message through which a particular customer is acquired (Berend, 2008) ; (Bijmolt, et al., 2010). Firms can easily acquire customers by using variety of customer acquisition channels including personal selling, direct marketing channels, mass media, retailer's outlets, internet and social media plate forms. (Bolton, Lemon, & Verhoef, 2004). Customers can also be attracted by using different content and design related messages including messages containing brand or price related information (Bijmolt, et al., 2010).

Customer Development Model

Customer Development is the second stage of building customer-firm relationship and involves stimulating the customer life time value by many different activities. These activities in turn increase the sales among repeat customers, upgrading as well as cross buying (Day, 1969) ; (Verhoef, Doorn, & Dorotic, 2007). The main issue of customer development stage is estimating customer life time value. Many practitioners rely on the approach of customer's transactions only to estimate Customer Life-time Value (Gupta, et al., 2006) while, some others apply directly econometrics method of predicting customer margin. For instance, Venkatesan & Kumar, (2004) predicted contribution margin by using regression model based on marketing-mix and post-transaction variables. Providing an increased level of opportunities for collecting information and ordering required products using many channels is an important strategy for developing strong relationship with repeat customer to make them loyal with their preferred brand. These channels may include internet, social media platforms, call center services, retail stores, catalogues and sales services etc. Now a day, customers are enjoying not only the facilities of interacting with firms but also home-delivery of their ordered products. This in turn leads to development of strong loyalty based customer- firm relationship (Blattberg, Kim, & Neslin, 2008).

Customer Retention Model

The third Customer engagement strategy is known as customer retention model. This model helps the firm by preventing the termination of both contractual and non-contractual relationship between the customers and a firm (Ganesh, Arnold, & Reynolds, 2000) ; (Ahmad & Buttle, 2002). The strategy of avoiding the termination of this relationship also known as Customer churn, which arises when customers of a particular product or brand move towards other product/brand because they find it more beneficial for themselves (Ganesh, Arnold, & Reynolds, 2000) ; (Shaffer & Zhang, 2002) ; (Ahmad & Buttle, 2002). In this scenario, Customers prefer to switch the rival firm's product/brand because of higher promotional incentives they receive. There may be two reasons, the firm loses its customers;

1. Customers receive promotional incentives from the rival firm while their preferred firm is not providing any incentives.
2. Customers receive more promotional incentives from the rival firm than their preferred firm.

Managing customer retention needs detailed explanation of the tools that are necessary for assessing the risk of each customer to defect and clear understanding of those factors that causes the customers to defect (Shaffer & Zhang, 2002). The main focus of traditional approaches of managing customer retention was to predict which customers are likely to leave and take actions to motivate them to stay. In today's market-place, Customer retention is a key to firm's prosperity because switching behavior of customers can destroy the firm's profitability ratio. For example, previous instances reveal that US corporations faced 25 to 50 percent profitability declines because of the switching behavior of half of their customers (Reichheld & Teal, 1996). The defection/termination of one customer may lead to the termination of many customers in his/her contact due to his/her negative words of mouth (WOM) (Gupta, et al., 2006) ; (Gupta, Mela, & Vidal-Sanz, 2008).

It has been proved by many researches that retaining the customers and building 'long-lasting relationship with them is vital to firm's prosperity. By managing customer retention firms can attain the advantage of cost-cutting because the customers become less costly to the firms with each additional year of their relationship with them due to the effects of learning and decrease in cost of servicing them (Reichheld & Kenny, 1990) ; (O'Brien & Jones, 1995). Over the time, these loyal customers build and prosper businesses by more and more purchases and providing the firm new customers by positive words of mouth (WOM) (Reichheld & Kenny, 1990) ; (O'Brien & Jones, 1995) ; (Keaveney, 1995) ; (Reichheld & Teal, 1996).

Engagement and Customer Value Creation

Value creation can be defined as an interactive and synchronous process. The word "Value" is something that is not simply added but it is created and re-created with many different values among various different actors (Kunz, et al., 2017). The value co-creation is a set of joint activities of all the parties involved in direct interaction with an aim of contributing to the process of value that may benefits both parties. This process of value creation is done through multiple factors however; the customers have a key role in the process. That's why; the customers are always considered as value Co-creator (Cristini, Kauppinen-Räsänen, Barthod-Prothade, & Woodside, 2016) ; (Kunz, et al., 2017). Ranjan and Read (2016) defined "Value-creation as a theoretical representation of an extended exchange process of joint production and consumption of value". The value co-creation and customer engagement are linked with each other. Zhang, Guo, Huc, & Liu, (2016) defined value cco-creation as a process

Customer Engagement Analytics

The process of studying customer analytics involves the connection between Big-data and the behavior of customers. Customer analytics are the source of providing insights regarding customer's behaviors as well as marketers who work to translate these insights into market advantages. Customer analytics are tools of finding hidden data patterns. From the last few decades, businesses are developing customer engagement analytics. By doing so, they generate more and more data about customers and know about customer's perceptions, experiences and reviews about particular product/service (Fayyad, Piatetsky-Shapiro, & Smyth, 1996) ; (Erevelles, Fukawa, & Swayne, 2015) ; (Mandler, Johnen, & Gräveb, 2019). Different plate-forms of social media enable the customer to engage with organizations and be either a co-producer or destroyer of the firm's value (Doorn, Lemon, & Mitta, 2010) ; (Liu, Shin, & Burnsc, 2019).

One of the most important features of Customer Engagement analytics is that it encompasses all unstructured behavioral data including textual i.e. text messages and posts and non-textual i.e. voice, videos and images. These data are collected from social media plate-forms where customers and organizations interact with each other and share information regarding particular product or brand (Erevelles, Fukawa, & Swayne, 2015); (Liu, Shin, & Burnsc, 2019). These data are important for the firms to understand the behaviors of the customers regarding their product/service and help to understand the customer's engagement with firms (Verhoef, Reinartz, & Krafft, Customer Engagement as a New Perspective in Customer Management, 2010) ; (Erevelles, Fukawa, & Swayne, 2015).

The emergence of new sources of collecting and storing data due to technology improvements show that marketing databases have grown not only in size but also in complexity and this poses multiple challenges to the firms and scientists in the field of marketing. The developments in information technology have improved the customer's data-set and the cost of traditional data set have lowered as the result of new data sets. Now, it becomes easy for firms to collect data from customers via social media plate-forms. For example, firms can easily survey their customers using online tools (Albuquerque & Bronnenberg, 2009). On the other side, large data pose many challenges to marketers as dealing with large data set requires working with sample data set which causes a problem of inaccuracies in sampling variances that is not acceptable as detecting even little difference in small sample of the whole population is important (DuMouchel, 2002). Another thing is that organizations usually work to operate in real-time. In this scenario, reality requires processing of data streams in real-time. Scientists who are interested in CE analytics are working on this issue and want to track this concept of reality in CE analytics. But, this type

of real time analysis may not be suitable in analytics of customer as they are suitable in financial services and telecommunications.

CONCLUSION

This book chapter has focused on addressing the concept of Customer Engagement (CE), its theoretical foundations and models that are used to study Customer Engagement. Secondly, this chapter focused on the role of customer engagement in the value co-creating process and provides a detailed overview of customer engagement analytics as well as its challenges and benefits to the firms. By reviewing the literature it is found that regardless of traditional concept of CE including customer's participation and their involvement, customer's interactional and co-creative behaviors and experiences are considered as the basis of Customer Engagement (CE). The models of Customer Engagement involve the following stages of life-cycle of customers: 1). Customer Acquisition, 2). Customer Development, 3). Customer Retention. Our review found that Customer's Engagement goes beyond the purchases and models of customer's transactions and it deals with the connections of potential customers with activities of their preferred brand's firms. This can be proved by a quotation from EIU (Economist Intelligence Unit, 2007) that Customer Engagement "refers to the creation of a deeper, more meaningful connection between the company and the customer, and one that endures over time. Engagement is also seen as a way to create customer interaction and participation" (Kumar, Aksoy, Donkers, Venkatesan, Wiese, & Tillmanns, 2010).

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Chapter 4

Review of Customer Activism Concepts: Implications for Customer Engagement Management

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ABSTRACT

The concept of customer engagement (CE) refers to the customer activism in value formation which is not a new notion in the marketing and management literature. Existing theories of customer activism constitute particular anchors for systemizing the knowledge on optimal CE and offer considerable value to the developing literature on the profitable CE management. Those notions are associated with two influential metatheories, such as value co-creation and network management, and include prosumption, customer participation, service and service-dominant logic, customer resource integration, extended resource-based view, user and open innovation, and customer integration in innovation process. The main objective of this chapter is to review the above-mentioned concepts in order to recognize their managerial implications which might inform CE management efforts undertaken by managers in each stage of this process. This chapter contributes to a better understanding of the CE management challenges and provides additional insights for advancing the research in this domain.

DOI: 10.4018/978-1-7998-3919-4.ch004

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INTRODUCTION

The phenomenon of customer activism, which is an inevitable feature of the customer engagement (CE) concept, is not a new notion in the marketing and management literature. There are at least a few theoretical concepts that offer an explanation of how and why individual customers may act as firm's active partners, what are the frameworks of managing such an activism by firms, and what are its firm-level outcomes. Those achievements need to be taken into consideration as a broader context for CE management knowledge which still remains at the early stage of development. Therefore in this retrospective chapter we discuss the concepts of customer activism and identify challenges for managing CE.

BACKGROUND

Conceptualizations of customer engagement (CE) in the managerial perspective emphasize its behavioral nature. Therefore this concept of a customer activism is also labeled as a customer engagement behavior (CEB). It is customer's behavioral manifestations towards a brand or firm that have a brand or firm focus beyond purchase, resulting from motivational drivers (van Doorn et al. 2010). In other words, CE is a customer's voluntary resource contribution to a firm's marketing function, going beyond financial patronage (Harmeling et al. 2017). CE consists of different types of customer activism, such as word of mouth, customer referrals, customer suggestions, content generation (Romero 2018), and customer complaints (Bijmolt et al. 2010; Chen et al. 2017).

CE is also defined as the mechanics of a customer's value addition to the firm, either through the direct (customer purchases) and indirect contributions (including incentivized referrals that the customer provides, the social media conversations customers have about the brand, and the customer feedback/suggestions to the firm) (Pansari and Kumar 2017).

Companies' explicit strategies to stimulate CE can increase the efficiency and effectiveness of value creation and enhance customer relationships (Beckers, van Dorn, and Verhoef 2018). Firms should develop a set of capabilities and resources to manage CE, and those management efforts should leverage the potential benefit or threat of a CE internally and externally (Verhoef and Lemon 2013). Therefore, the effective process of CE management is a rather prevalent challenge for companies (Venkatesan 2017) planning to spend more on CE programs in the future (Convero 2016).

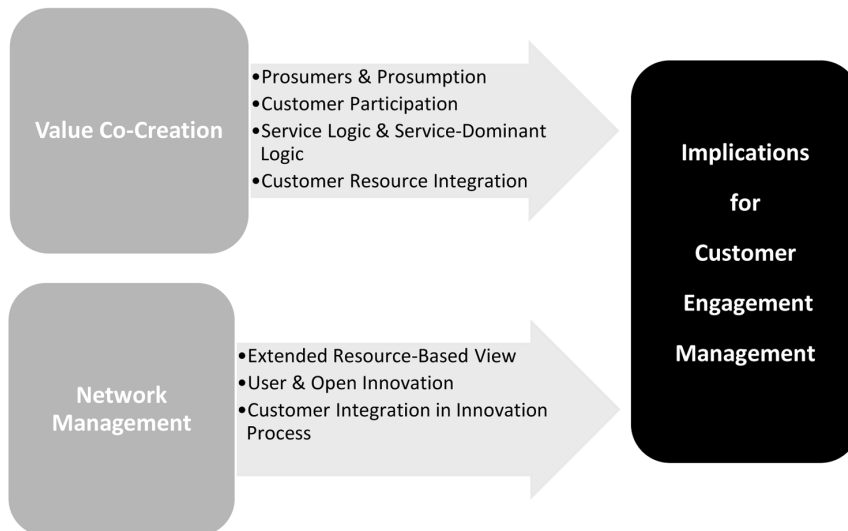
Although it is quite challenging for companies to profitably manage CE, the literature that would offer a comprehensive CE managerial framework is still scarce (Alvarez-Milán et al. 2018; Kumar 2013, van Doorn et al.2010; Żyminkowska 2019; Żyminkowska, Wiechoczek, and Kieźel 2019). In response to this gap, the author of this chapter reviews prior concepts of customer activism and based on this analysis attempts to identify implications for CE management.

INFLUENTIAL CONCEPTS OF CUSTOMER ACTIVISM

The concepts of customer activism, which form foundations for CE management knowledge development, are generally associated with two influential metatheories, that have broadly impacted contemporary marketing management and have been diffused within this field. These are the value co-creation and the network management macro constructs that are discussed in this section (see Figure 1). The theoretical achievements within these metatheories and related concepts constitute particular anchors for enhancing the management perspective on CE in the broader, theoretical context.

Figure 1. Concepts of customer activism and implications for customer engagement management

Source: Own elaboration



Value Co-Creation and Related Concepts of Customer Activism

Prosumers and Prosumption

The activism of a customer in value co-creation relates to the new consumer role in a society forecasted by Alvin Toffler and termed as a prosumer. Prosumers, that is, proactive consumers, were common consumers who were predicted to become active to help personally improve or design the goods and services of the marketplace, for themselves or other customers (Toffler 1980). Prosumption involves both production and consumption rather than focusing on either one or the other separate sphere. A series of recent social changes, especially those associated with the internet and Web 2.0, have made prosumption a common phenomenon. The development of self-service technologies is also a key driver of prosumption since customers are empowered to perform tasks that were traditionally completed by the firms' staff (Fisk et al. 2008). However, prosumption is quite a challenging phenomenon from a managerial point of view. As Ritzer and Jurgenson (2010) suggest, firms have more difficulty controlling prosumers than producers or consumers, and there is a greater likelihood of resistance on the part of prosumers who are against being asked to contribute to corporations without pay. This would implicate that some customers may also be resistant to engaging them in any interactions with firms or brands, and the customers' activism (including engagement), may not be a common phenomenon.

Prosumption notion has been reflected in the new model of the market termed 'the market as forum.' According to the traditional meaning, the main market function was to exchange the value between a firm and a consumer. This function was separate from value creation process. The new market concept pervades the entire system of value creation, instead of being outside the value chain system. The value is co-created during the consumer experiences at different points of interactions, where products, distribution channels, technologies, and employees are viewed as experience gateways. Therefore consumers are active partners in the joint value creation process, not just simple passive recipients of the value creation of others (Prahalad and Ramaswamy 2004).

Customer Participation

The idea of the market as a forum explains the essence of value co-creation with active, engaged customers. The significance of this idea, based on the value co-creation metatheory in marketing at large, has been contributed mostly by service marketing achievements (Grönroos 2006; Vargo and Lusch 2004), including customer participation issues. Then recognizing those achievements shed light on the contextual understanding of customer engagement phenomenon on consumer

markets. Services are actions or performances, typically produced and consumed simultaneously. In many situations customers, employees, and other people in the service environment interact to produce the ultimate service outcome (Zeithaml et al. 2009). Hence customers are participants in service production and delivery, and value co-creation is an inevitable feature of service marketing. Customer participation means that the customer has an impact on the service (s)he perceives, and becomes a co-producer of the service, and thus also a co-creator of the value for himself (Grönroos 2007). However, the levels of customer participation may vary. According to Zeithaml et al. (2009), those levels may differ across various services: from low, when customer presence is required during service delivery (e.g. motel stay), through moderate, when customer inputs are required for service creation (e.g. full-service restaurant), to high, when customer co-creates the service (e.g. personal training). Moreover the levels of customer participation are related to the different modes of relationships that customers prefer. If transactional mode is preferred, customers are looking for solutions to their needs at an acceptable price, and they do not appreciate contacts from the supplier or service provider in between purchases. Customers may also prefer the relational mode, either active or passive. Customers preferring the active relational mode are looking for opportunities to interact with the supplier or service provider in order to get additional value. A lack of such contacts makes them disappointed, because the value inherent in the relationship is missing. If preferring passive relational mode, customers are looking for the knowledge that they could contact the supplier or service provider if they wanted to. In this sense they too are seeking contact, but they seldom respond to invitations to interact (Grönroos 2007). Then, there is the implication for customer engagement issues, since the customer's willingness to engage or be engaged may probably vary, likewise in the customer participation case. Level of customer engagement may also vary across the customer segments and product categories involved, and may be associated with customer's individual preferences and attitudes towards the relationship with the firm or the brand.

Participating customers may play various roles: helping oneself, helping others, and promoting the company (Bowers et al. 1990). So customers are referred to as partial employees of the organization and they contribute to the organization's productive capacity. This requires managing customers as partial employees (managing customer participation), that is, recruiting, educating and rewarding customers (Zeithaml et al. 2009). Hoffman and Bateson (2006) distinguish the following stages in customer participation management: developing customer trust, promoting the benefits and stimulating a trial, understanding customer habits, pretesting new procedures, understanding the determinants of consumer behaviour, teaching consumers, and monitoring and evaluating performance. While putting customer to work companies must identify the work that customers perform best, understand why customers

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choose to work for (or against) a brand and what they expect in return, design and manage customer jobs, and identify the potential unintended negative consequences (Heskett et al. 2008). Thus, the broad body of knowledge on customer participation management implicates perceiving active customer (also engaged customer) through his/her role as partial employee of the firm and an object of management

However, from a managerial point of view, customer participation is associated with a number of advantages and disadvantages. The primary advantage is that customers may customize their own service and produce it faster and less expensively (Hoffman and Bateson 2006). So customer participation may result in increased efficiency and productivity, and decreased production costs. Positive outcomes of customer participation also include increased perceived quality and value, higher customer satisfaction and loyalty, as well as lower price sensitivity and better service recovery (Mustak et al. 2016). On the other hand, customer participation is perceived as a major source of uncertainty and as customer participation increases, the efficiency of the operation may decrease. This is due to the fact that firm is losing control of quality and the waste may increase, which increases the operation costs (Hoffman and Bateson 2006). Sometimes additional costs appear, when new or changed inputs are needed (Fließ and Kleinaltenkamp 2004), and also increased job stress or role conflicts for service providers' frontline employees (Mustak et al. 2016; Hsieh and Yen 2005). Abovementioned findings within the customer participation issues reveal the need for realistic view on the customer activism (and then customer engagement), and its impact on firm-level outcomes, because apart from positive consequences, negative outcomes for the firm also need to be taken into consideration.

Service Logic and Service-Dominant Logic

Customer activism in value co-creation, that is typical for service marketing and associated with customer participation idea, has been adapted for the goods marketing in two concepts: the service logic (SL) and service-dominant (S-D) logic concepts. First, service logic (SL) approach to value co-creation, based on the tradition of the Nordic School, seems to fit best the context of most goods producing business today (Grönroos 2006). According to the service logic for marketing, customers are independent value creators and create value as value-in-use. However, when customers begin interaction and dialogue with service provider, they co-create value with the provider. Besides, customers may co-create value socially with peers. In SL provider is a value facilitator, producing the resources to be used in the customer's value creation (Grönroos 2007; Grönroos and Voima 2013). Value emerges during the use of resources. Customers create value by using or consuming resources in a process where they use their skills to integrate obtained resources with already

existing resources (Grönroos 2017). The SL assumptions offer some implications for customer engagement management revealing the subjects of interactive value creation (i.e. customer and firm, as well as customer and peers), and its foundation that is the resources' use and integration.

On the other hand, according to the S-D logic, value is collaborative in its nature and is co-created rather than created by one actor. Customer is always a co-creator of value, and enterprise cannot deliver value but only offer value propositions. S-D logic underlies the role of consumers in proactively co-creating their personalized experiences and values with organizations through active dialogue and interactions (Vargo and Lusch, 2004, 2008). The primary activity involved in value co-creation is, again, resource integration, and since the contextual nature of value, both firm and customer may act as resource integrators (Vargo and Lusch 2008). Besides other social and economic actors may also act as resource integrators (Vargo and Lusch, 2017). Vargo (2008) distinguishes two processes: (co)production (i.e. creation of firm output) and value-creation (i.e. customer-determined and co-created benefit), that is superordinate to (co)production, to illustrate contextual nature of S-D logic. Further, he posits that the term (co)production represent goods-dominant logic lexicon and is close to the term 'customer integration' referring to participation in the development of the core offering itself. Moreover, Vargo and Lusch (2017) suggest that service-dominant logic can continue to advance over the next decade by moving towards a general theory of value co-creation. They perceive S-D logic and co-creation of value as metatheoretical concepts that are diffused in the lower-level theories, as for example customer engagement being an example of midrange theory. Also Storbacka et al. (2016) posit that service-dominant logic concepts, such as value co-creation, constitute what is referred to in the strategic management literature as macro constructs. They suggest that actor engagement (including customer engagement) is a microfoundation for value co-creation. Above-mentioned theoretical clarifications within S-D logic bring important implications for customer engagement knowledge and contribute to the more precise terminology. Customer engagement is then a lower-level marketing theoretical construct, influenced by a higher-level theory of value co-creation. CE is a microfoundation for value co-creation. CE is also complementary with other related constructs, as customer participation or customer integration.

Customer Resource Integration

Both service-dominant logic and service logic for marketing emphasize the role of resource use and integration in the process of value co-creation, which positions them in the resource-based view concept, that is further discussed in the next section. Recognizing and managing resources is then a key task in customer

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activism management, including customer engagement management. And again the customer participation theory contributes to understanding this CE context. Customer participation refers to customers' provision of inputs, including effort, time, knowledge, or other resources (Grönroos 2008). Mustak et al. (2016) distinguished three categories of customer resources delivered through participation, each including different types of customer inputs. First, labour and task performance consisted of provision of physical presence or labour and performing various tasks or self-service. Second, information and knowledge, including information sharing, when customers communicate their needs, provide information, and knowledge sharing and decision-making, when customers make suggestions and take part in decision-making. Third, behaviors, including benevolent behavior during the service process, when customers behave in an appropriate and pleasant manner, and co-operative and helping behaviours towards the provider or other customers. Peters et al. (2014) suggest that resource integration can be viewed from two approaches: as the emergence of new depositional properties on one hand and a series of interaction-based dynamic activities on the other. Resource integration as emergence is a (potentially) observable and measurable process, and a key question in the context of CE is how the properties of resources influence the emergent properties that result from resource integration. Resource integration as interaction is observable and based on actors, one can measure the input and output of an interactional process, and the key question is whether a greater interaction results in more resources. Therefore, given the ideas of resource integration included in the service-dominant logic and service logic in marketing, and the customer participation literature, the potential customer resources involved in customer engagement may be distinguished, as well as the mechanism of its integration.

The resource integration in value creation is perceived as beneficial for resource integrator, in both S-D and S-L logic perspectives. Customer consumption is elevated when the firm successfully orchestrates its resource integration (Ho et al. 2020). However, Echeverri and Skálén (2011) underline that during the interactive value formation not only value co-creation but also value co-destruction is possible. This is because resources allocated during value formation may be utilized not only positively to the benefit of the resource integrator, but may be misused, in a detrimental manner for one or all of the parties involved. The misuse of resources may be accidental (when parties intend to co-create value through their interactions but some discrepancies occur) or intentional (when a party has an interest in misusing resources seeking to increase its own well-being and capacity for addictiveness to the detriment of another party's well-being and capacity for addictiveness) (Plé and Chumpitaz Cáceres 2010). The accidental misuse of resources is strictly associated with the risk involved in value co-creation. With a regard to the consumer cocreation in new product development, Hoyer et al. (2010) indicate the following general

risks: diminished control over strategic planning, increased complexity of managing firm's objectives, and complexity of managing mis-performance and selection of consumers' ideas. Besides, the main challenges in consumer co-creation involves concerns about secrecy of information (since co-creation involves the revelation to consumers, and, through them, potentially to competitors), concerns about the ownership of intellectual property, information overload (since co-creation can yield large volume of consumer input), and the risk that consumer co-creators provide ideas infeasible from a production standpoint (Hoyer et al. 2010). Accordingly, Echeverri and Skålén (2011) suggest that customer's or firm employees' positions in value formation range and include value co-creator, value co-recoverer, value co-reducer and value co-destroyer roles. Above-mentioned findings on customer activism outcomes, that may be both beneficial and diminishing or destructive, need to be taken into consideration in the process of customer engagement management. They also indicate the need for the realistic view on customer activism in value creation and customer engagement. Therefore, regarding managerial view on value creation through customer engagement the label 'value co-formation' seems to be more appropriate, since it includes both the possibility of adding value (value co-creation) and the risk of destroying it (value co-destruction).

Referring to value creation scope, Vargo (2008) argues that this is a network-to-network exchange, since each actor (e.g. firm or customer) has its own supply chain as a resource integrator. In case of the customer, this comprises a network of public, private, and market-focusing service providers, in which the focal firm is the only one actor. Network-to-network perspective in value creation is then strictly combined with the second metatheory, fundamental for CE understanding in a broader context, which is discussed in the following section.

Network Management and Related Concepts of Customer Activism

Extended Resource-Based View

The second group of the customer activism concepts refers to the managerial issues derived from the network management perspective closely associated with the extended resource-based view. According to the conventional resource-based view (RBV), resources that are valuable, rare, inimitable, and non-substitutable make it possible for businesses to develop and maintain competitive advantages for superior performance (Barney 1991; Collis and Montgomery 1995; Srivastava et al. 2001). Resource redundancy or slack resources allow to buffer the firm from internal and external variation, reduce intra-organizational conflict, and allow experiment leading to an organizational change and innovation (Braldey et al. 2011).

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However, increasing slack up to a certain point would have a positive effect on firm performance but that excessive slack may be negative (Bourgeois 1981), due to firm inefficiency through investments in projects that do not increase shareholder value or diminished willingness to accept risk (Braldey et al. 2011). The extended resource-based view (ERBV) seems to offer the remedy for RBV disadvantages. According to ERBV, firms are able to draw on a wide array of external resources, through both market-mediated transactions and through various kinds of resource exchange and resource leverage relations (Mathews 2003). Prahalad and Krishnan (2008) suggest the R=G innovation rule, which is in line with ERBV, and means that firms focus not on the ownership of the resources, but on the access to the resources from multiple vendors, often from around the globe. The participation of active customers and customer communities, as vendors of such resources, is highlighted in the latest domain of the network management research, which evolved from business actors (inter-organizational networks) to expanded networks including non-business partners, as consumers (Möller and Halinen 2017). End users, customers, and user communities are part of the networks, next to developers, research organizations, competitors, and institutional actors (Aarika-Stenroos and Rittala 2017). This is closely associated with the evolution of core competence locus from the company itself, through network of companies, unto the enhanced network, that consists of traditional suppliers, manufacturers, partners, investors, customers, and customer communities, in which the competence is a function of collective knowledge (Prahalad and Ramaswamy 2000). The company has access to consumers' competences and investment of time and effort from customers (Prahalad and Krishnan 2008). Also the value constellation notion is based on customer resource integration, assuming that customers and other partners in the production of an offering create value together instead of 'adding' value one after the other in a value chain (Normann and Ramirez, 1998). Therefore, the network management perspective suggests considering active customer and customers' communities as the network subjects that may impact the firm's competitive advantage and performance.

Main advantages of network comprise more adaptability and flexibility due to the loose coupling and openness to information (Weick 1976; Achrol and Kotler 1999). However, the resources located outside the firm, that drive firm's success, cannot be controlled directly (Doz and Hamel 1998), which is the primary obstacle for the effective network management (including the networks consisted of active, engaged customers). Referring to the problem of lacking direct control over the external resources accessed by firms, which is the basic disadvantage of ERBV from a firm's perspective, more a general question arises: Are the networks manageable at all? Two discrete answers are offered for that question, depending on the network interpretation. According to Ford and Håkansson (2006) networks are the emergent, complex, and adaptive systems and cannot be managed by any single actor, and

firms may only try to cope within the network. On the other hand, the proponents of intentionally designed networks argue that distinct network's actors are able to exert considerable coordination over a network, that is, to manage it to a relatively great extent. Here, the network management is defined as improving the ability of the network to operate towards accomplishing its objectives, or as the means by which network members influence each other and/or the network as a whole in order to improve network cooperation (Järvensivu and Möller 2009). Besides, the network management is a function of the level of determination of the value creation system underlying a particular network associated with the network types and appropriate management mechanisms. The networks with emerging value system and radical change are characterized by rather low level of manageability, while the networks with stable, well-defined value system by high level of manageability (Möller and Rajala 2007). Given the network management assumptions, the manageability of customer engagement seems to be high in case of the engagement which is intentionally initiated and coordinated by firm (firm-initiated engagement), and rather low, when customers themselves initiate engagement. However, in both cases, the primary network disadvantage, that is, the lack of direct control over the external partner – customer – should be considered. The network management researchers propose the detailed management activities in the network and distinguish three management layers, that is, environmental, ecosystem and actor layer. With regard to the actor layer, the main managerial tasks include defining the actors' positions and roles in the network, their resources and capabilities, and goals (Möller and Halinen 2017). The management activities, covering managerial actions, capabilities, and organizational forms involved, consist of network visioning, positioning, mobilizing, goal construction and organization, effectiveness and efficiency seeking, and network maintenance (Tikkanen and Halinen 2003; Järvensivu and Möller 2008; Möller and Halinen 2017). Above-mentioned managerial functions and activities, particularly with a regard to the actor layer (including customers and customers' communities), form valuable recommendations for customer engagement management, in which the goals of the active customer need to be taken into consideration.

Some general network management recommendations are also included in the marketing management literature. According to Achrol and Kotler (1999), marketing in the network organization is responsible for, among others, creating and maintaining new marketing knowledge, intra-firm integration, conflict resolution, and the coordination of the network's economic and social activities. The new marketing management framework for network economy was proposed by Lusch and Webster (2010). The conventional framework is revised to make it relevant to the network organizations. It consists of sensing of lived experiences and practices of the stakeholders (i.e. analysis in the conventional approach), resourcing which deals with creating and integrating resources and removing organizational resistances

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(planning), realizing by the design of the processes for value co-creation with various actors (implementation), and learning by using new knowledge (control). With reference to customers, as network actors, Prahalad and Ramaswamy (2000) argue that firms should engage customers in active, explicit, and ongoing dialogue; mobilize communities of customers; manage customer diversity; and co-create personalized experiences with customers in order to harness customers' competence. Thus the marketing literature brings important implications for the customer activism management (also CE), emphasizing the need for new marketing management functions (sensing, resourcing, realizing, and learning) as well as the risk of organizational resistances, that need to be removed.

User and Open Innovation

The presence of an active customer is also recognized in the literature on user and open innovation, which is in line with the above-mentioned types of networks: emerging networks and intentionally designed networks respectively. User innovation refers to the emerging process of a user-centric, democratized innovation resulting from the activities of firms (i.e. intermediate users) and consumers (individual end users and communities) (von Hippel 2005). Whereas open innovation describes the phenomenon of companies making greater use of external ideas and technologies in their own business (so-called outside-in/inbound innovation), and letting unused ideas and technologies go outside for others to use in their business (inside-out/outbound innovation) (Chesbrough 2003, 2006). Referring to the individual customer activism, both the user and open innovation perspectives offer managerial implications for CE management. User innovation is generally associated with the autonomy of the actor innovation (e.g. consumer, who is a lead user), who wants to solve his/her own need (von Hippel 2005), so the intrinsic customer motivation is predominating. Lead users freely share their knowledge and ideas with other users or communities (Füller et al. 2010). However, some users may decide to commercialize their innovations, which is labelled as user entrepreneurship (Shah and Tripsas 2007). Moreover, also firms may profit from user innovation facilitating users' creativity by creating dedicated platforms to innovate with them (Piller and Walcher 2006). Key managerial decision related to user innovation include identifying lead users, establishing bridging strategies to lead user innovation, defining fair regimes of coordination, and opening-up intellectual property (Piller and West 2017). On the other hand, with regard to the customer activism, open innovation perspective assumes purposive inflows of knowledge from customers across a boundary of the firm in order to leverage external sources of knowledge and is associated with the monetary incentives (Chesbrough 2003). However, customers may also provide innovations for non-pecuniary reasons (Chesbrough and Brunswicker, 2013). Main

managerial decisions for open innovation refer to building absorptive capacity, defining and defending intellectual property, internal organization, and defining the metrics for open innovation (Piller and West 2017). Focusing on open and user innovation with individual, active customers, Piller and West (2017) propose a four-stage process model which consisted of defining, finding participants, collaborating, and leveraging sub-processes. Thus, the body of knowledge on the user and open innovation contributes to the understanding of the distinct drivers of customer activism (both intrinsic and firm-provided incentives). It also implicates that both types of customer activism need to be managed, that is, user innovation initiated by customer and open innovation purposely organized by firms.

Customer Integration in Innovation Process

Firms that are organizing the process of customer innovation integrate customers into the innovation process benefiting from it (Piller and Ihl 2009). However, such a customer integration may be associated with some risks. Generally, drawing the innovation from external sources can be time consuming, expensive, and laborious. The over-search for the external sources of knowledge may hinder innovation performance, as the costs of openness exceed the benefits (Laursen and Salter 2006). Moreover, the close ties with customers may constitute an inertia for change and for innovation (Piller and Ihl 2009). Literature on customer integration in the open innovation suggests other, detailed risks, as customers conflict for scarce resources and reward, misunderstanding between employees and users involved, disagreements on the ownership of intellectual property, customers' limited domain of expertise, and their inability to articulate needs, wishes and ideas (Song et al. 2013). Regarding the virtual customer integration, the potential risks include similar disadvantages: customers' inability to articulate, intellectual property problems, lack of secrecy, disturbance of internal processes, and, additionally, unbalanced target group orientation (Bartl et al. 2012). This is in line with Siakas and Siakas (2016) views on challenges in open innovation and customer integration, which encompass lack of control; protection of intellectual property rights; difficulties to manage and integrate incoming ideas, insights, concepts, and solutions; as well as coordination and control of overhead costs and loss of know-how. So, the findings suggest the need for a realistic view on customer activism in innovation networks, open and user innovation and customer integration. The managers need to be aware of both positive outcomes of such an activism and potential disadvantages or risks involved in integrating customers into the business processes.

SOLUTIONS AND RECOMMENDATIONS

The concepts of customer activism offer valuable practical implications for managing CE. Those implications need to be seen through the lenses of CE management process proposed by van Doorn et al. (2010) and further supported by Verhoef and Lemon (2013). The recommended CE management process consists of three following stages:

Step 1: Identifying CE behaviors and customers

Step 2: Evaluating CE manifestations

Step 3: Acting on CE behaviors

The first step of the CE management process (identifying) refers to identifying engagement behaviors and customers, i.e. forms of CE, engagement actors, places, content of CE, and its potential effect. The second stage of the CE management process (evaluating) is closely associated with the accurate evaluation of CE manifestations from the firm's perspective. It includes evaluating the likely consequences in terms of short- and long-term objectives, and measuring and examining CE behaviors as a multidimensional and comprehensive set of indicators. Firms may design a scorecard to monitor and evaluate CE relative to the firm's strategy. In addition, CE behaviors need to be translated into financial metrics integrated with other metrics of marketing and organizational performance in the company. The third stage of the CE management process (acting) encompasses four phases to develop a set of capabilities and resources in the firm:

1. **Leveraging:** setting up effective information systems and procedures to make the content of relevant CE behaviors (e.g. suggestions) available to the right persons inside the firm.
2. **Stimulating:** nurturing and harnessing the positive potential of CE behaviors through a site or platform offered to customers to express ideas, a set of incentives (e.g. rewards for recommendations), and customer communities.
3. **Acting:** capturing formal and informal negative customer statements to get a complete assessment of customer opinions and to enhance the firm's ability to address them internally.
4. **Neutralizing:** acting and reacting to negative forms of CE to turn them into positive CE.

Although the above-mentioned process of CE management is a prevalent challenge for companies, the comprehensive CE managerial approach still remains at its early stage of development. Influential metatheories and related, lower-order concepts

of customer activism in value formation which have been discussed in this chapter contribute to this approach offering some recommendations and solutions thus adding to the body of knowledge on CE management. The summary of key implications for each step of CE management process is presented in Table 1.

The review of customer activism concepts discussed in this chapter provides insights on implications and challenges for the developing body of knowledge on CE management. Drawing on the existing achievements across metatheories and related concepts that refer to the individual customer's activism, the primary recommendation for the realistic approach in the CE management is revealed. Since the concept of value co-creation is superordinate to the customer engagement, each CE activity has the potential for value co-creation. On the other hand, customer activism such as CE, may be also associated with value co-destruction process. Therefore, in the context of CE management and firm-level outputs, the label interactive value co-formation is more appropriate than the expression of value co-creation. This is because the term value co-formation encompasses both positive CE consequences for firm (i.e. value co-creation with active customer) and potential negative outcomes (i.e. value co-destruction by active customer). This realism is suggested for each stage of the CE management process, as elaborated in the following sections.

Identifying CE Behaviors and Customers

While identifying CE behaviors and customers in an integrated manner across customers, forms, and channels, firms need to recognize different levels of customer engagement behaviors, their different roles and resources involved in engagement process. Considering those variables by firms in the engagement-based segmentation of customers might inform subsequent steps of CE management process and improve the performance of the entire process.

Evaluating CE Manifestations From the Firm's Perspective

Accurate evaluation of consequences of CE manifestations from a firm perspective, in terms of short- and long term objectives, requires the awareness of the positive and negative effects of CE behaviors. Managers need to recognize and evaluate risks associated with active and engaged customers participating in value co-formation such as: decrease in the operation efficiency, additional costs, increased job stress, diminishing control over planning, increased complexity, or information overload.

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Table 1. Implications for customer engagement management

Customer engagement management process	Implications arising from the concepts of customer activism
Step 1: Identifying CE behaviors and customers	<ul style="list-style-type: none"> • Prosumers: helping to improve/design goods and services for themselves or others. • Customer participation: various customer roles (helping oneself and others, promoting the firm) and various customer resources involved (labor and task performance, information and knowledge, co-operative and helping behaviors). • SL, S-D L, customer participation: the need to recognize customer resources (customer resource integration). • Customer participation: the level of customer activism may vary across the customer segments and product categories. • Service logic in marketing: value is co-created in the interactions and dialogues between customer and firm, and socially, between customer and peers. • Service-dominant logic in marketing: co-creation of value is a higher order construct and actor engagement is its microfoundation. • User innovation: sharing the customer knowledge freely with firms, other users and communities. • Expanded / enhanced networks: customers, end-users, communities. • Extended resource-based view: consumers' competences, investment of time and effort.
Step 2: Evaluating CE manifestations	<ul style="list-style-type: none"> • Negative outcomes from customer participation: decrease in the operation efficiency, additional costs, increased job stress. • Risks in value co-creation: diminishing control over planning, increased complexity, and information overload. • Risks of the misuse of the resources and diminishing or destruction of value instead of value creation. • Risks in networks: lack of control of the external resources. • Risks in open innovation and customer integration: negative impact on firm performance if over-search occurs, inertia for change, disturbance of internal processes, lack of control, loss of know-how.
Step 3: Acting on CE behaviors	<ul style="list-style-type: none"> • Prosumption: customers' resistance to engaging them (not each customer wants to be active). • Service marketing: various modes of relationship that customers prefer (not each customer prefers to be active). • Difficulties with controlling the prosumers. • Customer participation: managing customers as partial employees (including understanding determinants of their behavior). • Network management: importance of customer goals in customer activism management. • Various motivations of customer activism: intrinsic (user innovation) and monetary (open innovation). • Various levels of manageability in network: low in customer-initiated activism, high in firm-initiated activism. • Network management layers and activities: key tasks in customer activism management including defining customer roles, resources, capabilities, and goals. • Marketing management in network: sensing, resourcing, realizing, and learning; removing organizational resistances as a key task in planning. • User and open innovation management sub-processes: defining, finding participants, collaborating, leveraging.

