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Fundamental Characteristics of Consumer Engagement in Traditional and Virtual Environments

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Abstract

Consumer engagement is an emerging concept in the marketing literature. There is a growing need for businesses to understand better how they can maintain and interact with their customers. Scientific studies have demonstrated that the conceptualization of (online) consumer engagement is not consistent, and there could be many different perspectives on the subject. Moreover, scholars often dismiss the possibility that engagement can be applicable in the online context.

Therefore, the aim of this paper is to analyze the literature on the consumer engagement concept in traditional and virtual environments and to overview / identify fundamental characteristics of the concept. The article is based on systematic and comparative analysis of scientific literature.

Keywords: *engagement, online consumer engagement, dimensionality, consumer behavior, S-D logic*

1. Introduction

Finding the ways to create and transfer a higher consumer value has received a lot of attention in recent years due to rapid changes in market and its participant's constant need to remain competitive (Pralhad & Ramaswamy, 2004; Ramaswamy, 2009; Vargo, Maglio & Akaka, 2008). Traditionally value has been considered to be created by the company and then transferred to the client. However, it has been noticed that consumers started to value not only purchased product or service but also during shopping process perceived experience (Pralhad & Ramaswamy, 2004). Increased focus on exceptional, personalized user experience led to changes, and therefore consumers became active participants in the value creation process. Such consumer's engagement to value creation has been particularly analyzed in relationship marketing area and service-dominant logic (further: S-D logic). Moreover, according to Verhoef, Reinartz and Krafft (2010), there is a significant change of the form of communication between consumer and seller influenced by networked society where customers can interact easily with other customers - interaction between consumer and firm becomes important not only during purchase momentum and can be enabled by information and communication technologies (further: ICT).

Although the idea of consumer engagement is not new in the discourse of business practitioners but only in the beginning of 21st-century researchers and practitioners started to take a more active interest in it. Customer engagement has become a popular concept to businesses as they are seeking out new ways to retain and acquire customers (Flynn, 2012).

Results of performed researches enable to state that the majority of engagement literature to date has focused on the definition of engagement and to different objects of engagement. Based on the existing analysis it is possible to state that the conceptualization of (online) consumer engagement is neither consistent nor sufficient. An integrated approach based on the identification of fundamental characteristics of consumer engagement is treated like a relevant and timely research topic.

The aim of the article is to analyze the literature on the consumer engagement concept in traditional and virtual environments and to overview / identify fundamental characteristics of it. *Research method:* systemic and comparative analysis of the scientific literature was applied when developing the theoretical analysis.

This paper will extend the consumer engagement literature by specifically providing a systemized approach to online consumer engagement. First, the concept of consumer engagement as a research object in the traditional environment is reviewed. Next, since there are limited publications on online customer engagement definition and characteristics of online consumer behavior are discussed.

2. Consumer engagement as a research object in the studies of marketing

According to Zhang and Chen (2008), value creation only by company's efforts alone is losing its relevance in the terms of transformations of business. Companies are forced to change their approach to the current potential of value creation. Nowadays, poorly informed and passive consumer changes to the consumer that is active and engaged in products and services creation (Prahalad & Ramaswamy, 2004).

During the last two decades engagement has been studied in various academic disciplines – sociology, psychology, political sciences and organizational behavior / management (Brodie, Hollebeek, Juric, & Ilic, 2011; L. D. Hollebeek, 2011; Zakir, 2013). According to Vivek (2009), the term “engagement” the very first time was conceptualized in psychology; however, concepts of psychology cannot be adapted to the consumer engagement in marketing studies. Authors (Brodie et al., 2011; L. D. Hollebeek, 2011) notice that in the different academic papers it is possible to encounter different sub-forms of “engagement” because engagement phenomenon has been studied in a majority of academic disciplines.

First, the nature and process of engagement are related to different engagement subjects. Based on the results of performed scientific studies it is possible to propose that researchers of educational psychology studies engagement of students, researchers of social psychology – social engagement, researchers of sociology – civic engagement and representatives of sciences of politics – engagement with governmental processes. In the scientific literature of organizational psychology and management, usually engagement of employees or other stakeholders is studied, whereas in the marketing studies consumer or customer engagement is the main topic. Hollebeek (2011) cites scientific paper of Buckingham (2008) that proposes an idea that employee of an organization should be treated as a consumer, and, therefore, it is recommended to expand an area of researches of consumer engagement.

