Consumer Engagement Or Customer Engagement? Two Competing Views on a Phenomenon

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Consumer Engagement or Customer Engagement? Two Competing Views on a Phenomenon

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ABSTRACT

Engagement has become a crucial issue in contemporary marketing, a concept widely discussed in academia and practice. Uses of the term abound, yet its meaning is contested. This paper explores two competing views of engagement in marketing thought, consumer engagement and customer engagement. Implications for future research are considered.

New media, such as TripAdvisor, YouTube, Facebook, and eBay, present a threat to existing models for conducting business, by enabling consumers to take an increasingly active role as players in the market (Hennig-Thurau et al., 2010). In the contemporary era, marketers have sought new sources of influence in the marketing relationship. For the past decade, practitioners have espoused the benefits of engagement, on the assumption that an engaged consumer is loyal to the firm, and likely contributes to the profitability of the firm (Bowden, 2009). Engaged consumers are believed to more likely recommend and refer other customers to the firm, or assist with ideas for product development (Kumar et al., 2010). “Perhaps no other recent concept has captured more interest from marketers than engagement” (Calder and Malthouse, 2008, p. 1).

Amongst practitioners there is unfortunately no clear consensus exactly what engagement is. Engagement is variously seen as the connection a consumer makes with the firm, the attention a consumer pays to marketing communications, the impression that marketing and communications make on the minds of a consumer, the interaction between a consumer and a brand or advertisement, or a consumer’s emotional investment in a brand (Brodie et al., 2011). Contemporary use of the terms “engage” and “engagement” have reached such a level they have become part of common parlance. It is not uncommon to hear a person in everyday conversation state, “we must engage them” or “they need to engage with the material”; however, in many cases the speaker fails to explicitly define what they mean by their use of the terms “engage” or “engagement”.

It is only in the last five years that academia has sought to define engagement in a marketing context, or to research the impacts of engagement (Brodie et al., 2011). A number of contrasts are noted in the academic literature on engagement in a marketing context: (a) the engagement concept has been applied to varying objects of consumption, (b) there are a number of deeply divided schools of thought regarding the dimensionality and conceptualisation of engagement, (c) researchers differ in their views of the antecedents and consequences of engagement, and (d) there are alternative theoretical bases for conceptualising engagement. In this paper, these four issues in the literature on engagement are explored, arriving at a clear contrast between two opposing views of engagement, customer engagement and consumer engagement.

Customer engagement (the firm-centric view) takes the perspective of the firm, and what it can do to engage the customer, or prospective customer. Colloquially, this is the perspective of “I engage you”; the firm is seeking loyal customers and asking what it may take to grab the customer’s attention and loyalty. From this perspective, engagement is defined behaviourally, as the manifest behaviours the customer or prospective customer participates in, relative to the firm, the brand or activities initiated by the firm. Such behaviours might include word-of-mouth activity, referrals and recommendations, or posting of messages in online forums initiated by the firm. Antecedents to engagement behaviours might include involvement in the product category or interactivity with the firm’s website. The consequences of engagement of most interest to those taking a firm-centric view are such psychological matters as customer satisfaction, brand commitment, trust and brand loyalty. Appropriate theoretical explanations for customer engagement are relationship marketing theory and service dominant logic.

Consumer engagement (the consumer-centric view) takes the perspective of the consumer, and what engages them most. Colloquially, this is the perspective of “I am engaged”; the consumer is seeking value from their experiences, including utilitarian, hedonic and social value. Consumer engagement is defined as a psychological state, the dimensions of which are cognitive, affective and...
motivational. The consumer may be engaged with any object, whether initiated by the firm or not; they may be engaged with a firm or a brand, a medium, a website, a marketplace, an advertisement, an activity, an object of entertainment, a social group or community. The antecedents to the engagement state are specific experiences the consumer has with the object of consumption. The consequences of a high level of engagement are ongoing behaviour related to the object of consumption, including continued interaction with the object, time and money spent on the object, and social interaction with other consumers relative to the object. An appropriate theoretical explanation for consumer engagement is experiential consumption.

