

Chapter 9

Engagement with Online Customers in Emerging Economies: The Power of Online Brand Communities and Social Networking Sites

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ABSTRACT

In today's highly dynamic business environment, firms are increasingly seeking customer participation and engagement with their brands. Thus, the role that customer engagement plays in the co-creation of customer experience and value receives utmost attention from both academicians and practitioners and given the inherent characteristics of services, extending firm-customer relationships through customer engagement is especially critical for service firms. However, there still remains a gap in the literature in terms of how customers engage with services online. Drawing mainly on the service-dominant logic along with the relationship marketing and social exchange theories, this chapter addresses this research gap by providing a literature review in this area and examining the key drivers and outcomes of online customer engagement, particularly through online brand communities and social networking sites, so that customer engagement in such virtual environments can be promoted as a new opportunity to create enhanced value, especially in emerging economies.

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INTRODUCTION

With the inevitable move of marketing theory towards the service dominant logic (Vargo & Lusch, 2008), the customer-service firm interactions have become highly important and the role of customers has been emphasised as vital in co-creators of value (Bowden, 2009; Brodie, Hollebeek, Juric, & Ilic, 2011; Kaltcheva, Patino, Laric, Pitta, & Imparato, 2014). Accordingly, there has been considerable interest from both academicians and practitioners in the potential to engage customers in “coproduction” or “co-creation” to develop favourable customer experiences and enhance customer value (Jaakkola & Alexander, 2014). In today’s highly dynamic and interactive business environment, customer engagement represents a strategic imperative for establishing competitive advantage (Brodie, Ilic, Juric, & Hollebeek, 2013) as it helps to build sustainable differentiation (Vivek, Beatty, & Morgan, 2012), create a long-term relationship with the customers (Brodie et al., 2011) and predict future business performance (Brodie et al., 2013). This is why customer engagement is strongly desired by marketers and the importance attached to it is further underlined by the Marketing Science Institute with the declaration of customer engagement as a key research priority for the period 2010–2012. Thus, since then the concept of customer engagement has been explored extensively in the academic literature (Brodie et al. 2011, 2013; Hollebeek, Glynn, & Brodie, 2014; Leckie, Nyadzayo, & Johnson, 2016). Given the important role customer engagement can play in the context of services, it is no surprise that Journal of Service Research was one of the first international journals that studied this concept in depth in a special issue published in 2010. Due to the intangibility, co-production and performance variability inherent in service delivery, building service brands and cultivating long-term relationships with customers is more difficult when compared to product brands (Kaltcheva et al., 2014). Thus, extending firm-customer relationships beyond the exchange process through customer engagement is highly critical for service firms (Solem & Pedersen, 2016).

With the continuous advances in the digital world, today’s customers are more demanding than ever before. Thus, engaging them is not only more critical but also harder. While service firms acknowledge that their online presence is important and that the virtual environment provides many opportunities, only few are really utilising internet based technologies and social media to increase customer engagement (Claffey & Brady, 2014). Recognising this gap in business practice, scholarly emphasis has recently shifted to the study of customer engagement in specific social media settings as this new form of online engagement may expose many new opportunities for firms to extract value from existing and potential customers (Desart, Veloutsou, & Morgan-Thomas, 2015; Hollebeek et al., 2014; Islam & Rahman, 2016a; Vivek, Beatty, Dalela, & Morgan, 2014). Yet, online customer engagement

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