



# Customer engagement, buyer-seller relationships, and social media

Customer  
engagement

253

C.M. Sashi

*Department of Marketing, Florida Atlantic University, Boca Raton,  
Florida, USA*

## Abstract

**Purpose** – The advent of the internet and in particular the interactive features of Web 2.0 in recent years have led to an explosion of interest in customer engagement. The opportunities presented by social media to help build close relationships with customers seem to have excited practitioners in a wide variety of industries worldwide. Academic scholarship on customer engagement, however, has lagged practice and its theoretical foundation is relatively underdeveloped and a better understanding of the concept is essential to develop strategies for customer engagement. This paper seeks to address some of these issues.

**Design/methodology/approach** – The paper attempts to enhance understanding of customer engagement by examining practitioner views of customer engagement, linking it to the marketing concept, market orientation, and relationship marketing, modeling the customer engagement cycle, and developing a customer engagement matrix.

**Findings** – The paper develops a model of the customer engagement cycle with connection, interaction, satisfaction, retention, loyalty, advocacy, and engagement as stages in the cycle. It arrays customers in a customer engagement matrix according to the degree of relational exchange and emotional bonds that characterize their relationship with sellers. Four types of relationships emerge: transactional customers, delighted customers, loyal customers, and fans.

**Research limitations/implications** – The paper is an initial attempt to develop a theoretical framework for customer engagement and further research is required to better understand several aspects of the framework. Future research can also investigate questions stemming from this research, for instance, how different Web 2.0 tools may be used to build customer engagement in consumer and business markets.

**Practical implications** – Customer engagement turns customers into fans. But for customers to become fans they have to progress through the stages of the customer engagement cycle. In addition to current fans, sellers need a mix of transactional, delighted, and loyal customers who can be turned into fans in the future. A mix of digital and nondigital technologies can be employed to facilitate customers' transition through the stages in the customer engagement cycle.

**Originality/value** – The paper develops a conceptual model of customer engagement that improves understanding of the concept and provides the foundation for strategies to better satisfy customers using Web 2.0 tools like social media.

**Keywords** Customer engagement, Buyer-seller relationships, Social media, Web 2.0, Relational exchange, Emotional bonds, Customer orientation, Marketing strategy

**Paper type** Conceptual paper

## 1. Introduction

Customer engagement has emerged in the last few years as a topic of great interest to managers and consultants in diverse industries and companies worldwide as evidenced by the large number of white papers, blogs, discussion forums, commentaries, seminars, and symposia generated by a general search for the terms



Management Decision  
Vol. 50 No. 2, 2012  
pp. 253-272

© Emerald Group Publishing Limited  
0025-1747  
DOI 10.1108/00251741211203551

(see, e.g. Wikipedia, 2011). Increasing interest in customer engagement has paralleled the continued evolution of the internet and the emergence of new digital technologies and tools that has been dubbed Web 2.0, especially social media like wikis, blogs, micro blogging sites like Twitter, bookmarking sites like del.icio.us, video sites like YouTube, virtual worlds like Second Life, and social networking sites like Facebook, MySpace, and LinkedIn (see, e.g. Wirtz *et al.*, 2010). The interactive nature of social media with its ability to establish conversations among individuals and firms in communities of sellers and customers and involve customers in content generation and value creation has excited practitioners with its potential to better serve customers and satisfy their needs.

Practitioners have been at the forefront of attempts to understand, define, and build customer engagement (e.g. Advertising Research Foundation, 2008; EIU, 2007a, b, c, d; Forrester Consulting, 2008; Gallup, 2009, 2010). Surveys of managers in private as well as public sector companies across the world sponsored by Adobe, a software company whose stated objective is to develop the tools for companies to connect with customers (Adobe, 2008), indicate that companies are striving to create a high level of customer engagement defined as “an intimate long-term relationship with the customer” (EIU, 2007a, b, c, d).

Implicitly, managers appear to view customer engagement along exchange relationship dimensions ranging from short- to long-term and cursory to intimate.

In general, exchange relationships may span a continuum from short-term discrete exchange in markets to long-term relational exchanges within organizations (Macneil, 1981). As exchange relationships evolve from market-mediated exchange to organization-mediated exchange, more intimate and enduring relational exchanges take place. The most intimate long-term relationship perhaps occurs when a supplier and customer merge to form one organization, replacing a market exchange with a hierarchical or organizational exchange.

Markets and organizations are alternative mechanisms for satisfying needs and customers can choose to rely on either the market mechanism and buy the product required to satisfy their needs or the organization mechanism to make it (Coase, 1937; Williamson, 1985, 2000). Vertical integration forward into output markets by sellers or backward into input markets by buyers replaces a buy transaction in a market with a make transaction in an organization so the customer makes the product that it used to previously buy. Customer engagement appears to resemble in terms of intimacy and duration the relationship between parts of the same firm that transact with one another. For instance, one business unit of a firm may make the product required by another business unit of the same firm and also sell the product to customers who are not part of the firm in market transactions. Customer engagement between independent buyers and sellers in market transactions may represent the closest equivalent to the relationship between two parts of the same organization (business units of the same firm) without a merger supplanting market-mediated exchange.

In market transactions, customer engagement, by establishing intimate bonds in enduring relational exchanges between seller and customer, appears to enable customers to continue to rely on buy rather than make transactions as well as co-create value. The roles of the seller and the customer converge, with seller and customer collaborating in creating value (Prahalad and Ramaswamy, 2004). Web 2.0 technologies and tools appear to facilitate the co-creation of value by seller and

---

customer (Harrison and Barthel, 2009). For instance, online community networks allow customers to become active co-constructors of life experiences and consumption meanings (Firat and Dholakia, 2006).

Building customer engagement in both business and consumer markets requires adaptation of the marketing mix to take advantage of new technologies and tools to better understand and serve customers. Social media provide the opportunity to connect with customers using richer media with greater reach (see, e.g. Thackeray *et al.*, 2008). The interactive nature of these digital media not only allows sellers to share and exchange information with their customers but also allows customers to share and exchange information with one another as well. Using social media, organizations can forge relationships with existing as well as new customers and form communities that interactively collaborate to identify and understand problems and develop solutions for them. These interactions change the traditional roles of both seller and customer in exchange relationships. Indeed customers often add value by generating content and even become ardent advocates for the seller's products and can influence purchase decisions of others in peer-to-peer interactions.

The rest of this article is organized as follows. We examine practitioner views of customer engagement followed by a discussion of its links to the marketing concept, market orientation, and relationship marketing. On the basis of this discussion we formulate a customer engagement cycle with connection, interaction, satisfaction, retention, commitment, advocacy, and engagement as stages in the cycle. We then develop a customer engagement matrix based on the degree of relational exchange and emotional bonds between buyer and seller. Finally, we discuss the implications of the matrix for managers and future research.

