

CUSTOMER ENGAGEMENT IN E-TAILING: ANTECEDENTS, OUTCOMES AND IMPLICATIONS

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***Abstract:** India is witnessing an encouraging surge in electronic commerce and its citizens are becoming more affluent enough to indulge in online shopping. Virtual communities and Social Networking Sites have a considerable influence on information-seekers and online shoppers. This study ascertained online shoppers' perceptions about e-tailer customer engagement and the consequent outcomes. A survey of 544 e-tail customers was instrumental in analysing facets of customer engagement in an online servicescape.*

***Keywords:** Customer Engagement, Virtual Communities, Online Retail Servicescape, Loyalty.*

1. INTRODUCTION

1.1. Customer Engagement

CE Management has been found to yield bounty like (i) Mutual understanding and trust, (ii) fostering and retention of profitable customer segments, (iii) reduction in operational expenditures, (iv) less targeting and promotion, (v) encouragement of better affinity and advocacy, (vi) opportunities for up-selling and cross-selling, and (vii) less switching and customer defections (Goyal and Srivastava, 2015).

Lewis (2013) attempted to comprehend the success of social media campaigns through the use of consumer engagement by exploring how consumer marketing companies connect with their publics on social media on a daily basis. A review of academic and market based literature highlighted the historical and background components of social media and consumer engagement. Based on the relevant literature on consumer engagement, social media sites, social media marketing and campaigns from communication practitioners, this study helped establish ways to conduct real social media campaigns. This study identified the strategies and tactics that were beneficial to certain campaigns and which ones did not help or hindered campaigns. In addition to that this study looked at the relationship between companies' social media pages and their publics, and how those relationships related to companies social media campaigns.

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Zakir (2013) started with the motive to identify how male's involvement in video games could be used to create brand engagement among consumers. The study employed observation, in-depth interviews and survey to collect data from a group of male gaming enthusiasts. Dominance, social interaction and masculinity were the factors that male gamers associate with gaming. The research explored that to attract the male market segment, brand managers need to incorporate attributes in their brand positioning that creates anxiety, curiosity and attraction among them, attributes that motivates the consumers and shows them the challenges and goals of life. The earlier theoretical discussion on engagement has focused on the traditional methods, but as discussed in the introduction that the concept of engagement is multidisciplinary with its foundations in psychology; the current study discussed a different perspective for academicians and managers in understanding how brand managers could create engagement among male consumers.

Zailskaite-Jakste & Kuvykaite (2012) consumer engagement in brand equity building in social media is analyzed from company's and consumer's positions. According to this study, it is important for a company to be aware of the actions that can encourage consumer engagement in social media, building the brand awareness, positive image and consumer loyalty for brand. Consumer engagement depends on their will. A consumer will be engaged when will be creatively motivate him to engage, he will be encouraged by other consumers or receive some benefits. This study found that consumers will become engaged when they are creatively motivated by the brand to get engaged, are encouraged by other consumers or receive certain benefits for active communication in consumer opinion platforms. It was suggested that this model can also be applied to the enhancement of the brand equity of brands operating in physical space when they communicate in social media.

Malcuite (2012) attempted to define and understand the potential outcomes of customer engagement. This study aimed to bridge the gap by proposing a conceptual model of customer brand engagement in the context of online social media platforms and conducting an empirical analysis. This study delivered a thorough investigation of the concept and offered empirical evidence of its impact on the ultimate business performance. The most important findings of this study suggested that both customer brand relationship related factors and online social media platform related factors can influence the level of customer engagement, which in turn would influence the level of behavioural loyalty and the spread of word-of-mouth communication. This study was an important contribution to academic marketing literature in the field of customer engagement, which still remained mostly conceptual or qualitative, and provides useful managerial insights for marketing practitioners. The findings of the study demonstrated that how customer engagement was formed in this particular context and what outcomes

were to be expected, which present important implications for both marketing theory and practice.

A deep emotional bond would be a proactive initiative and would serve the purpose of comprehending the needs of the consumer. These and other activities ultimately emanate to foster a CE strategy. However, as tricky as it may seem, firms would initially falter but would eventually get on track to not just engaging customers but making them brand advocates. (Williams, 2007).

E-tailers need to understand the fact that desirability of a firm or its brand alone would not suffice. Greater thought needs to be applied in the concept of interest and continued association. Three elements are of paramount importance, namely, physical, emotional and psychological engagement (Shevlin, 2006).

Life-time value of customers is the recent buzz in the retailing servicescape and therefore e-tailers need to step the pedal to ensure an experience that encompasses worthiness of efforts, money, time and loyalty (Smith and Rutigliano, 2003).