Source: Own elaboration

Acting on CE behaviors

Finally, while acting on CE behaviors, managers need to be aware that CE might not be a common notion across customer base, and not each customer wants to engage. So it's crucial to recognize what are customers' motivations to engage and goals which they want to accomplish through this activism. Addressing those motivations and goals when stimulating customer engagement might improve the effectiveness of engagement strategies.

FUTURE RESEARCH DIRECTIONS

Based on the critical review of prior concepts of customer activism this chapter reveals implications for CE management across three stages of this process and suggests future research opportunities to further develop CE management knowledge and inform firms' CE decision making models.

With reference to the first stage of CE management process, identifying CE behaviors and customers, future research should investigate effective strategies for collecting, filtering, and analyzing engagement data and recognize what metrics of customers should be used for selecting customers to be engaged. In doing so managers should follow a holistic approach accounting for the totality of customer engagement behaviors (Morgan-Thomas, Dessart, and Veloutsou 2020) to develop engagement-based segmentation strategies and capture value from multiple CE manifestations.

Further research is also needed to extend knowledge on second step of CE management process, and understand risks associated with CE when evaluating its manifestations (Żyminkowska, Samala, and Gołąb-Andrzejak 2019). As positive CE behaviors may result in unfavorable firm level effects (Clark et al. 2020), and negative CEBs, such as customer complaining behavior, may lead to positive outcomes for firms (Bijmolt et al. 2010), account for CE valence is recommended.

Finally, in the third step of CE management process, when acting on CE behaviors, firms need to be aware of customer motivational drivers of engagement (Żyminkowska 2018). Further research is needed to understand the dimensionality of customer motivation to engage and its impact on CEB intensity to help firms to recognize and address customers motives when stimulating their engagement.

CONCLUSION

The phenomenon of customer activism, which is the inevitable feature of CE concept, is not a new notion. Previous influential metatheories, such as value co-creation and network management, which refer to prosumption, customer participation, service and service-dominant logic, customer resource integration, extended resource-based view, user and open innovation, and customer integration in innovation process, offer a broader context for CE management knowledge development. Those theoretical concepts provide the explanation of how and why individual customers may act as firm's active partners, what are the frameworks of managing such an activism by firms, and what are its firm-level outcomes.

Therefore, the main objective of this chapter was to review the above-mentioned concepts of customer activism in order to identify the implications and challenges for CE management efforts undertaken by managers in each stage of this process. This research provides practical solutions and recommendations according to the three main stages of CE management process, such as identifying CE behaviors and customers, evaluating CE manifestations, and acting on CE behaviors. It also reveals interesting opportunities for future research that might extend managerial knowledge which refers to those stages.

ACKNOWLEDGMENT

This research was supported by the National Science Centre in Poland [grant number 2014/13/B/HS4/01614].

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Chapter 5

The Role of Customer Engagement in the COVID-19 Era

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ABSTRACT

Customer engagement is a multidimensional concept which develops over the time and is widely studied in the literature of marketing. Consumers attached to the brand tend to be more involved in behaviors that support the brand. On the other side, brand-self connection is an important element in consumer-brand relationship being part of brand attachment, where social media have a special role. Playfulness and informativeness of video have a significant impact on the value of social media ads, and the authors present the relationship between these two variables and customer engagement. The study will present an investigation with 235 Portuguese individuals during the months of confinement justified by the pandemic COVID-19. The results show that customer engagement depends on informativeness, playfulness, and brand-self connection. Throughout this empirical study, they show that social media brand engagement is explained by these variables. This chapter enhances knowledge on customer engagement, brand-self connection, and video informativeness and playfulness, supporting new researches in this topic.

DOI: 10.4018/978-1-7998-3919-4.ch005

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INTRODUCTION

From a co-creational perspective, online environments have enabled symmetrical forms of interaction and communication between organizations and publics, placing publics on an equal situation with regard to the production of content about organizations and brands (Botan & Hazleton, 2006). Hollebeek and Macky (2019) report that bidirectional communication contributes strongly to customer engagement. Online customer participation and engagement with brands has assumed an increasing role in the design of organizational communication strategies, giving rise to numerous studies and research. According to Romo (2012), entities should be attentive and listen to publics. In addition to organizations being open to dialogue and requiring public participation and engagement (Macnamara, 2010), Howell (2012) adds that they should even explore public conversations. For Ashley and Tuten (2015) companies should think about resources, content and creative strategies to involve customers.

Dessart, Veloutsou and Morgan-Thomas (2015) argue that the concept of customer engagement allows the measurement of customer and business participation in online environments. The results of his study show that online brand engagement is strongly related to “brand confidence, commitment and loyalty” (Dessart, Veloutsou & Morgan-Thomas, 2015, p. 2).

Higher consumer engagement in social media also increase brand connection (Harrigan, Evers, Miles, & Daly, 2018), brand loyalty, brand awareness/associations and perceived quality (Schivinski & Dabrowski, 2015).

On the other side, social media value is influenced by playfulness and informativeness. Informativeness is perceived as the richness of information or product-related knowledge provided by the ad that can enhance a customer’s experience (Kang, Shin & Ponto, 2020). It is defined as the degree to which an ad offers information as useful and can be understood from the instrumental, or utilitarian, perspective (Lee & Hong, 2016). Playfulness focuses on general pleasurable experiences (Kang et al., 2020).

Marketing literature has seen an increase of research on playfulness in the past few decades, usually as a precursor of flow state (Kang et al., 2020).

Therefore, because playfulness and informativeness have a significant impact on the value of social media ads we present the relationship between these two variables and customer engagement.

Moreover, engaging with customers at an emotional level is a crucial factor for brands’ success (Nyadzayo, Johnson & Rossi, 2020). The brand-self connection is an aspect of the brand attachment that involves the cognitive and emotional connection between the brand and the self-reflecting “me and who I am” (Park et al., 2010),

being a key element in the development of the attachment to the brand (Thomson et al., 2005; Park et al., 2010).

When consumers are attached to the brand, they are more likely to be involved in behaviors or activities that support the brand, maintaining positive attitudes towards it (Spiggle et al., 2012).

Thus, our chapter will present that brand-self connection has an important role to customers' engagement. This book chapter aims to present the concept of customer engagement in the COVID-19 era, evidencing informativeness, video playfulness and brand-self connection as predictive variables of customer engagement.

Our work will have two phases. The first phase will be a systematic review of the literature among the variables presented (customer engagement, informativeness, playfulness and brand-self connection). In a second phase, our study aimed to analyze customer engagement in 235 Portuguese individuals during the months of confinement justified by the pandemic COVID-19.

COSTUMER ENGAGEMENT

The development of the web and of the different online communication and sharing tools has given priority to customers and enabled their engagement with companies, making them co-creators (Sashi, 2012). "The interactive nature of social media with its ability to establish conversations among individuals and firms in communities of sellers and customers and involve customers in content generation and value creation has excited practitioners with its potential to better serve customers and satisfy their needs." (Sashi, 2012, p. 254).

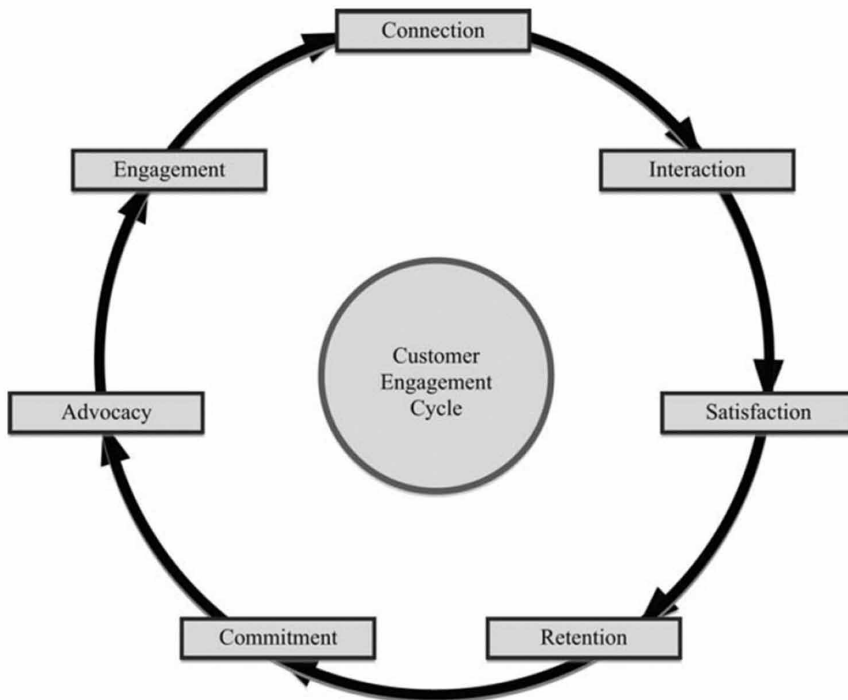
Bijmolt, Leeflang, Block, Eisenbeiss, Hardie, Lemmens and Saffert (2010) analyzed the state of the art of customer engagement models and consider that customer engagement is a multidimensional concept, which reflects the psychological state, happens in an interactive and dynamic process.

Dessart, Veloutsou and Morgan-Thomas (2015) define the concept of online customer engagement as a complex concept too, linked to the psychological and motivational factor, classifying it as very social, dynamic and interactive, multifaceted, related to the expression of a affective, cognitive and behavioural manifestations. Brodie, Ilic, Juric and Hollebeek (2013) attribute this complexity of the concept to its multidimensional and dynamic nature, which may have different intensities over time, depending on the level of interactivity established, involving several sub-processes. "Customer engagement thus acts as DCM's first-tier, intra-interaction consequence that will in turn foster brand-related sense-making (through cognitive engagement), identification (via emotional engagement), and citizenship behaviour (through behavioural engagement) (Hollebeek & Macky, 2019, p. 30).

For Brodie, Ilic, Juric and Hollebeek (2013, p. 105) “Engaged consumers exhibit enhanced consumer loyalty, satisfaction, empowerment, connection, emotional bonding, trust and commitment”.

Sashi (2012, p. 253) developed a model of the customer engagement cycle, represented in figure 1, whose engagement is based on connection, interaction, satisfaction, retention, loyalty, defense and engagement as principles and steps that come to facilitate and promote engagement, allowing companies to understand and go meeting the needs of these customers.

Figure 1. Customer engagement cycle
Source: Sashi (2012, p. 261)



This engagement of the customer through connection and interaction makes him a co-creator of value for the company, and can be an important source of information for the formulation of the company’s strategy. In turn, customer retention results from high customer satisfaction and positive emotions. The customer’s commitment, loyalty and defense of the company and products result in greater engagement. Customer engagement makes customers fans (Sashi, 2012).

Vivek, Beatty and Morgan (2012) propose a customer engagement model, adding not only the participation and involvement of current customers, but also of potential customers, arguing that this engagement can act as an antecedent of customer engagement. On the other hand, the value, trust, affective commitment, word of mouth, loyalty and community involvement with the brand are consequences of the customer's engagement, connection and interaction with the company.

Van Doorn, Katherine, Vikas, Stephan, Doreen, Peter and Peter (2010) have a broader view of the antecedents of customer engagement behavior, differentiating these precedents depending on the client, the company or the external context. Thus, they propose that customer satisfaction, trust / commitment, identity, consumption goals, resources, perceived costs / benefits are antecedents related to customers; a brand characteristics, firm reputation, firm size / diversification, firm information usage and processes, industry are antecedents on the part of the company and competitive facts, as well as political, economic, environmental, social and technological factors are antecedents of the contextual environment that can influence the engagement behavior of customers.

This engagement has consequences for both customers, companies and others. As far as clients are concerned, there are consequences at the cognitive, attitudinal, emotional, physical / time and about identity level. For companies, it can have consequences at the financial, reputational, regulatory, competitive, employee and product levels. The authors also highlight consequences for consumer welfare, economic surplus, social surplus, regulation, cross-brand, cross-customer (Van Doorn, Katherine, Vikas, Stephan, Doreen, Peter & Peter, 2010).

Harmeling, Moffett, Arnold and Carlson (2017) point out that the role of various customer resources for customer engagement with the company, as well as their value for companies, noting that the diversity of customers' interpersonal ties increases the reach of a marketing initiative, as well as shared content, making it reach more people. In turn, the knowledge that the customer has improves the quality of the shared content, and his creativity is a source for the development of new ideas and products.

Customer engagement promotes customer commitment, greater brand loyalty, generates more confidence in the brand and contributes to the creation of favorable attitudes towards a brand (So, King, Sparks & Wang, 2016).

VIDEO INFORMATIVENESS AND PLAYFULNESS

More and more companies use mobile advertising through various formats, from email, web links, banners, video ads, due to the high penetration rate of mobile phones and the speed and efficiency of receiving short messages (Hashim &

Zolkepli, 2014). However, advertisers must be careful in preparing the content of short and viral videos, because the likelihood of causing irritation is quite strong (Wang & Nguyen, 2018).

Thus, these advertisements must have quality, accurate and useful information, providing content about the products (Hashim & Zolkepli, 2014). Advertisements disseminated in various media formats, such as video, must have useful informational content, but they must also be rich, fun and personalized, in order to generate positive attitudes towards the target audience segments (Greenstine, Lukin & Buzynna, 2014).

Leung and Cheung (2004) consider that ads should disseminate relevant and accurate information, in order to improve consumers' brand attitude (Leung & Cheung, 2004). Fun and pleasant messages "draw consumers' attention to the brand and enhance their feelings towards mobile advertising" (Leung & Cheung, 2004, p. 2774). Leung and Cheung (2004) analyse the factors that influence the effectiveness of ads, grouping them into three major groups: factors of utility, entertainment and factors of personalization.

The informational and humorous advertising videos of the brands have gained increasing popularity and can contribute to the ideal marketing strategy, as they are less intrusive and evasive than the advertisements (Goodrich, Schiller & Galletta, 2015). Informative, useful, attractive and humorous, funny and entertaining contents make the video more effective, allow for better memorization and allow for greater receptivity, as they generate a positive attitude on the part of the customers regarding the ad itself, the brand and the company (Goodrich, Schiller & Galletta, 2015).

Nebaimoro (2017), in his study, concluded that people are happier with ads whose content is relevant, informative, useful, creative and fun. If the ad in the video format does not have these characteristics, they will abandon the video, as they consider it irritating and time consuming.

Hashim and Zolkepli (2014) developed a model where they consider that entertainment, information, irritation and credibility are variables that influence consumer behavior and the response to the acceptance of mobile advertising, having an impact on the consumer's purchase intentions. Advertising videos with quality information add value to the advertisement, directly influencing the customers' perceptions about the products and the company and generating satisfaction with the purchase (Hashim & Zolkepli, 2014).

Wang and Nguyen (2018), in their study on viral video advertising, also highlight the characteristics of informativeness for the effectiveness of the message and for favorable attitudes of customers in relation to the purchase decision. The authors consider that "in short, informativeness perception is considered as the evaluation of people whether all of information that they receive is useful or useless." (Wang & Nguyen, 2018, p. 55). Wang and Nguyen (2018) also mention the relevant role of fun and entertainment properties for the effectiveness of the ads. They also address

irritation, stating that if the video contents were too manipulative and uninformative they will cause irritation and generate negative attitudes on the part of customers. To the variables of informativeness and playfulness, Wang and Nguyen (2018) add the credibility of the source that generates reliability in the contents disseminated in the video.

BRAND-SELF CONNECTION

Over the years, brands have sought to build emotional relationships with consumers. For this, consumers must realize that they are congruent with their personality (Park et al., 2006, 2010) since they use brands to show their individuality (Richins, 1994) demonstrating strength and security in their self (Richin, 1994; Proksch et al., 2013). When brands or products are congruent with the consumer ego, consumer uses them to communicate his self, forming the self-connection (Klein et al., 1995). Consumer psychological needs are met through one's self-concept, expressing self-identity and differentiation (Richins, 1994). This leads to an emotional relationship between a consumer and a brand (Kleine & Baker, 2004).

Brand-self connection concept is derived from "Self-Expansion Theory" which shows that consumers form relationships with brands by expanding their self to others (Kleine et al., 1995). Escalas and Bettman (2003, p. 340) define brand self-connection as "the degree to which consumers have incorporated the brand into their self-concept", so it reflects consumer ego extension in brands, it means they use brands to express their selves or who they want to be (Escalas, 2004).

Park et al. (2010) described brand-self connection in cognitive and affective connections that link self and brand (Thomson, 2006) and it's an important element in consumer-brand relationship (Swaminathan et al., 2007).

For Park et al. (2010) brand-self connection is a dimension that takes part of brand attachment (together with the prominence dimension) and this two dimensions can influence intentions and behaviours of consumers, having an essential role in establishing relationship between brands and consumers (Loureiro, Sarmento, & Le Bellego, 2017).

Park et al. (2013) consider that the brand-self connection is the extent to which the brand is included in the self, that is, the person is the brand and the brand is the person. This measure varies according to the proximity, from total overlap between consumer and the brand, to the total distance (Park et al., 2013).

Brand attachment is an "emotional target-specific bond between a person and a specific brand" (Thomson et al. 2005, p.78). It was conceptualized for the first time with Thomson et al. (2005) that proposed a three-factor model that characterizes brand attachment in three emotional components: (1) affection (characterized by

the emotion items “affectionate,” “loved,” “friendly,” and “peaceful”), (2) passion (characterized by the items “passionate,” “delighted,” and “captivated”), and (3) connection (characterized by the items “connected,” “bonded,” and “attached”).

Later, brand attachment is argued to reflect brand-self connection and brand prominence, which displays the salience of the brand-self connection through perceived ease and frequency brought into consumers’ mind (Park et al., 2010). While brand-self connection presents the connection between consumers and brand because they represent who consumers are or goals, life projects they want to achieve (Mittal, 2006); prominence evidences the extension which memories and positive feelings about a brand are top mind for users, because when people are strong attached, memories are more prominent (Mikulincer, 1998). This prominence can lead to an influence on consumer decision (Alba & Marmorstein, 1987). For Batra et al. (2012) attachment is one of the salient elements of brand love.

Japutra et al. (2014) complement the model of Park et al. (2010) considering that the brand attachment includes three dimensions: emotions, self-connection and importance. Highlighting the role of emotions in the brand attachment and meeting the perspective of Ferraro, Escalas and Bettman (2011) which consider that possession attachment, consists of three dimensions: (1) possession–self link, (2) importance, and (3) positive emotions.

Several authors demonstrated antecedents of brand attachment, highlighting the congruity between brand personality and self-concept that predicts brand attachment (Kim, Lee, & Ulgado, 2005; Malär et al., 2011). When consumers feel their self-enriched and rewarded by the brand, the brand attachment is higher (Vlachos et al., 2010), since brand responsiveness positively influences brand attachment (Thomson, 2006). Park and MacInnis (2006) evidence that brand attachment is a predictor of consumer’s commitment and investment in resources and trust has also a determinant role (Vlachos et al., 2010). This opinion is not consensual since Loureiro et al. (2012) argued that trust is the result (and not a predictor) of attachment.

As results of brand attachment, Japutra et al. (2014) identifies six determinants which include cognitive and affective constructs (self-congruence, experience, responsiveness, quality, reputation and trust). It was also demonstrated that brand attachment intensifies the willingness to pay a price premium (Thomson et al., 2005) and brand loyalty (Schmalz & Orth, 2012; Jahn & Kunz, 2014), namely, the intention to recommend, purchase and revisit, resilience to negative information, and the act of defending (Japutra et al., 2014).

Brand attachment can also minimize the effects of negative information or unethical behavior of the firm (Schmalz & Orth, 2012).

Brand-self connection and prominence have different effects on consumers behaviours, while prominence influences consumers’ purchase behaviors (Park, MacInnis, Priester, Eisingerich, & Iacobucci, 2010; Schmalz & Orth, 2012), self-

connection increases engagement in positive WOM (Swaminathan et al., 2007) and brand advocating (Kanthavanich et al., 2012). This connection constitutes a competitive advantage difficult to imitate (Escalas & Bettman 2009).

When there is a stronger brand-self connection, consumers favor more the brand because it helps him to express himself and reduce the inconsistency between actual and desired self (Belk, 1988), facilitating brand personality fit and generating positive feelings (Ahluwalia, 2008).

With the advance of internet, also consumer's emotional attachment toward social media has a crucial role (Barreda et al., 2020), however there is little attention in literature for this evolution (Wang, Yeh, Yen, & Sandoya, 2016).

SOCIAL MEDIA ENGAGEMENT

Nowadays, for companies that seek to achieve effectiveness and success in marketing strategies is essential to understand also customer engagement with brand-generated content on social media (Dessart et al., 2015).

In research on engagement, digital technologies and social media have assumed an increasingly relevant role (Hollebeek et al., 2019). The consumer is involved through brand messages on social networks (de Vries et al., 2012) generating new forms of interaction and action (Li et al., 2017).

Some research studies have already analyzed social media engagement and its consequences (Zheng et al., 2015) but they are still insufficient (Papista et al., 2018; Wang et al., 2018). Since this is a strategic tool "social media has provided firms – both large and small – with a new tool for customer engagement" (Rishika et al., 2013, p. 114).

Social media is defined as a 'group of internet based applications that build on the ideological and technological foundations of Web 2.0 that allow the creation and exchange of User Generated Content (Kaplan & Haenlein, 2010, p. 61).

Consumers' Social Media Engagement Behaviour (SMEB) is defined as consumer engagement behaviour with social media content, that could be brand-generated and/or peer-generated content (Popovic, 2016). This engagement is measured by some authors as interactions in social media such as likes, shares and comments (Bonilla et al., 2019).

Muntinga, Moorman and Smit (2011) proposed a model of consumers' online brand-related activities (COBRA) with three levels of consumer engagement behaviour: 1) consuming – low engagement activities such as view content, photos/videos, read comments; 2) contributing – commenting posts, videos or photos; and 3) higher engagement activities such publishing posts (videos, photos, reviews).

Hollebeek et al. (2014) in the context of social networking consider that brand engagement involves cognitive and emotional valences of consumers who react behaviorally to the activities of brands on these platforms. However, engagement also varies depending on the platform, whether Instagram or Twitter (Guidry, Jin, Orr, Messner, & Meganck, 2017), Facebook or YouTube (Khan, 2017). Studies show that Instagram is more consumer's engaged (Pentina et al., 2018) compared to Facebook since on Instagram the visual content is of higher quality.

Several authors classify social media content essentially into four groups: informational, entertainment, remunerative, and social content (Muntinga et al., 2011; Dolan et al., 2016), where users' demand for information is highlighted for the use of social media (Lin & Lu, 2011). The interaction also depends on the characteristics of the posts that encourage engagement (like, comment or share) (de Vries et al., 2012; Luarn et al., 2015). This engagement varies from low (consuming) to high (contributing or creating) (Sashi, 2012; Tsai & Men, 2013). When consumers create content they are contributing to the brand strategy. Harmeling, Moffett, Arnold, and Carlson (2017) consider that customers "are pseudo-marketers, often with greater influence, lower costs, and more effective reach than their firm-based counterparts" (p. 312).

For brands, engagement in social media increases brand equity (Van Doorn et al., 2010), intention of brand usage and brand-self connection (Harrigan, Evers, Miles, & Daly, 2018). This connection is emotional and engagement results also in satisfaction, commitment and loyalty towards brands (Zheng et al., 2015; Kim et al. 2018). It has also consequences on value for brands, such as increase purchase intention (Hutter et al., 2013; Beukeboom et al., 2015) and sales value (Kumar et al., 2017).

Chiang, Wei, Parker, and Davey (2017) evidence that social media engagement result also in "recommending, referring and discussing the brand on social media as well as providing feedback to the company" (p. 1450).

For brands, engaged consumers acts as co-creators, in product development and market research (Kabadayi & Price, 2014).

MAIN FOCUS OF THE CHAPTER

Issues, Controversies, Problems

Due to the importance of engagement in the field of marketing and, specifically in the scope of digital marketing and social networks, we developed an investigation during the months of March and April 2020 that coincided with the period of confinement due to the pandemic COVID-19. This study aimed to analyse advertising videos

that were created with the purpose of entertaining and informing consumers about the brands.

Thus, from the analysis to the literature review, it was considered that brand-self connection represents the connection between consumers in the way they identify the goals of the brands as their own goals (Mittal, 2006). In order to inform consumers, brands advertise to informing about brand values, purposes and products. The informative way of communicating videos generates emotions and establishes relationships (Loureiro, Sarmiento & Le Bellego, 2017). Therefore, we consider it relevant that our study should test the following research hypothesis:

H1: Informativeness is positively associated with brand-self connection.

In social networks, users and consumers are involved through brand messages (de Vries, et al., 2012). Brands with meaningful and relevant messages for consumers involve even more on social networks. Therefore, informativeness is a tool for customer engagement (Rishika et al., 2013). Thus, our empirical study tried to test the following research hypothesis:

H2: Informativeness is positively associated with social media engagement.

In the COVID-19 era, some videos produced had implicit simple everyday messages. Other videos presented daily messages in a fun and enjoyable way. In this sense, our study sought to analyse playfulness as a dimension that should be included as an antecedent and engagement.

We consider that, the fun videos cause the consumer positive feelings about the brand, because people are more attracted to the video images (Mikulincer, 1998). In addition, everyday situations reflected in a fun way allow consumers to have an expression of their own self or the self that they aspire to be (Kleine & Baker, 2004). In this sense, we looked for the following hypothesis:

H3: Playfulness is positively associated with brand-self connection.

The entertainment of an advertising message provokes its engagement as a generator of emotions and feelings in the consumer (Mutinga et al., 2011). The consumer is engaged through the novelty of messages (Li et al., 2017) and depends on the characteristics of the messages (Luarn et al., 2015). This analysis of the literature suggests that we should test the following hypothesis:

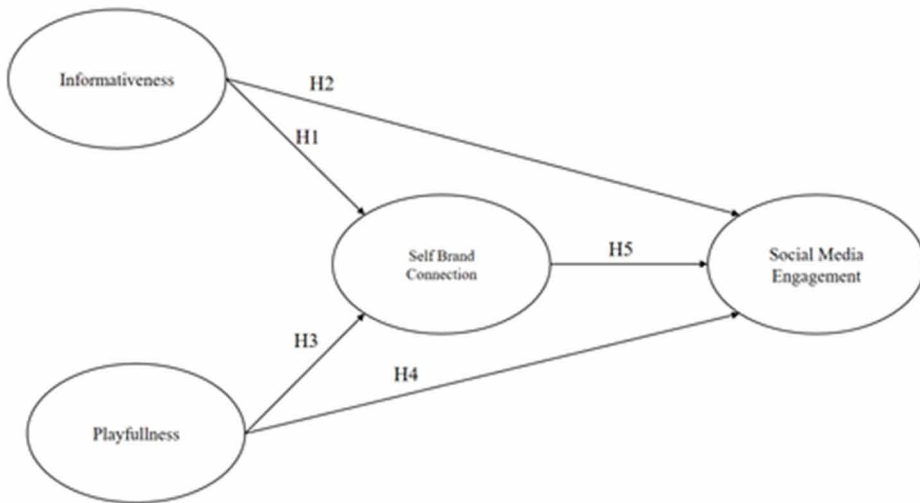
H4: Playfulness is positively associated with social media engagement.

Swaminathan et al. (2007) states that brand-self connection increases engagement and positive word of mouth intentions. When a consumer has high levels of brand-self connection, their emotional attachment increase (Barreda et al., 2020). Therefore, we tested the following:

H5: Brand-self connection has positive effects on social media engagement.

From the research hypothesis, we create a conceptual model presented in figure 1.

Figure 2. Conceptual Model



We carried out an empirical study to test the relationships presented above. For this propose, we develop a questionnaire for each construct with a multi-item measures. To develop a questionnaire, we researched some items already test on other investigations. These items were translated into Portuguese and adapted to the context of our study. We used 5 point Likert scales ranged from (1) strongly disagree and (5) strongly agree. As a second step, we developed a pretest with 15 consumers that allowed us to detect some problems. After this, we modify the questionnaire as we present on table 1.

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Table 1. Questionnaire Items

Concept	Item	Code
Informativeness (Lee & Hong, 2016)	This video ad has useful information.	INFO1
	I learned something from this video ad.	INFO2
	I think that information from this video ad is useful.	INFO3
Playfulness (Hsieh & Tseng, 2017)	This video is cheerful.	PLAY1
	For me, this video ad is pleasant.	PLAY2
	This video ad is fun.	PLAY3
	I was delighted with the video ad.	PLAY4
Self-brand Connection (Jeon, Lee & Jeong, 2020)	This video reflects who I am.	BSC1
	I can identify myself with the video character.	BSC2
	The scenes in the video match my way of being.	BSC3
	I feel a personal connection with the character.	BSC4
Brand engagement (Schivinski, Christodoulides & Dabrowski, 2016)	I will look for more about this brand.	BENG1
	I will search for fan pages of this brand.	BENG2
	I want to comment on this video.	BENG3
	I will look for more videos of this brand.	BENG4

Data Collection

To collect the data, we present to consumers an advertising video of Staples brand. This video is available on Youtube (<https://www.youtube.com/watch?v=lesyGGFpxTE>). After, consumers are asked to respond to the questionnaire whose items were previously presented. The data were collected through a self-completion online survey.

Table 2. Questionnaire Items

Measure	Items	N (%)
Gender	Male	96 (40.85%)
	Female	139 (59.15%)
Age	< 20	69 (29.36%)
	20-29	96 (40.85%)
	30-39	17 (7.23%)
	40 - 49	27 (11.49%)
	> 50	26 (11.06%)

The sample has 235 valid responses and the data collection took place from March 2020 to April 2020. Table 2 shows that 59.15% are women (N=139) and most of the observations are originate from individuals below 30 years of age (N =165; 70.21%). (Table 2).

Results

We choose Partial Least Squares – Structural Equation Modelling (PLS-SEM) because it enables the researchers to assess causal relationships among items and causal relationships of latent constructs. The PLS-SEM is appropriate for exploratory research and does not require normality of data (Hair, Black, Babin & Anderson, 2018). PLS-SEM is executed in two steps: first, analysis to reliability and validity (measurement model) and secondly analysis to relations between constructs. The PLS-Algorithm was executed on SMART PLS v3.2.8 software (Ringle, Wende & Becker, 2015).

A preliminary data analysis was conducted to validate VIF – Variance Inflation Factor, which is below the threshold and therefore there is no multicollinearity (VIF <5) and to validate the Skewness (Sk) and Kurtosis (Ku), which reveal that the items do not diverge from normality (Sk <3; Ku <7) (Hair et al., 2018)

To achieve construct validity and reliability standardized item loadings (λ) were analysed for all reflexive constructs above the minimum threshold value of 0.7 (see Table 3) (Chin, 1998), which were acceptable for further analysis.

Discriminant validity has been confirmed in three steps. First, through the Fornell and Larcker criteria (Fornell & Larcker, 1981) it was verified that the correlations between latent constructions are below than values of the square root diagonals of the AVE (table 4). In the second step, the discriminant validity was analysed through the cross-loadings criterion. Table 5 shows a comparison of the column loadings. Each indicator exhibits that indicator's loadings on its construct is higher in all cases compared to all its cross-loadings with other constructs. Finally, in the third step, the discriminant validity was examined through the Heterotrait-Monotrait (HTMT) ratio of correlations and, as can be seen in Table 6 the HTMT values are below 0.90 (Henseler, Ringle & Sarstedt, 2015). Therefore, discriminant has been established between variables.

Hypothesis Testing

The hypotheses are tested through the PLS-SEM with bootstrapping resample (5000 subsamples). Table 7 shows that 5 hypotheses are supported through our study.

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Table 3. Measurement Model

Latent Variable	λ	<i>t</i> value	p-value	Cronbach	AVE	C.R.
Informativeness (INFO)				0,826	0,895	0,740
INFO1	0,849	31,495	0,000			
INFO2	0,837	40,493	0,000			
INFO3	0,894	47,589	0,000			
Playfulness (PLAY)				0,897	0,924	0,752
PLAY1	0,832	26,983	0,000			
PLAY2	0,899	49,917	0,000			
PLAY3	0,850	32,649	0,000			
PLAY4	0,886	73,824	0,000			
Brand Self Connection (BSC)				0,913	0,939	0,793
BSC1	0,891	49,421	0,000			
BSC2	0,889	46,400	0,000			
BSC3	0,904	49,097	0,000			
BSC4	0,879	39,994	0,000			
Social Media Engagement (ENG)				0,905	0,934	0,778
ENG1	0,859	38,436	0,000			
ENG2	0,907	57,201	0,000			
ENG3	0,877	34,928	0,000			
ENG4	0,886	38,164	0,000			

Table 4. Discriminant Validity: Fornell and Larcker Criterion

	INFO	PLAY	BSC	ENG
Informativeness (INFO)	0,860			
Playfulness (PLAY)	0,460	0,867		
Brand Self Connection (BSC)	0,446	0,428	0,891	
Social media Engagement (ENG)	0,555	0,458	0,543	0,882

Our study confirms the hypotheses. From our analysis, we found that informativeness and playfulness explain the brand-self connection ($R^2 = 0.256$). Further, our empirical study explains social media brand engagement ($R^2 = 0.429$).

Table 5. Discriminant Validity: Cross loadings

	INFO	PLAY	BSC	ENG
INFO1	0,849	0,452	0,353	0,436
INFO2	0,837	0,348	0,429	0,550
INFO3	0,894	0,396	0,355	0,423
PLAY1	0,238	0,832	0,259	0,219
PLAY2	0,381	0,899	0,341	0,350
PLAY3	0,322	0,850	0,238	0,287
PLAY4	0,526	0,886	0,512	0,566
BSC1	0,442	0,393	0,891	0,576
BSC2	0,356	0,359	0,889	0,398
BSC3	0,406	0,389	0,904	0,445
BSC4	0,374	0,380	0,879	0,491
ENG1	0,529	0,377	0,498	0,859
ENG2	0,473	0,336	0,503	0,907
ENG3	0,467	0,446	0,448	0,877
ENG4	0,485	0,456	0,467	0,886

Table 6. Discriminant Validity: Cross loadings

	INFO	PLAY	BSC	ENG
Informativeness (INFO)				
Playfulness (PLAY)	0,491			
Brand Self Connection (SBC)	0,503	0,425		
Social media Engagement (ENG)	0,630	0,451	0,589	

Table 7. Structural Theory Results

	β	t values	p-values	95% confidence interval	Hypothesis
INFO → BSC	0,316	4,462	0,000	[0,172 .. 0,448]	Supported
INFO → BENG	0,334	6,226	0,000	[0,222 .. 0,432]	Supported
PLAY → BSC	0,283	4,763	0,000	[0,167 .. 0,399]	Supported
PLAY → BENG	0,165	2,931	0,003	[0,051 .. 0,270]	Supported
BSC → BENG	0,323	5,444	0,000	[0,206 .. 0,442]	Supported

Table 8. Indirect effects

	β	<i>t</i> value	p value	95% confidence interval
INFO→ BSC→ BENG	0,102	3,095	0,002	[0,045 .. 0,175]
PLAY→ BSC→ BENG	0,091	3,270	0,001	[0,044 .. 0,153]

SOLUTIONS AND RECOMMENDATIONS

Throughout this chapter, relevant issues have been identified in the engagement. During this chapter, we introduce a relationship between playfulness, informativeness and brand-self connection with social media engagement. We assume throughout this text that brand engagement on social media is influenced by the information that the video incorporates, but also by the pleasure that is implied in the video.

Our study highlights the impacts of playfulness and informativeness on social media engagement. In the context of COVID 19 in which the empirical study was carried out, we emphasize that videos that are entertaining influence social media engagement. This relationship should not forget that videos play an important role in engagement on social networks.

This text presents the mediating role of brand-self connection in determining engagement. Although there is a direct relationship between playfulness and social media engagement, the effects of a brand-self connection mediation are also relevant.

Brand-self connection mediation is also relevant in the relationship between informativeness and social media engagement.

In this context, some brands have already realized that engagement is influenced by more variables than just the informativeness of the advertisement. In Portugal, for example, the videos from the Staples and Vodafone brands presented everyday situations experienced in the COVID-19 era as a pleasant, useful and fun way.

Thus, this text will be useful for brands to understand the importance of incorporating other elements in their ads in videos in addition to the information they want to disclose.

FUTURE RESEARCH DIRECTIONS

The study of the relationship between consumers and brands has been one of the themes in focus in scientific studies. In this field, the themes presented in this chapter seek to analyze playfulness, informativeness and brand-self connection as determinants of social media engagement in the context of COVID-19 confinement. It can be seen throughout the chapter that in online environments engagement, despite

being a complex concept, is linked to psychological and emotional factors. In this field, the emotions generated by playfulness and the informativeness through daily, is the basis of engagement.

Additionally, this text reflects that the brand-self connection has effects on consumer engagement behavior in social networks, namely through the identification of the video with the self, or through the identification of the character with each consumer's own self-concept.

CONCLUSION

This chapter allows us to recognize the role of video ads under COVID-19. These video ads influence the relationship between brands and their consumers. Reading this chapter, the reader learns that engagement depends largely on information and entertainment. The need for information is essential to convey the message that brands want, such as their values and their identity. The feeling of joy and fun that the videos provoke in each moment also plays an important role in engagement. In addition, the brand-self connection can be central for brands to increase social media engagement.

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KEY TERMS AND DEFINITIONS

Brand-Self Connection: The degree which consumers use brand to express their selves or who they want to be.

Customer Engagement: Is a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object. The customer engagement with brand on social media can be distinguished between two types of behaviour: the behaviour of consuming content on SNS, in which consumers watch videos and pictures, read information and reviews and on the other hand, the behaviour of contributing in which consumers respond to the content provided by the brand or other consumers, engaging in conversations and commenting on pictures and videos. Customer engagement has been construed as either behavioural or psychological.

Playfulness: It is related to the properties of fun, entertainment, some humor, fun and richness of the advertisement.

Social Media Engagement: Consumer engagement behaviour with content on social media platforms. Consumers can create brand content or view, comment and share brand or peers' content.

Video Advertising: It is a type of marketing communication that aims to disseminate short, persuasive messages, aimed at a specific market segment and in an easy way.

Video Informativeness: It consists in the dissemination of pertinent, convenient, complete, timely, accuracy, but also rich and useful information about the products, brand or company.

Chapter 6

Creative and Innovative Ways of Consumer Engagement

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ABSTRACT

Customer engagement simply means connecting with your customers. The objective of customer engagement is to build a strong emotional bond between your brand and your customer. A study by McKinsey And Company rated customer engagement as the top priority of all businesses. There is no doubt on the point that customer engagement leads to consumer loyalty. Companies need to think about innovative and unique ways to engage our customers. The objective of writing this chapter is to unfold the various creative and innovative ways for customer engagement. For this purpose, the author has discussed the various examples across the industries. The author has tried to explain how different sectors are working on this strategy with the help of new technology. This chapter is going to be extremely useful for the researchers, scholars and strategy makers by educating them and presenting the new horizons of consumer engagements.

INTRODUCTION

Customer Engagement is the emotional connection between a customer and a brand. Highly engaged customers buy more, promote more, and demonstrate more loyalty. Research shows that a fully-engaged customer represents 23% more revenue than

DOI: 10.4018/978-1-7998-3919-4.ch006

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average (Aberdeen Customer Engagement Report, 2014). Customer retention is 14% higher among companies applying big data and analytics to deal with velocity. In the past, the best way to engage with consumers was through television and radio. However, in the age of mobile technology and social media, brands now have more choices than ever to reach out to their potential customers. There is no single customer engagement method that works for every company across all industries; however, a sincere focus on empathy, clarity, and simplicity in your dealings with customers. Major brands use everything from funny, responsive social media agents to personalized discounts and offerings to inspire loyalty and affection in their customers. Below are some of the benefits that emphasize the importance of customer engagement in increasing sales and revenue.