## 2. Practitioner perspectives on customer engagement

Customer engagement has entered the lexicon of managers in private as well as public sector enterprises in the last few years as a concept that is critical to the success of their organizations. Its rise in the consciousness of managers has paralleled the emergence of new technologies and tools that enable greater interactivity among individuals and organizations. The evolution of the internet and in particular the emergence of social media with its enhanced ability to facilitate interaction between buyers and sellers has captured the interest of managers seeking to better understand and serve their buyers using these technologies and tools. But what exactly is customer engagement seems to be in doubt with considerable variation in interpretations of the concept and several different definitions of customer engagement proposed by practitioners. As a consequence, customer engagement often gets equated with the measures that managers and consultants choose to use. We discuss a few of these definitions which follow.

An early attempt to define customer engagement was made by the Advertising Research Foundation (ARF) in March 2006. ARF in conjunction with the American Association of Advertising Agencies and the Association of National Advertisers undertook a "defining engagement initiative" according to which engagement is "Turning on a prospect to a brand idea enhanced by the surrounding context" (Advertising Research Foundation, 2008). According to ARF, a broad definition was deliberately chosen to be inclusive rather than exclusive and provide a "framework that fostered sharing of perspectives and knowledge, rather than a single, definitive

---

approach to measuring and applying the Engagement construct” (Advertising Research Foundation, 2008). But a consequence of this approach is that customer engagement can conceivably encompass a wide variety of situations ranging from awareness, interest, and desire to purchase, retention, and loyalty.

A series of empirical studies conducted by the Economist Intelligence Unit with managers in private and public sector enterprises worldwide (EIU, 2007a, b, c, d) leads them to define customer engagement as “an intimate long-term relationship with the customer” but also note that it is sometimes used to describe marketing, satisfaction, retention, and loyalty (EIU, 2007b). In terms of strategy, “engagement refers to the creation of experiences that allow companies to build deeper, more meaningful and sustainable interactions between the company and its customers or external stakeholders” and proposes that “It is not a fixed point that can be reached but a process that expands and evolves over time” (Economist Intelligence Unit, 2007b). This perspective not only extends the customer engagement concept to all experiences and external stakeholders, but also suggests that customer engagement is a process that evolves over the course of a relationship.

On the basis of a survey of 200 business decision makers in companies across the world, Forrester Consulting (2008) defines customer engagement as “creating deep connections with customers that drive purchase decisions, interaction, and participation over time.” Their survey indicates that companies are investing more in online programs and believe the internet is essential for building customer engagement. Measures of customer engagement used by these companies include sales volume, customer satisfaction, and frequency of visits to a web site. Forrester recommends identifying the ten most important things that engaged customers and prospects do and creating a dashboard to track the adoption, frequency, and intimacy metrics associated with these activities. For example, if purchases, recommendations, store visits, and online reviews are some of the customer engagement activities, the percentage of customers engaging in these activities, the average number of times they perform it in a certain period, and their preference, satisfaction or willingness to serve as customer references are used to measure customer engagement. Besides turning customer engagement into a company-specific concept, this approach fails to indicate how measures of these different activities relate to an overall assessment of customer engagement.

A consulting firm that has placed much emphasis on customer engagement (and also employee engagement and brand engagement) is Gallup, which uses 11 questions to measure rational as well as emotional aspects of customer engagement in both consumer and business markets. Gallup Consulting (2009) distinguishes four levels of customer engagement: fully engaged, engaged, disengaged, and actively disengaged. According to Gallup, fully engaged customers represent an average 23 percent premium while actively disengaged customers represent a 13 percent discount relative to average customers on an index based on share of wallet, profitability, revenue, and relationship growth. As an example of the impact of customer engagement on performance, Gallup cites a study of the casual dining industry in which a restaurant chain with an engagement ratio of 5.4 (which means 5.4 of the chain’s customers were fully engaged for every actively disengaged customer) in 2006 improved its ratio to 7.2 in 2008, during which time its overall sales grew by 30 percent and per unit sales grew by 13 percent, while another chain with an engagement ratio of 0.63 in 2006 that

---

declined to 0.46 in 2008 saw a 2 percent decline in its sales. However, Gallup desists from defining customer engagement although it does state that engaged “customers are not just “satisfied” or “loyal,” they are emotionally attached to the organization’s brands or services” (Gallup Consulting, 2010).

Many bloggers have weighed in on the topic of customer engagement with their thoughts provoking comments from interested readers. In view of interest in customer engagement arising at least in part from the greater interactivity of social media, we cite a few examples of practitioner discussions of the concept. In an E-marketing glossary, customer engagement is defined as follows: “The customer engagement concept is intended to increase the time or attention a customer or prospect gives to a brand on the web or across multiple channels” (Chaffey, 2008). Also mentioned in the glossary is an alternative definition from an interview with another blogger who defines customer engagement as “Repeated interactions between a customer and brand that strengthen the emotional, psychological or physical investment a customer has in that brand” (Chaffey, 2007). In response to a post that engagement is not a metric that anyone understands, rarely drives action or improvement at the web site, and is difficult to define in a standard way, a blogger responds that marketers should be thinking about how engaged the customer is with the company, product, or brand, not its narrow connection to web sites and the online channel and argues that customer engagement encompasses a number of dimensions: product involvement, purchase frequency, service interactions frequency, types of interactions, online behaviour, referral behaviour/intention, and velocity (Shevlin, 2007). A recent post suggests that a central role in many marketing strategies is played by a customer engagement cycle said to consist of awareness, consideration, inquiry, purchase, and retention stages (Ertell, 2010), but these are stages in a purchase decision rather than a customer engagement cycle. However, the post does argue that missing from the cycle are two critical stages, satisfaction and referral (Ertell, 2010).

### **3. Customer engagement and the marketing, market orientation, and relationship marketing concepts**

The fascination of managers in both consumer and business markets worldwide with customer engagement and heightened interest in the concept since the arrival of the internet and especially social media with its potential for greater interactivity represents the strong desire of practitioners for new approaches to better serve customers. Social media with its ability to facilitate relationships may help realize the promise of the marketing concept, market orientation, and relationship marketing by providing the tools to better satisfy customers and build customer engagement. As many of the definitions we have discussed suggest, customer engagement seems to go beyond awareness, beyond purchase, beyond satisfaction, beyond retention, and beyond loyalty. In many ways it represents the evolution of marketing from the marketing concept era to market orientation to relationship marketing. We examine how customer engagement relates to the marketing concept, market orientation, and relationship marketing and may help achieve their promise.

#### *3.1 The marketing concept and customer engagement*

The marketing concept focuses on customer needs and starts with customers to determine the activities that a seller must perform in order to meet their needs (see,



e.g. Borch, 1957; McKitterick, 1957). Customer engagement likewise focuses on customers and their needs in order to engage with them. Both the marketing concept and customer engagement concept are customer-centric approaches that give primacy to customers in order to determine the value adding required to meet their needs.

