

Exploring Customer Engagement Marketing (CEM) and its impact on Customer Engagement Behaviour (CEB) Stimulation

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Research Background

Customer Engagement (CE) has received increasing attention from scholars in various disciplines in the last decade (Bolton, 2011; Brodie et al., 2011; Van Doorn et al., 2010; Haumann et al., 2015; Hollebeek, Conduit, et al., 2016; Hollebeek and Chen, 2014; Javornik and Mandelli, 2012; Kumar and Pansari, 2016; Precourt, 2016); where it reached 6 million Google hits in 2016 from zero in 2007 (Harmeling et al., 2017). It has also been a research priority of the Marketing Science Institute (MSI) for the periods 2014 – 2016 and 2016 – 2018 (MSI 2014, MSI 2016).

A good example for a customer engagement strategy is the global campaign of Starbucks, the leading global coffee franchises, which launched in September 2014 called “Meet me at Starbucks”. Starbucks encouraged its customers to activate the hashtag #HowWeMet where they can take photos and post them on social media with that hashtag. Surprisingly, that campaign had great results where 91 million social media posts were published inspiring other customers to visit Starbucks to have their own photos with the hashtag (Williams, 2016). Additionally, net revenues were increased by 16% to \$5.3 billion in Q1 in 2016; Starbucks’ K-Cup’s sales grew by 20%, resulting in market share increase to reach 17.2% and additional 528 new stores were added to the chain (Trefis, 2016).

In essence, this work-in-progress paper aims at studying an emerging topic in the customer engagement literature called ‘Customer Engagement Marketing’ (CEM). Customer Engagement Marketing (CEM) is viewed as a foundational tool and a technique for organizations to capitalize on customer engagement to achieve their objectives (Harmeling et al., 2017). Consequently, service firms should stimulate engagement behaviours of customers through customer engagement

marketing (CEM); which is the primary focus of this research; in order to help encouraging and stimulating the behaviours that positively influence organisational performance and bottom line results (Bolton, 2011; Pansari and Kumar, 2017).

Theoretical Foundations

Customer engagement (CE) has been addressed from two different perspectives in the service marketing literature, customer and firm standpoints. From a customer perspective, CE is addressed as “a psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g. a brand) in focal service relationships” (Brodie et al., 2011, p. 260). From a firm perspective, Pansari and Kumar (2017, p.2) postulates CE as “the mechanics of a customer’s value addition to the firm, either through direct or/and indirect contributions, where direct contributions consist of customer purchases, and the indirect contributions consist of incentivized referrals that the customer provides, the social media conversations that customers have about the brand and the customer feedback/suggestions given to the firm”.

The main difference between these two perspectives is the acknowledgement of the direct contributions (i.e. customer purchases) as added value in the engagement process which also considered as an accurate measure of the firm’s performance. This definition leads to the theory of the customer engagement proposed by Pansari and Kumar (2017, p.295) which states that “when a customer is satisfied with his/her relationship with the firm and has an emotional attachment to the firm, then it can be said that the customer is engaged with the firm”.

Pansari and Kumar’s definition is highly linked and attached to the customer engagement marketing that mainly focuses on the best utilization of the customer’s owned-resources to accomplish the desired contributions (Harmeling et al). In essence, CEM is defined as “firm’s deliberate effort to motivate, empower and measure customer contributions to marketing functions” (Harmeling et al., 2017, p. 367). The primary objective of CEM is to motivate and stimulate the customer’s

contribution to the marketing functions of the firm (Pansari and Kumar, 2017); that will, consequently, affects the firm performance positively (Harmeling et al., 2017).

For instance, Coca-Cola launched a global campaign called “#ShareACoke” in 2014 as an attempt to engage its customers to contribute to the firm’s marketing functions directly and indirectly. Personalized Coke bottles was a creative idea to motivate customers to buy coke bottles (i.e. direct contribution) and then write special words, names, or phrases on the bottles and share with their friends either through posting a photo of them holding their personalized bottles on social media or by gifting them to one of their friends or colleagues which will then motivate those friends and others to buy and personalize their own Coke bottles (i.e. indirect contribution). This campaign resulted in increasing Coca-Cola sales by more than 30% only in one week after experiencing a steady sales decline for ten years.

Therefore, it is crucial for firms to adopt the customer engagement marketing in an attempt to stimulate the customer engagement behaviours (CEB) to contribute to their marketing functions. Recent research by Jaakkola and Alexander identified four main types for CEBs; co-developing behaviour, influencing behaviour, augmenting behaviour and mobilising behaviour. This classification is adopted by this research.

Research Aims and Objectives

After reviewing the literature, it is elaborated that customer engagement marketing is a fruitful area of research, where it is expected to be a future research direction for the next 10 years. From this point, the main research aim is:

Exploring customer engagement marketing and investigating how firms can drive customer engagement behaviour through engagement marketing practices.