1.2. Virtual Communities

Wirtz *et al.* (2013) explored online brand communities (OBCs) from both consumer and company perspectives. This study highlights the importance of OBCs in facilitating networks of relationships between providers, consumers and users who are united by the value they attach to engaging in a relationship with a brand. Four dimensions of OBCs were identified as significantly shaping their nature, namely brand orientation, internet-use, funding and governance. This study also examined key factors surrounding OBCs from the corporate perspective. The study concluded that companies were proactive in supporting the establishment and development of their OBCs as they provide valuable insights into the way customers perceive their products. Such an insight allows for the development of new products embedded with greater value, and promotes a more customer-centric company culture in which close customer relationships are nurtured in the interest of increasing sales.

Gatautis & Kazakeviciute (2012) carried out a study to examine consumer behaviour in online social networks. The number of online social users grows very fast and socialization became the most important activity. Companies deploy online social networks, platforms, tools and services in various activities aiming to create a better experience for consumers which is supposed to lead to loyalty, better branding and an increase in sales. As social media networks and platforms represent new phenomena to practitioners and researchers, there are only a few attempts at approaching consumers' behaviour in online social networks. In conclusion, the growing number of social networking sites and consumer preferences to spend more time in online social networking sites brings challenges both for researchers

and practitioners attempting to understand consumer behaviour. The increasing attention to this area was followed by many researches which touches different issues and presents various fragments of consumer behaviour concept. Taking these initiatives in consideration the framework structurizing research basing on time and complexity was proposed.

Cantone *et al.* (2012) presented the main evidences to explore for some Italian cult brands, the drivers and the contents of consumer brand engagement in a digital environment. This study informed that the new digital applications like digital brand communities, social networking, gaming, user web generated content, in fact allow the companies to stimulate more easily consumer brand engagement in digital environment and consumers to activate spontaneous and independent initiatives involving the brand engagement and the interactions with other consumers. The findings revealed that the consumer engagement and brand engagement were enabled by the multiple digital interactive technologies, and in particular, by social network applications. It was concluded that the amount of qualitative information gatherable by this digital interaction channel was very large, and therefore, for mining this big qualitative data was useful to have a set of methodologies which permit to do it effectively and efficiently.

The World Wide Web has achieved a new avatar in the form of 'Web 2.0; a term referring to its evolution in the twenty-first century. Digital marketing and technologies have given a cutting-edge option to enhance the audio-visual experience (Eijkman, 2008; Levy, 2007).

Virtual social networking sites further aid the brand awareness (Balim and Dogerlioglu, 2011). Companies need to harvest the rapidly changing and dynamic Web tools to stay ahead in the rat race. Brand outcomes like image and reputation are emerging as favourite influencers.

Virtual communities not just help in seeking information about companies and brands but also help in positioning and strengthening the brand. It is advocated that brand communities must be considered as a corporate strategy and not just as mere marketing strategy (Fournier and Lee, 2009). Positive virtual communities have a ripple effect in terms of member commitment and brand loyalty (Hur *et al.*, 2011). Members in online communities just do not join for knowledge sharing but more for socialising and gaining acceptance (Dholakia and Algesheimer, 2009). The interest in such communities can be held only by ensuring that content is interesting, relevant and synchronous with group's objectives and norms (Godes *et al.*, 2005).

1.3. Virtual Retailing

A recent study (Dyun, 2015) across the globe and focussing on virtual shoppers' expectations revealed that a quarter of purchase are made online and the preference

for online shopping would be stronger in future. There is a growing interest in shopping online with foreign e-tailers. The critical influencers of online shopping were found to be the e-tailer website quality and speed of performance. Websites were expected to load within three seconds. They also expressed that experiences vary depending upon the servicescape, namely, stores, online and mobile devices. Respondents also sought the same kind of experience on mobile devices too.

Online shopping experiences have reasons beyond just purchases. This kind of consumerism seeks opportunities for socialising online, sharing events, gaining knowledge and acting as brand ambassadors. Purchases by virtual community members, based on other members' recommendations, enhance societal value and prestige. Such engaging activities also act as stress-busters. Innovative and integrated experience management is what retailers need to capitalise on (KPMG, 2012).

2. MATERIALS AND METHODS

2.1. Objectives

The objective of the research was to employ Causal research design. Hence a framework was developed with virtual customer engagement as the main construct.

2.2. Research Gaps

Shopping in a virtual environment is still battling for credibility in India. Research on antecedents and motivators is in its nascent stage in India. The influence of virtual communities including Social Networking Sites (SNS) also needs to be deeply investigated. Perceived risk, trust, privacy and social identity have been studied, as indicated by literature. Dimensions of customer engagement in an online setting is of tropical interest. The consequences of overall customer engagement are also dealt with in this study, albeit in a new angle, thereby avoiding obsession with outcomes like profitability and organisational performance.