Both the firm-centric and the consumer-centric views are appropriate perspectives from which to understand and research engagement in a marketing context. In today’s world, objects of consumer engagement are not restricted to the offerings of the firm. Commercial organisations now compete for consumer attention and engagement not only with other market offerings, but with any object of experiential consumption available to the consumer. Consumers likely interact with those stimuli in their environment that provide them with most value. In other words, consumers likely engage with those objects of consumption that are most engaging, whether they are presented by the marketer or by some other agent.

Web 2.0 applications have placed increased power in the hands of consumers (Hennig-Thurau et al., 2010). For instance, millions of consumers consult the hotel reviews posted by other consumers on TripAdvisor, before selecting a hotel for their holiday (O’Connor, 2010). Disgruntled consumers post video clips on YouTube criticising firms they have had bad experiences with (Libai et al., 2010), and consumers frequently post comments about brands on Facebook pages. New media, such as TripAdvisor, YouTube, Facebook, and eBay, present a threat to existing models for conducting business, by enabling consumers to take an increasingly active role as players in the market (Hennig-Thurau et al., 2010). “New media require a shift in marketing thinking – consumers have become highly active partners, serving as customers as well as producers and retailers, being strongly connected with a network of other consumers” (Hennig-Thurau et al., 2010, p. 324).

In this new era of marketing, marketers have sought new sources of influence in the marketing relationship. For the past decade, practitioners have espoused the benefits of engagement, on the assumption that an engaged consumer is loyal to the firm and likely contributes to the profitability of the firm (Bowden, 2009). Engaging the consumer has become something of a ‘strategic imperative’ for many firms (Brodie et al., 2011a). Engaged customers are more likely recommend and refer other customers to the firm, or assist with ideas for product development (Kumar et al., 2010). “Perhaps no other recent concept has captured more interest from marketers than engagement” (Calder and Malthouse, 2008, p. 1).

Amongst practitioners there is unfortunately no clear consensus on exactly what engagement is. Brodie, et al. (2011a) present a review of practitioner definitions of engagement. Engagement is variously seen as the connection a consumer makes with the firm, the attention a consumer pays to marketing communications, the impression that marketing and communications make on the minds of a consumer, the interaction between a consumer and a brand or advertisement, or a consumer’s emotional investment in a brand (Brodie et al., 2011a).

Contemporary use of the terms “engage” and “engagement” have reached such a level they have become part of common parlance. It is not uncommon to hear a person in everyday conversation state, “we must engage them” or “they need to engage with the material”; however, in many cases the speaker fails to explicitly define what they mean by their use of the terms “engage” or “engagement”.

It is only in the last five years that academia has sought to define engagement in a marketing context, or to research the impacts of engagement. “Few authors have attempted to define the concept, or examine how it differs from similar relational concepts, such as participation and involvement” (Brodie et al., 2011a, p. 253). Bowden (2009) observes that most of what is written on engagement is based on practice rather than theory; the concept is in danger of degrading to the level of a management fad. There is still no one commonly agreed conceptualisation of engagement in a marketing context (Gambetti and Graffigna, 2010). Kumar et al. (2010, p. 298) contend that the engagement concept is still novel and developing in academia, thus, “there are bound to be differing and at time conflicting opinions regarding its conceptualization”.

A number of contrasts are noted in the
academic literature on engagement in a marketing context: (a) the engagement concept has been applied to varying objects of consumption, (b) there are a number of deeply divided schools of thought regarding the dimensionality and conceptualisation of engagement, (c) researchers differ in their views of the antecedents and consequences of engagement, and (d) there are alternative theoretical bases for conceptualising engagement. In this paper, these four issues in the literature on engagement are explored, arriving at a clear contrast between two opposing views of engagement, customer engagement and consumer engagement.