- Understand customer needs and expectations
- Discover factors that encourage customer involvement
- Identify ‘at risk’ customers and implement measures to prevent client defection
- Reduce churn, increase retention and identify up-sell opportunities
- Enhance brand loyalty and company reputation
- Acquire new customers through word of mouth marketing

There is no doubt on the point that customer engagement leads to consumer loyalty. But we need to think about what could be the best possible ways to engage our customers. Not only the unique ways for engagement but also we need to make the strategies that can’t be copied easily. The objective behind writing this chapter is to unfold the various creative and innovative ways used by companies for engaging their customers. For this purpose, the author will discuss the various examples across the industries. The author will try to explain how different sectors are working on this strategy and how companies are growing their revenues by adopting these tactics. This chapter is going to be extremely useful for the researchers, scholars and strategy makers by educating them and presenting the new horizons of consumer engagements.

BACKGROUND

Prior to 2005, the concept of consumer engagement or brand engagement was not so fascinating among academic marketing and literature (Brodie, Hollebeek, Jurić, & Ilić, 2011). In 2006 the Advertising Research Foundation gave the first definition of customer engagement as “turning on a prospect to a brand idea enhanced by the surrounding context.” (Wang, 2006). We saw various developments that happened in

this topic. Some scholars defined customer engagement as a psychological process that derives customer loyalty (Bowden, 2009), whereas some defined it as a psychological state (Hollebeek, 2011). One another research article by Hollebeek defines customer engagement as three-dimensional concepts of cognitive, passion (emotional) and activation (behavioral). Further, she explained it as a customer's cognitive, emotional and behavioral investment in specific brand interactions (Hollebeek L., 2011), which was supported by various other studies by Dessart et al., 2015, Brodie et al. 2011, 2013, Phillips and Mc Quarrie, 2010. On the contrary, various other researchers gave different dimensions of consumer engagement. Dwivedi and Cheung et al. defined other dimensions of customer engagements as vigor, dedication, and absorption (Dwivedi, 2015; Cheung, Lee, & Jin, 2011). Identification, enthusiasm, attention, absorption, and interaction were other dimensions that emerged out of some other study (So, King, & Sparks, 2012).

Few authors defined customer engagement as a motivational drive towards a firm or a brand, which is beyond the purchase (Van Doorn, et al., 2010). Doorn et al. in their study on consumer engagement defined this concept as a *“behaviors go beyond transactions, and maybe specifically defined as a customer's behavioral manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers”* (Doorn, et al., 2010). In 2014 Beckers and his fellow researchers combined both the older concepts and defined consumer engagement as a social psychological process prompting a psychological state that motivates client engagement behaviors (Beckers, Risselada, & Verhoef, 2014).

Customer engagement was found to have a significant impact on customer loyalty. A study on tourism brands indicates that brand loyalty strengthened with customer engagement which is beyond the service encounter (So, King, & Sparks, 2012). Traditionally the customer loyalty derived by consumers' judgment, product quality, the value received and overall satisfaction. After controlling for the effects of the traditional influences i.e. value, quality and satisfaction judgments, brand engagement has a strong direct impact on loyalty (Dwivedi, 2015). The most important benefit of consumer engagement is loyalty. The loyal customer works as an advocate for your brand. They spread positive word of mouth, do repeated purchases, and give shining testimonial about business administrations and products.

Customer engagement was listed as a topmost research priority by The Marketing Science Institute (MSI) in the year 2006. This institution predicted the rapidly changing communication technology and globalization of markets and they found the need for an emotional connection with the customers through innovation and design (Karunakaran & Raveendran, 2018). With the emergence of web 2.0, the concept of consumer engagement became more popular among researchers and marketers. The credit for the popularity of this topic goes to websites like Facebook, LinkedIn, MySpace, wikis, blogs, Twitter, YouTube, etc (Sashi, 2012).

The interactive nature of these sites gave a different stage to the buyer and seller relation. The scope of consumer engagement is enormous but till now very limited academic studies discussed its practical implications. The concept was discussed with the tourism, retail, and real estate and marketing sector. But the discussion was limited to the variable determination and model development. It will be useful to discuss the implementation aspect of customer engagement with real-life examples. Further, what could be the creative and innovative methods are possible to engage our customer and turn them to the loyal one.

CREATIVE AND INNOVATIVE SOLUTIONS OF CUSTOMER ENGAGEMENT IN DIFFERENT SECTORS

The main objective of writing this chapter is to make readers understand the practical aspect of consumer engagement. For this purpose, authors have tried to give different examples across the various areas including retail, banking, social media, etc. Consumer engagement is possible for both the internal as well as external stakeholders of your business. Various online and offline methods are present to connect through your customers. This connection could be a reaction, interaction, effect or overall customer experience. Consumer experience is required to engage the customer with the brand and retain him for the sustainable growth of your business. It is important to measure customer engagement rate. Without knowing it a business cannot improve its engagement strategies. Below we will discuss the various innovative and creative strategies across the industries to understand this concept in depth.

Customer Engagement in Retail Sector

Customer engagement is concerning inspiring customers. It's conjointly encouraging customers to participate in the experiences retailers create to have interaction with them when they are willing to engage, and provides them space when they aren't ready to interact. In today's fast-changing technological atmosphere retail has junction rectifier to a serious revamp within the sector globally. Modern retailers are more and more holding advance data analytics, social media matrices, clickstream behaviour, and different psychological feature techniques like a chatbot, machine learning, etc. to urge purchase behaviour. Traditional and augmenting research strategies conjointly getting used to grasp the customers' journey and encourage them to purchase.

Technology has been the contender for driving customer engagement and experience in retail. Apart from understanding consumers' activity insights through advanced data analytics, rising technologies like Internet of Things (IoT), Augmented

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Reality (AR) and Virtual Reality (VR), Artificial Intelligence(AI), bots and drones, beacons, cloud-platforms, etc. are enhancing consumers' engagement over ever.

Consumer brands across trade segments like food and beverage, apparel and footwear, fast-moving goods and packaged goods, skin and personal care, etc. are progressively engrossment on differentiating from the competition by giving more than just the product. The standard of the searching expertise has another time place the main focus on the buyer. Retailers, each offline and online, are currently providing customized solutions to the shoppers. Some major affords to embody by modern retailers are following:

- Personalised advertising and marketing campaigns pass by consumer goods and packaged goods players.
- Special 'wow' experiences in-store to draw in and retain customers by fashion and alternative retailers.
- Customized product in personal care or luxury section wherever customers select the ingredients/contents and witness the product being designed for them.
- Custom loyalty programs by trendy retailers providing "personalised" advantages to consumers based on their shopping patterns.
- Exclusive made-to-order product and services offerings for premium and high-spending customers in e-commerce.

For example, shoe and accessory brand M. Gemi personalizes in-store visits by giving associates access to customer profiles, including past online and offline purchases.

As another example, Nike's displays a "Welcome to the Nike App" for new users in the inbox. It tells shoppers they can continue to expect tailored products and experiences which get more personalized as they use the app.

Once Victoria's Secret customer installs the app, she receives the latest information on new arrivals or sales through push notifications and is shown app exclusives.

Innovative Ways of Customer Engagement in the Retail Sector

Some retailers are fast to adopt new options and technologies that may improve customers' retention, engagement, and experience. Loyalty reward apps and clicks on and collect are simply two of the innovations that shoppers have embraced over recent years. These were minor changes in comparison to what's coming back next. Retailers are actively trying to find ways in which to implement client engagement technologies in their stores. Here are a number of the changes we'll begin to see in the near future.

1. **Artificial intelligence (AI) Assistants:** Artificial intelligence can serve retailers with smart recommendation engines, automate most processes, replace human labor for particular tasks, predict demand, and by doing these things increase overall productivity and revenue. Every employee in a retail store has not the talent and data to suggest outfits to shoppers and lots of customers choose to not be disturbed by store employees. This AI-assisted visual search will flip a browse into a buying deal.

Customers are going to be inspired to take photos of stuff they like while browsing within the shop. AI advancements app will then show or suggest similar things that it thinks the client also will have an interest in.

Artificial intelligence has created a potential voice search for merchandise. Several distinguished brands like Costco, Kohl's, Target, Tesco, and Walmart use either Google or Amazon AI technology or smart devices to serve customers with an easy and quick search.

Chatbots are an added application of AI within the retail. Chatbots facilitate retailers to give excellent customer service, facilitate customers to realize things on the website, advise them regarding new collections, and supply them attire the same as things they've already chosen. For example, if a client has already a supplementary red shirt to the cart, a chatbot can give them new silver Converse shoes to complete the planning.

American Eagle Outfitters jointly offers visual search in its mobile app. American eagle image recognition technology lets customers not solely realize the precise or similar goods however conjointly get recommendations on what goes well with it.

Cortexica, a London-based AI company, has developed image recognition technology that guarantees 95% accuracy. John Lewis has used this technology for its iPad app. They realise Similar feature has gotten 90% feedback from customers.

2. **Brick and click Retail Model:** Customers expect a seamless online to offline experience during shopping. The line between the internet and the physical store is blurring. New generation customers are impatient and they are able to quickly and simply order an item online if the physical store is out of stock.

Conversely, customers could be looking on their smartphones and need to choose up an item they've researched or ordered online. They should be able to quickly reserve that item online, walk into the shop and have their order available in no time the least bit.

Zara the clothing brand could be a great example for an online store that has with success integrated the online business to their offline store with seamless in-store

returns and real-time inventory synchronisation with their retail stores that you can simply check on their web site.

3. **Augmented reality (AR) Fitting Room:** Augmented reality (AR) Fitting Room has been accessible for a while however they're nevertheless to be absolutely adopted by retailers. The virtual fitting rooms could be a greater helper for busy shoppers as customers will attempt manifold attire, realize the correct outfit and an accessory that completely matches it, and do all this during a matter of minutes. Virtual fitting rooms work by superimposing the clothing, shoes or even optical, onto a live feed of the customer. It tracks the movement of the client, therefore, it seems like they're truly sporting it.

This allows the client to check if they'd just like the covering while not even attempting it on. The customer can browse many things with a 360-degree view to see which ones they'd most like to actually try on.

Another application of AR is in-store mirrors. Cosmetics brand Charlotte Tilbury using this technique magic mirror in their stores. Customers would visit the shop and sit in front of the mirror. The mirror with the help of AR technology scan the face and shoppers would then see their face with ten of the brand's iconic looks in under a minute without physically wearing any makeup.

4. **Personalised Shopping Experience:** Big retailers already supply tailored (bespoke) apps and loyalty schemes to encourage repeat purchases. Retailers can use these apps to begin to supply personalised shopping expertise once they're within the store. Apps are often used to send personalised promotional messages based on the data of past purchases made by the consumers.
5. **Customer WiFi:** Bespoke WiFi is the latest innovation available immediately for retailers. It can allow the customers to log in to your shopping centre's WiFi, permitting them to browse the online and use social media while within. WiFi is not new suggests that and customers currently expect, however, this technique be way more advanced than the WiFi you would possibly be accustomed.

Today's innovative platforms permit retailers to gather and analyse important information that they will use to reinforce client engagement. This might be traveler information, client interest, dwell, engagement and loyalty. Yet as information out, you'll be able to conjointly feed information into analytics like weather, transport data, social media and additional permitting you to create changes supported good insights to spice up sales. You're able to learn consumer behaviours and spot patterns that assist you to enhance sales.

Customer Engagement in the Banking Sector

The banking sector is aware that effective client engagement will yield accrued loyalty, high profitableness, amplified word of mouth support and improved long run customer/member retention. However, customer engagement attempts are dominated by stress on banking products and generally service inquiries (surveys, focus teams, grievance forms, etc). In this section we are going to discuss some innovative methods to engage customers in banking sector.

Innovative Ways of Customer Engagement in the Banking Sector

Recent efforts by multiple banks and financial institutes are a reminder that effective engagement of customers is a continuous dialogue; therefore they have to put forward choices for various forms of conversations. It can't invariably be regarding products and services. Always talking about your offering is not going to develop a strong relationship with the customer. For engaging customers, banks need to periodically focus on something else apart from the banking as usual which makes something meaningfully for the customer. For doing so changes in multiple dimensions of organizations are required. The steps are to:

1. **Engagement should be first in mind:** While designing the customer journey, engagement should be the first thing in the mind. Banks ought to style their client journeys with the express goal of boosting engagement. It is required to guide and help customers through all available channels keeping in mind the objectives of customers. It could be difficult because based on the demographics, customers' preference over usage of channels changes. Young customers place higher importance on digital experience in contrast to older customers. However, seeks the physical advice when needs a piece of advice on new financial product or recommendation on financial services.
2. **Redesign the branch network:** The optimization of branches has been the top priority for banks. In developed markets to reduce the cost, the normal trend has been to cut back the density of the branch. However, in developing markets banks have been trying to expand their branches. The focus of optimization should be to reduce branches but make them better so that they can engage the customer. Banks need to retrain their staff on relationship-focused technology for achieving the goal of customer engagement. Banks need to localize the branches through the "four Cs"- company, customer, colleague and community.
3. **Focus on the mobile channel:** Mobile devices became a key focus for the banking sector searching for higher ways that to interact their customers and improve general operations. Mobiles can be utilized to improve client

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satisfaction, target customer's promotions and product offers, bank appointment reminders, a period of time alerts, bill reminders, and client surveys. While engaging customers through mobile channels security and privacy are the greatest concern, therefore innovative solutions have to be compelled to be embraced to seek out a balance between trust and effectiveness. Easy privacy policy and clear accessibility are must to maintain trust.

Banks need to increase the number of bank app users and work to improve the value at each app visit. Bank apps reroute customers away from dearer channels (branch, call center), as well as deepens loyalty and engagement.

4. **Engagement through data:** Banks need to invest in innovative technologies to improve customer engagement and reduce cost. These technologies are advanced analytics, real-time messaging. Data analytics can help banks to understand consumers' behaviour, desires, and preferences through the pattern and details they have already collected from their data banks. Data analysis can help banks to identify and respond to consumers' requirements on real-time bases. Through retail banking, analysis banks can uncover the behavior pattern which can reveal live events, such as buying a new home or car or baby on the way. Data analytics is a vital tool for customer engagement, retention, product service improvement, up-selling, and personalisation.

Now a day's banks are challenged not only to think about personalization but also engagement at each stage of the customer journey. According to a study done by Salesforce in 2019, 53% of customers now expect the offers they receive to always be personalized, and 62% expect companies to anticipate their needs. As the customers' expectations of personalisation have increased, so they desire a real-time response. Data analysis could help banks to achieve these goals.

5. **Digital marketing and content:** As more and more of the customers are in the digital platform, it is essential for the financial institutes to engage these customers on the same platform. Social media, video marketing, content marketing, etc. are some new ways that could be of immense use to engage customers. Social media campaigns, interactive question and answer secessions, interactive videos all can help to know more about the customers and their behaviour. A robust content marketing helps to engage customers on digital platforms through blog posts, infographics, uses ebooks, webinars, case studies, etc.
6. **Set KPIs for measuring engagement:** It is important to know the result of your efforts. To measure the engagement banks need to seek cross channel KPIs.

These KPIs should evaluate all the channels used for engaging customer viz. advisors, branches, quality of mobile channels and digital marketing efforts.

Few Examples of Innovative Solutions of Customer Engagement in the Banking Sector

Example 1. Geofencing:

Australia's Westpac Bank has built location-aware software triggers into their app, which are activated when customers enter international airports. A push notification prompts travellers to inform the bank through its app where they are going overseas and for how long. Then upon landing, another alert welcomes them to the new country and details where to find free ATMs. This helps with fraud detection and prevention and encourages use of Westpac's preferred partner ecosystem.

Example 2. Beacons:

Barclays Bank is reviewing the results of their Beacon trial, which used Bluetooth to notify branch staff when a customer with an accessibility need enters the branch. This reduced the need for customers to have to explain their accessibility needs each time they enter the branch, allowing staff to provide better assistance. The trial focused on customer service but has the potential to be extended to customer engagement, as is more common in retail, sending contextually relevant offers on an opt-in basis directly to the app.

Customer Engagement in Social Media

On the personal level the social media platforms like Facebook, Twitter, and Instagram, etc. allows us to communicate, share media with friends and family, but on business level they play a huge part in customer engagement and communication for all businesses irrespective of their size. No business should underestimate the power of social media in current scenario because of the quick results one can achieve by using these platforms. One must have some strategy to engage with the audience in a specific medium.

For example, Starbucks created a campaign on twitter @MyStarbucksIdeas, in which people were encouraged to give their suggestions to improve existing products and suggestions on new products. Starbucks got more than 300 ideas through this campaign and this campaign was so popular among the customers. This campaign by Starbucks made its customers feel as they are a valued part of the brand.

One another example was Coca-Cola; the world's largest nonalcohol beverage company launched a campaign named 'Share a Cock' campaign in the year 2014. The objective of this campaign was, first to increase the sales and second to engage

Creative and Innovative Ways of Consumer Engagement

customers by talking with them. In this campaign consumers had to SMS their friend's name which would be displayed live on the iconic Coca-Cola sign located at the prime locations. The user would receive a MMS with the chosen name of friend which can be shared on social media. As a result of this campaign 378,000 custom Coke cans were printed and around 76,000 virtual Coke cans were shared online. This campaign earned 18.3 media impression and created a positive image of the brand.

Innovative Ways of Customer Engagement through Social Media

With the emergence of social media, we have a tendency to live in a progressively connected world that creates additional opportunities to leverage customer engagement for higher business returns. Promoting a brand through social media is vital to a business, but only sharing your content is not going to give you the sales. The key to successful social media users is in the engagement. In this portion we are going to discuss the points to increase social media engagement to achieve business growth.

1. **Provide Valuable Content, Don't Just Sales:** One thing marketers always keep in mind when trying to extend customer engagement online, they have got to focus totally on the information they are providing. Consumers love learning regarding new topics, trends and increasing their knowledge on things that interest them. Only talking about your brand and persuade consumers does create a bad impression. Obviously creating content and letting people know about your brand is perfect, but always discussion on product and features may irritate reader and create a negative image.
2. **Question and Answer Session:** Joining question-answer secession with your customer is a great way to engage them. If you are able to give the relevant answer before the competitor, half of the battle you have already won. As the new generation of customers are more impatient and want answers on real-time bases, it is important to have a dedicated response team to answer their query. Through delivering the correct help every time, you will be likely to engage them well and get more buyers.

If somebody else (blog post, website or other customers) provides best answer for some query marketers can share that information with the customers also. Providing more links and information shows your proactive approach to help customers. The information you are providing should be relevant. Customers don't bother whether it is yours or someone else. Marketers can utilize influencers and guest posting. Influencers and guest posting is a great way to engage customers.

3. **Engage through Polls and Surveys:** As marketers seeking engagement of customers and get the data about the customers, social media polls and surveys are obvious. The social media polls and surveys are super simple and could be a treasure of data for the marketers. Surveys, polls, and voting can drive excitement among the audience. Polls can greatly increase customer engagement.

You Tube used customer polls around the world to engage its viewers (customers). They asked customer what video they want to watch next and accordingly YouTube created new videos. The customers were engaged with YouTube with the hope that their views will lead to seeing a video on a subject that interests them.

4. **Engage through Contest and Giveaways:** Marketers can create a contest or giveaway that rewards the customers for engaging with the business. Giveaways could be a reward for your customer for tweeting with a selected hashtag, retweeting, sharing your content or for becoming follower. People generally feel happy to involve a brand if they get something in return. The return might be a gift, discount code or maybe a less expensive membership. Running a straightforward contest that gets users partaking along with brand could be a good way to draw in a lot of customers and lift brand awareness.
5. **Live Chat Messages:** Live chat messages on social media accounts of businesses, can play a great role in engaging customers, increasing sales, boost loyalty and to grow brand awareness. If a potential customer has a question or concern, businesses can use their in-house chat team, an outsourced team, or a chatbot to address customer questions and concerns. Business needs to set up multiple channels through social media to chat with their customers. Businesses can use automated chat systems to answer the general query of customers.
6. **Engage through Gamification:** Gamification is the new innovative method to engage your customers. The basic logic of gamification is predicated on reward and recognition. This is an innovative approach to engage customer by using games that reward them for playing with you. By offering rewards on achieving some milestones within the game, the business encourages them to get more engage and increase the conversation rate. Scoring and leader board ranking make these games more competitive, resulting more engagement with the customer. Businesses can use gamification to drive engagement and increase values through following ways:
 - Attract new customers with rewards, giveaways
 - Use games for informing the customer about the brand, new product launch
 - Reward customers by points for shopping with you
 - Makes games easy to play, winnable and social media friendly

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- Incorporating social sharing into branded games

M & M used gamification for customer engagement and got extraordinary results. The game was based on eye-spy logic, where players had to search a small pretzel hidden, from the large designed of scattered M&M. The task was to simply find out the hidden pretzel. The game was very simple and inexpensive and went viral. This game effectively fosters consumer engagement and got over 25,000 likes on company's official Facebook page, more than 6,000 shares, and around 11,000 comments.

Another example of customer engagement through gamification is the NikeFuel program. Nike announced this game for its exercise tracking devices, NikeFule Mission. Under this game users can earn points during their daily physical activities, which are then advanced to another level. NikeFule program brings together over 18 million runners, coaches and athletes. The idea behind the digital program is to permit users to post their best times, tracking their progress, and challenge friends and family to extend fitness and meet goals. The reward for this was access to new products and events, free shipping, customized workouts, etc. This game also increased the sales and engagement for the fitness brand. This is a good example of gamification utilized by brands to keep customers engaged and encourage them to repeat chosen tasks with growing excitement.

OMNI-CHANNEL SETTING FOR CUSTOMER ENGAGEMENT

Modern customers operate in a multichannel and omnichannel setting and firms need to accept this challenge. Online to offline marketing which allows customer to move from online to offline and vice versa. Omnichannel provides an integrated shopping approach to the customer. Companies with well-defined omnichannel customer experience strategies achieve a 91% higher year-over-year increase in customer retention rate on average. According to a study by Accenture nearly 88% of offline shopping happens after online research. It's It is vital to satisfy the client precisely wherever he or she is at a specific time and in an exceeding approach that feels natural to the customer.

New channels create new touchpoints and new opportunities to engage the customers. For effective engagement, strategy companies need to integrate the consumer data from all the possible touchpoints and centralized it. For capturing offline data of customers, technologies such as Beacons are available. The offline data can be synergies the online can give us clear understanding of consumer behavior.

Unified customer data across the channels allow brands to personalized interaction with the customer. Companies need to keep consistent and relevant communication

across all the channels and use the data wisely to deliver right message to the right person at right time. Few innovative solutions to engage customers are following:

- Order online to pick up in-store or at curbside, fulfilled from store or warehouse
- Order in-store for home delivery, from a warehouse, same store, or another store
- Order in-store for pick up from store, from the same store or another store
- Online coupons to the physical store
- provide offers based on the customer's movements in a shopping center
- Equipping sales associates to act as omnichannel evangelists
- Offering in-store IoT/ beacon-based personalized experiences
- Offer the possibility to return products to a store.
- Create an online shopping list that is easy to follow in the store.
- Offer the possibility to buy online gift cards to stores and vice versa.
- At the start of an event, let the participants know on which social media platforms they can follow your company
- Online coupons to the physical store can be offered

Example 1. Amazon- A Logged-In Approach

In the year 2017, the online giant Amazon purchased Whole Food that brought the online leader to brick and mortar revenue systems. For a seamless experience across all the channels, Amazon offered its Prime members special deals in Whole Foods stores and online. Customers can get the in-store deals, by simply log in to Whole Food app and present a QR code to the cashier.

Example 2. Van Heusen

Van Heusen, a premium lifestyle brand for professionals is another example, which adopted the omnichannel approach to engage customer. At the entrance of the store a 42-inch display offers 'look of the day', gives information on new arrivals, styling tips, and new fashion trends. Next to that an infrared scanner scanned the customer and takes all minute measurement. This information is used to identify the best fit for customer. One more digital display 'Style Bar' that helps customers by answering few questions and present different looks that match with customers' personalities. Virtual Trial Mirror helps customers to choose virtually, without having a try in physical trial room. By offering such digital solution the brand is trying to engage customer and providing the best experience.

CONCLUSION

Customer engagement is an innovative approach. It is very demanding job and you definitely won't see any results overnight. It takes time and effort. It's a protracted method that needs consistency, however at the top of the day, it's one of the most cost-effective ways to promote your merchandise or services, make a reputation for yourself and build a special bond between your customers and your business.

A few decades ago the communication was slow, customers used to send complains through emails to the companies and wait for the reply. Sometimes they used to get response after a month-long interval and sometimes replies may never arrive. As technology got advanced new ways of engagement emerged. The emails were replaced by company's customer care centers, and further conversion moved to live chat and interactive voice response systems.

Today, communication is happening with lightning fast speed. Due to social media channels, clickstream, heatmaps, beacon technology, companies are able to generate huge amounts of customer data on their online and offline shopping behaviour. Utilisation of this huge amount of data most effectively is extremely critical. Technologies like companies' apps, big data, artificial intelligence, virtual reality, machine learning, etc., are the innovative developments in the field of engagement. Role of content, real-time solution of the problems, presence through various channels, etc., can't be ignored for engaging customers.

It's honest to mention that the future client can expect exceptional, no frictional experiences and support, once they want it, throughout the client journey. They won't simply settle for having the ability to self-serve answers. They're going to expect to be able to contact a business at any time convenient to them, through any channel of their selection, accessible from any device, anyplace on the earth.

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Chapter 7

Impact of Artificial Intelligence in the Future of Retail and Customer Engagement

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ABSTRACT

We are witnessing a real revolution in the way we buy and in consumer habits. It's been decades since brands started taking their first steps in ecommerce, followed by the implementation of the first online payments and the phenomenon of .com. However, even at that time, companies had little information about their customers, and these were perceived and treated as a large homogeneous mass. The stage today is different. The user is proactive and has access to a lot of information, which makes him more demanding. For this and other reasons, the consumer should be perceived and treated as an independent individual and whose needs determine the development and marketing of a brand's products and services (now called a centric customer strategy).

1. INTRODUCTION

We are witnessing a real revolution in the way we buy and in consumer habits. It's been decades since brands started taking their first steps in ecommerce, followed by the implementation of the first online payments and the phenomenon of .com. However, even at that time companies had little information about their customers and these were perceived and treated as a large homogeneous mass.

DOI: 10.4018/978-1-7998-3919-4.ch007

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The stage today is different. The user is proactive and has access to a lot of information, which makes him more demanding. For this and other reasons, the consumer should be perceived and treated as an independent individual and whose needs determine the development and marketing of a brand's products and services (now called a centric customer strategy).

In this context, emotions and hyperpersonalization are a fundamental part of a shopping experience that must become magical in order to fall in love with the customer.

In short, the market evolves: from group to individual, from "macro" to "micro", from generalist statistics to data.

The consumer and their needs have changed; what's more, it's doing it right now and it's going to do it in an increasingly dizzying way, as a result of the transformation that happens around him. Today, the same user can consume a product or service attracted by its low cost and, at the same time, pay a high figure for another that offers you a unique experience.

Consumption in medium-priced products tends to decrease. In fact, according to experts from the commercial marketing research department of the Autonomous University of Madrid, the number of sales of mid-range products are declining overwhelmingly.

On the other hand, 'Think' with Google studios stated that out of every 5 online purchases, 1 involves offline search processes and, conversely, 1 in 3 physical store purchases are preceded by consultations in the online world.

We began to live in a golden age, where technology makes possible businesses that until now were unimaginable because of their technical complexity.

The new interfaces will make experiences flow and build a new way of understanding customer-business relationships. However, all this leads to greater complexity, due to the increase in variables to be taken into account.

Personotechnics and hyperpersonalization, emotion-based shopping, the prosumer movement, the union between the online and offline worlds (omnichannel), the tendency to servitization, and the smartization of products, along with other aspects, increase the complexity of the business, directly affecting their entire value chain.

1.1 Categorization by Calculation Power

Most of the advances so far detailed, go into what is called, Narrow or Soft Artificial Intelligence. These systems have achieved great achievements, but have only been trained to perform very specific tasks, such as winning in a game or identifying breast cancer.

Strong or General Artificial Intelligence would assume a cognitive level of intelligence capable of solving various problems in various areas in a coherent way. This type of intellect aims to combine several fields within AI to give systems greater and less directed reasoning toward a delimited task.

1.2. Categorization by the Learning Process

Traditional categorization of Artificial Intelligence types is given according to the way they learn the algorithms that makeup it.

Supervised Learning

It is characterized by being trained with specific data that is labeled according to the objective we are looking for. For example, we find in the classification of incoming mail as spam or not.

Unsupervised Learning

This type of learning seeks to find patterns and relationships in data. In this case, unlike the previous one, the data is not tagged. Unsupervised learning algorithms don't really find direct application when it comes to getting a prediction, however, they are very useful when used in conjunction with supervised learning algorithms.

Reinforcement Learning

In this case, the system learns for itself based on the data obtained from the result of the action you have taken. If the result is good, keep repeating that set of tasks while optimizing them and generating better strategies to deal with problems with less effort and time. This field has made the most progress in recent years.

An example is that of Google Deep Mind that develops a system that learns by playing Arkanoid, and through what the algorithm is able to develop a strategy.

Reinforcement learning also called a master algorithm, is a branch of Artificial Intelligence that consists of systems being able to self-program and establishes the first steps towards the superintelligence we were talking about.

On this basis, other categorizations of Artificial Intelligence associated with different currents of thought and schools are established. Pedro Domingos, for example, distinguishes 5 in his book *The Master Algorithm* depending on the field of science in which they are inspired.

Symbolists

They start from observing the functioning of specific aspects within a given scope and use reverse deduction to reach the desired conclusions.

Bayesian

They are based on the Bayes theorem. Statistics are essential and, among other theories, use systems based on Markov's chains. These include a series of events, the probability of which will occur depends on the previous immediate event.

Connectivists

The field where he researches is neuroscience. They're trying to replicate the functioning of the brain as we now know it. They contemplate brain synapses and impulses between neurons, shooting at each other. It is the technique that has advanced the most in recent years and is used for artificial vision, among others.

Evolutionary

They are based on the evolution of species. Algorithms test each other to determine which one is superior and share their DNA with other algorithms of different generations.

Analogists

They rely on reasoning looking at data and facts that occurred in the past analogies to solve the problem. One of the fields that have taken the most relevance in the last year is deep learning or neural network training, as a branch within Machine Learning.

Deep Learning offers excellent results in various applications so far, but according to the latest studies, it also creates a big problem: it starts to be a "black box" because in very advanced systems it is difficult to get to the root of decisions. Why do you offer these results? Why do you perform certain actions? What was it based on? Solving it would require a reverse engineering process, which is too laborious and economically unworkable in most cases (Rodal, 2018).

The interpretability of the results is therefore in doubt and, as a result, new trends based on the brain process begin to be investigated. For now, very few organizations are researching this, including Optimizing Mind.

2. ONLY TIME WILL DETERMINE ITS EVOLUTION

From the early outburst of optimism in the 1950s, small subgroups of Artificial Intelligence - first, Machine Learning; Then Deep Learning; and a subgroup of Machine Learning - have created the biggest alterations. Such is the importance of this technology that has already begun the struggle for global positioning

2.1 The United Arab Emirates

It is currently one question of the nations that bet most on this technology as a differentiating factor and is already being implemented in nine sectors: transport, health, space, energies, water, technology, education, environment, and traffic.

It is also the first nation with a dedicated government minister of artificial intelligence. Since October 2017, Sheikh Mohammed bin Rashid Al Maktoum has been in charge of this work. The same year he was officially appointed “Minister of Artificial Intelligence,” the country was also the first granting citizenship to a robot (Sophia).

It is the same country that aims to end the use of paper in 2021, which plans to have 25% of transport autonomous by 2030 and that 75% of energy comes from clean sources by 2050; and also the one who dreams of establishing the first habitable colony on Mars in 2117 (Galeon,2017).

2.2 China

The government has a specific plan to position itself as the world’s first power in the development of Artificial Intelligence.

Due to the high level of digitization of the Chinese consumer and because the nation does not have as many restrictions on information privacy, as is the case in Europe, the massive generation of data for the training of its systems is very significant.

This fact is what can make a difference and in a very remarkable way. The relationship is simple: more data, better system training.

Currently, the Asian country invests billions in an AI technology park located in Beijing; it is the second country to apply for the number of AI-related patents after the United States and the first to publish articles worldwide and its defense spending is the second in the globe - 3 times that of France, United Kingdom or Germany - and aims to create an intelligent army with new disruptive capabilities that transform the military landscape between the world’s great powers.

As far as its manufacturing industry is concerned on a global scale, China plans to restart it by replacing millions of workers with autonomous robots (Knight, 2017).

2.3 United States

In the same line, President Obama published towards the end of 2016, coinciding with the end of his term, a report on what the nations' AI strategy should be. Now Trump seems to have abandoned this vision and this decision may have an impact on the future.

Despite this, 2 of the 6 startups considered “unicorns” of Artificial Intelligence in the world are of American origin, CrowdStrike, and Afiniti.

2.4 Europe

In Europe, it is important to look at both the measures taken at the supranational level and the steps taken separately by each of the countries of the continent. In this sense, as the foundations of robotics legislation begin to lay, some states work separately on their strategic plans on Artificial Intelligence.

France announces an AI plan that includes 1.6 billion dollars in funds and new research centers.

In 2017, the UK invested \$663 million to finance this technology.

In Germany, one of the world's largest research centers in Artificial Intelligence, DFKI, where Google has invested several million euros, along with 23 other partners, has been created.

Amazon, for its part, invested \$1.5 billion in 2017 through the Max Planck Society Foundation to build what is now CiberValley, an AI research center near Stuttgart.

These facts suggest that It is possible for Germany to base its AI strategy on open collaboration. Nearly 1,000 employees from more than 60 nations already work at DFKI on some 300 research projects at Living Labs across different locations.

In Spain, an interministerial group has been created for the development of digital transformation, on what may be the strategy for a “Smart Spain”, although the investments do not seem to go beyond those made in each company privately (Tecnología inteligente, 2018).

According to a study by PWC and Microsoft, “only 11% of the companies interviewed have adequate capabilities to launch AI initiatives” and generally believe that it will not have a significant impact until the 2030s. This implies that there may be great opportunities for companies that start using it in Spain, providing a differentiating factor in the face of competition (pwc.es, 2018; Total Retail, 2017).

2.5 Africa

You'll have your first center in Artificial Intelligence from Google, located in Accra. This center will be number 14 on your list (Madrid,2018).

As we see, these are all clear signs that something in society is changing, a process of transformation in which China is the main player, which can destabilize the global economy in its favor in a short time.

3. GOVERNMENT AI POLICY MUST GO BEYOND INVESTMENT IN RESEARCH

It is their mission to generate new opportunities by nurturing new talent, encouraging the education of new scientists but also helping the population understand the technology that is coming to prevent some groups from being left out.

Governments must assimilate that it is such a relevant technology that it must be treated with a superlative magnitudes approach and establish a state-level commitment.

4. WHY IS AI FASHIONABLE?

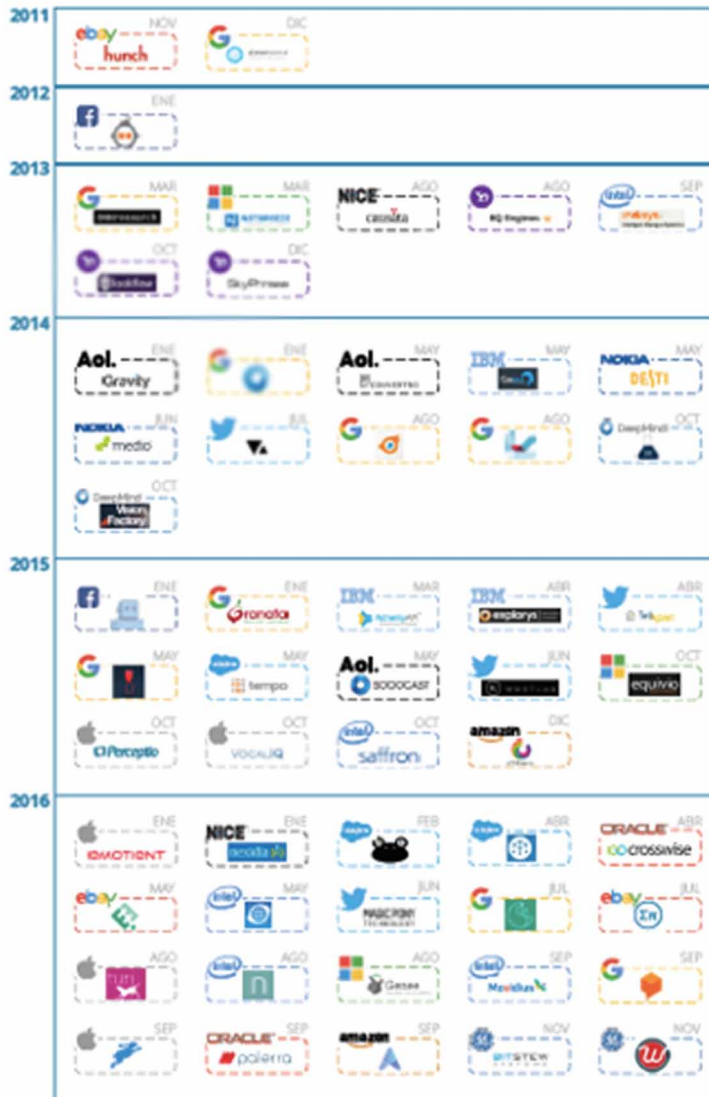
We can talk about several factors that have taken Artificial Intelligence to the point of development it is now in.

1. The development of high-processing computational systems in the cloud – also called Cloud Computing – that increase the training speed of algorithms. Because these services can already be accessed over the network, their use has become widespread among companies.
2. The availability of data to train systems from public or private sources; from websites such as opendata.esri.es or even from social networks such as Twitter or Facebook.
3. This data combined with those of each company, the most valuable, can form a differential weapon in the face of competition.
4. Investment in Artificial Intelligence and Machine Learning companies. Venture capital investment has grown exponentially since 2012, reaching figures of around \$1.7 trillion.

Some of these investors are tech giants like Google, Amazon, Facebook, or Apple, and are acquiring these companies in order to incorporate knowledge, talent, and software into their ranks.

The race for Artificial Intelligence has begun and the acceptance of this technology in society is already a fact.

Figure 1.



The current level of development of Artificial Intelligence has favored a phenomenon of democratization that particularly benefits SMEs and question startups that do not have the resources to develop their Artificial Intelligence systems, but which can nevertheless make use of tools created by other companies, such as IBM Watson or Google DialogFlow, in the case of chatbots (Richards, 2017).

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As a result, the possible gap that may exist for your adoption has been greatly reduced. Google, Microsoft, Amazon, Facebook, or Alibaba consider AI the technology that will offer differentiation to businesses (Munford, 2018).

AI is causing a higher level of disruption than the onset of the Internet. It is expected that it will not be more than 5 years for it to become a commodity technology, as we see on the chart.

5. WHAT MAKES AI SO POWERFUL? WHY ARE THESE ALGORITHMS CAPABLE OF COVERING SO MANY FIELDS?

AI manages to be ubiquitous and orchestrate other technologies already consolidated or new to form something improved or even different.

5.1. Internet of Things (IoT)

The Internet connection of the things around us (IoT) will make businesses so far non-existent. For example, personalized dieting services using devices attached to the skin, or automatic purchase through the connection of the refrigerator and home appliances to our preferred supermarkets (www.aecoc.com, “n.d”)

5.2. Blockchain

AI will enhance one of the main features of Blockchain, democratization, which is made possible by disintermediation of services and transparency because the data will no longer be in the possession of a person or company. It will be one of the technologies that will most affect today’s businesses that are based on data such as digital platforms. AI will help us recognize and make decisions; Blockchain, to verify, execute and record operations (Azeem, 2017).

5.3. 3D printing

It is transforming entire sectors such as logistics or fashion. We will no longer purchase the items over the Internet but will acquire information to build those items ourselves at home. On the other hand, factories will no longer have stock.

Components for possible breakages: Thanks to Artificial Intelligence and 3D printing, predictive maintenance will be performed and the necessary parts will be built in real-time.