The marketing concept differs from approaches that preceded it (like the production, product, and selling concepts) in shifting focus from the needs of sellers to the needs of buyers. In the face of market uncertainty, sellers tend to rely on the information available to them, and because they generally have more information regarding their own needs, may focus on their needs as sellers rather than the needs of buyers. However, sellers can meet their needs only if buyers engage in transactions with sellers and a variety of value adding activities have to be performed by sellers for these transactions to occur. Indeed only by understanding customer needs and the search processes by which customer satisfy them can sellers determine what value adding is required and how to do it. Only by meeting customer needs can sellers meet their own needs.

In order to achieve goals in terms of metrics like profitability, market share, and revenue or sales volume that reflect seller needs, customer needs must first be met. Only if customers proceed through a buying process that culminates in a purchase can seller needs for profitability, market share, sales, etc., be met. But mere purchase of a product does not signify customer engagement. At the very least the purchase of a product must lead to other purchases of the same product, or other products of the same brand, or other products in the product mix (same or different brands) offered by the same company. If the purchase results in satisfaction perhaps the buyer will engage in repeat purchases and retention is likely but even satisfaction and retention do not necessarily signify customer engagement, though they increase its likelihood. Absent satisfaction it is unlikely retention will occur. Retention over time leads to loyalty but not necessarily customer engagement. Only if loyal customers develop feelings of intimacy and emotional attachment and are “turned on” and become fans of the product, brand, or company does it result in customer engagement. Engaged customers are likely to recommend products to others, e.g. by word-of-mouth, blogs, social networking, comments on web sites, etc., and even add value by providing user-generated content. In many ways customer engagement expands the traditional role played by customers and includes them in the value-adding process by helping sellers understand customer needs, participating in the product development process, providing feedback on strategies and products, and becoming advocates for the product.

### *3.2 Market orientation and customer engagement*

The focus of market orientation as in the case of the marketing concept is on customers. But it broadens the domain to include other market forces like competition (see, e.g. Hadcroft and Jarratt, 2007). The needs of customers are met through value adding activities to make high quality products that provide benefits superior to that of competitors. Market orientation has been held to consist of three sets of activities:

- (1) Organization-wide generation of market intelligence on customer needs.
- (2) Dissemination of the intelligence across departments.
- (3) Organization-wide responsiveness to it (Jaworski and Kohli, 1993).

---

By generating intelligence on the changing needs of customers and gearing the organization to respond to it, market orientation contributes to customer engagement. Market orientation has also been shown to increase the esprit de corps and commitment of employees to the organization (Jaworski and Kohli, 1993), contributing to employee engagement, which has been shown to contribute to customer satisfaction and profit (Harter *et al.*, 2002) and customer loyalty (Salanova *et al.*, 2005).

However, customer engagement goes beyond market orientation by actively involving customers in generating intelligence on their changing needs and in helping the organization respond to those needs. The process of value creation is shifting from a product- and firm-centric view to personalized customer experiences with “Informed, networked, empowered, and active” customers increasingly co-creating value with the organization (Prahalad and Ramaswamy, 2004). Interaction between the organization and engaged customers and among the customers themselves as well as with potential customers allows them to co-create value by generating content, providing feedback, disseminating information, and becoming advocates for the organization among their peers. Market orientation helps lay the foundation for customer engagement, which expands the role of customers to include participation in the value adding activities of the organization as co-creators of value. Generating intelligence and responding to changing customer needs with engaged employees helps the organization build intimate long-term relationships with customers.

### *3.3 Relationship marketing and customer engagement*

The desire for relationships with customers is implicit in both the marketing concept with its emphasis on meeting customer needs and the market orientation concept with its emphasis on meeting customer needs by providing superior value relative to competitors. Relationship marketing, however, broadened the domain to focus explicitly on the exchange relationship, enhancing our understanding of relationships between sellers and customers (see, e.g. Gronroos, 1994). Most importantly, it identified constructs that influence the nature of the relationship in market exchanges between sellers and customers. The key norms that determine whether exchange between sellers and customers is transactional or relational are trust and commitment (Morgan and Hunt, 1994). Other norms like role integrity have also been suggested (Kaufmann and Stern, 1988), but the interactive nature of social media is likely to blur the role integrity of sellers and customers by expanding the role of customers and including them in the creation of value.

Customer engagement requires the establishment of trust and commitment in buyer-seller relationships. Trust exists “when one party has confidence in an exchange partner’s reliability and integrity” (Morgan and Hunt, 1994). Absent trust the relationship is unlikely to become either enduring or intimate. Only when customers trust sellers can they be expected to become advocates for the seller although trust alone may not suffice to turn the exchange into a long-term relationship. On the other hand, commitment, which has been defined “as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely” (Morgan and Hunt, 1994), leads to long-term relationships but not necessarily intimacy. A distinction has been drawn between two types of commitment: calculative and affective (see Gustafsson *et al.*, 2005; Bowden,

2009). Calculative commitment results from switching costs or lack of other suppliers causing a customer to “stick” with a particular seller. Affective commitment, however, results in an emotional bond between seller and customer that “captures the trust and reciprocity in a relationship” (Gustafsson *et al.*, 2005). Thus affective as well as calculative commitment or trust and commitment will likely result in customer engagement.

#### 4. The customer engagement cycle

On the basis of the preceding discussion, we suggest that customer engagement focuses on satisfying customers by providing superior value than competitors to build trust and commitment in long-term relationships. Engaged customers become partners who collaborate with sellers in the value adding process to better satisfy their needs as well as the needs of other customers. The interactivity of social media greatly facilitates the process of establishing enduring intimate relationships with trust and commitment between sellers and buyers. Customer engagement is turning on customers by building emotional bonds in relational exchanges with them.