The interpretation of the concept of engagement also depends on the engagement object, which may be the state, an association, a company in which the employee is working, product, brand or brand community, advertisement or another object. All these objects are considered to be classified to the marketing or consumer behavior researches. According to Brodie et al. (2011), only in a few scientific papers terms “consumer / customer engagement”, “engagement to creation of a new product / brand / advertisement” has been used until the beginning of 21st century. A review of researches reveals that Appelbaum suggested the very first definition of engagement in the studies of consumer behavior in 2001. The term

“engagement” usually are used in discussions about processes, co-creation, solution development, interactions, etc. Brodie et al. (2011) emphasizes that in the research whereas addressing business to consumer relationships, the term “engagement” is also linked to customer or brand experience, emotion, creativity, collaboration, learning and community interactions. Previously mentioned Appelbaum also proposed an idea that engagement is related to rational loyalty and emotional bonding (Brodie et al., 2011).

Moreover, the variation of consumer engagement forms determined a large variety of engagement definitions. Examples given in Table 1 illustrates the variety of consumer engagement definitions.

Table 1. Definitions and dimensionality of consumer engagement

Authors	Definition of consumer engagement	Dimensionality
Patterson et. al. (2006)	The level of a customer’s physical, cognitive and emotional presence in their relationship with a service organization.	Cognitive; Emotional; Behavioral
Bowden (2009)	A psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand, as well as the mechanisms by which loyalty may be maintained for repeat- purchase customers of a service brand.	Cognitive; Emotional; Behavioral
Vivek, Beatty, Morgan (2010)	The intensity of an individual’s participation in and connection with an organization’s offerings and/or organizational activities, which either the customer or the organization initiate.	Cognitive; Emotional; Behavioral
Van Doorn et al. (2010)	Customer engagement behaviors go beyond transactions and may be specifically defined as customer behavioral manifestations that have a brand or a firm focus, beyond purchase, resulting from motivational drivers.	Behavioral
Hollebeek (2011)	The level of an individual customer’s motivational, brand-related and context-dependent state of mind characterized by specific levels of cognitive, emotional and behavioral activity in brand interactions.	Cognitive; Emotional; Behavioral

Source: adapted by the authors with reference to Brodie et al. (2011), Hollebeek (2011)

Table 1 presents the variety of engagement definitions and reveals that consumer engagement is a relatively constricted concept. Also, it is noticed that authors - Hollebeek (2011), Mollen and Wilson (2010), Patterson, Yu and De Ruyter (2006), Vivek, Beatty and Morgan (2012) – define consumer engagement as psychological state of mind, contrary to Bowden (2009) who argues that consumer engagement is a psychological process that motivates consumer loyalty.

Moreover, Brodie et al. (2011) declare that consumer engagement is a multidimensional concept and usually three dimensions are identified in the scientific literature: cognitive, emotional and behavioral. Concerning these results Javornik and Mandelli (2013) identified four perspectives for the main research streams of the customer engagement in the academic literature:

- Behavioral perspective;
- Psychological (cognitive and affective) perspective;
- Multidimensional perspective;

- Social perspective.

During their research Javornik and Mandelli (2013) found out that behavioral perspective is concerned with the behavioral aspects of consumer engagement whereas psychological perspective is investigating customers' cognitive and affective processes. These processes also could be antecedents to engagement. Multidimensional perspective is unifying different dimensions of consumer engagement, and social perspective is for investigating the social and network component of the engagement phenomenon (Javornik & Mandelli, 2013). It is necessary to note, that the multidimensional perspective of consumer engagement is exceptionally rare as usually researchers focus their attention on one aspect: cognitive, emotional or behavioral.

According to researches, a consumer engagement concept in the context of marketing is based on the perspective of service management and relations (with consumers) management. S-D logic is very important for the justification of this perspective (Vargo & Lusch, 2004). Authors (Vargo & Lusch, 2004) argues that four out of ten assumptions of S-D logic are essential for conceptual justification of the consumer engagement phenomenon. The evaluation of the assumptions' content enables to state that the concept of consumer engagement reflects an interactive consumer's experience of co-creation with other stakeholders (Brodie et al., 2011).

In order to emphasize the main role of consumer engagement Vivek, Beatty and Morgan (2012) predicates on the extended relationship marketing perspective that reveals a creation of the long-term and valuable relations with consumers and value co-creation. Moreover, Verhoef et al. (2010) also identify consumer engagement as a new perspective of relationship management: consumer engagement can have various forms of which interaction of consumer to consumer and co-creation is the most important.

