



## A Conceptual Approach of Customer Engagement

### KEYWORDS

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### Introduction:

The ways were consumers went in search of products from shop to shop are gone. Today, things are made available in one shop, at one place. These days, consumer buying is not mere transfer of item from seller to buyer. Consumer wants buying to become a happy affair. They would like to see, touch and feel the commodities that they buy. Understanding this psychology for the consumer many stores have come to make purchase a happy affair. Wider marketing literature encompasses many aspects of consumer approach and retailing (Kotler, 1973). This paper examines marketing from a number of different perspectives from the customer side such as customer involvement, customer participation and customer engagement in order to develop a conceptual framework which builds on three dimensions to provide a conceptual approach of customer engagement.

### Customer Involvement:

"Involvement is a cognitive, affective or motivational construct indicating state of mind" (Smith and Goodbye, 1991). The sensitive areas that affect customer involvement are classified into three categories as personal, physical and situational. Personal – inherent interests, values or needs that motivate a customer towards the store. Physical – Characteristics of the store that cause differentiation and increase the interest of the customers. Situational – Something that temporarily increases relevance or interest toward the store. (Zaichkowsky, 1985).

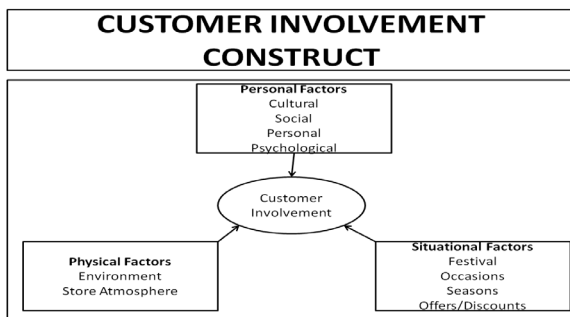


FIGURE.1: FACTORS INFLUENCING CUSTOMER INVOLVEMENT

**Personal Factors** Based on the motivational factors in a store such as inherent interest of customers and the values or needs of customers the personal factors are classified into cultural, social, personal and psychological factors. Culture is "the collective programming of the mind which distinguishes the members of one human group from another" (Hofstede, 1980). Hofstede introduced five dimensions to explain the differences between national cultures as individualism/collectivism, long-term/short-term orientation, uncertainty avoidance, power distance, and masculinity/femininity. The attitudes, values and behaviours of customers at departmental stores in general and specific situations are regulated by

culture (Tse et al. 1988). Social factors influencing the customer involvement in stores include the following reference groups (membership Groups, primary Groups, Secondary Groups, Aspirational Groups, family), social class,

**Personal Factors:** Customer involvement is being influenced by personal factors such as age, occupation, income, life style, etc.

- Age:** Customers buy different products at their different life stage, due to change in taste, preference, etc.; also change in life stage, there will be variations in customer involvement in selecting the stores.
- Occupation:** For certain occupation the purchase of a certain type of product is necessary. The customer involvement towards the store will vary due to this factor also.
- Income:** It is the main source of purchasing, the buying pattern and the involvement level of customers differs with different income levels also.
- Lifestyle:** The term lifestyle refers to the person's pattern of living in the world. People belong to same social class; occupation may lead different life style. Life style attempts to profile a person's way of being and acting in the world.

**Psychological Factors:** Customer involvement is also influenced by the following psychological factors.

- Motivation:** A motive as an inner urge that moves a person to some action. People buy goods as a result of certain mental as well as economical forces that create involvement in buying such goods.
- Perception:** Perception is the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of the world. Persons at the same motivated stage may act in a quite different manner if they involve in the situation differently.
- Learning:** Learning may be defined as all changes in an individual behaviour arising from past experience. Buying involvement are affected critically by the learning experience of buyers
- Attitudes:** An attitude is a state of mind feeling. It may be described as a person's emotional feeling, action, tendencies towards some idea or object. If a person has an attitude towards a product, it is difficult to change his attitude because a person's attitude settles into a consistent pattern. It induces him to behave in some way. People have attitude towards each and everything and to study the involvement it has to be taken into notice.

### Physical Factors:

'Store atmosphere refers to the general surrounding as created through the use of retail design features including tangible elements such as floor, wall and ceiling surfaces (e.g., materials, colours, textures); lightning; fixtures and mannequins; product trail areas; customer seating areas; point of purchase and window displays; as well as intangible elements such as

music, temperature and scent' (Hyllgard, Paff Ogle, and Dunbar, 2006). All the attributes within the store environment can be controlled and, when executed in a manner pleasing to consumers, the store can have a far-reaching positive customer involvement.

"In some cases, the place more specifically the atmosphere of the place is more influential than the product itself in the purchase decision" (Kotler, 1973). For as long as the academics have written about the store atmosphere, retailers have understood its importance. However with the advances in technology and the increase in competition from both traditional and non-traditional formats, store environment has become even more important in differentiating one's offerings. Baker et al, state "Creating a superior in-store experience is critical and could provide an effective competitive weapon for bricks-and-mortar retailers that face growing competition from internet-based e-retailers offering similar merchandise at the same (or lower) prices".