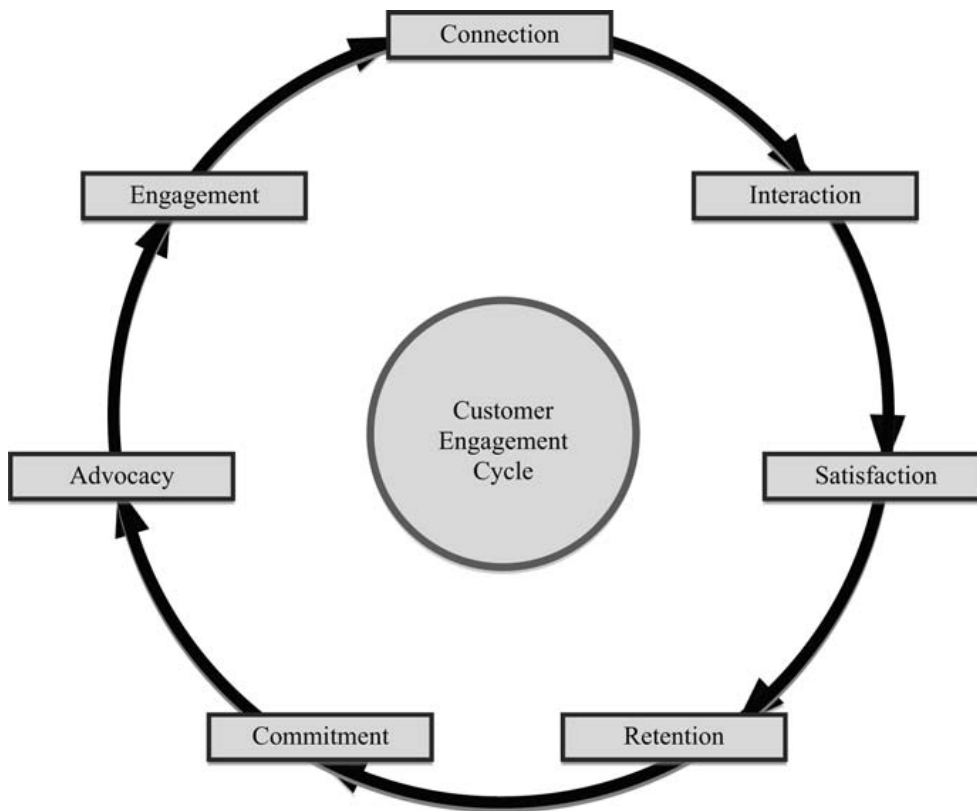
The process of building customer engagement constitutes a customer engagement cycle. The notion of a customer engagement cycle has previously been used (as we noted before) to refer to awareness, consideration, inquiry, purchase, and retention stages, which appear to represent stages in the purchase process that customers use to decide the specific product to be purchased, albeit with a feedback loop for future purchases, rather than customer engagement and might apply the first time new customers choose what product to buy. We propose that the stages of the customer engagement cycle are connection, interaction, satisfaction, retention, commitment, advocacy, and engagement as depicted in Figure 1. Much of the variation in practitioner perspectives on customer engagement seems to stem from confusing intermediate stages in the customer engagement cycle with customer engagement itself. The customer engagement cycle stages are discussed in the following.

##### 4.1 Connection

The prerequisite for establishing relational exchange with emotional bonds is for sellers and customers to connect with each other. The connections may be established using both traditional offline methods like salespersons and new digital online methods like social networking. Social media greatly facilitate the establishment of connections with a large number and wide variety of individuals and firms. Customers may use existing connections with sellers and other customers to satisfy a need or they may seek new connections with sellers and customers outside their current circle. Sellers searching for customers may also establish connections.

The needs of customers may prompt a search for products that are potential solutions and sellers could assist customers in the process and help them choose particular solutions and products. Sellers can also establish connections with potential customers before needs arise so as to be in a position to suggest existing products as solutions or even develop new products to meet these needs. Such connections are especially important in intermediate transactions in business markets where customer needs stem from making products for customers in subsequent transactions and a buying center with individuals from different departments and hierarchical levels of the organization emerges to determine product choices (Sashi, 2009). For instance,





**Figure 1.**  
Customer engagement  
cycle

getting past the gatekeeper role in the buying center and connecting with users, influencers, deciders, and buyers can facilitate collaborative problem solving.

#### 4.2 Interaction

Once connected the customer can interact with seller personnel and other customers. Before the internet these connections were limited by available technology like word-of-mouth, letters, and telephone to narrow circles of family, friends, colleagues, and acquaintances constrained by location. But with Web 2.0, restrictions in terms of space and time are fast disappearing, and metaphors like global village and 24/7 are evoked to describe the real time interactions possible among people worldwide. Texting, instant messaging, email, blogging, virtual worlds, and social networking are examples of tools that enable more frequent, faster, and richer interactions among much larger groups of connected individuals and organizations or communities. Sellers can play an active role in the formation of these communities using social media supplemented by the tools traditionally used to serve customers. Interactions among sellers and their customers can improve understanding of customer needs, especially changes in these needs over time, and facilitate modifications to existing products or the development of new products to better satisfy these needs. Social interaction in virtual worlds, for example, where users communicate and interact in real time can be used to connect with customers, provide information and experiences, and obtain customer input (Tikkanen *et al.*, 2009).

Interaction between seller and customer is becoming the *locus* of value creation and value extraction (Prahalad and Ramaswamy, 2004). The internet allows sellers to establish a continuing dialogue with customers, tap into knowledge shared among groups of customers with shared interests, and extend the reach and scope of customer interactions to reach competitors' or prospective customers (Sawhney *et al.*, 2005). For example, Eli Lilly, a pharmaceutical manufacturer created e.Lilly to use the internet to manage customer interactions with the explicit purpose of supporting R&D activities; and Ducati Motor, a manufacturer of motorcycles, created a virtual community of customers it considers fans to understand customer needs, gain insights into new products and services, allow customers to share information and assist one another, and involve customers with strong relationships in product design and market testing stages of the new product development process (Sawhney *et al.*, 2005). In software engineering, interaction between customer and supplier organizations is essential to understand customer needs and agile methods that emphasize close and continuous cooperation with customers throughout the development cycle are recommended (Hanssen and Faegri, 2006). Customer interaction allows customers to participate in the value adding process and collaborate with sellers in creating value.

#### *4.3 Satisfaction*

Only if interactions between a seller and a customer, or among the members of a community including seller and customers result in satisfaction will they stay connected and continue to interact with one another and progress towards engagement. Satisfaction is not an end in itself as the use of customer satisfaction surveys and ratings sometimes implies but an intermediate step in strategies to achieve the goals of an organization (Mittal and Kamakura, 2001). Indeed, it has been argued the goal of marketing is not satisfaction but customer empowerment through partnerships with sellers that enable customer communities to mutually construct their desires and products (Firat and Dholakia, 2006). Satisfaction is a necessary condition for customer engagement. But it is not sufficient for customer engagement.

Satisfaction with interactions during a purchase process may precede or follow the purchase and dissatisfaction at any stage can disrupt the process and result in customer exit. Satisfaction, however, may not result in repurchases and a long-term relationship may not ensue. A distinction has been drawn between transaction-specific and cumulative customer satisfaction (Oliver, 1993), with cumulative or overall satisfaction defined as "an overall evaluation based on the total purchase and consumption experience with a good or service over time" (Anderson *et al.*, 1994). A high level of satisfaction achieved when customer expectations are exceeded and emotions become highly positive has been described as not just satisfaction but delight (Oliver *et al.*, 1997).

#### *4.4 Retention*

Customer retention can result from either overall satisfaction over time or highly positive emotions. Overall satisfaction over time emerges as a result of repurchases and implies a long-term relationship between seller and customer but not necessarily highly positive emotions for each other. On the other hand, a customer's highly positive emotions for a seller do not imply that the customer has a long-term relationship with

---

the seller. Thus retention may be the result of enduring relationships without emotional bonds or emotional bonds without a long-term relationship.

A study of the effects of customer satisfaction, affective commitment, and calculative commitment on customer retention finds that customer satisfaction has a positive effect on retention, affective commitment does not have an effect on retention, and calculative commitment has a positive effect on retention, and recommends the inclusion of customer satisfaction as well as calculative commitment in surveys used to predict retention (Gustafsson *et al.*, 2005). However, the causality is unclear: instead of commitment leading to retention, it is possible that retention gives rise to either affective commitment (highly positive emotions) or calculative commitment (long-term relationships), or both affective and calculative commitment (long-term relationships with highly positive emotions).