OBJECTS OF ENGAGEMENT
The first distinction in the engagement literature concerns the object the consumer is engaging with. One stream of enquiry examines consumer engagement with media, advertisements and entertainment objects. This stream is dominated by the research of Calder, Malthouse and colleagues. Engagement is conceived as being a psychological state with motivational properties, as distinct from being a behaviour of the consumer (Higgins and Scholer, 2009). Engagement is viewed as being the result of experiences with a medium (Calder and Malthouse, 2008; Calder, Malthouse, and Schaedel, 2009; Malthouse and Calder, 2011), an advertisement (Phillips and McQuarrie, 2010; Wang and Calder, 2006), a website (Abdul-Ghani, Hyde, and Marshall, 2011; Mollen and Wilson, 2010) or an entertainment object (Scott and Craig-Lees, 2010). Consequences of engagement include specific consumer behaviours relative to the object of engagement, such as increased time and money spent on the object, or speaking about the object to other consumers. Experimental studies in this tradition have established a link between engagement with a medium, advertisement or entertainment object and the effectiveness of advertising (Calder et al., 2009; Phillips and McQuarrie, 2010; Scott and Craig-Lees, 2010).

An alternative stream of enquiry examines consumer engagement with a brand (Bowden, 2009; Hollebeek, 2011b). Here, engagement is conceptualised as being a process or a state of mind, the outcomes of which are likely to be customer satisfaction, commitment, trust and loyalty towards the brand. A variation on this enquiry is the development of a brand engagement in self-concept (BESC) measure by Sprott, Czellar and Spangenberg (2009); BESC is related to consumer materialism, the extent to which brands [plural] are incorporated in a consumer’s self-concept.

A third stream of enquiry considers consumer engagement with the firm. Examples of scholarship in this tradition are the published work of van Doorn and colleagues (van Doorn, 2011; van Doorn et al., 2010), Verhoef, Reinartz and Krafft (2010), and Kumar and colleagues (2010). Here, the authors take the perspective of the interests of the firm in capturing the consumer’s attention. Engagement is conceived as being both transactional and non-transactional behaviours of the consumer relative to the firm. Examples of non-transaction behaviours relative to the firm include, posting messages on the company website, or subscribing to the company Facebook page. Kumar et al. (2010) develop a customer engagement value (CEV) measure, which incorporates customer lifetime value, plus the value of the customer for referrals, recommendations and product ideas they contribute to on behalf of the firm. Empirical research in this tradition has examined the impact of corporate website design on consumer participation in online communities (Ashley et al., 2011) and the number of messages consumer post on corporate blogs (Ahuja and Medury, 2010).

CONCEPTUALIZATION AND DIMENSIONALITY OF ENGAGEMENT
Even though the academic literature on engagement is barely five years old, a number of scholars have contributed attempts to define the concept. One school of thought views engagement as a psychological state of the consumer. The dimensions of that psychological state are most often viewed as cognitive, affective and motivational; the thoughts, feelings and energy the consumer has towards an object of consumption (Calder and Malthouse, 2008; Malthouse and Calder, 2011).

Engagement is a state of being involved, occupied, fully absorbed, or engrossed in something – sustained attention. (Higgins and Scholer, 2009, p. 102)

Online engagement is a cognitive and affective commitment to an act of relationship with the brand as personified by the website ... It is characterised by the dimensions of dynamic and sustained cognitive processing and the satisfying of instrumental value (utility and relevance) and experiential value (emotional congruence) with the narrative schema encountered. (Mollen and Wilson, 2010, p. 923)
A second school of thought views engagement as being a single dimension, the behaviours of the consumer, most particularly those behaviours related to the firm or the brand. Writers in this tradition no longer restrict their attention simply to interactions between the firm and a customer, but also consider interactions between the firm and prospective customers, and interactions amongst consumers. Writers show an interest in transactional as well as nontransactional behaviours, such as consumer postings on corporate blogs or consumer subscription to a corporate Facebook page.