Despite the attention store atmosphere has received from both academia and retailers alike, Bitner stated that "there is surprising lack of empirical research or theoretically based frameworks addressing the role of physical surroundings in consumption settings" (Bitner, 1992). Therefore, it is of great importance that the role of store environment and its effects on consumption can be studied more for attaining customer involvement in departmental stores. Some of the factors such as parking, location nearer to a transportable area, etc are not covered.

#### Situational Factors:

The situational factors such as festivals, occasion, season, offers/discounts, etc also play a vital role on the customer involvement in departmental stores leading to customer engagement for eg., Due to Diwali the purchase of sweet items will be in hike, Birthday party can be an occasion for the purchase of certain items, during summer there will be a fast movement in the cool drinks and fruit section, due to offers also there may be an hike in the sale of products and so on. The above stated situational factors may lead to the customer involvement in the increase in the sale of the food items in stores.

The personal factors and the situational factors are intrinsic in nature whereas the physical factors are extrinsic in nature in bringing customer involvement in departmental stores.

#### Customer Participation:

Customer participation is one of the crucial factors for stores to maintain good customer relations. The search of information has been proposed as the main purpose for the participation of customers (Shang et al., 2006). There are different dimensions of participation, including personal interaction, information sharing and responsible behaviour. This suggests that participation has a positive impact on customer's perceived product/service quality, customer engagement and a mixed impact on retention.

Customer participation enhances both parties ability to identify what information needs to be shared and how to work more cooperatively. When a customer participates in a supplier process, each party knows the pertinent knowledge possessed by the other, which helps them to evaluate and recognize what information to share and increases the efficiency of their coordination effort (Dyer and Singh 1998; LARSON 1992). Researchers found that customer engagement and higher levels of social interaction between the parties improve the information intensity, frequency and breadth (Celly and Frazier 1996). Customer participation in the process affect customer and supplier relationship specific investments since higher levels of interaction associated with customer participation provide more opportunity for uncovering high return opportunities motivating customer engagement.

#### Customer Engagement:

'Engagement refers to the creation of a deeper, more meaningful connection between the store and the customer, and the one that endures over time. Engagement is also seen as a way to create customer interaction and participation' (Kumar, Aksoy, Donkers, Venkatesan, Wiesel and Tillmanns, 2010). 'The triggers prompting the onset of specific consumer engagement states occur when the consumer recognizes a need to solve a specific problem or satisfy a want, performs a search, and identifies a specific departmental store. The triggers leading to the interplay of the five customer engagement sub-process identified are learning, sharing, advocating, socializing and co-developing' (Brodie et al, 2011).

**Learning:** characterizes the acquisition of cognitive competencies that consumers apply to purchase within a store and consumption decision-making. The customers in the store will be highly engaged through the process learning.

**Sharing:** of personal relevant information, knowledge and experiences through the process of active purchase in the store to the co-creation of knowledge within the departmental store reflects the behavioural and/or cognitive dimensions of customer engagement.

**Advocating:** is an expression of customer engagement, which occurs when customers actively recommend the store to other members of the reference group.

**Socializing:** denotes two-way, non-functional interactions through which consumers acquire and/or develop attitudes, norms and/or community language towards the store (Longmore, 1998).

**Co-developing:** is a process where consumers contribute to the store performance by assisting in the development of new products, services, brands or brand meanings.

Consumers engaging with the community may contribute to the development of the store by establishing specific rules and regulations. Consumers may recruit new reference groups. Additionally members may exhibit high levels of engagement with specific store as a whole, and help to develop store codes and standards, and monitoring compliance. The number of outcomes which may arise as a result of the customer engagement process are customer experience, emotional bonding, sensory and satisfaction. A store which engages customer groups in the process can not only "gather feedback on the experiences associated with the use of its products, but also add to them by offering opportunities, in both real and virtual environments for customers to enjoy interactions with others who share their interests" (Rowely et al.,)

The above literatures paved way for the formation of the following conceptual model:

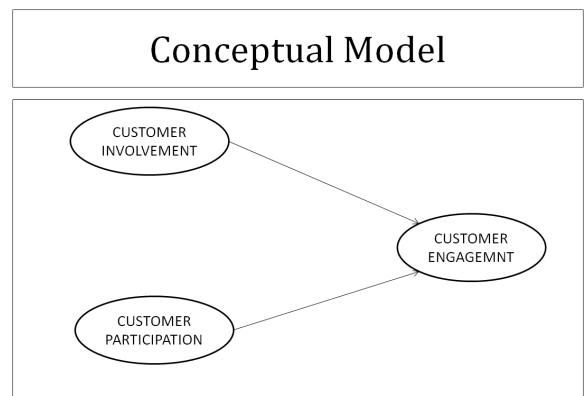


FIGURE.2: CONCEPTUAL MODEL OF CUSTOMER ENGAGEMENT

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