Customer Engagement in Online Brand Communities: An Exploratory Analysis

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Abstract

Drawing on an extensive literature review, the study explores conceptualisation of customer engagement in the interactive environment of an online brand community. The research involves a theory elaboration approach using netnography. The results provide evidence that customer engagement is a useful new construct to the academic marketing discipline that more fully reflects the nature of interactivity. Customer engagement amalgamates traditional relationship constructs that have been developed to explain customer relationship processes (e.g. commitment, involvement, and participation). The study also explores the dynamic nature of the customer engagement process where value is co-created between participants in the community. Implications for further research are discussed.

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1. Introduction

Customer engagement has always been important in understanding buyer–seller relationships, but in the last decade it has been getting increasing attention in business. It has become a central part of many managers’ discourses about managing customers and brand experiences. Associated with the emergence of the Internet and e-Business has been the development of sophisticated information and communication technologies (ICTs). These ICTs provide the opportunity to develop engagement platforms enabling interactivity within and with the business networks of customers, organizations and their employees (Ramaswamy 2009).

While the term engagement has been used extensively to describe employment relationships, and more recently that it has been used to in processes to do with customer relationships and brand experience. Engagement incorporates relationship constructs such as involvement, commitment, and participation (e.g., Greenwood, 2007; London et al., 2007; Pomerantz, 2006). It is speculated that customer engagement is a superior predictor of loyalty than customer satisfaction (Bowden 2009). Engaged customers are a key component of viral marketing, being a source of referrals by recommending products and services to others. They also play a vital role in new product/service development (Prahalad and Ramaswamy 2004a) and co-creating brand experience (Prahalad and Ramaswamy 2004b). Moreover, customer engagement is seen as a strategic imperative in building and sustaining a competitive advantage and valuable predictor of future business performance (Sedley 2008). Customer engagement, it is claimed, leads to improved profitability (Voyles 2007), being the primary driver for sales growth (Neff 2007).

An Internet search of the business practice literature revealed extensive use of the terms ‘consumer engagement’ and ‘customer engagement’, and ‘brand engagement’. A Google Blog Search revealed over 5,000 links for ‘consumer engagement’ and almost 7,000 links for ‘customer engagement’ in January 2008; in August 2009 it revealed over 118,000 links for ‘consumer engagement’ and about 180,000 links for ‘customer engagement’. Engagement has been a topic of numerous business conferences, seminars and roundtables, and has also been given considerable attention by many consulting companies. In addition the Advertising Research Foundation, the American Association of Advertising Agencies and the Association of National Advertisers have taken on the challenge of defining customer engagement and its metrics (Anonymous 2006).

While the term ‘engagement’ has been actively used for over a decade in business practices, it is only in last three to four years that it has emerged in the academic marketing and service management literature. A search on Google Scholar reveals very few academic articles in marketing and service journals using the terms ‘consumer engagement’, ‘customer engagement’ or ‘brand engagement’ prior to 2005. For 2005 there are 9 articles listed, for 2006 there are 20 articles, for 2007 there are 18 articles, for 2008 there are 28 articles, and up to August 2009 there are 42 articles that use these terms (see Figure 1). However, little attention has been given to defining these terms in academic marketing literature. Exceptions are Patterson et al (2006: 1) who define customer engagement as a psychological state ("the

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Footnote:

1 For example, Nielsen Media Research, Gallup Research, IAG Research and Simmons Research pursue the development of a customer engagement definition and metric.
level of a customer’s ‘presence’ in their relationship with the organisation”) and Bowden (2009a: 65) who views customer engagement as a “psychological process” that “drives customer loyalty”.

The wide interest of marketing practitioners in the term ‘engagement’ in conjunction with business relationships and branding has resulted in a diversity of definitions in the business practice literature. This has led to debate and controversy (Jones 2008). Given the lack of agreement in business practice and the lack of academic attention, there is a need to undertake a systematic examination of the use of engagement in marketing. To meet with this need and to the authors have established a research programme. The first stage of the research programme is reported in the Authors (2009). The paper examines the usage and proposed definitions of engagement constructs in the business practice literature (reports on conferences, seminars, roundtables, blogs, and organisational reports), the social science and management literature (psychology, sociology, organisational behaviour, and political science), and the marketing academic literature.

This paper reports the results of the second stage of the research programme which involves an empirical study of customer engagement in online brand community. The purpose of the study is to further explore the conceptualisation of customer engagement in this highly interactive environment. In exploring the conceptualisation of customer engagement in online brand community there are a number of underlying questions. Is customer engagement a useful new construct in the academic marketing discipline, i.e., does it offer more insight than the traditional constructs that have been developed to explain relationship process (e.g., commitment, involvement, and participation)? Does customer engagement offer more insight into understanding the nature of online brand communities? More specifically, does it offer more insight into understanding of online brand loyalty? The next section develops the research framework and the following sections outline the study, the results and the implications.