Active interactions of a customer with a firm, with prospects and with other customers, whether they are transactional or nontransactional in nature (Kumar et al., 2010, p. 297)

Customer’s behavioral manifestation toward a brand or firm, beyond purchase, resulting from motivational drivers (van Doorn et al., 2010, p. 254)

Thirdly, perhaps the latest and most comprehensive conceptualization of customer engagement is the work by Brodie and colleagues (Brodie and Hollebeek, 2011; Brodie et al., 2011a; Brodie et al., 2011b; Hollebeek, 2011a). Brodie and his colleagues present a definition of engagement as a hybrid of psychological state, cognitive and affective, and a behavioural dimension.

Customer engagement (CE) is a psychological state that occurs by virtue of interactive, cocreative customer experiences with a focal agent/object (e.g. a brand) in focal service relationships ... It is a multidimensional concept subject to a context- and/or stakeholder-specific expression of relevant cognitive, emotional and/or behavioral dimensions (Brodie et al., 2011a, p. 260)

Malthouse and Calder (2011) take issue with Brodie’s inclusion of a behavioural dimension to the definition of engagement, warning that to include consumer behaviours is to confound the engagement state with the consequences of engagement. They also hesitate to confine consumer engagement to just those experiences that are interactive and cocreative, suggesting that a consumer may engage with a focal object such as a radio station without having to demonstrate overt, interactive behaviours such as participating in a competition on the radio station. Van Doorn (2011) points to a further concern with Brodie’s conceptualisation, and this is regards confining engagement to experiences within a service relationship; by contrast, van Doorn points out that consumer engagement with a brand often occurs in consumer-to-consumer interactions, outside the service relationship.

ANTECEDENTS AND CONSEQUENCES OF ENGAGEMENT
Regardless of whether engagement is conceptualized as being a psychological state of the consumer, or as being the overt behaviours of the consumer, researchers in each tradition must be clear to distinguish engagement from its supposed antecedents and consequences. It would not be appropriate to conceive engagement as consumer behaviours relative to the firm, and also see the consequences of engagement as the behaviours of the consumer. Likewise, it would not be appropriate to conceive engagement as a psychological state as well as behaviours of the consumer (Malthouse and Calder, 2011). Either of these examples demonstrates confounding of engagement with its consequences.

The research tradition that views engagement as a psychological state, most often views marketing stimuli or consumer experiences with marketing stimuli as antecedents to consumer engagement. The consequences of an engaged psychological state are most often viewed as the behaviours of a consumer, such as the amount of time and money spent on the object of engagement.

The research tradition that views engagement as behaviours of the consumer relative to the firm, most often views the consequences of engagement to be psychological in nature, and include customer satisfaction, commitment, trust and brand loyalty.

ALTERNATIVE THEORETICAL BASES OF ENGAGEMENT
Relationship marketing may prove an appropriate theoretical base for conceptualising engagement (Vivek, 2009). The core of relationship marketing theory is the relationship between a customer and a firm. The firm focuses on loyalty of the customer to the firm and retention of the customer by the firm, based on an equitable exchange of items of value between the parties. Service dominant logic (SDL) takes these concepts further, by proposing that service is the fundamental unit of all marketing exchange, and that value is co-created in the interaction between a firm and a customer (Vargo and Lusch, 2004, 2008). Taking SDL as their model of marketing, Brodie and colleagues view engagement as occurring as a result of interaction between a customer and a firm within a service relationship.

An alternative theoretical base for
conceptualising engagement is experiential consumption, the view that consumers seek value-creating experiences. Research on experiential consumption has a long history, stretching back at least thirty years. Holbrook and Hirschman (1982) first proposed the perspective of the consumer as experience-seeker, as an alternative to the consumer as information-processor perspective. While recognising that much consumer behaviour is utilitarian in nature, the experiential consumption perspective also recognises that consumers seek fantasies, feelings and fun (Lofman, 1991). Most recently, experiential consumption has been subsumed under the broad umbrella of consumer culture theory (Arnould and Thompson, 2005). Utilising an experiential consumption perspective, consumer engagement may be viewed as the result of value-generating experiences with consumption objects, whether or not those objects are presented by the marketer, whether or not the experiences occur within the firm-customer relationship.