The co-creation is defined as an activity for the development of new products grounded by collaboration and usually is analyzed in the context of the development of a new product. This activity involves consumers who choose elements for the new product's proposal. Moreover, by analyzing the consumer to consumer interaction Verhoef et al. (2010) draws attention to the growing role of social media.

Interacting with social networking sites has become a popular online activity for many consumers and. Therefore, a new concept of engagement has emerged – online consumer engagement. According to Reitz (2012), online consumer engagement can build relationships between a company and its consumers and positively impact brand loyalty, brand evangelism, brand identification and sales because due to specifics of virtual environment consumers can more easily engage in business activities and to processes of product or service creation in virtual environment.

Despite that fact, Vivek (2009) asserts that online consumer engagement usually is analyzed in a relation with changes paradigm, and there are no researches (or they are insufficient) of the constructs of online consumer engagement. Also, the conceptualization of online consumer engagement is not consistent and sufficient. Therefore, the definition of online consumer engagement and its characteristics will be discussed in the next section.

3. Peculiarities of online consumer engagement

Online consumer engagement is an emerging concept in the marketing literature. Recently practitioners and researchers started to use a term “engagement” when discussing online consumer behavior. Nevertheless, according to Reitz (2012), practitioners and academics have different perspectives on this subject: practitioners have focused on the consumers ability to share information in online environment and academics have focused

their attention on internal state of consumers whereas consumer immerses into the act and gives his attention, mind and energy to the object of engagement.

Therefore, misconceptions of the term “engagement” and disagreements arise in the scientific literature. Examples given in Table 2 illustrates the variety of consumer engagement definitions.

Table 2. Definitions and dimensionality of online consumer engagement

Authors	Definition of online consumer engagement	Dimensionality
O'Brien & Toms (2008)	<i>Online engagement</i> is a quality of user experiences <i>with technology</i> that is characterized by challenge, aesthetic and sensory appeal, feedback, novelty, interactivity, perceived control and time, awareness, motivation, interest, and affect.	Cognitive; Emotional; Behavioral
Calder, Malthouse, & Schaedel (2009)	<i>Online consumer engagement with a website</i> is a collection of experiences with the site.	Emotional
Mollen & Wilson (2010)	<i>Online engagement</i> is a cognitive and affective commitment to an active relationship <i>with the brand</i> as personified by the website or other computer-mediated entities designed to communicate brand value.	Cognitive; Emotional
Reitz (2012)	<i>Online consumer engagement</i> is the state of being present in a mediated branded space where the consumer is immersed in the brand's offerings meant to deliver purpose and value.	Cognitive; Emotional; Behavioral

Source: created by authors with reference to Calder et al. (2009), Mollen & Wilson (2010), O'Brien & Toms (2008), Reitz (2012)

Table 1 presents definitions of online consumer engagement whereas the object of engagement differs. According to Reitz (2012) and Barker, Dozier, Weiss and Borden (2014), online consumer engagement is a multidimensional construct and can be characterized by three main dimensions: cognition, affection, and participation. Reitz (2012) notices that: “it is considered that these three dimensions of online consumer engagement are required for consumers to have an active relationship with a brand online.” Nevertheless, the dimensionality of consumer engagement is practically identical in both: traditional and online environments.

Moreover, in the context of virtual environment the experience of consumer gains an important role. According to Calder et al. (2009), the fundamental insight is that engagement comes from experiencing a website in a certain way. For instance, consumer engagement with a website – it could be defined as a collection of experiences with the site. Calder et al. (2009) explain that online consumer engagement can be understood to its fullest only after a thorough examination of different experiences that the consumer gets during the interaction with the site. In addition, it should be noticed that an experience is defined as a consumer's beliefs about how a site fits into his/her life. Therefore, to be engaging, different websites should not be delivering the same experiences.

Different experiences could be created and delivered through different attributes of the website. O'Brien and Toms (2008) have highlighted attributes including “attention, aesthetics, interest, challenge, control, motivation, novelty and feedback as the user, system, and interaction components of the compositional, emotional, sensual, and spatiotemporal aspects

of users' experience that predict and facilitate engagement". Moreover, researchers (O'Brien & Toms, 2008; Reitz, 2012) identified highly intertwined amongst each other attributes of engagement: perceived usability, esthetics, focused attention, felt involvement, novelty, and durability. Such attributes as perceived information quality, perceived enjoyment and perceived interactivity are supported by website design literature as potential motivators of online consumer engagement. (Reitz, 2012) As a result, one of the leading online consumer engagement research perspectives is relations among these attributes and, therefore, contrary to researches of consumer engagement in the traditional environment, there have been a few attempts to operationalize a process of online consumer engagement. According to Evans and McKee (2010), the engagement process is fundamental to a successful social marketing and the establishment of successful social business practices. Moreover, according to these researchers, engagement in a social context implies that consumers have a personal interest in offerings brought to market.