5.4. RA or RV

Virtual and augmented reality will create new forms of interaction. AI, coupled with RA or VR, will provide us with information about the product we want to purchase in such an authentic way that it will look like we have it in front of us. Being able to try on a garment without having it physically before it is acquired in the future.

5.5. Ultra-fast Networks

Ultra-fast networks will connect all devices and services (autonomous cars, smart cities...) at the speed of light.

5.6. Big Data

As already mentioned, data is the engine from which the learning and prediction systems that make Artificial Intelligence possible are powered. Without them, it would not be possible to correctly implement this technology.

5.7. Drones

AI will allow them to perform tasks autonomously, making flight decisions based on the parameters they collect through sensors and cameras.

5.8. Quantum Computing

In full development, this technology will bring with it new processing capabilities so far unimaginable, capable of performing extremely heavy tasks in a matter of seconds, with all that this entails (Garcia, 2017).

6. THE 5 CHALLENGES AI MUST OVERCOME TO BE EFFECTIVE WITH CUSTOMERS

Today the sales cycle has been complicated. Consumers are more informed than ever, have become web browsers, search the Internet for the information they need, and discuss how products can improve their quality of life.

This phenomenon is what Google calls ZMOT (Zero Moment Of Truth), the “Zero Moment of Truth” in which trade must attract the user in a matter of milliseconds; a moment that, by the way, today it has become an adventure of discovery on the

part of the consumer. Among the most consulted sources are online stores, search engines, product comparison websites and social networks, blogs, and forums.

AI makes real-time purchase predictions possible, enables increased efficiency and results, for example, in reducing production surpluses and storage needs.

Retail will tend to manufacture on-demand with all that this entails because brands will know, with a high success rate, whether a particular customer is interested in their new product or service before launching it.

AI will be even more important in a mobile context like the current one, where the channels of access to the shopping experience multiply

This wide variety of entry and conversation points with customers require defining less intrusive omnichannel strategies but maintaining message consistency, tone of voice, and real-time customization.

This makes marketing completely redefined: the focus becomes on the single user through dynamic pricing that varies depending on the photo you uploaded to Instagram minutes before searching for the product to buy it.

Behind the scenes, in the production process, autonomous robots and machine learning algorithms will play a key role in optimizing and reducing human error up to almost make them disappear, resulting in significant cost savings.

Meanwhile, in the public face, advances in natural language processing and Deep Learning will facilitate the development of virtual assistants capable of understanding and communicating with increasingly intuitive and human-like language, to the point of progressively and irreversibly improving the online shopping experience (Alonso, 2018).

In this way, in this new sales ecosystem, physical stores will become a projector of unique experiences.

The great opportunity of AI will be its ability to meet the needs of the user by providing a plus in the value proposition.

6.1 Solve the User's Needs. Make it Easy

We have talked that the consumer should be perceived as an independent individual, whose needs determine the development of a brand's products and services. In this sense, technology is a means and not an end in itself that helps us to know and personify the user, to meet their needs more effectively.

The key is to solve a specific problem for the user while improving our relationship with them. Artificial Intelligence must be an impetus to offer the user a differential value proposition applied to the entire product cycle from its creation and sale to its distribution.

Understanding this involves transforming the business model and rethinking from WHY or main motivation to HOW IT occurs and finally delivers a WHAT (product or service) to the user.

In this sense, we can differentiate different types of establishments according to their response to the problems and needs of customers:

Convenience Stores

They stand out for their time availability, variety of products, and for being a small size, which makes the purchase agile and fast. They are usually located in the center of the cities, transit zones. An example we have in the AmazonGo, BigBaazar, etc.

Concept stores are distinguished by offering experiences based on innovation and technology, such as Apple, where they appeal to the user's emotions making them feel important.

These types of establishments, usually have a very powerful and striking visual identity with a careful decoration, where in addition the customer can interact with the product and the purchase process becomes an art to minimize the most painful point, which is nothing more than making the payment. The goal is for the increasingly profiled consumer to participate and get involved through social media or other platforms.

Another similar example would be Umpqua Bank, a chain of banks in the United States, whose facilities move away from banks transforming their headquarters into social places where conduct book presentations, talks, and various activities.

Online Stores

Finally, online stores offer a great advantage, which is to be able to make purchases in a comfortable and practical way from anywhere. In addition, sometimes great deals and tight prices can be found. Examples include Amazon, whose one-click shopping experience and shipping and return policies have revolutionized the way you shop.

The interesting thing is to be able to analyze how Artificial Intelligence can marry and benefit or not each of these typologies.

6.2 Beyond Personalisation

Who hasn't received an automatic email in their name on their birthday with a purchase offer? Most likely, that product has nothing to do with what we've bought in the past. This is the necessary paradigm shift on how personalization is understood today.

It should be noted that each person is special and has specific needs that can change. This is something that is beginning to be contemplated within what is called

personotechnics. By personotechnics the provider of a good or service adapts to the changing needs of the consumer, taking into account all the information and inputs that are known about it, in order to retain him. This way, every interaction you have with a customer can be completely different from the previous one.

6.3 The Search for Relevance

Traditional marketing is in a major crisis.

The Internet has changed the way we consume and communicate. The influence of brands is becoming weaker due to the large amount of information we receive through dozens of channels.

It is estimated that 80% of the advertising investment of a \$700 billion business is wasted for targeting the wrong channels and customers.

It is essential to know where our client is and select the right channel to reach it. The graph below shows what percentage of the total ad spend goes to each channel and what percentage of time the user spends on each channel.

As we can see, in the case of print media, the investment in advertising is disproportionate while the user is exposed to this channel. However, other media such as mobile are generating a business opportunity.

One of the biggest priorities in the retail industry is that your message has an impact on as many users as possible.

Human beings are programmed to identify aspects of their environment that help them survive, it is something instinctive and intrinsic of the more reptilian brain. That is, we are prepared to separate the information that affects us from the one that does not. Therefore, if the user receives messages that have no relevance to him, he will reject them, and may even feel invaded by his personal space, especially if these messages arrive through one of his mobile devices (Jorge, 2017).

Therefore, the challenge is to deliver that message at the right time and form. Today this task can be carried out with technological systems in an orderly and autonomous way. Once again, Artificial Intelligence can help us in its implementation.

6.4 360- Degree Communication Cycle

1 in 5 online purchases starts in a physical store.

1 in 3 physical store purchases is started on a digital device.

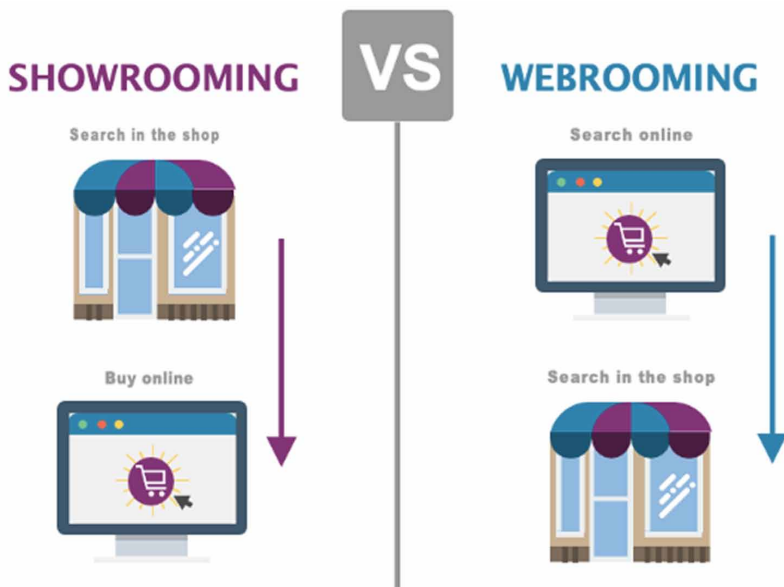
All this sea of information, to and from the user, through the different channels used by shops today – mobile app, website, social networks, physical store – invites to propose new communication strategies with the aim of the user perceives a coherence in all of them.

It is necessary to take into account that we live in a physical world in which digital is integrated as a compliment.

The user experience must be cross-cutting to the channels used.

That is, omnichannel is no longer optional to please the level of demand in digital life, where the barriers between on and off are becoming more blurred (Staff.T, 2017).

Figure 2.



Trade must take advantage of this trend in order to create innovative experiences throughout the sales cycle, not only when capturing the user's attention to finally consume the purchase, but also, subsequently, to enhance retention and reference to all their acquaintances and friends.

6.5 Google Assistant?

Existing channels are joined by virtual assistants and smart speakers, increasingly widespread among users.

Voice is the next big revolution when it comes to interfaces and a concept that will cross-cuttingly affect trade. It will be the new form of interaction with retail, characterized by the facilities offered to the user to communicate with brands, once and for all, using their most natural and innate language.

Humans don't talk like we write.

We use different tones and records that machines must learn to interpret so as not to frustrate potential buyers.

All these technological advances, governed by Artificial Intelligence and the data it collects throughout the process, achieve an improvement in user time management that was one of the biggest critical points detected at first.

70% of millennials who have voice assistants in the US already use them to make purchases, reminding us of the need to redefine and adapt the user experience to these new interfaces (nsbagency, 2021).

No one has said that it is easy, but there is no doubt about it that the opportunities offered by this technology far overcome the difficulties that its implementation may face (such as building a sound mark or connecting to your CRM or customer service) (Chen, 2017).

Virtual interfaces allow merchants to interact with their users in the same way that two people would. While it is true that they are still in development (and with large differences by language and country), the future allows us to imagine ourselves having a conversation with a small speaker that listens to us from anywhere in our house or our car and perfectly understands our demands: whether we want a pizza with double cheese but without the ingredient to which we are allergic, or if what urges us is a new trouser that will match the sweater that we have just released.

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Chapter 8

Firms and Consumer Attitudes in the Digital Market: Analytical Hierarchy Process Approach

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ABSTRACT

With the digitalization experienced as a result of technological developments, global economies have been affected in various ways, and data and information flows have accelerated. Technological developments that significantly increased the spread of information have undoubtedly affected all consumers and businesses. Especially with the widespread use of mobile-internet-based applications, consumers spend more time and shop on digital platforms. It is thought that businesses need to analyze digital consumer attitudes and benefit from marketing activities and digital marketing opportunities to gain a competitive advantage in digital markets. For this reason, it is aimed to determine the criteria that affect the consumer attitude in digital markets and the most suitable firm according to these criteria by using the analytical hierarchy process (AHP) method. Within the scope of the research, three different firms in the field of e-trade were evaluated based on expert opinion according to five criteria.

DOI: 10.4018/978-1-7998-3919-4.ch008

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INTRODUCTION

As a result of the development of internet technologies, which is an important tool of the information age, the concept of new media has been brought to the agenda. Computer, internet and mobile technology threaten new media rooted business models and corporate strategies, which are defined as virtual media environments where users interact independently of time and space but can also offer broad opportunities to grow through new strategies (Hennig-Thurau et al., 2010). Technological developments as well as all over the world also need business in Turkey has led to many changes both on behalf of consumers. It has become imperative for businesses to be on digital platforms to reach large audiences. Nowadays, competition in electronic commerce is very tough and brings with it difficulties and opportunities (Reichheld and Schefter, 2000). In this context, technological developments provide opportunities such as access to businesses, cost reduction and efficiency (Jhaveri and Nenavani, 2020), while the change in the consumer behavior can create difficulties for digital service providers. Determining the factors that positively affect digital consumer attitudes by considering the effects of technological developments is very important for businesses in the e-commerce sector to compete.

The network era, which emerged as a result of extensive technological changes in the late twentieth century, has significantly increased the spread of information, affecting consumers worldwide (Hill and Dhanda, 2014). The Global Digital 2019 report published by WeAreSocial, it is stated that active social media users are 3.48 Billion and active mobile social media users are 3.26 Billion. In Turkey, 52 million active users of social media, while 44 million active mobile social media users that are expressed (Wearesocial, 2019). Also, it is stated that approximately 4.57 billion people, covering 59% of the global population, are active internet users, while the number of active social media users has increased by more than 8% to reach 3.81 billion (Statista, 2020). The success of marketing management depends on the execution of the attitude towards the consumer and the strategic planning by the marketing philosophy. Businesses need to produce and implement strategies to meet the needs and expectations of consumers and act under consumer behavior (İslamoğlu and Altunışık, 2010). Due to technological developments, consumers can change their traditional purchasing methods (Wu et al., 2016) and meet their needs with the help of internet and digital technologies. It is stated that this situation requires the maintenance of customer relations on digital platforms. (Royle and Laing, 2014; Kumar et al., 2018). In this context, digital marketing has been defined as achieving marketing goals using digital technologies and media. For digital marketing to be successful, multi-channel marketing communications must be integrated as traditional and modern media such as search engines, social media, online advertising and television (Chaffey and Chadwick, 2016). By removing the geographical boundaries

and providing opportunities to businesses and consumers worldwide, digital platforms are seen as an important tool for promoting and distributing products or services (Confos et al., 2016; Shaouf et al., 2016; Kumar et al., 2018).

As an important criterion affecting consumers' purchasing attitudes in digital platforms is the factor of trust (Jøsang et al., 2007; Singh et al., 2016) digital service providers should determine strategies to ensure or maintain consumer trust (Kumar et al., 2018). For online shopping, consumers visit relevant platforms, search for information and interact. In this process, customers are required to provide personal and payment information when they want to purchase products or services. For this reason, it is important to establish trust between the two parties in the case of purchasing products from an unknown seller because online shopping customers cannot interact directly with the sellers and cannot make face-to-face meetings (Koufaris and Hampton, 2004). Güven makes it easier for consumers to share their personal information and make purchases (Sharma and Lijuan, 2015). Taking into account the changing attitudes of digital consumers, improvements are needed to meet their expectations. Today, with the interactive and intensive use of technology, consumers' trust in e-commerce environments is said to be the driving factor of decision-making models (Wu et al., 2016). As in traditional marketing, the trust factor is an important factor that businesses should consider in digital marketing.

Information and service quality transmitted to consumers in digital media can be effective in decision-making processes of consumers. It is stated that consumers' perception of quality is influenced by past experiences, website performance and some intangible criteria (Kuo et al., 2009; Kumar and Dash, 2014). It is stated that consumers' perceptions of e-service quality help businesses measure their performance and mediate customer satisfaction (Carlson and O'Cass, 2011), which is an important factor affecting consumer preference in electronic commerce (Yang and Jun, 2002; Lee and Lin, 2005). Brands, which are an important driving force of consumer choices, are the most valuable intangible assets that businesses have. It is stated that brands can make a difference between similar products and provide advantages to businesses (Battistoni et al., 2013). In the digital economy, it is stated that customers are interconnected in social networks. In this sense, brands can use digital data analysis to understand consumer behavior and preferences (Kotler et al., 2017). Brand awareness reflects the distinction of the brand in consumers' minds. Awareness can affect perceptions and attitudes. For this reason, brand awareness is an important component of brand value. Brand awareness can sometimes be the driving force of brand selection and loyalty (Aaker, 1996: 114).

The quality of an e-commerce website that can meet customer needs has undoubtedly been an important factor of success (Kuo and Chen, 2011). Quality is made possible by understanding the needs of internet consumers. An easy-to-remember website is possible with ease of use with well-structured, easy-to-follow

catalogs and short and understandable content. Therefore, digital service providers should not only attract consumers' attention but also include functions that simplify the purchasing process (Sharma and Lijuan, 2015). It is stated that in online shopping, consumption includes two basic shopping activities, namely experiential and utilitarian (Hoffman et al., 2003). Users who want to spend time by taking pleasure, research the products on the internet and communicate with their environment on social platforms are expressed as consumers who go shopping for experiential purposes (Kulviwat et al., 2004; Sanchez-Franco and Roldan, 2005). Today, with the rapidly growing online purchase, customers can use their time more efficiently and shop more and more every day. Online consumers have become more conscious than in the past (Singh et al., 2016). For this reason, it is thought that for companies to achieve success on digital platforms, they need to understand the criteria, needs and wants that affect customers' purchasing attitudes.

In this study, it was aimed to determine the criteria that affect consumer attitude in digital markets and the best online shopping site according to these criteria using the Analytical Hierarchy Process (AHP) method. Other parts of the study organized literature review, methodology, findings and conclusion, respectively.

REVIEW OF LITERATURE

As a result of technological developments and the growth of e-commerce, e-trust has become an important factor (Hsu et al., 2007). Therefore, e-trust and e-reputation, which contribute to the success of e-commerce in digital platforms, are seen as an important criterion (Jøsang et al, 2007). The trust factor conceptualized by the reliability of a change partner (Morgan and Hunt, 1994), allows the concept of reputation to be explained. (Doney and Cannon, 1997). It is necessary to create a reputation to make the website reliable (Rahimi and El Bakkali, 2013). It is stated that there is a close relationship between the aesthetics of websites and trust (Golbeck and Hendler, 2004). Besides, the visuality and design of websites with their security systems can have an impact on the intention to shop online (Sevim ve Erođlu Hall, 2014). Researching trust and reputation systems can provide valuable observations and approaches that can be used in web service systems (Wang and Vassileva, 2007). Information quality refers to the accuracy and format of the information provided on e-commerce channels (Wixom and Todd, 2005). Information and service quality, which generally covers the reliability and accessibility of the e-commerce channel, can be evaluated in many aspects such as product quality, system design, human-technology interaction (Sharma and Lijuan, 2015). As a result of quality information, consumer satisfaction can be achieved with a user-friendly system with accurate information (Ruimei et al., 2012).

Arora and Gupta (2016) determined the content quality and personalization elements as the most important criteria in the e-commerce website in their study where e-commerce websites set user parameters. Singh et al. (2016) in the study of the consumer decision-making process in the digital market, information and e-service quality and online reputation, Pathania (2017) usability, Sharma and Lijuan (2015), determined the concepts of service interaction and information quality as the most important criteria. Şengül and Eren (2016) is the most important digital marketing tool for brand awareness, Kumar (2018) stated that brand and quality elements are the most important criteria for consumer decision in the digital market. Also, Ene (2017) is the most important criterion that affects consumer attitude in online shopping. Jhaveri et al. (2020) found that reliability and security.. Sharma and Lijuan (2015), Arora and Gupta, (2016), Şengül and Eren (2016), Singh et al. (2016), Pathania (2017), Ene (2017), Kumar et al. (2018) and Jhaveri et al. (2020) have identified the most important criteria.

It is possible to come across many studies using the AHP method in the literature (Mardani et al., 2015). Rezaei-Moghaddam and Karami (2008) were used the AHP method to choose the best sustainable agricultural development model in their studies. In the study, 2 different sustainable agricultural development models were evaluated according to 9 criteria. Palaz and Kovancı (2008) were used the AHP method for the Turkish Navy submarine selection problem in their studies. In the study, 4 different submarines were evaluated according to 5 criteria. Hsu et al. (2010) were used the AHP method for the selection problem of the most suitable online shopping platform. In the study, 6 online shopping platforms in Taiwan were evaluated according to 6 criteria. Yavuz (2012) was used the AHP method to determine the factors that affect teachers' car preferences and to determine the most suitable car type. In the study, cars in 6 different segments were evaluated according to 8 criteria. Ömürbek and Şimşek (2014) were used the AHP method for online shopping site selection problem. In the study, 6 different online shopping sites were evaluated according to 4 different criteria. Görçün (2019) was used the AHP method for the selection problem of the trailer to be used in project logistics and heavy transport activities. In the study, 4 different alternative trailer companies were evaluated according to 7 criteria. Lee et al. (2020) were used the AHP method for the concrete system form performance improvement material selection in their studies. In the study, 18 alternatives were evaluated according to 3 criteria.

The criteria of this study are tried to be determined as a result of the literature review and interviews with experts in the field. In this context, 5 criteria have been used in this study. These are brand awareness, entertainment and pleasure, e-reliability, information and e-service quality, convenience of use.

METHODOLOGY

The Analytical Hierarchy Process

The Analytical Hierarchy Process (AHP) was developed by Thomas L. Saaty (1980) in the 1970s and has become one of the widely used multi-criteria decision-making problems (Saaty, 1980; Yu et al., 2011; Felice et al., 2015; Polat and Eray, 2015). AHP is a systematic method for showing the priority and relationship between criteria and alternatives in a hierarchical structure in multi-criteria decision-making problems (Gümüş et al., 2017). In the AHP method, complex problems become much more understandable by using the hierarchy process (Felice et al., 2015). The knowledge and experience of decision-makers can take place in the decision-making process thanks to AHP (Davras and Karaatlı, 2014). AHP is a mathematical technique that takes into account the priorities of the group or individual and can evaluate qualitative or quantitative variables together (Ömürbek and Şimşek, 2014). AHP consists of 4 stages and these stages are described below (Saaty, 2008; Yu et al., 2011; Polat and Eray, 2015; Gümüş et al., 2017).

Step 1: Creating the AHP Structure

With AHP, goals, criteria and alternatives are presented in a hierarchical structure. In the first stage, decision making problem, selection criteria, possible alternatives are determined and a hierarchical structure is created. Generally, at the top of a hierarchy, there is the main target, criteria in the middle and alternatives at the bottom (Yu et al, 2011; Gümüş et al., 2017). The hierarchy structure for the AHP model is shown in figure 1.

Step 2: Creating Pairwise Comparison Matrices

In order to determine the importance of the criteria a comparison matrice is created in the second stage. If there is more than one decision-maker in the solution of the problem, the geometric mean of the comparison matrices is taken. Comparisons using the AHP method are made in Table 1 according to Saaty's rating scale (Yu et al., 2011; Polat and Eray, 2015).

Step 3: Calculation of Criteria Weights

To calculate the criterion weights, each element in the binary comparison matrix is divided by the sum of its column, and the arithmetic average of each row is taken.

Figure 1. The hierarchy structure for the AHP model

Source: (Wang et al., 2008; Yu et al., 2011)

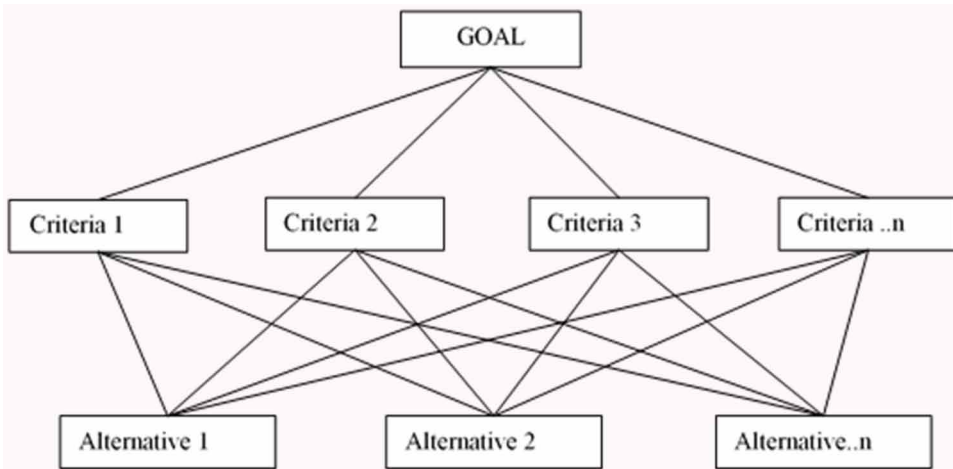


Table 1. Saaty’s rating scale

Intensity of importance	Definition	Explanation
1	Equal Importance	Two activities contribute equally to the objective.
3	Moderate importance	Experience and judgment slightly favor one activity over another.
5	Strong importance	Experience and judgment strongly favor one activity over another.
7	Very strong or demonstrated importance	An activity is favored very strongly over another and its dominance demonstrated in practice.
9	Extreme importance	The evidence favoring one activity over another is of the highest possible order of affirmation.
2, 4, 6, 8	Intermediate values	When compromise is needed.

Source: (Saaty, 1994)

Step 4: Calculation of Consistency Ratio

Consistency Index (CI) and Consistency Ratio (CR) are calculated using equations (1) and (2), respectively (Saaty, 1994: 41-42; Wang, Liu and Elhag, 2008: 515; Yu et al., 2011: 3553; Gümüş et al., 2017: 7). The Random Consistency Index (RI) takes the values in Table 2.

$$CI = \frac{\lambda_{\max} - n}{n - 1} \tag{1}$$

$$CR = \frac{CI}{RI} \tag{2}$$

Table 2. RI, Random consistency index

n	1	2	3	4	5	6	7	8	9	10
RI	0	0	0,58	0,90	1,12	1,24	1,32	1,41	1,45	1,49

Source: (Saaty, 1987; Wang, Liu and Elhag, 2008)

The acceptable upper limit for the Consistency Ratio (CR) in the comparisons is 0.10. In cases where the consistency rate is greater than 0.10, decision-makers are asked to re-evaluate (Wang, Liu and Elhag, 2008: 515; Yu et al., 2011: 3553; Garoma and Diriba, 2014: 148).

Application of The Study

This study aims to determine the weight of the criteria that affect consumer attitude in digital marketing and to select the best online shopping site firm. In the study, 3 online shopping sites were evaluated according to 5 criteria. In the study, the AHP application was carried out using Microsoft Excel 2016 program. The application steps of the study are given below.

Creating Hierarchical Structure of the Study

The hierarchical structure of the study is given in figure 2. Online shopping sites are expressed as X, Y and Z respectively.

Comparison of Criteria according to Saaty’s Rating Scale

The binary comparisons of the criteria were made according to Saaty’s rating scale given in Table 1. The geometric mean of the comparison matrices made by 5 different experts regarding the criteria was taken and given in Table 3.

Figure 2. Hierarchical Structure of the study

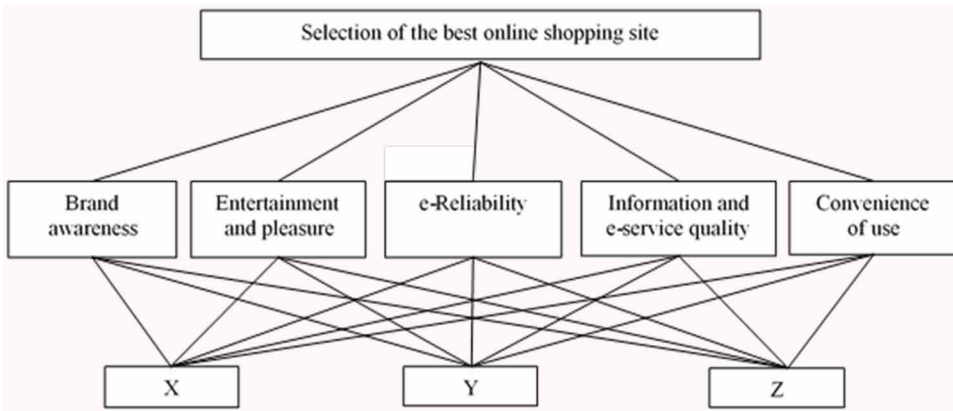


Table 3. Binary Comparison Matrix Regarding Criteria

Criteria	Brand awareness	Entertainment and pleasure	e-Reliability	Information and e- service quality	Convenience of use
Brand awareness	1,000	2,667	0,714	0,803	1,933
Entertainment and pleasure	0,375	1,000	0,229	0,306	0,415
e-Reliability	1,401	4,360	1,000	1,246	3,500
Information and e- service quality	1,246	3,272	0,803	1,000	3,160
Convenience of use	0,517	2,408	0,286	0,316	1,000
Total	4,54	13,71	3,03	3,67	10,01

Calculation of Criteria Weights

Each row value is averaged using the normalized matrix so that Priority Value (PV) is obtained for each criteria as stated in Table 4.

Criteria weights are given in figure 3. The criteria with the highest weight is e-reliability with 0,329 and the criteria with the lowest weight is entertainment and pleasure with 0,071.

Calculation of Consistency Ratio

λ_{max} was calculated as follows using priority values.

$$\lambda_{\max} = (5,070 + 5,017 + 5,094 + 5,107 + 5,051) / 5 = 5,068$$

Consistency Index was calculated as follows using equation (1).

$$CI = \frac{5,068 - 5}{5 - 1} = 0,017$$

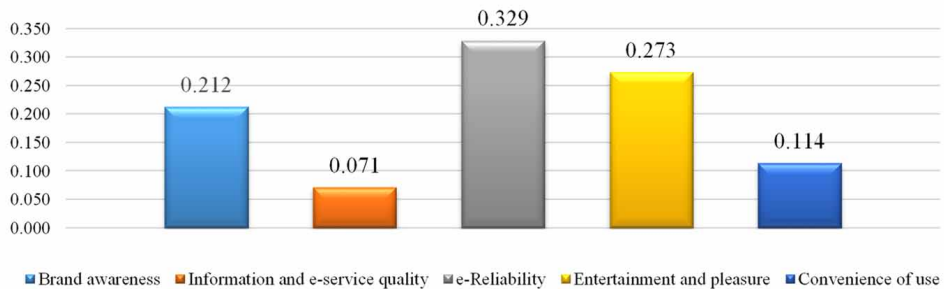
Consistency Ratio was calculated as follows using the RI value in Table 2 and equation (2)

$$CR = \frac{0,017}{1,12} = 0,015$$

Table 4. Criteria Weights

Criteria	Brand awareness	Entertainment and pleasure	e-Reliability	Information and e- service quality	Convenience of use	PV
Brand awareness	0,220	0,195	0,235	0,219	0,193	0,212
Entertainment and pleasure	0,083	0,073	0,076	0,083	0,041	0,071
e-Reliability	0,309	0,318	0,330	0,339	0,350	0,329
Information and e- service quality	0,274	0,239	0,265	0,272	0,316	0,273
Convenience of use	0,114	0,176	0,094	0,086	0,100	0,114

Figure 3. Criteria weights



Firms and Consumer Attitudes in the Digital Market

If the Consistency Ratio is less than 0,10, it means that the results obtained are within acceptable limits. The consistency rates were less than 0,10. at Tables 5, 6, 7, 8 and 9.

Ranking of Online Shopping Site Firms

The binary comparison of online shopping site firms in terms of each criteria were made using the scale in Table 1. Geometric averages of the comparison matrices made by 5 different experts for each criteria were created as a single matrix. Binary comparison matrices are given in Tables 5, 6, 7, 8 and 9.

The processes performed to calculate the criteria weights, as in Table 4, were applied to Tables 5, 6, 7, 8 and 9 and the priority values of the online shopping firms were calculated for each criteria. The priority values of the online shopping sites for each criteria can be seen in figure 4.

The final priority value for each online shopping site was calculated as in Table 10 by multiplying the criteria weights in Table 4 and the priority values of the online shopping sites.

Table 5. Binary comparison of online shopping sites in terms of brand awareness criteria

	X	Y	Z	PV
X	1,000	0,903	1,380	0,349
Y	1,108	1,000	1,933	0,417
Z	0,725	0,517	1,000	0,234
$\lambda_{\max} = 3,006; CI = 0,003; CR = 0,006$				

Table 6. Binary comparison of online shopping sites in terms of entertainment and pleasure criteria

	X	Y	Z	PV
X	1,000	1,476	1,904	0,447
Y	0,678	1,000	1,933	0,347
Z	0,525	0,517	1,000	0,206
$\lambda_{\max} = 3,018; CI = 0,009; CR = 0,018$				

Table 7. Binary comparison of online shopping sites in terms in terms of e-reliability criteria

	X	Y	Z	PV
X	1,000	1,635	1,780	0,456
Y	0,612	1,000	1,552	0,315
Z	0,562	0,644	1,000	0,229
$\lambda_{\max} = 3,014; CI = 0,007; CR = 0,013$				

Table 8. Comparison of online shopping sites in terms in terms of information and e-service quality criteria

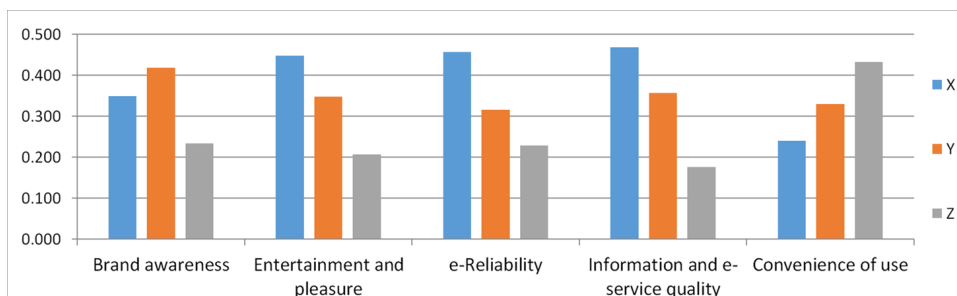
	X	Y	Z	PV
X	1,000	1,185	2,954	0,467
Y	0,844	1,000	1,838	0,357
Z	0,339	0,544	1,000	0,176
$\lambda_{\max} = 3,010; CI = 0,005; CR = 0,010$				

Table 9. Binary comparison of online shopping sites in terms in terms of Convenience of use criteria

	X	Y	Z	PV
X	1,000	0,803	0,500	0,239
Y	1,246	1,000	0,844	0,329
Z	2,002	1,185	1,000	0,432
$\lambda_{\max} = 3,010; CI = 0,005; CR = 0,010$				

When Table 10 is analyzed, it is understood that the best alternative is X with a priority value of 0,411.

Figure 4. Priority values of online shopping sites for each criteria



Tablo 10. Final priority values of the online shopping sites

Online shopping site	Brand awareness (0,212)	Entertainment and pleasure (0,071)	e-Reliability (0,329)	Information and e-service quality (0,273)	Convenience of use (0,114)	Priority value
X	0,349	0,447	0,456	0,467	0,239	0,411
Y	0,417	0,347	0,315	0,357	0,329	0,352
Z	0,234	0,206	0,229	0,176	0,432	0,237

CONCLUSION

Recently, the widespread use of the Internet has affected consumer behavior. With this situation, there has been an increase in the level of online shopping of consumers. Today, consumers spend more time and shopping on digital platforms especially with the widespread use of mobile-internet-based applications. For this reason, it has been compulsory for businesses to reach their target audience on digital platforms. Under intense competitive conditions, companies must act in accordance with consumer behavior in digital markets. Therefore, it is very important for businesses to execute their marketing plans by taking into account the digital consumer behavior.

In this study, it was aimed to determine the weights of the criteria that affect consumer behavior in online shopping and the best online shopping site according to these criteria. In the study, 3 different online shopping site firms were evaluated according to brand awareness, entertainment and pleasure, e-reliability, information and service quality, convenience of use criteria. In the AHP application, criteria weights were calculated by making pairwise comparisons of the criteria.

According to the results of the study, the criteria with the highest weight is e-reliability with 0.329 and the criteria with the lowest weight is entertainment and pleasure with 0.071. Criteria weights and priority values of online shopping sites

were multiplied to rank online shopping site firms. The final priority values of the online shopping sites were calculated as 0.411 for the X online shopping site, 0.335 for the Y online shopping site and 0.217 for the Z online shopping site. As a result of the study, X online shopping site was selected as the best online shopping site.

This study could help online shopping sector managers and representatives to make an overall assessment of their firms. In the future, those who will work on this subject can evaluate online shopping sites according to different criteria by using the AHP method or different MCDM methods. Besides, studies can be carried out at online shopping sites in different countries or at international online shopping companies.

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Chapter 9

Valuing Wellbeing: A Step Closer to Optimum Customer Engagement

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ABSTRACT

In an era marked by rampant switching behaviors, “customer engagement” has come to the rescue of firms with its promised potential of long-term loyalty. However, firms’ attempts to engage customers without a clear understanding of its long-term impact on consumer wellbeing may backfire the entire effort by hampering customer perceived value and satisfaction associated with the service. Thus, the chapter revolves around the notion that customer engagement, when designed with the vision of adding meaning and value to customer life, becomes in true sense “optimal.” In support of this argument, the chapter documents the cases of customer engagement campaigns which have failed utterly in the long run due to their adverse effects on consumer wellbeing. Light is also casted upon successful engagement events which have brought meaning and wellbeing to all within its ambit. Using insights from in-depth interviews, four major factors ruining engagement efforts have been identified, namely over-engagement, irrelevant content, over-personalization, and inauthenticity.

DOI: 10.4018/978-1-7998-3919-4.ch009

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INTRODUCTION: NEED FOR OPTIMAL CUSTOMER ENGAGEMENT

In this age of the customer, the only sustainable competitive advantage is knowledge and engagement with customers – Forrester¹, Research and Advisory Firm

It's often said that 'data is the new oil.' Instead, we'd argue that it's trust that will decide whether business and - the Fourth Industrial Revolution itself – succeed. There is both moral and business imperative to do more than increase profits. My fellow CFOs and other leaders should respond to today's rapid technological and societal change by taking a long-term view. – Mark Hawkins³, President and CFO, Salesforce

How you sell matters. What your process is matters. But how your customers feel when they engage with you matters more. – Tiffany Bova, Global Customer Growth and Innovation Evangelist, Salesforce

As you go about creating new customer engagement programs and direct marketing packages for your brand, look for opportunities to give rather than to get. Whoever makes the first kind gesture, as studies show, tends to gain the most. – Jeanette McMurtry, Author, Big Business Marketing for Small Business Budgets

It is only by walking in the digital footsteps of your customer that you can uncover a new landscape of opportunities for engagement as well as a new reality for your business. – Brian Solis⁴, Principal Digital Analyst, Altimeter (Prophet)

As can be seen in these statements from world's leading firm and research agencies, when the firms weave customers' discrete interactions with them into one experience journey and move away from the company-centric approach of managing relationships with the customer to the customer-centric approach of co-creation through engagement, only then they can get a bit closer to retaining fulfilled customers in this ultra-competitive marketplace with tenuous relationships. In an era of dynamically changing customer preferences reflected in their concurrent switching behaviors, "customer engagement" has come to the rescue of firms with its promised potential of generating long-term loyalty (Economic Times, September 2018). With the evolution of marketing concept from firm-centric to customer-centric approach and further from relationship marketing to engagement marketing within the customer-centric marketing concept, engagement with the customer has gained an important place in the heart of marketers and is clearly visible in their strategies and experience design. In the experience-oriented consumer economy, firms are

increasingly incorporating engagement at various levels in their organizations with CEO standing for chief engagement officer. Almost 69% of the CEOs surveyed regard customer engagement as their top priority (McKinsey Global Digital Survey, August 2013). This is very well in alignment with the need to keep customers engaged at every possible touchpoint throughout their experience journey. Such eminence of engagement can be directly attributed to its favorable consequences for the firm such as improved loyalty, revisits and repurchases (Forbes Insights Report, 2017). Umpteen studies have established this relationship wherein engagement strategies have resulted in greater satisfaction and purchases, positive word of mouth and retained customers (Kannan and Li 2017; Huang and Rust 2017; Van Doorn et al. 2010; Kumar et al. 2010), so much so that the firms nowadays have confused customer engagement as the ultimate marker of customer retention and firm growth.

With access to real time customer data leading to powerful customer insights and understanding, firms are nowadays leveraging data mining and analytics technology to engage with their customers proactively. However, more insights do not always mean better engagement and many a times such well-intended engagement efforts fail to bear results with their irrelevant and unnecessary move. This leads us to pose our very first question regarding optimum level of engagement i.e. how should firms indulge in their engagement strategies so as to enhance its overall impact on customer metrics?