#### 4.5 Commitment

Commitment in a relationship has two major dimensions: affective commitment and calculative commitment (see Gustafsson *et al.*, 2005). Calculative commitment is more rational and results from a lack of choice or switching costs. For example, a customer who enjoys a particular cuisine like Vietnamese or Peruvian food may patronize a restaurant nearby because of a lack of alternatives and regularly dine at the restaurant. Calculative commitment leads to higher levels of customer loyalty and enduring relationships with sellers.

Affective commitment is more emotional and results from the trust and reciprocity in a relationship. In the example of the customer who regularly dines at a particular restaurant, the diner could become friends with the wait staff who remember the diner's preferences and provide exceptional service on most visits. Affective commitment leads to higher levels of trust and emotional bonds in relationships with sellers.

Customer loyalty may be considered the result of calculative commitment to a product, brand, or company while customer delight is the result of affective commitment to a product, brand, or company. If customers are loyal as well as delighted, that is, customer commitment to a seller encompasses both calculative and affective commitment, then the customer and seller are in an enduring relational exchange with strong emotional bonds.

#### 4.6 Advocacy

Delighted customers may keep their delight to themselves or in a connected world interact with others in their social networks to spread the word about their positive experiences with a product, brand, or company. Loyal customers lacking an emotional bond to the seller they regularly patronize may not offer unsolicited encomiums about the product, brand, or company to others despite their enduring relationships with the seller or they may offer recommendations when presented with the opportunity to do so on a purely rational basis free of emotional attachment.

In a study of customer commitment and word-of-mouth communication regarding hair salons and veterinary services, affective commitment is positively related but calculative commitment (termed high sacrifice commitment in the study) is not related to word-of-mouth communication (Harrison-Walker, 2001), suggesting that at least in offline interactions, delighted customers communicate their delight to others in their

---

social networks but loyal customers are less prone to do so. Only if loyal customers in long-term relationships develop emotional bonds will they likely become advocates for a product, brand, or company.

Sellers as well as customers can play advocacy roles in relationships. Urban (2004) suggests that digital technologies like the internet have shifted the emphasis from relationship marketing with its slogans like “customer care” and “delight your customer” to acting in the customers’ best interests and becoming advocates for them. Sellers must find the best products for their customers even if those offerings are from competitors because: “If a company advocates for its customers, they will reciprocate with their trust, loyalty and purchases – either now or in the future” (Urban, 2004). Customers in turn become advocates for sellers among those with who they have connections and interactions. In the future, sellers and customers are expected to look after each other’s interests and the focus will be on exchange of values that transcend their self-interest (Nordin, 2009).

#### *4.7 Engagement*

When delighted or loyal customers share their delight or loyalty in interactions with others in their social networks and become advocates for a product, brand, or company, the foundation has been laid for proceeding to the next and perhaps most important step in the cycle, customer engagement. Both customer delight and customer loyalty are necessary for customer engagement. In other words, customer engagement requires affective commitment as well as calculative commitment or trust as well as commitment between sellers and customers. Customer engagement occurs when customers have strong emotional bonds in relational exchanges with sellers.

Customer engagement expands the role of customers by including them in the value adding process as co-creators of value. The inclusion of customers in the creation of value enhances satisfaction of the needs of customers as well as sellers, especially as these needs change over time. As engaged customers develop new connections, they become advocates for the seller in interactions with other customers and non-customers. Customer engagement turns customers into fans who remain wedded through ups and downs in intimate enduring relationships and even proselytize for the product, brand, or company. When problems arise in relationships with customer engagement, they are likely to be resolved through passive acceptance or constructive discussion rather than venting or disengagement (see Hibbard *et al.*, 2001). The exchange relationship between seller and customer and among customers becomes more relational and emotional bonds among them become stronger, and lead to new connections and interactions, creating a virtuous customer engagement cycle.

### **5. The customer engagement matrix**

Customers in different stages of the customer engagement cycle will vary in terms of the degree of relational exchange and emotional bonds that characterize their relationships with sellers. Initially, in the connection and interaction stages, buyers and sellers have yet to establish exchange relationships and there is little or no relational exchange or emotional bond between them. If connection and interaction lead to satisfaction, depending on the degree of relational exchange and emotional bonds that characterize their relationships with sellers, customers may be arrayed in a customer engagement matrix.

We construct a customer engagement matrix with relational exchange along the horizontal axis and emotional bonds along the vertical axis. Relational exchange varies along a continuum with discrete transactional exchanges at one end and enduring relational exchanges at the other end. Emotional bonds range from rational relationships with little or no emotional attachment at one end to intimate relationships with strong emotional bonds at the other end. Figure 2 shows the four cells of the customer engagement matrix with low or high relational exchange linked to low or high emotional bonds.

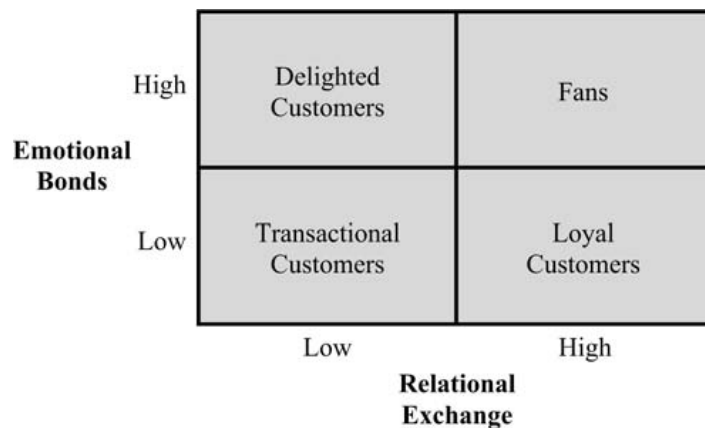
### 5.1 Transactional customers

If relational exchange is low and emotional bonds are low, we have transactional customers with minimal personal relationships and no anticipation or obligation of future exchanges (see Macneil, 1981). Transactional customers are price sensitive and prone to deals. They regard the product as a commodity and will buy from the seller offering the lowest price, switching across sellers from transaction to transaction. In business markets, these customers use either the minimum price or lowest total cost models of buyer behavior (Sashi, 2009). Exchanges between sellers and customers are neither enduring nor close and connection and interaction is limited to a particular transaction.

Transactional customers, however, are the source of customers for the other cells in the matrix. The future intentions of low relational customers were driven by overall satisfaction in a study of the customers of a nonprofit theater company separated by the strength of their relationships (Garbarino and Johnson, 1999). Only by ensuring the overall satisfaction of transactional customers can they be turned into either loyal or delighted customers, and eventually, fans.

### 5.2 Delighted customers

If relational exchange is low but emotional bonds are high, we have delighted customers. The expectations of these customers have been exceeded, inducing highly positive emotions and a high level of satisfaction, but customer interactions with the seller are infrequent and transactions are rare. Delight does not translate into long-term relationships.