This research aim will be achieved through identifying the facilitating factors for CEM that firms can consider while formulating their marketing strategies and policies in order to motivate

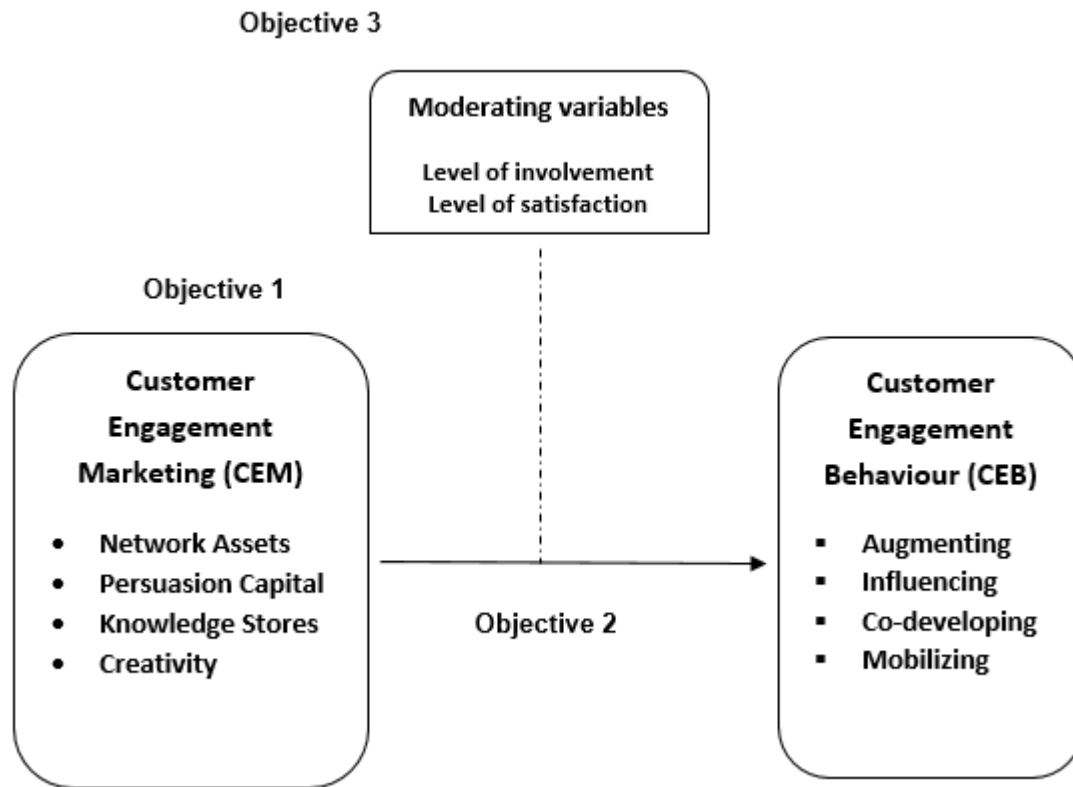
customers to be engaged with the firm. Moreover, it is vital to the firm after formulating engagement strategies and policies aimed for customers to be engaged with the firm in its marketing functions to determine whereas these strategies and policies effectively and positively stimulate customer engagement behaviours towards the firm.

Eventually, it is important to identify and test potential moderating factors that affect the relationship between customer engagement marketing (CEM) and customer engagement behaviour (CEB). The involvement and satisfaction levels were identified as important moderators affecting the engagement process, and firms need to consider these variables in order to achieve their aims and objectives (Pansari and Kumar). Accordingly, the main research objectives are:

1. To explore customer engagement marketing and its initiatives.
2. To investigate the relationship between customer engagement marketing and customer engagement behaviours.
3. To identify the moderating factors for the relationship between CEM and CEB.

Conceptual Framework

Based on the research aims and objectives discussed, a conceptual framework for the research is illustrated in the following figure:



Proposed Research Methodology

Mixed methods are proposed for this research, combining both qualitative and quantitative methods for achieving the research aim and objectives and providing stronger results (Creswell, 2009). The main rationale for using mixed methods is to explore the customer engagement marketing phenomenon throughout the qualitative phase (Creswell, 2009; Saunders et al., 2009); which will help in identifying the constructs that will be used in the quantitative phase.

Accordingly, Sequential Exploratory Design (SED) will be incorporated into this research where the qualitative method will be used first then the quantitative methods will be employed based on the results of the qualitative methods (Creswell, 2009). In that sense, this is considered as a preferred approach to enhance the findings through using mixed methods to reinforce one another aiming at generalizing the results to the population (Creswell, 2009). Qualitative semi-structured interviews with managers and employees will be used for achieving the first objective which is exploring the customer engagement and identifying its facilitating factors that need consideration

when formulating the firms' strategies and policies (Breidbach et al., 2014; Gambetti and Graffigna, 2010; Hollebeek et al., 2014; Hollebeek, Conduit, et al., 2016; Maslowska et al., 2016).

Then based on the results of the qualitative exploratory interviews, quantitative surveys will be formed and used to accomplish the second and third objectives in investigating the relationship between the CEM and CEB (Creswell, 2009); where CEM attempts to stimulate the CEBs as well as identifying the moderating variables for this relationship. By June 2018, the data collection for this research will be finished and results are planned to be presented in the conference.

Potential Contributions

The findings of this research are expected to reflect positive academic and managerial implications. From an academic standpoint, filling a current research gap will add a real contribution to the engagement literature by exploring new concept (CEM) and will foster the new perspective of the engagement theory to underpin future research, in addition to, comparing and contrasting the existing and potential moderating factors for the relationship between CEM and CEB. From a managerial perspective, it will help marketing managers learn the 'art of engaging customers' in a profitable long-term relationship with positive outcomes for both customers and firms through identifying the factors that affect formulating effective and efficient strategies to engage their customers in their marketing activities.

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