In-depth interview with twenty-two customers (58% female) revealed many important insights regarding their feelings and attitude towards firms' engagement efforts across platforms. Four main overarching factors emerged from such exploration which reflect the engagement issues that customers feel dampen their experience and bond with the firm – over-engagement, irrelevant content, over-personalization and inauthenticity. All these factors are discussed one by one:

Over-Engagement

Many email marketing campaigns though showing better conversion rates as engagement metric in the short run, fail to retain customers with the firm (WashTone Media, November 2017). One key reason for such failure resides in the question how should companies use the data-mined customer knowledge to better communicate, and not over-communicate? Knowing more about their customers should result in better engagement and communication strategies, but the failed engagement campaigns depict a prevalent misdirection of such intimate knowledge into over-engagement often result in annoyed and irritated customers. More engagement does not always equal better performance. In the words of one of the interviewees:

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“I don’t know why they keep spamming me? I like the product but I am so busy all the time. I don’t have time for such events.” (Customer, female)

Many smaller firms having a very limited understanding of engagement marketing view it as a tool to pull new customers and rely heavily on metrics such as visit frequency, conversion rate etc. With such a skewed understanding of the concept, even though their short-sighted metrics are achieved, which they celebrate as a major success of campaigns, the long-run ROI and retention of the customers gets hampered in the process (HBR, August 2019). Firms assess that they have gained new and repeat customers but then these very customers on feeling annoyed and pushed by the frequent engagement event reminders and requests have the potential to not only defect and switch but also indulge in negative engagement behaviors such as negative word-of-mouth.

“Earlier I was really interested in going to the seminar, but those constant reminders really put me off. Every other mail is all the more sweeter, but I don’t like to be chased like that. It seems as though they are short of participants and the quality isn’t as good.” (Customer, male)

And that is how the need for an optimal engagement framework arises, as currently the firms are either under-engaging or over-engaging their customers both not being optimal in its impact.

Irrelevant Content

The issue of irrelevance is nothing new, and is exponentiating with the accumulated customer data with the firms. Earlier the firms faced difficulty in marketing to the right segment due to insufficient knowledge and intelligence of customers. Nowadays, with IT revolution, there is more than enough information on customers – also known as big data with the firms, and yet the personalized efforts to engage fail many a times with their highly irrelevant content and offerings (Stoner, October 2009). The problem lies not only in the interpretation and analysis of such humongous customer data but also in the push mentality of the firms which in the hope of getting more business ignores the relevance aspect and instead imposes irrelevant content with incentives to lure the customers (SEJ, May 2019). Many firms still think of engagement strategies such as personalization – which is the firm-initiated efforts to provide unique offerings to individual customers based on their preferences – to be a tool to identify similar customers and send automated content based on machine-based algorithms diminishing its very essence. In the words of one of the interviewees:

I went to a restaurant with my boss last month and his card was not working so I paid the bill. Since then, every day I get inboxed and texted by that restaurant and let me tell you this doesn't ends here. Few weeks ago, I started getting mail from a newly opened Irani café near my place and this is so random. Although I had dinner with my boss at that Irani restaurant, it was his choice. I don't like Irani cuisine at all. No offense. But really. I am vegetarian. (Customer, male)

Over-Personalization

Customers love personalized recommendations and offerings. However, when these same personalization efforts go overboard and use data perceived to be highly personal and intimate, it incites disgust and negative engagement behaviors. Customers have high privacy concerns while using online platforms and are sensitive to any suspected breach of their privacy rights. Regarding brand-focused engagement initiatives, they are highly cognizant of how they have been approached and how much of their personal information has been used by the firm in reaching out and addressing to them (Forbes Insights, November 2017). Many customers do not like the idea of firms tracking and monitoring their movement online and then offering them related content. They see through such engagement efforts as compromising their privacy in the hands of profit seeking firms and are highly averse to that. Thus, although convenience appeals to the head and heart of everyone in the room, its appeal may lose its charisma to customers overwhelmed by the unanticipated changes and loss of control. Interviews with the customers have proven this understanding to be true as can be inferred from this statement:

I find so many interesting apps on my phone and I want to install them too. But many of these apps ask access to my contacts, gallery etc. and I am so skeptic after that Faceapp thing you see. I mean I don't how much they know and what they will do with my data. It is so frustrating because everyone has those apps. (Customer, female)

Inauthenticity

Many engagement campaigns end up being construed as yet another marketing gimmick due to a pervasive presence of promotional content and offers throughout the event. Marketers owing to the investment made in such engagement campaigns and witnessing the audience reach generated, fail to resist their temptation to make short-run profits and ruin all the previous efforts by imposing incentivized promotions directed at generating immediate sales (SEJ, May 2019). The time-constrained customers want and reward genuine engagement efforts and such promotion focus

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of the event makes them feel cheated by the firm. This can be clearly seen in one of the interviewee's words:

..... Now I don't have any problem in spending on some cause. But I don't want to buy that product. But they keep on pestering me about the cause when actually they just want to sell the product to me. (Customer, male)

Yet another dig at the authenticity of customer engagement is taken by the “fake engagement” activities undertaken by the firms to encourage popularity of their social platforms. Many firms have been found guilty of generating fake positive social comments regarding their brand and likes and shares of their branded content using artificial social media spam bots (Shah and Warwick, 2012). In order to encourage user participation and positive brand attitude, these firms attempt to influence users' brand engagement by crafting fake discourse on their social platforms favoring their brands. A drop in the bucket is not realized, but with everyone using this strategy over time and with increasing consumer awareness of the fact, the bucket is full and has severely impacted consumers' trust in these brand-focused engagement initiatives. This is an understatement compared to what one of the interviewees had to say:

“There is so much confusion about what is right and what is wrong. I don't trust those positive reviews and five stars, they can be paid or written by the firm itself. I myself have seen people writing good stuff about the courses and colleagues they hardly know.” (Customer, male)

Thus, what once was and still is a powerful source of generating strong long-term bonds with the customers, due to firms' poor understanding of the concept and short-term emphasis on improving performance metrics and profits, has become a major cause of “engagement fatigue” among customers. As a result, just as mechanisms came in place for avoiding ads on TV, customers have started resorting to ignoring engagement-related content, sending them directly into the spam box, and tuning out of the brand communities.

ENGAGEMENT THEORY AND THE MISSING WELLBEING ASPECT: IMPROVED DEFINITION

Going back to the literature regarding customer engagement brings light to the existing framework for engaging with customers and helps explain the persisting challenges to optimum engagement as found from the interviews before. Although there are many different conceptualizations and definitions pertaining to engagement in the

marketing literature (summarized in Table 1), the theory of customer engagement encapsulates it all and takes us to the origin of engagement literature (Palmatier et al., 2018). Back then in the 80s and 90s, relationship marketing gained ample research attention with its strong foundation of trust and commitment and a clear goal of forging long-term relationship with the customer by keeping him highly satisfied. However, with the rise of two-way marketing interactions facilitated by technological innovations, needs of customers shifted from being a passive consumer of offerings to a more vocal and active customer willing to indulge in the entire experience process. And, hence came the new marketing concept of customer engagement to give expression to the customers' need of going beyond transactional purchase. The theory of engagement builds on this very need to argue that customer satisfaction, though necessary, is no longer a sufficient condition to retain customers (Pansari and Kumar, 2017). In the competitive business scenario offering numerous choices, customers even though satisfied as per the expectancy-disconfirmation theory may still defect and choose alternatives if emotional fulfillment of the customer is not a priority for the firm. The theory states satisfaction and emotional attachment of the customer to be the twin prerequisite conditions necessary for customer engagement to take place. In the absence of any of these two conditions, firms' engagement efforts are destined to lead to failure. For example, engagement initiatives can backfire in case of dissatisfied or reportedly satisfied customers whereas satisfied customers in the absence of engagement efforts will saturate over time becoming vulnerable to competing offerings.

Adding to the theory, Kumar and Pansari (2016) further state that satisfaction and emotional attachment being the two characteristic attributes of customer engagement procure two different types of contributions from the customers. While satisfaction is argued to lead to direct contributions via repeat visits and purchases, emotional attachment of the customers manifests itself indirectly through positive word-of-mouth (influence), feedback and referrals etc. They empirically established these relationships in the presence of various moderators such as convenience, involvement and industry context. Thus, the definition given by Pansari and Kumar (2017) is the most robust one conceptualizing customer engagement as the mechanics of a customer's value addition to the firm, either through direct and/or indirect contribution.

However, the question arises as to what extra value is the customer getting from engaging with the firm apart from satisfaction and emotional attachment which come with the purchase and how does such engagement affect his life in the long run? As can be inferred from Table 1., customer engagement has been conceptualized as the direct and indirect post-purchase behaviors of the customers that add value to the firm, which is very limited in its approach as it excludes firm engagement efforts that have the potential to add value to customers' life. Engagement requires mutual contribution from and takeaways for both the parties involved in the

interaction experience. While firms benefit from the value added by the engaged customer, benefit or value addition to the customer for engaging is not included in the conceptualization. It may be argued that satisfaction and emotions generated as a result of the experience are those values, but they are merely evaluations which are highly tenuous in nature and don't have much long-lasting value acknowledged by the customer (Kumar, 2016). Until unless engagement also includes the mechanics of firms' value addition to customer's life above and beyond purchases, either through direct and indirect contribution, the conceptualization stands highly skewed in favor of firm benefits. Thus, customer engagement can be defined as the mechanics of value addition, direct and/or indirect, to both the firm and the customer through meaningful interactive experiences and platforms.

Table 1. Literature review on Customer Engagement

<i>Study</i>	<i>Customer Engagement Definition</i>
Bowden (2009)	A psychological process that models underlying mechanisms by which customer loyalty is formed for new customers as well as the mechanisms by which loyalty may be maintained for repeat-purchase customers of a service brand.
Van Doorn et al. (2010)	Customers' behavioral manifestation toward a brand or firm, beyond purchase, resulting from motivational drivers such as word-of-mouth activity, recommendations, helping other customers, blogging, writing reviews.
Kumar et al. (2010)	Customer engagement includes (a) customer purchasing behavior [CLV], (b) customer referral behavior [CRV], (c) customer influencer behavior [CIV] and (d) customer knowledge behavior [CKV].
Brodie et al. (2011)	A psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent (brand) in focal service relationships.
Hollebeek (2011)	The level of customers' motivational, brand-related, and context-dependent state of mind characterized by specific levels of cognitive, emotional, and behavioral activity in brand interactions.
Vivek et al. (2012)	The intensity of an individual's participation and connection with the organization's offerings and activities initiated by either the customer or organization.
Pansari and Kumar (2017)	The mechanics of a customer's value addition to the firm, either through direct and/or indirect contribution.

Meaningful Engagement: Firms' Value Addition to Customers' Lives (Wellbeing)

Customer engagement as defined above requires firms' nuanced understanding of the activities that can add value to the customers' wellbeing beyond the one-time experience. The choice of activity for promoting engagement is very crucial in determining the wellbeing value of such engagement to the customer. Many

engagement campaigns fail to register long-term engaged customers as they design the event around pleasure and hedonic consumption, foregoing the opportunity to have any long-term impression on the customers. Unless efforts are made to provide meaningful engagement platform comfortable, authentic, facilitative and relevant enough for the participants, the success of such campaigns will be dismal with most of the members limiting their engagement to validating and sharing (HBR Report, August 2016). To encourage and engage them enough to ask, answer and explore, firms should consider fulfilling their wellbeing needs. Firms weaving their engagement campaigns around goal-directed activities igniting customers' personal purpose and life goals go a long way in eliciting meaning, interest, growth and immersive experience transcending beyond the consumption and event to add value to their lives through such engagement. Such proactive approach of being considerate of the customers' wellbeing as a gesture in good faith of returns in terms of direct and indirect contributions to the firm expands the concept of customer engagement to meaningful and sustainable engagement.

An apt example comes from Japan where the youth was suffering from severe identity crisis after the post-1991 bubble burst, however, ironically the same youth was contributing heavily to the economy through "Gross National Cool" Japanese play-goods global market (McGray, 2002). "Yielding much-needed capital, both real and symbolic, J-cool or GNC refers, somewhat imprecisely, to everything from Japanese video games like Pokémon and vinyl toys like Hello Kitty to the super-flat aesthetics of Murakami Takashi² and Harajuku" (Allison, 2009, p. 90). With the socio-economic shift of Japan towards immateriality, the reality of youth was bleak with unsteady employment, frequent job shifts, marriage crisis, depression etc., which was all the more reason for them to get addicted to the nostalgic, addictive and hedonic fairyland of virtual cool products. J-cool firms were flourishing amidst this chaos offering the youth the much-desired escape from reality. This clearly shows how marketing firms can stand tall on the demise of the nation and yet stay unscathed. What is interesting to note is the recent emergence of community-initiated engagement campaigns in the country tackling the issue at the grassroots level. These campaigns understand the significance of purpose and emotions in uniting and engaging the youth and have led command of "affective activism" throughout the nation.

Firms should learn from such cases to be socially responsible by launching radical engagement campaigns at community level and meaningful engagement strategies at individual level so as to take care of both customers' wellbeing and welfare. Such efforts have the potential to add volumes to firms' goodwill and long-term growth (McKinsey Interview, February 2016). One such effort can be made in terms of one of the engagement strategies – namely gamification. Gamification have been used to nudge employees as well as customers towards desired behavior, and many

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a times this sparks inequity and reactance from the subjects (Gubler et. al., 2016). As a customer engagement strategy, gamification is prevalently reward based and provides incentives to the select customers to engage in firms' events, co-creation platforms and endorsement and referral activities. However, such a strategy fails to generate any long-term outcomes and also hampers customer's wellbeing as it keeps them in a reward-loop hitting constantly on their self-image. Further, it also harbors a feeling of discontent and inequity among the customers left behind who are not invited for event. They find it unfair to not having a say on such platforms and potentially indulge in negative engagement.

A remedy to this situation where extrinsic motivation is negatively linked to the sense-of-self, is to make the gamification strategy more meaningful for the user (Liu et. al., 2017). One way of increasing the meaningfulness of the strategy is to give the user the freedom and space to choose his own goal and rewards. This has the potential to fulfill autonomy and competence needs of the customer, which can ultimately improve wellbeing and engagement as per the self-determination theory (Ryan and Deci, 2000). There are many other meaningful gamification strategies provided by Nicholson (2012) by the acronym RECIPE with R – reflection, E – exposition, C – choice, I – Information, P – play, and E – engagement. Thus, in order to gain long-lasting customer retention and value addition, firms need to adopt meaningful gamification as against reward-based gamification design.

Case example 1: Panasonic's "cut out the darkness" campaign

Panasonic in the year 2013 launched "cut out the darkness campaign" to reach out to off-grid communities with a very specific goal of providing 100,000 lanterns (Panasonic, n.d.). Started with the intent to achieve massive community engagement, the campaign clearly focused on consumer welfare as the strategy to unitedly engage in the mission. First, visitors to the campaign website were informed and empathized through emotional videos and content. The participants were given the autonomy to choose and create the lantern designs they wished to make with assistance and facilitation from the site. Option to share and vote on the lantern designs was encouraged and the ones with the highest votes were awarded some extra features to decorate their lanterns, thus fueling their competence and mastery need. Further, options to share the design and experience on other social platforms was also provided to fulfill the relatedness need of the participants.

The campaign was a grand success as it roped in many popular celebrities and thousands of participants from across the globe in the event. As can be inferred, the campaign was able to achieve its goal of lighting 100,000 homes, thus, getting as much customers in the by adopting radical engagement. Not only this, the firm gained thousands of referrals, influencers and advocates in the process by being

successful in meaningfully engaging the participants as it fulfilled their psychological wellbeing needs of autonomy, competence and relatedness.

Thus, the case depicts an apt example of leveraging radical and meaningful engagement strategies to win valuable contributions through customer engagement.

Case example 2: Dove's Real Beauty Campaign

In 2017, Dove launched a campaign to address the socially relevant issue of “body shaming”. The firm offered an exclusive range of body wash packages designed and featured in different female body shapes (Dove, n.d.). The main idea behind the campaign was to get people talking over the issue through the firms’ platform and engage with the firm in expressing their “real beauty”. However, the campaign invited severe backlash and failure from its customers as well as community with its irrelevant and misplaced offering and communication. The product designs resembling female body shapes in fact further added to body shaming rather than condemning it and elicited feelings of anger and disgust from the customers’ end.

Thus, it needs to be learned from this case that merely associating with a social cause or issue is not enough for engaging customers. Proper consideration of the perceived wellbeing aspect of the engagement activities and communication is very crucial for successfully engaging the customers.

SOLUTION: HARNESSING POSITIVE TECHNOLOGY TO PROMOTE MEANINGFUL ENGAGEMENT

While adverse impact of technology on wellbeing is being witnessed with the addictive gaming (Counterstrike, Pubg etc.) and social platforms (Facebook, Snapchat etc.) (Smyth, 2007), these firms are flourishing with high though temporary engagement rates from customers. Since, the engagement is due to addiction and vulnerability (Grusser et. al., 2006), it is not long lasting in its outcome. Truly successful firms are the one which are innovating with technology to create positive change and making world a better place. Many firms are taking lead to design the same platforms of gaming and social networking to enhance consumer wellbeing, thereby securing customers’ respect and long-term loyalty.

For instance, there is a prospering online industry of virtual products which allows its customers to indulge in virtual gifting of items (McKinsey Quarterly, June 2010). With such a platform, many customers gain the value of contributing to the others’ lives and enhance their wellbeing. As a result, the platform invites positive word-of-mouth from its engaged customers.

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Another example of meaningful engagement strategy is exhibited by online prosocial and edutainment games such as free rice, help thirst, blood hero etc. which engage players using meaningful gamification strategy to reward points in terms of donations made to the cause (Domingos et. al., 2016; Snow et. al., 2018). In this way, the platform adds to the participants' wellbeing through prosocial contribution and consequently generates positive engagement for itself.

CONCLUSION

The chapter begins with the words of leading professionals in the marketing domain, more or less calling for an optimal customer engagement that cares for consumer emotions and wellbeing before designing its endeavor. Formal deliberation on this call brings many questions in mind, primarily: how should firms indulge in their engagement strategies so as to enhance its overall impact on customer metrics? With the help of in-depth personal interview, four main factors posing a hindrance to customer engagement success were identified: over-engagement, irrelevance, over-personalization and inauthenticity. All these factors share one common thread of consumer wellbeing which if properly taken care of can lead towards sustainable engagement outcomes. However, this emphasis on wellbeing and meaningful engagement is yet to find place in the existing customer engagement conceptualization as is unraveled in the literature review on engagement definitions and framework. To fill this gap, a naïve definition of customer engagement incorporating value addition to both the firm as well as the customer has been proposed.

Now that both literature and practice acknowledge the role of meaningful engagement in firms' long-term success, two case examples one each for success and failure of customer engagement campaigns is provided. From these cases, it can be inferred that the success of engagement initiatives depends to a great degree on radical and meaningful attempts to enhance consumer experience. While adding value to the consumer lives, firms should clearly communicate such value in the most subtle and humble way to the customers and then patiently wait for it to reciprocate. It is also suggested that firms should resist the tendency to make short-term gains through promotions etc. while managing long-term engagement projects as it can signal inauthenticity to the customers. Further, moderation is the key to success while executing any of the engagement strategies such as personalization, customization or gamification, embedding meaning for the customers within these strategies is yet another insight for the marketers. So, the question arises that how can firms create meaningful engagement? The chapter finds solution for this question in the positive technologies. Leveraging positive technologies for social change and welfare can secure the much-desired respect, reputation and benefits for the firm along with the

benefits of customers and community at large. Customers are looking for ways to enhance their wellbeing through consumption be it physical, psychological, social, intellectual or spiritual. Providing opportunities to fulfill any of these wellbeing needs has the potential to add meaning and value to their lives beyond transactional experience.

Thus, the chapter concludes that valuing customer wellbeing can go a long way in forging optimal engagement bonds with the customer.

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Chapter 10

Online Retailing and Customer Engagement: The Changing Paradigm of Customer Relationship Management (CRM)

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ABSTRACT

The growth of online retail has changed the course of customer relationship management (CRM) at large. There are a variety of challenges faced by the marketers besides the opportunities of doing business online although the application of advance technologies has helped resolve issues pertaining to CRM to the maximum extent. However, customer engagement (CE), one very important of aspects of CRM, is very critical in online retailing and dynamically complex. Online retailers are using advance technologies and social media platforms to engage customers and optimize the benefits of customer engagement. To gain new customers and retain loyal ones have been challenging tasks, and hence, continuous customer engagement with creative ideas and content is the only solution. The present chapter focuses on the important of customer engagement by online retailers, factors influencing CE, and how marketers need to optimize customer engagement through innovative and analytical methods.

DOI: 10.4018/978-1-7998-3919-4.ch010

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INTRODUCTION

In the business landscape of the 21st century, the concept of retailing has undergone substantial change. Today, the retailing function is no longer carried out traditionally. Marketers and businesses are getting involved in retailing in the virtual or online platform. Thus, the concept of online retailing has come into existence, and it has revolutionized the overall business landscape of the current times. The concept of online retailing has also transformed how marketers engage and interact with their potential customers and existing customers.

The impact of technology and innovation has influenced how retail activities are carried out by business participants, but it has also impacted how marketers engage with their customers. In the business landscape, the overall impact of technology integration cannot be negated as it has redefined the business landscape. Several case studies have been highlighted in the chapter to get a detailed insight into how the online retailing concept is catching up and giving a fierce competition to the conventional retailing model. Similarly, examples from the practical market setting have been highlighted to capture the current strategies and approaches that marketers use for engaging and interacting with the intended market audience.

An Insight Into Online Retailing

The term 'online retaining; can be defined as the process that enables the customers in the market to search, choose and purchase offerings such as commodities, services, and/or information over the internet in a remote manner. This concept of retailing has come into existence fundamentally due to advancements in technology (What is Online Retailing, 2019). Since technology has been gradually making a mark everywhere, including the business environment as well as in the personal lives of people, the online retailing concept is growing at a remarkable rate, and it is empowering both retailers as well as consumers alike.

Online retailing is also known as business to customer (B2C) E-commerce and E-Retailing. In simple words, the process can be defined as the selling and purchasing goods or services through the internet. In the vast market landscape, it is known to be an additional marketing channel for the retailers involved in the brick and mortar business activities (Verma et al., 2016). This business concept gives rise to the opportunity where customers can shop by simply using their desktop or smartphone. Such a retailing model is gaining high popularity among business concerns and the market audience. This is because online retailing offers convenience, a diverse variety of brands to select from, and saves time.

Online retailing has simplified how marketers carry out their business activities (Jhobbs, 2019). The absence of any kind of boundaries in the virtual setting has made it possible for online retailers to target the market audience at the global level. So they have succeeded in overcoming the challenges that exist in the traditional retailing setting relating to the difference in time and distance. Online sales are currently the by-product of online retailing accounts for approximately one-quarter of the total retail market (Jhobbs, 2019). In the intensely competitive business environment, retailers are not in a position to ignore the importance of online retailing or e-commerce. This is because customers are gradually making a move towards online shopping and preferring to make purchases on the online platform.

Case study – IKEA is a Swedish origin multinational group that is primarily involved in designing and selling ready-to-assemble furniture, home accessories, and kitchen appliances. Even though the business has hundreds of brick and mortar stores scattered around different parts of the globe, it has also successfully integrated the online retailing concept in its industry. In fact, over the years, its online sales have surged its overall retail sales (Clarke, 2019). The global furniture giant has adopted a strategic approach to developing its online retailing model, which has helped it grow from strength to strength (IKEA is Finally Taking Ecommerce Seriously, 2019). After realizing the importance of online retailing, the business has put a hold on its enlargement and expansion plans. Instead, it has been primarily focusing on strengthening its online retailing function. To penetrate the Chinese market, which is vast and full of possibilities, IKEA has been using the WeChat platform, which has more than one million active users. The retailer has succeeded in taking advantage of e-commerce and payment facilities that are present on the platform. Such a focuses approach on the online platform helped the business a great deal to run its 'IKEA Home Flash Store' sales successfully, in the virtual retail setting (IKEA is Finally Taking Ecommerce Seriously, 2019).

Even though the global furniture giant has been slightly late to the e-commerce scene, it has succeeded in catching up with others active in the online retailing arena. To be ahead in the competitive online retailing race, the business announced that its offerings would be available for sale through Alibaba's Tmall. The objective of such a decision is to expand its overall reach in the market by using both traditional retailing strategy as well as online retailing strategy. Moreover, the business undertaking has also introduced an e-commerce app so that customers can purchase its offerings by using it. Currently, the IKEA application is live in selected markets, including China, the Netherlands, and France. But the online retailing strategic approach shows that IKEA is expanding its retailing activities to have an edge in the vast market setting.

THE NEED FOR ONLINE RETAILING

Online retailing is no more considered to be a luxury for marketers and business concerns. It has become a fundamental necessity today as it enables them many ways to reach the intended market audience. Besides this, online retailing also opens up new opportunities as business undertakings can carry out their business operations without having to establish a brick and mortar storefront. In the highly competitive and dynamic business landscape, it can be considered a significant economic blunder for retailers not to have a retail presence on the online platform. Online retailing has become an indispensable element of retailing businesses cannot ignore that.

Today, online retailing has become the ultimate need of the hour for businesses that intend to survive and sustain in the ever-evolving business landscape. In the globalized business setting, the online retailing model's adoption has helped marketers all across the globe to engage and interact with the global market audience and persuade them. In fact, online retailing opens up the perfect opportunity for business concerns to expand their sales as well as profits at a faster pace as compared to a traditional brick and mortar establishment. By getting involved in online retail transactions, business concerns are positioned to sell their offerings to customers across different parts of the world. The icing on the cake for marketers is that the retailing concept does not burn a hole in their pocket as they can cost-effectively carry out the business operations. The presence of businesses on the online platform also empowers them to compete with global business concerns, which is next to impossible for a firm that has a restricted physical presence only.

Due to the growth of internet technology, online retailing seems to be a concept that is most likely to stay and bring about significant changes in the vast business arena. The growing importance of online retailing is something that cannot be ignored by business concerns. This is because it gives rise to a wealth of opportunities that could transform a humble business into a global giant. In a practical business setting, most global retailers have a substantial presence in the online environment. Some of the companies are Walmart, Tesco Plc, Target Corporation, and many more. One of the common characteristics of these businesses is that they have succeeded in building a substantial online presence in the e-commerce scene. The ability to make the most of the online retailing landscape has played a pivotal role and helped them successfully sustain and perform in the highly competitive and evolving market landscape.

Online retailing has become a fundamental necessity in the competitive business setting as it gives rise to numerous advantages. Some of the main benefits of online retailing have been highlighted below:

Better accessibility to the market – The key benefit that a business entity can enjoy by having a substantial online retailing presence is the more straightforward accessibility. For example, there are several platforms such as Alibaba, Amazon, and many more that allow retailers to set up an online shop and sell their offerings in the virtual setting within minutes.

Potential for business growth – Conducting the retailing activities on the internet is very different from conducting business in a brick and mortar store; this is because the former approach enables a marketer to overcome challenges and obstacles that arise in the traditional setting such as restricted customer interaction, high marketing overheads. Since retailers can overcome these concerns, they can expand their business on the online platform rapidly.

Opportunity to widen the market – Online retailing makes it possible for business undertakings to look beyond the local market audience. Because of the lack of any boundary in the online setting, retailers are in a position to expand their market beyond the regional and local levels. There are business concerns that have succeeded in establishing themselves as global market players due to their solid online retailing strategy. Some global retailers that have made a mark in the evolving business landscape due to their successful online retailing approach include Walmart, Amazon.com, Costco, Aldi, IKEA, and Auchan.

Customer Intelligence – The concept of online retailing is gaining a lot of prominence in the competitive retail setting. It enables marketers to use a diverse range of online marketing tools and techniques to target new customers and understand the changing preferences of existing customers. Thanks to the technology-driven retailing approach, marketers can use analytical tools and gain an insight into the needs of the customers on a real-time basis (Jhobbs, 2019).

Online Retailing and Engagement with Customers

Online retailing has significantly influenced the customer engagement concept and how businesses establish a relationship with their target market audience. In the business setting, engagement and interaction between a business entity and its customers have always played a vital role. In fact, whether a business carries out its retailing function in the traditional manner or the online setting, communication is critical. According to Balaji and Magesh, customers are gradually shifting towards online shopping, which has boosted the overall effectiveness of the online retailing concept (Magesh & Balaji, 2018). According to the authors, while carrying out retail activities on the online platform, businesses can engage with the market audience directly. The plethora of information that is available in the virtual setting plays a vital role. It helps marketers devise suitable strategies to play a crucial role in fulfilling the needs of the intended market audience. Thus, the online retailing model has not

just brought about dynamic changes in the customer engagement process, further influencing how they carry out the retail business operations (Samala Nagaraj & Sapna Singh, 2018, 2019).

Various research studies that have been carried out in the current times have revealed that in the online retailing landscape, business entities have the opportunity to interact with the existing and potential customers and shape their overall experience. In fact, in the current business landscape, e-commerce has become a critical component when it comes to customer engagement and customer experience. Online retailers can put in extra effort and focus on the customer engagement process to be a pleasurable and delightful one for the customers (Samala & Katkam Bharath, 2019). Marketers on the online platform need to prioritize customer engagement as it has the power to influence their buying behavior and ultimate purchasing decision.

CUSTOMER ENGAGEMENT

Customer Engagement fundamentally refers to the interaction between a business undertaking and a consumer, who is its external stakeholder. This sort of engagement plays a vital role to forge an emotional connection between the customer and the brand, which is essential for the survival and sustainability of the business. Highly engaged customers of a brand act as its asset as they promote more, purchase from the brand more, and showcase a high level of loyalty towards the brand's offerings (Customer Engagement: Why is Customer Engagement important, 2019). The rise in the concept of online retailing has molded customer engagement to a significant extent. As businesses can carry out their business activities and recesses in the virtual setting, they can use new and innovative tools that simplify customer engagement. According to the Total Retail Survey 2017 conducted by PwC, in the current retail landscape, brands emphasize social media campaigns so that they can get a better insight into the views and perspectives of their market audience. Social media plays a distinctive role in the technology-driven retail market setting, as it is all about establishing a connection with the customers. The online platform creates an ideal platform that allows marketers to establish a strong emotional engagement that could be powerful and long-lasting.

Evolution of Customer Engagement

The online retailing business concept has brought about transformational changes in how business concerns communicate and engage with their customers. Organizations have shifted towards the use of innovative technology-driven tools and techniques to share necessary information with the customers and promote their offerings, products,

or services. As customers are beginning to make more purchases on the online platform, marketers are stressing less on engaging elements that can enhance the in-store experience and focusing more on enriching the digital customer experience.

Case study – Alibaba Group, the well-known online retailer based in China, is known for establishing a robust customer engagement model, making it highly successful. A few years back, the business was primarily focusing on developing a robust transactional e-commerce platform. But in the year 2016, its strategic approach changed, and it started to focus on its content so that it could have a better and interactive social engagement with its audience. To have a lasting impression in the ever-evolving online retail landscape, the business concern has been strengthening its quality of content by relying on live streaming as well as virtual reality. In the current hyper-competitive e-commerce business environment, such a tactic has played a pivotal role and helped it improve user acquisition and customer stickiness (10 retailer investments for an uncertain future, 2017, p 25).

As the online retail climate is undergoing change with every passing day, the Alibaba business is focusing on technological innovation to enhance digital engagement with its customers. In recent times, the Alibaba Group has upgraded Weitao, the micro-blogging feature used on the brand's e-commerce websites, including Tmall and Taobao (Alibaba Enhances Key Content Tool to Power Fan Engagement, 2019). This strategic approach has played a significant role in boosting customer engagement. It creates a unique opportunity where the fans or customers can get closer to brands and merchants. Weitao has acted as an ideal content marketing hub that has helped Alibaba to establish a long-lasting customer engagement by focusing on the brand-fan association.

Role of Social Media to Enhance Customer Engagement in the Online Retailing Backdrop

The role of various social media platforms such as Facebook, Twitter, and many others cannot be ignored while exploring how customer engagement is carried out in online retailing. According to Carlson and Voola (2018), in the 21st century, social media brand pages have become a vital instrument that enables the customers to voluntarily provide feedback and opinions about a business and its offerings. This kind of engagement can help a brand find areas that need improvement (Carlson et al., 2018). Weman and Liljander, have pointed out that customer engagement is mostly influenced by the benefits that are derived by a customer or end-user. Since Facebook is one of the most popular social networking sites used by users from all across the globe, it can be used as an ideal platform that can help brands enhance customer engagement (Coulter et al., 2012). In the online retailing setting, it has become necessary for brands to make sure that customers have a consistent

experience while interacting with them over different social media platforms and devices. In fact, it plays a vital role by enabling a business undertaking to build the brand, establish trust, and offer value to the customers in the market setting. In the extremely competitive and dynamic online retail environment, customer engagement has become a core necessity. It is because the engagement and interaction enable brands to create a space in the mind of the audience and strengthen brand awareness. What makes customer engagement more essential and critical for businesses in the online retail setting is the lack of human interaction. As there is no salesperson to guide the customers like in a typical brick and mortar store, online retailers need to put in an extra effort to interact with customers and communicate how they are creating value for them. The online platform throws a plethora of opportunities at online retailers to establish a deep and long-lasting association with the target market audience from different corners of the globe.

Key Factors Influencing Customer Engagement in an Online Retail Environment

A diverse range of elements and business undertakings need to be considered while engaging with the market audience if they are working in the online retail setting.

Personalization – When it comes to engaging with customers in the online retail setting, personalization is a crucial element that can influence the overall brand-customer relationship's overall effectiveness. Ads competition is hotter than ever on the virtual platform marketers need to make sure that the right kind of message passes on to the intended market audience in the right way. Stitch Fix, an online personal styling service based in the United States of America, has shown that customer engagement can be made private and intimate by combining Artificial Intelligence (AI) and data analytics with human curation (Seng, 2019).

Establishing a two-way interactive network – In the offline retail setting, the kind of customer engagement and interaction that existed was restricted to a significant degree. This is because customers did not have a pathway to share their views, opinions, and feedback with the marketers. But the online retailing landscape has changed this completely. The online retailing landscape ensures that both a business entity and the customers and end-users are in a position to take an active part in the engagement process (Seng, 2019). Thus a business entity can interact with the target market audience and share the intended message.

On the other hand, the customers are also able to make their voices heard. Thus online retailing gives rise to a win-win situation for the brand and the customer when it comes to customer engagement. For example, a customer can provide its valuable feedback to a brand, and the business can identify the changing needs of the customers that need to be fulfilled. Thus companies that operate in the prevailing

online retail environment need to ensure that a two-way engagement network is established, which can streamline the entire overall engagement process.

Focusing on privacy – Online retailing has undoubtedly given rise to numerous opportunities to engage and interact with the market audience at the global level. But it has also given rise to serious privacy and security concerns that marketers cannot ignore at any cost. Online marketers and retailers can get a detailed insight into the customers' unfulfilled needs by communicating with them (Rajeck, 2019). But at the same time, they also have the responsibility to make sure that sensitive customer information is used carefully and securely on the online platform. In the dynamic online retail backdrop, the retailers need to prioritize the online security, confidentiality, and privacy of the market audience so that the overall quality and effectiveness of the communication and interaction can be boosted, strengthening the brand and customer relationship.

Use of technological innovation – The rapid pace at which technology is evolving is giving rise to new kinds of approaches that online retailers can use to strengthen their bond and rapport with their target market audience (Carlson et al., 2018). As the technological landscape is undergoing change very rapidly, online retailers are trying to be on their toes to invest in robust technology-driven infrastructure to constantly and consistently improve the engagement and experience of the end-users. For a majority of the online retailers, mobile applications or software have become a technology of choice that they are using to interact and engage with their target audience in the market setting (Carlson et al., 2018). For example, during the holiday season, Target's mobile application played a pivotal role in providing shoppers with a more straightforward and delightful shopping experience. Thus in order to enhance the quality of engagement that takes place with the target customers, brands need to employ robust technology-driven capabilities that can improve the overall effectiveness of the engagement process by empowering them.

Building a relationship based on trust and value – Whether a retailer conducts its business operations by following the offline business model or the online business model, it must focus on building trust and creating value for the customers in the market setting. In the online environment, the business gets a better opportunity to identify customers' needs and perspectives so that it can create a long-lasting association with them and thus gain their loyalty. The customer engagement must revolve around trust and value so that both the brand as well as the end-user can derive something from such a relationship. These elements play an indispensable role in the dynamic online retail environment and have the power to influence the overall effectiveness of customer engagement in an intensely competitive business climate.

The online retailing business model has given a makeover to the traditional business framework. One of the critical areas that have undergone change relates to the customer engagement process. The technology-based business model has

empowered customers and marketers so that they can actively interact with each other and share their views and ideas. Since various kinds of developments and innovations are continuously taking place in the Information Technology landscape, both online retailing and customer engagement could undergo further change.

CONCLUSION

Online retailing has brought about revolutionary changes in the business landscape. Not only has the latest technology and innovation enabled marketers to exploit the virtual setting, but they can target the customers at the global level without incurring any additional costs and expenditure. The online retailing concept's rising popularity is evident from the fact that hundreds and thousands of retailers have entered the online market setting and conducting business activities. While carrying out business activities in the online context, marketers are in a position to expand their target market, which further has a significant influence on their sustainability and market performance.

The business transactions carried out by retailers on the online platform have brought about a dramatic change in almost every aspect of the business, especially the customer engagement process. How online retailers interact and communicate with the market audience is unlike the interaction that takes place in the offline retail environment. The overall scope of engagement has significantly expanded in the offline retail climate as both the business as well as the customers get the platform to showcase their message and ideas. The online platform has eliminated the boundaries and divisions in the offline retail landscape and restricted the engagement between a brand and a customer. Marketers that operate in the online business setting have been trying to make the most of the opportunities thrown towards them in the dynamic online retail environment.

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Chapter 11

Determinants of Customer Engagement in Electronic Word of Mouth (eWOM) Communication

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ABSTRACT

The technological advancement in the usage of social networking sites (SNSs) has grown beyond boundaries. This expansion helps organizations to capture the attention of online customers towards their products and services. The primary purpose of the study is to list the drivers of eWOM credibility and explore its role in customer engagement at SNSs. A conceptual model that categorizes source credibility, trustability, knowledge, tie strength, and homophily are identified as the drivers of eWOM source credibility in SNSs. Similarly, valence, volume, consistency, emotions, quality, and rating are listed as the drivers of eWOM message credibility. This study suggested that drivers of eWOM will impact on customer engagement and that will, in turn, result in building a positive attitude, brand image, and behaviour towards the product or service listed in the SNSs. Further, the study discusses the theoretical and managerial implications in engaging customers through eWOM.

DOI: 10.4018/978-1-7998-3919-4.ch011

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INTRODUCTION

Ever since the emergence of the Internet, Social media has become an integral element of Integrated Marketing Communication (IMC) that allow the organization to establish a strong relationship with the customers (Kaplan & Haenlein, 2010). Social media encompass various online information-sharing formats including Social Networking Sites (SNS), creativity work-sharing sites, collaborative websites and microblogging sites (Mangold & Faulds, 2009). Kaplan and Haenlein (2010), defines Social media is a group of internet-based applications that build on the technological foundations of Web 2.0, which allows the creation and exchange of User Generated Content. In the last two decade, researchers and practitioners have found social media as a marketing communication element. With a high level of source credibility due to self-disclosure and increased engagement of consumers on brand communication, SNS has high potential to influence consumer behaviour. As per statistics, 90.4% of Millennial and 77.5% of Gen X uses social media regularly and perhaps the main reason why 73% of marketer rate SNSs as effective means for marketing the businesses (Mohsin, 2020). 64% of social brewers use social media to research product, and therefore SNSs have outpaced emails (Nielsen-online, 2009). Given the collaborative and social characteristics of SNSs, it is an emerging place for the consumer to consumer communication about product and brands. This consumer to consumer communication on an internet-enabled platform call as electronic word of mouth communication (eWOM).