**Figure 2.**  
Customer engagement  
matrix



---

Delighted customers, however, develop affective commitment to a seller. The affective commitment of delighted customers can make them advocates for a product, brand, or company. Affective commitment is positively related to word-of-mouth communication (Harrison-Walker, 2001), suggesting that delighted customers are prone to communicate their delight to the people with who they are connected in social networks. By developing an enduring relationship with delighted customers already in the advocacy stage of the customer engagement cycle, sellers can turn delighted customers into fans.

### *5.3 Loyal customers*

If relational exchange is high and emotional bonds are low, we have loyal customers. Loyal customers are in relationships characterized by calculative commitment in which switching costs or lack of alternative suppliers creates lock-in or stickiness with the current supplier. Customers are loyal not because they are emotionally attached to a seller but for purely rational reasons. The relationship endures over time because of barriers to exit.

Loyal customers are unlikely to recommend a seller on their own. A seller can induce loyal customers to play an advocacy role by developing affective commitment. In the nonprofit theater company study, the future intentions of high relational customers were driven by trust and commitment (Garbarino and Johnson, 1999). By developing trust in loyal customers, sellers can turn them into fans.

### *5.4 Fans*

If relational exchange is high and emotional bonds are high, customers are fans and we have customer engagement. The relationship is characterized by cooperative action and mutual adjustment, sharing of benefits and burdens, and planning for future exchanges (see Macneil, 1981). Fans have enduring relationships with affective as well as calculative commitment. Fans are both delighted and loyal.

Fans trust sellers and become passionate advocates for them. A classic example of fans is provided by customers of professional sports teams who are loyal supporters of their teams in times good and bad, delighted when they win, dejected when they lose, with trust and commitment characterizing their enduring relationship with a team they regard as their own. Fans connect with other fans, interact with one another, and improve overall satisfaction, reinforcing their loyalty and delight.

Ideally, a seller will have many customers who are fans. But sellers will not only want fans but also delighted customers, loyal customers, and transactional customers who can be turned into future fans. Satisfaction in connections and interactions with transactional customers is a prerequisite for turning them into loyal customers by creating calculative commitment or delighted customers by creating affective commitment. Loyal customers are turned into fans by creating affective commitment and delighting them. Delighted customers are turned into fans by creating calculative commitment and making them loyal. A mix of offline and online strategies may be employed for connecting and interacting with customers in different stages of the customer engagement cycle and facilitating transition to the next stage of the cycle. Social media improve the ability to connect with customers as well as non-customers and richness of the interactions with them, increasing the likelihood of satisfying

---

transactional customers, creating delighted or loyal customers, and turning them into fans.

## 6. Discussion

The emergence of the customer engagement concept acknowledges the opportunities afforded by the internet and particularly the interactive aspects of Web 2.0 technologies and tools to transform the relationship between sellers and customers. Its importance has primarily been recognized by practitioners seeking to harness the potential of social media to build enduring relational exchanges with strong emotional bonds. By formulating a conceptual model of customer engagement we provide the basis for developing customer engagement strategies using both online and offline technologies and tools.

Our review of the definitions of customer engagement proffered by consultants and bloggers and exploration of its links to marketing theory has helped us develop a theoretical framework for understanding customer engagement. Customer engagement focuses on customers and their needs in accordance with the marketing concept, aims to provide superior value relative to competitors by generating, disseminating, and responding to intelligence regarding customer needs in keeping with market orientation, and seeks to build trust and commitment in relationships with customers as suggested by relationship marketing. Achieving customer engagement requires facilitating customers' transition through several stages in the customer engagement cycle: connection, interaction, satisfaction, retention, commitment, advocacy, and engagement. A mix of digital and non-digital technologies can be employed for the purpose and different mixes are required for each stage of the customer engagement cycle.

### *6.1 Implications for managers*

New technologies and tools spawned by Web 2.0 like social media alter the roles of buyers and sellers and the relationships between them. Unlike traditional market exchanges in which the seller largely controlled marketing mix decisions relating to product, price, promotion, and place and developed strategies to meet the needs of customers, social media helps shift control of some of these decisions to customers. By changing how sellers and customers connect and interact, social media enables customers to participate in making strategic choices jointly with sellers and co-create value with them. Social media enables customers to participate in value adding and marketing mix decisions by connecting and interacting not only with sellers, but also with other customers as well as non-customers.

Previously, even when managers tried to formulate strategies by taking the needs of customers into account, control of marketing mix decisions tended to remain with the seller. For instance, market research about buyer needs may have provided the information for formulating strategy but strategic decision-making was largely the domain of managers working for sellers. Social media, however, enables both sellers and customers to participate in strategic decision-making and strategy is no longer the sole prerogative of the seller. Indeed sellers must connect with current as well as potential customers and seek their active involvement in developing products that meet customer needs. Involving customers in the value adding process and marketing

mix decisions increases the likelihood of their satisfaction and progress through subsequent stages of the customer engagement cycle.

Only by satisfying transactional customers can sellers attempt to develop stronger emotional bonds or build enduring relational exchanges with them. Continued interaction between sellers and customers employing a variety of social media, each with its own pros and cons for facilitating transition through different stages in the customer engagement cycle can be used to foster retention and create affective and/or calculative commitment. The specific social medium or media used may be expected to depend on the nature of the interaction sought with different social media preferred for different objectives. For instance, the social media employed to turn delighted customers into fans by building calculative commitment in addition to affective commitment is likely to be different from that used to turn loyal customers into fans by building affective commitment in addition to calculative commitment.

The opportunity provided by social media for customers to connect and interact in rich and complex ways with other customers and non-customers gives them the ability to influence others in their social networks. Customers with strong emotional bonds can become advocates for sellers in peer-to-peer interactions with other customers and noncustomers and play an important role in the value adding process as co-creators of value. User-generated content can greatly enhance customer satisfaction, loyalty, and/or delight, especially as customer needs change over time, e.g. applications for the Apple iPhone. The expansion of customer roles to encompass seller roles not only reinforces the emotional bonds between seller and customer and among customers, but also makes it a more relational exchange because customers actively participate in creating value for other customers. As the exchange becomes more relational and the emotional bonds stronger, customers become advocates for sellers in interactions with other customers and non-customers. Sellers in turn become customer advocates who try to do what is best for their customers.

Customer engagement turns customers into fans. Social media allows fans to connect and interact with other fans increasing mutual satisfaction and advocacy. Fans can also connect and interact with non-customers, turning them into transactional customers and launching the customer engagement cycle anew. Only if sellers or current customers connect and interact with potential customers and succeed in turning them into transactional customers does the possibility arise of their transition through subsequent stages of the customer engagement cycle with some eventually becoming fans. Satisfaction is essential to retain transactional customers and turn them into either loyal or delighted customers. Transactional customers can be turned into delighted customers by creating affective commitment and building emotional bonds with them or into loyal customers by creating calculative commitment and building enduring relational exchanges with them. For delighted customers to turn into fans, affective commitment must be supplemented with calculative commitment; and for loyal customers to turn into fans, calculative commitment must be supplemented with affective commitment. Only if customers develop both affective and calculative commitment (or trust and commitment) will they turn into fans with strong emotional bonds in enduring relational exchanges with sellers. In addition to current fans, sellers need a mix of transactional, delighted, and loyal customers who can be turned into fans in the future.

