


Chapter 5

Blockchain and Customer Engagement

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ABSTRACT

Business-to-consumer (B2C) commerce has flourished as a result of the widespread availability of advanced e-commerce platforms integrated with mobile applications, which have also reformed organizational structures and revitalized the value-generating processes. This chapter seeks to provide literature into the effect of blockchain and customer engagement. Blockchain helps firms to deal with customers by fostering security, transparency, and fast payment. It was concluded that blockchain leads to customer engagement. In the future, governments are likely to use it, and it will be globally recognised.

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INTRODUCTION

Bitcoin, the first cryptocurrency, was announced by its anonymous creator, Nakamoto, in a whitepaper in 2008 and implemented in 2009 (Zachariadis et al., 2019). It's interesting that Nakamoto doesn't call it a blockchain but rather "an electronic coin as a chain of digital signatures" (Frizzo-Barker et al., 2020 p. 2). Here, it's essential to stress that blockchain and Bitcoin are not interchangeable terms. Bitcoin is money built on top of the blockchain, which is a technology in and of itself. It's no secret that blockchain technology is revolutionizing the logistics industry. Blockchain, the underlying technology behind Bitcoin, has far-reaching implications for many industries. Several academic studies have set out to discover what impact distributed ledger technology will have on businesses and markets. From a technology perspective, the blockchain can be understood as a distributed shared ledger that employs time-stamped, encrypted blocks chained together to hold verified and synchronized information in a business-to-consumer (B2C) network. According to Schmidt & Wagner (2019), blockchain technology can be used for more than just financial transactions; it can also serve as a global system for recording, monitoring, and tracking all types of assets. By eliminating the requirement for third parties, consensus-based record validation not only lowers transaction costs but can also help businesses with governance decisions in their supply chain relationships (Schmidt & Wagner, 2019). At the same time, technological advancements have altered the nature of brand marketing, allowing for more extensive coverage and more specific targeting in an effort to boost credibility and commitment to the brand among consumers. The Internet has made it possible for businesses to expand into previously unreachable niches, establish whole new sales channels, and stimulate previously unanticipated demand (Rajeb et al., 2020). This adaptive approach to the marketplace makes use of cutting-edge tools to improve the precision with which it targets consumers.

There hasn't been a lot of research into blockchain, despite the fact that it's a promising new technology that has the potential to disrupt numerous sectors and usher in a technological revolution in the 21st century. Some firms and organizations implementing blockchain technology without a customer strategy could lead to poor customer management, which is a general IT problem. Some IT security managers don't have a plan to use blockchain applications' user-friendly advantages, and this is a real issue (Frizzo-Barker et al., 2020). However, the main stakeholder in these businesses and sectors, the consumers, is not well explained in the current study efforts (Dai et al., 2017). Using a digital wallet, customers can get their unused credits whenever it is most convenient for them. In return, advertisers can gain a more complete picture of their target audience through these data analytics (Weber, 2018). An efficient marketing plan relies heavily on collected client information for

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