The outcomes of eWOM influences consumer decision making and is complete discourses available in marketing and marketing communication research (Engel et al. 1969; Gilly et al. 1998). eWOM is present in all shot of online platforms like online websites, online communities and social media (Chevalier et al., 2006). eWOM can be devised as a web-based interpersonal communication between virtual consumer/person to provide the commercial information about product & organization (Cheng & Zhou, 2010; Litvin et al., 2008; Wu et al. 2013). Product-related eWOM creates a significant effect on consumer behaviour of other consumers, starting from building brand awareness to shaping attitudes of a consumer which leads to a purchase of product (Vermeulen & Seegers, 2009; Lopez and Sicilia, 2014). There is a rapid increase in online platforms like social media, blogs, virtual communities, e-commerce site, review sites and many more. These platforms were used by the consumers to share the opinion and experiences about the product, and service under consideration (Gupta & Harris, 2010; Lee et al., 2011) and to research the companies that sell them. Because of this increase in giving and seeking of eWOM which occurs on web 2.0, there is the availability of a large volume of eWOM content which influences consumer behaviour. eWOM communication has shifted power dynamics from marketers to active customers and, therefore, has become increasingly

influential in purchasing decisions (Chu & Choi, 2011; Chaung & Thadani 2012). Researchers examined the effect of eWOM on consumer behaviours across the sectors of food service (Arndt, 1967), entertainment (Brown & Reingen, 1987), banking (Keaveney, 1995), clothing (Richins, 1983), travel and financial services (Litvin, 2006), education (Lehmann, 2015) & electronic products (Herr, Kardes & Kim, 1991) and many more. The conclusions shows that eWOM positively influences on the purchase of the product or service. Also, eWOM has been more influential on complex and high-risk purchasing decisions (Hernandez –Mendez et al. 2013) like consumer electronic goods.

SNSs represent an ideal tool for eWOM, as consumers freely create and disseminate product-related information in their social networks which are mainly composed of friends and family. SNSs enable the consumer to engage in various kind of social interaction and facilitate brand communication by commenting, liking, or passing the message forward (Kaplan & Haenlein, 2010). When a consumer feels connected and engaged, they will participate in value co-creation. Few prior studies have investigated the role of customer engagement in generating eWOM and WOM in online and office context, and they found it very useful in attitude change, building trust and purchase decisions (Islam & Rahman, 2016). eWOM communication occurs when a consumer communicates to others within their network about the value a product/brand has brought to their lives in some way or other. These interactions affect consumer behaviour to a greater extent.

Through these interactions, consumers willingly display their brand preference along with their persona (e.g. name and picture), which can stimulate eWOM communication and its worthiness. Even though SNSs can facilitate and shape eWOM communication in the marketplace, the existing literature is partial in determining the factors responsible for engaging online customers. The study aims to identify the determinants of credibility in eWOM communication which is responsible for online customer engagement. An understanding of eWOM mechanisms at SNSs can provide valuable insights and strategies in engaging online customers.

BACKGROUND

Communication is a core element of human behaviour. Individuals use communication to exchange information, ideas, feelings etc. With the emergence of new communication technology, we have more ways to communicate. In the current scenario, communication is more significant to exchange information on every day basis via face to face meeting, talking over the phone, exchanging emails, chats over social media and other channels to trade with other individuals. Around

this communication of information, a separate mention a product or brand name approximately 60 times during a week (Daye, 2013).

Further, Friedman (2014), told that one of the eight product-related communication which happens between source to the receiver of any kind leads to direct sales. The constant development of the internet and dominant online environment shape up the ways individual interact with other potential consumer or actual consumers of the product, and this online interaction continues to grow. Therefore, online information exchange is coin as eWOM and became the most significant influencers of consumer behaviour in today's scenario.

eWOM on SNS

Many researchers have taken the concept of eWOM and added to the field of literature. However, they might have understood the idea of eWOM from their perspective. eWOM is a web-based interpersonal communication between virtual consumer/person to provide commercial information about product & organization. This definition by adopted by many research scholar who contributed in the field of literature like Cheng & Zhou (2010), Litvin et al., (2008), Wu et al. (2013) etc. Few researchers who have carried out a literature review on eWOM phenomenon have also analyzed several studies to understand the nature of eWOM. Breazeale (2009), has identified several elements that characterize online phenomenon in his content analysis. The author describes eWOM as information sharing between consumers/customers about product/brand/organization experiences. eWOM communication is network-based, mainly via the internet and directs to multiple people for future access. The researcher, Trusov, et al. (2009), has defined eWOM communication is an imperative feature on the internet as it for the consumer to share their experiences and for exchange of product information. It is possible because the internet offers many different channels for a consumer to choose from, for the phenomenon of eWOM occurrence. According to the studies done by Kozinets, R V (1998, 2002, 2010), the formation of online platforms are named differently such as Online Discussion Forums, Electronic Bulletin Board, Blogs, Newsgroups, Review Sites and Social Networking Sites. However, researchers have also added that there is a lack of analysis on eWOM consumer behaviour in comparison to WOM (Subramani & Rajagopalan, 2003; Webster and Morrison, 2003). Since last two decades, researchers have proven the impact of eWOM on pre-purchase information search, product evaluation and product purchase (Erkan & Evans, 2016). Further, many studies have also analyzed the strong and weak sides of eWOM communication in comparison with older WOM. According to Hennig-Thurau et al., (2004), WOM has a powerful influence in small personal networks, whereas, eWOM has a strong effect in the more comprehensive geographical system and it also more long-lasting. The literature on eWOM has also

looked into the motivation of consumer to originate eWOM. The potential reasons for giving eWOM are need of involvement in the group, need for individualism, need for selfless behaviour and need for personal growth (Ho & Dempsey, 2010). Bronner & Hoog (2011), also suggest that people contribute eWOM messages for Helping, Self-direction, Social benefits, Self & Consumer empowerment and benefit to the firm. On the other hand, the qualifications of giving WOM & eWOM are product satisfaction, loyalty & commitment, trust & involvement and incentives (Neumann, 2015).

Social media encompass a variety of online information sharing formats that include the capability of information sharing, information sicking and information giving. As per Mangold & Faulds (2009), the various social media sites classify as Blogs (Ex: Blogger, LiveJournal, WordPress etc.), Micro-Blog (Twitter, GoogleBuzz), opinion mining sites (Epinions, Yelp), Content community sites with photo or video sharing facility (YouTube, Flickr), Social networking sites (Facebook, LinkedIn), Social news sites (Slashdot, Digg), Collaborative project sites (Wikipedia, Scholarpedia), feedback dedicated sites (Online review forum) and Virtual social world (Second Life).

Literature in the past has also focused on the outcome of eWOM communication. The positive responses of getting eWOM information are the formation of attitude, purchase intention, brand awareness, trust infirm and online/offline sales (Cheung & Thadani, 2012). Whereas, the negative consequences of eWOM are higher expectation by potential consumers, and it often leads to product judgement (Nyilasy, 2006).

THEORETICAL BACKGROUND OF EWOM RESEARCH

The concept of eWOM is an extension of theories and knowledge of traditional WOM. Multiple approaches contribute to understanding eWOM communication in full.

Information Adoption Model

The receiver of eWOM message receives the message based on their perception and cognitive orient. The information adoption model is highly applicable to justify the response of an individual. Cheung et al. (2008), has explained the information adoption process to understand the influence of information on individuals. The theoretical foundation of Information adoption model lies in the theory of reasoned action (TRA) and its derivation theory, Technology Acceptance Model (TAM) (Fishbein & Ajzen, 1975; Ajzan & Fishbein, 1980; Davis, 1989). The theory state that the formation of an individual's intention to adopt or reject a behaviour or

technology depends on the individual's beliefs and assessments of the consequences of adoption (Sussman & Siegal, 2003).

Elaboration Likelihood Model

Elaboration likelihood model (ELM) has diverse application in research, but it is significantly vanguard in communication literature. The theory explains that the persuasive message and processes through two routes, the central route and the peripheral route. The more thoughtful approach and logical communication processes through the central route and less extensive cognitive processes take a peripheral route (Petty & Cacioppo, 1986). Whether the subject processes the information through central route or peripheral route depends on various factors such as message quality, the attractiveness of source, perceived credibility of the source, need for cognition, one's ability to understand the relevance of the message and many more. Based on the prior findings related to ELM, it realizes that the receivers have a higher motivation to pay attention in a situation having communication alignment through different sources ((Allen & Cliff, 1998; Blackwell & Roger D., 2001). In the context of eWOM, consumers judge the usefulness of message based on message quality and source credibility of the information. The other implication of ELM is the route consumer choose in deciding on a purchase. When a consumer is involved in the low-involvement process of online consumer review, they engage in peripheral processing by focusing on non-content cues like product popularity. On the contrary, consumers are likely to take a central route in the high-involvement process, where they focus more on review content (Park & & Lee, 2008).

Cognitive Fit Theory (CFT)

CFT is essential to understand cognitive processes to integrate thinking and information processing for consumers who expose to any kind of messages. CFT suggests that the performance of a message is superior when there is a relevance between the information available and the task performance. Researchers have used the cognitive fit theory along with the ELM model in eWOM research (Park & Kim, 2008). Park & Kim (2008), states in his research that if consumers have high motivation and ability to process a message, they can engage in effortful cognitive activity through the central route. However, when consumers cannot process detailed information, persuasion comes from the peripheral route. Therefore, it is appropriate to understand the 'message content', 'personal trigger' and 'need for cognition' in the present study. Also implies on 'message volume' where many consumers feel more volume represent better argument, and so it is better to influence consumer (Mishra & Satish, 2016)

Information Integration Theory

The information integration theory is an extension of the cognitive fit theory. This theory explains the process of attitude formation by integrating different pieces of information. This based on two operations: valuation and integration. Valuation refers to the meaning, importance and evaluation of information from particular communication. Integration is the process of combining the pieces of information from communications.

Further, integration can be done by 'Adding' or 'Averaging'. The adding model presumes that individuals add additional information to the previous, whereas, the averaging model assumes that individuals integrate every bit of information by averaging it with the previous. In the context of eWOM, the theory implies understanding message valence, source credibility and website credibility (Chang, Tan, & Liang, 2010).

Social Exchange Theory

In the social environment, there is an exchange of tangible or intangible activities between two parties, which may include rewards or punishments. According to Homans (1958), who proposes this theory to elucidate the reason behaving social interaction, explains the reason behind sharing information. In the context of eWOM, it briefs the motives for generating and leveraging social capital (Homans, 1958; Cheung & Lee, 2012; Munzel & Kunz, 2014)

Dual-Process Theory

The dual-process theory has a role in understanding people's perception of thorough implicit (automatic) or explicit (controlled) processes. The theory in psychology, suggests that people categorize received information in many know classes (Petty & Cacioppo, 1986). The theory helps in understanding stereotyping and judgment formed for the source of online reviews. Cheung et. al., (2009), used dual-process theory to study the effect of information determinants and normative determinants on eWOM credibility.

Multi-Step Flow Model of Communication

The two-step flow of communication or multi-step model states the role of opinion leader in influencing people (Katz & Lazarsfeld, 1970). Most of the persuasive messages are decoded and rewritten/re-translated by individuals who are known to be more influential than others. Such people play a critical role in consumer

decision-making. Sridhar and Srinivasan (2012), extended the theory to eWOM communication and suggested that online product reviewers act as opinion leaders to influence consumers who refer to those reviews (Sridhar & Srinivasan, 2012).

The Philosophical and epistemological analysis of scientific enquiry in either a formal or informal sense is centrally involved in every stage of the investigation process. The theories mentioned above were the guiding principles in eWOM research on SNSs and have determined the initial premise of the study to the final interpretation of data (McCullers, 1984). Therefore, paying attention to these theories will benefit eWOM research in identifying better ideas, asking questions of greater scientific importance, better-designed research studies and more scientifically relevant conclusions.

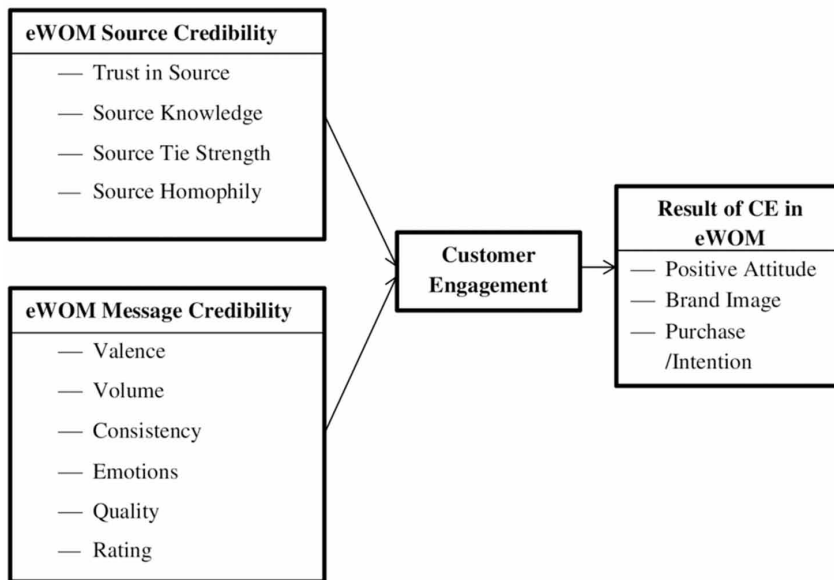
DIMENSION OF CUSTOMER ENGAGEMENT IN eWOM ON SOCIAL MEDIA

Customer engagement (CE) is a state of mind in which individual get emotionally involved with an object (brand/product/Platform), which leads to frequent customer interaction (Thakur, 2018). Previous research leads to several outcomes beyond re-purchase including posting likes, reviews, participating in value co-creation and communicating about product and services (Calder et al., 2009; VanDoorn et al. 2010, Thakur, 2018) Various researchers have found CE as significant variables in eWOM effectiveness. On the other hand, researches like Hollebeek et al., 2014 & Zheng et al., 2015, have investigated the precedent effect of CB on eWOM in context of SNSs. CE is being explored as a construct to facilitate favourable behaviour among existing customers including commitment, loyalty and involvement in eWOM (Brodie et al., 2011a, b; Calder et al., 2009; Pham and Avnet, 2009). Furthermore, scholars investigates antecedents for customer engagement in eWOM which includes trust and message variables (Brodie et al., 2011a, b; Jaakkola & Alexander, 2014a, b; So et al., 2014). The literature so far has established the fact the eWOM is a popular communication technology to provide and acquire the needed information and opinion about the product. To understand the eWOM communication in details and provide a solid foundation of this research, this segment of the thesis will discuss the antecedents of eWOM.

Previously, the impact of eWOM on consumer behaviour was understood by message valence. The literature has also paid attention at eWOM communication on social networking sites proved its ability to produse positive consumer behaviour. Motivation to write and the motivation to share and transmit eWOM messages were analyzed by various research study to determine eWOM message characteristics. The research area of eWOM communication is wide and a comprehensive understanding

is must to create for specifying appropriate strategies. However, the previous studies have also approached and identified various antecedents of eWOM for many industries like travel & tourism, body care product, high involvement product etc, but this study will be able to examine most of the antecedents that influence eWOM adoption (Cheung & Thadani, 2012; Chu & Choi, 2011; Teng, Wei & Lee, 2014). To understand the complete process of eWOM communication in a systematic way, the antecedent for the effectiveness of eWOM has been meticulously analyzed from available literature to see that what leads to better customer engagement. Further, the antecedents are classified as per elements of the communication process and they are discussed below. The factors associated with a source of eWOM are disclosed and discussed below in the next session.

Figure 1.



FACTORS RELATED TO THE SOURCE OF EWOM COMMUNICATION

Consumers can easily share the opinion, experiences and ideas about product and service which interest them, online through blogs, product reviews, retail websites and social networking sites. Since the authenticity of such information, which is present in huge volume, may have a contradictory opinion & difficult to be

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evaluated for reliability, there are research issues of stabilizing source credibility for receivers to trust more on eWOM (Lee & Lee, 2009; Forman, Ghose, & Wiesenfeld, 2008). Source credibility is a determinant of perceived usefulness that eWOM communication presents. Source credibility is the extent to which a communicator is perceived to be a source of valid assertions (Hovland, 1953). The other way to define Source credibility is to measure the degree of confidence in source intent to share and communicate. The consideration that communicator is unbiased, free from the control of marketer and provides valid information, provide the foundation of source credibility. In other words, the degree to which a communicator is perceived believable, competent and trustworthy is considered a credible source of eWOM communication (Petty & Cacioppo, 1986). So, the credibility of the source is an indication that receiver will perceive the message to be believable, knowledgeable and trustworthy (Nahed Al-Haidari, 2014). Source credibility is more significant in eWOM communication as compared to traditional WOM communication since the personal tie is often not present in a virtual relationship. According to literature so far, the measurement of source credibility is done through measuring Trust in Source, exhibited knowledge of the source, the tie strength between source and receiver and Source homophily. The above-mentioned factors influence the eWOM adoption and further the purchase intention of the consumer about product and service. The following table 2 describes the source related variables which are responsible for eWOM effectiveness:

Table 1. Factors responsible for source credibility

Variables	Definition with Author	Author who associated variable with eWOM effectiveness
Source Credibility	Consumers' perception about the trustworthiness of the source of eWOM recommendation (Cheung et al., 2008; Senecal & Nantel, 2004)	Cao, Xu, & Chau, (2009); Wang, (2011); BI Jidong (2012); Weerawit et. al. (2014); Wien, A.H. and Olsen, S.O (2015); Kelley et. al. (2016)
Source Trustability	Consumer Perception about authenticity of source or being real (Kelley et. al. (2016)	Wang, (2011); López, M. and Sicilia, M., (2014); Nahed Al-Haidari, (2014); Kelley et. al. (2016)
Source Knowledge	Source's prior knowledge or pertinent experience about the eWOM recommendation (Cheung et al., 2008; Senecal & Nantel, 2004)	Cao, Jinwei; Knotts, Tiffany; Xu, Jennifer; and Chau, Michael (2009); López et. al. (2014); Nahed Al-Haidari, (2014)
Tie Strength	The level of intensity of a social relationship between the source of eWOM recommendation and the consumer (Cheung & Thadani, 2012)	Ahmad M. Zamil (2011); Safia Khalid, MirzaAshfaq Ahmed, Zahoor Ahmad (2013)
Source homophily	The degree of similarity between the source of eWOM recommendation and the receiver (Cheung & Thadani, 2012)	Allsop et. al. (2007); Wang, (2011); Madlen Neumann (2015)

Source Trustability

Source Trustability is one of the factors which contribute to determining source credibility. The literature so far has proven that the perceived trust in the source is a contributing factor to consumer behaviour towards e WOM. The trustability is the level of trust which receiver exhibit for eWOM message coming from a source (Saremi, 2014). The element of trust depends upon the cues of source identity. It often believes that the disclosure of 'Real Name' in place of a nickname, 'Real profile picture in place of no profile picture and other clues like email address, purchase location and other details, makes receiver trust the source (Menkveld, 2013; Lee et al., 2012). The various studies conducted on source credibility have accepted that trust between source and receivers of eWOM communication affects eWOM effectiveness. Therefore, Source trustability regulate source credibility and indirectly influence eWOM overall effectiveness (Hussain, 2017; Wu et al., 2011)

Source Knowledge

The source ability to demonstrate their expertise in evaluating the product is the other significant factor in measuring source credibility. The cues of source perceive as 'knowledgeable source' are often regards as their experience and prior usage knowledge. In other words, source ability to demonstrate the existing knowledge about actual usages of the product plays an essential role in influencing source credibility while eWOM message adoption (Cheung et al., 2008; Senecal et al., 2004). The effectiveness of eWOM communication is more substantial when the source is perceived to have high expertise. Receiver perceives that source actual product usages and display of knowledge can be judge by the eWOM communication they do. The theory of cognitive fit also explains that the effectiveness of eWOM for receiver depends on the level of expertise of the source of the message (Park & Sara, 2008). Often, a source of eWOM refers to the consumer who experiences the product and then presents an opinion regarding its performance and usage. Therefore source knowledge and expertise make a receiver perceive that the opinion presents on experience (Metzger, 2007). Knowledge and expertise describe the degree to which receivers of eWOM perceive the information source as correct and valid (Fanoberova & Kuczkowska, 2016). The use of technical jargon in describing the product and citing an example of product usages makes a receiver believe that the source has experience about the product and that's why such source is perceived to be more credible than others.

Tie Strength and Source Homophily

The other contributing factor in determining the source credibility is receiver 'Tie strength' with source & 'Source homophily' with the receiver. In many various prior studies on WOM and eWOM 'Tie strength' has been considered as catalyst element which increases the power of eWOM communication (Kat, 1955; Arndt, 1969; Chaung, 2009). Tie strength is the level of social intensity and closeness in the relationship between source and receiver (Cheung & Thadani, 2012). In WOM communication, the information exchange is done by meeting real people and discussing their experiences and ideas for product and service. This action is more reliable and believable for the consumer in decision making because of credibility in known sources.

In contrast, eWOM communication does not allow the consumer to see and know the person sharing information personally. This lack of tie strength prevent a consumer from making an immediate decision but usually do not guide to their purchase decision (Weerawit, 2014). When we compare the actual meaning of tie strength for offline and online, we understood that there is a difference in meaning in the context of WOM and eWOM. In the case of eWOM, electronic proximity can view as 'experiential similarity' than 'social structure similarity' (Yan Jin, 2002). The experiential similarity considers as the commonality of experience between sender and receiver. The consumer who has the intention to adopt eWOM information will be more influenced by an author if, they identify similarity in perception and identification. The stronger social tie between the author of eWOM and receiver of eWOM positively influence the source credibility and further increase the effectiveness of eWOM communication (Neumann, 2015). However, in the case of WOM, the tie can create a base for experience similarity.

Source Homophily confirms as noteworthy variable ineffectiveness of WOM and eWOM. Prior studies like Brown & Reingen (1987), Bruyn & Lilien (2004), Bellande, Gilly & graham (2004), Hawkins (2008), Steffes & Burgee (2009), included Source Homophily as a significant element in their study of WOM and eWOM studies. 'Homophily' has been regarded as a persuasive element in social structure formation, and both WOM and eWOM literature has accepted it as an influential element in relationship formation and their ability to persuasion. Studies suggest that people often prefer that individual who are similar to them and increase their interpersonal attractiveness and persuasion abilities (McLaughlin, 2012). Source homophily defines the degree to which individuals are similar in age, gender, education and social status (Chaung & Thadani, 2012). The concept of homophily describes the level of similarity individuals share like age, belonging to similar geographic region and gender (Meijinders et al., 2009). Source homophily affects the receiver's likeability, persuasion and credibility of eWOM.

In general source, credibility has a vital role in determining the effectiveness of eWOM communication. Therefore, source credibility is considered as a significant independent variable to understand eWOM communication, and leads to customer engagement Source credibility is influenced by the perception of receiver about trust in source, source knowledge, and source tie strength and source homophily. Thus this study has been considering all these factors in understanding the credibility of the author of eWOM communication.

Characteristics to Determine Message Credibility of eWOM

The eWOM communication done through messages which are written, beyond geographical barriers, viral and timeless. These characteristics of eWOM differentiate the messages from those of tradition WOM communication. Therefore, another dimension which contributes to the effectiveness of eWOM is message characteristics. The assessment of eWOM message is related to author credibility as well as message credibility. Many studies in the past have examined the message characteristics by using text analysis to understand message impact on eWOM adoption (Alanah Davis & Deepak Khazanchi, 2008; Yayli & Bayram, 2012; BI Jidong, 2012). The content and presentation of eWOM message give cues that weather this message is believable or not. WOM messages have never had enough opportunity to be measured for its content. eWOM content is effortlessly available on multiple online platforms which therefore measures the effectiveness and contribution to overall eWOM credibility. The eWOM message characteristics which influence its effectiveness are Message Valence, Message Volume, Message Presence, Message Consistency, Message Quality, Message Emotion & Message Ratings. The following table represents the studies which describe the variables mention in determining the eWOM credibility. The following table 2.3 describes the Message related variables which are responsible for eWOM effectiveness:

However, the existing literature has enough evidence to show the influence of message valence (positive, negative or neutral) and message volume in designing message credibility for eWOM messages. But other determining variables are not studied enough (Cheung & Thadani, 2012). But taking the overall aspect of message characteristics and its effect to know the possible impact of eWOM communication would be significant as compared to traditional WOM literature.

eWOM Message Valence, Message Volume, Rating and Message Presence

The valence of eWOM message plays a crucial role in determining the effect of eWOM in (Dellarocas and Narayan 2006, Dematos and Vargas 2008, Lee 2008, Park

and Lee 2009). eWOM message tends to include positive and negative information, which is available in huge volume. The literature provides contradictory results in examining cheerful valence and negative valence of eWOM message. Park and Lee (2009), studied the influence of message valence on purchase decision and found that negative valence has a more significant effect than the positive valence of eWOM. On the other hand, East et al. (2008) have shown opposite findings. However, despite the dispute in the research of eWOM, negatively framed eWOM is more influential than positively framed eWOM (Park & Lee, 2009). Besides, negative eWOM is more expressive, novel, valuable and attention fetching than positive eWOM (Klein & Ahluwalia, 2005). One more lack of analysis and inconsistency is about eWOM message contains only positive or only negative versus both. If a message contains only positive, they regard as the one-sided message. One-side eWOM is existing when the message comprises either positive or negative information about a product in a review, whereas, the two-sided message includes both positive and negative information in the same notification about a product in review. Two-sided eWOM message enhances the completeness of information; this is considered more unbiased and often adopted for purchase decision (Cheung & Thadani, 2012). It would be interesting to know the effect of one-sided message over two-sided since there of lack of empirical analysis in this area. The available literature indicates that the volume of eWOM is significantly associated with product sales (Cheung & Thadani, 2012). Duan et al., 2000 argued that online eWOM conveys the existence and popularity of the product and therefore create awareness. So, eWOM volume exhibits a positive relationship with purchase intention and purchase (Duan, B.Gu, & A.Whinston, 2008). If no rating or review exists for the product, consumers consider this as lack of product or service buying. So, the presence of eWOM message usually provides a positive behavioural intention. But when there is a massive volume of messages, the 'rating' given by users is an indicative representation of the evaluation summary. The overall rating provided by other readers on an eWOM message regard as a measure to influence the credibility of eWOM (Cheung, Luo, Sia, & Chen, 2009). Also, a review can evaluate its usefulness for other readers and term it as author rating. This practice differentiates the worth of an eWOM message when the volume of the message is huge. The studies should consider each of these variables as determinants of eWOM message credibility.

eWOM Message Quality and Message Consistency

The information quality can define as the persuasive strength of argument embedded in eWOM message. The value of information is perceived high by the recipient of the message quality is high (Bhattacharjee & Sanford, 2006). The eWOM message quality determines the argument strength of message, and it plays a vital role in

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information influence which effect eWOM adoption, attitude change and purchase intention by the receiver (Sia, Tan and Wei, 1999; Zhang & watts, 2008; zhu et al., 2016). When eWOM is perceived to hold valid argument, the recipient will develop a positive behaviour towards the eWOM message on face to face as well as computer-mediated communication (Cheung, Luo, Sia & Chen, 2007). Message quality determines the convincing strength of information (Charo & Pershant Sharma, 2015). The quality of eWOM message is related to credibility assessments by the reader towards message and author, and therefore they influence the effectiveness of eWOM (Menkveld, 2013).

Table 2. Factors accountable for Message credibility

Variables	Definition with Author	Author who associated variable with eWOM effectiveness
eWOM valence	The valence of an eWOM recommendation shows whether message is positive or negative (Cheung & Thadani, 2012).	Alanah Davis & Deepak Khazanchi (2008); Park & Lee (2009); Wang, (2011); BI Jidong (2012); Kumar (2018)
eWOM volume	The number of eWOM recommendations.	Alanah Davis & Khazanchi (2008); Weerawit et al.(2014)
eWOM Presence	eWOM communication availability about product (Gupta & Harris, 2010)	Cheung &Thadani, (2012); Yayli et. al. (2012); Kumar (2018)
eWOM consistency	Congruence with other's opinions (Cheung & Thadani, 2012; Cheung et al., 2009)	Wang, (2011); Cheung &Thadani, (2012)
eWOM emotions	Extent and/or type of emotional expressions used in the eWOM recommendation (Yin et al., 2014).	Yin et al., (2014)
eWOM Argument quality	The quality and strength of argument in eWOM message (Yayli et al. 2012)	Lee (2009); Cheung &Thadani, (2012); Yayli et. al. (2012); Kumar (2018)
eWOM Ratings	The overall ratings given by other consumers for an eWOM recommendation (Lee & Lee, 2009).	Lee & Lee, (2009)

Internet users search for pieces of information that are supported by valid and robust arguments (Cheung & Luo, 2009). Information quality can measure in terms of timeliness, completeness, relevance and consistency of eWOM message (Heinrich et al. 2011). Further, argues that information quality is directly related to the consistency of eWOM message. Consistency is a unity of collective opinion which gives eWOM message a positive or negative valence. Information gathering can be done from various online channels and compared by the receiver of eWOM message. The consistency of eWOM messages enhances the credibility of eWOM (Yayli et al., 2012). Therefore, the message quality and consistency consider as essential elements of message credibility for this study.

eWOM Message Emotion and Message Ratings

Emotion in eWOM message usually expresses as the extent of emotional expressions used in eWOM message (Saremi, 2014). The consumer often gets more affected by the emotions, whether positive or negative (Yin, Bond, & Zhang, 2014). For example “I loved the Y feature of X product” is often more effective than “I found the Y feature of X product outstanding”. In the eWOM literature, emotional expression in the message is said to be influencing the effectiveness of eWOM communication. Although it is not much sought in the context of eWOM, it is worthy enough to explore the influence it might have on overall eWOM credibility.

Hence, the measurement of credibility in eWOM message depends on valence, volume, consistency, emotions, quality and rating (Saremi, 2014). The assessment of eWOM message of elements mentioned above, presentation and substances supports the credibility and encourage the eWOM adoption, which enhances customer engagement (Menkveld, 2013). The eWOM message works as significant stimuli in eWOM communication process and affects the overall effectiveness (Cheung & Thadani, 2012).

Customer Engagement and eWOM

The purpose of Marketing is to create and keep a customer. As a result, the profound concept has emerged in relationship marketing. The idea of engagement has emerged for this notion of acquiring and retaining the customer. According to Brodie and colleagues (2011), it is “a psychological state that occurs by interactive, co-creative customer experiences with a focal object in focal product/service relationships.” Besides, according to Keller (2013), customer engagement as “the extent to which consumers are willing to invest their resources—time, energy, money—on the brand, beyond those resources expended during purchase or consumption of the brand.” In current times the usages of the internet are rising, the time over social networking sites is rapidly increasing, and they are becoming popular among consumer and companies. Companies and consumer uses vary online platform to interact, share their experience, motivate to experience feedback and develop communities which add value to the whole process of customer engagement. The studies like Vivek et al. (2012), Hollebeek et al., (2011), and Islam & Rahman, (2016), has provided strong evidence that eWOM brings better customer engagement for firms. Further, the source credibility and message credibility build trust on eWOM, which significantly enhance the engagement for companies on Social media platform. A case of The Body shop demonstrates the evidence on the relationship between CE and eWOM.

THE CASE OF BODY SHOP: EVIDENCE OF STRONG CUSTOMER ENGAGEMENT

The Body Shop is one of the leading brand in cosmetic industry and it is located in over 60 countries including 17000 employees worldwide. The Body Shop states that their strategy is to be a pioneer in nature-inspired products, personalised service and ethical business. In June 2017, L'Oreal agreed to sell the company to the Brazilian cosmetics company Nature for £880 million, subject to Brazilian and US regulatory approval. By using its influence and profits for programmes such as Community Trade, the chain aims at enacting fair labour practices, pay equality and safe working environments. The L'Oreal Annual Report of year 2016 shows that the net sales growth of The Body Shop is +0.6% whilst a growth of 7.0% was seen in skincare sales. At 2016, 3082 stores of The Body Shop are spread worldwide. Also, during the course of 2016 it opened three new stores in Chile. The three star products of body shop are 'The Himalayan Charcoal purifying glow mask', 'Drops of Youth serum' and 'The Hawaiian Kukui cream'. A research claims that the reason for their success is their customer engagement strategies. It is found in research done at company that the Pearson correlation between **trust in information and customer engagement** is strongly significant in case of The Body Shop. Similarly, the relation between **social media interaction** and **customer engagement** is highly significant for the company. Subsequently, correlation between **electronic word of mouth** and **customer engagement** is higher for The Body Shop. Therefore, Customer engagement is significant and important at The Body Shop to greater organizational success (Janathanan & Khan, 2018).

Outcome of Customer Engagement in eWOM Communication

eWOM is a powerful mechanism to generate a response to a product. The researchers have begun to explore the effect of eWOM on consumer response and market outcome in recent years (Godes & Mayzlin, 2004). eWOM communication stimulates the reaction if they produce information usefulness (Cheung & Thadani, 2012). The typical response/ outcome of eWOM communications are attitude (positive or negative), purchase intention and purchase (M.K. Cheung & Lai, 2005). Cheung, 2005 has attempted to establish and validate the relationship between attitude, purchase intentions and purchase. Their findings suggest that attitude significantly impact purchase intention (Charo & Pershant Sharma, 2015), while online purchase intention has a positive impact on investment. These relationships also support the theory of reasoned action (Fishbein & Ajzen, 1980). The main motive to eWOM communication is to produce consumer response. A lot of WOM and eWOM research studies are focused on examining the influences of consumer behaviour. The studies

repeatedly found that WOM significantly influences consumer choice, perception, preferences, attitude, purchase intention, purchase and post-purchase behaviour (e.g., Katz and Lazarfeld, 1955; Engel et al., 1969; Arndt, 1967; Richins, 1983; Brown and Reingen, 1987; Bansal and Voyer, 2000; Bone, 1995). The response of eWOM communication is direct towards product purchase

STRATEGIES TO MANAGE eWOM ON SOCIAL MEDIA

Establish Author Credibility by Incorporating Reviewer's Rating System

Consumers like to be involved and engaged with their favourite brand. They share their opinion and experiences about the product with other consumers on various platforms with different motives. One of the most engaging platforms is social networking sites. Therefore, consumer opinions through eWOM should regard as one of the valuable assets that companies earn. eWOM generally comes from anonymous consumers, which gives the scope to get sceptical about the credibility of eWOM when compare with traditional WOM. To enable the trustworthiness in eWOM, where there is a need for an "Author Rating System". This mechanism can rate the source of reviews based on their frequency of visit to a particular SNS, time engaged on that specific site, number of time writing reviews/post and rating of usefulness of review by other engaged consumers. Their expertise and knowledge about the product can rate by a top reviewer and can name as 'expert reviews'. This system will be helpful in customer engagement throughout the eWOM communication process and will generate more volume of messages too. The "two-ways communication" theory is an established concept on the strong influence of opinion leaders in eWOM communication and therefore, this system will identify opinion leaders in an online environment and can generate more customer engagement.

The use of eWOM Review Format on SNSs

Marketers need to emphasize on the message characteristics while designing the consumer review system. Consistent with prior studies, message sidedness, message volume, message rating, message consistency and quality of argument of the message is more effective in perceived message credibility. Thus, it suggests that marketers need to integrate such review systems which encourage and assist the reviewer in producing an eWOM message containing message mentioned above characteristics. For example, online Social media sites could provide a review format and guidelines

with appropriate product/service dimensions that allow reviewers to express both the positive and negative feedback about the product. The practitioners should also emphasize on generating more volume of messages on a product as there is a direct relation of eWOM message volume in getting the purchase of the product. Customer engagement acts as mediator in message volume generation. Positive emotions should be part of text suggestions to create better customer engagement to gain an advantage of positive attitude generation through eWOM communication

Social Media Strategies

Social media has changed traditional marketing communication by empowering consumers to communicate with other consumer and marketers. Social media engage the customer on the internet, and that's why brands and product incorporate social media strategies like viral marketing, buzz marketing and content marketing strategies into their e-business strategies (Bowen & Gordon, 2014). These strategies are a source of customer engagement online. Social media monitoring and customer engagement on social media will help to get more collaborative communication. Virtual communities with social networking sites are also in usage to target a niche segment of customer online.

eWOM efforts are generally very cost-effective and easy to reach to customers looking for specific products. eWOM marketing is an essential feature on the internet as it provides many different channels for consumers to share their experiences and exchange information (Trusov, Bucklin, & Pauwels, 2009). Further, this research offers the implication and directions for future research.

MANAGERIAL IMPLICATION

This research study makes a few theoretical as well as practical contributions. From a theoretical perspective, this study provides an elaborated picture of customer engagement in eWOM communications. Previous works limited to source trustability and the message rating, whereas, the current research included source homophile and source tie strength as determinants of eWOM source credibility. The study identified eWOM source credibility as an influential factor in determining the effectiveness of eWOM communication and further aspects responsible for customer engagement. The message characteristics often ignore in the credibility formation of customer engagement related to eWOM communication. Overall, this integrated outcome of Source Credibility and Message Characteristics generates customer engagement, which in return provides a positive result for product and brand on SNSs.

The research makes a theoretical contribution specific to online consumer engagement research through eWOM on SNS's. The concept of communication is ancient and since ages, WOM communication is under investigation. However, online consumer engagement has recently gained popularity which has opened multiple avenues for systematic research in the online context. This study on eWOM communication is evidence of scientific research progress on core concepts significant in an online context. The phenomenon of eWOM credibility is interdisciplinary, and therefore, the other streams of knowledge can also benefit from findings of the study. Finally, this study provided a comprehensive perspective of what brings to engage the customer on SNS about eWOM communication. This research study contributes to better interpretability of results and in showcasing the relationships of the critical concepts related to customer engagement in eWOM.

The current study provides multiple unanswered questions which can be taken up in future by researchers and practisurs. Till today, researchers have taken eWOM source as a whole to predict its relationship with eWOM measurement (Chevalier & Mayzlin, 2006; Liu 2006; Dellarocas et al., 2007). It will be useful to investigate whether different types of eWOM source have a distinct influence on eWOM communication. The inter-relationships of the sources can examine further as to how they influence the purchase, intention of purchase, attitude and brand image in the same manner.

CONCLUSION

eWOM has assumed as an unbiased and truthful content in research studies. However, knowing the potential for persuasiveness, a lot of undesirable content in the name of eWOM has been spread. These manipulated eWOM messages create an undue influence on the receivers. These messages on the internet have not been differentiated, which will lower the credibility of eWOM communication. Therefore, it opens up a stimulating area of eWOM research on the diffusion of false information and its impact on consumer attitude. The relationship between customer trust in eWOM and product satisfaction can be further explore in the context of SNSs. It would also be interesting to see the moderating role of customer engagement in the stated relationship. A quantitative analysis can further yield some valuable developments in the study area.

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Chapter 12

It's All About Creating Customer Value: Activating Engagement Through CRM-Driven Projects

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ABSTRACT

In a digitally (em)powered age, customers expect a service and product experience in line with continuously evolving expectations. This induces great potential for organisations that shape engagement before, during, or after the main customer touch points. Powered by insights coming from the CRM driven 360° view, they entail even more value when enabling a company to quickly and continuously learn from its experiences. This chapter will illustrate that project managers need to master a dual dynamic to attain through activated customer engagement. On the one hand, new types of projects, changing expectations, and shifting habits offer humbling challenges. On the other hand, governance, change, and delivery continue to be the foundational baseline. By integrating theoretical insights and real-life cases, the author wants to stimulate project managers. Rather than seeing the digital era as a transformational tsunami for customer engagement, they should see it as an opportunity to go beyond things in a reality where rapidly changing demand entails growth, learning, and great value.

DOI: 10.4018/978-1-7998-3919-4.ch012

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INTRODUCTION

In an era where technological evolutions are airing at high speed, companies are continuously challenged to reinvent themselves. Digital Transformation is seen as one of the means to get there. Early 2016, the World Economic Forum in Davos called it the Fourth Industrial Revolution. They stated that these changes hold great potential, but the patterns of consumption, production and employment created by them also pose major challenges requiring proactive adaptation by corporations, governments and individuals (Schwab & Samans, 2016).

Companies need to be aware that Industry 4.0 is not a temporary add-on. Likewise, it is not about technology itself, but about how to integrate it to transform businesses and shape the way of working (Caudron & Van Peteghem, 2014). One of the biggest changes that comes with it is therefore the transition from a product and competition-based economy to a service and customer journey focused reality (Janssens, 2018).