### 6.2 Implications for future research

In this conceptual paper we have attempted to identify the stages in the customer engagement cycle and develop a customer engagement matrix. Our initial effort requires further research to better understand each stage in the customer engagement cycle and the types of buyer-seller relationships in the customer engagement matrix. Future research can examine the mix of social media, other digital media, and non-digital media appropriate for each stage of the customer engagement cycle, how customers transition from one stage to the next, and the role of customers in the co-creation of value. Implicit hypotheses in this study about changes in the degree of relational exchange and emotional bonds characterizing buyer-seller relationships for transactional customers, delighted customers, loyal customers, and fans as customers progress through the customer engagement cycle need empirical investigation. For instance, does commitment lead transactional customers to become delighted or loyal customers with affective commitment turning them into delighted customers, calculative commitment turning them into loyal customers, and both affective and calculative commitment required to turn them into fans?

We have highlighted the ability of social media to enable more frequent, faster, and richer interactions among large groups of people but have not distinguished between different social media or examined their relative advantages and disadvantages for each stage in the customer engagement cycle. Also, the mix of social media to facilitate transition from one stage to the next and potential combinations with other digital media as well as traditional non-digital media has to be determined. Further research is required, for example, to determine how different elements of social media like YouTube, Twitter, and Facebook might be combined with banner advertising, TV advertising, and personal selling to produce both affective and calculative commitment and enhance advocacy and customer engagement.

Social media usage may also be expected to vary across markets with different media preferred for each stage of the customer engagement cycle in business and consumer markets. The preferences may also shift depending on the type of products and extent of buyer search. For instance, media preferences are likely to be different in consumer markets for convenience, shopping, and specialty products (see, e.g. Porter, 1974); and in business markets for made to order or postponement products and made for stock or speculation products (see, e.g. Sashi and Stern, 1995). Future research mapping these preferences would have important implications for how well the new technologies and tools deliver on their promise.

### References

- Adobe (2008), "Shantanu Narayen discusses customer engagement", available at: [www.adobe.com/engagement/q\\_and\\_a.html](http://www.adobe.com/engagement/q_and_a.html) (accessed 9 March 2011).
- Advertising Research Foundation (2008), "Defining engagement initiative", available at: [http://69.12.7.41/assets/research-arf-initiatives-defining-engagement?fbid=13S7ccq\\_zJt](http://69.12.7.41/assets/research-arf-initiatives-defining-engagement?fbid=13S7ccq_zJt) (accessed 9 March 2011).
- Anderson, E.W., Fornell, C. and Lehmann, D.R. (1994), "Customer satisfaction, market share, and profitability: findings from Sweden", *Journal of Marketing*, Vol. 58, July, pp. 53-66.
- Borch, F.J. (1957), "The marketing philosophy as a way of business life", in Marting, E. and Newgarden, A. (Eds), *The Marketing Concept: Its Meaning to Management*, American Marketing Association, New York, NY, pp. 3-16.

- Bowden, J.L. (2009), "The process of customer engagement: a conceptual framework", *Journal of Marketing Theory and Practice*, Vol. 17 No. 1, pp. 63-74.
- Chaffey, D. (2007), "Customer engagement interview with Richard Sedley of cScape", available at: [www.smartinsights.com/blog/customer-engagement/customer-engagement-interview-with-richard-sedley-of-cscape/](http://www.smartinsights.com/blog/customer-engagement/customer-engagement-interview-with-richard-sedley-of-cscape/) (accessed 9 March 2011).
- Chaffey, D. (2008), "Customer engagement definition", available at: [www.davechaffey.com/E-marketing-Glossary/Customer-engagement.htm](http://www.davechaffey.com/E-marketing-Glossary/Customer-engagement.htm) (accessed 9 March 2011).
- Coase, R. (1937), "The nature of the firm", *Economica*, Vol. 4 No. 6, pp. 386-405.
- Economist Intelligence Unit (EIU) (2007a), "Beyond loyalty: meeting the challenge of customer engagement, part 1", available at: [www.adobe.com/engagement/pdfs/partI.pdf](http://www.adobe.com/engagement/pdfs/partI.pdf) (accessed 9 March 2011).
- Economist Intelligence Unit (EIU) (2007b), "Beyond loyalty: meeting the challenge of customer engagement, part 2", available at: [www.adobe.com/engagement/pdfs/partII.pdf](http://www.adobe.com/engagement/pdfs/partII.pdf) (accessed 9 March 2011).
- Economist Intelligence Unit (EIU) (2007c), "The engaged constituent: meeting the challenge of engagement in the public sector, part 1", available at: [www.adobe.com/engagement/pdfs/execsumadobe1.pdf](http://www.adobe.com/engagement/pdfs/execsumadobe1.pdf) (accessed 9 March 2011).
- Economist Intelligence Unit (EIU) (2007d), "The engaged constituent: meeting the challenge of engagement in the public sector, part 2", available at: [www.adobe.com/engagement/pdfs/adobeengage1.pdf](http://www.adobe.com/engagement/pdfs/adobeengage1.pdf) (accessed 9 March 2011).
- Ertell, K. (2010), "The missing links in the customer engagement cycle", available at: [www.retailshakennotstirred.com/retail-shaken-not-stirred/2010/01/the-missing-link-in-the-customer-engagement-cycle.html](http://www.retailshakennotstirred.com/retail-shaken-not-stirred/2010/01/the-missing-link-in-the-customer-engagement-cycle.html) (accessed 9 March 2011).
- Firat, F.A. and Dholakia, N. (2006), "Theoretical and philosophical implications of postmodern debates: some challenges to modern marketing", *Marketing Theory*, Vol. 6 No. 2, pp. 123-62.
- Forrester Consulting (2008), "How engaged are your customers?", available at: [www.adobe.com/engagement/pdfs/Forrester\\_TLP\\_How\\_Engaged\\_Are\\_Your\\_Customers.pdf](http://www.adobe.com/engagement/pdfs/Forrester_TLP_How_Engaged_Are_Your_Customers.pdf) (accessed 9 March 2011).
- Gallup Consulting (2009), "Customer engagement: what's your engagement ratio?", available at: [www.gallup.com/consulting/File/121901/Customer\\_Engagement\\_Overview\\_Brochure.pdf](http://www.gallup.com/consulting/File/121901/Customer_Engagement_Overview_Brochure.pdf) (accessed 9 March 2011).
- Gallup Consulting (2010), "Customer engagement: the customer side of the HumanSigma equation", available at: <http://eu.gallup.com/Consulting/118180/Customer-Engagement.aspx> (accessed 9 March 2011).
- Garbarino, E. and Johnson, M.S. (1999), "The different roles of satisfaction, trust, and commitment in customer relationships", *Journal of Marketing*, Vol. 63, April, pp. 70-87.
- Gronroos, C. (1994), "From marketing mix to relationship marketing: towards a paradigm shift in marketing", *Management Decision*, Vol. 29 No. 1, pp. 7-13.
- Gustafsson, A., Johnson, M.D. and Roos, I. (2005), "The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention", *Journal of Marketing*, Vol. 69, October, pp. 210-8.
- Hadcroft, P. and Jarratt, D. (2007), "Market orientation: an iterative process of customer and market engagement", *Journal of Business-to-Business Marketing*, Vol. 14 No. 3.
- Hanssen, K.J. and Faegri, T.E. (2006), "Agile customer engagement: a longitudinal qualitative case study", *Proceedings of the 2006 ACM/IEEE International Symposium on Empirical Software Engineering in Rio de Janeiro*, pp. 164-73.