The primary data was sourced from online retail shoppers in India. Deliberate sampling ensured that only those online shoppers who were members in virtual communities / Social Networking Sites (SNS) were surveyed using a structured questionnaire. The usable sample size was 544 respondents.

3. RESULTS AND DISCUSSION

3.1. Virtual Customer Engagement

The Virtual Customer Engagement (VCE) score was computed by aggregating the rating scores for variables like Identification, Attention, Absorption, Enthusiasm

and Interaction. The number of respondents and mean rating are presented in Table 1.

Table 1
Mean Rating for VCE variables

<i>Variable</i>	<i>No. of Respondents (Frequency)</i>				<i>Mean Rating*</i>
	<i>SD</i>	<i>MD</i>	<i>MA</i>	<i>SA</i>	
When someone criticizes this e-tailer, it feels like a personal insult.	151	148	174	71	2.30
I am very interested in what others think about this e-tailer.	116	91	232	105	2.60
When I talk about this e-tailer, I usually say we rather than they.	139	114	209	82	2.43
When someone praises this e-tailer, it feels like a personal compliment.	116	102	196	130	2.62
I spend a lot of my discretionary time thinking about this e-tailer.	175	68	230	71	2.36
I am heavily into this e-tailer.	150	103	184	107	2.46
I am passionate about this e-tailer.	128	114	195	107	2.52
I spend a lot of time thinking about this e-tailer.	151	124	210	59	2.33
Anything related to this e-tailer grabs my attention	92	102	267	83	2.63
When I am interacting with the e-tailer, I forget everything else around me.	151	148	209	36	2.24
When interacting with the e-tailer, it is difficult to detach myself.	150	160	174	60	2.26
When interacting with the e-tailer intensely, I feel happy.	105	112	267	60	2.52
I am someone who enjoys interacting with like-minded others in the virtual/e-tailer community.	58	103	312	71	2.73
In general, I like to get involved in virtual/e-tailer community discussions.	105	80	251	108	2.67

SD=Strongly Disagree; MD=Moderately Disagree; MA=Moderately Agree; SA=Strongly Agree; *=Rating out of 4.

3.2. E-tailer Advocacy and Affinity

The consequents of VCE were E-tailer Advocacy (EAV) and E-tailer Affinity (EAF). These constructs were synonyms for online propagation and (loyalty). The number of respondents and mean rating are presented in Tables 2 and 3.

Table 2
Mean Rating for EAV variables

Variable	No. of Respondents (Frequency)				Mean Rating*
	SD	MD	MA	SA	
I will recommend this e-tailer.	11	79	302	152	3.09
I am proud to tell others I am a customer of this e-tailer.	58	80	323	83	2.79

Table 3
Mean Rating for EAF variables

Variable	No. of Respondents (Frequency)				Mean Rating*
	SD	MD	MA	SA	
The likelihood to search for goods from this e-tailer is high.	12	80	345	107	3.01
I am likely to purchase products from this e-tailer.	12	58	344	130	3.09

3.3. Socio-Demographics

The socio-demographic profile of survey respondents is presented in Table 4.

Table 4
Socio-demographics of respondents

Socio-Demographics	Categories	Frequency (N=544)
Gender	Male	464
	Female	80
Age (years)	21-30	188
	31-40	311
	Above 40	45
Occupation	Private/Government service	497
	Self-employed	24
	Not working	23
Monthly Income (INR)	Up to 20,000	11
	20,001 - 40,000	151
	Above 40,000	359
	No Income	23
Usage of SNS (years)	Up to 1	11
	1-3	116
	Above 3	417
Length (Period) of Online Shopping (years)	Up to 1	194
	1-3	173
	Above 3	177

3.4. Hypotheses Testing

3.4.1. Influence of Gender

H_{01} : There is no statistically significant difference between online shoppers' gender groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF) (Table 5).

Table 5
Hypothesis Testing for H_{01}

Variable	Category	Size	<i>t value</i>	<i>p value</i>
VCE	Male	464	1.563	0.125
	Female	80		
EAV	Male	464	6.136	0.000
	Female	80		
EAF	Male	464	4.229	0.000
	Female	80		

3.4.2. Influence of Age

H_{02} : There is no statistically significant difference between online shoppers' age groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF) (Table 6).