Traditional customer engagement is challenged to evolve along with it. Companies need to give themselves the means to really knowing their customers and being truly adaptive – and reactive - in the service offering if they want to matter and create qualitative customer engagement.

Projects to catalyse this internal transformation are key. Given the fundamental changes on customer engagement coming with Industry 4.0 and the growing impact of data power, it can be stated that all stages of ‘traditional’ project management discipline will be changed too. This would leave companies that desire to shape their direction towards digital customer engagement lost in a vacuum without references to reinvent themselves.

In this chapter, a more differentiated angle will be taken. It will be explained that traditional project management fundamentals remain valid, but the emphasis on specific dimensions needs to be adapted. Aspects that require increased attention are: an agile project approach from elaboration up until the reporting, empowering people, managing change for everyone, and continued delivery.

By integrating attention points for the project management silver lining with examples and cases from reality-based experience in conservative and progressive industries, the author wants to illustrate that the fundamentals for modern customer engagement enabling projects remain strongly valid, but involve a different emphasis, embedded in a more proactive and collaborative dynamic.

BACKGROUND

Every industrial revolution is driven by new technologies. In the Fourth Industrial Revolution, new technologies get combined with technologies that finally become mature and affordable, like computing power, connected devices, genetic sequencing, artificial intelligence and the like.

From a corporate perspective, facts are available in spades to illustrate the vastness of the impact of this evolution. In 2016, the CEO of technology and consultancy company Accenture stated that digital transformation is one of the main reasons half of the companies on the Fortune 500 have disappeared since 2000 (Nanterme, 2016). The growing impact of the GAFAs and the NATUs¹ only confirms this.

From a human perspective, the way people live, work and interact is transforming at high speed (Arbib & Seba, 2017; Schwab, 2016; Van Driessche, 2014). The transformation of physical and digital worlds entails great potential. At the same time, this leads to (pressure for) increased human productivity. Customers expect businesses to anticipate their needs and provide personalised service through any communication channel. B2B and B2C businesses need to shift therefore from a model focused solely on selling products, to a service model driven by deeper connections with customers (Janssens, 2017).

This deeper connection is embodied through the concept of 'customer journeys'. Customer journeys are the sum of experiences and touchpoints that customers go through when interacting with a company, before, during and after the main interaction (Schadler, 2018; Truog, 2018; Van den Brink, 2018). By improving customer journeys, companies can continue to remain relevant, nourish the customer engagement relationship and stimulate their growth.

Data is the New Currency

In the Digital Age, people are using connected devices, privately and professionally, and are sharing large amounts of data every day. In 2018, human and machine data were expected to grow from 33ZB in 2018 to 175ZB by 2025 - of which a third in real-time (Reinsel, Gantz & Rydning, 2018).

Through the data fuel, Artificial Intelligence (AI) is driving innovation across growing numbers of products and services. In 2017, organisations with AI expected to see a 39% increase on average in their revenues by 2020, alongside a 37% reduction in costs (Economic Times, 2017).

The higher the quantity and quality of the data, the higher the quality of the artificial learning. From a customer engagement perspective, machine learning algorithms and the like are therefore able to help businesses anticipate trends in consumer demands, personalize promotions for individual customers, and optimize pricing. Consumer

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sentiments towards a specific brand(s) can be unveiled (Stephen, 2017) and supply chain operations can be further optimised (Gaus, Olsen & Deloso, 2018).

360° View of the Customer

To make data tangible, 360° views are key. A 360° view is the ability to see everything around you with no blind spots. It allows companies to capture every single part of the end-to-end relationship(s) it has with its customers. It includes sales and service information, marketing data, and information about who they are. From a B2B perspective, it also includes information about their business, what businesses they relate to, who has the buying power and the like (Loesel, 2014).

Figure 1. 360° view of the customer
Source: Own elaboration



In addition to creating an organisation's institutional memory, 360° information helps a company to understand who are in practice the largest accounts, identify whitespace to discover cross-selling opportunities, and connect in a more meaningful way with the biggest customers (Digital Marketing Institute, 2018). This view is therefore key to trigger real customer engagement.

In the past, this information got captured through different systems. Luckily, an increasing number of platforms, like Salesforce or Microsoft Dynamics, allows to capture this in a smooth way. To get there, clean and complete data are key (Sebastian-Coleman, 2013). It is therefore crucial to make it, on the one hand, easy for people to capture qualitative data, and, on the other hand, required to do so. By combining both aspects, contributing to the data power will become an organisational norm.

New Customer Journey(s)

One of the biggest changes coming with the Fourth Industrial Revolution is the transition from a product and competition-based economy to a service and customer journey focused reality (Janssens, 2017). That is a profound shift. The opportunity, on a service perspective, is to rethink the way to satisfy a customer's need through a service (Schadler, 2018; Van den Brink, 2018), especially as many of the services that can be created were not there before.

Through data and 360° views, companies need to understand how to evolve to continue to matter. To shape customer engagement and nourish growth, they need to embrace new technological possibilities and look through the blurring offline and online frontiers (Hinssen, 2014 ; Truog, 2018). Understanding this requires courage and commitment, especially as pressure on delivery and results remain constant.

While focusing on combined offline and online cross channel engagement, a connected, personalised and real time experience becomes increasingly important in for-profit and non-profit alike: delivering one experience across all services, tailoring experiences based on the preference and behaviours of each customer, and responding to customers in the moment they need and want it – online or offline.

It requires a dynamic silver lining, compatible with interactive work clusters and a hybrid organization (Janssens, 2017). Typically, this results in a new way of working and an appropriate approach to power it. Altogether, the success of customer engagement projects in the Digital Age goes through truly integrating technological possibilities and dynamic customer journeys in the corporate DNA.

SOLUTIONS AND RECOMMENDATIONS

New Types of Projects

From a project perspective, the 4th Industrial Revolution has initiated a new series of projects, in complement of traditional ones focusing on organisational change, process standardisation or customer relations. Typically, projects focusing on advanced analytics or artificial intelligence have become mainstream (Fockede, 2017). They are key enablers for customer engagement as they offer a single source of truth, enriched with augmented intelligence. Similarly, more projects are focusing on a revision of the product and service approach, by opting for customer centricity (Hollander, Hertz, & Wassink, 2013). Both categories combined allow companies to be at the forefront of meaningful engagement.

The autonomous driving industry has been emblematic for AI-powered transformations. The American branch of Germany-based MM Automotive², for instance, produces car navigation solutions. In 2016, there was a high risk to turn virtually overnight from an iconic company with steady results into a fallen glory, as major multi-annual contracts were ending, and no new ones were secured yet.

The company made organisational shifts, changed their project management approach, and created a new division for autonomous driving solutions. They developed capabilities in artificial intelligence, user experience design and customer centric project management. Paving the way for a revived B2B customer engagement, MM managed to sign new R&D contracts with major car manufacturers in the US, France and Germany, through their distinctive focus on customer journey services combining AI and user experience.

Reinforcing the focus on the customer has also been present outside the technology industry. At AG Insurance, for example, shifting the organisational model towards customer centricity has been part of the 2015-2020 project portfolio roadmap. Since the creation in 1824, AG had a product centric approach. Throughout their historic growth, the company has been organised around life insurance, non-life insurance, and supplementary pensions product lines. With evolving customer expectations, they noticed that they were not able to provide customer service that met the growing demand of reactivity and responsiveness. Typically, customers desiring information about different acquired products had to contact each department individually, rather than being able to count on a centralised service (Janssens, J., personal interview, Dec 20, 2017). By launching a profound transformation program, they aimed at changing their organisation, their internal processes, their data model, their tools and, in the end, reinforce customer engagement through the service provided to their B2C customers, to answer the needs of the 'modern' customer journeys, based on a 360° view of the customer.

MANAGING PROJECTS FOR CUSTOMER ENGAGEMENT 4.0

Given the fundamental changes coming with technology and new customer expectations it could be assumed that all stages of project management discipline have to change. At the same time, a different angle can be taken: traditional project management fundamentals remain valid, albeit with an adapted emphasis on specific dimensions.

In addition to the earlier mentioned drivers of the Fourth Industrial Revolution themselves, the project management discipline is facing changes: evolutions in organisational reality, maturing acceptance of the agile way of working, and the growing impact of the new generations (Laloux, 2014; Stillman & Stillman, 2017; Versione, 2018).

At the same time, other fundamentals remain very much present: the crucial impact of change management, the need for follow-up and governance, and the need to collaborate, manage and deliver.

Agile is the new Normal

Several changes put in motion by the Fourth Industrial Revolution are possible thanks to a convergence of different factors. Agile project management is not linked to digital transformation or the Fourth Industrial Revolution alone, nor to the growth of digitally driven customer engagement projects as such. When representatives from diverse development practices founded the agile manifesto in 2001, they did not do it to comply with the Fourth Industrial Revolution. Rather, they wanted to find an alternative to the dominant, heavy development processes (Highsmith, 2001).

Nevertheless, agile project practices have an impact on project management, as agile has grown into a maturing practice. An increasing number of organisations has moved from using agile in pilot projects to accepting it as one of the main project management practices. Agile (and its subsequent versions) will therefore remain at the core of the projects of the coming years (Versione, 2018).

For details on approaches, the author refers to dedicated literature³. Some attention points can nevertheless be highlighted.

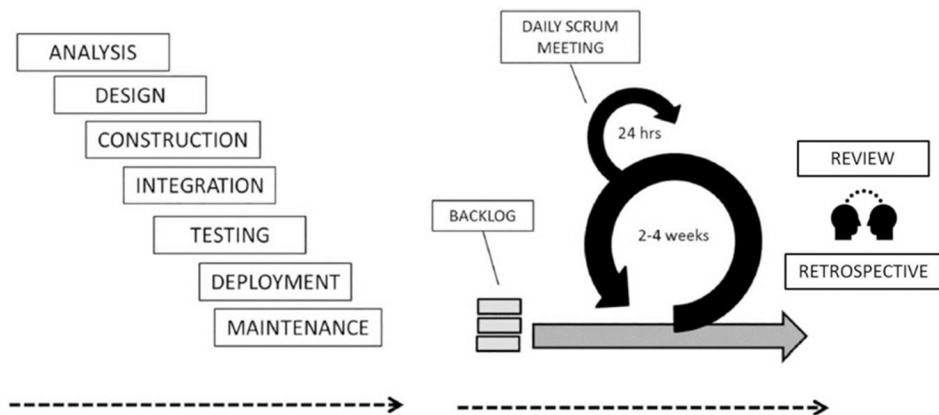
Firstly, the fluidity associated with agile requires discipline of the main actors. Scope control, failing fast and regular iterations are part of the core principles. The success of agile comes from the unconditional availability of decision takers towards rapid feedback, during and after the iterations (Janssens, 2017).

Secondly, agile perimeters might have to integrate with more traditional ecosystems. To make such hybrid contexts work, managerial compromises must be made. When agile subsets are inserted in a waterfall environment⁴, they must work with less autonomy and with a different time perspective. Similarly, waterfall

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entities will have to adapt to a flexible way of working – or agile Scrum might have to blend with agile Kanban (Reddy, 2015).

Figure 2. Combining waterfall approaches and agile might be needed



Thirdly, the overarching focus on agile should not become a goal on itself. Managers can start by developing personal agility, for instance by breaking large tasks into small steps and test working models, by streamlining activities to focus on the most valuable customer benefits, or by celebrating learning (Rigby, 2018).

Lastly, it should be noted that agile is not the same as agility. Agile is an iterative approach to project management with specific principles. Agility, on the other hand, is an organisational trait characterized by durability, speed, flexibility and readiness (Prosci, 2017). It is a core competency and source of competitive advantage.

Agile and agility are related. As an organization grows agile project management practices, it can increase agility. Similarly, many organizations working on improving their agility use agile development approaches given the desired outcome of agile and its inherent value for blended transformation leadership styles and strong teams (Viaene, 2018).

Overall, both agile and agility aim thus to equip organizations to more effectively respond to and seize opportunities. By combining the strengths of both, project managers can reinforce the project management dynamic and contribute to shaping a company for reactivity and flexibility.

Customer Engagement and Evolutions in the Organisational Reality

Some organisational models have developed a growing impact in the corporate world, be it on the organisations themselves, or on the initiatives they take to shape lasting customer engagement.

A model with a significant impact on internal and external customer engagement is the transformational approach of changing a company in a 'teal organisation'. Formalised by Frederic Laloux (Laloux, 2014), Teal starts from the assumption that people are longing for better ways to work together. The approach wants to go far beyond a better life/work balance. Teal wants to develop a culture of self-management, wholeness, and a deeper sense of purpose.

Although this approach might seem hard to reconcile with project goals or corporate targets, experience in small to large companies supports the potential of this approach (Laloux, 2014). Organisations desiring to avoid radical change can introduce some elements separately. Over time, however, the full benefit gets only unlocked if the organisation embraces this approach on a structural level, including the organisation of the daily work as well as matters like the human resource management approach, strategy definition and financial management.

Digital web agency Yools, for example, decided to go through a profound transformation in 2015. After several years of existence and thousands of web development projects, they wanted to put the company focus back on the people. They wanted to create more happiness inside the company and trigger a positive impact on business development, on customers and on society. They transformed the organisation based on principles of meaningful mission, self steering and trust (Aerts, 2017).

Firstly, they proposed a new mission for the company, less based on money, but more driven by values. In complement, all employees got empowered to revise periodically the mission and the vision of the company, to keep their sentiment in line with the company's direction (Aerts, 2017).

Secondly, all 'Yoolsies' were mandated to take their own decisions. If people wanted to improve the company, they had to draft a proposal, ask others for feedback, and decide themselves if their project was worth it, before making things happen themselves. A foundational aspect was the increase in transparency. Yools decided to focus on transparency for decision taking, project cycles, and company results. Complete transparency on finance and salaries was deemed to radical of a change for a beginning (Aerts, 2017).

To guide this transformation process, Yools set up a series of daily and weekly ceremonies. This stimulated communication, canalised alignment and reinforced human bounding. Playbooks were created to support every process. One-on-one

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evaluations got replaced by group-driven peer feedback. Similarly, all employees got trained in new ways of self-expression and non-violent communication (Aerts, 2017).

Thirdly, trust was stimulated. The goal was to deliver qualitative project results without mandatory targets or timesheet controls. The idea was that the increased motivation would lead to increased ownership, which would ensure a regular delivery. To reinforce this aspect, coaches were appointed to help people in their new journey, in combination with moments of open sharing (Aerts, 2017).

Table 1. Evolutions in human collaboration

	Description	Guiding Metaphor	Foundations
ORANGE	Focus on beating competition; achieving profit and growth. Management by objectives.	Machine	Innovation Accountability Meritocracy
GREEN	Focus on culture and empowerment to boost employee motivation. Stakeholder replace shareholders as primary purpose.	Family	Empowerment Egalitarian Management Stakeholder Model
TEAL	Self-management replaces hierarchical pyramid. Organisations are regarded as living entities, oriented towards realising their potential.	Living organism	Self Management Wholeness Evolutionary Purpose

Source: Laloux, 2014

Subsequently, people left the company because they did not adhere to the new philosophy. To reinforce the company, the hiring process got adapted as the human fit had become the main catalyst for acceptance. The entire process could last from a couple of weeks to a couple of months (Aerts, 2017).

From a project perspective, all web projects were affected by this model based on trust, motivation and self steering. The initial phase of teal operation appeared to be extremely cumbersome for internal collaboration and external delivery. For senior employees, the long selection process of new resources appeared to be most challenging in periods of high demand. Strictly respecting the lack of managerial authority was not straightforward either, especially during periods of high pressure (Aerts, 2017).

After two years of human reshuffling, evolutive governance and growing understanding of and adherence to the model, project delivery attained a level of steady output and increased customer satisfaction. The company is growing and continues to hire new resources (Aerts, 2017).

For the employees that went through the transformation and that are still at Yools, the only ‘major back draw’ on project management is that most Yoolsies would not

want to work again in a traditional project setting. Similarly, benchmarking with other teal companies indicated that the potential value in an era of digital transformation is tremendous, but highly dependent on a rigorous adherence to the teal philosophy, even in periods of project risk (Aerts, 2017).

Empowering Internal Engagement

Customer journeys are evolving in this new era. Organisations are evolving. And technological evolutions assume people with different skills and abilities. Customer engagement projects imply therefore project teams that are ready and able to take the leap, as well as a healthy dose of human understanding and people skills on project management side.

Management of skills disruption is an urgent concern in the Digital Age, and the rate of skills change accelerates across old and new jobs (Schwab & Samans, 2016). Consequently, project managers need to look for people that fit and that show, at the same time, a high level of adaptability.

Firstly, project managers need to nurture their people for and with the mental insights and technological catalysts of the Fourth Industrial Revolution, and create a stimulating environment (Bushnell & Stone, 2013; Knapp, Zeratsky & Kowitz, 2016). To do so, it has been increasingly important to do proactive workforce management, in collaboration with the out-of-project corporate organisation. With predictive HR management, for instance, companies can anticipate employee expectations and identify needs for mentoring. In turn, this will stimulate employee engagement and bottom line project productivity.

Secondly, to make sure that the people adhere to the company and take ownership in project ecosystems in order to embody sincere customer engagement, project managers need to consider the generational traits of teams (Bradt, 2014). This recurring concern has become increasingly relevant with the growing inflow of Millennials (also known as Generation Y) and Generation Z employees (Table 2).

Millennials value workplace satisfaction more than monetary compensation. Work-life balance and togetherness is considered essential. They are less likely than previous generations to put up with an unpleasant work environment. When satisfied, however, they are often passionate advocates for the organizations they work for (Tulgan, 2016). For projects, they are potent change agents.

To Generation Z project members, company culture (and by extension project culture) is also more important than salary. They are looking for a sense of purpose (Stillman & Stillman, 2017). This does not mean that they are not ambitious. Generation Z see their ambition as one of their most valuable assets, albeit in a different way. Rather than aiming at growing into the upper levels of the organisation, they want to strengthen their CVs through micro-careers. They want to grow through lifelong

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learning and providing a lot of value to the organisation through short projects (Stillman & Stillman, 2017).

Note that some research categorizes people between 1995 and 2005 as Generation K (Hertz, 2013). More than 75% of Generation K is concerned about climate change and social equality – and is vastly worried about getting a job. They can want to co-create and be committed. Similar to the analysis of Generation Z, they want to be part of a community that supports them whenever and wherever they need it.

Table 2. Generational composition of the US labour force

	Silent and Greatest generations	Baby Boom generation	Generation X	Millennial generation (Generation Y)	Post-Millennial generation (Generation Z)
Born	1945 or earlier	1946-1964	1965-1980	1981-1996	1997 and later
Age of working age adults in 2017	72 and older	53-71	37-52	21-36	16-20
% of US labour force in 2017	2%	25%	33%	35%	5%

Source: Fry, 2018

To have Generation Y and Z project members motivated and really own their work, they expect to be led, rather than being managed in the traditional way. For project managers this implies emphasizing feedback, focusing on the team (instead of focusing only on the project), and offering them independence and inspiration (Bradt, 2014).

From a project point of view, it might be challenging to apply each of the above, while respecting time, budget and other constraints. Applying one or more, or taking time for human value exchange, however, may already help to increase involvement, motivation and therefore ownership.

Thirdly, project managers need to learn to talk digital, data and customer journey themselves. They do not need to know everything. They should be able to ask questions to their teams and understand the answer (Groysberg & Slind, 2012). It will reinforce faith in the project culture and will cascade down to other employees.

Specifically on AI, realism has to be injected in project boards. Organisations tend to expect magic coming out of the blue, delivering quickly unparalleled performance without having to skill-up competencies (Brooks, 2017). In practice, many innovations take far longer to be deployed than people in the field imagine, and with extrapolated targets that are downscaled to a more stringent reality. Moreover, AI is not only driven by technology.

When working with people for customer engagement in the digital age, it is therefore important to find a good balance between aiming for the sky and stating the reality. While it might temper the motivation of some people, it will strengthen the project focus towards targets that might remain aggressive, but that are perceived as more realistic. Doing so will create a climate of ambitious trust, which, in turn, will motivate the blended project teams to fully take up their work.

Having the appropriate human capital on board and managing them accordingly is thus one of the cornerstones. This implies creating an appropriate environment and project culture, nurturing people, and managing them with a solid understanding of what 'modern' customer engagement means for them and for the service to the customer.

Customer Journey Projects Still Imply Change

The result of project management decisions depends on different factors. At the core, vision and experience are of uttermost importance – so do methodologies and people management. At the same time, the ability to anticipate change is at the centre of the success (or failure) of many projects. Anticipating and managing change amongst internal and external users is essential.

Tools like Change Diagnostics (Campens, 2011; Janssens, 2016) and methodologies like ADKAR⁵ and related (Cameron & Quinn, 2011; HBR, Kotter, Kim & Mauborgne, 2011) remain relevant for customer engagement in the digital revolution, given that a sound understanding of the project context on the one hand, and a shaded guidance along the different phases of the project remain necessary.

Admittedly, project organisations might have to do a sound re-evaluation of tools and past conclusions due to rapidly changing reality. This, however, is more related to project management maturity of the organisation, the change of project cycles and increased presence of agile iterations. In other words, change management will have to continue to follow the pace of the organisations it serves, which is how it is – or should – already be done today.

It is even expected that the velocity of change will continue to increase, as organizations experience faster and more cross-functional change in a dynamic customer expectation landscape. The continued need for change management reinforces therefore the point that project management is not going to change radically in customer engagement projects with increasingly high expectations.

Certain sources state that companies will have to start moving out of siloed organisations due to digital transformation dynamics, and that change management will have to follow the same trend (Proctor, 2017). Despite the relevance of looking for change management solutions across silos and develop end-to-end approaches, the need to do so is not new.

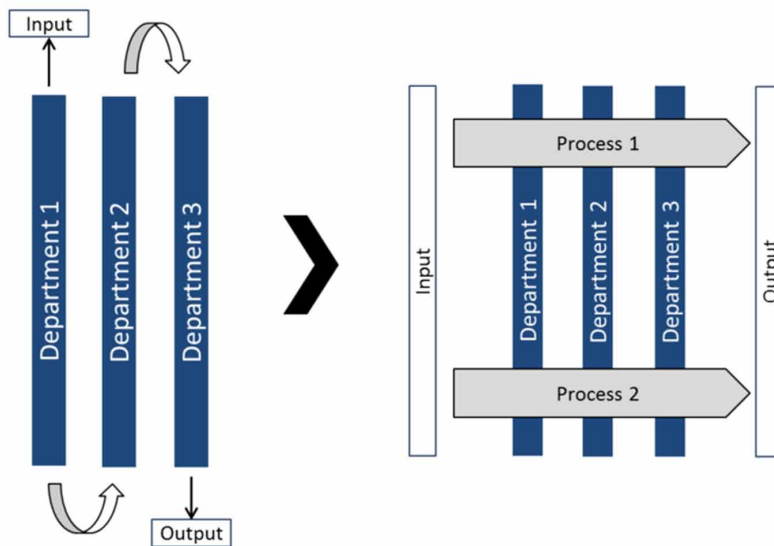
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Already before the raise of digital and rapidly changing customer journeys, managers desiring to have a lasting footprint had to look beyond their expertise and experience by investing in the building of organizational bridges. Change needs indeed to move from local, isolated initiatives, to integrated programmes across the value chain, combined with agile project management and organisational agility (Janssens, 2017).

This does not mean that corporate silos must be torn down. Silos do have an organisational value. On the one hand, they allow companies to function in a canalised way. At the same time, they cause problems potentially impacting internal or external customers (Smith & O'Connell, 2012). Some decisions need therefore to be made across silos. Managers should therefore connect and eliminate problems caused by silos, rather than tearing them down (Figure 3). As indicated by Smith and O'Connell (2012), cooperation, communication and understanding other departments' priorities are foundational to break the barriers.

Figure 3. Silos should be connected

Source: Own elaboration



To adapt approaches to the cross-silo reality, project managers need to consider the insights obtained with change diagnostic tools. When managing large roll-out based projects, for instance, it is advised to integrate the cultural aspects in the cross-departmental backbone. The perceived value must be considered as well. It is

namely not through the complexity that people get convinced and adhere, but also through the clarity and feasibility of a solution.

One aspect where it can be argued that change management might indeed change, is on the roles of each actor. Audra Proctor (Proctor, 2017) expects the roles to change as follows:

- **Change sponsors:** The network of change sponsors across the organization will become stronger. While accountability for change may rest with different sponsors, each needs to be aware of concurrent changes and ensure that the end-to-end view is aligned.
- **Change Agents:** Change agents will be embedded in agile project teams rather than in support teams. With increased access to users and increased ability to influence project outcomes, they will need to use digital tools to increase their efficiency during rapid iterations.
- **Project Managers:** Change management will be at the forefront of project planning. From ensuring that change management experts are available to supporting their projects throughout the lifecycle and planning for cross-organizational alignment and engagement.
- **Line managers:** Line managers will have to be aware of the impact changes have on their team, and on other teams. Capturing the 'big picture' for their teams and triggering the thought process around the end-to-end implications of changes, is an important component of enabling the whole organization to start thinking holistically about change.

Overall, change management should move to an integrated end-to-end view to provide value for internal and external engagement. It could be stated that methodologies and roles have to be revised as well. As indicated, the need for continuous improvement and growth in maturity is not a new need, however. It has been an attention point in the past and it still is an attention point, with or without tectonic changes for customer engagement. It has been explained what attention points must be kept in mind to do so.

Customer engagement projects in a digital reality will therefore have to continue integrating change management as one of the operational backbone, be it before, during or after the project.

Governance Remains a Must

To remain on top of things, companies need to manage the present while already anticipating the future. This needs to be done in a climate of rapidly changing customer expectations and technology-driven omnichannel interactions. It could be

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tempting to say that such a dynamic reality requires dynamic project environments with flexible rules and a lot of freedom for reactive improvisation. In practice, the opposite is true. Whereas periodic reinvention and nimble mindsets are indeed increasingly needed, this should not be mistaken for a lack of guiding frameworks – quite the contrary. Time and again, reality shows that governance is a prerequisite for project success (Janssens, 2018).

As mentioned earlier, teal environments regard governance as one of the cornerstones of their self steering and their ability to combine happiness with customer delivery (Aerts, 2017). Yools set up a series of periodic ceremonies to stimulate communication and canalise alignment. Playbooks were created to support processes. Presence to the former and adherence to the latter were regarded as essential. This approach is also followed by other teal companies, like tomato processing company Morning Star or consultancy company Hifluence (Laloux, 2014; Vanlangendonck, 2017).

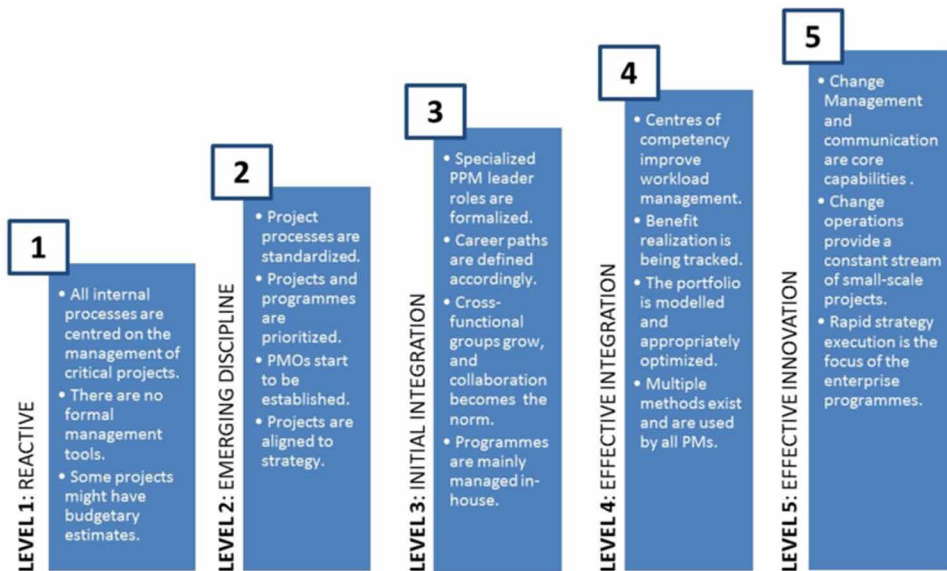
Even when assuming that the project management approach would remain unchanged, multichannel interactivity involved in digital customer engagement relies heavily on good governance. Digital transformation projects, for instance, aim at delivering operational benefits by having customer related processes integrated on one platform, like Salesforce and the like. Having all this information integrated on the same platform provides indeed a 360° view on a company's customers. This allows companies to organise people and projects in a more intelligent way. The only way to get there is to define clear rules, especially for increased data integration, and provide a guiding governance framework (Janssens, 2018).

When keeping cross-industry applicability in mind, a framework worth using is the Programme and Portfolio Management Maturity Model developed by research and advisory firm Gartner⁶. The main focus is on programme and portfolio management. The model distinguishes five core dimensions: interdependence of people, project portfolio management practices and processes (PPM), project value management, technological growth, and human relationships (Mieritz, Fitzgerald, Gomolski & Light, 2007). The evaluation of these dimensions results in a specific maturity level indicated in Figure 4.

Compared to models like CMMI⁷ and P3M3⁸, Gartner's PPM model captures best the project and portfolio maturity matter at hand, as it shares the transversal expertise captured in CMMI and P3M3, but with a stronger focus on actionable steps, that prove to be of added value in practice (Janssens, 2018).

Maturity models give an organization the occasion to perform a factual and comparable health check of its strengths and weaknesses, as well as a larger and more detailed assessment with a full development plan (Sowden, Hinley & Clarke, 2010). It should be managed as a transversal, long-term process, involving incremental improvements on many different levels (Janssens, 2018).

*Figure 4. The five maturity levels of Gartner's PPM model
Source: Mieritz et al., 2007*



Project management maturity, for example, is impacted by the maturity on portfolio level, as balancing portfolios has a direct influence on the critical path of related projects. At the same time, portfolios are influenced by the maturity on resource management, as the timely availability of skilled resources fuels the delivery. In parallel, process and programme efficiency can only function within the organizational reality if governance provides sufficient and appropriate smoothing – and if it is followed accordingly.

Rapid tweaks on one dimension might help to obtain a short-term gain on that very dimension. It is however only by investing efforts on intertwined aspects that structural, lasting benefits will be obtained.

Customer Engagement Projects still Need to Deliver. And Other Projects too

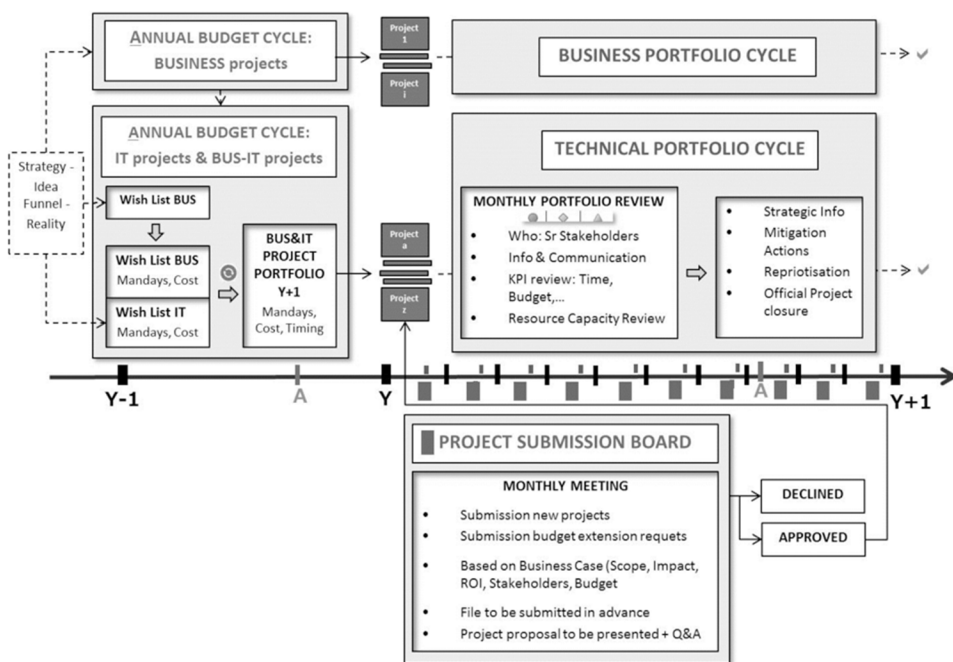
With growing visibility of agile, Industry 4.0 customer expectations and revisited organisational strategies cascading down on project organisations, there is a risk to focus more on the conceptual shaping of projects than on what they are really about: delivering. Projects are, at their core, about creating value through the delivery of a product or a service within a certain period, in line with specific quality criteria.

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Time and scope constraints can, to a certain extent, be relativised when viewing projects from an incremental agile angle. Even then, however, projects need to deliver.

In addition, project portfolios are not only about customer engagement projects. In for profit and non-profit organisations alike, they still include a combination of transformation projects, customer journey projects and traditional business improvements projects. These projects need to be followed by the same senior stakeholder board(s) (Axelos, 2011). Depending on the budget cycle approach, either all projects are defined at the start of the year, or the project portfolio gets completed with newly submitted projects throughout the year.

Figure 5. Portfolio bodies support KPI based project reviews
 Source: Janssens, 2018



This portfolio follow-up implies that the project health is monitored with the same key performance indicators (KPIs) for all projects, especially in more mature organisations (Kerzner, 2017). Discussions will continue about whether innovation projects might need a different set of KPIs than other projects, and whether agile/Kanban KPIs should remain on the project level or should also be included on the portfolio level. Similarly, debates will continue to whether companies have to include project submission KPIs like return on investment ROI), total cost of ownership

(TCO) and strategic contribution in their periodic reviews as well. Given this need of homogenous macro-monitoring of mixed project portfolios (Catlin, Scanlan & Willmott, 2015), however, project managers will be 'stimulated' to keep a comparable way of project management across projects.

To solve this catch, project management organisations will have three options:

- A first option is to stimulate specific project management approaches for specific types of projects and convince the portfolio boards to review each sub-portfolio in a different way.
- A second option is to keep the homogenous portfolio reporting, while allowing different project management approaches. This would oblige project managers to do a 'double' project reporting but would allow them to still work in the way they deem most appropriate.
- A third option is to keep a harmonised portfolio reporting and keep a harmonised project management approach. This requires more effort on the project level, but increases the comparability of the projects, and gives the impression that senior arbitrage and related mitigations actions are facilitated.

The author regards the first option only likely to happen in a minority of the cases (only for companies that want to be 'digitally ready' by going for a radical big-bang transformation). Depending on the organisational maturity for project management, companies will rather choose for option 2 or option 3. This will undoubtedly have an influence on the project management approach. Strictly speaking, however, this evolution is less driven by the new Digital Reality as such, but more due blended project approaches as such, rising in parallel.

REALITY CHECKS FOR CUSTOMER ENGAGEMENT 4.0

To give more depth to the ambiguous reality that customer engagement enabling project management is facing (shaping new dynamics in combination with the continued use of traditional project management pillars), some examples will be analysed, complementing those highlighted in earlier sections.

In a first example, the importance of taking the Industry 4.0 train for customer engagement will be illustrated with a company active in a conservative industry. While the company has a culture of rigorous people management and governance, it is, however, less used to managing vast, transformational projects.

In a second example, the challenges are illustrated that come with project contexts that combine new organisational models with strong attention for change management, governance and stakeholder management. While the company is

used to deliver many projects every year to and with their clients, it has only a low project management maturity.

Both companies are very much aware of the importance to continuously evolve to create and nourish meaningful customer relationships, in order to nurture real customer engagement.

When analysing the cases, the emphasis will not be put in the review of KPIs. Rather, the return on experience will be obtained by highlighting the fit of the organisation with Industry 4.0., and by reviewing the extent to which the project management fundamentals are included. By integrating all these elements, the author wants to illustrate that the project management fundamentals in Industry 4.0. remain strongly valid, albeit with a different emphasis.

While illustrating real-life experience, names and specificities of the companies have been adapted. Personal experience from the author.

CASE 1: BRIDGEBAY

Project Context

Bridgebay is a Las Vegas-based company, created in the 1970's. Its portfolio includes more than 40 premium hotels throughout the USA. It owns, develops and leases hotels. It focuses on leisure and other private stays. Continuous improvement projects are decided on a corporate level⁹.

In 2017, it had to take a digital leap to move away from the traditional way of working. This was driven by two important groups of challenges.

On the one hand, the hospitality industry was facing strong customer experience changes. Customer journeys got increasingly characterised by the need for personalised experience (before, during and after the stay), growing expectations on technology (partially driven by a generational shift in the guest community) and the need to interact continuously on social media (Weinelt & Moavenzadeh, 2017).

At the same time, knowing that the application of customer analytics to implement and measure engagement activities have given sales and marketing teams more insights to improve services, the top business challenges were: improving guest profiling and targeted marketing; delivering digitally-powered experiences; and increasing internal efficiencies to stimulate competitive advantage and revenue growth.

In addition, Bridgebay resources were actively requesting efficiency-enabling improvements. At the same time, there was limited room to free up resources for improvement projects.

In the past, improvement projects had been scarce. Traditionally, they were very much tied to the organic growth of the group and limited to the punctual deployment of new software packages specialised in the support of the value chain.

Project Approach

To tackle the challenges, they decided to transform Bridgebay's customer experience. The scope of the project was organised around three components:

- Engaging customers with a customizable customer relationship management platform (CRM): Creating one dynamic view across Sales, Service and Marketing to optimize the customer lifecycle.
- Driving operational excellence from Lead to Cash: Closing deals faster and maximizing revenue through Salesforce-based automation and analytics.
- Super-charging sales representatives: Empowering people to sell from anywhere and on any device, through the implementation of productivity and collaboration tools.

Rather than launching the project directly in all hotels, Bridgebay opted for a pilot in three hotels in San Francisco.

The project approach was influenced by the Fourth Industrial Revolution at the level of the scope. Customer journeys had to be rethought, interactions had to be repowered, and a historically grown aggregation of tools had to be replaced by an integrated platform that leveraged data power to create advanced insights and lighter processes for employees.

The project was less influenced by organisational transformational models, as Bridgebay wanted to improve their way of working, without going through a fundamental organisational redesign. This choice was not driven by budget concerns as such. This was rather linked to the fact that hospitality management has a relatively slowly evolving DNA.

The advantage of this DNA was that teams were used to work in a disciplined way. Setting a clear governance was regarded as an important, natural, aspect of the project.

Similarly, driven by efficiency and experience, creating awareness for the upcoming change was regarded as a fundamental part of the project, as well as foreseeing enough time for training on the new way of working and the use of the Salesforce platform.

Although agile was proposed, Bridgebay was relatively neutral with regards to the choice for a waterfall, agile or hybrid project approach. To them, projects need to

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set rules, and rules need to be followed to deliver qualitative results by coordinated teams in the foreseen timeframe.

Overall, this example illustrates thus that projects with a strong Industry 4.0 customer engagement focus might indeed require dedicated attention to the new reality, but without necessarily fundamentally changing the project approach as such.

Case 2: The Humanising Flock

Project Context

The Humanising Flock is a B2B2C marketing agency, created in the early 2000s. B-corp certified¹⁰ and based in Denmark, their portfolio includes 250+ projects per year across Europe and South America. Organisationally, they evolved from a traditional agency into a fluid, almost teal organisation¹¹.

Due to their activity, The Humanising Flock has been very aware of how the digital age is influencing society, customer expectations, human engagement and people's sense of purpose.

While being at the forefront of the debate for/with their own clients, they faced challenges in the growth of their internal efficiency. They perceived themselves as internally relatively well organised, while delivering projects of superior quality. At the same time, they felt that they left a lot of business potential unnoticed. To them it was not clear if they had to move towards a different way of working and managing projects to unveil this potential, or if this could be done through new digital activation tools.

