


Chapter 1

Understanding Customer Engagement and Purchase Behavior in Automobiles: The Role of Digital Technology

Krishnadas R.

 <https://orcid.org/0000-0001-9420-5012>

SASTRA University, India

ABSTRACT

With rapid technological innovation, customer expectations are evolving at a faster pace. Technology plays a vital role in the value creation by kindling opportunities through transmuting consumption landscape. Digital technology acts as a powerful tool for bringing out the transformation across various sectors including the automobile industry augmented by the expectations of the new generation customers. With the beginning of the online revolution in the automobile sector, shoppers have started to rely on online platforms. OEMs and dealers need their strong presence across Omni channels to battle out the competition and have to focus on the digital-savvy shoppers to foster sales. Hence, auto retailers have to explore and experiment with different platforms that offer a flexible consumption-based model with an opportunity for experimenting and co-creating new features.

INTRODUCTION

With rapid technological innovation, customer expectations are evolving at a faster pace. Associated interactions, unified actions across channels, anytime access to content and services across boundaries are some of the basic customer expectations in this current digital era. The rising impact of millennials and the generations that follow them plays an important effect on customer engagement according to World Economic Forum. Technology plays a vital role in the value creation by kindling opportunities through transmuting consumption landscape. Digital technology acts as a powerful tool for bringing out the transformation across various sectors including the automobile industry augmented by the expecta-

DOI: 10.4018/978-1-7998-4772-4.ch001

tions of the new generation customers. The auto industry has changed rapidly over the last decade. The technology, innovation, and media factors have led to the changes in the customer's buying behaviour to a greater extent as the car purchasers spend considerable time researching online. To drive customer loyalty, auto retailers should shift from a product-driven to a customer-centric approach due to changing customer behaviour and expectations. The OEM's and dealers should adopt marketing strategies that offer easy access to information through media and devices for the customers.

Digital technology acts as a powerful tool for bringing out the transformation across various sectors including the automobile industry, augmented by the expectations of the new generation customers. Enterprises have to adapt to these changes to remain competitive in varying market conditions. With the beginning of the online revolution in the automobile sector, shoppers have started to rely on online platforms. Hence, OEMs & dealers need their strong presence across Omni channels to battle out the competition & has to focus on the digital-savvy shoppers to foster sales. Omnichannel e-commerce with virtualization, Artificial intelligence, and In-Proximity has fuelled the automobile retail sector and it is experiencing major shifts with it. Consumer-oriented digital technology tools like CRM, In-Proximity, Multi-lingual support, Virtual Reality (VR)-enabled applications have a significant role in improving customer engagement. This customer-centric approach through digital technologies is likely to stay in the near future.

CUSTOMER INVOLVEMENT AND CUSTOMER ENGAGEMENT

Customer involvement has three different approaches which are personal, physical and situational. Personal relevance is intrinsic to the consumer, while physical (i.e., product differentiation) and situational factors (such as advertisements) are external stimuli. "Customer involvement is different from customer engagement because customer involvement is the inherent interest of an individual and relevance of a brand, which can exist even before the purchase". This interest and relevance can lead to information searches about the features of a brand (Zaichowsky, J.L., 1985). The High-level involvement of the brand is through personal importance and perceived importance of a brand (Schmitt, B., 2010).

Economist Intelligence (2007) defines customer engagement as "an intimate long-term relationship with the customer" and it leads to customer satisfaction, retention, and loyalty. Vivek et al. (2012, p. 133) defined customer engagement as "the intensity of an individual's participation in and connection with an organization's offerings and/or organizational activities, which either the customer or the organization initiate". Customer engagement with touchpoints shaped by businesses is the primary step that moderates the outcome of customer experience. (Varshneya, G & Das, G, 2015). Digital media offer the opportunity to connect with buyers by the right content and wider reach. Hence customer engagement requires the adoption of marketing mix in both business and consumer markets with the aid of new technologies. These digital tools provide better understanding and to serve consumers (Thackeray et al., 2008).

Factors Driving Customer Engagement

Improving Connectivity:

Increasing smartphone penetration, aided by high-speed internet and the adoption of digital technologies have transformed the consumers' interaction with brands. Marketers should engage in online con-

11 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/understanding-customer-engagement-and-purchase-behavior-in-automobiles/261519

Related Content

Securing End User Computing Environments Using Blockchain

Chabi Gupta (2024). *The Rise of Blockchain Applications in Customer Experience* (pp. 187-198).

www.irma-international.org/chapter/securing-end-user-computing-environments-using-blockchain/333918

The Impact of Real-Time Marketing in the Engagement of the Brand “Control” on Instagram

Alexandre Duarte and Rita Paulo (2024). *Connecting With Consumers Through Effective Personalization and Programmatic Advertising* (pp. 182-202).

www.irma-international.org/chapter/the-impact-of-real-time-marketing-in-the-engagement-of-the-brand-control-on-instagram/336650

Journey of FinTechs in India From Evolution to Revolution

Neha Gupta, Ankita Agarwal and Varun Agarwal (2023). *Handbook of Research on the Interplay Between Service Quality and Customer Delight* (pp. 252-271).

www.irma-international.org/chapter/journey-of-fintechs-in-india-from-evolution-to-revolution/318111

Normative Concerns in Neuromarketing

Ajit Bansal, Rajni Bansal, Anu Bansal, Manish Kumar and Pankaj Kumar (2023). *Promoting Consumer Engagement Through Emotional Branding and Sensory Marketing* (pp. 234-243).

www.irma-international.org/chapter/normative-concerns-in-neuromarketing/314520

Revealing and Ranking Customer Groups From the Perspective of Their Experiences

Güzin Özdaolu (2021). *Handbook of Research on Technology Applications for Effective Customer Engagement* (pp. 103-122).

www.irma-international.org/chapter/revealing-and-ranking-customer-groups-from-the-perspective-of-their-experiences/261526