Table 6
Hypothesis Testing for H_{02}

Variable	Category	Size	<i>F value</i>	<i>p value</i>
VCE	21-30	188	1.541	0.215
	31-40	311		
	Above 40	45		
EAV	21-30	188	1.001	0.368
	31-40	311		
	Above 40	45		
EAF	21-30	188	18.673	0.000
	31-40	311		
	Above 40	45		

3.4.3. Influence of Occupation

H_{03} : There is no statistically significant difference between online shoppers' occupation groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF) (Table 7).

Table 7
Hypothesis Testing for H₀₃

<i>Variable</i>	<i>Category</i>	<i>Size</i>	<i>F value</i>	<i>p value</i>
VCE	Private / Government service	497	28.531	0.000
	Self-employed	24		
	Not working	23		
EAV	Private / Government service	497	51.448	0.000
	Self-employed	24		
	Not working	23		
EAF	Private / Government service	497	9.861	0.000
	Self-employed	24		
	Not working	23		

3.4.4. Influence of Monthly Income

H₀₄: There is no statistically significant difference between online shoppers' monthly income groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF) (Table 8).

Table 8
Hypothesis Testing for H₀₄

<i>Variable</i>	<i>Category</i>	<i>Size</i>	<i>F value</i>	<i>p value</i>
VCE	Up to 20,000	11	10.196	0.000
	20,001 - 40,000	151		
	Above 40,000	359		
	No Income	23		
EAV	Up to 20,000	11	33.053	0.000
	20,001 - 40,000	151		
	Above 40,000	359		
	No Income	23		
EAF	Up to 20,000	11	10.947	0.000
	20,001 - 40,000	151		
	Above 40,000	359		
	No Income	23		

3.4.5. Influence of SNS

H₀₅: There is no statistically significant difference between online shopper SNS usage groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF) (Table 9).

Table 9
Hypothesis Testing for H_{05}

<i>Variable</i>	<i>Category</i>	<i>Size</i>	<i>F value</i>	<i>p value</i>
VCE	Up to 1	11	27.088	0.000
	1-3	116		
	Above 3	417		
EAV	Up to 1	11	26.429	0.000
	1-3	116		
	Above 3	417		
EAF	Up to 1	11	8.146	0.000
	1-3	116		
	Above 3	417		

3.4.6. Influence of Shopping Duration

H_{06} : There is no statistically significant difference between online shopping duration groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF) (Table 10).

Table 10
Hypothesis Testing for H_{06}

<i>Variable</i>	<i>Category</i>	<i>Size</i>	<i>F value</i>	<i>p value</i>
VCE	Up to 1	194	18.282	0.000
	1-3	173		
	Above 3	177		
EAV	Up to 1	194	11.832	0.000
	1-3	173		
	Above 3	177		
EAF	Up to 1	194	1.654	0.192
	1-3	173		
	Above 3	177		

3.4.7. Summary

The results of null hypotheses tested using statistical tools is summarised in Table 11.

4. CONCLUSION

Virtual customer engagement is impacted by perception of various groups based on occupation, monthly income, SNS usage, and virtual shopping duration. E-tailer Advocacy is impacted by perception of various groups based on gender, occupation, monthly income, SNS usage, and virtual shopping duration. E-tailer

Table 11
Summary of Hypothesis Testing

<i>Test</i>	<i>Null Hypothesis</i>	<i>Result</i>
t-test	H ₀₁ : There is no statistically significant difference between online shoppers' gender groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF).	Accepted for VCE. Rejected for EAV and EAF as p value is significant at 1% level.
One-way ANOVA	H ₀₂ : There is no statistically significant difference between online shoppers' age groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF).	Accepted for VCE and EAV. Rejected for EAF as p value is significant at 1% level.
One-way ANOVA	H ₀₃ : There is no statistically significant difference between online shoppers' occupation groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF).	Rejected as p value is significant at 1% level.
One-way ANOVA	H ₀₄ : There is no statistically significant difference between online shoppers' monthly income groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF).	Rejected as p value is significant at 1% level.
One-way ANOVA	H ₀₅ : There is no statistically significant difference between online shopper SNS usage groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF).	Rejected as p value is significant at 1% level.
One-way ANOVA	H ₀₆ : There is no statistically significant difference between online shopping duration groups with respect to perception about virtual customer engagement (VCE), e-tailer advocacy (EAV) and e-tailer affinity (EAF).	Rejected for VCE and RAV as p value is significant at 1% level. Accepted for RAF.

affinity is impacted by perception of various groups based on gender, age, occupation, monthly income, and SNS usage. This analysis has significant implication for marketers. Different socio-demographic variables have differing impact on perceptions of online shoppers. Hence marketers must evolve strategies to address all types of socio-demographic groups and must diligently use social media. The ultimate aim should be to facilitate shoppers to becoming e-tailer (brand) advocates.

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