Investigating the Role of Customer Brand Engagement and Relationship Quality on Brand Loyalty:
An Empirical Analysis

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ABSTRACT

The main aim of this article is to investigate the role of customer-brand engagement (CBE) and relationship quality (RQ) when individuals engage online with a brand. The study empirically examines the serial mediation of CBE and RQ between customer participation and brand loyalty. The research included a posttest only, in a quasi-experiment design, with two comparative groups: Purchasers and nonpurchasers. A total of 215 students were invited to engage with a selected brand on Facebook for 5 days consecutively, and for 20 minutes each day. Subsequently, the participants’ opinions were collected using a questionnaire. Process Macros was used to test the serial mediation (Hayes, 2013). The results confirm that CBE does not mediate among the purchasers’ group, however, CBE and RQ exhibit serial mediation. Also, RQ does not mediate among the nonpurchasers’ group. This evidence suggests that purchasers do not exhibit loyalty through engagement alone and confirms that CBE is beyond transactions. Finally, results support the importance of CBE for the management to improve brand loyalty.

KEYWORDS
Cocreate, Customer Engagement, Facebook, Online Communities, Participation, Relationship Quality, Serial Mediation, Social Media

INTRODUCTION

Advancements in technology are certainly bringing dramatic changes in the marketing landscape. The introduction of social media has made consumers even more powerful in terms of information, options, and processes they can access, posing greater challenges to marketers (Constantinides, Romero, & Boria, 2009). In addition, interesting features, such as user-generated content and interactivity across different groups, increase the potential of better service and feedback (Hoyer, Chandy, Dorotic, Krafft, & Singh, 2010; Nambisan & Nambisan, 2008; Rose, Clark, Samouel, & Hair, 2012). This opportunity of interaction with the customer allows retailers to engage their customers in nontransactional activities, such as blogging, liking, commenting, recommending, and writing

DOI: 10.4018/IJEBR.2018070103

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reviews about the brands (Van Doorn et al., 2010). This is termed as ‘customer engagement’ (Van Doorn et al., 2010; Verhoef, Reinartz, & Krafft, 2010). These activities help marketers to identify their strengths and weaknesses accordingly.

Though the concept of engagement is widely discussed in other kinds of disciplines, such as psychology, sociology, and organizational behavior (Achterberg et al., 2003; Saks, 2006), the importance of customer engagement (CE) and its implications have been explored in marketing literature very recently (Bowden, 2009). Even in the business practice, the results of engaging customer made it an important marketing strategy. The (Marketing, 2014) listed CE as its key research priority for the years 2010-12 and continued to maintain it as a key research area for the years 2014-16, too.

The conceptual roots of CE can be drawn on the interactive, social, and experiential nature of transcending the view of relationships which Vargo and Lusch (2008) proposed in their service-dominant logic. The engaging customers also participate to cocreate service and products (Roderick J. Brodie, Hollebeek, Jurić, & Ilić, 2011) of value through interactions. In return, this generates useful insights to marketers to provide better service and products.

Ultimately, identifying loyal customers is important, since these customers would bring new customers to the firm through nontransaction activities in the brand communities. (Aksoy et al., 2013) suggested that customers who are loyal or delighted share their experience with others on social media in an interactive form. In recent times, customer engagement is considered as a powerful predictor of the customer’s behavioral and attitudinal outcomes (Bowden, 2009; Hollebeek, 2011a).

CE is the psychological state (Bowden, 2009; Hollebeek, 2011a) that goes beyond transactions (Van Doorn et al., 2010), develops trust and satisfaction, and, thereby, drives the customer towards a transactional behavior. Another school of thought sustains that customers’ transactional relationship generates trust and commitment, and thus motivates clients to emotionally engage with the brand (Pansari & Kumar, 2017), as Figure 1 shows. This creates the curiosity to study and clarify the role of engagement as an antecedent or consequence among new and existing customers.

Since two different engagement process flows take place for existing (purchasers) and new customers (nonpurchasers), this study aims to investigate whether customer-brand engagement (CBE) and relationship quality (RQ) play a different influential role in producing brand loyalty when the customer is engaged with a specific brand. The study intends to examine:

Figure 1. Different engagement flow for existing and new customers
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