2. Research Framework

The Authors’ (2009) extensive literature review of definitions of engagement and their preliminary fieldwork shows customer engagement needs to be viewed as a psychological state and a process that is reflected in different engagement states. The Authors’ (2009) provides the following insights about customer engagement:

- it is an aggregate of a number of customer behaviour dimensions (emotional, cognitive, behavioural, social and aspirational);
• it is an amalgam of other constructs in relationship processes (e.g. commitment, involvement, and participation);
• it takes place in many different contexts, such as during offline experiences and in online communities, in various industries, and other contexts;
• it involves interactions that customers have with numerous objects, such as brand, product/service, product category, employees, organisation, online community and many other objects;
• brand engagement is a special case of customer engagement where the focal object is the brand.

While the primary interest of this paper is customer engagement it is also recognised that customer engagement takes place in a network with an organizations and their employees. Hence in a broader context organization and employee engagement need to be considered.

These different ‘aspects’ of engagement are illustrated in the conceptual framework presented in Figure 2. They may be grouped in two general categories: fundamentals and moderators. Fundamentals are the main characteristics of customer engagement (dimensions), while moderators reflect and influence variations of the fundamentals.

![Figure 2: Conceptual Framework for Customer Engagement](image)

### 3. Empirical Study

**Overview**

The chosen setting for this study was a non-commercial online brand community for vibration training (fitness/health), whose members gather together in a blog [www.vibrationtraining.net](http://www.vibrationtraining.net). The research approach involves a theory elaboration approach using Netnography. In order to obtain an in-depth insight, six engaged participants in the community were chosen based on the frequency and duration of blog visits (Peterson 2006). Data from the six participants consisted of 427 posts (56,804 words) posted in the period from November 2006 to March 2008. Following the analysis of the initial data, in-depth interviews were conducted with four of the six participants.

The analysis and interpretation involved thematic analysis using NVivo 7.0 software and manual coding. This included analysing of “posts”, interviews and field notes. In the first
stage open coding was used to identify patterns that interpret aspects of the phenomenon and the second stage involved axial coding to build and refine the initial conceptual model.

**Results**

The analysis and interpretation first led to the development of a static conceptual model that illustrates elements of the construct (as a psychological state) and their interrelationships (Figure 3). It reveals established relationships between the cognitive, emotional and behavioural dimensions of customer engagement and the engagement objects. Moreover, the model recognises influential relationships between different dimensions. For example, it is likely that those customers who are emotionally engaged with the brand will become more cognitively and behaviourally engaged. Participants in the study were highly engaged with the **themes** discussed in the blog (such as brands, products and services, exercise programmes, organisations and the industry) and with the **online community**, their community roles and other community members. Customers first engaged with the themes of interest and this developed into interactions with members of the online community.

**Figure 3: Static Model of Customer Engagement**

Discussions about brand topics were the most prevalent themes or objects of interest, making up one third of 2370 postings. The right to discuss brands in the online community was “earned” and only certain brands could get (good) reviews in the blog. There was considerable discussion about prices, quality, performance (safety and benefits), and personal experience with brands. Finally, industry standards and code of ethics were discussed. Of particular interest was developing the list of standards and codes of ethics, how to monitor the standards and how to establish the industry regulating body.

Members engaged with the online community as a place and as a symbol. The engaged members showed all the elements of the community identified by Muñiz and O’Guinn (2001) and Schau et al. (2009) in their studies of brand communities. This included shared consciousness of kind, shared rituals and traditions, and a sense of moral responsibility).
They were also engaged with their own roles in the community and with the fellow members and their roles. This included learners, members who shared their experience and knowledge, advocates of brands and companies and co-developers of ideas relevant to the online community.

The aspects of the emotional online engagement are illustrated in Figure 4. It can be seen that there were negative/ positive, low-/ high-intensity and short/ long term affective reactions to the engagement objects. The emotional gratification of being engaged in the community was formed from feelings of gratitude, empathy, trust, feeling useful and safe and belonging to the community. This highlights the importance of social dimension of engagement.

**Figure 4: Affective Online Customer Engagement**

The aspects of cognitive engagement consisted of information and knowledge exchange for *individual purposes*, through which the members built a relationship reminiscent of cognitive symbiosis. This included acquiring cognitive competences through vicarious learning (asking questions and reading from the blog), expressing judgment about the objects (sharing knowledge to help others evaluate the objects), and solving specific problems. The solving of problems could be seen as the exchange for *communal purposes* (developing a “reference library”). Thus the cognitive aspects of engagement also highlight the importance of social and aspirational dimensions.

Behavioural engagement of the online community members draws on the idea of participation (see Fredricks et al., 2004), and it includes the participants’ online activities in the blog and their offline actions reported in the online community (i.e., postings about offline activities related to the community purpose).