- Harrison, T.M. and Barthel, B. (2009), "Wielding new media in Web 2.0: exploring the history of engagement with the collaborative construction of media products", *New Media and Society*, Vol. 11 Nos 1-2, pp. 155-78.
- Harrison-Walker, L.J. (2001), "The measurement of word-of-mouth communication and an investigation of service quality and customer commitment as potential antecedents", *Journal of Service Research*, Vol. 4 No. 1, pp. 60-75.
- Harter, J.K., Schmidt, F.L. and Hayes, T.L. (2002), "Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis", *Journal of Applied Psychology*, Vol. 87 No. 2, pp. 268-79.
- Hibbard, J.D., Kumar, N. and Stern, L.W. (2001), "Examining the impact of destructive acts in marketing channel relationships", *Journal of Marketing Research*, Vol. 38, February, pp. 45-61.
- Jaworski, B.J. and Kohli, A.K. (1993), "Market orientation: antecedents and consequences", *Journal of Marketing*, Vol. 57, July, pp. 53-70.
- Kaufmann, P.J. and Stern, L.W. (1988), "Relational exchange norms, perceptions of unfairness, and retained hostility in commercial litigation", *Journal of Conflict Resolution*, Vol. 32, September, pp. 534-52.
- McKitterick, J.B. (1957), "What is the marketing management concept?", in Bass, F.M. (Ed.), *The Frontiers of Marketing Thought and Science*, American Marketing Association, Chicago, IL, pp. 71-92.
- Macneil, I.R. (1981), "Economic analysis of contractual relations: its shortfalls and the need for a 'rich classificatory apparatus'", *Northwestern University Law Review*, Vol. 75 No. 6, pp. 1018-63.
- Mittal, V. and Kamakura, W.A. (2001), "Satisfaction, repurchase intent, and repurchase behavior: investigating the moderating effect of customer characteristics", *Journal of Marketing Research*, Vol. 38, February, pp. 131-42.
- Morgan, R.M. and Hunt, S.D. (1994), "The commitment-trust theory of relationship marketing", *Journal of Marketing*, Vol. 58, July, pp. 20-38.
- Nordin, F. (2009), "Transcendental marketing: a conceptual framework and empirical examples", *Management Decision*, Vol. 47 No. 10, pp. 1652-64.
- Oliver, R.I. (1993), "Cognitive, affective, and attribute bases of the satisfaction response", *Journal of Consumer Research*, Vol. 20, December, pp. 418-30.
- Oliver, R.I., Rust, R.T. and Varki, S. (1997), "Customer delight: foundations, findings, and managerial insight", *Journal of Retailing*, Vol. 73 No. 3, pp. 311-36.
- Porter, M.E. (1974), "Consumer behavior, retailer power and market performance in consumer goods industries", *Review of Economics and Statistics*, Vol. 56 No. 4, pp. 419-36.
- Prahalad, C.K. and Ramaswamy, V. (2004), "Co-creation experiences: the next practice in value creation", *Journal of Interactive Marketing*, Vol. 18 No. 3, pp. 5-14.
- Salanova, M., Agut, S. and Peiro, J.M. (2005), "Linking organizational resources and work engagement to employee performance and customer loyalty: the mediation of service climate", *Journal of Applied Psychology*, Vol. 90 No. 6, pp. 1217-27.
- Sashi, C.M. (2009), "Buyer behavior in business markets: a review and integrative model", *Journal of Global Business Issues*, Vol. 3 No. 2, pp. 129-38.
- Sashi, C.M. and Stern, L.W. (1995), "Product differentiation and market performance in producer goods industries", *Journal of Business Research*, Vol. 33 No. 2, pp. 115-27.

- Sawhney, M., Verona, G. and Prandelli, E. (2005), "Collaborating to create: the internet as a platform for customer engagement in product innovation", *Journal of Interactive Marketing*, Vol. 19 No. 4, pp. 1-14.
- Shevlin, R. (2007), "Customer engagement is measurable", available at: <http://marketingroi.wordpress.com/2007/10/02/customer-engagement-is-measurable/> (accessed 9 March 2011).
- Thackeray, R., Neiger, B.I., Hanson, C.L. and McKenzie, J.F. (2008), "Enhancing promotional strategies within social marketing programs: use of Web 2.0 social media", *Health Promotion Practice*, Vol. 9 No. 4, pp. 338-43.
- Tikkanen, H., Hietanen, J., Henttonen, T. and Rokka, J. (2009), "Exploring virtual worlds: success factors in virtual world marketing", *Management Decision*, Vol. 47 No. 8, pp. 1357-81.
- Urban, G.L. (2004), "The emerging era of customer advocacy", *MIT Sloan Management Review*, Vol. 45 No. 2, pp. 77-82.
- Wikipedia (2011), "Customer engagement", available at: [http://en.wikipedia.org/wiki/Customer\\_engagement](http://en.wikipedia.org/wiki/Customer_engagement) (accessed 9 March 2011).
- Williamson, O.E. (1985), *The Economic Institutions of Capitalism*, Free Press, New York, NY.
- Williamson, O.E. (2000), "The new institutional economics: taking stock, looking ahead", *Journal of Economic Literature*, Vol. 38, September, pp. 595-613.
- Wirtz, B.W., Schilke, O. and Ullrich, S. (2010), "Strategic development of business models: implications of the Web 2.0 for creating value on the internet", *Long Range Planning*, Vol. 43 Nos 2-3, pp. 272-90.

#### **About the author**

C.M. Sashi received a PhD in Marketing from the Kellogg School of Management at Northwestern University, an MBA from the Indian Institute of Management, Calcutta, and a BTech in Mechanical Engineering from the Indian Institute of Technology, Kharagpur. His dissertation research won awards from the American Marketing Association and Marketing Science Institute and his research has been published in several journals and presented at many conferences. He has taught at Northwestern, Washington, and Florida Atlantic Universities and has twice received the TIP award for excellence in teaching at Florida Atlantic University. C.M. Sashi can be contacted at: [sashic@fau.edu](mailto:sashic@fau.edu)