Project Approach

Rather than launching a vast transformational programme, The Humanising Flock decided to focus on creating value by awakening their institutional memory and unleashing the potential of their firmographic data:

- Unveil the value of experience: Capture continuously who in the company could share what valuable insights on experience, thanks to an integrated Salesforce driven CRM platform.
- Increase communication and employee engagement: Synchronise the customer platform with the employees' agendas to enable reinforced insight sharing.
- Increase value from connections: By combining each of the above with social media mapping and advanced AI analytics, give partners insights on interconnections between stakeholders.

Although the company delivers services for customer journeys, they wanted to practice only a limited part of what they preached themselves. Rather than going for a profound organisational transformation or driving operational excellence for the complete Lead to Cash journey, they decided to go for a project with a limited scope.

A first reason was the limited willingness to spend money for their own growth. Historically, they had grown organically without major investments. The executive board of the agency were relatively open to fresh ideas. Paying large projects, however, was less of a habit.

A second reason was the human-organisational reality. Organised as mobile nomads, employees were used to a lot of personal freedom. The flipside of this mobile reactivity was that organisational processes had different variants, depending on the frequency of collaboration between people. For projects, this iterative growth resulted in a pragmatic way of working. Despite its intrinsic potential, it lowered the openness for change, as internal change was usually associated with the reduction of personal freedom.

To take this reality into account and ensure adherence towards future delivery, an agile project management approach was proposed, with reinforced attention to change, training and periodic stakeholder reviews. Also, the future journey of the users of The Humanising Flock got challenged, illustrated and explained at great lengths prior to the project.

Overall, this example illustrates thus that not all projects will focus on digital customer engagement, nor on significantly different project dynamics, even for companies that are fully immersed in such a reality.

FUTURE RESEARCH DIRECTIONS

The Fourth Industrial Revolution influences customer expectations, corporate organisations and project ecosystems. Certain drivers have a potential influence on project management through the transformation of the organisational DNA, others impact the inflow of new project demands. At the same time, foundational project insights resulting from (cross) industry best practices and personal experience continue to be the project managers' guiding safeguards towards quality and organisational shaping.

To nurture customer engagement enabling project portfolios, it would be beneficial to move further from a double dynamic towards a more integrated approach. This might oblige project managers to go through a hybrid phase where change management, agile approaches and human centred subtleties are seen as backbones of the modern toolbox. Still, it is by analysing further what value each can bring - and how it can be combined with other points of view - that the projects will be managed in a way

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that fits appropriately to the true nature of the project ecosystem and the future results that it envisions.

Similarly, it will be worth to further integrate the value that advanced analytics can bring to project management practices. This might induce discomfort at first, as the switch to a more digitised intuition might be perceived as a risk for the experience-based skills of the project manager. The author believes, however, that the latter will continue to be at the core of project management, and that project managers will continue to grow by taking the digital leap in their own adaptive evolution. Projects organised in rollout mode should especially benefit from it.

From a project portfolio perspective, companies would benefit from project portfolio approaches that create a synergy between strategy driven macro follow up and project management approaches that are in line with the customer centric and adaptive nature of today's challenges. Doing so would contribute to growing an organisation's maturity and further nourish the corporate strategy that projects are serving.

Obviously, best practices will require regular revisiting as this context is in constant evolution. The author believes nevertheless that the recurring efforts will be largely compensated by the advantages in quality and outcome of the concerned portfolios, allowing organisations to focus on what matters most: creating and nourishing meaningful customer engagement, as a driver for more.

CONCLUSION

The Fourth Industrial Revolution is transforming physical, digital and biological worlds. Well on its way, it is impacting people and organisations. It is transforming at high speed the expectations customers have with regards to relations with companies, and what engagement really means.

For products and services alike, customers want companies to provide an experience in line with rapidly changing expectations. This concerns the entire customer journey, covering the touchpoints before, during and after the key moments. This entails a great potential for companies that can move to tailored engagement, powered by technology, data and insights coming from the 360° view of the customer.

It has been illustrated that the Fourth Industrial Revolution influences the project portfolio that companies set up to realise this transformation.

Firstly, it has been explained that new types of projects are put in motion. Typically, this includes projects focusing on advanced analytics and AI, or on a more customer-centric product and service approach. Examples illustrated that new types of projects are growing in technology driven industries, as well as in more 'conservative' industries.

Secondly, the duality of project drivers arising in Customer Engagement 4.0 has been analysed.

On the one hand, a series of factors is clearly influencing the project management practice. Agile project management practices, evolutions in the organisational reality, and human expectations from new workforce generations are important aspects that project managers must consider to deliver qualitatively customer engagement enabling projects in the Digital Age.

On the other hand, project management will continue to build upon existing foundations. It has been illustrated that customer journey projects still require a solid dose of change management and governance. Moreover, as project delivery will remain the bottom line goal of project portfolios, projects will have to continue to function partially as they do in traditional settings, to enable senior stakeholders to take the necessary decisions.

The different elements of this dual dynamic have been illustrated with real life examples. In parallel, future research indications have explained that the potential of this situation should be further explored, by analysing the growing potential that technology could offer to project managers, while shaping a smoother project management toolset for modern customer engagement.

Overall, the author firmly believes that the project management practice will not be fully transformed. Project managers are facing new types of projects and changing expectations, on the one hand, and have to adapt to new managerial insights and shifting habits. To the author, this is part of the DNA of a project manager and driven by changes that were already well on their way. Rather than seeing it as one transformational tsunami, project managers should manage it as a dual dynamic, obliging project managers to remain curious, nimble and committed, while working in a reality where rapidly changing demands entail great value for customer engagement.

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KEY TERMS AND DEFINITIONS

360° View: Ability to capture every single part of the end-to-end relationship a company has with its customers. Includes sales and service information, marketing data, transactional information and information about who they are.

Agile: Project management methodology, in which the development is characterized by the breakdown of tasks into short periods, with frequent reassessment of work and plans.

Customer Journey: Sum of experiences and touchpoints that customers go through when interacting with a company. Includes experiences and touchpoints before, during and after the main interaction.

Digital Transformation: Process in which human and corporate society is shifted to new ways of working and thinking with digital and social technologies. Involves a change in leadership, a different mindset, the encouragement of innovation and new business models, and an increased use of technology to improve the experience of internal and external customers.

Fourth Industrial Revolution: Industrial revolution driven by cyber-physical systems involving entirely new capabilities for people and machines. Represents new ways to embed technology in society, and induces new ways of working and thinking for human and corporate matters. Used as synonym for Digital Transformation.

Kanban: Agile method to manage work by limiting work in progress. Team members pull work as capacity permits, rather than work being pushed into the process when requested. Stimulates continuous, incremental changes. Aims at facilitating change by minimizing resistance to it.

Scrum: Iterative and incremental product development framework used in agile projects.

Teal: Stage in the evolution of human and organisational consciousness. Focuses on the development of a culture of self-management, wholeness, and a deeper sense of purpose.

ENDNOTES

- ¹ The growing impact of technology is symbolically embodied by two groups of technology giants: Google, Apple, Facebook and Amazon (GAFA); and, increasingly, Netflix, Airbnb, Tesla, Uber (NATU)
- ² While illustrating a real-life experience, names and specificities of the company have been adapted. Empirical experience from the author.
- ³ For information on agile, the author refers to <https://www.scrum.org/> and <https://www.scrumalliance.org/> for scrum, and to <https://www.atlassian.com/agile/kanban> for Kanban.
- ⁴ For information on waterfall methodologies, the author refers to: <http://www.pmi.org/PMBOK-Guide-and-Standards.aspx> (PMBOK), <http://www.prince-officialsite.com/> (Prince2)
- ⁵ For information on ADKAR, the author refers the reader to <https://www.prosci.com/adkar/adkar-model>
- ⁶ For information on Gartner, the author refers the reader to <https://www.gartner.com/technology/home.jsp>
- ⁷ For more information on the Capability Maturity Model Integration, provided by the CMMI Institute, a subsidiary of ISACA, the author refers the reader to <https://www.isaca.org/Pages/default.aspx>
- ⁸ For more information on P3M3, the author refers the reader to <https://www.axelos.com/best-practice-solutions/p3m3>

- ⁹ While illustrating real-life experience, names and specificities of the companies have been adapted. Empirical experience from the author.
- ¹⁰ For information on B-corp certification, the author refers the reader to <https://bcorporation.eu/>
- ¹¹ While illustrating real-life experience, names and specificities of the companies have been adapted. Empirical experience from the author.

Chapter 13

Artificial Intelligence in the Hospitality Sector

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ABSTRACT

Hospitality is one of the most important sectors of the economy and offers employment to thousands of people. The recent advances in technology has seen that quite a few of the players in this industry have successfully deployed artificial intelligence, machine learning, and robotics. This chapter delves into the details of such deployment in the various processes in this sector and discusses the short-term, medium-term, and long-term impact of these technologies on all the major stakeholders of this industry. The author also looks at the cost benefit analysis of this technologies and concludes that most players sooner, rather than later would be forced by competition to strongly adopt them. The chapter also briefly discusses the changing roles of human employees in this scenario.

INTRODUCTION

Hospitality Industry consisting of tourism, hotels, resorts are one of the important sectors in the economy today. It is a sector that brings in much required hard foreign currency that goes on in the development of the country. This sector is also very labour intensive and thereby is one of the employment engines in the economy.

This is an era of groundbreaking technological breakthroughs. Data Analytics, Machine Learning and Artificial Intelligence is changing the face of Business and how we live day in and day out. Hospitality Industry, especially hotels are therefore

DOI: 10.4018/978-1-7998-3919-4.ch013

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adopting the latest technology not only to increase their efficiencies but also enhance the guest experience.

In this chapter, we will delve into the details of technological innovations and adoptions in Artificial Intelligence by the Hotel Industry.

ENHANCING THE GUEST EXPERIENCE

Various software and applications using Artificial Intelligence and Machine Learning are being deployed by hotels, resorts and restaurants to enhance guest experience and foster delight. Artificial Intelligence and advanced machine learning help the guests:

- Access to services such as in-room dining.
- Controlling the room TV, lighting, and temperature.
- And make voice activated telephone calls.
- Lighting and temperature settings may be stored and accessed in future visits.

Chabot's: A Chabot is an Artificial Intelligence software that can converse in a natural language in various platforms. In hotels chatbots can perform the role of booking and reception personnel and reduce their workload.

Robots: In many hotels and restaurants, robots are being used to perform repetitive tasks like greeting the guest, basic bellboy or waiter services.

Hotel kiosks reduce manpower dependance on repetitive tasks of booking and ordering thereby reducing error. It also frees up personnel to focus on the activities that require human interventions.

Voice controlled devices: Voice controlled devices are being used to control the various amenities in the hotel rooms like light, temperature, TV tuning and the like. This enhances the guests comfort level and creates a sense of wellbeing among the guests.

One of the critical innovations we see in hotels today are automation of services using voice activated and mobile based services. The fact that people are already quite familiar with various facets of these technologies in their day to day lives have made this technology adoption quite smooth.

The performance of any Artificial Intelligence and Machine Learning system is enhanced with increased data from higher usage. As more and more user data get into the system, the predictive capability of machine enhances (Martinez & Montenegro, 2015). This leads to better quality of response and interaction that enhances the user experience.

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The system learns from current and past data and interactions with guests. The booking data, invoice data, services log etc. are a few of the several data points from which the machine will be able to learn and thereby be able to handle complex issues in future (Barreda, & Bilgihan, 2013).

One of the areas where AI is proving useful is that of hotel guest services. AI can answer and resolve basic service queries faster and round the clock and is fast emerging as a better alternative than humans. Since faster response and resolution are of paramount importance to hotel guests, AI based systems are becoming strong differentiators in today's hotels. According to a research project conducted by Oracle, many hotel groups report that e-concierge services through voice and text has reduced the workload of human concierge by 35% and 70% of guest requests are now handled by technology backed by AI. This is resulting in time savings; cost savings and guest relationship enhancement and it makes business sense to invest in such technologies. Though AI application is still at its infancy, many more such technology interventions are expected in future.

Artificial Intelligence in Practice

Thomas Cook launched a VR based campaign to promote New York city. Titled "Try before you Fly", this campaign generated 190% increase in tourist traffic and 40% increase in ROI. This goes on to prove that these technologies do not only increase your brand experience but has a direct impact on the bottom line according to Bloomberg.

Meeting Guest Expectations

A good hotel service always encapsulates handling and resolving guest request in a time bound and satisfactory manner. This is one of the cornerstone that enhances the reputation of the hotel if the same can be delivered in a consistent manner. The various levels of customer expectations can be demonstrated in the following figure.

Customer expectations are dual in nature i.e. there is an upper and lower boundary. The upper boundary is called desired service level and the lower boundary is called adequate service levels. In between lies the Zone of Tolerance which is an indicative of customer's willingness to accept variations in performance.

Figure 1. Customer Expectations

Source: RK Teas Expectations, Performance Evaluation, and Consumers' Perceptions of Quality," Journal of Marketing (October 1993), pp. 18-34.

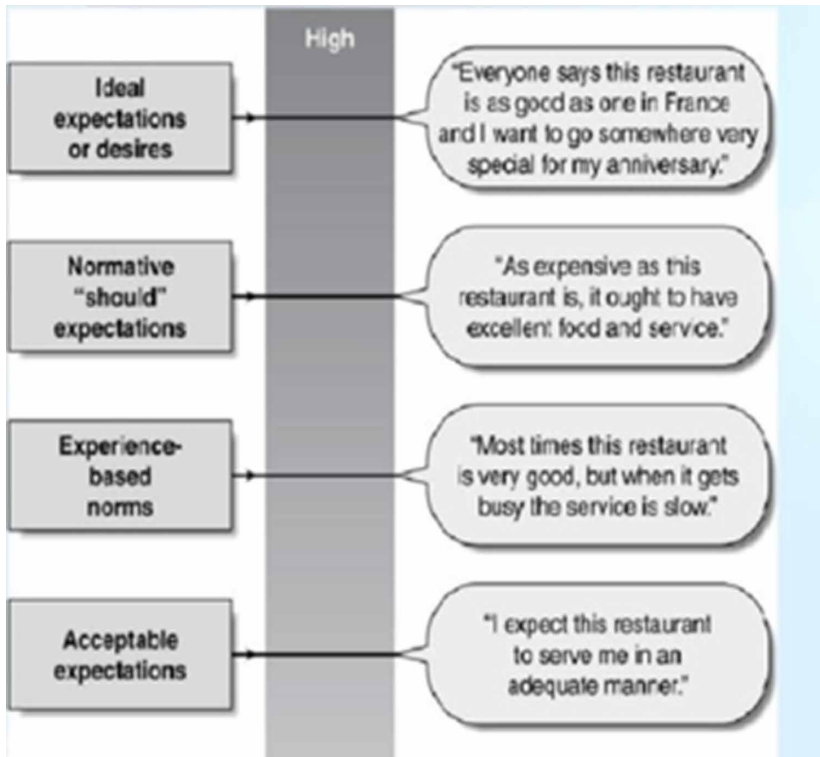


Figure 2. Zone of Tolerance



WHAT CUSTOMERS EXPECT FROM SERVICE PROVIDERS

Competency

- “I want everything handled correctly the first time.”
- “I expect them to know how this works.”

Explanations

- “I want to know what is happening.”
- “I want to know how this works.”

Respect

- “I want to feel like a valued customer.”

Hygiene

- “I expect the facilities to be clean and well kept.”
- “I expect my home to be kept clean while they are working.”

Flexibility

- “I would like them to be able to accommodate my situation.”
- “I expect them to be able to bend the rules a little.”

Urgency

- “I expect my situation to be taken seriously and addressed quickly.”

Consistency

- “I expect to receive the same level of service each and every time.”

Hassle-free

- “I want the process to be simple and easy for me.”

Promptness

- “I do not want to wait a long time to be served.”
- “I expect to receive help quickly.”

Competence

- “I want some assurance they know what they are doing.”

Fairness

- “I expect to receive the same treatment as other customers.”

Empathy

- “I want them to put themselves in my shoes.”
- “I expect them to be able to see things from my perspective.”

Source: Adapted from “Understanding Customer Expectations of Service” by A. Parasuraman, L.L. Berry, and V.A. Zeithaml, *Sloan Management Review* 32 (Spring 1991), pp. 39–48.

As we can see from the above, many of these customer expectations can be automated like competency, urgency, hassle free, fairness etc. in some of the simpler processes where variations due to human encounters can be eliminated. This may include reservations, check-ins, updated billing information, sending checkout requests etc.

Due to competition and technology changes consumer expectations of hotel services have also risen dramatically. The customers of today not only expect an immediate resolution of their service requests but also technology-based control over information and processing of service requests. The proliferation of technology that has empowered the customer in the other aspects of their day to day living has also created such expectations from the hotel industry. In fact, most hotel guests around the globe expect high level of technology interventions starting from reservations, to check-ins, room service, billing and the like. Due to high level of familiarity with maturing of technology usage guests today are quite comfortable in using customer facing technology.

Younger generation i.e. Millennials who are born and brought up in the age of internet, smartphones and other smart devices will always look for technological solutions for any service needs. They are used to instant gratification of resolution

Artificial Intelligence in the Hospitality Sector

of their service needs through technological solutions and expect the same kind of services from the hospitality sector.

The Millennials are looking for self service based technology solutions where requirements of human contact is insignificant viz. updated billing information, booking a car from hotel travel desk, placing an order for room service etc. This gives them a sense of control that they are used to in other aspects of their lives.

The question now arises that whether the old-fashioned service ethos be replaced by technology. But it is never an either-or option. Research has shown that customers prefer human interaction in wide variety of services and technology-based interventions on many others. Hence the future of hospitality services would be an optimum mixture of human and technology-based services working in perfect harmony with each other and each doing what they are designed to do.

Research Insight

Hanan Saad Kattara and Osman Ahmed El-Said of Alexandria University, Egypt conducted a research on Customers' preferences for new technology-based self-services (TBSS) versus human interaction services (HIS) in hotels in 2014. The study highlighted that the Human interactions were preferred during four stages of the hotel guest stay, namely preregistration, registration, occupancy, and departure stages. The Technology based interfaces were exclusively desired at the after departure stage. From these findings it may be revealed that hotel customers have a preference to the human touch interactions all along their stay in hotel, while they are away from home. Their desires go to the TBSS interfaces once they are back and out of the guest in house cycle. These findings confirm customers' preferences to the HISs and prove a variation in customers' preferences among human and technological interfaces during different guest cycle stages.

IMPLEMENTATION OF TECHNOLOGY BASED INTERVENTIONS

The entire guest cycle of a hotels can be viewed as a cycle illustrated in the following figure

Lukanova and Ilieva, 2019 states that hotels are increasingly using Robotics, Artificial Intelligence and Service Automation (RAISA) as a differentiator to enhance customer experience. They have suggested the following table to demonstrate using RAISA interventions at various stages of guest cycle.

Figure 3. Guest Engagement Cycle
 Source: Lukanova & Ilieva, 2019



Table 1. RAISA Adoption in Hotel Industry

	Robots	Artificial Intelligence	Service Automation
Pre-arrival		AI search platform Chatbots	Virtual reality Mobile check-in
Arrival	Porter robots		Digital kiosks Smartphone Room Keys/Non-stop check-in
Stay	Front desk robots Concierge robots Delivery robots Vacuum cleaning robots Room assistant robots	Interactive Social Hubs Chatbots	In-room smart technologies
Departure	Porter robots	Travel assistant	Express Checkout Digital kiosks
Assessment		AI platform	

Source: Lukanova & Ilieva, 2019

Pre-Arrival Stage

Information search is the most critical step in the prearrival stage which then leads to room reservations. A customer today, primarily searches for information through

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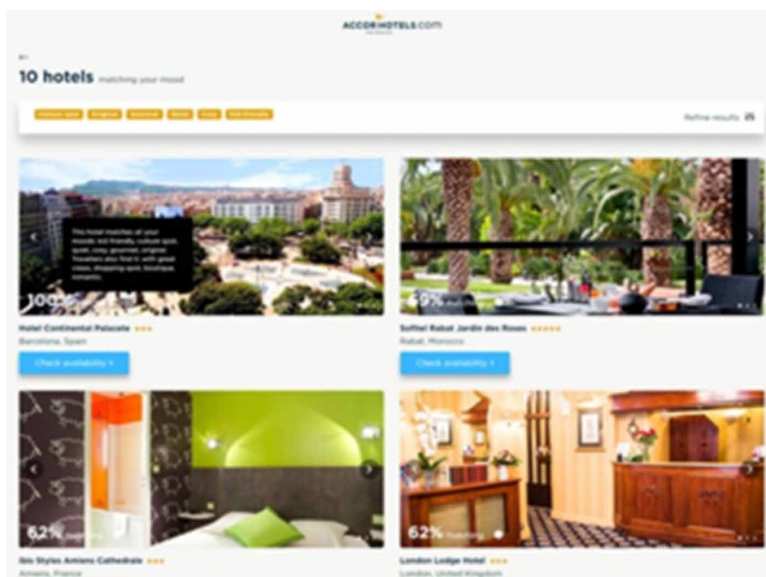
web in various hotel aggregator sites/apps or uses dedicated hotel apps. Based on the information availability and suitability, a customer selects a hotel property. Hence it is mandatory for Hotels to not only be present in popular sites and apps, but also present the relevant information in a manner that would prompt the customer to select the property.

The most powerful and potent mobile tool used today is mobile technology. The default search technique today is using smartphones or tablets and search for hotels in various apps. A very large amount of information is presented for each hotel including photos and layout of the hotel. Also these apps have very strong Machine learning based algorithms that remember and learn from customer's past preferences and they throw up suggestions that match them.

Accor Hotels, a large European chain in 2017 has introduced an innovative technology called MoodMatch. Based on analysis of reviews of millions of tourists, the AI platform works with 34 key features that are deemed to be important to potential guests. Each hotel would have its own set of features and attributes known as the DNA content of the hotel. Customers, searching through MoodMatch may use such search strings "In the mood for," "Preferred style," "Close to," "Anything else." When a customer searches, this search engine would typically throw up results with mood match percentage (Accor 2017).

Figure 4. MoodMatch

Source: <https://www.siliconluxembourg.lu/accorhotels-launches-moodmatch-using-travelsify-technology/>



eMarketer (2016) defines Virtual Reality as following “VR completely immerses a user inside a virtual world or experience, typically through the use of a head-mounted display (HMD) that is often connected to headphones, controllers and other peripherals that let users navigate through that experience. A key characteristic of a great VR experience is the feeling of ‘presence’—users feel like they are truly in the synthetic environment being presented.” According to the study by Howell & Haddick, 2017 a vast majority of Western travellers believe that virtual reality is a great tool to plan a tourist destination. A virtual reality hotel tour helps the potential customers to decide about a hotel by giving them a digital first-person tour of the hotel. Customers can virtually walk around the property, have a feel of the place and the rooms, and then can take a more informed decision. Some well-known hotels using virtual reality tours are Atlantis Dubai Virtual Tour, Pullman Brisbane King George Square Hotel VR Tour, Grand Oasis Hotel 360° Hotel VR Tour and several others.

Hotels are also using chatbots extensively to help customers find the right selection and help them in the booking process. AI powered chatbots are fast becoming differentiators to persuade customers to use the hotel app rather than a third part aggregator app that saves cost in terms of marketing commission. Also, these AI powered bots are easy to scale up, handling hundreds of simultaneous queries and their powerful machine learning algorithms become more and more refined as they handle more queries.

Arrival Stage

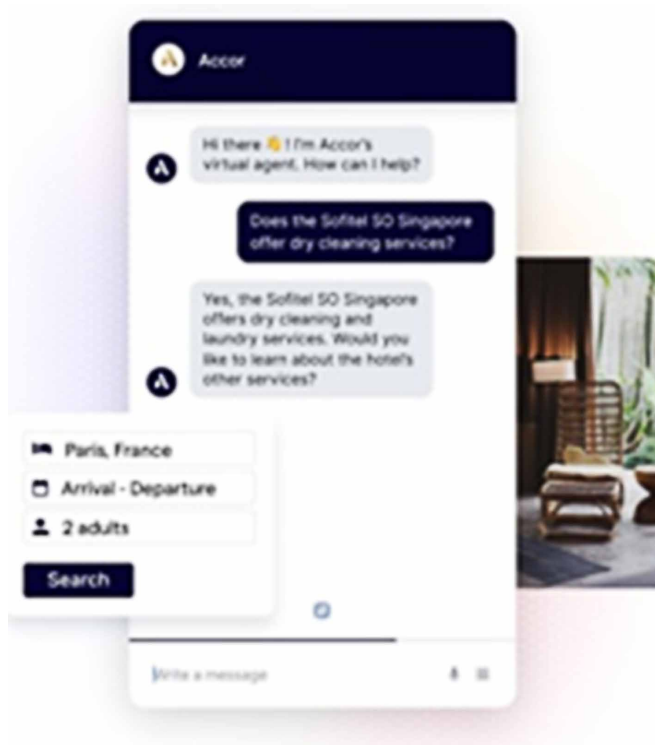
The next stage is when the guests arrive at the hotel. The processes involved here are welcoming the guest, check in and assignment of room keys. It also involves accompanying the guests to the room and ensure their luggage is sent to their room. Many hotels are using innovative technologies to facilitate these processes.

Digital Kiosk is one such innovation. It is a self-service check in technology where guests can key in the relevant data and choices of rooms and upgrades and room keycard is then issued by the machine. This saves the waiting time at the reception and also empowers the guests to make their selection themselves. These kiosks can also be used for checkout and paying the bill. Hotels like Hilton has taken this innovation a step further by installing such kiosk at the airport arrival area so that guests have a seamless experience of Hilton hospitality starting right at the airport. In some hotels digital kiosks can also be used for web check in of flights as an additional service feature to enhance experience. Digital Kiosks has a potential to emerge as a platform for the hotels to upsell and cross sell many other services and also improve guest experience through personalization.

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Figure 5. Booking through Chatbot

Source: <https://www.mindsay.com/chatbot/hotel>



Web and mobile check-ins through hotel apps are in vogue for quite some time. Since these AI powered apps have all the relevant data of the repeat guests with their past preferences, the check in process can be extremely quick, convenient and adds to guest satisfaction. It also frees up hotel staff from day to day routine work and use this time to do more valuable activity that require human interactions.

Innovative technologies like Near Field Communication (NFC), Radio Frequency Identification (RFID), Bluetooth and Mobile technologies have created an option to ensure a keyless system in the hotels. Guests can check-in through a digital kiosk or the mobile app and receive a virtual key which can then be used to lock and unlock their hotel doors. This facility was started by Starwood Hotels and Resorts in 2014 and is used widely by many top end hotels nowadays. However, some of these technologies require investments in expensive hardware and thereby preventing universal adoption.

Figure 6. Digital Kiosk

Source: <https://czech-kiosk.com/services/development-software/self-service-check-check-hotels/>



Occupancy Stage

Hotels today are using smart technologies to enhance guest experience. Certain processes are performed within the guest's awareness range but there are also significant adoption of AI and Robotics in the backend to facilitate smooth operations.

Smart Room technology has been introduced in many hotels to enhance user experience. It may be tablet activated controls of lights, temperature, ordering room services etc. or voice activated controls. Tablet based technology requires investments in expensive IOT (Internet of Things) hardware and may not be sustainable for all hotels. Voice based technology is in its early stage of adoption and may become a trend in future.

Room 3120 Project

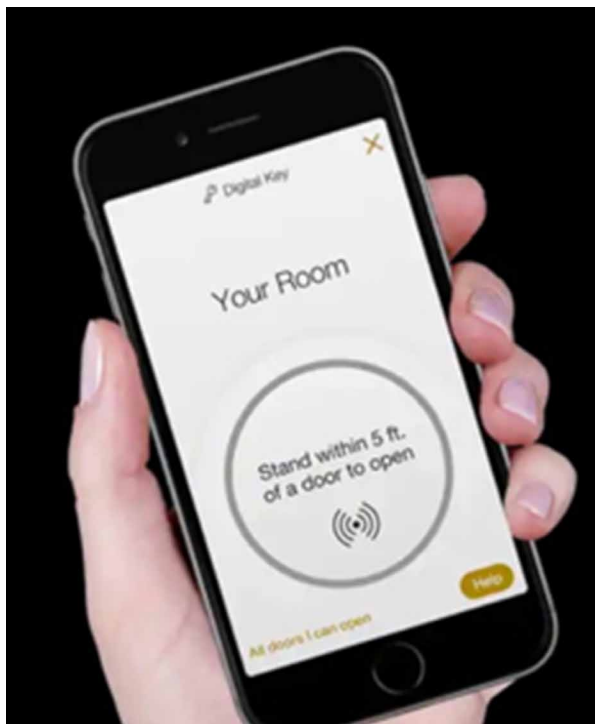
Microsoft and Novotel partnered up to create a room called Rom 3120 at Novotel Paris Vaugirard Montparnasse in 2011 to create an unique architectural and technological

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experience for the users. The room contains a Kinect Interface, Sensorit mirror based on Kinect technology, a fitness interface and a Surface multimedia table. The room has two parts, an adult area that is designed to be more functional and a kid's area that is colourful and playful. Innovative mixture of appropriate technology and architecture creates an out of the world experience for the guests to savour and remember. The room has voice activated and gesture controlled technologies built in through Kinect to enhance user experience while making it intuitive.

Figure 7. Hilton Digital Key

Source: <https://hiltonhonors3.hilton.com/en/hhonors-mobile-app/digital-key.html>



Deployment of AI in Hotel Rooms

Deployment of AI in these kind of smart rooms helps the hotel to learn about customer's preferences and design customized offers. This has a potential to increase revenues substantially. Because of widespread deployment of AI, the Four Seasons hotel Los Angeles reported a 41% increase in room service revenues (Eftekari, 2014).

However, there is a word of caution. Smart rooms can be susceptible to hacker attacks and may require significant investments in cybersecurity.

Robots are slowly finding their way in various applications in the hotel industry. Robots can be defined as programmable devices that can perform certain tasks and move in certain axes. (International Organization for Standardization, 2012). Robots are being used in back office operations like cleaning, lifting of heavy articles, food preparations and in front end operations like concierge, porters, room services etc. Though a very few hotels are using robots nowadays, the usage is expected to increase in future.

M Social hotel in Singapore has a guest facing butler robot. The robot has a closed chamber where the items to be delivered are kept and navigates to the intended guest rooms using a combination of sensors and Wi-Fi technology. The butler robots are sometimes found to serve food and drinks in restaurants and business meets.

Concierge robots are finding increased usage among many hotels. Hilton, Marriot, and some other hotels deploy butler robots with AI capability to help customers check-in and answer certain routine queries like places of tourist attraction, weather etc. Due to their strong machine learning capability the robots improve with increased interactions. These robots form an added attraction for guests and may be viewed today as a strong differentiator. Also, these robots collect data that helps the hotel to further personalize the guest experience in the hotel.

The Sheraton Los Angeles San Gabriel Hotel has eight butler robots to carry out various functions like servicing orders, guiding guests around the property and luggage delivery. Armed with an iPad, and can converse in English and Mandarin, these robots by themselves have become a major tourist attraction.

Figure 8. Robot doing luggage duty at Sheraton San Gabriel
Source: Youtube



Departure Stage

During the departure stage, the major processes are vacating the room and paying the bill. Using automation and AI, many hotels are making this a fast and seamless process, thereby increasing customer satisfaction.

AI based concierge services at hotels can facilitate the departure stage by updating billing and facilitating payment, arranging transport, luggage pickup and any other support function that the guest might desire.

Mobile applications also facilitate the checkout process by preparing bill and debiting the amount based on customer's payment instructions.

Digital kiosks also perform the checkout and payment functions thereby reducing the guest waiting time and dependency on human intervention.

Assessment Stage

Based on the feedback given by the guest on its feedback form or in social media hotels can accrue the data to understand the consumer behaviour at a macro scale and individual tastes and preferences at a micro scale. This data helps the company to create predictive models and sharpen their offerings.

A Study by Oracle Hospitality

In a study conducted by Starfleet research with support from Oracle Hospitality concludes that though usage of AI has been limited in hospitality industry, there is a definite benefit of using the same. AI is increasingly helping to enhance guest experience across the board and helping the hotels and their staff to focus on certain important activities.

A few findings of the study are.

- AI substantially reduces time and effort to handle routine and repetitive queries thereby saving costs.
- AI is helping to enhance human guest interactions resulting in better experience for guests.
- AI and IOT based technologies are creating new experiences for guests in terms of room and general hotel amenities.
- Due to technology and AI based interfaces, customer tastes and preferences are getting better understood and hence personalized offerings are getting created. This is leading to better guest experience and higher brand loyalty.

IMPACT OF HUMANOID ROBOT ON CONSUMER PSYCHE

Chung-En Yu (2018), researched on the impact of Humanlike robots as employees in the hospitality industry. The researcher collected user comments on Human like robots seen in YouTube. The data was analysed using the Godspeed dimensions (Bartneck et al., 2009); namely, anthropomorphism, animacy, likeability, perceived intelligence and perceived safety and conclusion was drawn on each of the parameters.

Anthromorphism: With regards to the humanoid appearance the comments were mostly negative where many users used words such as “creepy”, “scariest robots”, “slow” and “awkward” are used. This is consistent with the earlier research on this aspect.

Animacy: This refers to lifelikeness of the robots. In this the majority perception was that robots are just coded machines. Words like “cold”, “unemotional” and “Puppets” are used. However there were 13% positive feedback on this.

Likeability: On this, 73.5% of the comments were negative. Words such as “creepy”, “scary”, “nightmare”, “horror” and “weird” were commonly used. However, 26.5% respondents had a positive likeability.

Perceived Intelligence: Mostly the reviewers felt that robots lack intelligence due to their language inadequacy and perceived ability. The reviewers felt that robots lack severely in their ability and can only do a few limited basic tasks like directing people to a certain location.

Perceived Safety: People used words like “kill”, “afraid”, “camera”, “night”, and “hacked”. It is very clear the people have concerns on privacy because of camera and also quite unsure how would the robot behave at night when they are sleeping.

The research provided some practical insights to hotels who plan to deploy robots in near future. This research provides the insight that consumer perception will depend upon whether the robot is humanlike or an industrial robot. Humanoid robots are less trusted and deem to be scary. Also due to limitations of technology robots are not perceived to run a hotel on their own. A hotel with humanoid robot maybe deems to be a one-time visit. Further research on this is awaited.

COST BENEFIT ANALYSIS OF ARTIFICIAL INTELLIGENCE IN HOSPITALITY SECTOR

Financial Costs

Any new technology is associated with a financial cost of adoption. This includes acquisition costs, maintenance costs, training costs and updating costs. Some of these costs maybe significant but rent or lease facility may mitigate severity of such costs.

Non-Financial Costs

Non-financial costs may stem from employee resistance, customer resistance and general societal backlash.

Employee resistance can be an extremely critical element since employees can sabotage the technology and adoption (Ivanov & Webster, 2017). Ivanov & Webster, 2017 also argues that cultural factors also play an important role in attitude and adoption of new technologies by the employees.

Customers may resist AI technology as well. They may feel intimidated or uncomfortable using this technology since they are used to human interface. Ivanov & Webster, 2017 argues that some might feel that technology delivered service is inferior to human interactive service. This may lead two sets of service bundles wherein one set is high technology-based service and the other high human touch oriented service.

There might be a societal backlash if human employment is substituted by robots and this may lead to bad publicity in the short run.

Balancing Costs and Benefits

For small hotels, adopting an expensive AI and Robotics based technology may prove too costly. Also, their competitive advantage might be the human touch factor. But for very large hotels where the costs for such deployment is spread over hundreds of rooms, it may make sense to invest in the technology.

Companies may look at productivity versus costs of deployment of new technologies. However, since costs of new technology is coming down with new research findings and productivity of AI applications are on the rise, it seems inevitable that widespread AI deployment in hotels is just a matter of time.

AI technology should have a easy to use interface that makes it easy for both customers and employees. Complexity in usage reduces adoption since it makes the user uncomfortable and leaves her confused.

Customers choice about being served by a device rather than an individual is also an important factor in cost benefit analysis. Numerous researches shows that except for a few select services, customers still prefer human touch.

The readiness of a particular society to adopt a technology plays an important role. Countries like Japan or Korea might be more willing for adoption of AI and robotics in hospitality than USA. Also technological adoption are slow in developing countries due to their economic realities and cultural beliefs.

A successful implementation of AI and Robotics will entail the following steps.

- Automation decision based on detailed process analysis.

- Cost and Benefit calculation
- Selecting the appropriate solution.
- Re-design the necessary process so that it can be done through automation.
- Update the service operations manuals and inform all concerned staff on the changes
- Training and upgradation of employees to improve their skills in handling new technologies. This would reduce routine and repetitive work content of the employees and expose them to much richer work challenges.
- Create communication artifacts to attract customers. Also educate customers to use the products as intended.
- Continuous monitoring and evaluating the deployment.

FUTURE OF ROBOTICS AND AI IN THE HOSPITALITY SECTOR

The World Economic Forum predicts that by 2025, 10% jobs in the hospitality sector will be replaced by AI and automation, and also redefine and create new job roles (Huang and Rust, 2018; Frey and Osborne, 2017; Wirtz *et al.*, 2018). Therefore, to more meaningful work human employees would require to develop their social and human skills to serve their customers better.

There is a potential competitive advantage to be gained by implementing AI and Robotics solutions in hospitality sector (Kuo *et al.*, 2017; Noone and Coulter, 2012). Wirtz *et al.*, 2018 argues that over a longer run robotics and AI will become a commodity to be used by everybody and any early competitive advantage will be lost. To successfully deploy a robotics and AI based solution, the companies must understand customer willingness for adoption and training and motivating the workforce to gear up for this change.

It is expected that there will be a job loss with deployment of AI and Robotics in the near future, but in the longer run newer roles will be created that require higher human capabilities rather than routine work (Smith and Anderson, 2014). Additionally, Smith and Anderson (2014) posits that elimination of routine work will make employee jobs role rich and meaningful. Grönroos and Ravald (2011) talk about customer's cocreating service requirements with robots and other self-service technologies and this would add a dimension of enjoyment and satisfaction of the service. This would also free up human time for more creative and satisfactory job content.

Future of adoption of robots and AI will also depend on the level of interaction between these technologies and human guests. Researchers suggest that physical robot-human interaction should be studied in great details to understand the degree of comfort and the service quality perceptions of this technology.

Artificial Intelligence in the Hospitality Sector

Future research should also focus on financial implications of adoption of robots (Ivanov et al. 2017). Ivanov *et al.* (2017) also highlight some key future research topics: the financial impact, the readiness of companies to substitute human resources, key stakeholder perception, the service quality impact, impact on competitive advantage and the ethical implications.

CONCLUSION

As we can see deployment of AI and Robotics is at a very incipient stage in the hospitality industry. Some level of automation has happened during the booking stage wherein the apps have used complex machine learning algorithm to understand customer preferences. Data analytics solutions have been deployed to predict customer behaviour and preferences and thus foster loyalty. As we have seen in the chapter only a few handfuls of hotels have successfully deployed some meaningful RAISA solutions. Digital kiosks, keyless entry, smart rooms have been some of the innovations that has found a wider adoption. Robot based services are yet to be adopted in a widespread manner. This maybe because of cost consideration as well as customers degree of comfort. Concierge robots, porter robots, server robots, trash collectors are some of the innovations that have been deployed in soe hotels and have led to a global curiosity value. Many customers are still wary of the technology replacing human interface and feel devices would reduce the value of the service. Research has shown that human like robots have not been favoured and there is a great deal of uneasiness regarding these kinds of robots. The cost benefit analysis of technology deployment favours wider adoption than that has happened yet but slowly hotels around the world has slowly started embracing these technologies as a competitive advantage in this highly supply skewed industry. In future we may see two types of services as differentiators in hotels. There would be a specific group of hotels where RAISA technology would be very widely adopted across many critical processes. There would also be certain hotels with wide human interactive services aided by technology. These two business models are expected to co-exist side by side and will appeal to two sets of distinct customer sets. Also, RAISA technology is expected to be adopted more intensively in countries with labour shortages. Countries with cheap and abundant labour will not see too much value to incurring a significant upfront and running cost in the short run.

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