CUSTOMER ENGAGEMENT VERSUS CONSUMER ENGAGEMENT

The review of the literature of engagement in a marketing context reveals two incompatible views of engagement, which may be termed the firm-centric view and the consumer-centric view. Table 1 presents the key differences between these two approaches to conceptualizing engagement.

Customer engagement (the firm-centric view) takes the perspective of the firm, and what it can do to engage the customer, or prospective customer. Colloquially, this is the perspective of “I engage you”; the firm is seeking loyal customers and asking what it may take to grab the customer’s attention and loyalty. From this perspective, engagement is defined behaviourally, as the manifest behaviours the customer or prospective customer participates in relative to the firm, the brand or activities initiated by the firm. Such behaviours might include word-of-mouth activity, referrals and recommendations, or posting of messages in online forums initiated by the firm. Antecedents to engagement behaviours might include involvement in the product category or interactivity with the firm’s website. The consequences of engagement of most interest to those taking a firm-centric view are such matters as customer co-creation, satisfaction, brand commitment, trust and brand loyalty. Appropriate theoretical explanations for customer engagement are relationship marketing theory and service dominant logic. Prominent scholars in this area are Bowden (2009), Brodie and colleagues (Brodie et al., 2011a), Kumar and colleagues (Kumar et al., 2010), van Doorn and colleagues (2010), Verhoef, Reinartz and Krafft (Verhoef et al., 2010) and Vivek (2009).

Consumer engagement (the consumer-centric view) takes the perspective of the consumer, and what engages them most. Colloquially, this is the perspective of “I am engaged”; the consumer is seeking value from their experiences, including utilitarian, hedonic and social value. Consumer engagement is defined as a psychological state, the dimensions of which are cognitive, affective and motivational. The consumer may be engaged with any object, whether initiated by the firm or not; they may be engaged with a firm or a brand, a medium, a website, a marketplace, an advertisement, an activity, an object of entertainment, a social group or community. The antecedents to the engagement state are specific experiences the consumer has with the object of consumption. The consequences of a high level of engagement are ongoing behaviour related to the object of consumption, including continued interaction with the object, time and money spent on the object, and social interaction with other consumers relative to the object. An appropriate theoretical explanation for consumer engagement is experiential consumption. Prominent scholars in this area are Calder and Malthouse (2008), Higgins and Scholer (2009), Mollen and Wilson (2010), and Phillips and McQuarrie (2010).

CONCLUDING REMARKS

Both the firm-centric and the consumer-centric views are appropriate perspectives from which to understand and research engagement in a marketing context. If one takes as a base that consumers seek value from the activities and interactions in which they partake, this promotes a broad view from which to interpret the relationships a consumer has with the firm. In their activities and interactions, consumers seek functional, cost effective, convenient solutions to consumer problems. These are utilitarian benefits. But consumers may at times seek more. The may seek novelty, surprise, social interaction, fun, entertainment (Holbrook and Hirschman, 1982).

In today’s world, objects of consumer engagement are not restricted to the offerings of the firm. Commercial organisations now compete for consumer attention and engagement not only with other market offerings, but also with any object of
Table 1 – Firm-centric versus Consumer Centric Conceptualisations of Engagement