According to Fischer (2011), engaged consumers tend to bring together a group of other consumers that has identical or very similar interests. Sciences of sociology, anthropology and ethnography present basic understand of such need to create and participate in human groups online. These principles are valuable for practitioners in understanding the online engagement process that can be explained in a few steps (Fischer, 2011):

- Identification – monitoring conversations and online activity to identify communities for online engagement;
- Observation – studying people and cultures in the identified communities;
- Analysis – identifying opportunities to engage;
- Participation – taking part in online activity, contributing content and establishing dialog;
- Relationships – the reward of the engagement process are mutually beneficial relationships.

This process is notional and, therefore, more likely takes recommendatory approach. Nonetheless, the third step is dedicated to analysis of consumer actions. Evans and McKee (2010) states that online consumer engagement can take on many participatory forms including downloading, reading, watching or listening to content provided by a company. Consumers can also sort, filter, rate, or review a company's content. Reitz (2012) notices that consumers also can comment, respond, provide feedback and give opinions to companies' posts and other consumers' posts. van Doorn et al. (2010) consider online consumer engagement as the consumer behaviors (such as word-of-mouth, recommendations, writing review, blogging, etc.) manifested toward a business object (for instance, it could be brand or particular website). In order to successfully engage consumers online Fischer (2011) recommends to include open advocacy, listening with new intelligence, participating real time in conversations, creating and co-creating content, socializing media relations and building partnerships for the common good.

4. Findings and managerial implication

This conceptual paper is based solely on a review of the literature on the topic of consumer engagement in traditional and online environments. Scientific analysis of the literature revealed the conceptual essence of engagement from the perspective of marketing studies. There is a variety of engagement definitions depending on the context and object of engagement in both: traditional and virtual environments; however, these definitions lack consistency. Despite that fact, it is possible to state that consumer engagement can be defined as a psychological state of mind or psychological process that motivates consumers to immerse to business activities.

Moreover, summarizing the results of the analysis, it was identified that in both environments engagement is considered as a multidimensional construct. Scholars have defined three dimensions: behavioral (participation), emotional (affection) and cognitive (cognition) – usually researchers chooses only one the most relevant dimension for their studies. Also, it could be stated that due to the complexity of traditional environment there is an absence of researches on consumer engagement process whereas in the online context there are some partial researches performed.

It was noticed that to engage the consumer in business activities, and / or creation and co-creation processes are relatively easier in the virtual environment. This statement is supported by a variety of online participatory forms (e.g. downloading, reading, watching, recommending, etc.). It is known that to successfully engage consumers in online activities some barriers to engagement should be overcome. Flynn (2012) identifies two most common barriers to e-commerce adoption. First, the consumer should be willing to share their personal information online, and there is a security concern shopping online. Second, business representatives responsible for online consumer engagement should keep in mind that some consumers might feel uncertainty about the product because it is not possible to physically touch the product. Gaining trust from customers is an important buffer against these uncertainties.

As noted earlier, the concept of consumer engagement is holistic and could be used in different contexts. Despite this fact, fundamental characteristics of consumer engagement stay the same in a different environment. The significance of consumer engagement is recognized in today's dynamic market.

5. Limitations and Opportunities for Future Researches

The overview of academic literature highlights the issues for future research. First, although the phenomenon of consumer engagement has been analyzed since the beginning of the 21st century, comprehensive studies that would analyze the engagement as a separate process have not yet been carried out.

For future research, a quantitative study should be conducted to operationalize engagement process and to obtain data on the antecedents and consequences of (online) consumer engagement.(Reitz, 2012) After the identification of the antecedents and consequences, it is expedient to initiate further research in this area but in various contexts to identify substantial differences. Also, it is necessary to research thoroughly the potential mediators of online consumer engagement.

Additionally, by understanding customer engagement, organizations can gain a deeper insight into customer expectations, goals, attitudes, and behaviors. Organizations can gain an understanding of the relevance of their actions through the customer's perspective. In essence, the future studies should empirically investigate consumer engagement as both: the psychological state of mind and psychological process.

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