*Dynamic Conceptual Model*

The analysis and interpretation also led to development of a dynamic conceptual model that is illustrated in Figure 5. By illustrating the relations between the eight engagement sub-processes, the model explores the dynamic nature of customer engagement. Engagement *initiation* commences when customer recognises a need to solve a specific problem, searches and finds the online community, and begins the active relationship within the community by posting a comment. *Learning* is characterised by vicarious acquiring of cognitive

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2 The term symbiosis is borrowed from biology, where it is used to refer to a close functional association of organisms to their mutual advantage.
competences that customers apply to purchase and consumption decision-making. Further, sharing personal relevant information, knowledge and experiences is the process of active contribution to the online community. Advocating is where customers actively recommend certain brands, products/services, ways of product usage and organisations. Socialisation includes social interactions by which customers acquire attitudes, norms and language of the group of which they are members (Longmore, 1998). Co-development is a process where customers suggest ideas that may contribute to organisations performance, new product/service development and the online community prosperity. Dormancy is a temporary process of invisible, passive and individual engagement of those customers who have already established a certain level of online, interactive engagement. Termination is a state of disengagement and may occur after any of the previous engagement states. It means non-existence of engagement. In this research, customer engagement did not follow an orderly progression of stages over time. Rather it is better described as interplay or iteration of processes (Resnick 2001). This conclusion is consistent with the findings of Customer Engagement Strategies Inc\(^3\) (2006).

Figure 5: Dynamic Conceptual Model of Customer Engagement

4. Implications

Empirical Results

This paper has explored the conceptualisation of customer engagement in an online brand community. In doing so it also provides considerable insight into the workings of an online brand community and how interactive communication technologies provide engagement platforms. The research illustrates that customer engagement is central to the interactive communication between the organisation and customers, and the co-creation of value. In addition, as customers became more engaged, their advocacy and loyalty for the brands and online community becomes stronger.

In a more general sense it can be concluded that customer engagement is a useful new construct in the academic marketing discipline because it amalgamates the traditional constructs that have been developed to explain relationship process (e.g. satisfaction, commitment, involvement, and participation). Customer satisfaction is only the beginning of

\(^3\) Customer Engagement Strategies Inc analyses, assesses, designs and builds strategic customer experiences and relationship programmes and processes.
a relational sequence, while involvement denotes behaviours related to specification and use of a service. Commitment may be thought of attitudinal components of engagement where there is the intention to continue a course of action or activity, such as maintaining a relationship with a partner. Finally, participation may be thought of as a behavioural component of engagement and thus is important in co-creating customer experiences. However customer engagement as a whole is more than its components because it more fully reflects the nature of interactivity.

Managerial Implications

From a managerial perspective, the study demonstrates that engaged customers influence brand awareness, image and equity within an online brand community. The study illustrates how the control over brand is shifting within online communities by highlighting the role that engaged and empowered customers play in co-creation of brand meanings. Within these online communities marketers are welcomed only if contributing to the online community. Thus, it is suggested that businesses need to listen to and “engage in engaging” customers in “non-commercial” online communities. Sharing knowledge, educating, and enabling customers to co-develop become important tasks for marketers (Andersen 2005, Ramaswamy 2009). There are also wider social implications for educational and health institutions, and government organisations.

Further research

This pioneering study provides a foundation for further conceptual and empirical research. This study has extended the initial conceptualisation by Patterson et al. (2006) to elaborate on the psychological state of customer engagement. It also has extended the initial conceptualisation by Bowden (2009a, 2009b) about the process of customer engagement. However there is the need for further research to integrate brand engagement and customer loyalty into these processes. Attention also needs to be given to integrating psychological, economic, social theoretical underpinnings of engagement. Also of importance is to consider how the construct relates to contemporary theories about markets and marketing that are centred on interactivity and experience. This includes the recent discussion by Grönroos (2008) and Vargo and Lusch (2008) about the service perspective of marketing and Ramaswamy (2009) about engagement platforms, employee interactions and the co-creation of value. Finally attention also needs to be given to the dyadic and network aspects of engagement with customer to customer interactions as well business to business and business to customer interactions (Kothandaraman and Wilson 2001, Forsström, 2004).

Given the complexity of this emerging research area in the marketing discipline, it is suggested that empirical research needs to be pluralistic using both interpretative and quantitative methods. This study investigated a marketing context that was highly interactive. Thus, it is important to explore other online and offline environments. This not only includes C2C and B2C marketing/service systems but also B2B, and B2G. Also of interest are the roles of the different objects of engagement. While brands have been the primary focus equally important are the roles of products, people, organisations, and institutions. Further attention needs to be given to the coherence among moderators of the process of customer engagement. This includes the antecedents and consequences of engagement and interaction amongst dimensions of engagement. Finally, there are issues about the management of customer engagement. This includes both the development and dissolution of customer engagement.
References


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