<table>
<thead>
<tr>
<th>Construct</th>
<th>Firm-Centric</th>
<th>Consumer-Centric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perspective taken</td>
<td>Customer engagement</td>
<td>Consumer engagement</td>
</tr>
<tr>
<td>Colloquially</td>
<td>The firm</td>
<td>The consumer</td>
</tr>
<tr>
<td>“I engage you”</td>
<td>“I am engaged”</td>
<td></td>
</tr>
<tr>
<td>“I want a loyal customer”</td>
<td>“I want experiences”</td>
<td></td>
</tr>
<tr>
<td>“Grab the customer”</td>
<td>“I am hooked”</td>
<td></td>
</tr>
<tr>
<td>Nature of engagement</td>
<td>Customer behaviours</td>
<td>A psychological state of the consumer</td>
</tr>
<tr>
<td>Objects of engagement</td>
<td>The firm; the brand; activities initiated by the firm</td>
<td>Any object the consumer may experience, whether initiated by the firm or not: a firm, a brand, a medium, a website, a marketplace, an advertisement, an activity, an entertainment object, a social group or community</td>
</tr>
<tr>
<td>Dimensionality</td>
<td>Behavioural</td>
<td>Cognitive, affective and motivational</td>
</tr>
<tr>
<td>Antecedents to engagement</td>
<td>Involvement, interactivity</td>
<td>Consumer experiences</td>
</tr>
<tr>
<td>Consequences of engagement</td>
<td>Co-creation, customer loyalty, commitment, trust relative to the firm/brand</td>
<td>Ongoing behaviour relative to the object, including continued interaction with the object, time and money spent on the object, social interaction relative to the object</td>
</tr>
<tr>
<td>Theoretical explanation</td>
<td>Relationship marketing; service dominant logic</td>
<td>Experiential consumption</td>
</tr>
<tr>
<td>Key theorists</td>
<td>Bowden, 2009; Brodie et al., 2011a; Hollebeek, 2011; Kumar et al., 2010; van Doorn et al., 2010; Verhoef et al., 2010; Vivek, 2009</td>
<td>Calder and Malthouse, 2008; Higgins and Scholer, 2009; Mollen and Wilson, 2010; Phillips and McQuarrie, 2010</td>
</tr>
<tr>
<td>Empirical findings</td>
<td>Empirical research in this tradition has examined the impact of corporate website design on participation in online communities and consumer postings on corporate websites</td>
<td>Experimental studies in this tradition have established a link between engagement with a medium, advertisement or entertainment object, and the effectiveness of advertising</td>
</tr>
</tbody>
</table>
Clearly, consumers engage with YouTube videos and Facebook sites that are unrelated to commercial products. Consumers likely interact with those stimuli in their environment that provide them with most value. In other words, consumers likely engage with those objects of consumption that are most engaging, whether they are presented by the marketer or by some other agent.

If we take a consumer-centric view of engagement, there are implications for the firm. Firstly, we need to adopt a broader view of the forms of value a consumer may be seeking from market offerings. Holbrook (1996, 2006) would have us consider that consumers may be seeking not only a good price, convenience and quality from the market offering, but also may be seeking status, esteem, fun, beauty, justice or even spiritual fulfilment.

In today’s world, firms compete not only on price and quality and levels of customer service, but also compete for the consumer’s time and attention. This is where an experiential view of the consumer should be considered. When consumers participate in social media related to firms, brands and consumption activities, they are not simply seeking functional value. They may seek social interaction, entertainment or fun. Molesworth and Denegri-Knott (2010, p. 371) take this view to one extreme:

If we accept that in an experiential economy consumers seek play, we might recognize that the market helps create exciting games and even that this could be a key role of marketing.

To investigate the consumer’s relationship with objects of consumption, consumer engagement may appropriately be defined as a psychological state comprising cognitions, affect and motivational force towards a market offering, based on the value derived from the consumer’s experiences with the market offering (Abdul-Ghani et al., 2011). The consequences of consumer engagement are ongoing use of the market offering, including time spent, money spent or earned, and participation in the community of users. Levels of consumer engagement are unique to the individual and their relationship to the object of consumption, and vary in intensity over time, as the consumer has further experiences with the object of consumption.

There is no doubt that the engagement construct is useful in marketing, and not merely a fad. Further theoretical and empirical work is clearly required to reconcile the opposing views on engagement that exist.

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